RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Melissa G. Banks (BANKS_M) (WHO)

CREATION DATE/TIME:18-MAY-1993 17:39:00.00

SUBJECT: FYI - A copy of the letter POTUS sent to MI delegation

TO: Timothy J. Keating (KEATING_T) (WHO)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_COURIER
Dear <1>:

Thank you for your letter concerning the motor vehicle industry.

I am encouraged by the extent to which the industry has increased its competitiveness through improvements in quality, new design and production processes, and increased spending for both research and development and new plants and equipment. At the same time, the difficulties faced by the industry and the continuing substantial increase in vehicle miles travelled make it critical that we confront together such issues as health care, pension reform, international trade, auto emissions and petroleum usage.

Because of the far-reaching and interrelated nature of all these issues, I recently established a National Economic Council working group on the motor vehicle industry. The working group includes representatives from all Departments, agencies, and White House offices which are involved in the development and implementation of policies that affect the industry. I intend to use the working group to improve our understanding of the industry and the full range of the government's interactions with it, as well as to better coordinate government policy as it affects the industry.

Once again, thank you for your letter. I look forward to working with you on this issue in the coming weeks and months.

With best wishes,

Sincerely,

The Honorable <2>
House of Representatives
Washington, D.C. 20515

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Ellen S. Seidman (SEIDMAN_E) (OPD)

CREATION DATE/TIME:10-JAN-1994 19:32:00.00

SUBJECT: Bob Pozen memo (I finally talked to him)

TO: Linda J. McLaughlin (MCLAUGHLIN_L) (WHO)
READ: UNKNOWN

CC: Sylvia M. Mathews (MATHEWS_S) (OPD)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_COURIER
January 10, 1994

MEMORANDUM FOR BOB RUBIN
FROM: Ellen Seidman
SUBJECT: Bob Pozen
Bob Pozen, General Counsel and a Managing Director of Fidelity, is scheduled to meet with you at 10:30 tomorrow. His assistant told Linda he wanted to discuss "pensions and IRAs." Mainly, he wants to talk about IRAs.
IRAs
There is little question here: Pozen was the leading spokesman for the investment community in trying to get expanded IRAs into the budget last year, and he undoubtedly wants to lobby you on them this year. His line: "Of course this is in Fidelity's interest, but we think this is very good public policy. . . . [The $3 billion price tag over the next five years is] small potatoes in the context of the US budget."
He will be pressing you to support increasing the $40,000 per couple income limit for deductible IRA eligibility to $50,000 per person. Pozen believes that (i) at $100,000 per couple, the IRAs will be net new savings; and (ii) this is a really good women's issue, particularly for non-working spouses or those working part time. Tentative cost: $10 billion over 5 years, mainly from moving from, in essence, $40,000 per couple to $100,000.
Pensions
Bob may bring up a problem he has with the pending pension simplification bill. (This is not the Administration's pension reform bill, but rather a technical tax bill dealing mainly with rules relating to discrimination.) The problem is that the bill would not apply a discrimination safe harbor to certain Simplified Employer Plans, which are used largely by very small employers.
This is both technical and tricky; small employers are notorious for having pension plans that cover only the owner. I suggest that if Bob brings it up, you ask me to follow through with Treasury on it. I told him I doubted it was something you would be particularly interested in.

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Ellen S. Seidman (SEIDMAN_E) (OPD)

CREATION DATE/TIME:11-JAN-1994 08:28:00.00

SUBJECT: Revised Pozen memo

TO: Linda J. McLaughlin (MCLAUGHLIN_L) (WHO)
READ: UNKNOWN

CC: Sylvia M. Mathews (MATHEWS_S) (OPD)
READ: UNKNOWN

TEXT:
I realized after I hit the send button last night that I hadn't revised the beginning of the IRA paragraph to take account of the fact that I had talked to Pozen. If Bob hasn't read the previous version, could you please give him this one? Thanks. Ellen
=================== ATTACHMENT 1 ===================
ATT CREATOR: Ellen S. Seidman (UNKNOWN)

ATT CREATION DATE/TIME:11-JAN-1994 08:26:00.00

ATT BODY PART TYPE: A

ATT SUBJECT: Bob Pozen memo (I finally talked to him)

ATT TEXT:
PRINTER FONT 12_POINT_COURIER
January 10, 1994

MEMORANDUM FOR BOB RUBIN
FROM: Ellen Seidman
SUBJECT: Bob Pozen
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IRAs
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working spouses or those working part

time. Tentative cost: $10 billion over 5 years, mainly from moving from, in essence, $40,000 per couple to $100,000.

Pensions

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This is both technical and tricky; small employers are notorious for having pension plans that cover only the owner. I suggest that if Bob brings it up, you ask me to follow through with Treasury on it. I told him I doubted it was something you would be particularly interested in.

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

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Carter Wilkie (WILKIE_C) (WHO)

CREATION DATE/TIME:12-JAN-1995 16:18:40.08

SUBJECT: POTUS event on January 19

TO: Donald A. Baer (BAER_D) (WHO)
READ:12-JAN-1995 18:32:39.72

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:12-JAN-1995 18:56:17.95

CC: Gabrielle M. Bushman (BUSHMAN_G) (WHO)
READ:12-JAN-1995 16:20:23.74

CC: Richard L. Siewert (SIEWERT_R) (WHO)
READ:12-JAN-1995 17:04:53.03

CC: Steven A. Cohen (COHEN_SA) (WHO)
READ:12-JAN-1995 16:21:49.74

CC: Amanda Crumley (CRUMLEY_A) (WHO)
READ:12-JAN-1995 16:21:37.60

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:12-JAN-1995 16:31:18.45

CC: Phillip M. Caplan (CAPLAN_P) (WHO)
READ:12-JAN-1995 16:19:37.38

CC: Elgie Holstein (HOLSTEIN_E) (OPD)
READ:12-JAN-1995 17:59:51.84

TEXT:
On Thursday, January 19, the President is scheduled for an event in the Roosevelt Room to highlight the pension reform he signed into law as part of GATT.
As of now, it looks like Sec. Reich will open the event to explain how hard-working Americans have been hurt when big employers (e.g., auto, steel, airlines) didn't live up to their end of the pension bargain.
Two front line workers/retirees will then give their personal stories.
The President will then explain how we strengthened pension security on behalf of hard working Americans by getting the big corporations to pay their fair share of the government pension insurance fund, which has been running low.
This is likely the President's last public event on domestic

issues before the State of the Union Address. Please think about how to connect the message of this event to what the President said at Galesburg and what he might say in the State of the Union Address.
Thank you.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: David J. Lane (LANE_D) (OPD)

CREATION DATE/TIME:28-FEB-1995 19:13:50.93

SUBJECT: topics for WH talking points and fact sheets

TO: Kimberly J. O'Neill (ONEILL_KJ) (OPD)
READ: 1-MAR-1995 13:50:24.95

TO: Sheryll D. Cashin (CASHIN_S) (OPD)
READ:28-FEB-1995 19:15:05.20

TO: Julia E. Chamovitz (CHAMOVITZ_J) (OPD)
READ: 1-MAR-1995 09:31:23.89

TO: W. B. Cutter (CUTTER_W) (OPD)
READ:NOT READ

TO: Paul A. Deegan (DEEGAN_P) (OPD)
READ:28-FEB-1995 19:20:52.49

TO: Michael D. Deich (DEICH_M) (OPD)
READ: 1-MAR-1995 09:27:59.62

TO: Paul R. Dimond (DIMOND_P) (OPD)
READ: 1-MAR-1995 09:20:51.65

TO: Wendy J. Einhellig (EINHELLIG_W) (OPD)
READ: 2-MAR-1995 08:03:43.72

TO: Robert C. Fauver (FAUVER_R) (OPD)
READ: 1-MAR-1995 07:46:51.79

TO: Michael B. Froman (FROMAN_M) (OPD)
READ:28-FEB-1995 19:21:54.64

TO: Elgie Holstein (HOLSTEIN_E) (OPD)
READ:28-FEB-1995 19:14:09.97

TO: Thomas A. Kalil (KALIL_T) Autoforward to: Remote Addressee (
tkalil@arpa.mil@inet) (OPD)
READ:NOT READ

TO: Robert D. Kyle (KYLE_R) (OPD)
READ:NOT READ

TO: Elisabeth L. Lindemuth (LINDEMUTH_E) (OPD)
READ: 1-MAR-1995 16:19:37.28

TO: Theo Lubke (LUBKE_T) (OPD)
READ:28-FEB-1995 20:00:50.17

TO: Sylvia M. Mathews (MATHEWS_S) (OPD)
READ:NOT READ

TO: Sonyia Matthews (MATTHEWS_S) (OPD)
READ: 1-MAR-1995 09:26:24.39

TO: Linda J. McLaughlin (MCLAUGHLIN_L) (WHO)
READ:NOT READ

TO: David S. Meyers (MEYERS_D)
READ:NOT READ

TO: Elaine M. Mitsler (MITSLER_E) (NSC)
READ: 1-MAR-1995 07:25:08.02

TO: Emily M. Murase (MURASE_E)
READ:NOT READ

TO: Dorothy Robyn (ROBYN_D) (OPD)
READ:28-FEB-1995 19:55:47.07

TO: Heather L. Ross (ROSS_H) (OPD)
READ: 1-MAR-1995 08:53:03.42

TO: Robert E. Rubin (RUBIN_R)
READ:NOT READ

TO: Ellen S. Seidman (SEIDMAN_E) (OPD)
READ: 1-MAR-1995 09:05:57.43

TO: Margaret P. Smith (SMITH_M) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P)
(PDONE)
READ:28-FEB-1995 19:20:52.49

TO: Helen C. Walsh (WALSH_H) (OPD)
READ: 1-MAR-1995 16:14:43.31

TO: William E. Whyman (WHYMAN_W) (OPD)
READ:NOT READ

TO: Peter M. Yu (YU_P) (OPD)
READ:28-FEB-1995 19:15:24.51

TEXT:
Erskine Bowles has been leading an effort to coordinate more effectively the production and dissemination of White House message materials. As part of this effort, the WH will be creating an on-line electronic calalog of talking points and fact sheets on key policy issues.
By tomorrow afternoon we must provide Erskine with a list of NEC topics which should be included in this catalog, along with staff contacts responsible for

these issues. To illustrate what he wants, Erskine has provided a DPC list, a portion of which follows:

Abortion	Jennifer Klein
Affirmative Action	Bill Galston
AIDS	Patsy Fleming
Child Care/Head Start	Gaynor McCown
Child Nutrition/WIC	Dorothy Karaynannis
Civil Rights	Steve Warnath
Community Devpt.	Paul Weinstein
Crime and Drugs	Jose Cerda

.....

And so on -- you get the idea. What are the NEC issues that warrant inclusion? Obviously, Gene and Theo have produced a large inventory of message materials on topics including the balanced budget amendment, the middle class bill of rights, economic accomplishments, deficit reduction, interest rates, and others. To these we need to add the major topics that each of us works on that attract significant public attention. I offer the following as possibilities:

Small Business
Defense Reinvestment/TRP
Empowerment Zones
Financial Services Reform
Base Closure and Reuse
GATT
NAFTA
Trade
Overall Intl. Economic Leadership (G-7+)
APEC
Information/Telecommunications
Procurement Reform
Pension Reform
Superfund

.....

I'm sure there are many more (and some of these may not be right). If you e-mail to me by lunchtime Wednesday the topic or two (three?) that you work on that we should include in our NEC consolidated list, I will forward the list to Erskine in the afternoon. Remember, inclusion does not suggest that talking points/fact sheets exist, only that they probably ought to. Thanks for your help. David

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Kyle M. Baker (BAKER_K) (WHO)

CREATION DATE/TIME: 7-MAR-1995 14:40:08.02

SUBJECT: C/F Ref.

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822DMARTIN628(A)AOL.COM@MRX@EOPMRX)
READ:NOT READ

TEXT:
Item from the WH Bulletin:
o Bipartisan House group pushes campaign reform.
A bipartisan group of House members who worked together on the Congressional Accountability Act announced this morning their next project will be campaign reform. Republicans Chris Shays, Jay Dickey, Scott Klug and Michael Castle, along with Democrats David Minge, Nathan Deal, Enid Waldholtz, Paul McHale and Tom Barrett plan to put forward seven separate measures aimed at reforming campaign laws. An aide to Shays said, "It's a group of nine members who have been working together for the last two months to come up with a group of bills and a position that will have bipartisan support. Basically, we're trying to apply the same bipartisan, comprehensive approach we used in working on the Congressional Accountability Act." The aide said the group hopes to have committee hearings on their legislation scheduled by late spring or early summer. "We learned with the congressional accountability issue that these things can take time. We're just going to keep working and have more and more members become part of the group," the aide said, adding, "We'll be seeking cosponsors, but this is the core group that's been putting together the proposals." The seven measures the group intends to put forward concern use frequent flier miles, franking reform, returning unused office funds in a congressional office to the treasury, campaign finance reform, gift reform, congressional pension reform and lobbyist disclosure.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Ellen S. Seidman (SEIDMAN_E) (OPD)

CREATION DATE/TIME:10-MAR-1995 10:15:30.79

SUBJECT: RE: seniors talking points - please review ss/pension sections

TO: Lynn M. Margherio (MARGHERIO_L) (WHO)
READ:10-MAR-1995 10:27:07.76

TEXT:
It's OK for a speech, but I just think we spend too much time talking about how we're going to punish folks (in this case employers) rather than how we're going to help them (in this case retirees). PArticularly in a piece on the aging, rather than one on pension reform, I think we should emphasize the positive.
Ellen

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Molly Brostrom (BROSTROM_M) (WHO)

CREATION DATE/TIME:26-APR-1995 11:33:42.03

SUBJECT: attached seniors tlkg points

TO: Jennifer L. Klein (KLEIN_J) (OPD)
READ:26-APR-1995 11:34:11.24

TO: Christopher C. Jennings (JENNINGS_C) (OPD)
READ:26-APR-1995 11:47:17.20

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ:26-APR-1995 11:37:13.95

TEXT:
Attached are seniors talking points created by Lynn in March which
we would like to pass out at the 5:00 WHCoA (they are the same
tlkg points used for Jake's Issue Briefs). Media affairs would
like tlkg pts to give to people doing media calls in coming days.
Would either/both of you review the health care piece, and either
send me edits or an ok by 4:00 today?
thanks. sorry about the time--i just got the request today. and
the points look general enought that they should be close to fine.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:26-APR-1995 11:07:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Molly Brostrom

TEXT:
PRINTER FONT 12_POINT_ROMAN
. PRESIDENT CLINTON: WORKING FOR OLDER AMERICANS
PRINTER FONT 12_POINT_ROMAN_ITALIC
"Our senior citizens have made us what we are."
PRINTER FONT 12_POINT_ROMAN

President Clinton, State of the Union,
1995
"My position is, I haven't and don't support cuts in Social
Security, and I would support savings in the Medicare program only
if they're used to advance the cause of health care."
President Clinton, October 23, 1994

PROMOTING ECONOMIC SECURITY People who work hard and play by the rules
should be rewarded. The Clinton Administration is committed to promoting
economic security and opportunity across generations.
? A stable Social Security System The Administration is committed
to preserving Social Security benefits and ensuring long-term
integrity of the Trust Fund. Social Security benefits should not

be used to balance the budget or pay for tax cuts for the wealthy.
? Bolstering Public Confidence By strengthening and streamlining the program, we're bolstering public confidence in Social Security. We worked with the Congress to make SSA an independent agency, and now SSA is working hard to improve customer service and satisfaction -- through its 800 number, by reducing the number of pending disability claims and by mailing Personal Earnings and Benefit Estimate Statements (PEBES) so Americans know the retirement benefits they can expect.
? A Reliable Pension System People deserve a pension system that they can rely on -- so President Clinton signed the Retirement Protection Act in December 1994. Now, workers and retirees will be able to count on receiving the pensions they have earned.
? Enhanced IRAs The President's Middle Class Bill of Rights allows people to set up an Individual Retirement Account and withdraw it tax-free for the cost of education... or first time home buying... or the care of a parent... or health care.

THE CLINTON ADMINISTRATION CONTINUES TO FIGHT FOR REAL HEALTH CARE REFORM We remain firmly committed to guaranteeing health security to all Americans and to containing health care costs for families, businesses and federal, state and local governments.
? First Steps In his December letter to the Congressional leadership, the President stated that this year, we can take the first steps. The Congress can, and should, reform the insurance market, make coverage affordable for, and available to, children; help workers who lose their jobs keep their health insurance; level the playing field for the self-employed; and help families provide long-

term care for a sick parent or a disabled child.

? Long Term Care We know that long-term care is of critical importance to the elderly. That's why we're proposing tax clarifications for private long-term care insurance and consumer standards for long-term care so that insurance policies are worth more than the paper they're written on.

? Fighting Republican Cuts We're fighting to protect health care for mothers, children, the disabled and aged Americans. Republicans want to cut Medicare by about $300 billion and federal Medicaid spending by at least $180 billion to $190 billion between now and 2002. These cuts will mean shifting a staggering financial burden to elderly and disabled Medicare beneficiaries; dropping coverage or shrinking benefits for mothers and children on Medicaid; and significant cuts in payments to hospitals, physicians and other providers.
? Making Medicare and Medicaid Responsive to Beneficiary Needs We're proposing more managed care options to increase choices for beneficiaries not as a smokescreen for deep and arbitrary cuts. And, we're streamlining regulations and cutting paperwork.

? Health Reform Critical to Deficit Reduction The President has consistently said that we cannot get a hold of the deficit without

passing meaningful health reform. Over the next five years alone,
almost 40 percent of the growth in total federal spending will
come from rising costs in federal health care programs. We must
contain costs in these programs. But we must do it as we reform
our health care system as a whole -- not by arbitrarily cutting
programs that serve the most vulnerable Americans.
A BETTER QUALITY OF LIFE The Administration is committed to fighting
for a better quality of life - - safe streets, high-quality and
affordable education for everyone, and making services available where
they're needed most - - at the community level.
? Fighting Crime The Administration passed the smartest, toughest,
and most comprehensive Anti-Crime bill in this country's
history... a bill that provides police, prisons, punishment and
prevention... so that the streets families live on are safer.
? Education President Clinton has signed the Student Loan Reform
Act, Goals 2000, School-to-Work and expanded Head Start. His
"Middle Class Bill of Rights" calls for tax cuts for parents
trying to put their kids through school... and a $500 tax cut for
families with children under 13.
? Promoting community service 20,000 young people are devotingtheir
time to community service through the Administration's Americorps;
some work with seniors in their community. And, Senior Corps
programs like Foster Grandparent and the Retired and Senior
Volunteer Program boast 526,000 participants.
? Reinventing Government The Administration has eliminated 102,000
jobs and continues to cut obsolete regulations; reward results,
not red tape; taking power away from federal bureaucracies and
giving it back to communities.
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Kathy Curran (CN=Kathy Curran/OU=WASHINGTON.DC/OU=NO/OU=SECY/O=DEPTOFLABOR/C=US [UNKNOWN])

CREATION DATE/TIME: 3-MAY-1995 17:03:26.00

SUBJECT: Weekly report

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

CC: Mark Hunker (CN=Mark Hunker/OU=WASHINGTON.DC/OU=ASP/O=DEPTOFLABOR/C=US @ DOL [UNKNOWN])
READ:UNKNOWN

TEXT:
MEMORANDUM TO: LEON PANETTA
CHIEF OF STAFF TO THE PRESIDENT

FROM: ROBERT B. REICH
SECRETARY OF LABOR

SUBJECT: Weekly Report for the Week of November 14, 1994

DATE: November 18, 1994

TWO WEEKS AHEAD: Highlights

Anxious Class III: The Democratic Leadership Council (DLC) will sponsor the third in my four-part series of speeches on the anxious class on Tuesday, November 22 at the Hyatt Regency. (I will deliver the last of the four speeches at a National Press Club newsmaker breakfast on December 15.) Following Tuesday's speech I hope to do interviews with major labor and political writers, a network morning program, and nationally syndicated radio programs to discuss the theme of the speech.

October Unemployment Numbers. The monthly unemployment numbers will be announced on Friday, December 2.

UPDATE ON KEY POLICY INITIATIVES

I. School to Work Implementation

School-to-Work Urban/Rural Opportunities Grants. We now plan to announce the award of 15-20 school-to-work grants to high-poverty areas sometime before Thanksgiving. These grants will follow the 8 state grants and 15 local partnership grants awarded earlier this year.

Skills Standards Board. On Tuesday, November 15, the National Retail Federation (NRF) unveiled its skills standards for the retail industry.

I participated in a press conference/site visit with the NRF to publicize the announcement. The event was held at a Foot Locker store in the National Press Building, where I participated in an on-site demonstration of retail skills standards with Donna Melvin, a Foot Locker sales associate who won a skills challenge award. This event gained coverage on CNN, several trade papers, Detroit Free Press, Knight- Ridder and Reuters among others.

The Goals 2000 legislation called for the establishment of a National Skills Standards Board to promote and assist in the development of a voluntary national system of skills standards. The Department is encouraging industries to develop skills standards for their employees, and is assisting in the development of those standards. This effort will foster a highly skilled and flexible workforce that will possess skills transferable across employers, and will be equipped to evolve their work practices as the market evolves.

I met with Jamie Houghton, the CEO of Corning, Inc., on Monday, November 14. He and I discussed the National Skills Standards Board, which Mr. Houghton has been invited to join. Mr. Houghton agreed to join the Board, and indicated he would serve as chair if chosen.

II. Indoor Air Quality

There will only be two days of hearings held next week due to the Thanksgiving Holiday. The discussions are likely to be fairly technical. Among the topics to be covered are the efficiency of air purification equipment to reduce levels of pollutants in indoor workplaces; specific provisions of the indoor air proposal and their implications; the health effects related to poor indoor air quality; and the health implications of the proposed rule.

III. Health Care Reform

Secretary Shalala and I met with AFSCME President Gerry McEntee and SEIU President John Sweeney on Wednesday, November 16, to discuss the short and long term adverse employment effects of restructuring the health care system.

OTHER EVENTS, MEETINGS AND PRESS

1. Next Two Weeks

Massachusetts' Industrial Services Program. On Tuesday, November 22, I will videotape remarks to be played on December 6 at the 10th Anniversary Party for the Industrial Services Program in Massachusetts. The ISP oversees all of the dislocated worker programs in the Commonwealth of Massachusetts, and is also involved in unemployment insurance profiling, defense conversion, and one-stop shopping.

Governor John McKernan. I will meet with Maine's Governor John McKernan on Tuesday, November 29, to discuss issues related to implementation of the School-to-Work Opportunities Act and reemployment initiatives.

Business Outreach. As part of my ongoing effort to build relationships with key members of the business community, I will meet with John Clendenin, CEO of Bell South on November 30. Mr. Clendenin recently received the National Alliance of Business Lyndon Baines Johnson Award.

Chairman Ford's Retirement. Later in the day on November 30 I will attend a party in honor of retiring House Education and Labor Committee Chairman Bill Ford.

Press

I expect most of my press interviews next week will concern my Anxious Class speech. The following week I will do press interviews in connection with the release of the monthly unemployment numbers.

2. Past Week

Preparation for the Beijing World Conference. The Department's Women's Bureau and the State Department hosted the last of a series of 10 regional preparatory meetings for the Fourth World Conference in Beijing. EPA cosponsored this meeting and Administrator Carol Browner attended and spoke. The meetings took place on Tuesday and Wednesday, November 15 and 16.

Meeting with Frank Hanley. I met with International Union of Operating Engineers' General President Frank Hanley on Wednesday, November 16. Mr. Hanley discussed his concern that Davis-Bacon protections continue to apply to environmental restoration projects on Department of Energy and Superfund sites.

New School for Social Research Speech. On Thursday, November 17, I spoke by satellite to the New School for Social Research's Youth Employment Conference. The conference addressed the topic "The Urban Dilemma: Employing Out-of-School Youth." The audience consisted of government, community and business representatives from the major urban centers on the East Coast. I spoke on the Administration's efforts to prepare young people for good jobs -- particularly disadvantaged young people in our center cities.

DOL Policy Retreat. The Department held a two-day retreat for senior executive staff on Thursday and Friday, November 17 and 18. The goal of the retreat is to reassess what the Department has accomplished in the last two years, and to begin to develop objectives and a strategy for the next two years.

Press

1994 Accomplishments. I held a series of one on one breakfast and lunches with reporters who might be writing end of the year stories which wrap up the Administration's accomplishments thus far. This week I met with the following reporters: Monday, November 14, John Heileman of The Economist and Michelle Norris of ABC; Tuesday, November 15, Ron Brownstein of the L.A. Times and Dave Sanger of the New York Times; and, David Wessell of the Wall Street Journal and Catherine Manegold of the New York Times.

Targeted Jobs Tax Credit. On Monday, November 14, ABC News interviewed me about the Department's position on the Targeted Jobs Tax Credit.

Pension Reform. I was interviewed by Brian Tumulty of Gannett Newspapers on Tuesday, November 15, for general comments on pension reform. Last week he had a more technical interview with Pension Benefit Guarantee Corporation Director Martin Slate for the same story.

CPI Changes. On Wednesday, November 16, I was interviewed on Marketplace Radio on changes to the Consumer Price Index.

The New Congress. I spoke with Wendy Koch of Gannett Newspapers on Friday, November 18 to discuss the new Congress.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Molly Brostrom (BROSTROM_M) (WHO)

CREATION DATE/TIME: 9-JUN-1995 17:46:06.87

SUBJECT: senior ib

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:12-JUN-1995 07:38:47.24

TEXT:
The seniors and housing issue briefs on oasis are not the most recent versions. Attached are the seniors tlkg pts I updated for the WHConf on AGing. And let me know if you don't have the housing ib that I sent to you last Friday.
Also, I need to make a small change to the veterans ib. Should I send you a revised version to replace the one on oasis? or do you want to send me the one on oasis and i'll send it back revised? i don't know if it matters logistically...
thanks
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 9-JUN-1995 17:39:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Molly Brostrom

TEXT:
PRINTER FONT 14_POINT_ROMAN
PRESIDENT CLINTON: WORKING FOR OLDER AMERICANS
PRINTER FONT 12_POINT_ROMAN_ITALIC
"Our senior citizens have made us what we are."
PRINTER FONT 12_POINT_ROMAN
President Clinton, State of the Union, 1995
PRINTER FONT 12_POINT_ROMAN_ITALIC
"My position is, I haven't and don't support cuts in Social Security, and I would support savings in the Medicare program only if they're used to advance the cause of health care."
PRINTER FONT 12_POINT_ROMAN
President Clinton, October 23, 1994

BRINGING SENIORS TO THE TABLE Our nation's seniors are central to our communities. The Clinton Administration is committed to addressing the concerns of Older Americans and including them in decision

-making.
? Elevation of Commissioner of Aging. President Clinton elevated the position of Commissioner on Aging to Assistant

Secretary status to make sure the interests and concerns of
older Americans are at the table when decisions are made.
? 1995 White House Conference on Aging. President Clinton
demonstrated his commitment to older Americans by calling
for the fourth White House Conference on Aging, after the
1991 Conference failed to take place.

PROMOTING ECONOMIC SECURITY People who work hard and play by the
rules should be rewarded. The Clinton Administration is committed
to promoting economic security and opportunity across
generations.
? A stable Social Security System The Administration is
committed to preserving Social Security benefits and
ensuring long

-term integrity of the Trust Fund. Social
Security benefits should not be used to balance the budget
or pay for tax cuts for the wealthy.
? Bolstering Public Confidence By strengthening and
streamlining the program, we're bolstering public confidence
in Social Security. We worked with the Congress to make SSA
an independent agency, and now SSA is working hard to
improve customer service and satisfaction -- through its 800
number, by reducing the number of pending disability claims
and by mailing Personal Earnings and Benefit Estimate
Statements (PEBES) so Americans know the retirement benefits
they can expect.
? A Reliable Pension System People deserve a pension system

that they can rely on -- so President Clinton signed the
Retirement Protection Act in December 1994. Now, workers
and retirees will be able to count on receiving the pensions
they have earned.
? Enhanced IRAs The President's Middle Class Bill of Rights
allows people to set up an Individual Retirement Account and
withdraw it tax

-free for the cost of education... or first
time home buying... or the care of a parent... or health
care.
THE CLINTON ADMINISTRATION CONTINUES TO FIGHT FOR REAL HEALTH
CARE REFORM We remain firmly committed to guaranteeing health
security to all Americans and to containing health care costs for
families, businesses and federal, state and local governments.
? First Steps As the President has consistently stated, this
year we can take the first steps. The Congress can, and
should, reform the insurance market; make coverage
affordable for working families; help workers who lose their
jobs keep their health insurance; continue the start made
already to level the playing field for the self

-employed;
and help families provide long

-term care for a sick parent
or a disabled child.
? Long Term Care We know that long

-term care is of critical
importance to the elderly. That's why we have consistently
supported expanding state administered home care services.
It's also why we support tax clarifications for private
long

-term care insurance and consumer standards for
long

-term care so that insurance policies are worth more
than the paper they're written on.

? Fighting Republican Cuts We're fighting to protect health
care for mothers, children, the disabled and aged Americans.
Republicans want to cut Medicare by about $250 billion and
federal Medicaid spending by about $160 billion between now
and 2002. These cuts will mean shifting a staggering
financial burden to elderly and disabled Medicare
beneficiaries; dropping coverage or shrinking benefits for
the elderly, disabled, or mothers and children on Medicaid;
and significant cuts in payments to hospitals, physicians
and other providers.
? Making Medicare and Medicaid Responsive to Beneficiary Needs
We're supportive of an expansion of managed care options to
increase choices for beneficiaries -- not as a smokescreen
for deep and arbitrary cuts. And, we're streamlining
regulations and cutting paperwork.

? Health Reform Critical to Deficit Reduction The President
has consistently said that we cannot get a hold of the
deficit without passing meaningful health reform. Over the
next five years alone, almost 40 percent of the growth in
total federal spending will come from rising costs in
federal health care programs. We must contain costs in
these programs. But we must do it as we reform our health
care system as a whole - - not by arbitrarily cutting
programs that serve the most vulnerable Americans.

A BETTER QUALITY OF LIFE The Administration is committed to
fighting for a better quality of life - - safe streets,
high

-quality and affordable education for everyone, and making
services available where they're needed most - - at the community
level.
? Fighting Crime The Administration passed the smartest,
toughest, and most comprehensive Anti

-Crime bill in this

country's history... a bill that provides police, prisons, punishment and prevention... so that the streets families live on are safer.

? Education President Clinton has signed the Student Loan Reform Act, Goals 2000, School

-to

-Work and expanded Head Start. His "Middle Class Bill of Rights" calls for tax cuts for parents trying to put their kids through school... and a $500 tax cut for families with children under 13.

? Promoting community service 20,000 young people are devoting their time to community service through the Administration's Americorps; some work with seniors in their community. And, Senior Corps programs like Foster Grandparent and the Retired and Senior Volunteer Program boast 526,000 participants.

? Reinventing Government The Administration has eliminated 102,000 jobs and continues to cut obsolete regulations; reward results, not red tape; taking power away from federal bureaucracies and giving it back to communities.

Staff Contact: Molly Brostrom, DPC
Last Updated: 4/26/95
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: 71333.2522@compuserve.com@INET@EOPMRX

CREATION DATE/TIME:10-JUL-1995 11:46:00.00

SUBJECT: Question on Pensions

TO: Jake Siewart (siewert_r@A1@CD) (WHO)
READ:10-JUL-1995 12:33:32.13

TEXT:
Jake,

The Concord Coalition released a report on federal pensions today. I have seen in our accomplishments "pension reform." Do you have info on this or can you point me in the right direction?

Thanks.

Robin
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE:10-JUL-1995 11:42:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V4.3-13 #6879)
id <01HSPCSY6Y9S009OD8@PMDF.EOP.GOV>; Mon, 10 Jul 1995 11:46:30 -0400 (EDT)
Received: by gatekeeper.eop.gov (5.65/fma-120691); id AA08903; Mon,
10 Jul 95 11:41:33 -0400
Received: from dub-img-2.compuserve.com by STORM.EOP.GOV (PMDF V4.3-12 #6879)
id <01HSPCN3D3BK000I3J@STORM.EOP.GOV>; Mon, 10 Jul 1995 11:41:47 -0700 (MST)
Received: by dub-img-2.compuserve.com (8.6.10/5.950515) id LAA15440; Mon,
10 Jul 1995 11:42:17 -0400
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Richard L. Siewert (SIEWERT_R) (WHO)

CREATION DATE/TIME:10-JUL-1995 13:11:19.10

SUBJECT: PENSION

TO: Remote Addressee (71333.2522@COMPUSERVE.COM@INET)
READ:NOT READ

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:10-JUL-1995 12:34:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Richard L. Siewert

TEXT:
PRINTER FONT 12_POINT_COURIER
PENSION REFORM
"The Retirement Protection Act says that people deserve a pension system that they rely on. They deserve employers who take actions to be worthy of their own trust and the labor that they give them, year-

in and year-

out. They deserve a Government that will protect them and stand by them, a Government that is their partner. . . . In stabilizing the Federal insurance system, we used the power of Government to avert a potential crisis, protecting millions of retirees, corporate pension plans, and the taxpayers from huge potential losses."

President Clinton
January 19, 1995

THE CHALLENGE: Defined benefit pension plans -

-

where an employer promises a certain benefit based on earnings and years of service -

-

were in trouble when the Administration came into office. Underfunding had grown from $27 billion in 1987 to $53 billion in 1992, much of it in older industries (such as steel, autos, tires and airlines) with companies in trouble. This put workers at risk of not getting the pensions they had been promised. The deficit of the Pension Benefit Guaranty Corporation, the government agency that guarantees most -

-

but not in all cases the full amount

-

-

of such pensions was also growing, potentially putting taxpayers at risk.

OUR RESPONSE: In March 1993, as one of the Administration's first actions, the Labor Department established an interagency task force to develop legislation to respond to both the underfunding and PBGC deficit problems. On September 30, 1993, the Administration submitted to Congress the Retirement Protection Act. The RPA, which passed as part of the GATT legislation in December 1994:

- o Strengthens underfunded pension plans
  - o It accelerates funding for plans that are less than 90% funded, with the fastest funding required for plans less than 60% funded;
  - o It reforms actuarial assumptions that had weakened plan funding and solvency; and
  - o It requires severely underfunded plans to have enough cash and marketable securities to make current benefits payments.

- o Increases premiums for pension plans that pose the greatest risk
  - o It requires the most underfunded pension plans to pay premiums that reflect the level of their underfunding -

-

under a formula that encourages them to increase funding.

- o Strengthens enforcement of pension laws by the PBGC
  - o It requires reporting on pension and corporation information by companies with severely underfunded plans; and

- It enhances the PBGC's authority to assure that annual pension contributions are made.
- Improves information for workers and retirees in underfunded plans and protections in fully funded plans
- It requires most employers whose plans are less than 90% funded to provide a notice to participants, in simple language, about plan funding and the limits of PBGC's guarantees; and
- It establishes the PBGC as a clearinghouse for the benefits of participants in terminated plans who cannot initially be found when the plan is terminated.

POSITION/PLAN: The Administration's philosophy in this area, as elsewhere, is that people who work hard and play by the rules should be rewarded. In the pension area it means that workers who are promised pension benefits and work the number of years required to get them should be assured the benefits will be there when they retire. With the passage of the RPA, the Administration has the tools to meet this goal. In the coming years we will:

- Vigorously enforce the RPA;
- Continue to monitor plan funding to ensure that the RPA reforms in fact accomplish their goal of moving toward fully funded plans within a reasonable period of time;
- Continue to stand up for plan beneficiaries -

-

both retirees and workers -

-

when companies get in trouble, and work to prevent companies from disadvantaging plan beneficiaries when restructuring;
- Work to simplify pension laws and regulations so that more employers will establish and maintain pension plans, whether defined benefit or defined contribution, for their employees.

Staff Contact: Ellen Seidman, NEC, 456-

2802
Last Updated: March 6, 1995

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

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2013-0306-F

Bucket: who

Creation Date: 1995-10-19

Subject: afl-cio -- kusnet

Creator: Russell W. Horwitz HORWITZ_R WHO

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Bill_Dauster@budget_min.senate.gov@INET@EOPMRX

CREATION DATE/TIME:23-OCT-1995 21:37:00.00

SUBJECT: Reconciliation Summary Part 4

TO: Heimbach_J (Heimbach_J@A1@CD) (WHO)
READ:24-OCT-1995 08:54:59.54

TEXT:

Increased Taxes for Middle Income Families

The Finance tax changes (including revisions in the Earned Income Tax Credit) will raise taxes on average for all taxpayers earning under $30,000 in the year 2000, according the tables prepared by the Joint Committee on Taxation. This amounts to nearly half of all taxpayers in 2000. By contrast, those earning over $350,000 will be receive an average tax break of $5,626.

The centerpiece of the plan, the $500-per-child, non-refundable, tax credit, is tilted against low-and moderate-income families, despite its being phased out for singles with incomes above $75,000 and for couples with incomes above $110,000. Because the credit is non- refundable, it is of partial or no use to middle-and low-income taxpayers whose total taxes amount to less than the available credit. For example, a couple with two minor children and one wage earner working full time at twice the minimum wage would receive a credit of only $180, not $1,000. At the other end of the scale, the credit would be reduced to $500 when the couple s income reached $130,000 and would not be fully phased out until their income reached $150,000.

Approximately 23.7 million children, living in families with low or moderate incomes, will receive no aid from the child credit because those family s incomes are too low to qualify for any of the credit, according to a study by the Center on Budget Policy and Priorities. Another 7 million children would receive only a partial credit. By contrast, only an estimated 3.1 million children live with high-income families that will not qualify for the credit.

Hidden Tax Breaks for the Wealthy

The Finance tax reductions are back loaded. They grow by 64 percent between 2003 and 2005, from $224 billion to $369.5 billion. Three proposals the back-loaded IRA, capital gains relief and the estate tax changes are at the heart of this increase. The costs of the IRA proposals alone skyrocket from a total $4.3 billion in the first 5 years to $34 billion in the second 5 years.

Those provisions greatly favor upper-income taxpayers. Nearly two-thirds of the individual capital gains break in 2000 (the last year distribution data was provided by the Joint Committee on Taxation) will benefit those earning over $100,000. The capital gains tax break will benefit taxpayers with income between $20,000 and $30,000 by about $5 on average. Those making over $200,000 will receive an average cut of nearly $1,500. The new back- loaded Individual Retirement Account allows any taxpayer to place $2,000 of taxed income into an account and to withdraw the income from that account tax-free provided certain conditions are met. Upper income taxpayers are not only more able to take advantage of this new proposal, but they will also receive a greater tax break when the income in withdrawn. The estate tax changes will exempt estates of up to $750,000 from paying any Federal estate tax. In addition, the proposal will exclude the first $1.5 million, and 50 percent of the next $3.5 million, of a qualified family-owned business from a decedent s taxable estate.

Corporate Tax Breaks

In addition to the wealthy, corporations are the big winners in the Finance Committee s revenue proposals. The maximum corporate capital gains rate will be reduced from 35 percent to 28 percent at a cost of $6.9 billion. Changes in the alternative minimum tax will cost $9.2 billion. A new Work Opportunity Tax Credit, replacing the Targeted Jobs Tax Credit, will provide a credit of up to $2,100 per-qualified-employee for employers. And, the research and experimentation tax credit is extended until February 28, 1997 at a cost of $3 billion.

Retirement Funds Raided

Forgetting, or ignoring that raids on overfunded pension plans fed the corporate merger mania of the 1980s, the Finance tax title proposes to allow corporations to raid pension fund assets to fund employee benefits. This ill-advised proposal, at a cost of $5 billion, is a scaled back version of a even more irresponsible measure passed by the House Ways and Means Committee. As recently as 1990, Congress passed legislation to stop pension reversions. The Pension Benefit Guarantee Corporation recently released a study of 10 large pension plans insured by the PBGC and concluded that the funding level would fall to an average 87 percent on a termination basis even if currently funded at 125 percent of current liability. The study concluded that the House plan would leave many pension plans with insufficient resources to protect retirees and the [Federally insured] PBGC.

Superfund Taxes used for Tax Cut

The Finance tax provisions extend the Superfund excise taxes through September 30, 2002 and the Superfund alternative minimum tax through December 31, 1997. Extending those taxes as part of the Reconciliation bill will significantly hinder efforts to reauthorize the Superfund law.

Even some Republicans are concerned about the impact of this extension. Senator Smith said he was "shocked" by this proposal because it took away the offset for a tax credit provision that he intends as part of a Superfund overhaul. Without the tax credits, there is simply "no bill" according to Smith.

Tax Loopholes

Numerous tax loopholes and special member provisions are scattered throughout the Finance tax proposals. Retail motor fuel outlet stores (convenience stores) will have their depreciation recovery period reduced from 39 to 15 years. The Alaska Power Administration is allowed a specific exemption to finance the purchase of the Snettisham hydroelectric project. Alaska is exempted from the diesel dying requirements. Newspaper publishers receive a clarification of whether newspaper carriers are independent contractors, a proposal with negligible revenue effect. Agricultural and horticultural organizations that charge dues to associate members will not be required to report such dues as unrelated business income even though the associate membership is offered primarily to raise income.

Title VIII: Governmental Affairs

The Governmental Affairs Committee was instructed to save $9.8 billion over 7 years. The Committee proposes to delay COLAs for Federal retirees by 3 months for each of the next 7 years. Federal agencies would be required to contribute 1.5 percent more of payroll for CSRS retirement costs. All Federal employees would be required to contribute 0.5 percent more to their retirement. Congressional and staff pensions are made to conform with pensions other Federal employees. The Committee avoided more controversial changes proposed by the Budget Committee, including modifying the number of years of salary used to calculate pension benefits, and reducing the Federal contribution to the Federal Employees Health Benefits Program.

The Committee s mark did not include language to eliminate the Department of Commerce. The House intends to, however, include elimination of the Department in its final package. Whether this will be included in the final package depends on whether the Parliamentarian rules that the House language satisfies Byrd Rule requirements.

Title IX: Judiciary

The Judiciary Committee proposal meets its reconciliation target of $476 million over 7 years by extending patent and trademark fees scheduled to expire after fiscal year 1998.

More than $300 million of these fees would be eliminated by a provision in the House Commerce Committee reconciliation language to dismantle the Commerce department. This provision converts Patent and Trademark Office (PTO) surcharge fees from offsetting receipts to offsetting collections, which allows them to be spent without annual appropriations.

Title X: Labor and Human Resources

The Senate Labor and Human Resources Committee reported legislation that cuts $10.8 billion from student loan programs over 7 years. The savings are achieved by: (1) capping the direct student loan program at 20 percent of loan volume; (2) eliminating the 6-month, post-graduation interest-free grace period; (3) raising the interest rate on Federal loans parents can secure to help pay for their child s college education; (4) assessing an 0.85 percent fee on colleges and universities on their annual Federal student loan volume; and (5) cutting subsidies and charging new fees to lenders, Sallie Mae, and guarantee agencies.

The scoring of this title is biased. The budget resolution directs the Congressional Budget Office to override certain costing conventions contained in the Federal Credit Reform Act of 1990. If the scoring of these provisions was done according to the law, only $7.7 billion $3.1 billion less would be saved by this title.

This proposal will significantly raise the cost of college for students. Depending on the amount borrowed, eliminating the grace period would add an additional $700 to $2,500 in interest to be repaid per student. Given the tremendous debt burden already facing today s college graduates, this additional cost could mean more defaults.

There are even additional hidden costs for the average American family. Raising the interest rate for parents from 3.1 to 4 percent on Federal loans would cost up to $5,000 for low- and middle-income families who borrow heavily to pay for college, while wealthier families are able to secure tax-deductible home equity loans with lower interest rates.

For colleges and universities, the 0.85 percent fee means that these institutions would have to pay $201 million in 1996 and $1.8 billion over 7 years to the U.S. Treasury. This tax would penalize colleges for admitting financially-needy students. Furthermore, this tax could be paid out of a school s financial aid budget, thus limiting the number of grants given to students.

These proposals are totally skewed in favor of the bankers, while hurting students. It is telling that the loan industry lenders, secondary market agents, and guarantee agencies are willing to accept nearly $4 billion in new fees and lower subsidies in exchange for the greater share of the loan market resulting from the 20 percent cap on direct lending. If enacted, this cap would force nearly half of the 1,338 schools already participating out of this highly successful program, and once again, make borrowing more costly and complicated for students.

Title XI: Veterans Affairs

The Veterans Affairs Committees proposes a variety of recommendations for meeting its reconciliation target of $6.4 billion over 7 years. Although the Committee exceeds its target by $267 million over 7 years, the Committee is out of compliance in 1996 by $124 million

The Committee s recommendations would impact five programs of the Department of Veterans Affairs (VA): compensation ($3 billion), education ($983 million), pensions ($927 million), medical care ($1.2 billion), and housing ($581 million).

The proposal includes a new provision that would revise liability standards for treatment in VA facilities. Currently, veterans who are injured during treatment in a VA facility and their survivors may be eligible to receive disability compensation benefits. Court decisions require that the VA consider claims for compensation from veterans whose conditions worsen after treatment in VA facilities, regardless of whether the cause was negligence or accident. The Committee s proposal would in effect reverse the recent Supreme Court Gardner decision and make the VA responsible for medical error or negligence, but not for the possible or unintentional consequences of procedures whose risks were known and accepted by the patient.

Monthly rates of disability compensation paid to veterans and dependency and indemnity compensation paid to their survivors are increased by the same cost-of-living adjustment payable to Social Security recipients, and the results of the adjustments are rounded to the nearest dollar. The Committee s recommendation would round down adjustments through 2002 down to the next lower dollar.

Two provisions would impact veterans education programs. One would increase the contribution required of Montgomery GI Bill participants. Originally, participants received $9 of education assistance benefits for every $1 contributed. Rate increases were enacted to help keep pace with the increased cost of education so that currently there is a 12:1 funding ratio. This provision would return to the original 9:1 funding ratio, affecting over 1.4 million service personnel, despite increasing tuition costs and in the midst of overall education assistance cuts. A second provision would limit COLAs for Montgomery GI Bill education assistance payments to half of the level required by current law.

Five of the recommendations would extend through 2002 provisions of law that are set to expire before that time. The extensions include: (1) a $90 limitation on pension benefits paid to beneficiaries receiving Medicaid coverage in a Medicaid-approved nursing home; (2) current law that authorizes the VA to acquire income reported to the IRS for the purpose of verifying income reported by recipients of VA pension benefits and to verify records to determine eligibility for means-tested medical care; (3) VA s authority to collect from third-party insurers for the cost of treating veterans with service-connected disabilities for their non service-connected ailments: (4) VA s authority to collect per diems for hospitalization and nursing home care and co-payments for outpatient medications; and (5) two provisions regarding the veterans home loan program.

PROCEDURAL SLEIGHT OF HAND

The Republicans have played fast and loose with the procedures to get this far. As many will recall the budget resolution required the spending committees to complete their work and then send it to the Budget Committee. The Budget Committee would then dispatch that work to CBO, which would certify compliance with the instructions. Then, and only then, was the Finance Committee free to mark up the tax bill.

The way it actually worked was that the Chairman of the Budget Committee wrote CBO asking for the certification before he had received the majority of the language. That letter is akin to a tenant writing to a landlord saying, Here is my rent check and not enclosing anything in the envelope.

The Finance Committee jumped the gun too, beginning its tax markup before it had received certification from CBO. There has just been one effort after another to cut corners and railroad this process.

The cruel irony is that this may not even be a balanced budget. It may be just so much hype. The Majority claims that this is the first bill that will balance the budget. They forget that many of them claimed to do the same in the 1990 Budget Summit a short 5 years ago.

They claim that they achieve a balanced budget with this bill, and waive proudly a certificate from the Republican-appointed CBO Director. That is questionable, as well. This bill gets to that alleged achievement using several gimmicks and sleight of hand that were against the budget law just last year.

The Majority claims to get to balance in part by counting assets sales. This is like selling your garage to pay your mortgage. Asset sales have not counted for CBO or OMB scorekeeping purposes since 1987. And they will only count today because the Majority cooked the bookkeeping rules this year.

The Majority also put the books on a high flame for the scoring of student loans. Under last year s budget law, their student loan provision would have saved less a than $8 billion. This year, after the Republican budget chefs got through with the budget law, they claim it wail save $3 billion more.

The Majority gives the Environment and Public Works Committee credit for over half a billion in savings that even they do not believe are real. CBO made a mistake a flat-out mistake in its budget baseline starting point. Now, the Environment Committee gets credit for restoring the baseline spending levels to what they were before the mistake. And the Majority pretends that those dollars contribute to the $632 billion they need to achieve in this bill.

According to the numbers in CBO's certification letter, the sum of the reconciliation numbers as required by section 205 of the Conference Report on the Budget Resolution has not been met.

Here are the facts. The conference report required that the sum of the reconciliation instructions over the seven years add up to $632.29 billion dollars.

The Parliamentarian has assured the Democrats that this is the sum of outlay reductions, plus revenues raised by the Governmental Affairs Committee. No other revenues shall be counted since no other committees had instructions to raise revenues.

CBO calculates $627.1 billion worth of outlay reductions. CBO calculates $3.7 billion worth of revenue increases contained in the Governmental Affairs language.

The $20.5 billion in revenues attributed to the Finance committee should not be counted towards the sum of the reconciliation directives because Finance did not have an instruction to raise revenues

Therefore the total of outlay reductions plus Governmental Affairs tax increases comes to $630.8 billion, which is short of the $632.29 billion required.

We could go on and on, but the point has been made. This bill will no more achieve a balanced Federal budget than the 1990 bill did. And they know it.

Yet the Majority proceeds ahead and piles these lavish tax breaks on the rich as if we just received a report of a budget surplus last year. That is wrong. We should not be lavishing tax breaks on the rich, and we should certainly not be doing so until we first get our fiscal house in order.

BUDGET PROCESS AND THE RECONCILIATION BILL

The Congressional Budget Act of 1974 sets forth limitations on the type of material that

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

ATT CREATION TIME/DATE:23-OCT-1995 21:36:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01HWSM2486J4000WUJ@PMDF.EOP.GOV> for Heimbach_J@a1.eop.gov; Mon,
 23 Oct 1995 21:37:39 -0400 (EDT)

Received: from gateway.senate.gov by gatekeeper.eop.gov;
(5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA15450; Mon, 23 Oct 1995 21:40:50 -0400
Received: from [156.33.203.30] by gateway.senate.gov;
(5.65/1.1.8.2/14Sep94-0947PM) id AA09179; Mon, 23 Oct 1995 21:40:15 -0400
Received: from smtpgwyn.senate.gov by mailhost.senate.gov id aa15736; Mon,
23 Oct 1995 21:32 -0400 (EDT)
Received: from cc:Mail by smtpgwyn.senate.gov id AA814504565; Mon,
23 Oct 1995 19:00:14 -0500 (EST)
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Lydia Muniz (MUNIZ_L) (OMB)

CREATION DATE/TIME:27-NOV-1995 12:24:59.73

SUBJECT: DRAFT RECONCILIATION VETO MESSAGE

TO: Martha Foley (FOLEY_M) (WHO)
READ:27-NOV-1995 16:25:57.74

TO: John C. Angell (ANGELL_J) (WHO)
READ:27-NOV-1995 13:24:21.74

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:27-NOV-1995 13:47:09.71

TEXT:
Please review the attached draft veto statement and get back to me with comments and/or clearance. Thank you!
PRINTER FONT 12_POINT_COURIER
TO THE HOUSE OF REPRESENTATIVES:

I am returning today without my approval H.R. 2491, which seeks to make extreme cuts and other unacceptable changes in Medicare and Medicaid, and to raise taxes on millions of working Americans.

As I have repeatedly stressed, I want to find common ground with Congress on a budget plan that will best serve the American people. But, I have profound differences with the extreme approach that Congress has adopted. It would hurt average Americans and help special interests.

My balanced budget plan reflects the values that Americans share -- work and family, opportunity and responsibility. It would protect Medicare and retain Medicaid's guarantee of coverage; invest in education and training and other priorities; and provide for a targeted tax cut to help middle

-income
Americans raise their children, save for the future, and pay for postsecondary education. To reach balance, my plan would eliminate wasteful spending, streamline programs, and end unneeded subsidies; take the first, serious steps toward health care reform; reform welfare to reward work; and cut non

-defense
discretionary spending, other than my investments, 22 percent in real terms by 2002.

By contrast, H.R. 2491 would cut deeply into Medicare, Medicaid, student loans, and food stamps; hurt the environment; raise taxes on millions of working families by slashing the Earned Income Tax Credit (EITC); and provide a huge tax cut whose benefits would flow disproportionately to those who are already the most well

-off.

Moreover, this bill creates new fiscal pressures. Revenue losses from the tax cuts grow rapidly after 2002, with costs exploding for provisions that primarily benefit upper

-income

taxpayers. For the individual retirement account (IRA), capital gains, and estate tax provisions, the revenue losses for the three years after 2002 exceed the losses for the preceding six years.

Title VIII would cut Medicare by $270 billion over seven years -- by far the largest cut in Medicare's 30

-year history.

While we need to slow the rate of growth in Medicare spending, I believe Medicare must keep pace with anticipated increases in the costs of medical services and the growing number of elderly Americans. This bill would fall woefully short. In addition, the bill introduces untested, and highly questionable, Medicare "choices" that could increase risks and costs for the most vulnerable beneficiaries.

Title VII would cut Federal Medicaid payments to states by $163 billion over seven years and convert the program into a block grant, eliminating guaranteed coverage to millions of

Americans and putting states at risk during economic downturns. States would face untenable choices: cutting benefits, dropping coverage for millions of beneficiaries, or reducing provider payments to a level that would undermine quality service to children, people with disabilities, the elderly, pregnant women, and others who depend on Medicaid. I am also concerned that the bill has inadequate quality and income protections for nursing home residents, the developmentally disabled, and their families; and that it would eliminate a program that guarantees immunizations to many children.

Title IV would virtually eliminate the Direct Student Loan Program, reversing its significant progress and ending the participation of over 1,300 schools and hundreds of thousands of students. These actions would hurt middle- and low

-income

families, make student loan programs less efficient, perpetuate unnecessary red tape, and deny students and schools the free

-market choice of guaranteed or direct loans.

Title V would open the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling, threatening a unique, pristine ecosystem, in hopes of generating $1.3 billion in federal revenues -- a revenue estimate based on wishful thinking and outdated analysis. I want to protect this biologically

-rich
wilderness permanently. I am also concerned about other environmental provisions, including one that would retain the notorious patenting provision whereby the government transfers billions of dollars of publicly

-owned minerals at little or no
charge to private interests.
While making such devastating cuts in Medicare, Medicaid, and other vital programs, this bill would provide huge tax cuts for those who are already the most well

-off. Over 47 percent of
the tax benefits would go to families with income over $100,000 -- the top 12 percent. The bill would provide unwarranted benefits to corporations and new tax breaks for special interests. At the same time, it would raise taxes, on average, for the poorest fifth of all families.

The bill would make capital gains cuts retroactive to January 1, 1995, providing a windfall of $13 billion in the first 9 months of 1995 alone to taxpayers who already have sold their assets. Cuts in the corporate alternative minimum tax would virtually eliminate a provision that was designed to ensure that profitable corporations pay at least some federal tax. The bill also would allow businesses to avoid taxes by accumulating foreign earnings without limit. And the bill does not include my proposal to close a loophole that allows wealthy Americans to avoid taxes on the gains they accrue by giving up their U.S. citizenship. Instead, it substitutes a provision that would

prove ineffective.
While cutting taxes for the well

-off, this bill would cut
the EITC for almost 13 million working families. It would repeal part of the scheduled 1996 increase for taxpayers with two or more children, and end the credit for workers who do not live with qualifying children. Even after accounting for other tax cuts in this bill, eight million families would face a net tax increase.

The bill would make unwise changes to pension fund asset reversions -- making it easy for companies to withdraw "excess" pension assets -- threatening the retirement benefits of workers and increasing the exposure of the Pension Benefit Guaranty Corporation. It also would raise Federal employee retirement contributions, unduly burdening Federal workers. Moreover, the bill would eliminate the low

-income housing tax credit and the
community development corporation tax credit, which address critical housing needs and help rebuild communities. Finally, it would repeal a tax credit that benefits Puerto Rico and the possessions in a way that ignores the needs of U.S. citizens who

live there.

Title XII includes many welfare provisions. When added to the EITC cuts in this bill, these provisions would cut low

-income

programs too deeply. For welfare reform to succeed, savings should result from moving people from welfare to work, not from cutting people off and shifting costs to the states. The cost of excessive program cuts in human terms -- to working families, single mothers with small children, abused and neglected children, low

-income immigrants, and disabled children -- would be grave.

The agriculture provisions would eliminate the safety net that farm programs provide for U.S. agriculture. Title I would provide windfall payments to producers when prices are high, but not protect family farm income when prices are low. In addition, it would slash spending for agricultural export assistance and reduce the environmental benefits of the Conservation Reserve Program.

For all of these reasons and others, this bill is unacceptable.

Nevertheless, while I have major differences with Congress, I want to work with Members to find a common path to balance the budget in a way that will improve the standard of living of all Americans.

WILLIAM J. CLINTON

THE WHITE HOUSE,
November __, 1995.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Seth E. Masket (MASKET_S) (WHO)

CREATION DATE/TIME: 3-JAN-1996 17:05:31.35

SUBJECT: RE: Retiree stuff

TO: Ellen S. Seidman (SEIDMAN_E) (OPD)
READ: 3-JAN-1996 17:20:10.08

TEXT:
Sorry. Was it the letter from the WV Consolidated Public Retirement Board, in which they got very specific and we decided to stay general about pension reform? I think I cc'd you a copy of that one.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: David Shipley (SHIPLEY_D) (WHO)

CREATION DATE/TIME:11-JAN-1996 09:54:21.63

SUBJECT: nashville

TO: Kamarck, Elaine C. (KAMARC_E) Autoforward to: Remote Addressee (Elaine C. Kamarck@LNGATE@EOPMRX) (VPO)
READ:NOT READ

TEXT:
Elaine,
For the Peterbilt speech -- yes, the Peterbilt speech -- I need
your three best sentences on pension reform. What have we done?
And what have we stopped the Republican Congress from doing?
Thanks, as always, for your help.
David 67289

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Seth E. Masket (MASKET_S) (WHO)

CREATION DATE/TIME:19-JAN-1996 11:54:57.78

SUBJECT: Pension letter

TO: Ellen S. Seidman (SEIDMAN_E) (OPD)
READ:19-JAN-1996 14:05:33.79

TEXT:
Remember that letter regarding pension reform from about a month ago. Well, in the wake of the storm and everything else, it's only now ready to go out the door. I'm assuming that the language is still okay, but I've been asked to run it by you one more time. Could you look this over and let me know if it's still accurate? Thanks for your help. -Seth

Mr. James L. Sims
Executive Secretary
Consolidated Public Retirement Board
Capitol Complex, Building 5, Room 1000
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0720
Dear James:

Thank you for your letter. Strengthening and simplifying the nation's pension system is an important goal of my Administration, and I greatly appreciate your support for this vital effort.

We are working to improve the retirement savings system in a way that supports and increases coverage. By encouraging employer-sponsored retirement plans, particularly in the small business community, workers can be assured of a sound retirement. This, in turn, is an effective way to create savings, generating individual savings for retirement and bolstering the savings rate for the economy as a whole. The streamlining of unwieldy pension laws will mean a better future for more hardworking citizens and a stronger economy for us all.

As we seek to build a future of greater security for retirees, I will certainly keep your perspective in mind. I welcome your continued involvement.

Sincerely,
Bill Clinton

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Ellen S. Seidman (SEIDMAN_E) (OPD)

CREATION DATE/TIME: 2-APR-1996 09:59:44.84

SUBJECT: Final reversions paper

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(WHO)
READ: 2-APR-1996 10:03:30.19

TO: Daniel Taberski (TABERSKI_D) (OPD)
READ: 2-APR-1996 10:03:30.19

TEXT:
Attached is a final version of the reversions paper. I fits on 2 pages if you don't use letterhead margin at the top of the first. Otherwise it will run over to 3 pages. I also sent Gene a message about 401(k)s, but forgot to cc Dan.
Ellen
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 2-APR-1996 09:59:00.00

ATT BODYPART TYPE:p

TEXT:
COMMENT
AUTHOR : Ellen Seidman
OPERATOR : Ellen Seidman
COMMENT :
PRINTER FONT 11_POINT_ROMAN
April 2, 1996

MEMORANDUM FOR: LAURA TYSON

FROM: GENE SPERLING
ELLEN SEIDMAN

SUBJECT: Pension reversion provision in new pension package

The Issue
During the 1980s, pension reversions were used by many companies to finance mergers, acquisitions, leveraged buyouts and for general corporate purposes. Pension plans sponsored by some of these same companies later became severely underfunded, to the detriment of workers and retirees. In 1990, Congress enacted a set of excise taxes, at levels as high as 50%, to recapture the tax benefits to corporations of funding pension plans. The excise taxes have virtually eliminated reversions, although withdrawals are allowed for retiree health expenses. During the 1995 budget battle, the Republicans proposed to sharply increase the ability of corporations to take reversions for general

corporate use without paying the excise tax.
The Administration vigorously fought the Republican proposals to cut back substantially on the 1990 limitations, characterizing them as ?pension raiding,? and citing the excesses of the 1980s. Although the proposal was eliminated in the Senate, it was included in the final Balanced Budget package, and was cited as one of the reasons for the President?s veto. The public response to the Administration?s position was extremely favorable.
What Next? - Options
We would like to revive and replay the reversions issue as part of a proposed pension initiative. There are four options for doing this:
? Propose nothing new, but characterize the new package as consistent with and building upon the Administration?s opposition to pension raiding, relying on rhetoric rather than a proposal to revive the issue.
? The Administration?s stand against reversions, and the characterization of the Republicans? proposal as ?pension raiding,? is well

-known and has been successful. Simply reminding people of it will have resonance.
? The 1990 changes have solved the problem of 1980s

-style
abuse; nothing more is needed.
? To some extent, the limited right to take a reversion, even with penalties, helps encourage employers to fully fund their plans, because they know they can have access to the excess if it is really needed.
? Although business supported the Republican proposal, they were somewhat embarrassed by it and did not overtly oppose the Administration?s position; going further may generate overt opposition.
? Making a new proposal will focus the debate on the merits of that proposal, rather than keeping it focused on the Republican's

error.
? Propose amending the law to require the Treasury or Labor Department to report annually to Congress on reversion activity since the enactment of ERISA, and to supplement the report annually.
? By proposing some change, we increase the focus on this issue and on our position against Republican ?pension raiding.?
? A report could demonstrate that the current law's excise taxes have been effective in preventing reversions and serve as a periodic reminder of Republican efforts to raid pensions.
? A reporting requirement of this sort is unlikely to generate opposition, change the terms of the debate, or create other significant risks.
? However, such a report will do little to increase the disincentives for individual companies to take reversions.

? Propose amending the law to require employers who take reversions to give notices to their employees before such action is taken.

? By proposing a change focused on employees, we increase the focus on the employee

-protection aspects of this issue and on our position in contrast to Republican pension raiding.

? Having to provide such a notice can be a significant disincentive to taking a reversion.

? However, by proposing such a notice requirement, we may imply that (i) reversions are fine, as long as employees are told and (ii) far more reversions are taking place than is in fact the case, potentially creating unnecessary worry on the part of employees.

? Businesses are likely to view this type of reporting requirement as a practical limit on their ability to take reversions, which may create overt opposition to the Administration?s position where little now exists.

? It may have some impact on business's desire to fully fund plans ? and will certainly lead to their stating that it will have such an impact.

? Propose amending the law to prohibit reversions entirely.

? This is an unambiguous further statement of our opposition to Republican pension raiding.

? This will establish by implication what has long been ambiguous: that money in a pension trust belongs to the employees, not the employer.

? The ownership issue is, however, one of the clearest "hot buttons" for employers; to raise it now will divert attention from the good things in our package and virtually assure business opposition.

? Reversions have in fact been held to a trickle by the stiff excise taxes imposed in 1990; to propose to prohibit them entirely may imply that they are more common than is the case, thereby unnecessarily generating employee concern.

? Current law helps encourage full funding by allowing employers the possibility of recovering excess funding after payment of all benefits and excise taxes. Small business owners already complain that, if they fund generously, they are particularly exposed to the risk that there will be excess assets on plan termination that will be largely taxed away. Both small and large business will assert that a reversion ban will discourage them from adequately funding pension plans.

? Including a total ban on reversions in a message focused in part on alleviating the impact of downsizing invites the question why we should preclude completely any possibility that a financially strapped company with sufficient pension surplus might choose to withdraw the surplus to save workers' jobs.

? We have had fairly good bipartisan support for our position; the Senate vote to delete the reversion provision was 94

This would polarize the issue, and may carry the polarization over to the broader issue of pension reform, which has long enjoyed solid bipartisan support.

Recommendation

We understand the Secretary of Labor favors the fourth option, an outright ban. We understand the Secretary of Treasury is opposed to such a ban on both policy and political grounds, and is not convinced of the need to take any legislative action. We recommend the second option -- a Treasury or Labor report on reversions. It is important to use this legislation to express strongly that we must not go backwards on reversions, and having a legislative hook that says we'll put the spotlight on any increase in reversion activity is sufficient to accomplish this, without generating unneeded opposition.

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

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Patricia F. Lewis (LEWIS_PF) (WHO)

CREATION DATE/TIME:12-APR-1996 10:45:22.44

SUBJECT: Conference Calls

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:12-APR-1996 10:46:14.43

TEXT:
Just to let you know that the three conference calls I did this week all went well. I was particularly impressed at how well everyone did in promoting the same themes - in staying on the message from the White House. That included Robert Achtenberg's call Thursday, Marty Slate's call with business reporters from the Chicago Sun Times and Peoria Journal Star, and Sec. Olena Berg's call with Mary Beth Franklin, Maturity News Service, today. (It turned out there are some key changes of particular interest to recent and soon-to-be retirees. I'm planning a mailing that highlights these.)
All three referred repeatedly to 'President Clinton's initiatives;' when Franklin asked about pension security, Berg said she was alot more comfortable answering that question today than she would have been two years ago...she praised the president's pension reform act...

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: scdp-l@scsn.net@INET@EOPMRX

CREATION DATE/TIME:14-APR-1996 00:19:00.00

SUBJECT: GOP Idea Would Profit Insurance Co. with GOP Ties [scdp-l 960413]

TO: Recipients of SCDP-L (scdp-l@scsn.net@INET@EOPMRX)
READ:NOT READ

IND_TO: Angus S. King (KING_A) (WHO)
READ:15-APR-1996 09:59:05.24

TEXT:

From: GBusbin@ns1.upstate.net

By ROBERT PEAR

c.1996 N.Y. Times News Service

WASHINGTON - A health insurance company with close political and financial ties to Republican leaders stands to benefit substantially from a proposal that conservative Republicans want to add to a major health insurance bill scheduled for debate this week on the Senate floor.

The proposal, already approved by the House, would create tax incentives for people to set up medical savings accounts to pay health care expenses. The company, Golden Rule Insurance Co., sells a special type of health insurance that would have to be purchased by people with such tax-free accounts.

The insurance has high deductibles and relatively low premiums but would pay medical bills exceeding the amount for which the patient was responsible - $1,500 a year for an individual and $3,000 for a family, under the House bill.

The proposal would allow people to put pretax dollars into the medical savings accounts to pay their deductibles.

The main purpose of the Senate and House bills is to guarantee that people in employer-sponsored health plans would be able to get health insurance after switching or losing their jobs. But some Republican senators, like House Republican leaders, insist that the bill must also encourage medical savings accounts.

Many experts on health care and insurance say such accounts are, at best, a quirky idea that would be worth trying on only a small scale, with proper safeguards for consumers. The Congressional Joint Committee on Taxation estimates that a million households would establish the accounts under the bill approved late last month by the House.

The proposal is generating political passion out of proportion to the number of people expected to sign up. House Speaker Newt Gingrich and other Republicans say that medical savings accounts would give consumers a wider choice of health insurance options, strong new incentives to control health costs and more control over the use of the money earmarked for health care.

But many Democrats denounce the accounts as bad health policy, and they say that the proposal is being pushed by Republicans as a reward to Golden Rule and its former chairman, J. Patrick Rooney, a strong supporter of Republican causes. His father founded the company, and his family controls it.

The medical savings accounts would work this way. An employer or an employee could put money into the account, and that money would belong to the employee. Any money not used in one year could be carried over and invested, like the money in an individual retirement account.

Earnings on such investments would not be taxed, and money withdrawn from a medical savings account would not be subject to income tax if it was used for medical expenses.

At the heart of the debate is an empirical question: are healthy people more likely than sick people to establish medical savings accounts? Most Democrats say yes, while Republicans say no.

The Congressional Budget Office and the American Academy of Actuaries share the concern that younger, healthier people would be more inclined to choose medical savings accounts and the high-deductible insurance policies that go with them.

Democrats say that sick people and those with chronic health problems would prefer conventional insurance because the deductibles are much lower: an average of $250 a year for individuals and $600 for families.

Patients are personally responsible for those amounts, and sick people generally know they will have higher medical expenses, so they will shun the high-deductible policies, the Democrats say. They say healthier people would have more to gain from medical savings accounts because they would have more money left over at the end of a year.

Republicans, by contrast, say the high-deductible policies would also appeal to sick people because the policies could provide unlimited protection against catastrophic medical expenses after the deductibles were met. Insurers now often set annual or lifetime limits on the benefits that will be paid for a subscriber.

But Cathy L. Hurwit, legislative director of Citizen Action, a consumer group with three million members, said, ``In theory, the insurance company would pay all health care costs once you pay your deductible, but nothing in the House bill requires that."

Rep. Pete Stark, D-Calif., said on the House floor last month that the

Republican proposal was ``a payoff to the Golden Rule Insurance Company" - a characterization disputed by Republican leaders and Golden Rule executives.

Rep. Cynthia McKinney, D-Ga., asked on the House floor: ``Why medical savings accounts? Just follow the money. The Golden Rule Insurance Company has given more than $1.4 million to the GOP, and, coincidentally, Golden Rule just happens to be the premier company peddling medical savings accounts."

Rooney offered slightly different numbers. In an interview, he said that he and Golden Rule employees had given $1.1 million to the Republican National Committee and Republican candidates for Congress since January 1993.

Common Cause, the public affairs lobby, said that Rooney and John M. Whelan, Golden Rule's president, had given more than $117,000 to Gopac, the political action committee that helped Gingrich take control of the House.

Golden Rule, which describes itself as one of the biggest suppliers of health insurance to individuals and small groups and says it covers about 1.8 million people, it has shown persistence in trying to promote medical savings accounts.

Rooney, a maverick in the insurance industry, said: ``I support medical savings accounts because I believe they are good for the American people. It's no shock to me that I am being condemned, or my company is being condemned. We are caught up in the conflict between the two parties."

But Mary Nell Lehnhard, senior vice president of the Blue Cross and Blue Shield Association, said, ``We're afraid that medical savings accounts will segment the market into people who are very healthy and people who are not healthy."

If that happens, she said, ``you lose the whole principle of insurance, which is cross-subsidy," with premiums being collected from people who are healthy today to subsidize care for the sick.

``You need a mix of people who are using health care services and people who are not to make it affordable for everyone," Ms. Lehnhard said.

Members of Congress say the overall health insurance bill has an excellent chance of becoming law, but the outlook for medical savings accounts is less clear.

Gingrich said he would not risk a presidential veto over the issue, but other conservatives planned to fight for the accounts in a House-Senate conference.

The bill scheduled for debate this week is sponsored by Sens. Nancy Kassebaum, R-Kan., and Edward Kennedy, D-Mass. Conservative Republicans say they will propose amendments to encourage medical savings accounts. Mrs. Kassebaum, Kennedy and the White House oppose such amendments, saying they could sink the bill.

The House and Senate bills would restrict practices that insurers use to identify people with medical problems. Rooney said that Golden Rule sometimes denied coverage to such people or charged them high premiums.

Whelan defended those practices in testimony before Congress in 1994. ``Fire insurance is not provided after the house catches fire," he said, ``nor is auto-theft insurance provided after the car is stolen. To provide health coverage to people for a medical condition which has already occurred may be charitable; it is not the business of insurance."

But Ms. Hurwit of Citizen Action said: ``The idea that health insurance is only for the healthy is absurd. Eighty-one million people have some form of health problem that could be labeled a pre-existing condition, everything from asthma to cancer."

Golden Rule has resisted efforts by several states to require the sale of health insurance to all applicants and to limit premium variations.

When New Hampshire was considering such legislation in 1993, state Sen. Jeanne Shaheen, a Democrat, issued a news release saying, ``Golden Rule represents everything that is wrong with health care in America." She asserted that the company had ``resorted to lies and half-truths," telling policyholders that their premiums would soar.

In Kentucky, state Rep. Ernesto Scorsone, a Democrat, said that Golden Rule had run a campaign of ``disinformation, misinformation and outright deception."

Whelan acknowledged that the company's lobbying had been ``forceful and aggressive." But he said that Golden Rule had violated no laws and was merely trying to protect policyholders.

****
"How many Republicans does it take to screw a light bulb?
None. We only screw the poor."
 -- Senator Greg Gregory (R-Lancaster) [The State, 3/17/96]
****

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Posted by: Eric Folley <efolley@scsn.net>, moderator of the
SC Democratic Party Mailing List <scdp-l@scsn.net>

To subscribe to this list, send mail to <scdp-l@scsn.net>
with "Subscribe SCDP-L your-name" as the subject.

The South Carolina Democratic Party Home Page:
 http://www2.scsn.net/users/efolley/scdp/scdp_home.html

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:14-APR-1996 00:22:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01I3IG4XLQ1C008861@PMDF.EOP.GOV> for
KING_A@a1.eop.gov; Sun, 14 Apr 1996 00:19:49 -0400 (EDT)
Received: from ns2.scsn.net (ns2.scsn.net) by STORM.EOP.GOV (PMDF V5.0-6 #6879)
id <01I3IG5NCPY800007Z@STORM.EOP.GOV> for KING_A@a1.eop.gov; Sun,
14 Apr 1996 00:20:24 -0700 (MST)
Received: from [206.25.247.65] (cola65.scsn.net [206.25.247.65])
by ns2.scsn.net (8.7.1/8.6.9) with SMTP id AAA03828; Sun,
14 Apr 1996 00:19:07 -0400
X-Sender: scdp-l@popmail.scsn.net
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Stuart Schear (SCHEAR_S) (WHO)

CREATION DATE/TIME:15-APR-1996 15:35:59.25

SUBJECT: pensions

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:15-APR-1996 15:36:27.98

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:10-APR-1996 20:41:00.00

ATT BODYPART TYPE:H

ATT CREATOR: Stuart Schear

ATT SUBJECT: PENSION INTERVIEWS

ATT TO: Michael McCurry (MCCURRY_M)

ATT TO: Lorraine McHugh (MCHUGH_L)

ATT TO: Angus S. King (KING_A)

ATT TO: Barry J. Toiv (TOIV_B)

ATT TO: Gene B. Sperling (SPERLING_G)

ATT TO: Jason S. Goldberg (GOLDBERG_JS)

ATT TO: Laura Capps (CAPPS_L)

ATT TO: Mary Ellen Glynn (GLYNN_M)

ATT TO: Virginia M. Terzano (TERZANO_V)

ATT TO: Michelle M. Jolin (JOLIN_M)

ATT TO: Laura D. Schwartz (SCHWARTZ_L)

ATT TO: Julie E. Mason (MASON_J)

TEXT:

PRINTER FONT 12_POINT_COURIER
April 10, 1996
Memorandum to Mike McCurry and Don Baer
From :Stuart Schear & Laura Schwartz
Subject :Pension Reform TV Interviews

Thursday April 11
TIME 7:05 AM
GUEST Secy. Reich
SHOW Fox Morning News
INTERVIEWER Lark Mccarthy
TIME 8:09 AM
GUEST Secy. Reich
SHOW Good Morning America (ABC)
INTERVIEWER Forrest Sawyer
TIME 12:20 PM
GUEST Joseph Stiglitz
SHOW Inside Opinion (CNBC)

TIME 1:00 PM
GUEST Secy. Reich
SHOW CNN NEWS
INTERVIEWER TBD
TIME 4:10 PM
GUEST Laura Tyson
SHOW Street Sweep (CNN/FN)
INTERVIEWER TBD
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Melissa Y. Cook (COOK_MY) (OMB)

CREATION DATE/TIME:17-APR-1996 16:37:53.68

SUBJECT: S 1080, TSP issue -- 1st of 4

TO: Mark J. Mazur (MAZUR_M) (WHO)
READ:17-APR-1996 17:31:33.11

TEXT:
Sorry, you were left off the original list. I just thought you might want the e-mails/background from earlier today. I'll send the other 3 in order.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:17-APR-1996 11:03:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Melissa Y. Cook

ATT SUBJECT: LRM #4042: Views on S 1080, Thrift Savings

ATT TO: Ellen S. Seidman (SEIDMAN_E)

ATT TO: Carol S. Johnson (JOHNSON_CS)

ATT CC: Bruce D. Long (LONG_B)

ATT CC: Robert B. Rideout (RIDEOUT_R)

ATT CC: Mark D. Menchik (MENCHIK_M)

ATT CC: Janet R. Forsgren (FORSGREN_J)

ATT CC: Anna M. Briatico (BRIATICO_A)

TEXT:
I wanted to let you know what comments I have received on S 1080, "Thrift Savings Investment Funds Act of 1996" (LRM #4042). As you may recall, the Full S. Governmental Affairs Committee is scheduled to mark up this legislation TOMORROW, APRIL 18TH. The only troublesome issue with S 1080 identified thus far is the the change in the mandatory account cash out amount --- replacing the $3,500 dollar "de minimis" amount with an amount set by the Executive Director of the Thrift Investment Board. DOL, Treasury, and CEA (Mazur, see his e-mail attached) have all voiced concerns about this provision.
DOL advises that it may raise this issue at a meeting scheduled for today at NEC regarding pension reform in general. DOL said that it had discussed the "de minimis" change with the Thrift Savings Board to see if the Board had any plans to change the

$3,500 amount. Apparently the Board told DOL that if they were to change the amount, it would lower it, not raise it (as DOL feared).

The preliminary comments that Treasury forwarded from the Office of Tax Policy were the following:

"To the exent that this bill changes TSP rules to be more consistent with private qualified plan rules, we are generally not opposed to the changes. We do have some concern about the language of the bill which provide for mandatory cash-outs of employees with accounts that are less than an amount that the Executive Director of the Board prescribes by regulation -- without any statutory cap. We understand, based on informal discussions, that current Board administrators intend only to cash out balances of $200 or less. We believe that a cap should be included in the statutory language and we would have no objection to a cap at or near this level."

Treasury has discussed the "de minimis" issue with Carol Johnson. Treasury would like OMB to contact informally the Thrift Board to convey Treasury's concerns and to ask that the Thrift Board work informally with the Committee to get a statutory cap. (LRD suggests that OMB not play "middle man," and that instead Treasury -- and Labor if it wants -- contact the Thrift Board directly.)

At this point, neither DOL nor Treasury plans prepare a views letter on this bill because they do not think that the "de minimis" issue rises to that level. (Note: DOL also said that they were disinclined to do a letter on S 1080 because they have heard that the House bill making changes to TSP is worse.)

Do you agree with these agencies' determinations not to send views letters to the Hill regarding this matter? If so, should LRD tell Treasury and Labor if they feel strongly about the the de minimis amount matter they should work directly with the Thrift Board informally to attempt to get the Committee to change the bill language?

Ellen -- Do you have any comments on S. 1080 or recommendation as to what the Administration's position should be on this bill?

Thanks.

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

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

ATT CREATION TIME/DATE:15-APR-1996 17:30:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Mark J. Mazur

ATT SUBJECT: comments on lrm 4042

ATT TO: Melissa Y. Cook (COOK_MY)

TEXT:

Melissa,

Here are my comments on S. 1080 (Thrift Savings Investments Funds Act). I hope they are helpful. Please call me at 395-5147 if you have any questions.

(1) Setting up additional investment funds makes sense, providing that TSP has the technical capability to run them.
(2) The in-service withdrawal provisions seem to make TSP more like private sector defined contribution plans. However, we should be aware that providing these options will increase the transaction costs of running the fund. Is there a provision for the increased resources necessary to process the different withdrawals, etc.?
(3) There are numerous references to removing the $3,500 dollar "de minimis" amount and replacing it with one set by the Executive Director. I cannot comment on the desirability of making this change when I have no idea why TSP wants to make this change or even whether the Executive Director would increase this amount or lower it.

Mark

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

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Sandy Mancini (CN=Sandy Mancini/O=Department of the Treasury [Treas])

CREATION DATE/TIME:26-APR-1996 13:13:53.00

SUBJECT: Weekly Report

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

CC: Dan Lipner (CN=Dan Lipner/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

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

TEXT:

PRINTER FONT 12_POINT_ROMAN
\d

MEMORANDUM FOR LEON PANETTA, THE WHITE HOUSE
FROM: Robert E. Rubin
SUBJECT: Weekly Report for the Week of April 29, 1996
KEY DEPARTMENT NEWS

Secretary Rubin's Activities: On April 29, Secretary Rubin will participate with the President in the announcement of the Administration's drug control strategy in Miami. On April 30, Secretary Rubin will address Representative Hinchey's Business Day seminar. He will also be interviewed on the Michael Jackson Show on KBAC radio, and meet with Chris Matthews of the San Francisco Examiner to discuss economic issues. Secretary Rubin will also meet attend the Treasury Borrowing Advisory Committee reception. On May 1, he will attend the monthly AFL

-CIO meeting,
give remarks at the kick

-off for Treasury's Savings Bonds
celebration, and participate in a Cox News roundtable. On May 3, Secretary Rubin will meet with Chairman Greenspan.

Historically Black Colleges and Universities Capital Financing Program: Treasury and Federal Financing Bank staff are currently structuring the first HBCU financing -- a $4.5 million loan to West Virginia State University.

Financial Action Task Force (FATF) Mission: On April 24, Ronald Noble traveled to Turkey with FATF officials to encourage the new

Government of Turkey to pass anti

-money laundering legislation
expeditiously in compliance with FATF?s 40 Recommendations.
Gang Resistance Education and Training (GREAT) Day at Tiger Stadium: On April 24, ATF Director John W. Magaw and about 1,200 GREAT program participants (including children, teachers, and principals) were guests of the Detroit Tigers baseball team at GREAT day at the ballpark. Director Magaw threw out the first pitch before the game, which honored the children for their involvement in this anti

-gang program.
Customs Seizure: On April 25, Customs Commissioner George Weise held a press conference to announce the seizure of 3,000 pounds of cocaine in Laredo, TX. The seizure is the result of Operation Hardline, an enforcement program set up along the Southwest

Border last year.
Secret Service Recovers Coin: On February 8, Secret Service special agents seized a rare gold coin and arrested the persons who were illegally trying to sell it. The $20 coin, which was banned by President Franklin Roosevelt before it was to be issued publicly by Treasury in 1933, could be worth $1.5 million. Since the initial arrest, the criminal charges have been dropped, but the Justice Department is attempting to confiscate the coin as stolen property, and return it to the US government.
Anti

-terrorism Training: From April 15 through May 3, 18
Egyptian military personnel will attend an anti

-terrorism class
where they will receive training on methods of defending against assassination attacks, bomb searches, motorcade operations and defense, and firearms training.
Egmont Group Meets: On April 22 and 23, the third meeting of the Egmont Group, an international conference of financial intelligence units, took place in San Francisco. The purpose of the meeting, which included participants from 27 countries and 5 international organizations, was to discuss issues relating to exchange of information, related technical matters, and training.
Financial Crimes Enforcement Network (FinCEN) Visits: On April 24, FinCEN Director Morris met with the Director General of the National Criminal Intelligence Service (the U.K. counterpart agency of FinCEN) regarding bilateral cooperation and information exchange. On April 26 and 27, FinCEN will host visitors from a number of foreign counterpart agencies including the heads of financial intelligence units from the Netherlands, Spain, Slovenia, and China.

Currency Redesign: The Federal Reserve System, at Treasury's request, conducted a survey to gauge merchants? awareness and acceptance of the new $100 note. Ninety

-nine percent of the 340
merchants polled said they were aware of the new note.
Ninety

-six percent said they currently accept new notes. Of the 15 respondents who said they are not accepting the new $100 note, all said they do not accept large denominations as a standard business practice; two had simply not been presented a new bill yet; leaving only two merchants who were not accepting the redesigned bill.

IRS on the Internet: During filing season, the IRS Internet site received more than 25 industry awards from sources such as Netscape, USA Today, Tax World, Money, PBS, and PC Computing Magazine. On April 15, visitors contacted the IRS site 1.87 million times and downloaded more than 104,000 files. Since January 8, the IRS has received more than 53.8 million accesses

to its site.
Duty

-free Stores: Customs has published a proposed regulation that would ease the recordkeeping burden on duty

-free stores by
allow them to maintain their own records, as opposed to Customs forms. These records would still need to be supplied to Customs on Customs? request for periodic supervision and auditing.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Presidential Awards for Excellence in Microenterprise Development: In preparation for the May 2 launching of the Presidential Awards for Excellence in Microenterprise Development, Treasury staff met with White House staff to review the outline and time frame of the program. The First Lady and Secretary Rubin videotaped the formal announcement of the Awards Program which will be shown at the annual conference of the Association for Enterprise Opportunity (AEO) on May 2. In addition, a brochure announcing the Awards Program is being developed and will be distributed to attendees of the AEO conference and mailed to other potential applicants and interested parties. Awards are expected to be made this fall.

1996 National Drug Control Strategy: On April 29, the President will announce the 1996 drug strategy in Miami. The first Cabinet Council meeting on narcotics will be held in early May at the White House to discuss the new strategy. Secretary Rubin will attend both events.

District of Columbia: On April 18, the District of Columbia delivered its revised financial plan to the Authority. The

Authority is currently reviewing the District's revised plan
which includes changes recommended by the Authority. An approved
plan will likely be in place by the end of June.

CONGRESSIONAL ACTIVITY

Savings Association Insurance Fund: On April 23, the House Rules
Committee voted to delete the Administration's SAIF solution from
the short

-term continuing resolution.
Continuing Resolution: The conference on the long

-term
continuing resolution was completed on April 24. The resolution
included two provisions for Treasury: an additional $45 million
was appropriated (without a restriction on the number of FTE?s)
for the CDFI fund; and the IRS Commission was expanded to include
four additional Members, bringing the new total to 17 members.
Senators Shelby and Kerrey agreed to engage in a colloquy about
the commission on the floor when the Senate considers the bill to

provide a legislative history that a report from the Commission
would not be issued prior to 1997. The House and Senate are
expected to complete action on the bill shortly.
Taxpayer Systems Modernization (TSM): Treasury staff is
reviewing the reports on TSM from the IRS that were requested in
the FY96 appropriation bill. These reports will be supplied to
the Committee prior to their markup which will occur in
mid

-to

-late May.

Health Insurance Reform: The Kennedy

-Kassebaum health insurance
reform legislation passed the Senate unanimously. In addition
to increasing the portability of health insurance for workers ,
the Senate legislation contains a number of tax amendments. On a
phased

-in basis, it would increase from 30 percent to 80 percent
the amount of health insurance premiums that could be deducted by
self

-employed individuals. It also would provide tax incentives
for long

-term care insurance and favorable tax treatment for
accelerated death benefits. These provisions would be "paid for"
by taxing expatriates disallowing deductions for certain
corporate

-owned life insurance, repealing bad debt deductions for thrifts, and tightening up the rules related to taxation of foreign trusts.

Pension Reform: Treasury and White House representatives met with House Democratic leadership staff to discuss strategy for introduction of the Administration's pension reform proposals. There is a good chance that House Democratic Leader Gephardt may want to take the lead on this issue. Final drafting should occur over the next week. We hope to meet with Senate leadership staff before the end of the week.

Corporate Subsidy Review: Among the bills scheduled for markup last week by the Senate Committee on Governmental Affairs was S. 1376, which, among other things, calls for a Commission to examine corporate tax subsidies and to make recommendations for their termination, modification, or retention. The Committee did not get far enough down its agenda to act upon this proposal. Chairman Stevens, however, indicated that matters that were not taken up would be dealt with at the next markup of the Committee that will occur sometime next month.

Taxpayer Bill of Rights: Treasury staff met with Senate tax staff this week to discuss the idea of the Senate taking up the Taxpayer Bill of Rights legislation under unanimous consent on the Senate floor. Senate leadership, as well as Senators Pryor and Grassley (the chief Senate sponsors), appear likely to agree to this.

Ways and Means Oversight Subcommittee Hearing: On April 25, Deputy Assistant Secretary for Tax Policy Cynthia Beerbower

testified on the following: issues relating to the use of private collection agencies to collect delinquent Federal tax debt; provisions in the Debt Collection Improvement Act of 1995 to enhance IRS's levy authority; and issues relating to Federal tax refund offset authority for purposes of collecting delinquent State tax debts. The IRS will address issues related to the status of its accounts receivable inventory.

Tax Reform Hearings: On May 1, the House Ways and Means Committee will hold a hearing to examine the impact on small businesses of replacing the current tax system. On May 1, the Committee will examine issues related to state and local governments and tax

-exempt entities.

Southern Church Fires: Treasury's Office of Legislative Affairs and ATF briefed Representative Conyers? staff on ATF's role in investigating the Southern church fires. On April 12, Representaive Conyers has requested hearings on the Southern church fires. These hearings will most likely occur the first week of May. The committee is still determining whether these hearings should occur at the full or subcommittee level. They will likely request Assistant Secretary Jim Johnson, Director Magaw and a DOJ expert to testify.

Senate Judiciary Committee Hearings on ATF: The Senate Judiciary

Committee is plans to hold hearings which will focus on the future role of the ATF and may cover some of the findings of Treasury's review of the Good Ol? Boy Roundup. It is our understanding that Senator Specter will have an active roll in conducting these hearings and the Committee most likely will request that the Secretary testify. We are working with Senator Specter's staff to determine a date in June when these hearing could occur.

Multilateral Development Institutions: On April 25, Under Secretary for International Affairs Jeff Shafer appeared before the House Banking Committee Subcommittee on International Monetary Policy to testify on Treasury's FY97 authorization for the international financial institutions. Testimony specifically focused on the authorization request for U.S. participation in IDA, the IMF's Enhanced Structural Adjustment Facility, the African Development Bank and the Middle East Development Bank (MEDBank).
New Arrangements to Borrow: Treasury staff is working with the staffs to Senate Budget Committee Chairman Pete Domenici and Ranking Democrat Jim Exon who are seeking to assist us in securing an authorization and appropriation for the New Arrangements to Borrow. Staffs to both Senators have approached

us with a means by which they could secure such authorization and appropriation within the FY97 budget resolution.
Securities Reform: Treasury staff analyzed a new draft of the margin section of the securities reform legislation before the House Commerce Committee. It is substantially similar to the proposal sent to Congress last August by SEC Chairman Levitt with the support of the President?s Working Group. It would, however, eliminate over two years all Federal Reserve margin regulation over debt securities. Instead, it would give the SEC the authority to set margin requirements for broker

-dealers. The
securities industry is likely to object to this provision.
Treasury officials met with SEC staff on both these provisions and the preemption provisions.
The full Commerce Committee is now scheduled to consider the bill next week. The Senate Banking Committee is expected to consider its bill either just before or just after the Memorial Day recess.
OCC Testimony: On April 30, OCC Comptroller Ludwig will testify with other federal banking regulators before the House Banking Committee on regulatory consolidation.

Testimony on Federal Budget and Financial Management Reform: On April 23, Assistant Secretary for Management George Munoz testified on government

-wide financial management before
Representative Horn's Committee on Government Reform and Oversight, Subcommittee on Government Management, Information and

Technology.

Financial Modernization: Since the Supreme Court's Barnett decision (which held that states cannot bar national banks from conducting insurance activities authorized by the National Bank Act), Representative Leach has been working to develop compromise insurance language that would help jump

-start his Glass

-Steagall
bill.

SECRETARY RUBIN'S SCHEDULE

April 29 Participate in President's Announcement of Drug
Strategy
April 30 Address Representative Hinchey's Business Day
Seminar
Interview with Michael Jackson on KBAC Radio
Meet with Chris Matthews of the San Francisco
Examiner

Attend the Treasury Borrowing Advisory Committee

Reception
May 1 Attend AFL

-CIO Meeting
Address Treasury's Savings Bonds Kick

-Off
Celebration
Attend Cox News Lunch Roundtable

May 3 Meeting with Chairman Greenspan

FOIA REQUESTS

Freedom of Information Act ("FOIA"): Treasury's Office of Market Finance continues to work on a response to a FOIA request from U.S. News and World Report concerning options considered by Treasury to avoid default during the debt limit impasse.
USA Today: USA Today sent Customs a Freedom of Information Act (FOIA) request for correspondence between Customs and GSA about security in the Reagan Building where Customs is to move next year. The newspaper also asked to interview the Commissioner on this subject. USA Today reports that they understand Customs has objected to GSA's plan to allow underground parking for commercial enterprises.

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

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Ellen S. Seidman (SEIDMAN_E) (OPD)

CREATION DATE/TIME:29-APR-1996 09:08:12.78

SUBJECT: Gas tax

TO: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (ODONNELL_T) (WHO)
READ:29-APR-1996 14:51:48.76

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D) (WHO)
READ:29-APR-1996 09:11:07.71

TO: Dan Tarullo (TARULLO_D) (OPD)
READ:29-APR-1996 16:32:48.22

CC: Daniel Taberski (TABERSKI_D) (OPD)
READ:29-APR-1996 09:11:07.71

CC: Thomas O'Donnell (ODONNELL_T) (WHO)
READ:29-APR-1996 14:51:48.76

CC: Dena B. Weinstein (WEINSTEIN_D) (WHO)
READ:29-APR-1996 11:01:07.07

TEXT:
I'm concerned that we're getting sucked into really bad policy -- and bad politics -- with respect to the repeal of the 4.3 cent gas tax. Here are my concerns:

1. It's abysmal environmental policy, and our support of it will be regarded by environmentalists, who swallowed hard at the increase in the speed limit and no CAFE increases, as demonstrating a complete and total lack of interest in the climate change issue when it encounters the least political resistance. Yes, I know they don't have anywhere to go, but it's better to have them with us than making trouble.

2. It's pure corporate welfare. Can anyone seriously believe that gas prices will go DOWN immediately and uniformly by 4.3 cents if this tax is repealed? (Sure, they'll go down around Labor Day, but that's not what the Republicans or we -- if we went along with it -- are promising.) No, the money will simply go from the government to the oil companies. You will recall that the price did not go up by 4.3 cents when the tax was imposed -- it went up by much more. I can't prove it, but I strongly suspect that what the oil companies are doing is a little like what a company does when it has a really bad year -- piling it on. If the spot price increase dictates a 5 cent increase, many of the companies in many of their stations are raising it 6 or 7 cents. And a look at local gas prices will show that the price for regular ranges from about $1.27 to $1.37, within a block, which strongly suggests an elasticity of substantially less than one.

3. While Markey's suggestion of an excess profits tax would answer the corporate welfare issue, it has a snowball's chance in hell, not the least

because Markey has proposed it. It also doesn't answer the environmental issue.

4. If, God forbid, we actually decided to go along with this, it's a tax bill Republicans want. Why not get some good stuff on it, like pension reform, putting back the airline tax, etc.

I've mentioned this to Dan this morning.

Ellen

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Shirley Chater (CN=Shirley Chater/OU=WHO/O=GOV [SSA])

CREATION DATE/TIME: 2-MAY-1996 19:02:34.00

SUBJECT: Weekly Report

TO: LeeAnn Inadomi (CN=LeeAnn Inadomi/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

TO: Dan Lipner (CN=Dan Lipner/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

TO: Mark Aromando (CN=Mark Aromando/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

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

TEXT:

PRINTER FONT 12_POINT_COURIER
May 2, 1996

MEMORANDUM FOR THE HONORABLE LEON PANETTA
FROM : Shirley S. Chater
Commissioner of Social Security
SUBJECT: Social Security Administration's Weekly Report--
May 6

-17, 1996-

-INFORMATION

KEY AGENCY NEWS
o Meeting of Social Security Advisory Board: The Social Security Advisory Board meeting, originally scheduled for April 25 and 26, has been rescheduled for May 16 and 17 in Washington, D.C. The seven

-member Board was established to advise the Commissioner on policies related to the Social Security programs. It was created when the Social Security Administration was established as a separate, independent agency. It is chaired by former Senator Harlan Mathews. At the meeting, the Board will be provided with an overview of the Social Security disability programs.
o General Accounting Office (GAO) Report "Supplemental

Security Income: Some Recipients Transfer Valuable Assets to Qualify for Benefits:" This report was released on April 30. The review was requested by Representatives Nancy Johnson, and Clay Shaw, House Committee on Ways and Means. It is a spinoff of an earlier GAO survey dealing with fraud, waste and abuse in the SSI program.
The objectives of this study were to determine: (1) to what extent SSI recipients have reported resource transfers and SSA's efforts to detect unreported and under reported transfers; (2) how SSA and State Medicaid agencies notify each other of resource transfer cases and whether these notifications are occurring in a timely manner; and (3) the number of recipients who have benefitted from the elimination of the SSI transfer penalty.
GAO found that: (1) resource transfers are increasing; (2) recipients are transferring resources worth millions of dollars; and (3) recipients are transferring resources while

qualifying for millions of dollars in SSI and other benefits.

GAO concluded that eliminating the SSI transfer of resource restriction has resulted in increased program costs. GAO further concluded that an SSI restriction, similar to the current medicaid restriction, could save millions in SSI program expenditures by delaying individuals' date of eligibility for benefits.
GAO recommends that Congress consider reinstating an SSI transfer

-of

-resource restriction. The restriction could be calculated in a way that takes into account the value of the resource transferred so that individuals transferring more valuable resources would be ineligible for SSI benefits for longer periods of time than those who transfer less valuable resources.
There are no recommendations for SSA in the report.
o Office of Inspector General (OIG) Report on "Effectiveness in Obtaining Records to Identify Prisoners:" During the week of May 6, it is expected that SSA's OIG will release its report on the suspension of Social Security and Supplemental Security Income benefits to prisoners. OIG indicates that SSA has achieved only limited success in obtaining prisoner information from correctional institutions; for example, about one

-half of State
corrections departments were not submitting information in accordance with their agreements with SSA during the period of the study. OIG notes that SSA does not have enforcement or sanctioning authority to ensure compliance with agreements. OIG offers both administrative and legislative

recommendations geared to improving the process for obtaining prisoner data.
SSA's response makes it clear that the Agency has taken significant action to address this problem. SSA now has agreements with almost all 3,500 Federal, State and local correctional institutions. It has recently asked for complete tapes from all 50 States to doublecheck prison records against SSA's beneficiary file. And, it has recommended legislation that will give financial incentives to correctional institutions for submitting data as a way to ensure timely compliance with agreements. SSA believes these actions will correct many of the deficiencies found in the prisoner suspension process and will ensure that prisoners are quickly suspended from the Social Security rolls. It is expected that this report may generate media interest.

In addition, on May 6, SSA will release to the press the findings of its internal review of the circumstances under which benefits continued to be paid to a prisoner on death row at a California State prison. The review shows that an alert was generated from information furnished by the State authorities but that the prisoner's benefits were not suspended due to human error. SSA expects media interest, especially in California.

CONGRESS

o Public Pension Reform Caucus of the U.S. House of Representatives: The Public Pension Reform Caucus has asked that Commissioner Chater meet with them on May 14 to discuss the upcoming Advisory Council Report. The Caucus, formed approximately 18 months ago, is comprised of 20 Republican Members of Congress and nine conservative Democrats who favor privatizing the Social Security program. Former Commissioner Dorcas R. Hardy also is scheduled to meet with this group the same day. The meeting is informal and not open to the press or the public.

MEDIA/PRESS INTEREST

o Custody Dispute To Be Featured on 60 Minutes: Sometime in the next several weeks, 60 Minutes may air a segment involving a custody dispute over two children receiving Social Security survivor's benefits. The children currently live with their stepmother in London, England, where she has been receiving Social Security checks on their behalf. The children had previously been removed from the natural mother's home in the United States following allegations of neglect.

COMMISSIONER'S SCHEDULE

o On May 6, Commissioner Chater will be in Madison, Wisconsin at the University of Wisconsin. The Commissioner will address the LaFollette Institute of Public Affairs on the Future of Social Security. She will also meet with the

Editorial Board of the Wisconsin State Journal.

o On May 9, Commissioner Chater will be in Dallas, Texas to deliver the keynote speech at the Executive Women of Dallas luncheon.

o On May 11 and 12, Commissioner Chater will be at the University of Indiana in Indianapolis. The Commissioner will be the commencement speaker and receive an honorary Doctor of Science degree.

o On May 13, Commissioner Chater will be in Indiana visiting local Social Security field offices with Congressman Andy Jacobs.

o On May 16, Commissioner Chater will attend, as a special guest, a National Academy of Social Insurance meeting Co

-Chaired by Senator Moynihan, Lane Kirkland, Alexander Copeland, and Teresa Heinz. Later, she will attend the Senior Executive Service Rank Awards Dinner at the State Department.

ACTING PRINCIPAL DEPUTY COMMISSIONER'S SCHEDULE

o From May 7

-10, Acting Principal Deputy Commissioner John Dyer will be in Geneva, Switzerland representing the Social Security Administration at a meeting of the International Social Security Association.

o On May 14, Acting Principal Deputy Commissioner Dyer will be in Dallas, Texas participating in a Health Care Financing Administration meeting on Planning for the Future.

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

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Shirley Chater (CN=Shirley Chater/OU=WHO/O=GOV [SSA])

CREATION DATE/TIME:10-MAY-1996 16:30:00.00

SUBJECT:

TO: Dan Lipner (CN=Dan Lipner/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

TO: Mark Aromando (CN=Mark Aromando/OU=WHO/O=GOV @ WHO [WHO])
READ:UNKNOWN

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

TEXT:

PRINTER FONT 12_POINT_COURIER
May 9, 1996

MEMORANDUM FOR THE HONORABLE LEON PANETTA
FROM : Shirley S. Chater
Commissioner of Social Security
SUBJECT: Social Security Administration's Weekly Report--
May 13

-24, 1996-

-INFORMATION

KEY AGENCY NEWS
o Meeting of Social Security Advisory Board: The Social Security Advisory Board meeting, originally scheduled for April 25 and 26, has been rescheduled for May 16 and 17 in Washington, D.C. The seven

-member Board was established to
advise the Commissioner on policies related to the Social Security programs. It was created when the Social Security Administration was established as a separate, independent agency. It is chaired by former Senator Harlan Mathews. At the meeting, the Board will be provided with an overview of SSA?s final FY 1996 budget and FY 1997 budget proposal as well as the Agency?s communications plan to help rebuild public confidence in the Social Security program.

o GAO Final Report, ?SSA Disability: Program Redesign Necessary to Encourage Return to Work:? Conducted at the request of the Senate Special Committee on Aging, this review's objective was to determine why very few beneficiaries who receive Social Security Disability Insurance and/or Supplemental Security Income benefits have left the rolls by returning to work. GAO believes that advances in technology and a trend toward including the disabled into the mainstream have created return

-to

-work
potential. GAO recommends that SSA place greater priority on return

-to

-work, and that SSA develop a set of legislative proposals. GAO expects to be asked to testify before the Senate Special Committee on Aging in about two weeks and would release the report shortly thereafter.

CONGRESS

o Public Pension Reform Caucus of the U.S. House of Representatives: The Public Pension Reform Caucus has asked that Commissioner Chater meet with them on May 14 to discuss the upcoming Advisory Council Report. The Caucus, formed approximately 18 months ago, is comprised of 20 Republican Members of Congress and nine conservative Democrats who favor privatizing the Social Security program. Former Commissioner Dorcas R. Hardy also is scheduled to meet with this group the same day. The meeting is informal and not open to the press or the public.

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FOIA REQUESTS

o Request for Clinton Transition Team Papers: Mr. Jay Gourley of McLean, Virginia requested any Clinton Transition Team papers and related documents which SSA has in its possession. Mr. Gourley stated that he is a journalist but does not indicate affiliation with any publications.

o CBS NEWS requested contracts/agreements for Opinion Polls: CBS NEWS has requested information regarding contracts/agreements between SSA and any private individual, company or non

-governmental organization to conduct public opinion polls, focus groups or discussion groups with non

-governmental personnel regarding SSA?s activities or programs including the results of the polls and documents pertaining to the hiring process.

COMMISSIONER'S SCHEDULE

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o On May 13, Commissioner Chater will be in Indiana visiting

local Social Security field offices with Congressman Andy Jacobs.

o On May 16, Commissioner Chater will attend, as a special guest, a National Academy of Social Insurance meeting Co

-Chaired by Senator Moynihan, Lane Kirkland, Alexander Copeland, and Teresa Heinz. Later, she will attend the Senior Executive Service Rank Awards Dinner at the State Department.

o On May 18 and 19 Commissioner Chater will attend the Binghamton University commencement ceremony in Binghamton, New York. She will meet with University officials, deliver the Commencement Address and receive an Honorary Doctorate of Humane Letters.

o On May 22, Commissioner Chater will be in Denver, Colorado to speak at the American Association of Retired Persons (AARP) biennial convention. The Commissioner will participate in a session on defining entitlement.

ACTING PRINCIPAL DEPUTY COMMISSIONER'S SCHEDULE

o On May 14, Acting Principal Deputy Commissioner Dyer will be in Dallas, Texas participating in a Health Care Financing Administration meeting on Planning for the Future.

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

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: David S. Beaubaire (BEAUBAIRE_D) (WHO)

CREATION DATE/TIME:20-JUN-1996 17:43:25.58

SUBJECT: dol again

TO: Daniel L. Lipner (LIPNER_D) (WHO)
READ:20-JUN-1996 17:43:54.25

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:20-JUN-1996 18:13:00.00

ATT BODYPART TYPE:E

ATT CREATOR: Hubbard Bibb

ATT SUBJECT: DOL WH Report

ATT TO: David S. Beaubaire (BEAUBAIRE_D@A1@CD)

ATT TO: Loreen M. Keller (KELLER_L@A1@CD)

TEXT:

[[whrpt618 : 4358 in whrpt618.]]Here is DOL's weekly report. Please call me with any questions or problems. Thanks!
<WP Attachment Enclosed>
================= END ATTACHMENT 1 =================

=================== ATTACHMENT 2 ===================
ATT CREATION TIME/DATE:20-JUN-1996 17:27:00.00

ATT BODYPART TYPE:p

TEXT:

PRINTER FONT 12_POINT_ROMAN
MEMORANDUM FOR KITTY HIGGINS
SECRETARY TO THE CABINET

FROM: ROBERT B. REICH
SECRETARY OF LABOR

SUBJECT: WEEKLY REPORT
WEEK OF MONDAY, JUNE 17, 1996

DATE: Thursday, June 20, 1996

I. HEADLINES
McDonnell

-Douglas -- As of June 20, no talks have been held and
none are scheduled in the two

-week old strike by nearly 7,000
workers represented by the Machinists union at St.Louis area plants of McDonnell Douglas. On June 12, the military aircraft maker, which has continued operations with supervisory and other nonunion personnel, announced its intention to hire temporary replacements and to move some production to other company sites. The strike began on June 5, three days after the membership of District 837 rejected a proposed four

-year contract by a 6

-1
margin. Outsourcing and job security are the principal issues in dispute.
Yale University Strike -- On June 14, representatives of Yale University and Locals 34 and 35 of the Hotel Employees and Restaurant Employees held their first bargaining session since May 29. The meeting focused on the six

-year contracts proposed
by the university, and specifically on their salary and retiree health benefit provisions. No date was set for another meeting.
Lockheed Martin -- On June 19, The Pension Benefit Guaranty Corporation (PBGC) collected more than $415,000 from Lockheed Martin Corp. for underpaid insurance premiums. The payment covers underpaid premiums and late payment penalties and interest owned by the former Martin Marietta Corp. before it merged with Lockheed Corp. Martin Marietta had, by mistake, underreported the number of participants in three different plans during the years 1990

-94, and when informed of the error, immediately paid
the owed amount.
II. KEY DEPARTMENT NEWS
Foreign Guestworkers -- As of June 18, the Atlanta Committee on the Olympics (ACOG) had not filed any of its 8 H

-2B foreign

guestworker applications (equaling 38 jobs) with the Georgia Employment Service. Representatives from the Employment and Training Administration (ETA) met with ACOG on May 24th in Atlanta, and again on June 3rd in Washington, to ascertain the exact number of H

-2B applications ACOG would be filing with the
Georgia Employment Service agency (that ETA would ultimately process), and to reiterate the message from ETA's Assistant

Secretary's March 5 and May 3 letters to ACOG that their delay in filing H

-2B applications could result in denial of H

-2B foreign
guestworker labor certification applications. The H

-2B process
is critical to protecting the interests of US workers. ETA is still committed to processing the applications as efficiently as possible.
ERISA -- On June 17, the Government filed a brief as amicus curiae in California Division of Labor Standards Enforcement v. Dillingham Construction. The Government argued that the Employee Retirement Income Security Act does not preempt a state prevailing wage law that requires payment of prevailing journeymen wage rates to employees in apprenticeship programs that have not received state approval, but allows payment of lower apprenticeship wages to employees in state

-approved
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On June 25

-28, in Belfast Northern Ireland, Assistant Secretary Tim Barnicle will participate in the Northern Ireland Growth Challenge Employment and Training Workshop. The US State Department Special Advisor on Ireland, as a component of the peace initiative for Ireland, has organized a Workshop focused on education, employment and training initiatives. Senator Mitchell has asked Assistant Secretary Barnicle to be the lead US participant for this Workshop, and Assistant Secretary Trish McNeil from DOED will also be participating along with representatives of US corporations, US job training providers, and US labor organizations.
VII. PRESS
On June 11, Maria Echaveste, Director of the Wage and Hour Division, was interviewed by Jim Berenstein of Newsday about our garment program, Telemundo, and NBC Spanish News.
On June 12, Maria Echaveste was interviewed by Susan Warner of the Philadelphia Inquirer about our garment program.
On June 12, Rene Redwood, spoke at a Washington Post forum regarding, Women?s Issues and How They Manifest at a Newspaper; What Are Some of the Current Issues Facing Women?

On June 13, Vice President Gore and Secretary Reich announced a $1.4 Million Grant for Dislocated Defense Workers in Tennessee (BRAC closure of the Department of Defense's Distribution Depot in Memphis)
On June 13, Secretary Reich announced a $4 Million Grant for Dislocated Timber Workers in Washington.
On June 17, Employment Standards Administration Assistant Secretary Bernard E. Anderson was interviewed by the Bob Becker Show and participated in a telephone call in on child labor

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On June 18, Secretary Reich announced a grant to Rhode Island for $2.3 million for ALMACS Workers. This is the second grant to go these workers.
On June 19, Olena Berg, Assistant Secretary for the Pension, Benefits and Welfare Administration will be interviewed by Smart Money magazine in New York City. The interview will focus on the following topics: pension simplification; women and pensions; and retirement savings.
On June 19, Secretary Reich announced three grants to Ohio equaling $1.7 million to assist dislocated defense workers ($746,186 for workers dislocated from the Defense Distribution

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On June 19, Olena Berg will be interviewed by Money Magazine in New York City. The interview will focus on the following topics: pension simplification; women and pensions; and retirement savings.
On June 20, it is possible that Olena Berg will be interviewed by a NBC Dateline researcher for background information on the topic of PWBA's 401(k) enforcement. This interview will not be confirmed until June 19.
On June 24, Ida Castro, Acting Director of the Women's Bureau will speak with the Atlanta Journal Constitution regarding the Working Women Count! Honor Roll.

On June , Secretary Reich awarded a $16 million contract for construction of the Idaho Job Corps Center in Nampa, Idaho.

VIII. FOIA REQUESTS
Mine Safety -- On June 4, John Boucher filed a FOIA request for information on rent and ancillary building maintenance costs for the Mine Safety and Health Administration's offices in Bruceton, Pennsylvania, Triadelphia, West Virginia and Lakewood, Colorado. Mr. Boucher also requested information on projected operating costs for the Denver Technical Center if this office moved to another floor at its current location or to the Federal Center in Denver.
ABC News/Primetime Live -- On June 6, Stewart Harris, a Producer from ABC News/Primetime Live, submitted a Freedom of Information

Act request, in which he is seeking "all correspondence maintained by your agency and written by former Senator Robert Dole on behalf of or regarding private citizens, corporations or business interests."
================= END ATTACHMENT 2 =================

=================== ATTACHMENT 3 ===================
ATT CREATION TIME/DATE:20-JUN-1996 17:27:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01I651FIXP4000127P@PMDF.EOP.GOV>; Thu, 20 Jun 1996 17:24:32 -0400 (EDT)
Received: from dol.gov (BUBBA.DOL.GOV) by STORM.EOP.GOV (PMDF V5.0-7 #6879)
id <01I651ISOP9Y00007Z@STORM.EOP.GOV>; Thu, 20 Jun 1996 17:27:10 -0700 (MST)
Received: by dol.gov (5.x/SMI-SVR4) id AA26325; Thu, 20 Jun 1996 17:26:42 -0400
Received: from smtpgw(166.96.2.20) by gatekeeper via smap (V1.3)
id sma026239; Thu Jun 20 17:25:53 1996
Received: by smtpgw.dol.gov with Microsoft Mail id <31C9890D@smtpgw.dol.gov>;
Thu, 20 Jun 1996 17:23:25 -0500 (EST)

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

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: bhubbard@dol.gov@INET@EOPMRX

CREATION DATE/TIME:20-JUN-1996 17:24:00.00

SUBJECT: DOL WH Report

TO: David S. Beaubaire (BEAUBAIRE_D@A1@CD) (WHO)
READ:20-JUN-1996 17:36:25.11

TO: Loreen M. Keller (KELLER_L@A1@CD) (WHO)
READ:20-JUN-1996 18:38:07.80

TEXT:

[[whrpt618 : 4358 in whrpt618.]]Here is DOL's weekly report. Please call me with any questions or problems. Thanks!
<WP Attachment Enclosed>
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ATT CREATION TIME/DATE:20-JUN-1996 17:27:00.00

ATT BODYPART TYPE:p

TEXT:

PRINTER FONT 12_POINT_ROMAN
MEMORANDUM FOR KITTY HIGGINS
SECRETARY TO THE CABINET

FROM: ROBERT B. REICH
SECRETARY OF LABOR

SUBJECT: WEEKLY REPORT
WEEK OF MONDAY, JUNE 17, 1996

DATE: Thursday, June 20, 1996

I. HEADLINES
McDonnell

-Douglas -- As of June 20, no talks have been held and none are scheduled in the two

-week old strike by nearly 7,000 workers represented by the Machinists union at St.Louis area plants of McDonnell Douglas. On June 12, the military aircraft maker, which has continued operations with supervisory and other nonunion personnel, announced its intention to hire temporary replacements and to move some production to other company sites. The strike began on June 5, three days after the membership of District 837 rejected a proposed four

-year contract by a 6

-1
margin. Outsourcing and job security are the principal issues in dispute.
Yale University Strike -- On June 14, representatives of Yale University and Locals 34 and 35 of the Hotel Employees and Restaurant Employees held their first bargaining session since May 29. The meeting focused on the six

-year contracts proposed
by the university, and specifically on their salary and retiree health benefit provisions. No date was set for another meeting.
Lockheed Martin -- On June 19, The Pension Benefit Guaranty Corporation (PBGC) collected more than $415,000 from Lockheed Martin Corp. for underpaid insurance premiums. The payment covers underpaid premiums and late payment penalties and interest owned by the former Martin Marietta Corp. before it merged with Lockheed Corp. Martin Marietta had, by mistake, underreported the number of participants in three different plans during the years 1990

-94, and when informed of the error, immediately paid
the owed amount.
II. KEY DEPARTMENT NEWS
Foreign Guestworkers -- As of June 18, the Atlanta Committee on the Olympics (ACOG) had not filed any of its 8 H

-2B foreign

guestworker applications (equaling 38 jobs) with the Georgia Employment Service. Representatives from the Employment and Training Administration (ETA) met with ACOG on May 24th in Atlanta, and again on June 3rd in Washington, to ascertain the exact number of H

-2B applications ACOG would be filing with the
Georgia Employment Service agency (that ETA would ultimately process), and to reiterate the message from ETA's Assistant Secretary's March 5 and May 3 letters to ACOG that their delay in filing H

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funds.
On June 22, Assistant Secretary Taylor addressed the Vietnam Veterans of America Region 2 Conference in Atlantic City, New Jersey.
On June 24, Joseph A. Dear, Assistant Secretary for the Occupational Safety and Health Administration will meet with Pacific Maritime Association and the International Longshoremen?s and Warehousemen?s Union in San Francisco, CA. On June 25, he will give a presentation to the American Society for Safety Engineers in San Diego, CA.

On June 25

-28, in Belfast Northern Ireland, Assistant Secretary Tim Barnicle will participate in the Northern Ireland Growth Challenge Employment and Training Workshop. The US State

Department Special Advisor on Ireland, as a component of the peace initiative for Ireland, has organized a Workshop focused on education, employment and training initiatives. Senator Mitchell has asked Assistant Secretary Barnicle to be the lead US participant for this Workshop, and Assistant Secretary Trish McNeil from DOED will also be participating along with representatives of US corporations, US job training providers, and US labor organizations.

VII. PRESS

On June 11, Maria Echaveste, Director of the Wage and Hour Division, was interviewed by Jim Berenstein of Newsday about our garment program, Telemundo, and NBC Spanish News.

On June 12, Maria Echaveste was interviewed by Susan Warner of the Philadelphia Inquirer about our garment program.

On June 12, Rene Redwood, spoke at a Washington Post forum regarding, Women?s Issues and How They Manifest at a Newspaper; What Are Some of the Current Issues Facing Women?

On June 13, Vice President Gore and Secretary Reich announced a $1.4 Million Grant for Dislocated Defense Workers in Tennessee (BRAC closure of the Department of Defense's Distribution Depot in Memphis)

On June 13, Secretary Reich announced a $4 Million Grant for Dislocated Timber Workers in Washington.

On June 17, Employment Standards Administration Assistant Secretary Bernard E. Anderson was interviewed by the Bob Becker Show and participated in a telephone call in on child labor

issues.

On June 18, Secretary Reich announced a grant to Rhode Island for $2.3 million for ALMACS Workers. This is the second grant to go these workers.

On June 19, Olena Berg, Assistant Secretary for the Pension, Benefits and Welfare Administration will be interviewed by Smart Money magazine in New York City. The interview will focus on the following topics: pension simplification; women and pensions; and retirement savings.

On June 19, Secretary Reich announced three grants to Ohio equaling $1.7 million to assist dislocated defense workers ($746,186 for workers dislocated from the Defense Distribution Depot in Columbus; $448,474 for workers dislocated from General Dynamics Land Systems in Lima; and $555,304 to assist Ohio coal workers).

On June 19, Olena Berg will be interviewed by Money Magazine in New York City. The interview will focus on the following topics: pension simplification; women and pensions; and retirement savings.

On June 20, it is possible that Olena Berg will be interviewed by a NBC Dateline researcher for background information on the topic of PWBA's 401(k) enforcement. This interview will not be confirmed until June 19.

On June 24, Ida Castro, Acting Director of the Women's Bureau will speak with the Atlanta Journal Constitution regarding the

Working Women Count! Honor Roll.

On June , Secretary Reich awarded a $16 million contract for construction of the Idaho Job Corps Center in Nampa, Idaho.

VIII. FOIA REQUESTS
Mine Safety -- On June 4, John Boucher filed a FOIA request for information on rent and ancillary building maintenance costs for the Mine Safety and Health Administration's offices in Bruceton, Pennsylvania, Triadelphia, West Virginia and Lakewood, Colorado. Mr. Boucher also requested information on projected operating costs for the Denver Technical Center if this office moved to another floor at its current location or to the Federal Center in Denver.
ABC News/Primetime Live -- On June 6, Stewart Harris, a Producer from ABC News/Primetime Live, submitted a Freedom of Information

Act request, in which he is seeking "all correspondence maintained by your agency and written by former Senator Robert Dole on behalf of or regarding private citizens, corporations or business interests."
================== END ATTACHMENT 1 ==================

==================== ATTACHMENT 2 ====================
ATT CREATION TIME/DATE:20-JUN-1996 17:27:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01I651FIXP4000127P@PMDF.EOP.GOV>; Thu,
20 Jun 1996 17:24:32 -0400 (EDT)
Received: from dol.gov (BUBBA.DOL.GOV) by STORM.EOP.GOV (PMDF V5.0-7 #6879)
id <01I651ISOP9Y00007Z@STORM.EOP.GOV>; Thu, 20 Jun 1996 17:27:10 -0700 (MST)
Received: by dol.gov (5.x/SMI-SVR4) id AA26325; Thu, 20 Jun 1996 17:26:42 -0400
Received: from smtpgw(166.96.2.20) by gatekeeper via smap (V1.3)
id sma026239; Thu Jun 20 17:25:53 1996
Received: by smtpgw.dol.gov with Microsoft Mail id <31C9890D@smtpgw.dol.gov>;
Thu, 20 Jun 1996 17:23:25 -0500 (EST)
================== END ATTACHMENT 2 ==================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Barbara C. Chow (CHOW_B) (WHO)

CREATION DATE/TIME: 8-JUL-1996 13:47:49.58

SUBJECT: FYI Small Business SAP

TO: Tracey E. Thornton (THORNTON_T) (WHO)
READ: 8-JUL-1996 14:06:44.96

TEXT:

This is supposed to go today. It has some pension stuff in it
that I thought you might want to look at.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 8-JUL-1996 12:06:00.00

ATT BODYPART TYPE:H

ATT CREATOR: Alice E. Shuffield

ATT SUBJECT: Small Business Act SAP

ATT TO: Martha Foley (FOLEY_M)

ATT TO: John C. Angell (ANGELL_J)

ATT TO: John Hilley (HILLEY_J)

ATT TO: Barbara C. Chow (CHOW_B)

ATT CC: Elisa M. Millsap (MILLSAP_E)

TEXT:
Below is a copy of the Small Business Act SAP (also sent to you
by fax on Wednesday, 7/3) that we aim to send to the Senate
this afternoon before floor consideration begins at 3:30. We
also plan to transmit a copy of the President's June 28th
letter regarding minimum wage up with the SAP.
Please contact me (5

-4790) by 3:00 p.m. today if you have any
concerns.
THANKS!
PRINTER FONT 12_POINT_ROMAN
DRAFT -- NOT FOR RELEASE

(Senate)
H.R. 3448 - Small Business Job Protection Act
(Archer (R) Texas)

The Administration, while supporting Senate passage of a number of provisions of H.R. 3448 as amended by the Finance Committee, will seek further amendments to the bill. And, as stated in the President?s June 28th letter to the Senate, a copy of which is attached, if H.R. 3448 is presented to the President with the minimum wage provisions of the Republican leadership amendment, the President will veto the bill.

The Administration strongly opposes section 1601 of the bill, which would repeal the tax credit related to corporate investments in Puerto Rico while allowing several grandfather rules for existing companies. The Administration urges the Senate to delete this provision and adopt instead the proposal to reform the credit contained in the President?s FY 1997 Budget. The Administration?s proposal provides tax benefits for new and expanded operations based directly on real economic activity in these underdeveloped areas. The projected revenue savings from the reform of this credit would be used for social and employment training programs in Puerto Rico. Unlike section 1601, the final legislative language concerning the credit should contain effective mechanisms to promote job creation in the islands.

The Administration will also work with Congress to adopt other amendments as described below.

Provisions Supported by the Administration and Additional Recommended Amendments

The Administration supports many of the revenue provisions of H.R. 3448, which are consistent with Administration proposals to strengthen small businesses, simplify pension laws, reinstate incentives for research and development, and improve incentives for education and work opportunities.

In particular:

o Small Business Expensing. The Administration strongly supports the bill?s increase from $17,500 to $25,000 for the amount of tangible personal property that small businesses can expense. The President supported such an increase in 1993 and in his FY 1997 Budget, although with a faster phase

-in.

o Employer

-Provided Educational Assistance. The Administration supports the temporary extension of the income exclusion for employer

-provided educational assistance, including the exclusion for post

-graduate level education. The Administration will work with Congress to provide a permanent extension of the exclusion. The Administration also supports a 10 percent tax credit for educational assistance provided under section 127 plans for small businesses with annual gross receipts of $10 million or less.

o Research Tax Credit. The Administration strongly supports full reinstatement of the research tax credit back to its June 30, 1995, expiration date. The Administration will work with Congress to make the credit permanent. The Administration continues to believe that full, permanent reinstatement should take priority over modifications to the credit such as those contained in H.R. 3448.

o Orphan Drug Credit. The Administration strongly supports full reinstatement of the orphan drug credit and will work with Congress to make the credit permanent.

o Gifts of Appreciated Stock to Private Foundations. The Administration strongly supports this provision and will work with Congress to make it permanent.

o Work Opportunity Tax Credit. The provision for a new Work Opportunity Tax Credit addresses many of the criticisms of the prior Targeted Jobs Tax Credit, particularly increasing the period of retention for eligible workers. The Administration will work with Congress to improve the scope and effectiveness of the new credit.

o Pension Simplification. Many provisions of H.R. 3448 were included in the President's pension simplification proposal announced in June 1995 at the White House Conference on Small Business. The Administration is concerned, however, that the safe harbor provisions applicable to both SIMPLE and 401(k) plans do not ensure that middle and lower

-wage
workers will benefit from the provision of tax

-advantaged
retirement savings plans. The Administration will work with Congress to modify these safe harbors so that employers taking advantage of them are required to provide meaningful coverage to these workers. The Administration is also concerned that the three

-year waiver of the excise
tax on very large retirement distributions would add complexity and could actually encourage plan sponsors to terminate plans.

o Subchapter S. The Administration also strongly supports most of the reforms in the bill relating to Subchapter S (closely held) corporations, and will work with Congress to provide further reforms and to ensure that reforms are appropriately targeted to the intended beneficiaries.

o Technical Corrections. The Administration supports the long

-overdue enactment of technical corrections to recent tax legislation and will work with Congress to achieve a consensus package of technical corrections.

Objectionable Provisions

o Classification of Workers for Employment Tax Purposes. The Administration has concerns about certain changes proposed to section 530 of the Revenue Act of 1978, which provides ?safe harbors? under which an employer has a reasonable basis for treating a worker as an independent contractor rather than as an employee for employment tax purposes. The most important concerns are with proposed changes that would: (1) shift the burden of proof to the Internal Revenue Service with respect to the application of section 530; and (2) replace the safe harbor for reasonable reliance on a long

-standing practice of a significant segment of the industry with a rigid numerical test.

o Special

-Interest Provisions. The Administration opposes the inclusion in H.R. 3448 of numerous special

-interest provisions.

Revenue Offsets

The Administration has serious concerns with the offset provision in H.R. 3448 that would repeal tax benefits for certain employee stock ownership plans that provide meaningful employee ownership. Several of the offsets -- relating to interest allocations for nonfinancial corporations, tax treatment of expatriates, basis adjustment rules under section 1033, withholding on certain gambling winnings, and reinstatement of airport and airway trust fund excise taxes -- are included in the President?s balanced budget proposal. These offsets should be reserved for deficit reduction and meeting balanced budget goals. In working with the Congress to develop an improved bill that is consistent with the Administration?s recommended amendments, appropriate offsets will be sought.

Proposals Not Addressed in H.R. 3448

In the context of an overall balanced budget plan, the Administration will work with Congress to provide other incentives previously proposed by the Administration but omitted from this bill. Such incentives include the $10,000 deduction for postsecondary tuition and training expenses, the $1,500 tax credit for postsecondary tuition, and incentives to revitalize economically distressed areas by cleaning up abandoned, contaminated properties, and creating new Empowerment Zones and Enterprise Communities.

The Administration would also support an amendment to the Foreign Sales Corporation statute as it applies to licenses of software, and will work with Congress to develop an acceptable package, including appropriate revenue offsets.

Pay

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-Go Scoring
H.R. 3448 would affect receipts; therefore, it is subject to the
?pay

-as

-you

-go? requirements of the Omnibus Budget
Reconciliation Act of 1990. OMB?s scoring of this legislation
is under development.

* * * * * * *

(Do Not Distribute Outside Executive Office of the President)
This Statement of Administration Policy (SAP) was developed by
the Legislative Reference Division (Jones) in consultation with
the Departments of the Treasury (Thornton, Judson), Education
(Kristy), Transportation (Herlihy), the Interior (Markell), and
Labor (Green), Small Business Administration (Nixon), Social
Security Administration (Camilleri), the Interagency Working
Group on Puerto Rico (Farrow), White House Counsel (Kagan),
National Economic Council (Seidman), Council of Economic
Advisors (Mazur), EP (Lyon), HRD (Matlack, Kitti, Menchik, Noe),
HTFD (Rhinesmith, Meyers, Turco), NRD (Kodl), BRCD (Fairhall),
and BASD (Barth).
HUD, Pension Benefit Guaranty Corporation, SEC, WH Legislative
Affairs, and OMB/GC did not respond to our request for comments.

OMB/LA Clearance:
The House passed Title I (tax provisions) of H.R. 3448 on May
22nd by a vote of 414

-10. The House passed H.R. 1227 (minimum
wage, etc.) on May 23rd by a vote of 281

-44. H.R. 1227 was
subsequently attached to H.R. 3448 as Title II.
The Senate Finance Committee reported H.R. 3448 on June 18, 1996
with amendments. The most significant provisions of the
reported bill are described below. Pursuant to a unanimous
consent agreement, the Senate will consider H.R. 3448 on July
8th and vote on it on July 9th.
Administration Position to Date
The Administration has taken no position the Senate version of
H.R. 3448. On June 28th, the President, in a letter to the
Senate leadership (attached to this SAP) stated that he would
veto any legislation containing the Republican leadership?s
minimum wage amendment.
A SAP sent to the House on May 22nd ?support[ed] House passage
of several provisions of H.R. 3448,? indicated an intention to
seek further amendments, and expressed strong opposition to two

provisions, one of which was deleted.

On March 21st, Secretary Reich wrote to the House Committee on Economic and Educational Opportunity that the Department had ?serious concerns? with H.R. 1227. The concerns related to the provision that relieves the employer from the requirement to pay employees minimum wage or overtime compensation for the time an employee spends commuting to and from work in an employer?s vehicle. The Secretary stated the Department had recently clarified that issue and that the proposed legislation was unnecessary.

Description of Major Provisions of H.R. 3448
Title I, Small Business and Other Tax Provisions
Title I of the Senate

-reported version of H.R. 3448 is similar
to the House

-passed bill. The major tax provisions of the
Senate bill are described below.
-- Tax Relief Provisions Similar to the House

-passed H.R. 3448

? Increases from $17,500 to $25,000 the portion of the cost of tangible depreciable property a small business can write off annually as an expense. The increase is phased in over seven years. The increase would phase in on a different schedule than the House bill, beginning in 1997 rather than in 1996.
? Temporarily extends the exclusion from taxable income for employer

-provided educational assistance programs to taxable years beginning after December 31, 1994, and before January 1, 1998. Like current law, but unlike the House

-passed bill, this extension would apply to graduate

-level courses.
? Makes numerous changes to tax law affecting pensions, including creating a new pension plan for small businesses that has fewer requirements than existing arrangements and allowing State and local governments and tax exempt organizations to establish 401(k) plans.
? Replaces the Targeted Jobs Tax Credit with a new Work Opportunity Tax Credit available to employers hiring individuals who are high

-risk youth, qualified ex

-felons,
summer youth employees, AFDC (or successor program) recipients, qualified veterans, referrals from a vocational rehabilitation program, and certain qualified food stamp recipients between the ages of 18

-24. All but the last
group were eligible for credit under the House

-passed bill.
The Senate bill also requires a slightly shorter minimum employment period (at least 180 days or 375 hours) than the House bill's requirement (180 days or 500 hours).
? Makes a number of changes to the tax code concerning Subchapter S (closely

-held) corporations -- e.g.,
increasing the number of stockholders such corporations can have and allowing Subchapter S entities to have subsidiaries.
-- Tax Relief Provisions Not Contained in the House Version
? Several tax relief provisions that expired in 1995 are extended for varying periods of time and, in some cases, are modified. These provisions include: the research and experimentation (R&E) tax credit; the orphan drug credit; the favored tax treatment for gifts of appreciated stock made to private foundations; and the non

-conventional fuels
tax credit. The extension of the R&E tax credit begins on July 1, 1996, and is not retroactive to its June 30, 1995 expiration date.
? Provides for deductible contributions to an individual retirement account by a non

-working spouse.
-- Revenue Offsets Similar to House Version
? Phases

-out the tax credit (Sec. 936) to U.S. businesses
with operations in U.S. possessions and terminates the tax credit for investment in the possessions and in certain Caribbean Basin countries. Differs from House

-passed
version in several respects; including the rate of the phaseout and the grandfathering of firms that receive the tax credit based on the number of jobs created.
? Repeals the tax exclusion of 50 percent of the interest income received on a loan to a qualified employee stock ownership plan to acquire the stock of the employer or for refinancing such a loan. Similar to House version except for effective date.
? Makes punitive damages received for non

-physical injury or
illness, such as damages awarded for discrimination,
taxable. Under current law all damages are excluded from
income. The House

-passed version would also tax other
non

-economic damages.
-- Revenue Offsets Not Included in House Version
? Extends the Airport and Airway Trust Fund excise taxes for
the period beginning seven days after the enactment of H.R.
3448 and ending after Dec. 31, 1996. These taxes include
taxes on: domestic passenger tickets; domestic freight
waybills; international departures; jet fuel used in
non

-commercial aviation; and gasoline used in
non

-commercial aviation. An exemption is provided for
certain emergency medical helicopters and for fixed

-wing
aircraft exclusively dedicated to acute care emergency
transportation.
? Revises the rules aimed at stemming tax avoidance though
expatriation by treating, for tax purposes, all assets as
having been sold at the time U.S. citizenship is given up
and taxing the imputed gains on those assets.
? Phases

-out and extends, through Dec. 31, 2002, the current
10 percent luxury tax on automobiles costing more than
$34,000.
? Allows certain people engaged in the local furnishing of
electricity and gas to elect not to be eligible for future
tax

-exempt financing without incurring the present

-law loss
of interest deductions and loss of tax exemption.
-- Major Objectionable Provisions of House Version Not
Included in Senate Bill
? The Senate

-reported version of H.R. 3448 does not include
the repeal of the taxation of U.S. shareholder earnings
attributed to ?excessive passive assets? (i.e., greater
than 30 percent of all assets) held by a foreign
corporation.
Title II, Payment of Wages

The major provisions of Title II, which are identical in the House

-passed and Senate

-reported versions of H.R. 3448:

? Increase the minimum wage by $.50 an hour to $4.75 beginning on July 1, 1996, and by an additional $.40 an hour to $5.15 beginning on July 1, 1997. In February 1995, the President transmitted to Congress a bill that proposed to increase the minimum wage by $.45 an hour beginning on July 4, 1995, and by an additional $.45 and hour beginning on July 4, 1996.

? Establish a permanent fixed sub

-minimum wage -- at the flat rate of $4.25 an hour -- for youth under 20 years of age in their first 90 days of employment with any employer with no training requirements.

? Exempt from minimum wage and overtime requirements certain computer professionals who are compensated at a rate of not less than $27.63 per hour.

? Eliminate the requirement that employers of tipped employees (e.g., waiters and waitresses) pay at least 50% of the statutory minimum wage in cash and replace it with a provision which locks the cash wage at the current standard of $2.13 even after the statutory minimum wage goes up. By replacing the current index formula with this fixed rate, this amendment would deny these employees any benefit from future increases in the minimum wage.

? Clarify that employers are not required to pay employees minimum wage or overtime compensation for the time an employee spends commuting to and from work in an employer?s vehicle if: (1) the travel is within the normal commuting area for the employer?s business; and (2) the use of the vehicle is subject of an agreement between the employer and the employee or representative of such employee.

Pay

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-Go Scoring

According to BASD (Barth), H.R. 3448 would affect receipts, and, therefore, is subject to the pay

-as

-you

-go requirement of the Omnibus Budget Reconciliation Act of 1990. Treasury has not yet scored the revenue provisions of the bill. The Joint

Committee on Taxation scored the Senate bill as having a net
effect of increasing revenue by $47 million over FY 1996

-FY 2000
and by $58 million over FY 1996

-FY 2005. For the years covered
by the statutory pay

-as

-you- go requirements, CBO/JCT scored the
bills as increasing receipts by $258 million in FY 1996,
increasing receipts by $405 million in FY 1997, and reducing
receipts by $375 million in FY 1998.
LEGISLATIVE REFERENCE DIVISION
\d - 12:00 PM

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

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Stephen B. Silverman (SILVERMAN_S) (WHO)

CREATION DATE/TIME:19-AUG-1996 17:35:12.51

SUBJECT: SBA follow-up on Rahm issue

TO: Kim B. Widdess (WIDDESS_K) (WHO)
READ:19-AUG-1996 20:43:37.30

TO: Michelle Crisci (CRISCI_M) (WHO)
READ:19-AUG-1996 17:45:26.46

TEXT:

Spoke with John Caplan (SBA DCOS). He and Rahm have spoken about Sean Marcel, a small business person featured in USA Today today about Pensions. He introduced Potus April 11 in Rose Garden pension ceremony. He promised that if Potus signs Pension reform he will create a pension at his company. Sean will be there tomorrow. Do we want him on stage. I'm getting this and paper to speech writers for possible inclusion.
John seemed to think Rahm would be pretty interested in this. Let me know.
Thanks. SBS

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Stephen B. Silverman (SILVERMAN_S) (WHO)

CREATION DATE/TIME:19-AUG-1996 17:54:17.59

SUBJECT: For speech and/or stage?

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:19-AUG-1996 19:31:55.97

TO: Joshua A. King (KING_J) (WHO)
READ:19-AUG-1996 19:53:49.11

CC: Michelle Crisci (CRISCI_M) (WHO)
READ:19-AUG-1996 17:55:17.05

CC: Kim B. Widdess (WIDDESS_K) (WHO)
READ:19-AUG-1996 20:46:37.87

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:19-AUG-1996 17:29:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Stephen B. Silverman

ATT SUBJECT: SBA follow-up on Rahm issue

ATT TO: Kim B. Widdess (WIDDESS_K)

ATT TO: Michelle Crisci (CRISCI_M)

TEXT:

Spoke with John Caplan (SBA DCOS). He and Rahm have spoken about Sean Marcel, a small business person featured in USA Today today about Pensions. He introduced Potus April 11 in Rose Garden pension ceremony. He promised that if Potus signs Pension reform he will create a pension at his company. Sean will be there tomorrow. Do we want him on stage. I'm getting this and paper to speech writers for possible inclusion.
John seemed to think Rahm would be pretty interested in this. Let me know.
Thanks. SBS
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Christopher J. Ruhm (RUHM_C) (CEA)

CREATION DATE/TIME:22-OCT-1996 15:53:15.15

SUBJECT: Feldstein/Samwick Working Paper

TO: Alicia H. Munnell (MUNNELL_A) (WHO)
READ:22-OCT-1996 16:06:46.59

TEXT:
Alicia:
I just took a quick glance at the NBER working paper by Marty Felstein and Andrew Samwick on privatizing Social Security. I did not read it in detail but I thought you might be interested in the key assumptions for their baseline case.
They assume:
1) that the real return on payroll tax contributions in the current system will be 2.5% per year. This represents the rate of growth of real wage and salary payments between 1960 and 1995.
2) that the real rate of return on a mandatory individual retirement account (MIRA) would be 9% year. This represents the average pretax marginal product of capital during the last 35 years.
Note: This means that their calculations are based on 6.5% differential per year between the pay-as-you-go (PAYGO) as the privatized systems.
To illustrate the magnitude of this difference, they estimate that, for a 45 year old, a 1.96% payroll tax in the privatized system would produce the same retirement savings as the current 12.4% contribution. Moreover, they estimate t

hat the extra 10.44% tax in the PAYGO system creates a deadweight loss of around 2.5 percentage points.
They do play around a bit with reducing the size of the differentials in the relative rates of returns in the two systems, but all of the differentials are quite large. Furthermore, they provide no discussion on what types of investment vehicles could be used to actually get these very high rates of returns. (And so, they do not think about administrative costs etc.)

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Alicia H. Munnell (MUNNELL_A) (WHO)

CREATION DATE/TIME:22-OCT-1996 16:09:31.13

SUBJECT: Feldstein paper on privatizing social security.

TO: William B. English (ENGLISH_W) (CEA)
READ:22-OCT-1996 16:11:55.98

TO: Christopher J. Ruhm (RUHM_C) (CEA)
READ:22-OCT-1996 16:10:27.41

TEXT:

=================== ATTACHMENT 1 ==================
ATT CREATION TIME/DATE:22-OCT-1996 15:35:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Christopher J. Ruhm

ATT SUBJECT: Feldstein/Samwick Working Paper

ATT TO: Alicia H. Munnell (MUNNELL_A)

TEXT:
Alicia:
I just took a quick glance at the NBER working paper by Marty Felstein and Andrew Samwick on privatizing Social Security. I did not read it in detail but I thought you might be interested in the key assumptions for their baseline case.
They assume:
1) that the real return on payroll tax contributions in the current system will be 2.5% per year. This represents the rate of growth of real wage and salary payments between 1960 and 1995.
2) that the real rate of return on a mandatory individual retirement account (MIRA) would be 9% year. This represents the average pretax marginal product of capital during the last 35 years.
Note: This means that their calculations are based on 6.5% differential per year between the pay-as-you-go (PAYGO) as the privatized systems.
To illustrate the magnitude of this difference, they estimate that, for a 45 year old, a 1.96% payroll tax in the privatized system would produce the same retirement savings as the current 12.4% contribution. Moreover, they estimate t

hat the extra 10.44% tax in the PAYGO system creates a deadweight loss of around 2.5 percentage points.
They do play around a bit with reducing the size of the differentials in the relative rates of returns in the two systems, but all of the differentials are quite large. Furthermore, they provide no discussion on what types of investment vehicles could be used to actually get these very high rates of

returns. (And so, they do not think about administrative costs etc.)
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter O'Keefe (CN=Peter O'Keefe/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-JAN-1997 13:10:34.00

SUBJECT: Small Business Legislative Council request

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

CC: CARTER_CM (CARTER_CM @ A1 @ CD @ LNGTWY [UNKNOWN]) (WHO)
READ:UNKNOWN

TEXT:
Per yesterday's conversation, I received a phone call from John Satagaj, President of the Small Business Legislative Council, asking whether or not Rham would consider addressing their annual leadership meeting on January 16th, any time between 11:00am - 2:00pm, at the Vista Hotel.

The Small Business Legislative Council is an independent coalition of approximately 100 trade and professional associations who share a common commitment to the future of small business. Their membership is quite diverse (I will fax a list to you) and through the participants in this meeting, its content reaches almost 2 million small business members. In the past, the Small Business Legislative Council has been supportive of such Administration initiatives as health care and pension reform.

Rham would be expected to give some prepared remarks followed by 10-15minutes of Q&A. This would be an excellent opportunity to speak to a broad coalition of small business employers concerning some of the Administrations priorities. John expects about 75-100 association CEO's to participate in this years meeting.

Please let me or Cheri know if you think this would be of interest to him.
Thank you.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jennifer Palmieri (PALMIERI_J) (WHO)

CREATION DATE/TIME:27-MAR-1997 12:45:11.18

SUBJECT: Pension

TO: Ann F. Lewis (LEWIS_AF) Autoforward to: Remote Addressee (Ann F. Lewis@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Stephanie s. Streett (Stephanie S. Streett@eop@LNGTWY@EOPMRX)
READ:NOT READ

TEXT:
FYI, both NEC and Cabinet Affairs have weighed in with me to push for holding the pension event at DOL as opposed to Treasury.
They prefer DOL becuase:
1) Labor is the lead on PBGC (Sec. of Labor is the chair of the PBGC, Treasury Sec. and Commerce Sec. are just members).
2) Marty Slate, the former head of PBGC and leader of pension reform, recently passed away and his widow and family will be at the event. Having the event at DOL will be a nice tribute to him for his family and colleagues.
3) The President has never been to DOL, and having him there would be a great morale boost for the Department.
I told them that holding the event at Treasury may be best for us because of the President's physical limitation, but that I would put their in the "decision mix."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ilia V. Velez (CN=Ilia V. Velez/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 11:55:04.00

SUBJECT: Budget

TO: Erodriguez (Erodriguez @ nclr.org @ inet [UNKNOWN])
READ:UNKNOWN

TEXT:
Hey. What is up? I thought you might want to see this, if you have not seen it already. I will give you a call later. Bye.

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT
Roughly $900 Billion in Net 10 Year Deficit Savings.
First Balanced Budget since 1969.
Largest Investment in Higher Education Since the G.I. Bill in 1945:
$1,500 HOPE Scholarship to Help Make Two Years of College Universally Available.
20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and Working Americans pursuing Lifelong Learning to upgrade their skills.
Single Largest Investment in Health Care for Children Since 1965.
A $500 Per Child Tax Credit for Approximately 27 Million Families.
Critical Long-Term Entitlement Reforms -- Extends Solvency of Medicare Trust Fund for at Least a Decade.
Brownfields and Empowerment Zones Tax Incentives to Revitalize Our Nation,s Distressed Areas.
A $ 3 Billion Welfare-to-Work Jobs Initiative Targeted to High Poverty Areas.
Treats Legal Immigrants Fairly -- Restores Health and Disability Benefits.

PRESIDENT CLINTON DELIVERS
THE LARGEST SINGLE INVESTMENT IN CHILDREN,S HEALTH CARE SINCE THE PASSAGE OF MEDICAID IN 1965

The President fought hard to ensure that the Budget Agreement includes $24 billion to provide meaningful health care coverage to as many as five million of our nation,s ten million uninsured children. This investment includes a meaningful benefits package, ensures that states use this money to cover uninsured children and not replace existing public or private spending, and guarantees adequate cost-sharing protections for families.
INVESTS UNPRECEDENTED $24 BILLION FOR UNINSURED CHILDREN. The President insisted on increasing the investment for children,s health from $16 billion to $24 billion by including revenue from a new tobacco tax. Because of the President,s leadership, this budget will contain the largest children,s health care budget increase since the enactment of Medicaid in 1965. Including these additional revenues in the children,s health initiative will not only further reduce the number of uninsured children, but it will also serve as a financial barrier to help prevent o

ur children from starting smoking in the first place.

ENSURES MEANINGFUL HEALTH CARE COVERAGE, WHILE ALLOWING STATES TO DESIGN THEIR OWN BENEFITS PACKAGES. The President fought hard to ensure that this investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. The President also worked to ensure that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

GIVES STATES THE FLEXIBILITY TO DESIGN BENEFITS THAT MEET THEIR NEEDS. States will be able to choose from any of four benefits packages: (1) the FEHPB model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the three stated benefit plans as long as prescription drugs, vision, hearing, and mental health services now offered in these plans are guaranteed to equal at least 75 percent of the value of these services.

SUPPLEMENTS, NOT SUPPLANTS, CURRENT HEALTH CARE COVERAGE. Includes provisions to ensure that states provide health care coverage to children who do not currently have health insurance. It requires that states maintain their current Medicaid eligibility levels of spending to access Federal dollars to ensure that this investment is not used to replace public or private money that already covers children.

ENSURES ADEQUATE COST-SHARING PROTECTIONS. The President fought to ensure that families are not forced to shoulder excessive costs for their children. The Agreement guarantees that families under 150 percent of poverty will be protected against overly burdensome cost sharing.

PRESIDENT CLINTON DELIVERS A $500 CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES

MAIN FEATURES OF THE CHILD TAX CREDIT:

Age. Covers children under 17.
Amount per child. $400 in 1998. $500 thereafter.
Income limits. Begins to be phased out for couples making over $110,000 and for one parent families making over $75,000.
"Stacking" Child tax credit will be calculated or &stacked8 before the EITC, and will therefore be available for the up to 7.5 million children in working families who have incomes below $30,000 and who were denied the child tax credit under the congressional bills.
For families with more than two children -- Refundability to cover out-of-pocket income and payroll taxes. Because many large families have little income tax liability, but pay significant out-of-pocket payroll taxes, the child tax credit for these families is partially refundable. These families will receive a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.
Savings Incentive. Taxpayers will be given the opportunity to contribute $500 each year to an education Individual Retirement Account (IRA). Earnings would accumulate tax-free in the account, and no taxes will be due upon withdrawal for an approved purpose.

A CHILD TAX CREDIT FOR FAMILIES WHO WORK HARD AND PAY TAXES.

13 million children from families with incomes below $30,000 will receive the child tax credit -- up to 7.5 million* more than would have under the Congressional plans. Families making under $30,000 like young teachers, police officers, farmers, nurses and others who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

President Clinton worked to ensure that under any final agreement, these young parents would receive a child tax credit to make it easier for them to raise their children.

PRESIDENT CLINTON DELIVERS EDUCATION TAX CUTS TO HELP MIDDLE CLASS FAMILIES PAY FOR COLLEGE

THE PRESIDENT,S HOPE SCHOLARSHIP AND TUITION TAX CREDIT

From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton,s budget and his middle class tax cut proposal. Promoting education is the centerpiece of this final tax cut bill:

$1,500 HOPE Scholarship to make the first two years of college universally available. The final agreement includes the President,s program to advance the goal of making the 13th and 14th grades as universally available as a high school diploma is today. Students will receive a scholarship of 100% on the first $1,000 of tuition and fees and 50% on the second $1,000.

20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of tuition and fees through 2002, and to the first $10,000 thereafter.. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and is a major improvement over the Congressionally-passed bills.

A SUMMARY OF ADDITIONAL EDUCATION TAX CUTS

Education and Retirement Savings Accounts. Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers are given the opportunity to deposit $500 into an education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for an approved purpose.

Employer-Provided Education Benefits. Extends Section 127 of the tax code for three years, which allows workers to exclude $5,250 of employer-provided undergraduate education benefits from their taxable income.

Student Loan Interest Deduction. Allows a deduction for up to $2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. This deduction will be available even if the taxpayer does not itemize deductions.

Community Service Loan Forgiveness. In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, the agreement excludes from taxable income both loa n amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

PRESIDENT CLINTON DELIVERS A BUDGET THAT STRENGTHENS AND PRESERVES MEDICARE

The Budget Agreement preserves and strengthens the Medicare program, saving $115 billion over five years and extending the life of the Medicare Trust Fund for at least ten years. It modernizes Medicare by including new market-oriented reforms that have proved successful in the private sector plus $4 billion in new preventive benefits. As this agreement strengthens and preserves the Medicare program, it also creates a Medicare Commission to examine the long-term needs of the program so that Medicare will be prepared for the retirement of the baby boomers.

SAVES APPROXIMATELY $115 BILLION OVER FIVE YEARS. Includes about $115 billion in savings over five years and between $400-$450 billion over ten years.

EXTENDS THE LIFE OF THE MEDICARE TRUST FUND FOR AT LEAST TEN YEARS. This agreement will keep Medicare solvent until at least 2007.

IMPLEMENTS NEW MARKET-ORIENTED REFORMS INCLUDING:

(1) Empowering the Secretary of Health and Human Services to implement competitive market mechanisms;
(2) Opening up new options that offer more choice among competing health plans and have proven effective in the private sector, including Preferred Provider Organizations (PPOs) and Provider Sponsored Organizations (PSOs);
(3) Providing Americans with meaningful choices by reforming annual Medigap enrollment; and
(4) Building on Medicare,s success in controlling hospital costs, restructuring the payment systems for home health, agencies, skilled nursing facilities and hospital outpatient departments so that rates are set in advance through a prospective payment system.

INCLUDES $4 BILLION OVER FIVE YEARS FOR NEW PREVENTIVE BENEFITS. Expanding coverage for mammograms and colorectal screening and improving self-management of diseases like diabetes.

ENSURES NEW PREMIUM PROTECTIONS FOR LOW-INCOME MEDICARE BENEFICIARIES. The budget agreement invests $1.5 billion over five years to pay the premiums for beneficiaries up to 135 percent of poverty. Beneficiaries over 135 percent of poverty to as high as 175 percent of poverty will get assistance as well.

TAKES STEPS TO ENSURE THAT VULNERABLE HOSPITALS ARE PROTECTED. The Agreement reduces the Medicare Disproportionate Share Hospitals cut from $2.4 billion in the Senate-passed bill to $600 million over five years.

ESTABLISHES A MEDICARE COMMISSION. The agreement creates a 17-member Medicare Commission which contains eight Democrats and eight Republicans and a Chair who will be selected jointly by the President and the Congressional leadership. The Commission will release a report in 1999 and require an 11 of 17 majority to ensure that its recommendations are bipartisan.

THE BUDGET AGREEMENT PROTECTED THE PRESIDENT,S PRIORITY PROGRAMS, INCLUDING EDUCATION

The Budget Agreement achieved 99% of the President,s budget for non-defense discretionary spending over the next 5 years. While priority items are protected, there are $61 billion of savings in non-defense discretionary outlays over the next 5 years -- a 10% real cut by 2002. These priorities will be ratified in the appropriations process under the budget agreement.

LARGEST INCREASE IN EDUCATION INVESTMENT IN 30 YEARS

The budget agreement endorsed President Clinton,s overall plan for investing in education and training -- $63 billion more than the Republican plan over five years. With the tax cuts for education, this represents the largest increase in the Federal investment in education in 30 years. The agreement specifically calls for:

Increases funding for Head Start to continue on road to achieve enrollment of 1 million kids in 2002.
Largest Pell Grant increase in two decades - boosts the maximum 1998 Pell grant from $2,700 to $3,000, and expands the program to more poor independent students.
Adopts the President,s budget request to launch a child literacy initiative consistent with his America Reads program.
Increases funding for bilingual (27% increase) and immigrant education (50% increase).
Includes all of the $579 million increase in funding requested by the President in his FY 1998 budget of $5.3 billion for Training and Employment Services, including Job Corps.

...AND TO MOVE PEOPLE FROM WELFARE TO WORK

A WELFARE-TO-WORK TAX CREDIT. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first $10,000 in wages in the first year of employment, and 50% of the first $10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.
$3 BILLION TO HELP MOVE 1 MILLION PEOPLE FROM WELFARE TO WORK. Includes President's proposal to create $3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.
PRESERVES THE MINIMUM WAGE AND OTHER LABOR PROTECTIONS FOR WELFARE RECIPIENTS MOVING FROM WELFARE TO WORK. Does not include the House-passed provision to leave workfare participants unprotected by the Fair Labor Standards Act and other employment laws.
PROTECTS WORKERS FROM DISPLACEMENT BY THOSE LEAVING THE WELFARE ROLLS, and establishes a strong process for workers to raise grievances with an independent agency.

PRESIDENT CLINTON FOUGHT TO PROTECT
OUR MOST VULNERABLE PEOPLE

Several provisions in last year,s welfare reform bill had nothing to do with the goals of welfare reform. The President said so at the time and promised to work to correct these provisions. That,s why he fought to ensure that any agreement protects the most vulnerable in our society. The President fought to better protect:

CHILDREN

KEEPING THE MEDICAID GUARANTEE. Preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. Also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.

LEGAL IMMIGRANTS

CURRENT RECIPIENTS. Restores both SSI and Medicaid benefits for immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left helpless.

CURRENT RESIDENT NONRECIPIENTS. Does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits. The budget will restore benefits to over 350,000 legal immigrants in FY 2002.

REFUGEES AND ASYLEES. Extends the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry (the limit in the welfare bill) to 7 years to give these residents more time to naturalize. Adopts Administration proposal to treat Cuban and Haitian entrants and Amerasian immigrants as refugees to preserve benefits for these groups that have endured extraordinary hardships.

POOR ELDERLY AND DISABLED, INCLUDING CITIZENS

RECIPIENTS OF STATE SSI SUPPLEMENTS. Does not include the House-passed provision that would have repealed the maintenance-of-effort requirement applying to State supplementation of SSI benefits which would have permitted States to reduce or eliminate benefits to almost 3 million poor blind, elderly and disabled individuals.

PEOPLE WHO WANT TO WORK BUT CAN,T FIND A JOB

235,000 MORE WORK SLOTS. Last year,s welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The budget bill provides nearly $1 billion for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment.

ALLOWS STATES TO EXEMPT UP TO 15 PERCENT OF THE FOOD STAMP RECIPIENTS (70,000 Individuals Monthly) WHO WOULD OTHERWISE BE DENIED BENEFITS AS A RESULT OF THE "3 IN 36" LIMIT.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-NOV-1997 14:01:09.00

SUBJECT: Re: Video request

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

TEXT:
Laura asked for my recommendation. So, I would like it considered at the next video taping meeting. The Building & Construction Trades has been very helpful on a number of issues -- the most recent of which was ensuring that there was not a picket line set up at the hotel when the President gave his DLC address. I also thought we could promote the President's changes in pension reform. THanks for your consideration

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sondra L. Seba (CN=Sondra L. Seba/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:11-MAR-1998 17:57:38.00

SUBJECT: weekly

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

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

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

TEXT:
Older Women's League Briefing -- The Women's Office hosted a briefing/roundtable for the 20+ board members of the Older Women's League. They requested this meeting to talk about their priorities and concerns, such as Medicare, Social Security, pending pension reform legislation, and Health Care. One of their top issues is managed care consumer protection legislation--they are not yet supporting specific legislation, as so many bills have been introduced, many of them with some of the protections they feel are necessary, but none with all.
They were also focused on women, money and retirement, spotlighting the current status of women's retirement income, and providing a wake-up call to younger women about the necessity of starting to save early. This group was extremely responsive, knowledgeable and excited about the Administration's efforts on behalf of all women, young and old.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kelley L. O'Dell (CN=Kelley L. O'Dell/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-OCT-1998 11:20:15.00

SUBJECT: principals' events

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

TEXT:
You've already covered the women's Social Security event, which I think is a must. It sounds like it will be a "retirement security" event, covering the proposed pension reform plus emphasizing the importance of Social Security to women. Would we want either the First Lady or Mrs. Gore there, too? (in light of the fact that we invited Mrs. Gore to do the OWL conference- I haven't checked back on that yet)

My other choice for emphasis would be education- but I think they covered that with the event last week- "one day for education."

We could always ask for an "At the Table"-type discussion with one of the principals- but that is hard since all of the trips before the election are political. So, our push on that will probably be for the month of November. Also, I think that "Americans Discuss Social Security" will be doing a conference on women in November- a possibility for the First Lady.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elisa Millsap (CN=Elisa Millsap/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-OCT-1998 10:39:52.00

SUBJECT: Re: FW: FYI on the POTUS EVENT

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

TEXT:
She was invited to come to the White House and also invited to participate in the regional event in Chicago. She is not able to do either. I never saw a list, though. Does one exist?

Jon P. Jennings
10/22/98 10:34:44 AM
Record Type: Record

To: Elisa Millsap/WHO/EOP
cc:
Subject: FW: FYI on the POTUS EVENT

I assume you have this.
---------------------- Forwarded by Jon P. Jennings/WHO/EOP on 10/22/98 10:36 AM ---------------------------

Atkin Timothy
10/21/98 11:31:08 AM
Record Type: Record

To: Jon P. Jennings/WHO/EOP
cc:
Subject: FW: FYI on the POTUS EVENT

fyi, let me know if you need more info

From: Rodriguez Geronimo
Sent: Wednesday, October 21, 1998 11:12 AM
To: Atkin Timothy
Subject: FYI on the POTUS EVENT

From: Maroney Kevin
Sent: Wednesday, October 21, 1998 11:02 AM
To: Rodriguez Geronimo
Cc: Eisenbrey Ross; Luna David
Subject: RE: POTUS Event

Earlier this week, in response to a WH request, I faxed the attached list of Members with an interest in this issue to the WH. What you need to know that is that the one member of Congress who should participate in this event is Senator Carol Moseley-Braun. She personally went to the WH about 4 years ago and demanded that the President include women and pension changes as part of his omnibus pension reform bill. No other member that I am aware of have demonstrated similar leadership on this issue. We really need to try and get her to this event!

- list.wh

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D52]MAIL40363159E.226 to ASCII,
The following is a HEX DUMP:

October 19, 1998

Fax to: Elisa Millsap, 456-2604
From: Kevin Maroney, ph 219-6141

This is in response to your request for a list of Members with an interest in the issue of women and pensions, specifically the pension protection for workers who use FMLA and the additional annuity option (jont and 3/4).

HOUSE MEMBERS

Rep. Barbara Kennelly: For the past three Congresses, Rep. Kennelly has sponsored women's pension legislation which includes an annuity option different from current law. Rep. Kennelly's bill also would make other changes to ERISA that would benefit women.

Rep. David Price: Sponsored legislation to amend the ERISA to make certain that workers who avail themselves of FMLA benefits do not lose pension credits.

Rep. Sam Gejdenson: Sponsored omnibus pension reform legislation, which included significant provisions intended to help women in retirement.

Rep. Debbie Stabenow: Sponsored legislation providing a tax credit to small businesses that start up pensions. This bill would have helped women save for retirement because so many women work for small business.

Rep. Nita Lowey: Included language as part of the Labor-HHS bill that caused DOL and Treasury to issue guidance that helped women in divorce protect their retirement assets.

Rep.Marge Roukema: She was the House Member who sponsored the FMLA bill. She has been credited with breaking opposition to this law. She also sits on the House Education and Workforce Committee, the committee with ERISA jurisdiction.

Others: You may wish to invite Ways and Means Committee ranking member Rep. Rangel or Rep. Neal, as well as Education and the Workforce Committee, Subc. on Employer-Employee Relations, ranking member Rep. Payne because this legislation will pass through their Committees.

SENATE

Senator Carol Moseley-Braun: As far back as 1996, Senator Moseley-Braun has been a leader on the issue of women's retirement security. She caused the Administration to include a series of provisions as part of the President's bill (including the annuity option provision and others) intended to protect women's interests in pensions. Her staff also helped advance the notion of the amendment to ERISA to protect workers who use FMLA benefits. She sits on the Finance Committee, the Senate committee of jurisdiction.

Senator Barbara Boxer: Had significant success in advancing legislation included as part of the TRA of 1997 which protected 401K plan assets from being invested in the assets of the employer. She has been a consistent champion of pension and women' issues.

Senator Patty Murray: This legislation will pass through the Labor Committee and Senator Murray would be a natural advocate on behalf of these provisions. She is a constant advocate for the rights of women.

Senator Dodd: He was a leader on the FMLA and it would be sensible to include him as part of this event. Sits on the Labor Committee.

Senator Collins: Strong on women's issues. She sits on the Labor and Aging Committees.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Loporchio Vincent G (Loporchio Vincent G [UNKNOWN])

CREATION DATE/TIME:23-NOV-1998 17:42:29.00

SUBJECT: Social Security

TO: Jackson T. Dunn (CN=Jackson T. Dunn/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
November 23, 1998

Dear Jay:

Just following up on our conversation the other day about the White House Conference on Social Security. We are having our second event in the three-part Dreyfus Global Pension Series on December 1 in New York.

Given the timing, we feel it would be good to follow up with the White House
event, since we've been committed to the issue of global pension reform. Please let me know at your earliest convenience if we can participate in the
Conference. I'm holding time on our president's schedule (Ronald P. O'Hanley).

I read somewhere that you would be doing one of the two days closed door with Congressional leaders. If that's the case, do you know which day?

Thanks very much for your attention to this request.

Vincent G. Loporchio
Vice President
Mellon/Dreyfus

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Janelle E. Erickson (CN=Janelle E. Erickson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-JAN-1999 15:03:47.00

SUBJECT: Daschle's Leadership 10

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TO: Courtney C. Crouch (CN=Courtney C. Crouch/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TEXT:
This list is very tentative. It is meant for our internal discussions
only. If you have any questions, please call Tracey.

1. Patient's Bill of Rights

2. Education Package
   may include School Construction
   100,000 Teachers
   Teacher Quality
   After School Programs

3. Protecting the Social Security Trust Fund

4. Income Security
   Minimum Wage
   Marriage Tax Penalty
   Pay Equity
   Pension Reform

5. Crime Package
   Juvenile Justice
   Extension of COPS
   Hate Crimes
   VOWA II
   .08

6. Campaign Finance

7. Child Care Package
   Increase child care and development block grant
   Block grant to improve quality
   Expand eligibility for dependent care tax credit and refundable

Tax break for stay at home moms
Tax credit for employment based child care
Grants for community based programs
After school programs

8. Environmental Package ??
Brownfields bill

9. Seniors Package
Medicare buy-in
Administration's long-term care proposal
Reauthorize Older Americans Act

10. Agriculture Package
? Food Safety
Meat labeling
Price reporting
Trade sanctions

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUL-1999 09:36:58.00

SUBJECT: Revised MEMBER Press Release

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

TEXT:
---------------------- Forwarded by Sarah Rosen Wartell/OPD/EOP on
07/08/99 09:36 AM ---------------------------

Sarah Rosen Wartell
07/07/99 12:55:31 PM
Record Type: Record

To: Sarah Rosen Wartell/OPD/EOP@EOP
cc: See the distribution list at the bottom of this message
Subject: Revised MEMBER Press Release

Note: Would the only quotes in this be from Matsui? Someone please check the reference to mark-up and make sure it is right.

PRESS RELEASE
FROM THE OFFICE OF REPRESENTATIVE ROBERT MATSUI

July __, 1999
DRAFT

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Hundreds of employers have converted their traditional defined benefit pension plans into a different kind of pension known as a &cash balance8 plan. Unfortunately, many workers do not understand how these conversions affect them. The new plans are especially popular with younger workers, because) if they change jobs -- they can easily transfer a lump sum distribution to a new pension plan. However, some older workers are beginning to realize that they their pension will be smaller) upon retirement) than it would have been if their old plan had continued.

Unfortunately, too few employers provide their workers with complete and meaningful disclosures about how these conversions affect their workers, ability to earn future pension benefits. Workers should have a right to know how pension plan changes affect their ability to accrue benefits and plan for retirement. &Hard working Americans deserve secure retirements,8 said Representative Matsui. &Workers should not be kept in the dark about how pension plan changes affect them.8

The proposal strikes the right balance between worker rights and plan efficiency. It would require that employers provide workers with 45 days advance notice before a plan change takes effect so that workers can ask questions about the proposed change, obtain advice, and make any necessary savings or retirement planning changes. However, it has been crafted to minimize burdens on plan sponsors, avoiding unnecessary or marginally beneficial paperwork.

&We are committed to working with the President and all our colleagues in the Congress to advance this legislation during the 106th Congress, as part of any pension reform bill that moves,8 Representative Matsui added. The House Ways and Means Committee is scheduled to mark-up pension legislation shortly after members return from the July 4th Recess. [WOULD YOU NORMALLY HAVE QUOTES FROM OTHER CO-SPONSORS IN MATSUI,S RELEASE?]
###

[SEE ATTACHED SUMMARY OF PROBLEM AND PROPOSAL]

Message Copied
To:
natasha f. bilimoria/opd/eop@eop
sonyia matthews/opd/eop@eop
david w. beier/ovp@ovp
pieter j. boelhouwer/ovp@ovp
mark d. menchik/omb/eop@eop
cordelia w. reimers/cea/eop@eop
laurence r. jacobson/omb/eop@eop
bruce d. long/omb/eop@eop
janet r. forsgren/omb/eop@eop
oscar gonzalez/omb/eop@eop
lisa b. fairhall/omb/eop@eop
douglas d. mccormick/omb/eop@eop
hinzr@pwba.dol.gov @ inet
kramerich-leslie@dol.gov @ inet
mcknight-avis@dol.gov @ inet
lebowita@pwba.dol.gov @ inet
lees@pwba.dol.gov @ inet
lindrewg@pwba.dol.gov @ inet
maroney-kevin@dol.gov @ inet
mcgahey-richard@dol.gov @ inet
watsons@pwba.dol.gov @ inet
montgomery-edward@dol.gov @ inet
holzer-harry@dol.gov @ inet
turner-john@dol.gov @ inet
akers-valerie@dol.gov @ inet
grant.joseph@pbgc.gov @ inet

healy.monica@pbgc.gov @ inet
schub.judy@pbgc.gov @ inet
gustafson.david@pbgc.gov @ inet
pacelli.jane@pbgc.gov @ inet
sirkin.stuart@pbgc.gov @ inet
krist.karen@pbgc.gov @ inet
william.bortz@do.treas.gov @ inet
mark.iwry@do.treas.gov @ inet
leonard.burman@do.treas.gov @ inet
david.richardson@do.treas.gov @ inet
gillian.hunter@do.treas.gov @ inet
paul.smith@do.treas.gov @ inet
deborah.walker@do.treas.gov @ inet
frank.toohey@do.treas.gov @ inet
harlan.weller@do.treas.gov @ inet
donald.wellington@do.treas.gov @ inet
amy.null@do.treas.gov @ inet
donna.shackleford@do.treas.gov @ inet
jane.molloy@mail.doc.gov @ inet
patrick m. dorton/opd/eop@eop
barry j. toiv/who/eop@eop
charles m. brain/who/eop@eop
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D52]ARMS22195239W.136 to ASCII,
The following is a HEX DUMP:

PRESS RELEASE
FROM THE OFFICE OF REPRESENTATIVE ROBERT MATSUI

July __, 1999
DRAFT

Representative Robert Matsui (D-CA), joined by Representatives Robert Andrews (D-NJ), Earl Pomeroy (D-ND), and ___, today announced their intent to introduce legislation to secure the "right-to-know" for American workers, when changes are being made to their private pension retirement benefits. The new proposal was developed in conjunction with the Clinton Administration, which also announced its support for the plan today.

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Unfortunately, too few employers provide their workers with complete and meaningful disclosures about how these conversions affect their workers' ability to earn future pension benefits. Workers should have a right to know how pension plan changes affect their ability to accrue benefits and plan for retirement. "Hard working Americans deserve secure retirements," said Representative Matsui. "Workers should not be kept in the dark about how pension plan changes affect them."

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###

[SEE ATTACHED SUMMARY OF PROBLEM AND PROPOSAL]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:12-JUL-1999 16:24:16.00

SUBJECT: Re: Brain Question re Pension Benefit Guaranty Corporation Report on Pension Reform

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

TEXT:
I'm not a technician in this area, but my gut says that we would be better off expressing opposition to the provision in our overall statement regarding the bill, instead of having another agency send a letter around the regular process. Gene and Larry had a conversation about a proposed ED letter on school construction on Friday, and they came to a similar conclusion.

From a much more narrow perspective, this letter seems a little more friendly to the proposal than I would think it should be -- though, again, I am not a technician in this area. It seems like a way to get money out of the DB plan reserves and into the pockets of the plan participants -- in the form of the company's own stock, if I read it right -- to the potential detriment of the Treasury, if anything goes wrong with the DB plan down the line (and if it is the company's own stock, the risk is obviously greater than if the holdings were diversified). You may know all of this stuff better than I do, so if I am off base, tag me out.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:12-JUL-1999 17:35:52.00

SUBJECT: Re: LRM OGG41 - - Pension Benefit Guaranty Corporation Report on Pension Reform

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

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

CC: laurence r. jacobson (CN=laurence r. jacobson/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: larry r. matlack (CN=larry r. matlack/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: joseph j. minarik (CN=joseph j. minarik/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: justine f. rodriguez (CN=justine f. rodriguez/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: mark d. menchik (CN=mark d. menchik/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: robert l. nabors (CN=robert l. nabors/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: barbara chow (CN=barbara chow/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TEXT:
Chuck -- In this case, we're telling him why we oppose a provision he wants to insert in the bill we are going to veto -- instead of asking him to add something we like. So, I am not sure if the cases are similar. The agency doesn't feel strongly however so if it is better not to make his requested deadline, that's fine.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:12-JUL-1999 16:30:30.00

SUBJECT: Re: LRM OGG41 - - Pension Benefit Guaranty Corporation Report on Pension Reform

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

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

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

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

TEXT:
I want to raise a red flag regarding this letter. Presumably English wants to include his proposal in the Ways and Means tax bill--a bill we would veto. A letter from the Dept of Ed was killed last week which advocated inclusion of certain Admin proposals in that bill. Before we go forward with this letter, I think Jack Lew and Larry Stein should sign off.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:12-JUL-1999 18:45:20.00

SUBJECT: RE: LRM OGG41 - - Pension Benefit Guaranty Corporation Report on Pension Reform

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

CC: sandra yamin (CN=sandra yamin/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: james j. jukes (CN=james j. jukes/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: larry r. matlack (CN=larry r. matlack/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: charles m. brain (CN=charles m. brain/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

CC: oscar gonzalez (CN=oscar gonzalez/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: laurence r. jacobson (CN=laurence r. jacobson/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: robert l. nabors (CN=robert l. nabors/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

CC: sarah rosen wartell (CN=sarah rosen wartell/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

TEXT:
Another possibility on this issue would be for Treasury -- if they are going to send a blanket letter before markup -- to include this provision in its list of smaller proposals that we would argue against. Have we seen a Treasury letter or statement?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Oscar Gonzalez (CN=Oscar Gonzalez/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 2-AUG-1999 17:16:27.00

SUBJECT: REMINDER ON LRM OGG67 - - Pension Benefit Guaranty Corporation Revised Report on Pension Reform

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

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

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

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

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

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

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

TO: Pieter J. Boelhouwer (CN=Pieter J. Boelhouwer/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

TO: Justine F. Rodriguez (CN=Justine F. Rodriguez/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Michael J. Brien (CN=Michael J. Brien/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

TO: Natasha F. Bilimoria (CN=Natasha F. Bilimoria/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TEXT:
This is a reminder that your comments on the PBGC letter o pension reform were due at 5pm. If you've already responded, please disregard this message. If you have not, please provide any comments to me ASAP. If I don't hear from you, I will assume you have no objection to the testimony.

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-DEC-1999 09:27:36.00

SUBJECT: Re: FYI--Results of Conversation with Law Enforcement Groups re: 2000 Priorities

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

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

TEXT:
Chip -- Thanks for sending this. I couple of comments I would make would be on guns and asset forfeiture. You should be very careful how you characterize the gun piece because the big unions (FOP, NAPO) are generally not supporting pending gun legislation. They have decidedly taken no position on most of the pending gun legislation with the exception of a couple of provisions (not gun shows). The chiefs' organizations and smaller police groups have been much more supportive, but the large unions are critical since they carry more weight, generally speaking. On civil asset forfeiture you should say that this is a top priorirty for all of the groups, that they strongly oppose reform legislation proposed by Hyde and Hatch, and that they support an alternative proposed by Senators Schumer and Sessions (which the Administration supports).

Also, for collective bargaining and pensions, you might want to make clear that these are union issues. Collective bargaining is not usually in the interest of management. And it is Byrne grants.

What were the immigration priorities?

Leanne

Charles J. Payson
12/03/99 08:50:42 AM
Record Type: Record

To: Leanne A. Shimabukuro/OPD/EOP@EOP, Deanne E. Benos/OPD/EOP@EOP
cc:
Subject: FYI--Results of Conversation with Law Enforcement Groups
re: 2000 Priorities

Key Law Enforcement Issues for 2000
ú Pension Reform*as it pertains to the freedom of public employees

or new hires to participate in a retirement system of their choice, i.e. most are against mandatory participation in Social Security since state, local and various private retirement systems often provide better benefits than Social Security.

ú Domestic Preparedness*ensuring adequate funding for training police officers and sheriffs.

ú Collective Bargaining.

ú Continued Funding of the COPS Program*this program received funding in the FY,00 Budget and the law enforcement organizations want to ensure that that funding is continued in FY,01, FY,02 etc.

ú Safety of Senior Citizens*a concern of all organizations, but specifically the National Sheriff,s Association, with regards to home security (educating seniors to lock their doors, etc.), financial security (i.e. telephone, mail and insurance scams), etc.

ú Immigration Reform.

ú Legislation to provide retroactive post secondary education assistance to children (under the age of 21) of police officers killed in the line of duty after 1978. A law establishing assistance for children of police officers killed in the line of duty is on the books, but is not retroactive.

ú Will continue to push for reasonable gun regulations (i.e. trigger locks, waiting periods for guns purchased at gun shows); handgun safety proposals (i.e. providing incentives for hand gun purchasers to take a gun safety training course); and juvenile justice prevention and after school care.

ú Asset Forfeiture Reform.

ú Increasing money for Byrn Grants to state and local police officers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian S. Mason (CN=Brian S. Mason/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:14-JUL-2000 20:05:54.00

SUBJECT: insert this paragraph in place of the old pensions one - or just the one sentence in bold

TO: Lauren K. Gillespie (CN=Lauren K. Gillespie/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Pensions: The House will consider, HR 1102, the Retirement Security and Pension Reform Act. The Portman-Cardin legislation would increase IRA limits to $5,000, increase pension contribution, benefits, and deduction limits, and make other pension changes designed to sweeten pension plans for higher wage workers. The bill also repeals important worker protections in pension tax law. Democrats are split on the bill. Opponents, led by Representative Charlie Rangel (D-NY), will attempt to amend the bill by adding your RSAs proposal, your refundable tax credits for contributions to IRAs, and other pieces of your FY 2001 budget proposal related to retirement savings. The bill will likely pass even without the Rangel amendment. Democrats have settled on this amendment strategy in hopes of minimizing their split on this measure.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-JUL-2000 12:37:03.00

SUBJECT: cab weekly

TO: Eric J. Morse (CN=Eric J. Morse/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TEXT:
Cabinet Weekly Report, July 8 - 14, page 12

July 14, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR.
KRIS M. BALDERSTON

SUBJECT: Summary of Cabinet Weekly Reports
July 8 - 14, 2000

Department of the Treasury

ú Taxes: On July 12, the House approved Republican legislation eliminating the marriage penalty, which now moves to the Senate. The Democratic alternative, which would cost $95B over ten years as opposed to $182B under the Republican legislation, was defeated on a mostly party-line vote. The Administration opposes the legislation because it is too costly, exacerbates marriage bonuses, and is not well targeted to lower- and middle-income families. On July 13, the House Ways and Means Committee approved the Comprehensive Retirement Security and Pension Reform Act, which is based on a bill introduced by Representatives Portman and Cardin. The legislation increases the Individual Retirement Account annual contribution limit, allows for catch-up contributions, and increases the dollar limit on annual elective deferrals under section 401(k) plans and section 403(b) annuities, and weakens anti-discrimination rules. The Administration has expressed serious concerns regarding these provisions because they undermine pension coverage for rank and file workers and do not benefit low- and middle-income workers who lack pension coverage and other savings. Finally, on July 14, the Senate passed, by a vote of 59 to 39, legislation repealing the estate tax, which is identical to legislation passed by the House in June. You have stated that you will veto the legislation.

ú Money Laundering: On July 8, at the G-7 Finance Ministers meeting in Fukuoka, Japan, the U.S. and its G-7 partners announced the issuance of advisories to domestic financial institutions, calling upon them to scrutinize transactions involving the 15 jurisdictions identified by the Financial Action Task Force as having deficient anti-money laundering regimes. The U.S. advisories notify financial institutions of the money-laundering risks they face in each of the 15 jurisdictions, and are meant to encourage the targeted jurisdictions to improve their anti-money laundering regimes. Those that do not tighten their anti-money laundering controls could face sanctions or other restrictions from institutions such as the World Bank. As a result of the advisories, a number of identified jurisdictions are revising their anti-money laundering regimes to meet international standards. The jurisdictions subject to the advisories include Israel, Russia, Liechtenstein, Lebanon, the Bahamas, Panama, the Philippines, and various other Caribbean and Pacific island countries.

ú Holocaust Negotiations: On July 17, Deputy Secretary Eizenstat is scheduled to travel to Berlin for a final plenary meeting of the parties in the negotiations on the establishment of the German Foundation which will make payments to former slaves, forced laborers, and other victims of the Nazi era. After the plenary, negotiators will sign the Concluding Joint Statement, which provides an assurance that they will request the U.S. courts to dismiss their cases, and the Executive Agreement between the U.S. and Germany, which provides that it would be in the America,s foreign policy interest for the Foundation to be the exclusive remedy for the resolution of Nazi era claims against German companies. The target date for initial payments to victims is the end of this year.

ú Mexico: On July 12, Mexico announced that it will treat its IMF standby arrangement as precautionary, meaning that it will not draw on the $1.5B available under its IMF program except in the case of an emergency. It also announced that it is exploring with the IMF the possible early repayment of all of its outstanding loans, totaling $3.6B. Mexico,s decision reflects its favorable prospects for continued growth and stability during its transition to a new government. The change in Mexico, s relationship with the IMF is consistent with the U.S. view that IMF lending to countries that normally have access to international capital markets should only be on a short-term basis, and only when those countries are experiencing financial difficulties.

ú National Conventions: On July 12, DOT, the Secret Service, FBI, and the Metropolitan Police Department (MPD) joined with Attorney General Reno and the leadership of the DNC to discuss security for the upcoming Democratic National Convention. The Secret Service, FBI, and MPD briefed DNC representatives concerning the possible disruption of the events by large-scale demonstrations and the need to develop plans to deal with any disruptions. RNC representatives also joined the meeting, just as a DNC representative attended a similar meeting held previously with RNC convention planners.

ú Okinawa Summit: In preparation for the July 21-23 Summit in Okinawa, Japan, the G-7 Finance Ministers met in Fukuoka, Japan, on July 8. The Finance Ministers released reports to Heads of State entitled Strengthening the International Financial Architecture and the Impact of the IT Revolution on the Economy and Finance. The G-7 Finance Ministers also prepared reports for Heads of State entitled Actions against Abuse of

the Global Financial System and Poverty Reduction and Economic Development which will be released at the Okinawa Summit.
Department of Justice

ú Convicted Georgian Diplomat Transferred: On June 29, former Georgian diplomat Gueorgui Makharadze was transferred from Federal custody to officials from the Republic of Georgia. here he will face continued incarceration for a 1997 drunken-driving conviction in DC that resulted in the death of a 16-year-old girl and injury to four other persons. Although Makharadze was protected by diplomatic immunity at the time of the offense, Georgian President Eduard Shevardnadze waived that immunity, thereby making possible Makharadze,s prosecution.

ú NYPD Officers Sentenced in Louima Case: On June 27, one NYPD officer was sentenced to fifteen years and eight months in prison and ordered to pay $277,495 restitution for participating in the brutal police assault on Haitian immigrant Abner Louima. In addition, two other NYPD officers were sentenced to five years in prison for making false and misleading statements during the investigation of the assault. Previously, one officer was sentenced to 30 years in prison for his guilty plea related to the August 1997, assault.

Department of the Interior

ú CALFED: DOI and the state of CA will be releasing a final programming Environmental Impact Statement for the CALFED project within the next two weeks. Work is proceeding on finalization of a Record of Decision, based on the CALFED framework that was announced in June by Governor Davis, Secretary Babbitt, and Senator Feinstein. DOI is working to ensure that the 2001 budget includes funds for CALFED. Your budget requested $60M.

ú Kuskokwim River Conservation: The Federal Subsistence Board in AK has taken emergency action in response to chinook salmon returns in the Kuskokwim River drainage. In a move that parallels AK,s emergency action on July 8, the Board adopted 60-day emergency regulations for Federal waters to restrict drift and set gillnet mesh size, and create a daily harvest and possession limit. These regulations apply to all subsistence fishing in Federal waters of the Yukon Delta National Wildlife Refuge in the Kuskokwim River drainage and are effective immediately. This is the second consecutive year with poor king salmon returns for the Kuskokwim River. Subsistence users are reporting very low catches of king salmon and all king salmon escapement monitoring projects are showing extremely poor king salmon returns throughout the Kuskokwim River drainage. Biologists, subsistence users, and the Board fear this may jeopardize the viability of future king salmon returns. Cabinet Affairs is coordinating an interagency meeting to respond to this situation.

ú NJ Offshore Sand and Gravel Sale: Secretary Babbitt recently decided not to initiate preparation of an EIS or take any other steps toward conducting a commercial sand and gravel lease sale offshore northern NJ. The Minerals Management Service published a notice in the Federal Register on January 10, requesting comments and indications of interest about the proposal. Secretary Babbitt based his decision on the volume, breadth, and diversity of the objections raised by those in opposition to the proposal, as well as his responsibilities with regard to natural resources.

ú Bald Eagle: The bald eagle was proposed for delisting on July 6, 1999. The Fish and Wildlife Service (FWS) is reviewing the information and comments received on the proposed delisting, as well as the scope of protections available after delisting under the Bald and Golden Eagle Protection Act and the Migratory Bird Treaty Act. With the arrival of the one-year deadline for publishing its final decision on the delisting, FWS is receiving numerous inquiries on the status of its decision. DOI has developed talking points to help FWS employees respond to questions about the bald eagle delisting, and expects to make a final decision on the bald eagle,s status within the next two months.

ú CO River Delta Lawsuit: Newspapers in southern CA, southern NV, and AZ reported widely on the June 28 filing of a lawsuit by several environmental groups against DOI and DOC. Environmental organizations want a dedicated supply of CO River water to flow to the river,s delta area in Mexico. The lawsuit alleges that Federal agencies overseeing the river,s operation and management of the nation,s environmental species are violating the Endangered Species Act by failing to dedicate river water to save wildlife from extinction. The groups also want the Multi-Species Conservation Program, a plan under development by a consortium of state and federal agencies and Indian Tribes to protect and help recover endangered species and habitat along the river corridor in the U.S., to be extended into the delta area in Mexico.

Department of Agriculture

ú Prion Disease in VT Sheep: On July 3, tests indicated the presence of a prion disease in three quarantined sheep in VT. The sheep are from one of two flocks that were imported from Belgium in 1996 and were quarantined by VT at USDA,s request due to risks associated with transmissible spongiform encephalopathies in animals from Europe. USDA is working with other Federal agencies, VT, and the owners to take possession of the sheep, which will be destroyed to prevent any risk to the public.

ú Supreme Beef Case Judgment: On July 12, a TX federal court issued a final judgment confirming its May 25 ruling that USDA is precluded from using Salmonella performance standards in deciding whether to close plants within its jurisdiction. The judgment stems from Supreme Beef,s contention, after failing four successive Salmonella contamination tests, that the contamination cannot be used as a standard to justify withholding marks of inspection under current statutes if the contamination cannot be traced directly to the plant,s processing procedures. While the judgment precludes the closing of the plant for Salmonella failures, it takes no position on whether USDA can take those failures into account when buying products for its various nutrition and supplementary food assistance programs. Plants in other districts nationwide continue to meet the requirements of the testing program, and USDA will continue exploring additional means of enhancing food safety.

ú Pork Checkoff Referendum: On July 13, the final rule for the Pork Checkoff Referendum was published. Producers and importers who have dealt in pigs, hogs, or pork products at any time from August 18, 1999, through August 17, 2000, are eligible to vote. The rule provides for in-person voting September 19-21, and for absentee voting from August 18 to September 21. Producer voting will take place at Farm Service Agency county offices. Importers will vote by mail to FSA headquarters.

ú Livable Communities Initiative: On July 13, USDA held the first of four listening forums on farm, ranch, and forest land protection at the Dekalb County Farm Bureau Center for Agriculture in Dekalb, IL. USDA is seeking policy feedback and information on protecting land from urban sprawl. The next forum will be on July 21 in Davis, CA, with additional forums to be held this summer in Seattle, WA, the NJ highlands, and possibly Atlanta, GA.

ú Roadless Environmental Impact Statement (EIS): On July 17, the public comment period will end on the Proposed Roadless Area Rule and Draft EIS. The Roadless Team is coordinating with the White House, USDA, and various Forest Service offices to help assure that any correspondence held in those offices is forwarded to the team. USDA has received more than 100,000 responses and has been notified of scheduled deliveries of more than 500,000 additional responses. A total of 424 public meetings have been held in connection with the comment period and 50,000 copies of the Draft EIS and Proposed Rule have been distributed.

ú Commodity Markets: Wheat prices dropped sharply following USDA reports that indicated higher-than-expected spring wheat acreage and stocks. Continued beneficial rain in the Corn Belt drove corn and soybean prices down. Rice cash prices were unchanged, but futures rose on USDA,s June 30 forecast of smaller rice acreage. Cotton prices fell slightly on signs that the cotton crop could be larger than the 19 million bales forecast by USDA in June. Lower boxed beef prices sent cattle prices lower in light trade. Cash hog prices slipped last week as rising temperatures in the Midwest hindered movement, but futures followed belly prices higher. Retail featuring helped boost broiler prices. Cheese prices changed little in light trade. Butter averaged up slightly in volatile trade.

ú Egg Safety: On July 31, USDA and FDA will hold a public meeting to make available the agencies, analyses on necessary elements for proposed regulations ensuring egg safety. The analyses will be posted on the Internet. The agencies are participating in an Egg Safety Action Plan as part of your Food Safety Council, with the goal of ultimately reducing foodborne illness associated with Salmonella by 50 percent, by 2005, and eliminating egg-associated Salmonella illnesses by 2010. Under the action plan, FDA develops standards for the egg producer, while states provide oversight and enforcement on the farm; USDA develops standards for both shell egg packers and egg product producers, and provides inspection and enforcement for both; and FDA and CDC conduct surveillance and monitoring activities.

Department of Commerce

ú Gulf of Mexico Aquaculture Study: Scientists from the DOC-funded MS-AL and TX Sea Grant Programs have joined forces to study the potential of offshore aquaculture in the Gulf of Mexico. Researchers are working with Chevron to place a 48-foot high fish cage near an oil platform. The cage is similar to one used in projects launched by Sea Grant programs in ME, NH, and HI. Ultimately, the researchers hope to stock the cage with native, high-value species such as snapper, cobia, or amberjack. The goal of this study is to develop a socially and environmentally acceptable offshore aquaculture model that is appropriate to all stakeholders in the Gulf of Mexico region.

ú Lab Accreditation: On July 13, DOC,s National Institute of Standards and Technology and the non-profit National Cooperation for Laboratory Accreditation, signed a memorandum of understanding that marks a milestone in efforts to develop a national system for laboratory accreditation and should make it easier for U.S. companies to trade. The organizations aim to coordinate the more than 100 private-sector and government programs that assess and accredit U.S. testing and calibration laboratories. Lack of coordination has led to duplicate and sometimes contradictory accreditation requirements that disadvantage U.S. businesses relying on the services of accredited laboratories to make and sell products at home and abroad.

Department of Labor

ú Harvest Campaign: On July 13, DOL announced the kick-off of the Fair Harvest/Safe Harvest campaign involving the distribution of more than 17,000 packets of information to farm worker advocacy groups, agricultural employer associations, and Mexican Consulates. The information includes a children,s book illustrating hazards in the agricultural workplace, a wallet-sized card containing labor rights information, and a poster highlighting these issues.

ú Labor Relations: Some 2,000 janitors represented by the Service Employees International Union (SEIU) ratified a new three-year agreement with a multi-employer group in the Seattle area on June 30. The agreement provided an immediate 50-cent-per-hour wage increase with an annual raise of 40 to 45 cents an hour in each of the next two years.

ú Veterans Workforce Investment Grants: On July 14, Secretary Herman will announce that ten states will receive a total of $6.2M in employment and training grants for veterans under Section 168 of the Workforce Investment Act.

ú H-1B Grants: On July 19, Secretary Herman will award grants that are funded through the H-1B program to nine states (12 programs) totaling about $29M to train individuals for high skilled jobs.

Department of Health and Human Services

ú Emerging Infectious Diseases: On July 16-19, CDC will host the second International Conference on Emerging Infectious Diseases in Atlanta, GA. The closing session on July 19 will be devoted to West Nile Virus.

ú West Nile Virus: Two teams from CDC and the USGS will travel to NJ and NY to work with State and local officials to study the implications of recent findings of crows infected with West Nile Virus in the NYC metropolitan area. Crows appear to be highly sensitive to infection and the human health implications of these findings are not clear. The teams will address prevention and control activities including testing of live birds for West Nile infection, more intensive mosquito collection, and ecological mapping.

ú Influenza Vaccine: In 1999, four manufacturers produced a combined total of 80 to 85 million doses of trivalent inactivated influenza vaccine. For the 2000-2001 influenza season, lower than anticipated production yields for this year,s influenza A (H3N2) vaccine component and other manufacturing problems are expected to lead to a substantial delay in the distribution of the vaccine and possibly substantially fewer total doses of vaccine. A more precise estimate of the vaccine supply will be available as production progresses during the summer. Because many vaccine providers currently are planning their fall vaccination activities, CDC and the Advisory Committee on Immunization Practices (ACIP) are issuing the following adjunct influenza vaccination recommendations that are specific to the 2000-2001 influenza season. FDA, CDC, ACIP, NIH, and vaccine manufacturers will continue to work together to facilitate the availability of the influenza vaccine for the upcoming season and to minimize the adverse impact of an influenza vaccine shortage should one develop. If a vaccine shortage appears imminent, CDC and ACIP will issue further recommendations.

Department of Housing and Urban Development

ú HUD Headquarters Named to Honor Robert C. Weaver: On July 11, Secretary Cuomo presided over the renaming of the HUD Headquarters Building in Washington to honor Robert C. Weaver, the first HUD Secretary and the first African American member of a President,s Cabinet. Secretary Cuomo was joined for the renaming by Senator Moynihan and Representative Rangel, who sponsored the legislation to rename the building the Robert C. Weaver Federal Building. The building was originally dedicated by Weaver on September 9, 1968.

ú Secretary Cuomo Hosts Delegation From Israel: This week, Secretary Cuomo met in Washington with Israeli officials to continue efforts to increase the supply of affordable housing, create jobs, spark economic growth, and revitalize communities in both nations through a new commission. Officials from the Israeli Construction and Housing Ministry, the Israeli Finance Ministry, and two public housing companies met with Secretary Cuomo during a visit to the U.S. that includes stops in New York and Baltimore. The Israelis spent part of last week in Washington visiting affordable housing developments run by the DC Housing Authority to learn how HUD programs are used to provide housing to low- and moderate-income families.

ú Neighborhood Networks: Donning caps and gowns, 89 students received diplomas from the Gateway at Edgewood Terrace Neighborhood Networks Center,s Career Enhancement Program on June 7. The Class of 2000 is the largest graduating class in the history of the program, which has seen 80 percent of its former graduates enter the workforce. Graduates have been hired by major public and private employers such as Fannie Mae, Ernst & Young, and the DC government.

Department of Transportation

ú African-American Seat Belt Use: On July 17, during the second meeting of the Blue Ribbon Panel on Increasing Seat Belt Use among African-Americans, panelists will set milestones and determine activities required to meet their objectives, and will develop a list of technical experts with whom to consult on traffic safety and injury prevention. The panel will direct its recommendations to government agencies and community organizations that can champion seat belts use. This effort supports the Administration,s commitment to achieving 85 percent nationwide seat belt use by the end of 2000.

ú Intelligent Vehicle Initiative (IVI): On July 19-20, Secretary Slater will participate in the first national IVI meeting, and will challenge the American automotive industry to establish three deployment goals.

Department of Energy

ú Heating Oil Reserve: Secretary Richardson directed DOE to offer an exchange of crude oil from the nation,s Strategic Petroleum Reserve to companies willing to provide up to two million barrels of emergency heating oil stocks and the necessary storage facilities in time for this winter. DOE will offer the crude oil exchange through the Defense Energy Supply Center, an arm of DOD that routinely procures petroleum products for the nation,s military.

ú DOE Appointee: On July 12, General John Gordon was publicly sworn in as the Under Secretary for Nuclear Security.

ú Brush Fire at DOE Facility: Lightning caused a brush fire in the southeast section of the Rocky Flats Environmental Technology Site buffer zone on July 10, causing the site to activate the Emergency Operations Center. The fire consumed between 10 and 12 acres and was completely contained within an hour. Five air monitors are located downwind of the fire and will be analyzed for isotopic results. The results will be available in two to three weeks. No contamination was detected on any of the firefighters.

ú U.S. Postal Service Electric Vehicles: Ford and Baker Electromotive passed the U.S. Postal Service acceptance test and delivered the first six electric long life delivery vehicles to the Postal Service. These are the first of 500 electric delivery vehicles that the Postal Service purchased from Ford earlier this year. They will be delivered to

CA for testing and evaluation by the Postal Service, Southern California Edison, with DOE. Starting in November, ten additional vehicles will be delivered each week until October 2001.

ú Energy Emergency Preparedness: DOE sponsored meetings between state and Federal energy officials and industry to discuss regional plans for handling electricity blackouts. The meetings were held on July 10-11 in Reno, NV, and on July 13-14 in Newport, RI.

ú Gasoline Prices: Gasoline spot and futures prices posted sharp declines in all U.S. markets last week, keeping pace with a similar drop in crude oil prices. Midwest gasoline markets again showed the largest drops, with Chicago spot prices down more than 20 cents per gallon. Prices declined for most regions and formulations east of the Rockies, led by continuing strong decreases in the Midwest. Prices on the West Coast continued to rise, reflecting earlier wholesale price increases there. Total motor gasoline stocks were up 0.6 million barrels from last week to 205.1 million barrels on July 7, but were 9.4 million barrels below the same week last year.

Department of Education

ú Class-Action Settlement: On July 6, DOEd settled a class action filed in 1991 by some of its employees. The complaint alleged that some of the employment practices at DOEd had the effect of denying promotional opportunities to African-American employees in the competitive service, grades 11-15. Approximately 1,100 current and former employees at DOEd,s Washington office are included in the settlement agreement.

ú America Goes Back to School (AGBTS): AGBTS, a nationwide initiative to encourage and support family and community involvement in improving children,s learning, will run this year from July to October, emphasizing the importance of summer programs in strengthening students, skills for their return to school this fall. AGBTS offers numerous opportunities for education leaders and community members to highlight key education priorities.

Department of Veterans Affairs

ú New VA Clinic Addition: On July 24, VA will dedicate a new $47M clinical addition at the VA Medical Center in Wilkes-Barre, PA,. The addition will provide over 250,000 outpatient visits per year to veterans in a 19-county area.

Environmental Protection Agency

ú Gas Prices: The wholesale price for clean-burning reformulated gasoline (RFG) remains over one cent per gallon cheaper than conventional gas (CG) in Chicago and less than five cents per gallon more expensive than CG in Milwaukee. Meanwhile, press reports indicate that the two organizations in those states that had initially requested waivers from the new RFG requirements*the IL and Wisconsin Petroleum Marketers Associations*have now withdrawn support for waivers, since retailers have already stocked up on RFG. EPA continues to believe that gasoline supplies in the region are adequate and that the RFG program is not responsible for the unreasonably high prices that consumers in Chicago and Milwaukee have been paying for clean-burning gasoline. EPA estimates that RFG should only cost four to eight cents more than CG and actual prices are proving to be lower than that range in most of the country.

ú TX Air Quality: Last week, EPA received a request from TX Governor Bush and the TX Natural Resource Conservation Commission (TNRCC) regarding the process of designating areas under EPA,s eight-hour ozone standard. TNRCC asked EPA to delay the designation process until litigation surrounding the standard is resolved in the court system. EPA expects to respond to TX and other states that have raised concerns over the designation process for the eight-hour standard by early next week. Press reports indicate that citizen and environmental groups in TX are highly critical of the request.
U.S. Mission to United Nations

ú HIV/AIDS: On July 17, the Security Council is scheduled to hold an Open Debate on the impact of HIV/AIDS on international peace and security. The session stems from an initiative of Ambassador Holbrooke, who will be speaking during the session. The U.S. Mission hopes to adopt an HIV/AIDS resolution at that time, or soon thereafter, asking troop-contribution states to ensure they are taking precautions with the soldiers they send on peace-keeping missions.

United States Trade Representative

ú Japan Talks: On July 17, following up on your July 20 meeting with Prime Minister Mori, Ambassador Barshefsky will travel to Tokyo for talks on telecommunications and other deregulation issues related to the Enhanced Deregulation Initiative. On the issue of telecom interconnection, the U.S. rejected a proposal tabled by Japan that entailed small cuts over a long period of time. The Deputy USTR will travel to Japan mid-week with the goal of finalizing the text of the Third Joint Status report.

Small Business Administration

ú SBA,s WebSite: SBA,s award-winning website reached a record of 9.5 million hits this week. By offering a wide range of products and services, the site has been an important resource for small businesses needing help to start or grow their business. Since its launch in 1994, the site has won 14 prestigious awards.

Office of Personnel Management

ú Federal Career Intern Program: On July 10, OPM unveiled the Federal Career Intern Program, a program designed to make the Federal government a more attractive employer. The intern program, established by your Executive Order, offers participants unrivaled professional experiences and training opportunities that are tailored to meet their professional goals. Individuals hired into the program will fill professional, administrative, or technical jobs in Departments and

Agencies through excepted service appointments for up to two years at grades GS-5 through GS-9. Employees who successfully complete the internship are eligible for conversion to the competitive civil service.

Social Security Administration

ú Internet Replacement Medicare Card Service: On July 11, SSA and HCFA launched a new service through the Internet*replacement Medicare cards. Customers can now request replacement Medicare cards via SSA,s website. In developing the site, SSA consulted privacy experts and added enhanced security features to allay privacy concerns.

cc:
The Vice President
John Podesta
Martin Baily
Sandy Berger
Sidney Blumenthal
Chuck Brain
Charles Burson
Mary Beth Cahill
Maria Echaveste
George Frampton
Mickey Ibarra
Ben Johnson
Joel Johnson
Janis Kearney
Neal Lane
Jack Lew
Joe Lockhart
Lisel Loy
Buddy MacKay
Minyon Moore
Bruce Reed
Steve Ricchetti
Gene Sperling
Lauren Supina
Loretta Ucelli
Melanne Verveer

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "Thompson, Moya" <Moya.Thompson@AoA.gov> ("Thompson, Moya" <Moya.Thompson@AoA.gov> [UNKNOWN])

CREATION DATE/TIME:20-JUL-2000 12:17:35.00

SUBJECT: RE: SAP Statement on H.R. 1102 - Comprehensive Retirement Securit y and Pension Reform Act

TO: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
no idea on senator
i am hearing tomorrrow maybe

> -----Original Message-----
> From: Barbara_D._Woolley@who.eop.gov
[SMTP:Barbara_D._Woolley@who.eop.gov]
> Sent: Thursday, July 20, 2000 12:12 PM
> To: Thompson, Moya
> Subject: RE: SAP Statement on H.R. 1102 - Comprehensive Retirement
> Securit y and Pension Reform Act
>
> so are you hearing who the senator was? any news are rescheduling
markup?
>

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Grace E. Yu (CN=Grace E. Yu/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:20-JUL-2000 10:43:45.00

SUBJECT: Summary of defeated Santorum amdt

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
Hi Joel,
Can I distribute the Santorum New Markets Bill summary below?

GEY

---------------------- Forwarded by Grace E. Yu/WHO/EOP on 07/20/2000
10:42 AM ---------------------------

Mark D. Magana
07/18/2000 06:31:53 PM
Record Type: Record

To: Grace E. Yu/WHO/EOP@EOP
cc: Joel K. Wiginton/WHO/EOP@EOP
Subject: Summary of defeated Santorum amdt

This contains a non WH summary of the Santorum New market bill. Joel can advise you as to whether or not you should distribute.

mark
---------------------- Forwarded by Mark D. Magana/WHO/EOP on 07/18/2000
06:30 PM ---------------------------

Clifton G. Kellogg
07/16/2000 09:22:02 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Summary of defeated Santorum amdt

FYI
---------------------- Forwarded by Clifton G. Kellogg/OPD/EOP on
07/16/2000 09:21 AM ---------------------------

From: Ingrid M. Schroeder on 07/14/2000 10:51:10 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: Karen N. Blank/OMB/EOP@EOP, Marshall J. Rodgers/OMB/EOP@EOP
Subject: Summary of defeated Santorum amdt

---------------------- Forwarded by Ingrid M. Schroeder/OMB/EOP on 07/14/2000 10:52 PM ---------------------------

From: James J. Jukes on 07/14/2000 09:21:57 AM
Record Type: Record

To: Ingrid M. Schroeder/OMB/EOP@EOP
cc:
Subject: Summary of defeated Santorum amdt

---------------------- Forwarded by James J. Jukes/OMB/EOP on 07/14/2000 09:19 AM ---------------------------

Friday July 14, 2000
Primary Source Material
Legislation

Legislation
Summary of Rejected Amendment (American Community Renewal and New Markets Empowerment Act) by Sens. Rick Santorum (R-Pa.) and Joseph Lieberman (D-Conn.) to Estate Tax Relief Act of 2000 (H.R. 8)

Document Date: July 13, 2000

BACKGROUND INFORMATION ON
SANTORUM-LIEBERMAN AMENDMENT TO
H.R. 8, THE DEATH TAX ELIMINATION ACT

Attached:
- Summary of Legislation
- Press Release
- List of Supporting Organizations
- Opinion Piece

CONTACT: MELISSA SABATINE (SANTORUM) 224-6324
Melissa sabatine@santorum.senate.gov
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dan_gerstein@lieberman.senate.gov

FOR IMMEDIATE RELEASE JUNE 22, 2000
CONTACT: Melissa Sabatine (SANTORUM) 202-224-7749
Dan Gerstein (LIEBERMAN) 202-224-4041

BIPARTISAN COALITION OF SENATORS UNVEILS PLAN TO EMPOWER COMMUNITIES

WASHINGTON, DC) At a Capitol Hill press conference today, a bipartisan coalition of United States Senators unveiled an expanded version of the Clinton-Hastert economic empowerment plan, The American Community Renewal and New Markets Empowerment Act. The comprehensive legislation would create economic incentives to invest in low-income communities, enhance educational and housing opportunities, and help low-income families save and invest for the future.

Senators Rick Santorum (R-PA) and Joseph Lieberman (D-CT), Co-Chairs of the Congressional Empowerment Caucus, were joined at the press conference by original cosponsors Senators Spence Abraham (R-MI) and Tim Hutchinson (R-AR). Senators John Kerry (D-MA), Herb Kohl (D-WI) and Robert Torricelli (D-NJ) are also original cosponsors.

&More than ever before, Americans recognize a desperate need to strengthen families and to empower those who struggle economically despite the current economic boom,8 said Santorum. &Our national priorities must focus on social and cultural renewal in order to address these issues and make a lasting difference in the lives of those we seek to help. This legislation represents a bipartisan effort to reach out to our distressed communities and give them the tools to create hope and prosperity.8

Senator Lieberman said, &The legislation we introduce today really is a model of cooperation and innovation. It combines much of the President,s New Markets initiative and the Republican-favored American Community Renewal Act into a progressive new synthesis for stimulating investment, entrepreneurship, and economic opportunity in disadvantaged communities.8

The American Community Renewal and New Markets Empowerment Act is a bipartisan package that reflects the agreement reached between President Clinton and Speaker Hastert. The Senate has added and expanded additional bipartisan initiatives which will provide more opportunities for wealth creation, improved access to technology, more affordable housing, additional resources for local governments, and prevent discrimination against faith-based charitable service providers.
These provisions are:

INDIVIDUAL DEVELOPMENT ACCOUNTS: In order to encourage wealth creation nationwide, Individual Development Accounts (IDAs) are special matched savings accounts which provide tax credits that will enable more working low-income families to save, build wealth and enter the financial mainstream through the use of an innovative new financial instrument.

THE NEW MILLENNIUM CLASSROOMS ACT: To increase the amount of computers donated to schools, libraries, seniors centers, and nonprofit vocational training centers in economically disadvantaged areas, the New Millennium Classrooms Act would expand the parameters of the current tax deduction and add a tax credit.

RENEWAL COMMUNITIES: Creates 50 Renewal Communities with targeted, pro-growth tax benefits, regulatory relief, brownfields clean-up, and homeownership opportunities (the Hastert/Clinton package includes 40 Renewal Communities). At least 20 percent of the communities identified must be located in rural areas. Requirements for communities applying for Renewal Community status include high poverty rates and a local commitment to reducing local regulations, zoning restrictions and tax rates. Each state will have one Renewal Community.

EMPOWERMENT ZONES/ ENTERPRISE COMMUNITIES: Fully funds Round II of the Urban/Rural Empowerment Zones and Enterprise Communities program. Urban Empowerment Zones includes Boston, Massachusetts, Cincinnati, Ohio, Cobumbia/Sumter, South Carolina, Columbus, Ohio, Cumberland County, New Jersey, El Paso, Texas, Gary/East Chicago, Indiana, Huntington, West Virginia, Ironton, Ohio, Knoxville/Knox County, Tennessee, Miami/Miami-Dade County, Florida, Minneapolis, Minnesota, New Haven, Connecticut, Norfolk/Portsmouth, Virginia, Santa Ana, California, St. Louis, Missouri/East St Louis, Illinois.

Rural Empowerment Zones include Desert Communities Empowerment Zone, California (parts of Riverside County), Steele-Griggs County Empowerment Zone, North Dakota (part of Griggs County and all of Steele County), Oglala Sioux Tribe Empowerment Zone, South Dakota (parts of the Pine Ridge Indian Reservation), Southernmost Illinois Delta Empowerment Zone, Illinois (parts of Alexander, Johnson, and Pulaski Counties), and Southwest Georgia United Empowerment Zone, Georgia (parts of Crisp County and all of Dooly County).

LOW-INCOME HOUSING TAX CREDIT: As an incentive to create more and better affordable rental housing for low-income individuals, a tax credit is available to owners of rental properties that are rented to low-income individuals and meet certain other requirements. The amount of low-income housing tax credits available in each state is currently limited by an annual volume limit of $1.25 per state resident. The bill would immediately increase the amount to $1.75 per state resident in 2001 and adjust subsequent increases to inflation.

PRIVATE ACTIVITY BONDS: State and local governments may issue &tax-exempt8 bonds, the interest on which is not subject to Federal income tax. These bonds may be issued for variety of purposes, including to fund infrastructure, housing for low and middle income individuals, student loans, small manufacturing facilities, and redevelopment. These bonds, however, are subject to State-by-State limits based upon population. The bill will immediately increase to $75 per resident (or $225 million, if greater) in 2001 and index subsequent increases to inflation.

CHARITABLE CHOICE ANSION: Expansion of the current charitable choice provisions in welfare reform and Community Services Block grants. Allows charitable and faith-based organizations to compete for contracts or participate in voucher programs on an equal basis with other private providers whenever the federal, a state, or a local government chooses to use non-governmental providers to deliver services. The provision preserves the religious character of faith-based institutions, without diminishing the religious freedom of beneficiaries.

SENATE COMMUNITY RENEWAL AND NEW MARKETS EMPOWERMENT PACKAGE

RENEWAL COMMUNITIES: Creates 50 Renewal Communities with targeted, pro-growth tax benefits, regulatory relief, brownfields dean-up, and homeownership opportunities. At least 20 percent of the communities identified must be located in rural areas. Requirements for communities applying for Renewal Community Status include high poverty rates and a local commitment to reducing local regulations, zoning restrictions and tax rates. Each state will have one Renewal Community.

Benefits to Renewal Communities:

ú Zero Capital Gains Rate: Individuals will pay no capital gains taxes on the sale of Renewal Communit7 businesses or business assets held more than 5 years.

ú Increased Expensing for Small Business: Small businesses located in a Renewal Community would be eligible to expense (i.e. deduct immediately rather than depreciate overtime) up to $35,000 (from the current $19,000 in equipment which they are able to expense under current law).

ú Employment Wage Credit: Like businesses located in an empowerment zone, a business located in a Renewal Community would be eligible for a 15 percent wage credit for the first $15,000 of wages through 2004 and 20 percent from 2005 through 2009 for each Community resident employed.

ú Brownfields: A business located in a Renewal Community would be eligible to expense certain environmental remediation costs, like businesses located in empowerment zones.

ú Commercial Revitalization Deductions: A special deduction would be available to taxpayers who rehabilitate or revitalize buildings located in a Renewal Community.

EXISTING ZONES: First, Empowerment Zones tax incentives would be upgraded and standardized, with all Empowerment Zones being eligible for the wage credit and all Empowerment Zone tax incentives extended through 2009. Second, nine new Empowerment Zones (seven urban and two rural) would be authorized. Third, a new tax incentive will be added for all zones that allows tax free rollovers to occur for investments that are reinvested in the zone

FULL FUNDING OF' ROUND II: The package provides for full funding of the 20 Empowerment Zones included in Round II of the EZ/EC program.

NEW MARKETS TAX CREDIT: Taxpayers who invest in certain community development entities that make investments and loans in low-income areas would receive a tax credit deigned to offset costs associated with their investment.

NEW MARKETS VENTURE CAPITAL: Designed to spur venture capital investment in small companies in distressed areas, the Small Business Administration would license up to 20 New Markets Venture Capital Companies (NMVCs) that leverage government guaranteed debentures of up to $10 million to raise private investment capital. NMVCs would also receive grants, which together with matching funds, will enable them to provide intensive technical assistance to the small businesses.

AMERICA'S PRIVATE INVESTMENT COMPANIES: APIC's would be privately managed, for profit investment companies licensed by HUD for the purpose of making equity and debt investments for large-scale projects, such as shopping centers and manufacturing facilities, that locate in distressed urban and rural areas. An APIC must have at least,S25 million in private equity capital in order to be licensed and would be. eligible to issue debentures, guaranteed by the government; for twice (200 percent) the mount of its total equity capital.

FAITH-BASED SUBSTANCE ABUSE TREATMENT: Allows faith-based substance abuse treatment program to apply and receive federal assistance without discrimination based on the' religious character of the program: Beneficiaries maintain the .fight to an alternative option

HOMEOWNERSHIP: Provides for the sale of the Department 0f Housing and Urban Development (HUD) owned unoccupied or substandard homes and housing projects located in low-income neighborhoods to community development corporations in order to provide better housing opportunities to low-income families.

LOW- INCOME HOUSING TAX CREDIT: As an incentive to create more and better affordable rental housing for low-income individuals, a tax credit is available to owners of rental properties that are rented to low-income individuals and meet certain other requirements. One of the requirements is that owners must have received a credit allocation from the relevant State agency. The mount of low-income housing tax credits available in each state is currently limited by an annual volume limit of $1.25 per state resident. The bill would immediately increase the mount to $1.75 per state resident in 2001 and adjust subsequent increases to inflation.

PRIVATE ACTIVITY BONDS: State and local governments may issue "tax-exempt" bonds, the interest, on which is not subject to Federal income tax. These bonds may be issued for a variety of purposes, including to fund infrastructure, housing for low and middle income individuals, student loans, small manufacturing facilities, and redevelopment These bonds, however, are subject to State-by-State limits based upon population, The bill will immediately increase to $75 per resident (or $225 million, if greater) in 2001 and index subsequent increases to inflation.

INDIVIDUAL DEVELOPMENT ACCOUNTS:' In order to encourage wealth creation nationwide, Individual Development Accounts 0DAs) are special matched savings, accounts which provide tax credits that will enable more working low-income families to save, build wealth and enter the financial mainstream through the use of an innovative new financial instrument. IDAs would be available to citizens or legal residents of the U.S. at least 18 years or older, and whose household income does not exceed 80 percent of the area median income (AMI), with at least 33 percent of the IDAs available to households at 50 percent or below of the AMI. Eligible individuals may use their IDA. for the benefit or their spouse or dependent. All IDAs must be held at a qualified financial institution, which is any financial institution eligible to hold an Individual Retirement Account (IRA).

IDAs are restricted to three uses: (1) buying a first home; (2) pursuing post-secondary education or training; or 0) starting or expanding a .small business. Individual and matching deposits are not co-mingled with matching dollars kept in a separate parallel account. When the account holder has accumulated enough savings and matching funds to purchase the asset (typically over two to four years), and has completed an approved financial education course provided by the qualified financial institution or non-profit organization, payments from the IDA will be made directly to the asset provider. Both private sector .and public funds could also be contributed to the accounts. Individual deposits up to $10,000 would be disregarded in determining eligibility for other federal programs.

Tax Credits for Financial Institutions: Financial Institutions would be eligible for two credits: (1) a 90%' federal tax credit (limited to $90 million per year per institution) for all matching funds provided; and (2) a 50% federal tax credit to help cover financial education, monitoring, and administrative costs (limited to $1.5 million per year per institution). CKA credits would not be available for any costs reimbursed through these federal tax credits (that is, financial institutions can claim tax credits or CRA credits, but not both).

Tax Credits for Investments in Non-Profits: To leverage private sector investments and .community involvement in IDAs, a 50% tax credit shall be available to any taxpayer (corporate or individual) for direct investments in qualified non-profits (501)(c)(3)s, credit unions, or CDFIs) administering IDA programs. Funds received may be used for matches, financial education, monitoring and program administration, with at least 70% used for matches. The credit is capped at $5 million per year per taxpayer (thus, there's a $3.5 million cap for matches and a $1.5 million cap for all other costs).

THE NEW MILLENNHTM CLASSROOMS ACT: To increase the mount of technology donated to schools, libraries, seniors centers, and nonprofit vocational training centers in economically disadvantaged areas, the New Millennium Classroom Act would expand the parameters of the current tax deduction and add a tax credit. Specifically, the bill would do the following.

ú Enhance tax credits equal to 50 percent of the fair market value of the equipment donated to schools located within qualified low-income communities.

ú Expand the ago limit to include equipment three years old or less.

ú Expand the current limitation on &original use,, to include the original., equipment manufacturers or any corporation that reacquires the equipment.

ú Expand the definition of eligible donees to include non-profit senior centers, as defined by the Older Americans Act of 1965.

ú Mandates that the donated computers must be equipped with an operating system, for the donor company to qualify for the enhanced tax credits.

CHARITABLE CHOICE EXPANSION: Expansion of the current charitable choice provisions in welfare reform and Community Services Block grants. Allows charitable and faith=based organizations to compete for contracts or participate in voucher programs on an equal basis with other private providers whenever the federal government, a state, or a local government chooses to use non-governmental providers to deliver services. The provision preserves the religious character of faith-based institutions, without diminishing the religious freedom of beneficiaries.

Senate Community Renewal and New Markets
Empowerment Package

Supporting Groups

INDIVIDUAL DEVELOPMENT ACCOUNTS (ADAs)

Financial

Credit Union National Association
The Financial Services Roundtable
National Federation of Community Development Credit Unions Shorebank

Associations

National Associations of Home Builders
Consumer Federation of America
Association for Enterprise Opportunity
National Congress for Community Economic Development

Nonprofit/Policy

The Empowerment Network
Institute for Responsible Fatherhood
Education, Training and Enterprise Center
National Center for Neighborhood Enterprise
National Council for La Raza
Progressive Policy Institute
Economic Security 2000
Bill Bynum, Enterprise Corporation of the Delta
Jane Milley, Jobs for the Future

Academic

Center for Social Development, Washington University
Edward Wolff, Professor of Economics, New York University
Laurence Seidman, Professor of Economics, University of Delaware

PRIVATE ACTIVITY BONDS

National Governors, Association
National Conference of State Legislatures
National Association of State Treasurers
Government Finance Officers Association
National Association of Counties
National Association Towns and Townships
International City/County Management Association
United States Conference of Mayors
National Council of State Housing Agencies
Council of State Community Development Agencies
Association of Local Housing Finance Agencies
Mortgage Bankers Association of America
National Association of Home Builders
National Associations of Realtors
Fannie Mae
Freddie Mac
The Enterprise Foundation
Local Initiatives Support Corporation
National Low Income Housing Coalition
Affordable Housing Tax Credit Coalition
AFL-CIO Housing Investment Trust
American Association of Homes and Services for the Aging
American Institute of Architects
American Seniors Housing Association
Council for Affordable and Rural Housing
Home Improvement Lenders Association
Institute for Responsible Housing Preservation
National Affordable Housing Management Association
National Apartment Association
National Association of Affordable Housing Lenders
National Association of Redevelopment Officials
National Association of State and Local Equity Funds
National Community Development Association
National Cooperative Bank
National Housing and Rehabilitation Association
National Housing Conference
National Housing Trust
National Multi-Housing Council
National Renovation Lenders Association
National Trust for Historic Preservation
American Public Gas Association
Association of Metropolitan Sewerage Agency
The Bond Market Association
Council of Development Finance Agencies
Council of Infrastructure Financing Authorities
Education Finance Council

LOW-INCOME HOUSING TAX CREDIT

National Governors, Association
National Conference of State Legislatures
National Association of Counties
United States Conference of Mayors
National Council of State Housing Agencies
Association of Local Housing Finance Agencies
Mortgage Bankers Association of America
National Association of Home Builders
National Association of Realtors
Fannie Mae
Freddie Mac
The Enterprise Foundation
Local Initiatives Support Corporation
National Low Income Housing Coalition
AFL-CIO Housing Investment Trust
Affordable Housing Tax Credit Coalition
American Association of Homes and Services for the Aging
American Bankers Association
American Institute of Architects
American Seniors Housing Association
Catholic Health Association of the United States
Council for Affordable and Rural Housing
Home Improvement Lenders Association
Institute for Responsible Housing Preservation
McAuly Institute
National Affordable Housing Management Association
National Alliance to End Homelessness
National Apartment Association
National Association of Affordable Housing Lenders
National Association of Housing Redevelopment Officials
National Association of Housing Partnerships
National Association of Local and State Equity Funds
National Community Development Association
National Congress For Community and Economic Development
National Cooperative Bank
National Housing and Rehabilitation Association
National Housing Conference
National Leased Housing Association
National Multi-Housing Council
National Neighborhood Housing Network
National Renovation Lenders Association
National Rural Housing Coalition
National Trust for Historic Preservation

NEW MILLENNIUM CLASSROOMS ACT

Computers for Schools Association
National Education Association
National Christina Foundation

CompTIA
U.S. Chamber of Commerce
Technology Workforce Coalition
Computer Reclamation Inc.
National Association of School Principals
Goodwill Industries International, Inc.
Consumer Electronics Association
National Association of Manufacturers
Information Technology Assoc. of America

Geoffrey M. Champion, Managing Director, Global Advance
Korn/Ferry International
Paul Folino, President and CEO, Emulex Corp
David W. Hanna Chairman, Hanna Capital Management
Gene Hoffman, Founder, President and CEO Emusic
Dwight Decker, President, Chairman, and CEO
Conexant Systems, Inc.
Dean DeBiase, President, CEO, and Director, Autoweb.com
Randy Williams, President and CEO, Williams Company
Aart deGeus, CEO, Synopsys
Ron Lawless, Member, Illinois State Board of Education
Guy Hoffman, Venture Partners, TL Ventures
Stuart H. Wolff, Ph.D. Chairman and CEO
Homestore.com
John Kernan, Chairman CEO
Lightspan, Partnership, Inc.
David A. Lane General Partner, Alpine Technology Partners
Thomas S. Fornoff, Vice President, Human Code Inc
Toni Casey, President, T.Casey and Associates
Elise Mooney, Teacher, Murray Language Academy, Chicago, IL.

Parties toss old formulas in fresh
effort to help cities

For reasons that are both promising and puzzling, Congress may be prepared to address once again the question of how to help inner cities, an issue it has evaded for years.

The American Community Renewal and New Markets Empowerment Act is the result of nine months of negotiations between the White House and House Speaker Dennis Hastert (R., Ill.). The parties forged a new kind of political compromise: Instead of splittlng their differences, both sides got everything they wanted.

The result is a fascinatingly multifaceted bill that is expected to pass the House before the Fourth of July (possibly by a unanimous vote). A bipartisan group led by Sens. Rick Santorum (R., Pa.) and Joseph Lieberman (D., Conn.) introduced the bill last week in the Senate. Among the Democratic cosponsors is Sen. Robert Torricelli (D., N.J.).

If it is enacted, there would follow, in effect, a contest to see which works better: 40 (or perhaps 50) "renewal communities" testing the efficacy of Republican-advocated tax breaks, or 40 empowerment zones that make greater use of the social programs Democrats like. (The empowerment-zone idea is not new, but the number of the zones would be increased, and they would get more funding.)

Republicans won expanded federal assistance for faith-based organizations, particularly substance- abuse programs, although it has become harder to identify this as a Republican strategy ever since both presidential candidates endorsed the concept.

The Senate bill adds perhaps the most novel idea in the package: Individual Development Accounts. These are bank savings accounts for low-income Americans. Every dollar that a household saves is matched by the banking institution, which gets a federal tax credit covering most of its contribution.

These accounts can be used to buy a home, start a business or finance education. Small-scale tests show that these accounts .really can help low-income families accumulate the assets needed to escape the poverty cycle. Lieberman and Santorum have been pushing the concept hard.

The legislation also includes several vehicles of mixed Republican and Democratic provenance whose ultimate effect is to offer hefty tax credits for venture capitalists who invest in distressed urban and rural areas.

Other provisions create a low-income housing tax credit to spur construction of affordable rental housing, allow HUD to sell unoccupied houses to community development corporations, and expand the tax credits available to companies that donate computers to schools, libraries and training centers.

But the actual provisions of the bill, most of which have been knocking around for years, may be less intriguing than this question: What changed to make aid for cities a viable issue again?

Except for a few programs that included beneficial effects for cities, such as the 10,000 police officers initiative, urban aid has been off the table since at least 1992, the year of the Los Angeles riots.

Back then, it was widely expected that Congress would respond to the riots as it had in the past, with an urban aid bill. The David Dinkins administration in New York City even compiled a "wish list" of items and wired it to the city's congressional representatives for inclusion in the presumed legislation.

Congress, however, after some dithering, did nothing, an inaction that signaled bipartisan frustration over the ineffectiveness of federal urban programs. Democrats admitted that they were out of ideas; Republicans professed to believe that a rising economy would eventually benefit the inner cities.

Explaining why he thought there would now be broad support for the new legislation, Lieberman linked the changing ideological perspectives of the two parties. "Democrats have seen that 30 years of government social programs didn't work, and Republicans have now seen that after nine years of the greatest economic boom in history there are still communities that have been left behind. Clearly, it is time to try some new ideas."

Santorum sees the legislation as combining the Republican belief in the energizing effect of tax cuts with the Democratic instinct of targeting depressed areas for assistance. "This bill represents the tax cuts that Republicans probably like least," he said, "and Democrats like best."

Gene Sperling, the White House aide who did much of the negotiating with Hastert's staff, described the bill as "the coming together of Bill Clinton and Jack Kemp." Kemp, a longtime advocate of tax incentives, was head of HUD under Ronald Reagan.

The approach is different from most past efforts to aid cities. The proposed legislation sets up no programs, provides no new services, and largely bypasses the state and city bureaucracies. The benefits accrue directly to individuals, businesses and community groups in the distressed areas.

This approach has increasingly been advocated by an assortment of center-left and center-right caucuses and coalitions. Lieberman gleefully noted that Santorum used the phrase "a third way" to describe the legislation, a term coined by the Democratic Leadership Council, which Lieberman heads (and which President Clinton once led). Still, many of the ideas in the bill come directly from the agenda of the Republican "Renewal Alliance," which Santorum chairs.

Rep. Rob Andrews (D., N.J.) thinks that the rise of these centrist organizations has "broken down the positions at the ideological extremes" and paved the way for this kind of legislation. Andrews was one of the original leaders of The Empowerment Network (TEN) that has become a national umbrella group that brings together centrist members of Congress and state legislatures with grassroots community organizations.

Andrews has been saying for years that President Clinton could be most effective if he tried to work with a centrist coalition in the Congress, rather than trying to work from the left inward, as he did earlier in his presidency. "Now he is," Andrews says, "and it works. We have a functioning national government in Washington."

To be sure, the legislation has its critics - on both the left and the right. Bruce Katz, head of the Brookings Institution's Center on Urban and Metropolitan Policy, thinks the incentives will not take hold unless something is done to improve the effectiveness of city governments. He favors more federal and state intervention to accomplish that.

Ronald Utt, Katz's counterpart at the right-of-center Heritage Foundation, is glad that "having tried everything else, they're now going to give capitalism a chance" in the inner city, but he doubts that tax incentives by themselves can change the culture in those communities enough to make real economic revitalization possible.

These concerns were reflected at the press conference held to announce the introduction of the legislation. "Make no mistake," Santorum said, "there are members of my party who will see this as too much government meddling."

"And members of mine," Lieberman cut in, "who will see it as not enough government meddling."

David Boldt's column appears on Wednesdays and Fridays. His e-mail address is dboldt@compuserve.com

A note to our readers:
We recently have upgraded our online publishing system. If you are experiencing any problems with the Inquirer Web site, please let us know. Include the date and time of the problem and a brief description. Send your comments to comments@Staff, philly.com

Message Sent
To:____
Clifton G. Kellogg/OPD/EOP@EOP
Yvette M. Dennis/OMB/EOP@EOP
Francis S. Redburn/OMB/EOP@EOP
Alexandra Gianinno/OMB/EOP@EOP
Alan B. Rhinesmith/OMB/EOP@EOP

Message Sent
To:____
Andrea Kane/OPD/EOP@EOP
Margy Waller/OPD/EOP@EOP
Sarah Rosen Wartell/OPD/EOP@EOP
Joel K. Wiginton/WHO/EOP@EOP
Mark D. Magana/WHO/EOP@EOP
Phyllis A. Love/OVP/EOP@EOP
Alvin Brown/OVP/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David W. Beier (CN=David W. Beier/OU=OVP/O=EOP [OVP])

CREATION DATE/TIME:31-AUG-2000 15:03:17.00

SUBJECT: Draft memo to the VP

Comments welcome. Thanks. Please return to me and Andrew Schneider.

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

TEXT:
---------------------- Forwarded by David W. Beier/OVP/EOP on 08/31/2000 03:02 PM ---------------------------

David W. Beier
08/31/2000 09:49:44 AM
Record Type: Record

To: Andrew F. Schneider/OVP/EOP@EOP
cc:
Subject: Draft memo to the VP

To/From

The President met with Speaker Hastert on Air Force One on the way back from Columbia. This memo summarizes those conversations.

New items:

Trade:

The President agreed to explore giving Columbia parity with the Caribbean Basin. This commitment will be very difficult to accomplish and could complicate other trade agreements with earlier places in line, including Jordan, Chile, South East Europe and Viet Nam.

Tax:

Hastert pressed for inclusion of an increased tax deduction for donated computers (for Gateway Computers), and improved tax treatment for charitable contributions for a narrow category of affluent 401(k) and IRA participants. We may press the Administration's charitable tax provisions ($ 14 billion) in response.

Reconciliation:

No explicit conversation, but they discussed pension reform ---- which is the likely substance of such a bill. The President told Hastert about our concerns, and pressed the idea of adding the Administration's Retirement Savings Accounts. Hastert worried that this was your savings plan. Hastert expects that Roth will insist on adding new IRA provisions to an pension bill.

Prescription Drugs:

The Speaker appears resigned to nothing happening. Separately, it looks as though Senate Democrats could ---- if they are permitted ---- obtain some Republican votes for something like the Administration Rx drug bill. It is not clear the Senate Democrats will be able to pursue that option.

Minimum Wage:

The President expressed great skepticism about the Fair Labor Standards Act amendments proposed by the Speaker, especially those effecting waitresses on tips. Hastert pressed for FLSA relief for funeral directors and inside sales personnel. The President probably left Hastert with the impression that we could live with a tax component of minimum wage at a dollar amount of about $ 76 billion, although we would want different items on the tax side. In addition, the President pressed to include New Markets/Empowerment Zones in the minimum wage, but Hastert seemed reluctant to commit to that strategy. Finally, they began a conversation about Unemployment insurance reform as a part of this package.

CARA/Lands Legacy:

The Speaker seemed only dimly aware of this issue.

Immigration:

Hastert pressed H 1 B, and H 2 A (farm "guest workers"), and the President pressed Latino Immigration fairness. The President also raised Liberian immigration for Sen. Reid.

Appropriations:

The two parties vaguely agreed to have their respective staffs talk about these issues.

Patients Bill of Rights:

Hastert pressed to put a cap on non-economic damages, but the President resisted. They discussed one other pending dispute about this bill (relating to the amount of federal court jurisdiction). Finally, it is clear that Hastert would like to pass a bill, but can not figure out how to deal with the Senate. Senator Nickles is very opposed to any reasonable compromise.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David Gardiner (CN=David Gardiner/OU=WHCCTF/O=EOP [WHCCTF])

CREATION DATE/TIME:11-OCT-2000 16:18:20.00

SUBJECT: tax

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

TO: Debra Reed (CN=Debra Reed/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

TEXT:
Rumors that House GOP is putting together a large tax package ($300 billion) that includes pension reform, minimum wage, new markets, some things the the Administration would like (unclear what that is), and tryin got get this done. Summers is further rumored to have discussed this with Armey. Anyone know anything more on this?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fern Mechlowitz (CN=Fern Mechlowitz/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:10-NOV-2000 16:21:01.00

SUBJECT: Podesta Letter on Pension Reform and IDAs

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

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

TO: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TEXT:
Podesta received a letter from the Credit Union National Association Inc
asking John to urge the President to:
pass pension reform legislation/ IRA-401K expansion.
pass a community renewal package that includes language to expand
Individual Development Accounts.

What is our position on each of these pieces of legislation? (Is there
any specific language that I should use in our response?) I would
appreciate any guidance you could provide.

Thanks! Fern

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-NOV-2000 07:36:47.00

SUBJECT: Re: Podesta Letter on Pension Reform and IDAs

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

CC: david tseng (CN=david tseng/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: clifton g. kellogg (CN=clifton g. kellogg/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

TEXT:
we support pension reform generally but have a number of problems with the version of the legislation that was passed by the house. Best to use language from POTUS' two letters on the tax bill re pensions. Do you need a copy? On including IDAs in community development legislation, we are being very supportive but I am not sure if we are on the record.
Cliff -- Have we any language we've cleared on that?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-NOV-2000 10:43:12.00

SUBJECT: Re: Podesta Letter on Pension Reform and IDAs

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

CC: fern mechlowitz (CN=fern mechlowitz/OU=who/O=eop@eop [WHO])
READ:UNKNOWN

CC: david tseng (CN=david tseng/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

CC: clifton g. kellogg (CN=clifton g. kellogg/OU=opd/O=eop@eop [OPD])
READ:UNKNOWN

TEXT:
We have not cleared any language in support of IDAs, though the Admin has, of course, supported similar proposals in our budgets (RSAs, USAs, HHS's IDA demonstration program).

Gene expressed strong support for IDAs in a meeting with Sen. Landrieu and with numerous Democratic staffers in early October, subject to Treasury's technical corrections. In the following weeks, Treasury worked with staff from Santorum and Lieberman's offices to reach acceptable IDA language. The groups know that Treasury and Santorum/Lieberman reached agreement on the technical language.

However, as far as I know, we have resisted Hill calls to go on record for this particular IDA bill b/c in the context of the Clinton-Hastert New Markets bill, we preferred to honor that agreement (which did not include IDAs), rather than open it up to more add-ons.

I believe any langage in support of the IDA bill would need to be cleared with Treasury, NEC, OMB and others up the chain.

Sarah Rosen Wartell
11/13/2000 07:36:38 AM
Record Type: Record

To: Fern Mechlowitz/WHO/EOP@EOP
cc: david tseng/opd/eop@eop, clifton g. kellogg/opd/eop@eop
Subject: Re: Podesta Letter on Pension Reform and IDAs

we support pension reform generally but have a number of problems with the version of the legislation that was passed by the house. Best to use language from POTUS' two letters on the tax bill re pensions. Do you need a copy? On including IDAs in community development legislation, we are being very supportive but I am not sure if we are on the record. Cliff -- Have we any language we've cleared on that?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fern Mechlowitz (CN=Fern Mechlowitz/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:17-NOV-2000 11:54:06.00

SUBJECT: Re: Podesta Letter on Pension Reform and IDAs

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

TEXT:
Hi Sarah,
I thought that I had a copy of these tax letters (with the pension reform language) on file, but I was mistaken. Would you mind sending me a copy (fax- 61907)? Thanks!

Sarah Rosen Wartell
11/13/2000 07:36:38 AM
Record Type: Record

To: Fern Mechlowitz/WHO/EOP@EOP
cc: david tseng/opd/eop@eop, clifton g. kellogg/opd/eop@eop
Subject: Re: Podesta Letter on Pension Reform and IDAs

we support pension reform generally but have a number of problems with the version of the legislation that was passed by the house. Best to use language from POTUS' two letters on the tax bill re pensions. Do you need a copy? On including IDAs in community development legislation, we are being very supportive but I am not sure if we are on the record.
Cliff -- Have we any language we've cleared on that?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fern Mechlowitz (CN=Fern Mechlowitz/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:20-NOV-2000 11:24:49.00

SUBJECT: Podesta Credit Union Ltr

TO: Clifton G. Kellogg (CN=Clifton G. Kellogg/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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

TEXT:
Would you mind looking over this letter to make sure the language looks OK? Sarah-- I used the language from those 2 POTUS letters that you gave me. Cliff-- I used the general language that you suggested. Thanks!

Mr. Daniel A. Mica
President & CEO
Credit Union National Association, Inc.
805 15th Street, NW
Washington, DC 20005-2207

Dear Mr. Mica:

Thank you for your letter. The Administration supports both pension reform and legislation that would expand individual development accounts (IDAs).

The President is prepared to support the pension legislation that was adopted by the House and Senate, provided that certain modifications that the Treasury Department has discussed with the tax-writing committees are made. These modifications will ensure that employer-provided pensions for workers are not harmed, will provide meaningful protections for workers affected by cash balance conversions, and will provide progressive savings incentives for low- and moderate-income workers.

In regard to the Administration,s support of IDA expansion, the President included $25 million in his fiscal year 2001 Budget for an IDA demonstration program, which represents the fully authorized level. In addition to supporting full funding for this program, we continue to support IDAs funded through tax incentives, such as the Administration,s proposals for Universal Savings Accounts and Retirement Savings Accounts.

Thank you again for writing. I appreciate knowing your views as we enter final budget negotiations with Congress.

Sincerely,

John Podesta

Chief of Staff to the

President

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Gregory L. Dixon (CN=Gregory L. Dixon/OU=ONDCP/O=EOP [ONDCP])

CREATION DATE/TIME: 9-JAN-2001 14:17:04.00

SUBJECT: Friends in High Places

TO: mwculp@miami.edu (mwculp@miami.edu [UNKNOWN])
READ:UNKNOWN

TO: twdpres@mindspring.com (twdpres@mindspring.com [UNKNOWN])
READ:UNKNOWN

TO: rhearn@rwjf.org (rhearn@rwjf.org [UNKNOWN])
READ:UNKNOWN

TO: jessicah@alumni.Princeton.EDU (jessicah@alumni.Princeton.EDU [UNKNOWN])
READ:UNKNOWN

TO: HL4DFY@aol.com (HL4DFY@aol.com [UNKNOWN])
READ:UNKNOWN

TO: claire@auditor.state.mo.us (claire@auditor.state.mo.us [WHO])
READ:UNKNOWN

TO: stonecarol@earthlink.net (stonecarol@earthlink.net [UNKNOWN])
READ:UNKNOWN

TO: ataft@gcfn.org (ataft@gcfn.org [UNKNOWN])
READ:UNKNOWN

TO: aalbanese@gov.state.oh.us (aalbanese@gov.state.oh.us [UNKNOWN])
READ:UNKNOWN

TO: maslotry@moa.net (maslotry@moa.net [UNKNOWN])
READ:UNKNOWN

TO: charles.larson@ibop.state.ia.us (charles.larson@ibop.state.ia.us [UNKNOWN])
READ:UNKNOWN

TO: sking@ci.gary.in.us (sking@ci.gary.in.us [UNKNOWN])
READ:UNKNOWN

TEXT:
Thought you might be interested in this news item. Ohio rules! - Greg Dixon

Jan. 5, 2001 - Speaker Denny Hastert announced today that Rep. Rob Portman has been appointed to be Chairman of the House GOP Leadership. Hastert said, "As we prepare for the 107th Congress, I have decided to appoint Rob Portman to be the Chairman of the Republican Leadership. In this role, Rob will chair the leadership meetings; act as a liaison with the Bush administration, and serve as an additional set of eyes and ears for the Republican leadership."

Hastert added, "When it comes to legislating, Rob Portman is one of our most capable members. He is a conservative who has the proven ability to work with Democrats to get things done for the country. He worked on a bipartisan basis to pass pension reform so that the American people can save more money for their retirements tax-free, to pass tax reform so that the IRS has less power and the people have more power, and to pass drug prevention measures to keep our kids from taking illegal drugs."

Hastert also noted Portman's connections to the Bush family, saying, "He also has Executive branch experience. He worked as Director of the White House Office of Legislative Affairs for the last President Bush. This experience will prove invaluable for the 107th Congress."

Portman's appointment puts a third Ohioan in a key position in the 107th Congress, with Reps. John Boehner and Mike Oxley jumping over senior colleagues to win committee chairmanships. Portman also fills a chair that had been used to elevate former Rep. Bill Paxon during the Gingrich speakership. Paxon, who became a victim of the attempted coup against Gingrich, was considered a young leader in the GOP ranks, and today Hastert used similar words to describe Portman, calling him "a rising star in the Congress and in the Republican Party."