

WITHDRAWAL SHEET

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DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	From Christine A. Varney to POTUS re: Summary of Weekly Cabinet Reports, 1p (partial)	7/15/94	P1/B1

- P1** National security classified information [(a)(1) of the PRA].
- P2** Relating to appointment to Federal office [(a)(2) of the PRA].
- P3** Release would violate a Federal statute [(a)(3) of the PRA].
- P4** Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P5** Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P6** Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- PRM** Personal records misfile defined in accordance with 44 USC 2201 (3).

RESTRICTIONS

- B1** National security classified information [(b) (1) of the FOIA].
- B2** Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- B3** Release would violate a Federal statute [(b)(3) of the FOIA].
- B4** Release would disclose trade secrets or confidential commercial financial information [(b)(4) of the FOIA].
- B6** Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- B7** Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B8** Release would disclose information concerning the regulation of financial institutions [(b)(9) of the FOIA].
- B9** Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

Roz

Prepare ltr. to Thwait -
let's try to mail
Tues.

This looks pretty good.
I made a small edit
on p. 2.

WAG

11/5/93

THE WHITE HOUSE
WASHINGTON

Carel,

These are drafts of your
response letters that Tese
and I worked on.

Bill Gralston has not seen
the response on Drug-Free
schools, so you may want
him to take a look at it.

Also, we haven't received the
enclosure referred to in the
letter from the Edu. Dept.
I'll bring it over when they
send it.

Sonja

pls review
Carm

ARKANSAS DEPARTMENT OF HEALTH
BUREAU OF ALCOHOL AND DRUG ABUSE PREVENTION
FACSIMILE TRANSMISSION
COVER SHEET

FAX (501) 682-6610

DATE October 12, 1993

TO: Ms. Carol Rasco FAX # (202) 456-2878

FROM: Janice Choate (501) 682-6659
PHONE NUMBER

MESSAGE FROM SENDER:

orig: CLK

xc: Jose -

Can you look into this & consult w/ Halston if need I need a draft response plz

CL

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET 3
IF YOU HAVE ANY PROBLEMS RECEIVING THIS MESSAGE, PLEASE CALL:

Michelle Finkerton AT (501) 682-6656
NAME PHONE NUMBER

MAILING ADDRESS
108 EAST 7TH STREET
400 WALDON BUILDING
LITTLE ROCK, AR 72201
(501) 682-6656



JIM GUY TUCKER
GOVERNOR

Arkansas DEPARTMENT OF HEALTH
Bureau of Alcohol and Drug Abuse Prevention

108 East 7th Street, 400 Weldon Building
Little Rock, AR 72201
Telephone (501) 682-6656
FAX (501) 682-6610

October 12, 1993

Ms. Carol Rasco
Assistant to the President
Domestic Policy
Second Floor, West Wing
The White House
Washington, D.C. 20500

Dear Carol:

I am writing to express support for and value of the Drug-Free Schools and Communities Centers. As you know, I have served as a representative on the Southwest Regional Center's Coordinating Council for six years. Our state has benefitted greatly from the training, workshops, technical assistance, resources, materials and conferences that have been provided by the Southwest Regional Center.

USDE recommendations for reauthorization of the Elementary and Secondary Education Act (ESEA) eliminate the Drug-Free Schools and Communities Regional Centers in the present form. The proposed legislation recommends the establishment of ten (10) comprehensive regional technical assistance centers. We believe these "mega" centers will only increase the cost of delivery of services to clients. We anticipate this requiring additional expenditure of resources to fund another bureaucratic level of authority. Burying the USDE's only major technical assistance component inside a large consolidated TA Center will hinder the ability of the centers to function collaboratively with the other actors at the federal, state and local level.

This is a real concern to those of us in the trenches and I am asking for whatever help you might be able to provide in this regard.

Thank you.

Sincerely,



Janice Choate

JC:yb

cc: Joe M. Hill, Director, ADAP

DRAFT

November 8, 1993

Ms. Janice Choate
Arkansas Department of Health
Bureau of Alcohol and Drug Abuse Prevention
108 East 7th Street
400 Waldon Building
Little Rock, Arkansas 72201

Dear Janice:

Thank you for your letter expressing concern about the Department of Education's proposal to consolidate its regional technical assistance centers. Given the years of experience you have with Drug Free School and Community Centers, I take your concerns seriously.

Although I understand your apprehension with restructuring the current system of regional centers, I believe the potential rewards of more comprehensive technical assistance centers -- that coordinate all efforts to eradicate drugs and violence in our schools -- are enormous. For example, consider the following changes:

- (1) Each of the technical centers will act as a clearinghouse of information about successful programs across that the nation that are making substantial inroads in the fight against drugs and violence. This service will also include information on the availability of federal and state grants, public documents including federal program legislation and regulations, and promising instructional and organizational practices used across the nation.
- (2) The assistance centers will consolidate the work of the previous categorical centers under one umbrella organization, providing the same level of expertise in the area of drug abuse, despite the unique characteristic, scope, or magnitude of various projects. This single point of contact will provide greater accessibility and comprehensive service to all clients.

This is consistent with The Administration's general commitment to service integration and "one-stop shopping."

- (3) Because the centers will no longer be issue specific, the advisory role they perform when addressing actual implementation problems will be enhanced by the availability of wide-spread information and experience at one location.

As you and I know, we cannot continue to deal with the issue of illegal drug use in isolation -- our anti-drug efforts must be linked to our efforts to reform our educational system, to revitalize the economy and to better our health care system. I am confident that the proposed changes to the DFSC Act will help us do that.

Again, thanks for bringing this issue to my attention. For your information, I have enclosed a copy of the changes the Department of Education has proposed in its Elementary and Secondary Education Authorization. I will keep your views in mind as we consider these issues. Please let me know if I can be of any further assistance.

Carol H. Rasco
Assistant to the President
for Domestic Policy

THE WHITE HOUSE
WASHINGTON

January 31, 1994

MEETING WITH JIM BURKE AND JOE CALIFANO

DATE: February 1, 1994

LOCATION: OVAL OFFICE

TIME: 2:30pm - 3:00pm

From: David Gergen and Carol Rasco

I. PURPOSE

To discuss drug policy with leading anti-drug advocates.

II. BACKGROUND

Jim Burke is chairman of the Partnership for a Drug-Free America. His involvement in anti-drug campaigns dates back to the Bush administration when he was the head of President Bush's Drug Advisory Council (a private sector arm of the drug office which our administration has eliminated). He is also a former CEO of Johnson & Johnson.

Joseph Califano is currently head of CASA, the Center on Addiction and Substance Abuse at Columbia University. He was Secretary of Health, Education and Welfare under the Carter Administration and a close advisor to President Lyndon Johnson.

III. PARTICIPANTS

The President
Jim Burke
Joe Califano
Dr. Lee Brown
David Gergen
Carol Rasco
George Stephanopoulos (invited)
Jose Cerda

IV. PRESS PLAN

Closed to press.

*file:
ONDCP*

V. SEQUENCE OF EVENTS

- Guests escorted into Oval Office
- Meeting breakdown:
 - Carol Rasco will start the meeting and lay out the agenda.
 - Dr. Lee Brown gives a brief overview of administration's drug policy.
 - Joe Califano offers his thoughts on our drug policy.
 - Jim Burke offers his thoughts on our drug policy.
 - General discussion.
- Guests escorted from Oval Office

VI. REMARKS

None required. See attached briefing memo.

THE WHITE HOUSE

WASHINGTON

January 31, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOSE CERDA

SUBJECT: MEETING WITH JIM BURKE AND JOE CALIFANO

I. Jim Burke and Joe Califano

Jim Burke and Joe Califano -- two of the most significant leaders in the anti-drug community -- are coming to discuss drug policy. As you know, Califano and Burke have both been eager to help the Administration formulate its drug policy. Burke has met with the First Lady and David Gergen and has requested a meeting with you prior to the release of the 1994 National Drug Control Strategy. We thought it would be helpful to invite Califano as well.

Jim Burke -- As Chairman of the Partnership for a Drug-Free America, which has led the \$1.5 billion, private sector effort against drugs, Burke is concerned that the Administration has been silent on the drug issue. He points out that you have spoken quite eloquently about the problem of crime and violence in America, but without really incorporating the role that drugs play in crime and violence. Fully 80% of criminals arrested for violent felonies were on drugs when they committed the crime.

Burke further points out that the "denormalization" of drugs is essential to curbing drug use, particularly among our youth who -- after 6 years of declines in drug use -- are showing signs of increased tolerance and use. To help bolster the anti-drug message, Burke wants you and the rest of the White House to help inspire anew a strong, "no-use" message by working with the private sector (prominent CEOs, advertising agencies, and the entertainment industry) and community-based groups.

Joe Califano -- As Director of the Columbia University's Center on Addiction and Substance Abuse, he recently sent you a memorandum on the issue of substance abuse. In his memorandum, Califano points out that you're taking unnecessary criticisms on the substance abuse issue and suggests that you lead an all fronts attack on substance abuse through research, treatment and prevention.

On research: Califano suggests that you make big dollars available for substance abuse research. He argues that our best minds are currently in cancer research because that's where the money is.

On prevention: Here Califano advises that you use the "bully pulpit" to reinvigorate the anti-drug and alcohol message. That's how he started the no-smoking revolution when he was Secretary of HEW.

On treatment: Califano recommends that you provide modest increases to the treatment budget and make the case that treatment works. Many treatment centers, Califano points out, have success rates that compare favorably with long-shot cancer therapies into which the government pours billions of dollars.

II. Background on Drug Policy

Last year, the Administration submitted an abridged Interim Strategy that called for a new direction in the fight against illegal drugs. It made the case for an increased priority on the demand reduction efforts that can directly address hard-core drug use and its ripple effect on society through increased crime, health costs, etc. Although there is broad consensus in the Congress and in much of the drug demand and supply reduction community for the policies and changes articulated in the Interim Strategy, the document was criticized by many because of its lack of budget back-up. Republicans on the Hill have also pointed to the dramatic downsizing of the Office of National Drug Control Policy (ONDCP), to the cuts in treatment and prevention funding on the Hill, to the proposed merger of the FBI and DEA, to the statements of the Surgeon General, and -- as of today -- to the reported increase in casual drug use amongst our youth as signs of the Administration's abandonment of the drug issue.

III. The 1994 National Drug Control Strategy

The 1994 National Drug Control Strategy builds on the Interim Strategy -- but is backed up by funding increases in priority drug programs. It states that despite spending \$56 billion since the first Strategy 5 years ago, drug use and trafficking remains a significant problem in America today: hard-core drug use -- defined by those heaviest drugs users who use drugs weekly -- continues unabated; casual or intermittent drug use, after dropping for 6 consecutive years, seems to be on the rise for in-school youth; drug-related violence has not dropped significantly; and, despite a record number of seizures, the amount of illegal drugs entering into the country has actually increased. The Strategy proposes four major policy/budget proposals. These include:

Hard-Core User Initiative: The Strategy proposes the largest ever increase in treatment for hard-core drug users -- \$355 million -- and an overall treatment increase of \$360 million or 14.3%. Increasing treatment opportunities is not only compassionate, but it makes sense. The National Institute on Drug Abuse has found that for every \$1 we spend on treatment we save \$7 -- \$3 in the form of reduced public

spending and \$4 in the form of increased productivity. This new initiative will treat an additional 74,000 addicts.

More and Better Safe and Drug-Free Schools: The Strategy provides for a \$660 million investment in the new Safe and Drug-Free Schools program -- an increase of \$190.5 million over last year's budget. This investment is intended to give every student in grades K-12 the opportunity to receive drug and alcohol use and violence prevention education. Today, HHS announced the first significant increase in drug use among our youth in six years. In response, Secretaries Shalala and Riley and Dr. Brown announced the inclusion of these monies in your FY 95 budget.

Community Policing: The Strategy acknowledges that we won't be able to successfully treat addicts unless we continue to reduce drug availability and allow communities to take back their streets from drug traffickers. The drug budget includes a \$568 million increase for more police and community policing (Only half of the proposed increase in your budget for police is scored as drug-related).

Source Country Assistance: The fourth major budget initiative in the Strategy is an increase of \$73 million for the State Department to support source country efforts to reduce the availability of illegal drugs through law enforcement training, judicial reform, crop control, sustainable development, interdiction and demand reduction efforts. This supports the Presidential Decision Directive that you signed, which called for a "controlled shift" from interdiction efforts in the transit zones to the types of activities mentioned above in source countries.

IV. Suggested Points to Make

- Recognize that doing something about drugs is essential to the success of the Administration's entire domestic agenda -- health care, welfare reform and crime.
- As two of the leading drug policy experts, acknowledge their advice and indicate that we have already started to heed it. The reference to drugs in the State of the Union was well received, and the Administration intends to continue to make the connection between crime, violence and drugs.
- Next Wednesday (February 9th), you and Dr. Brown plan to release the Administration's first full drug strategy. The Strategy includes substantial increases for drug treatment and prevention -- even an \$18 million increase in drug-related research. It increase the percentage of the drug budget that is spent of demand reduction programs from 36% to 41%.
- Ask them for their help in promoting the Strategy. Burke and Califano have considerable weight with editorial writers, who have been critical of your anti-drug efforts thus far. We will need their help.

THE WHITE HOUSE
WASHINGTON

February 8, 1994

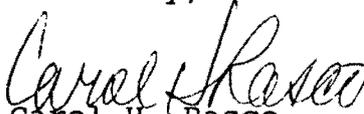
Maggie L. Petito
Drug Screening Systems, Inc.
604 VPR Commerce Center - 1001 Lower
Landing Rd.
P.O. Box 579
Blackwood, NJ 08012

Dear Ms. Petito:

Thank you for taking the time to write and share your thoughts with me on CLIA changes. It is very important that this Administration hear from individuals like yourself who have valuable information to contribute. I have shared your letter with staff members of the Department of Health and Human Services.

Again, thank you for writing.

Sincerely,



Carol H. Rasco
Assistant to the President for
Domestic Policy

CHR:ram



Drug Screening Systems Inc.

G : CLIA changes

JAN 26 REC'D

"...shared your letter with HHS (spell out)."

Personal signature

Sent 2/8

cc: Sec. ~~Bhatnagar~~ (w/ source)

TO: Ms. Carol Rasco, the White House
FROM: Maggie Petito
DATE: January 24, 1994
RE: Proposed CLIA Language

Please know that I hope that the enclosed materials, copies of which have been sent to other officials as indicated, are useful to you. You will note that we have included sample draft language which should address the inconsistencies in the Clinical Laboratory Improvement Act (CLIA). You may find the language useful. I would appreciate knowing your opinion upon review and welcome your comments. Please let me know if you need additional materials.

Also attached is a copy from HHS Appropriations language which indicates a specific deadline from HHS regarding its review of the benefits of utilizing on-site drug screens. It will be a pleasure to serve you and HHS in any appropriate fashion in completing this examination this February, 1994.

As you may know, we have determined that there exists absolutely every valid reason why accurate, FDA-approved immunoassay-based drug screens should be encouraged as part of testing capabilities throughout our workplaces, hospitals, laboratories, criminal system and treatment settings. We ask your support and encouragement: your leadership in these matters means so much.

Again, I look forward to hearing from you and to going over this urgent matter with you at your earliest convenience.

Regards,

M. J. Petito

Corporate Headquarters

604 VPR Commerce Center • 1001 Lower Landing Road
P.O. Box 579 • Blackwood, NJ 08012
609-228-8500 • FAX: 609-228-8571 • 1-800-247-3784

Washington Office

6692 32nd Place, N.W. • Washington, D.C. 20015
202-362-2502 • FAX: 202-362-2414



Drug
Screening
Systems
Inc.

January 18, 1994

Ms. Ann Manley
Health Care Financing Administration
Office of Legislation and Policy
341 H Hubert Humphrey Building
200 Independence Ave., S.W.
Washington, D.C. 20201

Dear Ann:

Thank you for speaking with me the other day regarding CLIA. We urge that HCFA permanently exempt employment drug testing and drug treatment monitoring drug testing from the CLIA regulations.

Employment Drug Testing:

The CLIA statute, from which the HCFA regulations were derived, does not govern employment drug testing. The CLIA statute was enacted to insure the quality of medical diagnostic laboratory testing in the United States. The CLIA legislation did not address employment drug testing. We have studied the Congressional record on CLIA and it is clear that employment drug testing was not intended to be addressed by CLIA.

Employment drug testing gives rise to complex issues in trying to balance between protection of personal privacy, workplace productivity, and public safety. With the availability of highly accurate, FDA-approved on-site drug tests, these difficult issues are being effectively and fairly addressed in a variety of ways including union negotiation, employee assistance programs and, as a matter of last resort, the courts. In addition, Congress currently has two bills before it which comprehensively address this issue. In light of the above, CLIA and HCFA are clearly not the appropriate vehicles to address these issues.

The CLIA regulations define a laboratory as a facility which examines materials from the human body "for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, human beings" (57 Fed Reg 7139). Some claim that an employment drug test provides such a "health assessment", however, the application of such an extra-legal interpretation of an employment drug test completely mischaracterizes the purposes for such

Corporate Headquarters

603 VPR Commerce Center • 1001 Lower Landing Road
P.O. Box 579 • Blackwood, NJ 08012
609-228-8500 • Fax: 609-228-8571 • 1-800-247-3784

Washington Office

6692 32nd Place, N.W. • Washington, D.C. 20015
202-362-2502 • Fax: 202-362-2414

Ms. Ann Manley
1/18/94
Page Two

testing. Employment drug tests are designed to detect the presence of controlled dangerous substances in body fluids of the tested individual, not to diagnose or treat disease or addiction. The results of the such tests alone provide no reliable basis for a comprehensive treatment program for addiction. There are a wide variety of medical procedures which are appropriate for use in developing an effective diagnosis and treatment plan for an addiction.

An employment drug test does not diagnose someone as an addict. There have been claims made by some employees who tested positive for drugs that the drug test "diagnosed" them as drug abusers and thereby entitled them to protection as handicapped or disabled persons. The courts have carefully reviewed numerous claims such as these, and do not agree that drug tests provide any basis for a medical evaluation of disability or illness. See Copeland v. Philadelphia Police Dept., 840 F.2d 1139 (3rd Cir. 1988), cert denied 109 S. Ct. 1636 (1989); McClead v. Detroit, 39 FEP Cases (BNA) 225 (E.D. Mich. 1985)

Congress has also studied this issue and has been very explicit in its view on this matter in the language of the Americans with Disabilities Act of 1990 where it states that "a test to determine the illegal use of drugs shall not be considered a medical examination" (42 U.S.C. 12114(d)).

Employers have various goals in implementing a drug testing program that are clearly not medical diagnostic concerns. These goals included:

- (a) to promote a drug free society and ensure the integrity of employees;
- (b) to promote workplace safety and efficiency;
- (c) to protect national security interests;
- (d) to reduce the employer's out-of-pocket costs caused by accidents, absenteeism, sick leave, and use of medical benefits;
- (e) to prevent theft and blackmail;
- (f) to promote co-worker morals and
- (g) to prevent embarrassment to the employer.

All of the above goals have been upheld in court cases as areas in which employers have great latitude.

We appreciate the concern of HHS regarding the accuracy of drug testing (even if drug testing were not effective) however, CLIA cannot be used to regulate employment testing.

Ms. Ann Manley
1/18/94
Page Three

Our country is becoming increasingly concerned about employment costs and the burden of government on our competitive posture in the world. CLIA increases those costs and burdens to employers, employees, and society without a demonstrable benefit.

CLIA regulation of employment drug testing will impose unacceptable burdens on employers in a variety of ways. With respect to pre-employment drug testing, CLIA will seriously undermine our national drug-free workplace effort by increasing costs and making employers concerned about having to meet additional federal requirements. It would also eliminate on-site drug testing as a useful tool.

Drug Treatment Monitoring Drug Testing:

Part of our discussion focused on drug treatment monitoring drug testing under CLIA. We urge that such testing be exempt from CLIA.

CLIA should not regulate treatment drug tests that are used for monitoring someone's drug-free status. Such tests are not used for a medical diagnoses, but merely to show if the person is drug-free. Monitoring tests occur after a person has received a diagnosis.

The final CLIA regulations draw a very narrow definition of drug testing that is exempt from coverage, stating that criminal justice tests (forensic tests) such as those required by probation, parole and any treatment drug tests associated with the criminal justice system are exempt. Most criminal justice drug testing is used to monitor clients. What is the difference between that and treatment?

HCFA attempts to resolve this inconsistency with the contrived distinction that criminal justice tests are for "forensic purposes", i.e. tests that "may be relevant to legal proceedings". These tests in the mind of HCFA are somehow different than non-forensic tests. (57 Fed Reg 7014). HCFA's logic is that if a drug test is not related to some forensic purpose then it is a "health assessment". Drug treatment tests may also be used in forensic capacity and often are.

Under the apparent CLIA interpretation of permissible drug testing, alcohol and drug treatment facilities would be prohibited from conducting routine on-site drug testing to monitor patient drug use. All drug tests, except those used for criminal justice purposes, would have to use a CLIA certified laboratory which delays access to the results and dramatically increases costs to

Ms. Ann Manley
1/18/94
Page Four

already stretched budgets within such programs. The significant increase in costs alone will result in fewer services being available to an ever growing client population seeking drug rehabilitation services.

There are additional administrative problems posed by the distinction between forensic and non-forensic tests. Most treatment programs serve clients who are criminal justice referrals and clients who came in on their own. The HCFA interpretation will cause these programs to operate two drug testing systems. This will cause confusion, expense, and will most definitely have a chilling effect on use of drug testing.

I look forward to a prompt and successful conclusion to these matters. I am sure you agree that the American public will be well-served.

Sincerely,



Magaret L. Petito
Director of Government Relations

MLP/hb

cc: Bruce Edelman, Esq.
Secretary Shalala
Dr. Autry, NIDA
Senator Bradley
Senator Lautenberg
Congressman Andrews
Congressman Gilman
Carol Rasco, White House
Senator Biden

Dr. Vladeck, CLIA
Jose Cerda, White House
Tom Gustofson, HHS
Dr. Donna Smith, DOT
Senator Specter
Senator Nickles
Senator Gramm
Senator Kennedy
Senator DeConcini

**SUGGESTED AMENDMENTS TO THE HCFA CLIA REGULATIONS TO EXEMPT
EMPLOYMENT AND SUBSTANCE ABUSE TREATMENT DRUG TESTING**

The HCFA CLIA Regulations 42 CFR 493.1 are published in the February 28, 1992 Federal Register, Vol. 57 page 7002

AMENDMENTS ARE CAPITALIZED AND UNDERLINED

1. AMENDMENTS TO DEFINITIONS (57 Federal Register 7139)

Beginning of CLIA regulations text:

@ 493.2 Definitions.

As used in this part --

Accredited institution means a school or program which --

(a) Admits as regular student only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate;

(b) Is legally authorized within the State to provide a program of education beyond secondary education;

(c) Provides an educational program for which it awards a bachelor's degree or provides not less than a 2-year program which is acceptable for full credit toward such a degree, or provides an educational program for which it awards a master's or doctoral degree;

(d) Is accredited by a nationally recognized accrediting agency or association.

This definition includes any foreign institution of higher education that HHS or its designee determines meets substantially equivalent requirements.

Analyte means a substance or constituent for which the laboratory conducts testing.

Authorized person means an individual authorized under State law to order tests or receive test results, or both.

Automated means an instrument or test system in which all analytical processes, including sample and reagent uptake, sample/reagent interaction, chemical/biological analysis, result calculation and result readout are mechanized.

Challenge means, for quantitative tests, an assessment of the amount of substance or analyte present or measured in a sample. For qualitative tests, a challenge means the determination of the presence or the absence of an analyte, organism, or substance in a sample.

CLIA means the Clinical Laboratory Improvement Amendments of 1988.

"DRUG TESTING" MEANS ANY PROCEDURE USED TO TAKE AND ANALYZE BLOOD, BREATH, HAIR, URINE OR OTHER BODILY FLUIDS OR MATERIALS FOR THE PURPOSE OF DETECTING THE PRESENCE OR ABSENCE OF A DRUG OR ITS METABOLITES.

"DRUG TESTING FOR EMPLOYMENT PURPOSES" MEANS DRUG TESTING BY AN EMPLOYER TO DETECT ILLEGAL USE OF DRUGS AMONG JOB APPLICANTS OR EMPLOYEES. DRUG TESTING FOR EMPLOYMENT PURPOSES SHALL NOT BE DEFINED AS A MEDICAL EXAMINATION OR A HEALTH ASSESSMENT.

"FORENSIC DRUG TESTING" MEANS DRUG TESTING FOR USE IN THE CRIMINAL JUSTICE SYSTEM AS EVIDENCE OR TO MONITOR OFFENDERS.

HHS means the Department of Health and Human Services, or its designee.

Kit means all components of a test that are packaged together.

Laboratory means a facility for the biological, microbiological, serological, chemical, immunohematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, human beings. These examinations also include procedures to determine, measure, or otherwise describe the presence or absence of various substances or organisms in the body. Facilities only collecting or preparing specimens (or both) or only serving as a mailing service and not performing testing are not considered laboratories.

Performance characteristic means a property of a test that is used to describe its quality, e.g., accuracy, precision, analytical sensitivity, analytical specificity, reportable range, reference range, etc.

Performance specification means a value or range of values for a performance characteristic, established or verified by the laboratory, that is used to describe the quality of patient test results.

Referee laboratory means a laboratory currently in compliance with applicable CLIA requirements, that has had a record of

satisfactory proficiency testing performance for all testing events for at least one year for a specific test, analyte, subspecialty, or specialty and has been designated by an HHS approved proficiency testing program as a referee laboratory for analyzing proficiency testing specimens for the purpose of determining the correct response for the specimens in a testing event for that specific test, analyte, subspecialty, or specialty.

Reference range means the range of test values expected for a designated population of individuals, e.g., 95 percent of individuals that are presumed to be healthy (or normal).

Reportable range means the range of test values over which the relationship between the instrument, kit, or system's measurement response is shown to be valid.

Sample in proficiency testing means the material contained in a vial, on a slide, or other unit that contains material to be tested by proficiency testing program participants. When possible, samples are of human origin.

Semi-automated means an instrument or system in which some of the steps in the analytical process are mechanized but others require operator intervention.

State-exempt laboratory means a licensed laboratory in a State whose licensure program is approved by HCFA and is exempt from CLIA requirements (i.e., State-exempt).

"SUBSTANCE ABUSE TREATMENT DRUG TESTING" MEANS DRUG TESTING SOLELY FOR THE PURPOSE OF DETERMINING A SUBSTANCE ABUSE PATIENT'S DRUG-FREE STATUS.

[END OF AMENDMENTS TO DEFINITIONS]

2. AMENDMENTS TO APPLICABILITY SECTION OF THE CLIA REGULATIONS (57 Federal Register 7140)

Beginning of CLIA regulations test:

@493.3 Applicability.

(a) Basic rule. Except as specified in paragraph (b) of this section, a laboratory will be cited as out of compliance with section 353 of the Public Health Service Act unless it --

- (1) Has a current, unrevoked or unsuspended certificate of waiver, a registration certificate, a certificate, or a certificate of accreditation issued by HHS applicable to the category of examinations or procedures

performed by the laboratory; or

(2) Is State exempt.

(b) Exception. These rules do not apply to components or functions of --

(1) Any facility or component of a facility OR SITE that only performs testing for forensic purposes OR DRUG TESTING FOR EMPLOYMENT PURPOSES OR SUBSTANCE ABUSE TREATMENT DRUG TESTING;

(2) Research laboratories that test human specimens but do not report patient specific results for the diagnosis, prevention or treatment of any disease or impairment of, or the assessment of the health of individual patients; or

(3) Laboratories certified by the National Institutes on Drug Abuse (NIDA), in which drug testing is performed which meets NIDA guidelines and regulations. However, all other testing conducted by a NIDA-certified laboratory is subject to this rule.

[END OF AMENDMENTS]

Calendar No. 201

103D CONGRESS }
1st Session }

SENATE

{ REPORT
103-143

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATION BILL, 1994

SEPTEMBER 15 (legislative day, SEPTEMBER 7), 1993.—Ordered to be printed

Mr. HARKIN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 2518]

The Committee on Appropriations, to which was referred the bill (H.R. 2518) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies for the fiscal year ending September 30, 1994, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes recommended.

Amount of budget authority

Amount of House bill	\$259,768,129,000
Amount of Senate bill over House bill	+ 1,213,014,000
<hr/>	
Total bill as reported to Senate	260,981,143,000
Amount of adjusted appropriations, 1993	247,094,751,000
Budget estimates, 1994	265,398,931,000
The bill as reported to the Senate:	
Over the adjusted appropriations for 1993	+ 13,886,392,000
Under the budget estimates for 1994	- 4,417,788,000

service are possible. The Committee asks the Secretary to analyze whether this can be done through a reorganization of these offices, including the possible elimination of regional directors. The Committee makes this request of the Secretary to reflect its interest in supporting the President's Government reform initiative.

The Committee has been made aware of the fact that savings could be achieved by the Department by utilizing more advanced drug screening technologies and encourages the Secretary to reexamine the guidelines for the Federal workplace drug testing programs published in 1988. The Secretary is urged to examine the use of immunoassay-based, on-site drug technologies as a means of maximizing the use of Federal funds spent on drug testing and make modifications to existing guidelines where it can be demonstrated that accuracy is assured, savings can be achieved, and worker protection is maintained. The Committee expects the Secretary will be prepared to respond to this matter during the fiscal year 1995 budget hearings next year.

The Committee recognizes that since its inception in 1990, the Human Services Transportation Technical Assistance Program known as CTAP (Community Transportation Assistance Program) has successfully provided valuable training, technical assistance, and information to local and State human services agencies and community transportation providers across the country. These efforts have assisted local agencies in ensuring that transportation-disadvantaged people have access to needed services. This program also provides needed assistance related to the implementation of coordinated, accessible transportation services which are in compliance with the Americans With Disabilities Act. These access services are significant components of the national priorities of health care, welfare reform, and economic development.

Accordingly, the Committee directs that not less than \$500,000 of the funds provided for general departmental management be made available in fiscal year 1994 to continue the Human Services Transportation Technical Assistance Program. The Committee expects this program to be carried out through a grant to a qualified national nonprofit membership organization with a record of assistance in meeting rural and specialized transportation needs. The organization should have experience in administering a national toll-free assistance hotline and electronic informational bulletin boards. It should regularly publish a national technical assistance periodical, maintain a national network of local and State affiliates, and have demonstrated experience in providing information and technical assistance on human service transportation to local agencies and programs. Given the limited amount of funding available for these activities, the Committee urges the Department to concentrate these resources in a grant to a single organization. Fragmentation of the funds would weaken the program benefits and should, therefore, be avoided.

The Secretary is directed to provide up to \$250,000 to the National Commission to Prevent Infant Mortality for the purpose of phasing out its federally funded activities during fiscal year 1994.

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THE WHITE HOUSE

WASHINGTON

February 22, 1994

TO: Veronica Biggins
Director of Presidential Personnel

FROM: Carol H. Rasco *CH Rasco*
Assistant to the President for Domestic Policy

SUBJECT: Positions

Recently the President met with Jim Burke and Joe Califano on the substance abuse issue. One of the things they suggested in order to bring positive attention to this problem was to name the persons to fill the positions outlined as vacant on the attached sheet. The President was interested in the idea. I wonder if you might give me an update on where we are on these positions?

Thank you.

cc: David Gergen



Attachment
for Biggers
memo

What Can The President Do?

152 West 57th Street
New York, NY 10019

phone 212 841 5200
fax 212 956 8020

Board of Directors

Joseph A. Califano, Jr.
Chairman and President

James E. Burke
Betty Ford
Douglas A. Fraser
Barbara C. Jordan
Donald R. Keough
LaSalle D. Leffall, Jr., M.D.
Manuel T. Pacheco, Ph.D.
Linda Johnson Rice
E. John Rosenwald, Jr.
George Rupp, Ph.D.
Frank G. Wells

Make the Connection

All substances--alcohol, legal and illegal drugs, nicotine

Health Care Reform
Medicare and Medicaid
Crime and Violence
Welfare Reform
Governor's Budget Crunch--Medicaid and Prisons



Fill Key Jobs

Fill jobs at same time in White House Ceremony
HHS: National Institute on Drug Abuse
Substance Abuse Mental Health Services Administration
Center for Substance Abuse Treatment
Center for Substance Abuse Prevention
DOJ: Assistant Attorney General for Office of Justice Programs
--Bureau of Justice Assistance
--National Institute of Justice
--Office of Juvenile Justice and Delinquency Prevention

Move on All Fronts

Law Enforcement/Interdiction
Treatment: More bucks and more bang for treatment buck
Research: More resources and concerted effort
Prevention and Education: Presidential bully pulpit;
clear message from all officials; enlist entire
administration in effort

TO: Veronica Biggers (ck. spelling, is new head of
Presidential personnel)

FROM: CHR

SUBJ: Positions

DATE:

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Thank you.

cc: David Gergen

THE WHITE HOUSE

WASHINGTON

July 28, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Jose Cerda *JC*
THROUGH: Carol H. Rasco *CHR*
SUBJECT: Drugs: Household Survey Comments

file

You recently asked why the Household Survey (released 7-2-94) indicated that the number of weekly cocaine users -- or "hard-core" users -- is at its highest level since 1985, as reported in Cabinet Affairs' weekly report. But before answering "why," we must point out that this statement is wrong. The 1993 Household Survey estimate of approximately 500,000 hard-core cocaine users is consistent with -- and down slightly from -- the average of 600,000 or so hard-core users the Household Survey has shown since 1985 (see attached chart).

The real finding in this year's Household Survey is that it confirms the parallel findings of other 1992 and 1993 drug surveys, which signaled an end to the generally declining rates of adolescent drug use. For two years now, several major drug surveys have shown flat or increased drug use among our kids (marijuana, inhalants and LSD) -- as well as an increase in the number of kids who don't view drugs as dangerous.

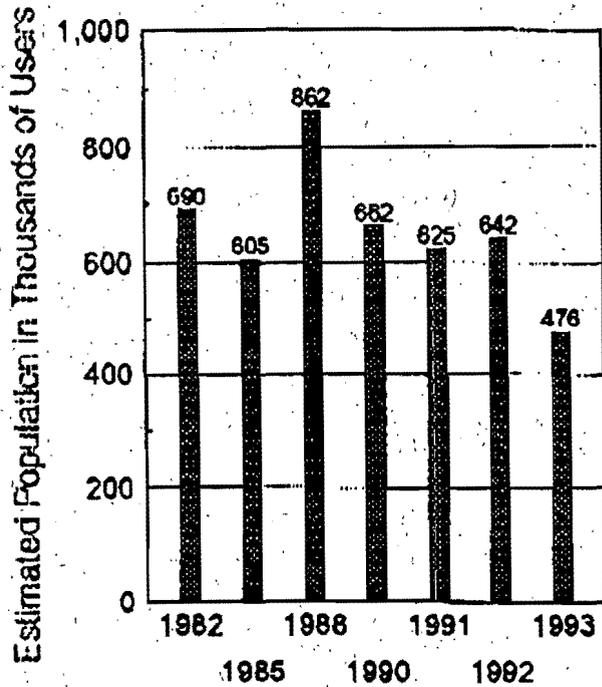
This is not to say, however, that the Household Survey's findings reveal any good news about hard-core drug use. This survey grossly underestimates the number of hard-core cocaine users and does not accurately measure hard-core heroin use at all. What the Household Survey tends to reflect is drug prevalence among casual or intermittent drug users. These are drug users who report drug use within thirty days prior to the survey (current drug use) or within the past year (occasional drug use). By definition the survey excludes homeless people, prisoners, college students and other individuals who do not reside in "households" -- and who are perhaps more likely to use illegal drugs more frequently.

A more accurate hard-core user estimate is the 2.7 million figure developed by the Drug Office (2.1 million who use cocaine and 600,000 who use heroin), which is derived by analyzing several of the major drug indicators. In fact, some drug policy experts argue that even this is a low estimate, and the Drug Office is currently testing a new methodology to better measure hard-core drug use. Despite the problems inherent in measuring hard-core drug use, there is little disagreement that hard-core drug use continues unabated in this country, and the drug indicators due to be released this fall should confirm this. The Drug Abuse Warning Network (DAWN) is likely to show flat to increasing levels of drug-related emergency room episodes, and the Pulse Check will anecdotally confirm that hard-core users have ready access to cheap, high-grade drugs in many of America's cities.

Why then are there still so many hard-core drug users in America -- be that number half a million, 2.7 million or more? Perhaps the best answer is that hard-core users are the most difficult, costly and unpopular population to treat. They are the most difficult users to get into treatment. Many are homeless, in and out of the criminal justice system, sick w/AIDS or Tuberculosis and have little hope of getting a job. Furthermore, hard-core users are much more likely to require long-term residential treatment that costs more and -- by tying up treatment slots for a longer period of slots -- may reduce the availability of treatment to less serious drug users and alcoholics.

Finally, by making hard-core users a priority in the 1994 Drug Strategy, the Administration did a necessary -- but unpopular -- thing. We proposed putting a higher emphasis and spending more money to treat a population that is tied to so many of our social ills -- rising crime, high health care costs, a broken welfare system, homelessness, unemployment, etc. -- but that has been historically neglected by Congress, state drug and alcohol abuse agencies. Through the state planning process required to get block grant monies for treatment, HHS and the Drug Office are trying to get states to focus more on hard-core drug use, but that will take time. We -- as has been the case with past Administrations -- have had less luck in convincing congressional appropriators to make a long-term commitment to fund and promote hard-core drug treatment.

FREQUENT (WEEKLY) USE OF COCAINE



Source:
Household Survey

ONDCP
PLANNING AND BUDGET

- There were an estimated one-half million weekly cocaine users in 1993.
- This is down (not significantly) from the 600 thousand users on average since 1985.
- The estimated number of weekly cocaine users has not changed significantly since 1985.

JUL 18 REC'D

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
7/17/94

94 JUL 15 P7:12

July 15, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY
Secretary to the Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
July 15, 1994 through July 22, 1994

CABINET-WIDE ACTIVITY

SOUTHEASTERN FLOODS

Recovery from the southeastern floods continues. Members of the Administration continue to travel to the region to follow up your successful visit Wednesday, to ensure that the federal response continues to be effective and to provide appropriate grants and loans. Secretary Pena and Administrator Bowles are in Georgia today.

HEALTH CARE SUMMARY

This week, members of the Cabinet and their Chiefs of Staffs participated in a two hour health care strategy session led by Leon Panetta, Harold Ickes, and Pat Griffin. Over the next two weeks, the Cabinet will take part in an ambitious schedule of over 100 editorial board briefings, reaching out to newspapers in every major city in the country. At the end of the month, the Cabinet will travel on the Health Security Express bus tour organized by allied groups.

CRIME BILL

The Attorney General is actively engaged in discussions with Members of Congress, especially the Congressional Black Caucus Members, regarding the conference report. In addition, she is participating in crime media and events, including a community policing event this weekend in Richmond and a speech to the National Organization of Black Law Enforcement Officers. Director Lee Brown will also address the group this weekend. In addition, between today and Tuesday, Secretaries Reich and Cisneros are conducting interviews with major newspaper editorial boards in the districts of Congressional Black

Caucus Members. Secretary Reich traveled to Chicago today to participate in an event highlighting the youth programs in the bill.

SCHOOL-TO-WORK

Today, the Departments of Labor and Education jointly announced first-year awards to states for implementation of School-to-Work programs within the next few days. The following states are receiving awards: Kentucky, Massachusetts, Michigan, New Jersey, New York, Oregon, Maine and Wisconsin.

*** ** **

DEPARTMENT SUMMARIES

Department of Commerce

- **Diversity Plan:** Secretary Brown will announce Commerce's major new Diversity Plan geared to effect short-term and long-term changes within the Department. The results-oriented Plan is the product of months of study and discussion. Minority constituencies have been vocal regarding diversity concerns in the Administration and specifically at Commerce.
- **Economic Development Administration (EDA) Grants:** Commerce's EDA will announce a total of \$4.5 million in economic development grants next week.

Department of Transportation

- **Haiti:** Transportation's Haitian interdiction process rescued 6,361 people during 136 interdictions this week. Since the Migrant Processing Center was activated last month, more than 19,000 Haitian immigrants have been interdicted. Over one thousand vessels have been boarded and 114 diverted.
- **Soo Line Strike:** On July 14, the United Transportation Union initiated a strike against the Soo line Railroad. Neither side is interested in federal intervention at this time.

Department of Justice

- **Fax Paper Price Fixing Case:** Yesterday, the Department filed its first case in its ongoing criminal investigation of price fixing by Japanese and American fax paper suppliers. These cases are significant because they include pleas by a Japanese corporation and a Japanese national, involve fines totaling more than \$6.5 million, and are the culmination of a joint investigation by U.S. and Canadian antitrust authorities.

- **Gasoline Suit:** The American Petroleum Institute has informed the Environmental Protection Agency that it intends to challenge the Agency's renewable oxygenate requirement for reformulated gasoline.

Health and Human Services

*I need to make
thing on files
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Court of Appeals Orders HHS to Reconsider Waiver: On July 12, the U.S. Court of Appeals held that the Department failed to comply with the Administrative Procedures Act when, in 1992, it approved a welfare waiver for California. The court ordered the Department to reconsider the proposed demonstration, the core element of which is a 6.3% reduction in AFDC benefits. In addition to the implications with respect to California, the decision is relevant to current deliberations regarding proposed Department policies and procedures for reviewing waiver requests.

Household Survey of Drug Abuse Results to be Released: On July 20, Director Lee Brown and Secretary Shalala will hold a press conference to announce the findings of the Household Survey of Drug Abuse, conducted by the Substance Abuse and Mental Health Services Agency. The survey shows that rate of illicit drug use has remained flat during the 1990s, with roughly 11.7 million Americans reporting use in 1993. However, the number of people who use cocaine on a weekly basis, 500,000, is at its highest level since 1985.

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Don't

... department has
Florida's plan would violate the Medicare/Medicaid anti-kickback
There is, however, a Departmental process by which a safe harbor
created by regulation after a finding that there is no danger of fraud
in the plan. The Department is examining this issue closely.

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*I need to know
thing on this
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stop waiver*

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However, the number of people who use cocaine on a weekly basis, 500,000, is at its highest level since 1985.

Why

- **Florida Medicaid Waiver:** The Department is in its final stages of negotiations with Florida on their request to implement the Florida Health Security Program through a waiver. Florida's program would provide insurance to 1.1 million uninsured persons at or below 250 percent of the poverty level. Significant remaining issues are budget neutrality and the state's plan to use insurance agents to sell policies:

- **Budget Neutrality:** The Department is seeking agreement on a methodology to ensure that Florida spends no more under the waiver than it would have in the absence of a waiver. The Department has been concerned that Florida's estimate of what they would spend in the absence of a waiver is too high and entails a significant budget risk. HCFA and Florida are discussing options and hope to reach an agreement soon.

- **Use of Insurance Agents:** Florida plans to use insurance agents to sell health plans under its Florida Health Security program. The Justice Department has indicated that Florida's plan would violate the Medicare/Medicaid anti-kickback rule. There is, however, a Departmental process by which a safe harbor is created by regulation after a finding that there is no danger of fraud in the plan. The Department is examining this issue closely.

Don't

- **HCFA Investigation of Humana:** The Health Care Financing Administration has initiated an investigation of Humana Medical Plan, Inc., in its South Florida and Tampa markets. The investigation is focused on Humana's ability to meet statutory requirements related to quality, access, and management. The investigation is based on complaints submitted by plan members, HCFA's analysis of Peer Review Organization (PRO) data identifying problems, and the PRO's concerns about Humana's reactions to confirmed quality problems. Humana has been notified of the investigation. Problems with health maintenance organizations in South Florida have been receiving extensive media coverage recently.
- **NIH Meeting on Cooperative Research and Development Agreements:** On Thursday, July 21, the National Institutes of Health will sponsor a public meeting focusing on the Cooperative Research and Development Agreements that NIH routinely approves with private industries to speed technology transfer. These agreements contain "reasonable pricing" clauses for newly-approved drugs and technologies. Last week, the Regulation, Business Opportunities and Technology Subcommittee (chaired by Representative Ron Wyden) of the House Small Business Committee heard testimony that drugs developed with federal funds are often priced much higher than those developed with industry funds due to lack of federal oversight. This subject is likely to be revisited during the NIH public hearing.
- **AIDS Transmission through Artificial Insemination:** *People* magazine is developing an article on the transmission of the HIV virus through artificial insemination. According to the Centers for Disease Control and Prevention, there is the possibility that seven cases of HIV in the United States are attributable to the artificial insemination of contaminated semen. CDC has in place strict guidelines concerning the testing of donated semen for the HIV virus. The Department does not know when this story might run.

Housing and Urban Development

- It just
was
done
too*
- **Innovative Homeless City in Miami:** On Monday, Secretary Cisneros will participate in an event to launch the Innovative Cities Program in Miami. HUD will provide \$15 million, which will be combined with local resources to provide a "continuum-of-care" system to move homeless people into permanent housing in Miami. This program is unique in that it is performance-based; Miami will have to repay the HUD funds unless it can demonstrate reductions in measurable criteria concerning homelessness. You will mention this new program in your *Miami Herald* editorial board meeting.

Veterans Affairs

- **World War II Civilian Support Crews granted veteran status:** This week, Secretary Brown announced that two World War II civilian groups that provided critical support to U.S. military efforts during World War II have been granted

veterans status. Based on a recent decision by the Secretary of the Air Force, civilian flight crew and ground support employees of Northwest Airlines who served overseas under a contract with the military, and U.S. civilian employees of the U.S. Army Nurse Corps who served in the defense of Bataan and Corregidor are now potentially eligible for veterans benefits.

- **Veterans Persian Gulf War Benefits Act:** On Thursday, July 21, the House Veterans Affairs Committee will mark up the bill that would provide compensation to Persian Gulf veterans with undiagnosed illnesses.

Environmental Protection Agency

- **Common Sense Initiative:** On Wednesday, July 20, Administrator Browner will formally launch the Common Sense Initiative. This program is an effort to fundamentally change the way EPA carries out environmental protection in the country by bringing together industry, environmentalists, state and local governments and other stakeholders to redesign regulation on an industry-by-industry basis. The goal is to achieve better environmental protection at less cost to industry.
- **Superfund:** Speaker Foley made clear this week in his intention to bring the Superfund reform bill to the House floor prior to the August recess. EPA has received signals from the Senate that it intends to bring the bill to the floor shortly after the August recess.

Department of Energy

- **India Trip:** Secretary O'Leary reports that her trip to India made extraordinary progress in the areas of government-to-government relationships, job creation, competitiveness, sustainable development and environmental protection. Eleven new private sector ventures were concluded during the visit. Including an agreement between Solec International of California and Pentafour Solec Technology Limited of India that created 150 new jobs in California and will provide non-polluting power sources to India. Secretary O'Leary will forward a detailed report on the trip upon her return.
- **Energy Policy Act Controversy Regarding Foreign Firms:** The Energy Policy Act includes a provision that establishes criteria by which foreign firms can compete for DOE research and development funds. The provision sets forth employment, manufacturing and investment criteria, and the country in which the firm is incorporated must provide U.S. with firms similar opportunities. The Department has permitted a foreign-owned firm to compete in an eight-year \$700 million gas turbine program -- an action which was opposed by several prominent Members of Congress. The National Economic Council and the Council of Economic Advisors have chaired

two meetings with the Department and other affected agencies; all parties support the decision as consistent with Administration economic and trade policy.

Department of Agriculture

- **Pathogen Reduction Legislation:** The Department's proposed Pathogen Reduction legislation is likely to receive interagency clearance next week and will immediately be sent to Congress. The proposal contains many significant new authorities, such as mandatory recall, civil penalties and traceback that will strengthen the overall food safety efforts at the Department. There is intense Congressional, consumer and industry interest in the proposal, which will be the subject of a hearing before Senator Daschle's subcommittee next week.
- **Crop Insurance Reform:** Next week, a controversial amendment to the Crop Insurance Reform bill is expected to be offered by Congressman Tim Penny at the full House Agriculture Committee mark-up. The reform bill already passed by the subcommittee requires the Appropriations Committee to fund a portion of the program proposed in the reform bill. The Penny amendment would eliminate this requirement by imposing substantial reductions in incentives to farmers and in expense reimbursements to insurance agents. The Department is working with all parties to resolve this emerging problem.

Department of State

- **Congressional Consultations:** Secretary Christopher, accompanied by Secretary Perry, NSC Advisor Lake, Ambassador Albright, and JCS Chairman Shalikashvili met July 13 with key Senators and House Members to consult on Haiti, North Korea and Bosnia. In the House, Members urged extreme caution regarding Haiti. Members saw North Korea as the most serious of the current situations. The Members believe we will face a major battle for approval of peacekeepers in Bosnia. In the Senate, Members drew connections between Haiti, Bosnia and North Korea by raising questions of cost, troop availability, and military capacity.
- **Bosnia:** Tuesday, July 19 is the deadline for formal response to the Contact Group's proposal. Although they are far from an accord, there are a number of indications that we must give some thought to U.S. involvement in implementation of an agreement. The State Department is undertaking a review to ensure that we will be ready to respond quickly if a settlement is reached.

Department of Defense

- **Helicopter Shootdown Release:** Wednesday's news conference with Secretary Perry and General Shalikashvili was preceded by detailed briefings to the families, key Congressional leaders and representatives of the foreign governments, as well as

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER
INFORMATION.

personal phone calls to the MOD's and Chiefs of Defense. It is still early to fully evaluate the reaction, but there has been a general expression of appreciation regarding the openness of the report and the way we proceeded with the investigation.

- **Korea:** [REDACTED]

- **Floods & Fires:** There are 3,096 Army National Guard soldiers currently serving on state active duty supporting the flood operation. Also, Eight C-130's and 125 personnel from the Air Force Reserve and Air National Guard have been providing fire fighting support in California and Arizona.

United Nations

- **Iraq Sanctions Rollover:** Barring a major concession by Iraq before the July 18 sanctions review, we expect a smooth rollover of sanctions. The French and Russians may again express interest in recognizing Iraqi "progress" in a Council Presidential statement, but we foresee no difficulty in blocking such an attempt.

United States Trade Representative

- **Uruguay Round Implementation:** Ambassador Kantor met with Congressional leadership on Uruguay Round funding and with Senate Finance and House Ways and Means in walk-throughs and executive session. Ambassador Kantor also held a conference call with CEOs and met with AFL-CIO Sec-Treasurer Donahue on UR implementation.

HAITI

Radio democracy will begin broadcasts to Haiti from U.S. military planes July 15. Air France has announced plans to terminate passenger service to Port-au-Prince on August 1. In preparation for the cut-off, we are looking at other means of supporting Embassy operations, refugee departures and delivery of urgent humanitarian supplies. Congressman Richardson is proceeding with plans to travel to Haiti and will meet with General Cedras this weekend. Bill Gray expects the Congressman to support our policy in his talk with Cedras. DoD has approximately 15 countries ready to contribute forces to the UN force, but they will provide only several thousand military personnel and police. The U.S. will comprise the majority of the force, which may complicate passage of a Security Council mandate.

RWANDA

The Rwandan Patriotic Front (RPF) is closing in on Gisenyi, headquarters of the interim Government forces. Their advance is producing a massive new wave of refugees. Over 100,000 Rwandans crossed into Zaire during the night of July 13-14; there are fears the numbers could reach two million. We are engaged in emergency meetings with humanitarian relief organizations and are urging the RPF to work out a cease-fire.

cc: Vice President Gore
Leon Panetta
Mack McLarty

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Jose Cerda

Draft response for POTUS
and forward to CHR by: 7-26-94

Draft response for CHR by: _____

Please reply directly to the writer
(copy to CHR) by: _____

Please advise by: _____

Let's discuss: _____

For your information: _____

Reply using form code: _____

File: _____

Send copy to (original to CHR): _____

Schedule?: Accept Pending Regret

Designee to attend: _____

Remarks: Note POTUS question "why"

attached

Ray prepare
Memo for POTUS
from Jose through
me w/ chart
Body
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in red. Subj: Household Survey Comments

Household Survey of Drug Abuse Results to be Released: On July 20, Director Lee Brown and Secretary Shalala will hold a press conference to announce the findings of the Household Survey of Drug Abuse, conducted by the Substance Abuse and Mental Health Services Agency. The survey shows that rate of illicit drug use has remained flat during the 1990s, with roughly 11.7 million Americans reporting use in 1993.

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They

July 27, 1994

EXECUTIVE OFFICE OF THE PRESIDENT

27-Jul-1994 01:51pm

TO: Rosalyn A. Miller
FROM: Jose Cerda, III
Domestic Policy Council
SUBJECT: Household Survey Comments

Roz,

Here are my comments on the President's question on the Household Survey. A related chart is coming by red dot. *attached*

You recently asked why the Household Survey (released 7-2-94) indicated that the number of weekly cocaine users -- or "hard-core" users -- is at its highest level since 1985, as reported in Cabinet Affairs' weekly report. But before answering "why," we must point out that this statement is wrong. The 1993 Household Survey estimate of approximately 500,000 hard-core cocaine users is consistent with -- and down slightly from -- the average of 600,000 or so hard-core users the Household Survey has shown since 1985 (see attached chart).

The real finding in this year's Household Survey is that it confirms the parallel findings of other 1992 and 1993 drug surveys, which signaled an end to the generally declining rates of adolescent drug use. For two years now, several major drug surveys have shown flat or increased drug use among our kids (marijuana, inhalants and LSD) -- as well as an increase in the number of kids who don't view drugs as dangerous.

This is not to say, however, that the Household Survey's finding reveal any good news about hard-core drug use. This survey grossly underestimates the number of hard-core cocaine users and does not accurately measure hard-core heroin use at all. What the Household Survey tends to reflect is drug prevalence among casual or intermittent drug users. These are drug users who report drug use within thirty days prior to the survey (current drug use) or within the past year (occasional drug use). By definition the survey excludes homeless people, prisoners, college students and

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Finally, by making hard-core users a priority in the 1994 Drug Strategy, the Administration did a necessary -- but unpopular -- thing. We proposed putting a higher emphasis and spending more money to treat a population that is tied to so many of our social ills -- rising crime, high health care costs, a broken welfare system, homelessness, unemployment, etc. -- but that has been historically neglected by Congress, state drug and alcohol abuse agencies. Through the state planning process required to get block grant monies for treatment, HHS and the Drug Office are trying to get states to focus more on hard-core drug use, but that will take time. We -- as has been the case with past Administrations -- have had less luck in convincing congressional appropriators to make a long-term commitment to fund and promote hard-core drug treatment.