

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1998 18:04:14.00

SUBJECT: Re: ISTEa talking points

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I think since Access to Jobs is not funded out of Highway trust fund dollars, it probably has no effect (i.e., because its an authorization).

Andrea Kane

05/13/98 05:57:03 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc:

Subject: Re: ISTEa talking points

Diana forwarded them also -- thanks. I've asked Melissa to put me on list for future. I've also asked who at NEC I should talk to about what this means for Access to Jobs (not mentioned in the talking points).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kim C. Nakahara (CN=Kim C. Nakahara/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:14-MAY-1998 13:16:13.00

SUBJECT: Re: ISTEА talking points

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

Kim C. Nakahara (CN=Kim C. Nakahara/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TEXT:

Andrea --

Under the Administration's new transportation proposal, all mass transit programs -- including Access to Jobs -- would be funded from the Trust Fund. In the proposal, we assumed that Access to Jobs was protected in the total funding guaranteed for transit. Access to Jobs would receive an authorization for budget authority from the Trust Fund and would still be subject to action by the appropriators. Our proposal is offset in total, but does not specify offsets on a program by program basis.

Hope that this is helpful.

Andrea Kane

05/13/98 06:12:54 PM

Record Type: Record

To: Kim C. Nakahara/OMB/EOP@EOP

cc:

Subject: ISTEА talking points

Can you help me understand what the President's new transportation proposal means for Access to Jobs? Do I have this right? It's authorized out of general funds rather than trust fund so these principles don't apply, but any appropriation will still have to be offset? I anticipate I'll get questions about implications for ATJ and whether this is still a priority. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-MAY-1998 19:07:55.00

SUBJECT: Re: 745 memo

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

READ:UNKNOWN

TEXT:

Opps?!?

I apologize. I pushed the wrong button. Hope you enjoyed the Kennedy Center last night.

Thanks.

Sarah Rosen

05/14/98 05:10:32 PM

Record Type: Record

To: Brian A. Barreto/OPD/EOP

cc:

Subject: 745 memo

This isn't me.

----- Forwarded by Sarah Rosen/OPD/EOP on 05/14/98 05:13 PM -----

Brian A. Barreto

05/14/98 04:20:41 PM

Record Type: Record

To: Sarah Rosen/OPD/EOP

cc:

Subject: 745 memo

Could you please send me any updates for the memo. Thanks.

Response to Kasich: "We're disappointed that Chairman Kasich would call for a budget with such misguided cuts, aimed particularly at the most vulnerable Americans. We're hopeful that even most Republicans will

choose not to support a budget that cuts education and Medicaid, raises taxes on working Americans, and sends 50,000 young people doing service in their communities home for the year."

Note: The key is not to defend the bureaucracies, and to signal that even Republicans will not be inclined to support this budget -- since early signals are that they won't.

ISTEA: Working with OMB, on Wednesday, we put out a two-pager of talking points on ISTEA (see attached) that we want people to run with. They were e-mailed broadly. The main point is that Congress faces a clear choice:

President Clinton's New Proposal -- the new proposal includes an unprecedented guarantee that receipts that flow into the Highway Trust Fund will be invested in highways, highway safety, and mass transit. The new proposal is fully paid for, protects the surplus consistent with saving Social Security first, and protects critical investments in other key priorities, such as education, health, law enforcement and the environment.

or

Current Congressional Plan -- calls for spending in excess of receipts flowing into the Highway Trust Fund. The plan is not paid for and it would force dramatic cuts in critical priorities such as education, health, law enforcement and the environment.

House Budget Resolution: The House Budget Committee consideration of a budget resolution has slipped to at least next week. Chuck will keep you posted on changes in the schedule.

Kasich Budget Resolution: Kasich, for message purposes, intends to tie spending cuts to eliminating marriage penalty. Draft q&a says we're proposing tax cuts for families, the difference is how to pay for them. We're for reducing corporate subsidies and they're for slash and burn cuts in education, the environment, etc. Kasich is meet with skeptical Republican appropriators two days ago (Tuesday) and hopes to begin mark-up today (Thursday). (There is a rumor that Kasich may mark-up two resolutions - his slash and burn and one closer to the BBA). Appropriators have signaled that they are going to start moving bills right after Memorial Day recess. At this point, it is still a good guess that House and Senate will not agree on a budget resolution.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-MAY-1998 18:31:35.00

SUBJECT: ISTEa for Weekly

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

READ:UNKNOWN

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Dorothy -- thoughts? Brian, is Gene going to get chance to edit?

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D38]MAIL408653431.126 to ASCII,
The following is a HEX DUMP:

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

Transportation Bill

We continued to work this week to try to achieve a compromise with the Congress on the highway bill. The conferees presented us with a counter-offer mid-week. It was unacceptable because the level of funding and structure would put pressure on your other critical priorities. Frank sent a letter to conferees that included a "senior advisers would recommend a veto" threat. In addition, we widely distributed talking points to highlight the clear choice at hand:

President Clinton's New Proposal -- ~~the new proposal includes an unprecedented guarantee that receipts that flow into the Highway Trust Fund will be invested in highways, highway safety, and mass transit. The new proposal is fully paid for, protects the surplus consistent with saving Social Security First, and protects critical investments in other key priorities, such as education, health, law enforcement and the environment.~~

Or

Current Congressional Plan -- calls for spending in excess of receipts flowing into the Highway Trust Fund. The plan is not paid for and it would force dramatic cuts in critical priorities such as education, health, law enforcement and the environment.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-MAY-1998 19:22:37.00

SUBJECT: Re: 745am

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Replace all with the following: (make sure you get copy of talking points when done to attach)

House Republican Budget

Working with OMB, we put together and distributed talking points on the House Republican budget. The talking points stress the major defects in their budget including the elimination of part of the federal Medicaid guarantee, tax increase on working poor (EITC cut) and other proposals that undermine welfare reform, cuts in education, elimination of Americorps, etc. (see attached).

ISTEA

Republicans have apparently reached partial agreement on funding levels. They are waiting to hear back from CBO. Rumors are swirling that one of their new offsets is an assessment on Fannie Mae. It is looking less likely that the conference will be completed before the recess.

Tobacco

The Finance Committee considered the tobacco bill and made it tougher - - raising the price of the per pack increase from \$1.10 to \$1.50. Roth's tax cut package, which included health care tax cuts, was defeated by wide margin.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-MAY-1998 18:28:46.00

SUBJECT:

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

House Budget Resolution

Kasich pulled back following a groundswell of opposition. He has decided not to advertise his numbers but has retained the underlying numbers. Our next step is to ensure that we do not let him get away with this. The bottom line is that the cuts are still there. (Talking points have been revised accordingly).

ISTEA

Conferees continue to meet to hammer out an agreement. The have apparently been held up over House projects. The funding levels have come down somewhat but our posture is that the bill is too rich and that we oppose going beyond the VA tobacco offset we put forward (Note: they are considering other offsets, some that we ,ve proposed and would like to use for other purposes, e.g. child care). We sent a veto letter (from Raines) mid-week.

Tobacco

Senate debate of the McCain bill begins (late) Monday. Republicans have decided not to have a first cloture vote on a motion to proceed (good sign). There likely will be an early vote to up the price increase to \$1.50, as voted on by the Finance Committee.

IRS

Conference agreement is looking unlikely before Memorial Day recess.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:17-MAY-1998 13:12:51.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

----- Forwarded by Brian A. Barreto/OPD/EOP on 05/17/98

01:12 PM -----

Charles R. Marr

05/15/98 06:26:02 PM

Record Type: Record

To: Brian A. Barreto/OPD/EOP

cc:

Subject:

House Budget Resolution

Kasich pulled back following a groundswell of opposition. He has decided not to advertise his numbers but has retained the underlying numbers. Our next step is to ensure that we do not let him get away with this. The bottom line is that the cuts are still there. (Talking points have been revised accordingly).

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Conferees continue to meet to hammer out an agreement. They have apparently been held up over House projects. The funding levels have come down somewhat but our posture is that the bill is too rich and that we oppose going beyond the VA tobacco offset we put forward (Note: they are considering other offsets, some that we've proposed and would like to use for other purposes, e.g. child care). We sent a veto letter (from Raines) mid-week.

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IRS

Conference agreement is looking unlikely before Memorial Day recess.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-MAY-1998 15:35:14.00

SUBJECT: Re: Call from Gene

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

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

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

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

TEXT:

ISTEA

Latest word is that there seems to be willingness among conferees to keep guaranteed spending within just the VA tobacco offset. Level of transit and transit guarantee remains a problem (I went this to meeting this morning with Hill transit).

Budget Resolution

House Budget Dems are still hearing Kasich to go on Wednesday. He has been saying that he will keep all of the same numbers but avoid talking about the specific assumptions embedded, since they were so roundly criticized.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-MAY-1998 18:01:07.00

SUBJECT: Re: Call from Gene

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

use this for 7:45 ISTE A -- just drop word Additional

----- Forwarded by Charles R. Marr/OPD/EOP on 05/18/98

06:06 PM -----

Charles R. Marr

05/18/98 04:27:48 PM

Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP

cc: Sally Katzen/OPD/EOP, Melissa G. Green/OPD/EOP, Dorothy Robyn/OPD/EOP,
Jake Siewert/OPD/EOP

Subject: Re: Call from Gene

Additional ISTE A

Latest I have heard continues to be that the guaranteed portion will be paid for completely by VA tobacco. On the authorized spending above the guarantee, which will not be paid for but subject to appropriation, they are apparently trying to add \$15 billion more and we are trying to keep at \$4 billion or as close as possible.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-MAY-1998 18:55:27.00

SUBJECT: ISTEА draft/shell

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

READ:UNKNOWN

CC: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Here is beginning draft/shell that puts a positive message on ISTEА movement -- to prepare for when we go out on this publicly. We need to add policy wins. Also here are a couple draft q&a on it.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D69]MAIL431177830.126 to ASCII,
The following is a HEX DUMP:

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

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D69]MAIL451177831.126 to ASCII,
The following is a HEX DUMP:

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

An Improved Transportation Bill

May 19, 1998

A compromise has been achieved on a strong transportation bill. The compromise is an improvement over the House and Senate bills and consistent with President Clinton's core principles. The compromise:

- Reduces overall funding \$20 billion below the Congressional bills, while still achieving record investments in transportation.**
- Is fully paid for and consistent with saving Social Security first.**
- Protects critical domestic priorities, such as education and the environment, as the discretionary caps are not lowered.**
- Advances critical priorities -- ??? best three or four -- e.g. welfare-to-work, environment...**

The House and Senate passed bills contained excessive funding levels, were not paid for, and posed a threat to saving Social Security first and to other critical priorities, such as education, health, law enforcement, and the environment. In response to serious concerns raised by the Administration, a reasonable compromise has been achieved:

- The ??\$200 billion in six year funding for the compromise is **\$20 billion below** the \$220 billion House bill and \$18 billion below the \$218 billion Senate bill.
- The bill is fully paid for with ??\$15??? billion in budget savings and guarantees that all receipts from the gas tax will go to fund transportation programs. Because it is paid for, the bill does not touch the budget surplus, nor does squeeze other critical priorities by lowering the discretionary spending caps.
- The compromise advances critical transportation priorities: Best 3 or 4 (something on transit within this or as separate bullet).

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ISTEA Q&A
May 20, 1998

Q: Last week, the Administration was talking about vetoing the transportation bill. Now it appears you support it. What's changed?

A: In response to our concerns, the bill has been improved. A solid compromise has been reached that is consistent with the President's core principles:

- Overall funding has been reduced by some ??\$20?? billion over six years below excessive spending included in the House and Senate bills.
- Unlike the Congressional bills, the compromise bill is fully paid for. The surplus is untouched and, there fore, the bill is consistent with saving Social Security first.
- The bill avoids squeezing other critical priorities, such as education, health and the environment, because it is not financed by lowering the discretionary caps.
- The compromise advances critical transporation policy priorities, including ?????

Q: The compromise still includes billions of dollars in pork projects. Do you support these projects and don't they highlight that the spending remains excessive?

A: This is a compromise bill. Our main concern was ending up with a strong transportation bill that did not spend the surplus and that protected the President's other critical priorities, such as education. This bill is consistent with these core principles of ours.

- Moreover, the overall level of funding has been reduced by about ??\$20 billion over six years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-MAY-1998 17:05:49.00

SUBJECT: Re: ISTEa - shell one-pager

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Chuck this is exactly what we need if we are going to have a chance of making reporters believe we have won. They seem a little skeptical.

We should probably add a small piece on disappointment that Congress dropped the .08 provision, but we will fight that on other fronts.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-MAY-1998 13:06:54.00

SUBJECT: ISTEa - shell one-pager

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

READ:UNKNOWN

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Here is a one-page draft/shell on the compromise (in absence of full information). Take a look -- tone, structure?

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D73]MAIL44643583J.126 to ASCII,
The following is a HEX DUMP:

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

An Improved Transportation Bill

May 19, 1998

A compromise has been achieved on a strong transportation bill. The compromise is an improvement over the House and Senate bills and consistent with President Clinton's core principles. The compromise:

- Reduces overall funding \$20 billion below the Congressional bills, while still achieving record investments in transportation.**
- Is fully paid for and consistent with saving Social Security first.**
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- Advances critical priorities -- ??? best three or four -- e.g. welfare-to-work, environment...**

The House and Senate passed bills contained excessive funding levels, were not paid for, and posed a threat to saving Social Security first and to other critical priorities, such as education, health, law enforcement, and the environment. In response to serious concerns raised by the Administration, a reasonable compromise has been achieved:

- The ??\$200 billion in six year funding for the compromise is **\$20 billion below** the \$220 billion House bill and \$18 billion below the \$218 billion Senate bill.
- The bill is fully paid for with ??\$15??? billion in budget savings and guarantees that all receipts from the gas tax will go to fund transportation programs. Because it is paid for, the bill does not touch the budget surplus, nor does squeeze other critical priorities by lowering the discretionary spending caps.
- The compromise advances critical transportation priorities: Best 3 or 4 (something on transit within this or as separate bullet).

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-MAY-1998 19:16:39.00

SUBJECT: Re: 7:45

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Thanks. Do you have any updates from what was put in yesterday?

Midsession Review: In Chuck's conversations with House Budget Committee on the resolution, they were asking about timing of the midsession review. We should give them a heads-up some time before the expected release next week.

ISTEA: Chuck continues to hear that the guaranteed portion will be paid for completely by VA tobacco. On the authorized spending above the guarantee, which will not be paid for but subject to appropriation, they are apparently trying to add \$15 billion more and we are trying to keep at \$4 billion or as close as possible.

Budget Resolution: House Budget Dems are still hearing Kasich to go on Wednesday (5/20). He has been saying that he will keep all of the same numbers but avoid talking about the specific assumptions embedded, since they were so roundly criticized.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:20-MAY-1998 14:38:37.00

SUBJECT: Paper for Partnership briefing materials

TO: Julie.Anderson (Julie.Anderson @ ost.dot.gov @ inet [UNKNOWN])

READ:UNKNOWN

TO: Paul_A. Leonard (Paul_A. Leonard @ HUD.gov @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

The W2W Partnership is sending out materials to their Board (and maybe other business partners--not sure about that), Thursday, in preparation for 5/27. They'd like to include info on Administration initiatives. Can you both get me your one pagers on ATJ and HVs by end of day today so I can take a quick look and send over to them? I'll fax Paul the ATJ one-pager (which still needs to be updated for ISTEAs conference outcome) as example. Paul, yours is obviously in a somewhat different point in the process, but I'd suggest basically what you've done before, with 1-2 sentences about next steps/timing of legislative process. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:20-MAY-1998 21:09:08.00

SUBJECT: Re: Paper for Partnership briefing materials

TO: ejohnson (ejohnson @ welfaretowork.org @ inet [UNKNOWN])
READ:UNKNOWN

TEXT:

HUD's info in case it's helpful. OK for them to bring 2 people to business forum?

----- Forwarded by Andrea Kane/OPD/EOP on 05/20/98 09:13 PM -----

paul_a._leonard @ hud.gov
05/20/98 07:41:19 PM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc: john_f._bohm @ hud.gov
Subject: Re: Paper for Partnership briefing materials

attached is our 1-pager. Can we still improve this before WED, if we choose?

Also, we'd like to have John Bohm attend Wed. event with me. Can we please have 2 slots???

_____ Reply Separator

Subject: Paper for Partnership briefing materials
Author: <Andrea_Kane@opd.eop.gov> at Internet
Date: 5/20/98 2:35 PM

The W2W Partnership is sending out materials to their Board (and maybe other business partners--not sure about that), Thursday, in preparation for 5/27. They'd like to include info on Administration initiatives. Can you both get me your one pagers on ATJ and HVs by end of day today so I can take a quick look and send over to them? I'll fax Paul the ATJ one-pager (which still needs to be updated for ISTEAs conference outcome) as example. Paul, yours is obviously in a somewhat different point in the process, but I'd suggest basically what you've done before, with 1-2 sentences about

next steps/timing of legislative process. thanks

- wwvouche.wpd

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D96]MAIL43039793A.126 to ASCII,
The following is a HEX DUMP:

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

President Clinton's Welfare-to-Work Rental Housing Vouchers

President Clinton's Fiscal Year 1999 Budget Proposes the Creation of 50,000 Rental Housing Vouchers to Help Families Receiving Temporary Assistance for Needy Families (TANF) Grants Make the Move From Welfare to Work. This proposal is a part of the President's overall efforts to assure that housing programs play a supportive role in assuring that welfare recipients will be able to find and keep the jobs that will allow them to move from welfare dependence to self-sufficiency.

The Vouchers Will Help Families Find Decent, Affordable Housing Located Close to Employment. Welfare recipients must meet many challenges in making the transition to work. Some have unstable housing situations that interfere with their attendance. Others have trouble because the location of entry level jobs forces them into long, stressful commutes. Yet another group live in communities without sufficient job opportunities. The vouchers will help families with any of these problems find decent housing close to their jobs.

The Vouchers Will Be Awarded Competitively to Public Housing Authorities (PHAs) In Collaboration with Local Welfare and Employment and Training Programs. PHAs will be required to submit applications with the support of the local TANF agency and the agency administering the Department of Labor's Welfare-to-Work Grant, usually the local Private Industry Council. This will help assure that the vouchers are used in communities with the greatest need and the greatest capacity to support families with the potential for self-sufficiency and that the families have the range of services necessary to successfully make this transition.

Each Community Will Design Its Own Program. This will permit the PHA, the welfare agency, and the employment and training agency Department of Labor to jointly determine the appropriate families to serve, the services to offer, and the communities to target for landlord outreach and housing search. This flexibility should guarantee maximum success in the use of the Vouchers to support the move from welfare to work.

Recipients of the Vouchers Will Also Be Given Tenant Counseling and Housing Search Assistance. This will help assure that voucher recipients have a high success rate in using the vouchers to find appropriate housing, and that they will prove to be good tenants.

Congressional Appropriators Will Consider Voucher Proposal In Early-Mid June. House and Senate Appropriations Committees will initiate action on HUD's FY 1999 Appropriations bills in June.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:21-MAY-1998 12:08:52.00

SUBJECT: ISTEa -- SSBG Offset

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

READ:UNKNOWN

TEXT:

From Emil and Chuck

Re: talking points from OMB on Transit offsets.

From the talking points, it appears that OMB negotiated a good deal with Domenici and D'Amato on additional offsets to pay for transit -- all housing related including raising the FHA loan limit (which is in our budget and is a HUD priority).

We are hearing that this package is meeting resistance (likely Lott and Gingrich and others), especially the loan limit increase, which Fannie Mae opposes. Therefore SSBG is still on the table and likely to take a hit. This is very troubling because this is a natural offset to be used to pay for children's programs -- for Labor-HHS room, child care, education, etc.

If you have chance to call (or run into) Larry, please get a download of status from him, and see if there is anything we can do on this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-MAY-1998 08:38:54.00

SUBJECT: OMB Legislative Report -- May 20, 1998

TO: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Todd A. Summers (CN=Todd A. Summers/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

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

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

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

TO: Jeanne Lambrew (CN=Jeanne Lambrew/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

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

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

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

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

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

TO: Leanne A. Shimabukuro (Leanne A. Shimabukuro @ EOP @ LNGTWY [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Christa Robinson (Christa Robinson @ EOP @ LNGTWY [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Cathy R. Mays (Cathy R. Mays @ EOP @ LNGTWY [OPD])

READ:UNKNOWN

TEXT:

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
05/21/98 08:37 AM -----

Kate P. Donovan
05/20/98 09:24:35 PM

Record Type: Record

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

cc:

Subject: OMB Legislative Report -- May 20, 1998

TO: DIRECTOR FRANK RAINES
DEPUTY DIRECTOR JACK LEW
DEP. DIRECTOR FOR MANAGEMENT ED DESEVE
EXECUTIVE ASSOCIATE DIRECTOR JOSH GOTBAUM

FROM: OMB LEGISLATIVE AFFAIRS

DATE: MAY 20, 1998

SUBJECT: LEGISLATIVE REPORT

Budget Resolution: The Budget Committee members voted along party lines to report the Kasich plan, 22-16. No Republican amendments were offered and

all Democratic amendments were rejected along party lines, with the exception of a few sense of the Congress amendments. Floor has not been scheduled yet.

ISTEA: Today, the House adopted (422-0) the Obey Motion to Instruct Conferees on H.R. 2400 - ISTEA Conference Report to approve a conference report that excludes the tobacco offset. House Floor action is possible Thursday.

[Raines letter sent 5/12: Senior advisers veto recommendation under certain circumstances]

CONGRESS -- TODAY (5/20):

SENATE:

Continued consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act [POTUS letter sent, 5/20: POTUS supports passage as amended by the Manager's amendment]

While under consideration of S. 1415, the Senate took the following action:

- o Tabled (58-40) the Kennedy amendment that would have modified the \$1.10 increase by raising it to \$1.50 per pack. Prior to that action, the Senate tabled (72-26) the Ashcroft 2nd degree amendment to the Kennedy amendment that would have struck all provisions from the bill concerning an increase of tobacco taxes.

HOUSE:

Began consideration of H.R. 3616 - National Defense Authorization Act for FY 1999

[SAP sent, 5/20: Administration has serious budget & policy concerns]

While under consideration of H.R. 3616, the House took the following action:

- o Adopted (412-6) Hefley amendment to prevent the transfer of any U.S. missile equipment or technology that could be used by the People's Republic of China for strategic purposes.
- o Adopted (364-54) Hunter amendment to prohibit the export or re-export of any U.S. satellites, including commercial satellites and their components, to the People's Republic of China.
- o Adopted (417-4) Spence amendment to express the sense of Congress that U.S. business interests should not be placed above U.S. national security interests.
- o Adopted (414-7) Bereuter amendment to prohibit the participation of U.S. citizens in the investigation of a failed launch of a U.S. satellite on a foreign launch vehicle unless a qualified U.S. government representative is also participating in the investigation, and the U.S. State Department has issued the U.S. citizen a license authorizing such participation.
- o Adopted (420-0) Gilman amendment to state that no provision of the Kyoto Protocol on global warming will restrict the procurement, training, operation or maintenance of U.S. armed forces.
- o Rejected (190-232) Lowey amendment that would have repealed provisions of current law that prohibit privately-funded abortions at overseas Defense Department medical facilities.
- o Adopted (250-172) Hefley amendment to prohibit the assignment of any member of the U.S. armed services to duty with the United Nations Rapidly Deployable Mission Headquarters, or any other standing army under command of the U.N.

CONGRESS -- TOMORROW (5/21) & FRIDAY (5/22)

SENATE:

Convene at 9:30am to resume consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act (may not be completed this week).

Thursday's debate expected on a Gregg/Leahy amendment regarding immunity; a democratic amendment, and language on the farmers protection issue.

[POTUS letter sent, 5/20: POTUS supports passage as amended by the Manager's amendment]

H.R. 2709 - Iran Missile Proliferation Sanctions Act of 1997 (likely Friday)

[SAP under development: possible senior advisers veto recommendation]

H.R. 2400 - ISTEA Conference Report

[Raines letter sent 5/12: Senior advisers veto recommendation under certain circumstances]

S. 1609 - Next Generation Internet Research Act (possible)

[SAP pending: Administration supports Senate passage]

The Senate will be out of session for the Memorial Day recess from Monday, May 25 - Friday, May 29.

HOUSE:

On Thursday, convene at 10:00am and on Friday, convene at 9:00am for legislative business.

H.Res. 432 - A Resolution Expressing the Sense of the House of Representatives Concerning the President's Assertions of Executive Privilege (Thursday)

H.Res. 433 - A Resolution Calling upon the President of the U.S. to Urge Full Cooperation by his Former Political Appointees and Friends and their Associates with Congressional Investigations (Thursday)

H.R. 2183 - Bipartisan Campaign Integrity Act of 1997 (Thursday)

[POTUS letter sent, 5/20; SAP pending: POTUS supports Shays/Meehan substitute]

Continue consideration of H.R. 3616 - National Defense Authorization Act for FY 1999

[SAP sent, 5/20: Administration has serious budget & policy concerns]

H.R. 2400 - ISTEA Conference Report

[Raines letter sent 5/12: Senior advisers veto recommendation under certain circumstances]

It is unlikely that the House will consider H.R. 3150 - Bankruptcy Reform Act of 1998 before the Memorial Day recess.

[SAP pending: Administration strongly opposes]

The House will be out of session for the Memorial Day recess from Monday, May 25 - Tuesday, June 2. No votes are scheduled for June 2, and votes will be delayed until 5pm on June 3.

Message Sent

To:

Jacob J. Lew/OMB/EOP
Charles E. Kieffer/OMB/EOP
Robert G. Damus/OMB/EOP
T J. Glauthier/OMB/EOP
Joshua Gotbaum/OMB/EOP
Joseph J. Minarik/OMB/EOP
William A. Halter/OMB/EOP
Jill M. Blickstein/OMB/EOP
Janet L. Graves/OMB/EOP
Alan B. Rhinesmith/OMB/EOP
Kathleen Peroff/OMB/EOP
Ronald M. Cogswell/OMB/EOP
Barry T. Clendenin/OMB/EOP
Philip A. DuSault/OMB/EOP
Richard P. Emery Jr./OMB/EOP
Robert E. Barker/OMB/EOP
Susanne D. Lind/OMB/EOP
Ellen J. Balis/OMB/EOP
Alicia K. Kolaian/OMB/EOP
Bruce D. Long/OMB/EOP
Lisa M. Kountoupes/OMB/EOP
Charles Konigsberg/OMB/EOP
Bruce W. McConnell/OMB/EOP
Elisa Millsap/WHO/EOP
James C. Murr/OMB/EOP
James J. Jukes/OMB/EOP
Janet R. Forsgren/OMB/EOP
HOLSTEIN_E @ A1 @ CD @ LNGTWY
Ingrid M. Schroeder/OMB/EOP
Jeffrey A. Weinberg/OMB/EOP
BROWN_JA @ A1 @ CD @ LNGTWY
Constance J. Bowers/OMB/EOP
Robert J. Pellicci/OMB/EOP
E. Holly Fitter/OMB/EOP
Annette E. Rooney/OMB/EOP
WEINSTEIN_D @ A1 @ CD @ LNGTWY
Philip R. Dame/OMB/EOP
Todd Stern/WHO/EOP
Sylvia M. Mathews/WHO/EOP
John Podesta/WHO/EOP
Mickey Ibarra/WHO/EOP
Douglas B. Sosnik/WHO/EOP
Shelley N. Fidler/CEQ/EOP
Janet Himler/OMB/EOP
Phillip Caplan/WHO/EOP
Anita Chellaraj/OMB/EOP
Alphonse J. Maldon/WHO/EOP
Robert J. Nassif/OMB/EOP

Melinda D. Haskins/OMB/EOP
Robert S. Fairweather/OMB/EOP
Janet E. Irwin/OMB/EOP
James B. Kazel/OMB/EOP
John A. Gribben/OMB/EOP
MCKIERNAN_K @ A1 @ CD @ LNGTWY
Mark A. Weatherly/OMB/EOP
Richard A. Mertens/OMB/EOP
Peter G. Jacoby/WHO/EOP
LEVIN_P @ A1 @ CD @ LNGTWY
Kate P. Donovan/OMB/EOP
OLIVER_A @ A1 @ CD @ LNGTWY
ABRAMSON_K @ A1 @ CD @ LNGTWY
Justine F. Rodriguez/OMB/EOP
Julie E. Mason/WHO/EOP
Brian A. Barreto/OPD/EOP
Mary Jo Siclari/OMB/EOP
Barry J. Toiv/WHO/EOP
HOGAN_L @ A1 @ CD @ LNGTWY
Toni S. Hustead/OMB/EOP
Russell W. Horwitz/OPD/EOP
Elena Kagan/OPD/EOP
Eugene M. Ebner/OMB/EOP
Steven D. Aitken/OMB/EOP @ E
David H. Morrison/OMB/EOP
Rodney G. Bent/OMB/EOP
Bruce K. Sasser/OMB/EOP
Gary L. Bennethum/OMB/EOP
Keith J. Fontenot/OMB/EOP
Larry R. Matlack/OMB/EOP
Robert M. Shireman/OPD/EOP
Richard J. Turman/OMB/EOP
Louisa Koch/OMB/EOP
David E. Tornquist/OMB/EOP
David J. Haun/OMB/EOP
Francis S. Redburn/OMB/EOP
Harry G. Meyers/OMB/EOP
Edward A. Brigham/OMB/EOP
Edward M. Rea/OMB/EOP
Andrew M. Schoenbach/OMB/EOP
Patricia E. Romani/OMB/EOP
Michael W. Williams/WHO/EOP
Jake Siewert/OPD/EOP
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Kathryn B. Stack/OMB/EOP
Rhodia D. Ewell/OMB/EOP
Laura S. Marcus/WHO/EOP
Mathew C. Blum/OMB/EOP
Steven L. Schooner/OMB/EOP
Michael Deich/OMB/EOP
Janie L. Jeffers/OMB/EOP
Melissa N. Benton/OMB/EOP
Carol Thompson-Cole/OMB/EOP
Kenneth L. Schwartz/OMB/EOP

Ronald K. Peterson/OMB/EOP
Jennifer Ferguson/OMB/EOP
Rosemary Evans/OMB/EOP
M. Jill Gibbons/OMB/EOP
Ronald E. Jones/OMB/EOP
Paul J. Weinstein Jr./OPD/EOP
Barry White/OMB/EOP
Kevin S. Moran/WHO/EOP
Maryanne B. Green/OMB/EOP
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Robert Donnelly/OMB/EOP
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Gene B. Sperling/OPD/EOP
Wesley P. Warren/CEQ/EOP
Jason S. Goldberg/WHO/EOP
Eric R. Anderson/OVP @ OVP
Robin J. Bachman/WHO/EOP
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Ruby Shamir/WHO/EOP
Sandra Yamin/OMB/EOP
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Stephen G. Elmore/OMB/EOP
Dario J. Gomez/WHO/EOP
Jessica L. Gibson/WHO/EOP
Jonathan Orszag/OPD/EOP
BENDICK_G @ A1@CD@LNGTWY
Peter D. Greenberger/WHO/EOP
Peter A. Weissman/OPD/EOP
Theodore Wartell/OMB/EOP
Wendy A. Taylor/OMB/EOP
Barbara Chow/OMB/EOP
Donald R. Arbuckle/OMB/EOP
Suzanne Dale/WHO/EOP
Anna M. Briatico/OMB/EOP
Jonathan H. Adashek/WHO/EOP
Lisa B. Fairhall/OMB/EOP
David A. Bernell/OMB/EOP
Sally Katzen/OPD/EOP
Lawrence J. Haas/OVP @ OVP
Ronald L. Silberman/OMB/EOP
Roger S. Ballentine/WHO/EOP
Linda Ricci/OMB/EOP
Judy Jablow/CEQ/EOP
Martha Foley/WHO/EOP
Janelle E. Erickson/WHO/EOP
Michael L. Goad/OMB/EOP
RUDMAN_M @ A1@CD@VAXGTWY
Victoria Wassmer/OMB/EOP
Daniel N. Mendelson/OMB/EOP
Gina C. Mooers/OMB/EOP
Dianne M. Wells/OMB/EOP
Chandler G. Spaulding/WHO/EOP

Robert D. Kyle/OPD/EOP
Steven D. Aitken/OMB/EOP
Gary C. Reisner/OMB/EOP
Wendy R. Fink/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-MAY-1998 19:11:24.00

SUBJECT: Are you watching the floor

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

READ:UNKNOWN

TEXT:

Lott turned it into morning business for the rest of the night, said he's
turn to Iran and ISTEA tomorrow.... and McCain and Nickles are duking it
out on the floor now....

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-MAY-1998 13:06:54.00

SUBJECT: Re: DRAFT of FACT SHEET ON ISTE A

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

READ:UNKNOWN

TEXT:

This looks really good. I just think we need to highlight the key point. In the second bullet entitled, "Maintains Fiscal Discipline," you might want to bold and italicize the line that goes "reducing it by \$16.5 billion . . . large majorities."

Jonathan Orszag
05/22/98 12:28:08 PM
Record Type: Record

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

cc:

Subject: DRAFT of FACT SHEET ON ISTE A

Comments..... please.....

Message Sent

To: _____
Michael Deich/OMB/EOP
Linda Ricci/OMB/EOP
Dorothy Robyn/OPD/EOP
Jonathan A. Kaplan/OPD/EOP
Jill M. Blickstein/OMB/EOP

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D46]MAIL48623514F.126 to ASCII,
The following is a HEX DUMP:

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

AN HISTORIC INVESTMENT IN INFRASTRUCTURE WHILE MAINTAINING FISCAL DISCIPLINE AND PROTECTING OTHER CRITICAL INVESTMENTS

May 22, 1998

Today, President Clinton and Congress Agreed To An ISTEA Reauthorization Bill That Includes An Historic Investment in Infrastructure While Maintaining Fiscal Discipline and Protecting Critical Investments, Such As Education, the Environment, and Health Care.

While providing an historic investment in our infrastructure, the agreement maintains President Clinton's priorities of reserving the surplus until Social Security is reformed and investing in critical areas such as education, the environment, and health care. In response to the Administration's concerns, the agreement now represents a solid compromise that is consistent with President Clinton's core principles:

- **Strengthens Our Infrastructure.** The agreement provides \$200 billion to continue rebuilding America's transportation system a 28-percent increase over the 1991 ISTEA reauthorization. This agreement will help communities modernize and build the roads, bridges, railways, buses and airports that link the people of our great and vast country together, that keep our economy strong and vibrant.
- **Maintains Fiscal Discipline.** The agreement cuts the increase in overall transportation funding in half, reducing it by \$16.5 billion below the excessive spending levels that were included in the Congressional bills, even though those bills had passed the House and Senate by large majorities.
- **Preserves Surplus Until Social Security Is Reform.** Unlike the Congressional bills, the compromise is fully paid for with real offsets. And because the agreement does not touch the surplus, it is fully consistent with the President's call to "Save Social Security First."
- **Protects Critical Investments in Our Future.** The transportation agreement does not squeeze other critical investments in our future, such as education, health care, research and development, and the environment, because it is not financed by lowering the discretionary caps.
- **Expands Transit Funding Within A Smaller Bill.** While the agreement has less overall spending than the Congressional bills, it increases the share of transit funding from 17 percent of total surface transportation spending to 20 percent of total spending by 2002.

This Highway-Transit Bill Agreement Also Reflects President Clinton's Priorities -- By Protecting the Environment, Helping Move People from Welfare to Work, Helping Disadvantaged Businesses, Extending the Ethanol Tax Credit, and Strengthening Border

Infrastructure.

- **Protecting the Environment.** The highway-transit agreement strengthens proven strategies to protect public health and the environment by increasing funding for the Congestion Mitigation and Air Quality Improvement program 75 percent by FY2000.
- **Helping Move People from Welfare to Work.** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. To help those on welfare get to their jobs, the highway-transit agreement authorizes \$900 million over the next six years for President Clinton's welfare-to-work transportation plan. Of the \$150 million per year, \$50 million is guaranteed in FY99, rising to the full \$150 million per year guaranteed in FY2003.
- **Helping Disadvantaged Businesses.** The highway-transit agreement helps disadvantaged businesses by retaining the Department of Transportation's Disadvantaged Business Enterprise (DBE) program.
- **Extending the Ethanol Tax Credit.** In order to provide incentives to use ethanol in gasoline and protect the environment, the highway-transit agreement extends the Ethanol Tax Credit through FY2007.
- **Strengthening Border Infrastructure.** The highway-transit agreement authorizes the Administration's program to target resources to border crossings to improve traffic flow and reduce illicit trade. The agreement allows highway funding to be used for Customs and INS equipment that speeds border crossings.

While the Agreement Provides Funding For Increased Safety, It Does Not Include A National Drunk Driving Standard of .08 BAC. The agreement includes a number of measures to increase safety, including incentive grants to increase seat-belt use, new measures to target repeat drunk drivers and to ban open alcohol containers in cars, and a strong program to make highway-rail grade crossings safer. However, the President is disappointed that Congress refused to lower the national drunk driving standard to .08 percent blood alcohol content (BAC). The President will continue to work to make sure that .08 is the law in every state of the country.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-MAY-1998 11:21:26.00

SUBJECT: ISTE A Q&A

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D18]MAIL47195414P.126 to ASCII,
The following is a HEX DUMP:

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

ISTEA Q&A
May 22, 1998

Q: Last week, the Administration threatened to veto the transportation bill. Now you support it. What's changed?

A: In response to our concerns, Congressional leaders agreed to significantly improve the bill. It now represents a solid compromise that is consistent with the President's core principles:

- Overall funding has been reduced by \$17 billion below the excessive spending levels that were included in the Congressional bills, even though those bills had passed the House and Senate by large majorities.
- Unlike the Congressional bills, the compromise is fully paid for. And because the compromise bill does not touch the surplus, it is fully consistent with saving Social Security First.
- The compromise bill avoids squeezing other critical priorities, such as education, health, research and the environment, because it is not financed by lowering the discretionary budget caps.
- The compromise advances critical transportation policy priorities, including: increased highway safety, a cleaner environment, and expanded opportunity -- through retention of the Disadvantaged Business Enterprise program and provision

of transportation services to those moving from welfare to work.

Q: The compromise still includes billions of dollars in pork projects. Do you support these projects? Don't they indicate that spending is still excessive?

A: This is a compromise bill. Our main concern was getting a strong bill that does not spend the budget surplus and that protects the President's other critical priorities, such as education, health care and research. This bill is consistent with these core principles.

Moreover, the overall level of funding has been reduced by \$17 billion over six years.

Q: What is your response to veterans, who don't like the fact that the budget offset to pay for highways came from reducing spending by the VA on tobacco-related disabilities?

A: The Administration proposed using the VA/tobacco offset in the budget we submitted in February. An administrative law judge, not the Congress, called for the additional spending for tobacco-related disabilities, and we viewed it as an inappropriate expansion of existing VA benefits.

The President's budget does call for increased benefits for veterans, but in ways we believe are appropriate -- namely, through an expansion of the Montgomery G.I. Bill.

Q: Since the Administration's budget proposed to use the VA/tobacco offset for some of the President's priority investments, won't those investments now suffer?

A: This compromise bill protects funding for the President's critical priority investments -- in education, health care, research and the environment, among other areas. As happens every year with the budget process, we will have to fight program by program to protect our priorities. But we have not given up anything we care about in advance.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-MAY-1998 12:31:05.00

SUBJECT: DRAFT of FACT SHEET ON ISTE A

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

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

TO: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D54]MAIL46921514L.126 to ASCII,
The following is a HEX DUMP:

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

AN HISTORIC INVESTMENT IN INFRASTRUCTURE WHILE MAINTAINING FISCAL DISCIPLINE AND PROTECTING OTHER CRITICAL INVESTMENTS

May 22, 1998

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- **Maintains Fiscal Discipline.** The agreement cuts the increase in overall transportation funding in half, reducing it by \$16.5 billion below the excessive spending levels that were included in the Congressional bills, even though those bills had passed the House and Senate by large majorities.
- **Preserves Surplus Until Social Security Is Reform.** Unlike the Congressional bills, the compromise is fully paid for with real offsets. And because the agreement does not touch the surplus, it is fully consistent with the President's call to "Save Social Security First."
- **Protects Critical Investments in Our Future.** The transportation agreement does not squeeze other critical investments in our future, such as education, health care, research and development, and the environment, because it is not financed by lowering the discretionary caps.
- **Expands Transit Funding Within A Smaller Bill.** While the agreement has less overall spending than the Congressional bills, it increases the share of transit funding from 17 percent of total surface transportation spending to 20 percent of total spending by 2002.

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Infrastructure.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kathleen A. McGinty (CN=Kathleen A. McGinty/OU=CEQ/O=EOP [CEQ])

CREATION DATE/TIME:22-MAY-1998 18:59:59.00

SUBJECT: tuesday am meeting with the vp

TO: Morley A. Winograd (CN=Morley A. Winograd/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Kay Casstevens (CN=Kay Casstevens/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Bradley M. Campbell (CN=Bradley M. Campbell/OU=CEQ/O=EOP @ EOP [CEQ])

READ:UNKNOWN

TEXT:

to add to the political calculations we must make -- all of the enviros
are now urging a veto of istea because of provisions stuck in at the last
minute....

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-MAY-1998 13:36:27.00

SUBJECT: ISTE A Q&A

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

READ:UNKNOWN

TEXT:

Gene, Dorothy and Orszag are going over these and other Q&A, right?

----- Forwarded by Jonathan A. Kaplan/OPD/EOP on 05/22/98
01:36 PM -----

Dorothy Robyn
05/22/98 11:18:31 AM
Record Type: Record

To: Jonathan Orszag/OPD/EOP, Jonathan A. Kaplan/OPD/EOP
cc:
Subject: ISTE A Q&A

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D84]MAIL46084514N.126 to ASCII,
The following is a HEX DUMP:

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

ISTEA Q&A
May 22, 1998

Q: Last week, the Administration threatened to veto the transportation bill. Now you support it. What's changed?

A: In response to our concerns, Congressional leaders agreed to significantly improve the bill. It now represents a solid compromise that is consistent with the President's core principles:

- Overall funding has been reduced by \$17 billion below the excessive spending levels that were included in the Congressional bills, even though those bills had passed the House and Senate by large majorities.
- Unlike the Congressional bills, the compromise is fully paid for. And because the compromise bill does not touch the surplus, it is fully consistent with saving Social Security First.
- The compromise bill avoids squeezing other critical priorities, such as education, health, research and the environment, because it is not financed by lowering the discretionary budget caps.
- The compromise advances critical transportation policy priorities, including: increased highway safety, a cleaner environment, and expanded opportunity -- through retention of the Disadvantaged Business Enterprise program and provision

of transportation services to those moving from welfare to work.

Q: The compromise still includes billions of dollars in pork projects. Do you support these projects? Don't they indicate that spending is still excessive?

A: This is a compromise bill. Our main concern was getting a strong bill that does not spend the budget surplus and that protects the President's other critical priorities, such as education, health care and research. This bill is consistent with these core principles.

Moreover, the overall level of funding has been reduced by \$17 billion over six years.

Q: What is your response to veterans, who don't like the fact that the budget offset to pay for highways came from reducing spending by the VA on tobacco-related disabilities?

A: The Administration proposed using the VA/tobacco offset in the budget we submitted in February. An administrative law judge, not the Congress, called for the additional spending for tobacco-related disabilities, and we viewed it as an inappropriate expansion of existing VA benefits.

The President's budget does call for increased benefits for veterans, but in ways we believe are appropriate -- namely, through an expansion of the Montgomery G.I. Bill.

Q: *Since the Administration's budget proposed to use the VA/tobacco offset for some of the President's priority investments, won't those investments now suffer?*

A: *This compromise bill protects funding for the President's critical priority investments -- in education, health care, research and the environment, among other areas. As happens every year with the budget process, we will have to fight program by program to protect our priorities. But we have not given up anything we care about in advance.*

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-MAY-1998 10:22:28.00

SUBJECT: ISTE draft/shell

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

This may help.

----- Forwarded by Dorothy Robyn/OPD/EOP on 05/22/98

10:21 AM -----

Charles R. Marr

05/19/98 06:52:34 PM

Record Type: Record

To: Melissa G. Green/OPD/EOP

cc: Dorothy Robyn/OPD/EOP, Jake Siewert/OPD/EOP

Subject: ISTE draft/shell

Here is beginning draft/shell that puts a positive message on ISTE
movement -- to prepare for when we go out on this publicly. We need to
add policy wins. Also here are a couple draft q&a on it.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D18]MAIL45841414L.126 to ASCII,

The following is a HEX DUMP:

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

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D18]MAIL47841414M.126 to ASCII,

The following is a HEX DUMP:

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

An Improved Transportation Bill

May 19, 1998

A compromise has been achieved on a strong transportation bill. The compromise is an improvement over the House and Senate bills and consistent with President Clinton's core principles. The compromise:

- Reduces overall funding \$20 billion below the Congressional bills, while still achieving record investments in transportation.
- Is fully paid for and consistent with saving Social Security first.
- Protects critical domestic priorities, such as education and the environment, as the discretionary caps are not lowered.
- Advances critical priorities -- ??? best three or four -- e.g. welfare-to-work, environment...

The House and Senate passed bills contained excessive funding levels, were not paid for, and posed a threat to saving Social Security first and to other critical priorities, such as education, health, law enforcement, and the environment. In response to serious concerns raised by the Administration, a reasonable compromise has been achieved:

- The ??\$200 billion in six year funding for the compromise is **\$20 billion below** the \$220 billion House bill and \$18 billion below the \$218 billion Senate bill.
- The bill is fully paid for with ??\$15??? billion in budget savings and guarantees that all receipts from the gas tax will go to fund transportation programs. Because it is paid for, the bill does not touch the budget surplus, nor does squeeze other critical priorities by lowering the discretionary spending caps.
- The compromise advances critical transportation priorities: Best 3 or 4 (something on transit within this or as separate bullet).

-

-

-

-

ISTEA Q&A
May 20, 1998

Q: Last week, the Administration was talking about vetoing the transportation bill. Now it appears you support it. What's changed?

A: In response to our concerns, the bill has been improved. A solid compromise has been reached that is consistent with the President's core principles:

- Overall funding has been reduced by some ??\$20?? billion over six years below excessive spending included in the House and Senate bills.
- Unlike the Congressional bills, the compromise bill is fully paid for. The surplus is untouched and, there fore, the bill is consistent with saving Social Security first.
- The bill avoids squeezing other critical priorities, such as education, health and the environment, because it is not financed by lowering the discretionary caps.
- The compromise advances critical transporation policy priorities, including ?????

Q: The compromise still includes billions of dollars in pork projects. Do you support these projects and don't they highlight that the spending remains excessive?

A: This is a compromise bill. Our main concern was ending up with a strong transportation bill that did not spend the surplus and that protected the President's other critical priorities, such as education. This bill is consistent with these core principles of ours.

- Moreover, the overall level of funding has been reduced by about ??\$20 billion over six years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: James J. Jukes (CN=James J. Jukes/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:22-MAY-1998 11:15:24.00

SUBJECT: Draft SAP for Conference Report on HR 2400 -- ISTEA

TO: Randolph M. Lyon (CN=Randolph M. Lyon/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Bradley M. Campbell (CN=Bradley M. Campbell/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

TO: Ronald M. Cogswell (CN=Ronald M. Cogswell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Linda Lance (CN=Linda Lance/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Richard P. Emery Jr. (CN=Richard P. Emery Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Lisa M. Kountoupes (CN=Lisa M. Kountoupes/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

TEXT:

The following is the text of a draft SAP for the conference report on the ISTEA conference report. (At the moment, we do not know the final title of the bill; nor do we have access to the text of the conference report.) Please direct any comments to Jim Brown (5-3473) or me (5-3458) by NOON. House and Senate floor action on the conference report is tentatively scheduled for today.

The Administration supports enactment of the conference report on H.R. 2400, the _____

Act of 1998. The Administration has from the outset strongly supported reauthorization of the

Nation's surface transportation programs. The conferees have responded to the Administration's

concerns by crafting a bill that increases transportation spending without threatening fiscal

discipline or our commitment to education and other critical investments.

The Administration

urges both Houses of Congress to send the the conference report to the President for his signature

without delay.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Suzanne Dale (CN=Suzanne Dale/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:26-MAY-1998 10:53:19.00

SUBJECT: Re: State and Local Elected Mobilization/ISTEA and Tobacco Message Amplification

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

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

TEXT:

OK. I know you wanted it at 3pm, but Sylvia's doing a race mtg. at 3pm
that stole several key folks, so I was stuck.

Mickey sees this as a strategy session, so we need Bruce or Elena for
sure. If it ends up being Elena, if Bruce would even drop by for a few
minutes, that'd be great. Thanks, Cathy.

----- Forwarded by Suzanne Dale/WHO/EOP on 05/26/98 10:41
AM -----

Cathy R. Mays 05/26/98 10:40:17 AM

Record Type: Record

To: Suzanne Dale/WHO/EOP
cc:

Subject: Re: State and Local Elected Mobilization/ISTEA and
Tobacco Message Amplification

Bruce may not make this -- I'll know later today.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-MAY-1998 19:03:57.00

SUBJECT: here's the new sentence--plus the lead in

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

READ:UNKNOWN

CC: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

That ,s why the President fought for and won the \$3 billion Welfare-to-Work grants which states and cities can use to create job opportunities for welfare recipients, particularly targeted at hard-to-employ individuals in high poverty areas. And so that those leaving welfare can get to where the jobs are, the President proposed -- and the Congress has now passed -- funds for welfare to work transportation in the ISTEA transportation bill.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:26-MAY-1998 14:49:22.00

SUBJECT:

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

READ:UNKNOWN

CC: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Can you keep me in the loop on the signing of ISTEA? We should at least consider saying something about school construction, and maybe even student loans. (see below)

----- Forwarded by Robert M. Shireman/OPD/EOP on 05/26/98
02:47 PM -----

Robert M. Shireman
05/26/98 02:47:37 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP, Brian A. Barreto/OPD/EOP
cc: Jonathan A. Kaplan/OPD/EOP, Sally Katzen/OPD/EOP
Subject: Note for Gene (and 7:45)

The ISTEA bill includes a three-month fix of the student loan interest rate , at the McKeon-Kildee rates (T-bill plus 2.3 in repayment, plus an additional 50 basis points for the banks). This creates an October 1 deadline for passage of the HEA reauthorization.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:26-MAY-1998 14:47:42.00

SUBJECT: Note for Gene (and 7:45)

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

The ISTEA bill includes a three-month fix of the student loan interest rate
, at the McKeon-Kildee rates (T-bill plus 2.3 in repayment, plus an
additional 50 basis points for the banks). This creates an October 1
deadline for passage of the HEA reauthorization.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:27-MAY-1998 09:20:39.00

SUBJECT: Re: Transporattion Bill Signing

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

How about using the theme, "the road to hell is paved with good intentions." Maybe that could be the title of our one-pager on ISTEA.

Jake Siewert

05/27/98 09:01:17 AM

Record Type: Record

To: Ann F. Lewis/WHO/EOP, Stacie Spector/WHO/EOP

cc: Jonathan A. Kaplan/OPD/EOP

Subject: Transporattion Bill Signing

Are we planning a big public bill signing of the transporation bill?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kenneth L. Schwartz (CN=Kenneth L. Schwartz/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:27-MAY-1998 10:03:30.00

SUBJECT: ISTE A

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

READ:UNKNOWN

TO: Linda Ricci (CN=Linda Ricci/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TO: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Charles Konigsberg (CN=Charles Konigsberg/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: David E. Tornquist (CN=David E. Tornquist/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

----- Forwarded by Kenneth L. Schwartz/OMB/EOP on
05/27/98 10:02 AM -----

James A. Brown

05/27/98 09:55:56 AM

Record Type: Record

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

cc:

Subject: DOT details on enrollment screw-up

Per DOT staff (Tom Herlihy):

1. H.R. 2400 was enrolled "early" by mistake. As a result, the problems in the bill cannot be fixed through a concurrent resolution as originally planned.

2. The plan now is to have H.R. 2400 and a corrections bill on the President's desk for simultaneous approval. DOT does not know when H.R. 2400 will be formally transmitted to the White House. Conceivably, it could be transmitted with the corrections bill--or transmitted earlier, with the expectation that Congress will act quickly on the corrections bill.

3. DOT has heard that there is an internal Congressional deadline of TODAY for identification of errors to be addressed in the corrections bill.

Message Sent

To:

David E. Tornquist/OMB/EOP@EOP

Kenneth L. Schwartz/OMB/EOP@EOP

Mark J. Schwartz/OMB/EOP@EOP

David J. Worzala/OMB/EOP@EOP

Diane R. Montgomery/OMB/EOP@EOP

Kim C. Nakahara/OMB/EOP@EOP

James J. Jukes/OMB/EOP@EOP

James C. Murr/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kelly Skoloda (CN=Kelly Skoloda/OU=OA/O=EOP [OA])

CREATION DATE/TIME:27-MAY-1998 12:00:45.00

SUBJECT: Re: Welfare Reform Web Site

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I've added the new accomplishments document to the Welfare page. I believe the formatting is the same as it was on the previous accomplishments document. -- I was supposed to replace the old with the new, right? Please review the text. Let me know if you see any problems, otherwise, I'll plan on releasing the changes at 2. Is this right?

[athena/WH/Welfare/Accomp.html](#)

Kelly
56593

----- Forwarded by Kelly Skoloda/OA/EOP on 05/27/98 11:57 AM -----

Andrea Kane
05/26/98 10:05:54 PM
Record Type: Record

To: Kelly Skoloda/OA/EOP
cc: Chandler G. Spaulding/WHO/EOP
bcc:
Subject: Re: Welfare Reform Web Site

Everything looks good up on Athena. Here is accomplishments document--to be posted at 2 pm.
I'll be at another event from 8:45 til 9:30--page me if anything urgent.

Kelly Skoloda

05/26/98 02:36:26 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Chandler G. Spaulding/WHO/EOP
Subject: Re: Welfare Reform Web Site

I've put the changes into production. Please let me know if you see any problems. I'm not sure how late I'll be here today, but whenever you have the corrections to Accomplishments, just send them over. 2pm tomorrow is no problem for the revised accomplishments. Let me know if there is anything else.

Kelly
56593

----- Forwarded by Kelly Skoloda/OA/EOP on 05/26/98 02:34 PM -----

Andrea Kane
05/26/98 01:56:57 PM
Record Type: Record

To: Kelly Skoloda/OA/EOP
cc: Chandler G. Spaulding/WHO/EOP
bcc:
Subject: Re: Welfare Reform Web Site

I can't look at this until after 5:30. I'd say go ahead and put into production, I'll look this evening and if any changes I'll let you know. My guess is it's fine. I'll get you Accomplishments document late today. Thanks

Kelly Skoloda

05/26/98 01:56:45 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Chandler G. Spaulding/WHO/EOP
Subject: Welfare Reform Web Site

Andrea,

I believe I have completed the requested corrections. Please review them for their accuracy. I have removed the link to the Accomplishments document. I will put the link back onto the Welfare page on athena, our development box, after the initial updates are put into production, onto the live servers. Please let me know if there are any further corrections to the Welfare Reform page, otherwise please send your production approval. Let me know if you have any questions.

athena/WH/Welfare

Thanks,
Kelly
56593

----- Forwarded by Kelly Skoloda/OA/EOP on 05/26/98 01:53
PM -----

Andrea Kane
05/25/98 08:11:55 PM
Record Type: Record

To: Chandler G. Spaulding/WHO/EOP, Kelly Skoloda/OA/EOP
cc: Cynthia A. Rice/OPD/EOP
Subject: Welfare Reform Web Site

I've reviewed the changes and they look great. (Cynthia, if you want to take a look, check out <http://athena.whitehouse.gov/WH/Welfare>) Just some minor things that need to be changed:

Under Information by Topic Area, paragraph on transportation, revise 1st sentence as follows "The Administration has proposed a \$600 million welfare-to-work transportation initiative called Access to Jobs as part of the reauthorization of ISTEA."

Next paragraph on housing, "welfare-to-work housing vouchers" should be bold. Also correct spelling of housine (probably want to do spell check on whole thing--I did not review for this).

Next paragraph on SBA, "small businesses" should be bold.

In paragraph on Teen Pregnancy Prevention, ACF's Welfare Reform Page should be underlined and a hot link (to same place as in 1st and 2nd paragraphs under Topic Areas). Eliminate extra space in P resident in last sentence of this paragraph.

Under Departmental Welfare Pages, Change title to "Departmental Welfare Reform Pages".

In 2nd Departmental link, eliminate "Effect on" so it just reads "U.S. Department of Health and Human Services -- Medicaid"

I will have a number of edits/changes on the Accomplishments document I'll get you by end of the day tomorrow. One cosmetic change--is there a way to get the 1st line of title "Clinton-Gore Accomplishments" all on one line? At least when I print it, Accomplishments rolls to 2nd line which looks a little weird. Maybe use smaller font? Because the changes I'll give you for Accomplishments document include announcements for 5/27, I'd suggest we put everything except the Accomplishments document up on Tuesday night, and put that up at 2 pm Wed after the event is over. Since we don't have one up now, it doesn't make much sense to put up an old one than immediately replace with a new one.

Thanks a lot

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D32]MAIL431153741.126 to ASCII,
The following is a HEX DUMP:

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

CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, announced May 27th, show that welfare caseloads fell by 5.2 million since President Clinton took office and *3.3 million since he signed the welfare reform law.* The new figures, from March 1998, show 8.9 million people on welfare, a drop of more than 37 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership has grown to 5,000 businesses within one year. In 1997 these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in 1998. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, the Partnership's Web site, a "Blueprint for Business" manual, and a new report called The Road to Retention on businesses whose retention rates for former welfare recipients are higher than the retention rates for other new hires.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients. In addition, SBA assists welfare recipients who wish to start their own businesses.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition focuses on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, the federal government has hired over 4,811 welfare recipients, 45 percent of its planned hires. As a part of this effort, the White House pledged, and has already hired, six welfare recipients.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities 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 and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis

to support innovative welfare to work projects. The President announced the first round of 49 innovative competitive grants on May 27th.

- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits for an additional year.
- **Welfare to Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare to Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to their jobs, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. This competitive grant program would assist states and localities in developing flexible transportation alternatives, such as van services. Congress has recognized the importance of welfare to work transportation by authorizing up to \$150 million annually in the ISTEA reauthorization bill.
-

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased due in large part to voluntary paternity establishment provisions enacted in the first year of the Clinton Administration. In 1997, the number of paternities established or acknowledged rose to 1.1 million from 512,000

in 1992, an increase of 115%.

Increasing Parental Responsibility: The President's unprecedented and sustained campaign to ensure parents financially support their children is working. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries, and taking steps to deny Federal loans to any delinquent parents. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act to increase penalties against parents who take egregious actions to avoid paying child support. And most significantly, the welfare reform law contains tough child support measures that President Clinton has long supported including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. It reported that HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. And now, with his 1999 budget, he's continuing the fight.

- **Protects Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants. The new law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA 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.

- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA) also restored \$1.5 billion in food stamp cuts. The welfare reform law 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 BBA provided funds 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. In addition, the BBA 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.
- **Food Stamps for Legal Immigrants:** The President's 1999 budget proposes to restore Food Stamp benefits for vulnerable groups of legal immigrants. The President's proposals would provide Food Stamp benefits to 730,000 legal immigrants in 1999 at a cost of \$2.5 billion over 5 years. Specifically, benefits would be restored for: all families with children; immigrants with disabilities and elderly immigrants age 65 and older who entered the U.S. before welfare reform was enacted, on the same basis as the SSI and Medicaid restorations in the 1997 BBA; refugees and asylees, whose eligibility would be extended from 5 to 7 years; Hmong immigrants who came to the U.S. after the Vietnam war; and certain Native Americans living along the Canadian and Mexican borders. The Administration is now pressing Congress to pass legislation known as the Agriculture Research bill, which would restore food stamps to 250,000 of these legal immigrants in 1999, including 75,000 children.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage. The President's 1999 budget proposes to provide States the option to provide health care coverage through Medicaid and the Children's Health Insurance Program (CHIP) for legal immigrant children, regardless of when they entered the U.S.

5/27/98

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:27-MAY-1998 08:21:09.00

SUBJECT: Re: ARE YOU ATTENDING THIS? State and Local Elected Mobilization/ISTEA and Tobacco Message Amplification

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

READ:UNKNOWN

TEXT:

i'm attending.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:27-MAY-1998 20:21:08.00

SUBJECT: Re: VP and student loan interest rate

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

READ:UNKNOWN

TEXT:

I think that makes more sense than trying to pull it out of any ISTEA bill signing ceremony -- if we do one of those at all.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-MAY-1998 17:08:57.00

SUBJECT: Re: Signing of ISTE A

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

READ:UNKNOWN

TEXT:

I think it's fine to ask DOT, but I don't want to get them too excited about the prospect of doing it on the road. I think it is much more likely that we will do the bill signing here. Please let me know what they think. Thanks.

Dorothy Robyn
05/28/98 04:43:47 PM
Record Type: Record

To: Jennifer M. Palmieri/WHO/EOP

cc:

Subject: Re: Signing of ISTE A

Do you mind if I ask DOT? Signing it in TX might allow us to hype the border infrastructure/trade corridor program, which is one of the good things about the bill. Nothing comes to mind about Cleveland, unless they cld use ISTE A money to deal w. the problems created by the railroad problem, as reported in yesterday's paper (Cleveland was unsuccessful in getting the Surface Trans. Board, in DOT, to require one of the big railroads to reroute traffic, so that it won't go thru the poor part of town; this has to do w. the breaking up of Conrail between CSX and Norfolk Southern, which will send more traffic thru Cleveland).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-MAY-1998 17:08:57.00

SUBJECT: Re: Signing of ISTEA

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

READ:UNKNOWN

TEXT:

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Dorothy Robyn
05/28/98 04:43:47 PM
Record Type: Record

To: Jennifer M. Palmieri/WHO/EOP

cc:

Subject: Re: Signing of ISTEA

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-MAY-1998 16:35:56.00

SUBJECT: Signing of ISTEA

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

READ:UNKNOWN

TEXT:

As you probably know, we have the highway bill. I expect we will end up signing it here at the White House on June 9. However, Podesta, Craig Smith, McCurry and others wanted to also consider signing it on the road. We are going to be in Houston, Dallas and Cleveland on June 2 and 3. From a policy perspective, are there any good reasons to sign the bill in anyone of these cities? thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-JUN-1998 11:57:22.00

SUBJECT: Re: ISTEА signing

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

FYI on ISTEА.

----- Forwarded by Jake Siewert/OPD/EOP on 06/01/98 11:57 AM -----

Jennifer M. Palmieri
06/01/98 11:48:28 AM
Record Type: Record

To: Dorothy Robyn/OPD/EOP
cc: Stacie Spector/WHO/EOP, Jake Siewert/OPD/EOP
bcc:
Subject: Re: ISTEА signing

We are probably going to sign the bill in DC on June 9. That date is just tentative for now, though. We will have a meeting in Ann Lewis' office early this week to discuss options for the signing ceremony.

Because the Korean State Visit is also on June 9, it is unlikely that we will be able to use the East Room or Rose Garden for the ceremony. Therefore, we need to consider off-site locations for the ceremony.

Do you have any recommendations for sites in the DC area that would make sense for a signing -- Wilson Bridge is probably a bad idea, but is there another project we could consider using as an event site?

thanks.

Dorothy Robyn
06/01/98 10:18:43 AM
Record Type: Record

To: Jennifer M. Palmieri/WHO/EOP
cc:
Subject: ISTEА signing

what's the latest? DOT is inquiring.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Anil Kakani (CN=Anil Kakani/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 2-JUN-1998 16:04:31.00

SUBJECT: Re: ISTEa cap on SSBG transfer

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TEXT:

I'll fax the language over. While I understand there were discussions to reduce the total TANF transferrable amounts to 24.25%, they did not in the end include such language. As a result, states could transfer more to child care. We have not yet scored the bill. CBO did not fully score the savings because of the likely increase in TANF transfer to child care, b/c the 24.25% language was not included.

Andrea Kane

06/02/98 03:06:33 PM

Record Type: Record

To: Anil Kakani/OMB/EOP@EOP, Kim C. Nakahara/OMB/EOP@EOP

cc: Cynthia A. Rice/OPD/EOP@EOP

Subject: ISTEa cap on SSBG transfer

Can one of you please get me a copy of the language that reduces the amount of transfer allowed from TANF to SSBG from 10% to 4.25%? Anil, does this then reduce the total amount allowed to be transferred from 30% to 25.75% or does it mean that more could get transferred to child care? Also, if there is paper on how this is scored and what amount of offset it generates, we'd like to see that too.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-JUN-1998 18:31:57.00

SUBJECT: 745

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Some of the stuff in the memo is quite dated.

Shireman's ISTE A entry is old and can be canned

Move MIT up and add some detail about what Gene needs to accomplish

Move CFTC way up towards the top

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-JUN-1998 18:42:50.00

SUBJECT: 7:45

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

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

TEXT:
Jon ??

House Budget Resolution

Jon O. and Chuck sat down with Konigsberg and Ricci to discuss OMB exercise on Kasich budget. OMB has agreed to do an across-the-board exercise that includes the fact that ISTEA has passed at levels above the Kasich budget. OMB will shoot to complete by end of week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 12:22:12.00

SUBJECT: Suggested Edits to the DOT Signing Statement (First Part of It)

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I strongly agree; what's your view?

----- Forwarded by Dorothy Robyn/OPD/EOP on 06/03/98
12:21 PM -----

Mark J. Schwartz

06/03/98 11:48:38 AM

Record Type: Record

To: Dorothy Robyn/OPD/EOP, Jeffrey A. Forbes/WHO/EOP

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

Subject: Suggested Edits to the DOT Signing Statement (First Part of It)

I have attached Ken's e-mail. His thinking, which I share, is that we should resist DOT attempts to make the signing statement extremely positive - more so than the current version. In light of the President's statement on May 22 that there are a number of things in the bill which we do not like, and our concern that after the love affair with the bill dies down, we will get barraged with stories about the demo projects ("President signs on to Pork") we think the slightly less enthusiastic approach is the way to go. Do you agree? Disagree? Thanks.

----- Forwarded by Mark J. Schwartz/OMB/EOP on 06/03/98
11:43 AM -----

Kenneth L. Schwartz

06/03/98 08:20:24 AM

Record Type: Record

To: Michael Deich/OMB/EOP@EOP, James J. Jukes/OMB/EOP@EOP

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

Subject: Suggested Edits to the DOT Signing Statement (First Part of It)

Overall, I think the DOT draft signing statement is good. However, I would temper DOT's enthusiasm for the bill. Below is my rewrite of the first three paragraphs, for your reading pleasure.

"Today I am signing into law H.R. 2400, the 'Transportation Equity Act for the 21st Century.' This comprehensive legislation for our surface transportation programs -- highway, highway safety, and transit -- retains the core programs and builds on the initiatives established in the landmark Intermodal Transportation Efficiency Act of 1991. It constitutes a significant fulfillment of this Administration's pledge to 'build a bridge to the 21st Century.'

This important law achieves our primary surface transportation goals, while preserving the budget surplus for Social Security first, and funds a record level of surface transportation investment without undermining key Administration funding priorities for the environment, child care and education. The law does not take the Trust Fund 'off budget,' as some had proposed. Rather, it includes a new budget treatment for surface transportation programs, ensuring that transportation authorizations for select accounts may not be reduced in order to increase spending for non-transportation purposes. I support this change.

While I am pleased to sign this important legislation, I am not pleased with all the provisions contained within it. For example, the bill includes far too many special interest highway projects, added by Democrats and Republicans alike. I would have strongly preferred a 'cleaner' bill, with funds provided to the States for projects of their choosing. I also would have preferred a stronger program to ensure that the Government has technology in place to expedite cross-border traffic, while at the same time ensuring that contraband, including illegal drugs, does not slip through. I hope that Congress will amend the law to provide additional funds for this purpose within sums authorized. Finally, I am disappointed that the bill fails to make 0.08 percent blood alcohol concentration the Nation's standard for drunk driving, even though the law does contain a number of drunk driving prevention measures that will keep impaired drivers off our roads. Most notably, one of the law's strong safety provisions is a new \$500 million program to encourage States to adopt tough 0.08 laws. I am also pleased that the law adopts two complementary incentive programs -- a \$500 million program to encourage States to increase seat belt usage and a \$83 million program that targets specific laws and programs to aid States in their efforts to increase child safety seat use.

Blah, blah...as included in the DOT draft statement. However, in the transit paragraph, strike the DOT first sentence in preference for the following narrative: "The bill provides for substantial increases for transit assistance to large and small cities alike."

Message Copied

To:

Mark J. Schwartz/OMB/EOP@EOP

David J. Worzala/OMB/EOP@EOP

Diane R. Montgomery/OMB/EOP@EOP

Kim C. Nakahara/OMB/EOP@EOP

Charles E. Kieffer/OMB/EOP@EOP

Message Copied

To:

Michael Deich/OMB/EOP

Kenneth L. Schwartz/OMB/EOP

David J. Worzala/OMB/EOP

Kim C. Nakahara/OMB/EOP

Diane R. Montgomery/OMB/EOP

James J. Jukes/OMB/EOP

James A. Brown/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 15:05:08.00

SUBJECT: Re: GS Briefing Book

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

For 7:45:

Interest Rate Announcement: ED is prepared to announce the new, low rate that borrowers will pay on student loans. There may also be an announcement ready on the ability of millions of current borrowers to refinance at the new rate. Should these be considered for POTUS or the VP? (Both Shireman and Abernathy think that it is appropriate for us to take credit for the low student rate that we proposed even though we do not support the bank subsidies). This implements the temporary rate in the ISTEA bill, so it probably makes sense to announce after that bill is signed.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 19:15:46.00

SUBJECT: Re: Backdrop for ISTE A Signing

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

It sounds like something Herbert Hoover might have said. How about my old favorite, "The Road to Hell is Paved with Good Intentions."

Jake Siewert

06/03/98 07:10:57 PM

Record Type: Record

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

cc: Melissa G. Green/OPD/EOP

Subject: Backdrop for ISTE A Signing

DOT suggests "Preserving and Expanding Our Prosperity for All Americans."

This is a line the President has used that Rodney likes b/c it covers the jobs-economic growth message, welfare to work, the affirmative action (DBE) piece, etc. I suppose we could shorten to "Expanding Prosperity for All Americans." Let me know what you think. As always, backdrop designers have long lead times.

Message Sent

To: _____

Stacie Spector/WHO/EOP

Paul E. Begala/WHO/EOP

Dorothy Robyn/OPD/EOP

Jonathan A. Kaplan/OPD/EOP

Jennifer M. Palmieri/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 15:26:22.00

SUBJECT: 745am memo

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Updates.....

House Budget Resolution: Jon O. and Chuck sat down with Konigsberg and Ricci to discuss OMB exercise on Kasich budget. OMB has agreed to do an across-the-board exercise that includes the fact that ISTEA has passed at levels above the Kasich budget. OMB will shoot to complete by end of week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 17:19:49.00

SUBJECT: 7:45

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

House Budget Resolution

According to House Budget Committee Dem staff, the Rules Committee is planning to consider rule for resolution later tonight (Wednesday) with possible floor action Thursday or Friday. However, it is still very unclear that the leadership/Kasich have the votes. In afternoon Congressdaily, Republican moderates are claiming as many as 40 votes against the Kasich plan. Castle says that there has been no attempt to bridge differences and that, if anything, moderates' views hardened over recess.

The Blue Dogs intend to offer an alternative that is a modification of the Senate Republican budget. It is updated to include ISTEA and the farm research bill. Its discretionary assumptions are very similar to Domenici (and obviously below our budget because they do not expand box). The Blue Dogs do take Domenici transportation reserve fund (moot now) and turn it into a general mandatory reserve funds, citing the offsets (about \$3.5 billion) that were not used to fund highways as possible sources of funds for mandatory investments (this seems to be a small nod to our mandatory investments). They would include strong save Social Security language, even saying that any surplus should go to fund transition costs. (see paper attached)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 16:38:45.00

SUBJECT: Re: HEA/Secy Letter on Senate HEA/LC

TO: Pauline_Abernathy (Pauline_Abernathy @ ed.gov (Pauline Abernathy) [UNKNOWN])

READ:UNKNOWN

CC: Maureen_McLaughlin (Maureen_McLaughlin @ ed.gov @ inet [UNKNOWN])

READ:UNKNOWN

CC: Kristi_Kimball (Kristi_Kimball @ ed.gov @ inet [UNKNOWN])

READ:UNKNOWN

Barry White (CN=Barry White/OU=OMB/O=EOP [OMB])

READ:UNKNOWN

Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

We definitely should NOT make any announcement about the new interest rate until after ISTEAs is signed. Let me know if that creates any problem.

On the DL consolidation issue: Can we get an options paper with some pluses and minuses and costing of proposals? My view is that if we are proposing or strongly suggesting T+2.3 in both DL and FFEL, then we have to eliminate the 105 bp fee that we charge lenders. (I don't think we can fudge it by saying we'll work it out with Congress.) It would be good to have something to look at this weekend, or at least before Tuesday morning's meeting in Barbara's office.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 4-JUN-1998 17:47:46.00

SUBJECT: Re: ISTE A BILL SIGNING

TO: Anne E. McGuire (CN=Anne E. McGuire/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I understand. given the earlier email I forwarded from Ilia, it may be that OPL won't have room for DOT's groups/constituents since they seem to have filled all their slots already. Hopefully they'll indicate which are very important and hopefully we'll find room for them. It would be great if I could get a copy of the list of groups so I can see which of those related to Access to Jobs are included. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-JUN-1998 10:11:55.00

SUBJECT: Re: Backdrop for ISTE A Signing

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I like workers on stage but too much emphasis on jobs could make the pork argument -- so I'd rather the backdrop read BUILDING A STRONG AMERICA with the visual suggestions you made --

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 4-JUN-1998 09:00:21.00

SUBJECT: Re: Backdrop for ISTE A Signing

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

READ:UNKNOWN

TEXT:

There's some good stuff in there on welfare to work, affirmative action, transit, and environment. But, the affirmative action program and transit are essentially a targeted messages for groups and cities, it also includes an environmental rider that the green groups hate, so the message is probably best focused on jobs and building a better infrastructure for our economy.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-JUN-1998 15:07:34.00

SUBJECT: TANF and SSBG Cuts

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Emil , can you forward me the piece re: SSBG reductions in ISTEA? Were you involved in this?

----- Forwarded by Andrea Kane/OPD/EOP on 06/05/98 03:11 PM -----

From: Matthew McKearn on 06/05/98 01:34:55 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

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

Subject: TANF and SSBG Cuts

Barry White forwarded your message asking for information on reductions to SSBG. Attached below is a brief narrative on recent funding proposals. I've also attached a Q&A prepared at the time of the release of the President's FY 1999 Budget.

You may want to try and get a copy of a piece that the NEC prepared for the transportation bill. We reviewed a draft that Emil Parker prepared, but I don't have a copy of the final version. Give me a call if you have any questions (5-7760). Thanks.

FY 1999 Budget Q&A

Recent Social Security Block Grant Funding History

In FY 1996, PRWORA enacted a five-year \$2.1 billion reduction in Title XX of the Social Security Act (SSBG). The Act reduced mandatory SSBG funding from \$2.8 billion to \$2.38 billion in each of FYs 1999 - 2002. In FY2003 and subsequent years, SSBG was funded at a level of \$2.8 billion. In FY 1998 both the House and Senate separately passed appropriation bills that reduced SSBG by \$135 through discretionary action. The final FY 1988 Labor/HHS Appropriation Act funded SSBG at a level of \$2,299 million, an

\$81 million reduction from the authorized level.

The President's FY99 Budget proposes the following five year SSBG cuts (\$millions):

	1999	2000	2001	2002	2003	99-03
BA	-471	-485	-566	-620	-1,040	-3,182
OT	-424	-484	-558	-615	-998	-3,079

Because TANF law allows states to transfer up to 10% of their annual TANF block grants to SSBG, when CBO scored the President's Budget, it assumed increases in TANF outlays resulting from the SSBG cuts as follows:

	1999	2000	2001	2002	2003	99-03
BA	0	0	0	0	0	0
OT	190	170	160	120	160	800

CBO scoring, therefore, reduces the five year savings by \$800 million. Following is the year by year breakdown of total savings under the proposed SSBG cuts:

	1999	2000	2001	2002	2003	99-03
BA	-471	-485	-566	-620	-1,040	-3,182
OT	-234	-314	-398	-495	-838	-2,279

The Transportation Equity Act for the 21st Century ("TEA-21") (1) amends Title XX of the Social Security Act to restore the FY 1998 SSBG appropriation cut of \$81 million, and reduce funding levels from \$2.8 billion to \$1.7 billion for each of FYs 2001 and 2002, and (2) beginning in FY 2001, would lower from no more than 10 percent, to no more than 4.25 percent, the portion of the TANF grant that States may transfer to SSBG.

CBO estimates (preliminarily) that the SSBG cuts alone would reduce SSBG outlays by \$2.355 billion from FY 2001 to FY 2003, however, states would transfer \$565 million from TANF to SSBG. CBO estimates that the cap on TANF transfers would reduce the amount transferred by \$470 million resulting in net savings of \$2.260 billion from FYs 2001 - 2003.

The President's Budget did not assume TANF transfers to SSBG, similarly we do not assume transfers in the transportation bill. The preliminary OMB savings estimate is \$2.3 billion for FYs 1998 - 2003.

Message Copied

To: _____
Barry White/OMB/EOP
Jack A. Smalligan/OMB/EOP
Jeffrey A. Farkas/OMB/EOP
Anil Kakani/OMB/EOP
Edwin Lau/OMB/EOP
Jennifer Friedman/OMB/EOP
Emil E. Parker/OPD/EOP

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D63]MAIL46127555D.126 to ASCII,
The following is a HEX DUMP:

===== END ATTACHMENT I =====

SOCIAL SERVICES BLOCK GRANT (SSBG)

Question: Won't the Administration's proposal to cut funding for the Social Services Block Grant lead to cuts in local social service programs that will hurt low-income individuals?

Answer: No. While the Administration's proposes to reduce funding for SSBG, the Budget also vastly increases funding for the primary programs that SSBG supports.

In reducing SSBG funding from the President's request in FY 1998, the Congress cited two reasons: 1) there is no information on the effectiveness of SSBG-funded activities; and 2) the Federal government provides a wide range of targeted programs that overlap with the services that can be supported by SSBG. The President's Budget targets increased funding to these higher priority programs with a demonstrated history of success, like Head Start and child care, rather than SSBG.

In 1995, States expended 14.4% of total SSBG funds on child care, the largest single component of SSBG expenditures. The FY 1999 Budget proposes a \$21 billion increase in funding for child care and Head Start over the next 5 years. States are allowed to shift up to 10% of their TANF grant to SSBG.

Additional: In FY 1996 Congress enacted a five year \$2.1 billion reduction in SSBG. In FY 1998 both the House and Senate proposed an additional \$135 million reduction in SSBG. The enacted level of \$2,299 million is an \$81 million reduction from the authorized level.

Background: In FY 1995 States reported spending 10% or more of SSBG funds on the following services or activities: children's day care (14.4%); administrative costs (12.2%); protective services--children (10.7%); home based services (10.4%); foster care services (10.1%).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-JUN-1998 09:47:15.00

SUBJECT: when the President signs the ISTEA bill

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

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

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

TEXT:

From Moseley-Braun's staff, urging a school construction link. (Melissa, Jake and I need to talk with Gene about this issue).

----- Forwarded by Robert M. Shireman/OPD/EOP on 06/05/98
09:45 AM -----

Steve_Collens @ moseley-braun.senate.gov
06/04/98 06:27:00 PM

Record Type: Record

To: Robert M. Shireman

cc:

Subject: when the President signs the ISTEA bill

In his remarks at the Rachel Carson school in April, the President said the following:

"Last week Congress passed billions of dollars for new roads, new bridges, and other public works. I believe that we should have a good road program. I believe that unsafe bridges should be repaired. I believe that the city streets ought to be in good shape. I believe that mass transit should be adequately funded. But I believe none of that will matter very much if we let the education system come crumbling down around our children.

"I want these kids to be able to get on the subway in New York or the Dan Ryan expressway in Chicago, and be able to afford the ticket or afford a car, and be going to a job where they can earn a good living because they've got a good education. You can't just have one kind of investment.

Do you think the President could say something similar as he signs the

ISTEA bill -- something like, "The Congress has not finished its work on our nation's infrastructure. The Congress must enact legislation to rebuild and modernize our nation's school buildings. None of the investments we are making today in our roads, bridges, and mass transit systems will matter very much if we let our education system come crumbling down around our children."

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

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
id <01IXUMLTCM6800CDI3@PMDf.EOP.GOV> for shireman_r@a1.eop.gov; Thu,
4 Jun 1998 19:50:16 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IXUMLR76R400DQXD@PMDf.EOP.GOV> for shireman_r@a1.eop.gov;
Thu, 04 Jun 1998 19:50:13 -0400 (EDT)

Received: from MAILSENT.senate.gov ([199.95.76.9])
by STORM.EOP.GOV (PMDF V5.1-10 #22921)
with ESMTP id <01IXUML2II4I00115Q@STORM.EOP.GOV> for shireman_r@a1.eop.gov;
Thu, 04 Jun 1998 19:49:39 -0400 (EDT)

Received: from mailexc2.senate.gov by MAILSENT.senate.gov; (8.8.2/SCO5)
id SAA23151; Thu, 04 Jun 1998 18:28:11 -0400 (EDT)

Received: from ccMail by mailexc2.senate.gov
(IMA Internet Exchange 2.11 Enterprise) id 005E4D3D; Thu,
04 Jun 1998 18:29:08 -0400

Content-description: cc:Mail note part

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-JUN-1998 10:05:49.00

SUBJECT: One Idea for ISTEA Signing

TO: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Excerpt from POTUS remarks last month. We might want to say something similar at ISTEA signing:

"Last week Congress passed billions of dollars for new roads, new bridges, and other public works. I believe that we should have a good road program. I believe that unsafe bridges should be repaired. I believe that the city streets ought to be in good shape. I believe that mass transit should be adequately funded. But I believe none of that will matter very much if we let the education system come crumbling down around our children.

"I want these kids to be able to get on the subway in New York or the Dan Ryan expressway in Chicago, and be able to afford the ticket or afford a car, and be going to a job where they can earn a good living because they've got a good education. You can't just have one kind of investment.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-JUN-1998 18:04:12.00

SUBJECT: ISTEa list

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

READ:UNKNOWN

TEXT:

I am collecting names and inviting folks from CEQ, OPL, & DOT. Right now we are at our Max. # allotted. Jackie Gillian was on DOT's original list, however, b/c of limited space she was not in their top 30 list. Let me know if you have any questions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 15:17:07.00

SUBJECT: Re: ISTEA Reauthorization Bill

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Thanks. No real space constraints, but I think the reason we state that problem is that most people don't immediately understand what welfare has to do with transportation. Good soundbite, maybe the President should steal it.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 15:05:34.00

SUBJECT: Re: ISTEA Reauthorization Bill

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I was suggesting deleting, "One of the biggest barriers...." but only if you need to shorten it from what you had in the 5/22 document. It just seemed like on the other issues we didn't state the problem then what the bill does. Otherwise, the sentence is fine. The soundbite we used for the 5/7 Access to Jobs event paper, and that Slater may include in his remarks, is "You can't go to work if you can't get to work"-- you may want to work that in.

Helps Move People from Welfare to Work. One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. To help those moving from welfare to work on welfare get to their jobs, the highway-transit agreement authorizes \$900 million over the next six years for President Clinton's welfare-to-work transportation plan. Of the \$150 million per year, \$50 million is guaranteed in FY99, rising to the full \$150 million per year guaranteed in FY2003.

Jake Siewert

06/08/98 02:51:10 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:

Subject: Re: ISTEA Reauthorization Bill

Which first sentence would you delete?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 18:27:08.00

SUBJECT: edits on ISTEA bill signing remarks

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

...

For LESS THAN one-tenth** the cost of this transportation bill, we can HELP ensure that all our children will be able to learn in safe, modern, well-equipped schools.

I want our students to be able to get on the subway in New York or the Dan Ryan expressway in Chicago and to know they're on their way to earning a good living because they're getting a good education. You can't just have one kind of investment. To build our nation's future, we must invest in our children's minds as well as our nation's roads. That's the way we'll live up to our full promise in the 21st Century.

**The amount of bonds we propose is one-tenth -- \$22 billion -- but our cost of subsidizing those bonds is much less.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 14:54:36.00

SUBJECT: Re: ISTEA Reauthorization Bill

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Which first sentence would you delete?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUN-1998 18:52:28.00

SUBJECT: ISTE A

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

READ:UNKNOWN

TEXT:

I just talked to Stacie who wants you to read these letters to the editor
from the perspective of that we could take a hit for the amount of money
being spent. thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 14:52:00.00

SUBJECT: Re: ISTEА Reauthorization Bill

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Thanks for the edit. I'll take noth distinctions, and I don't think we need to make the distinction on Specter here -- though we should concede if questioned.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 18:54:19.00

SUBJECT: Re: edits on ISTEA bill signing remarks

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

READ:UNKNOWN

TEXT:

Also, the transportation bill is over 6 years, while the sschool
construction bill is over 10 -- I believe.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUN-1998 14:54:44.00

SUBJECT: Re: ISTEА Reauthorization Bill

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Ok. Can you make sure I'm on the list for distribution of the final document? Also, are you also pulling together the Q&As? Just want to make sure the one I sent earlier gets to the right place. thanks.

Jake Siewert

06/08/98 02:48:34 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:

Subject: Re: ISTEА Reauthorization Bill

Thanks for the edit. I'll take noth distinctions, and I don't think we need to make the distinction on Specter here -- though we should concede if questioned.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUN-1998 12:03:14.00

SUBJECT: ISTEa background

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Hi, I need some paper on ISTEa. I'm trying to pull together some sample op-ed pieces/letters to the editor for IGA to distribute to mayors to highlight in their local papers. Do you have any press releases or any background paper on the bill? Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 09:45:51.00

SUBJECT: Re: edits on ISTEA bill signing remarks

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Depends on how you look at it. The value of the bonds are \$22 billion, authorized over TWO years. They are repaid over 15 years. The five-year cost is \$5 billion, the 10-year cost is \$11 billion. The full cost (either cash or net present value) is not estimated, though NPV is probably around \$11 billion.

Jake Siewert
06/08/98 06:50:51 PM
Record Type: Record

To: Robert M. Shireman/OPD/EOP

cc:

Subject: Re: edits on ISTEA bill signing remarks

Also, the transportation bill is over 6 years, while the sschool construction bill is over 10 -- I believe.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])

CREATION DATE/TIME: 9-JUN-1998 10:42:44.00

SUBJECT: Interest Rates Press Release

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

READ:UNKNOWN

CC: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])

READ:UNKNOWN

TEXT:

Bob,

I sent a new set of edits to our Public Affairs staff last night.
I'll work with them now to revise the statement before the meeting
this afternoon.

FYI -- As of right now, the statement is silent on consolidation
loans. But we're using the following standard answer for press
questions on consolidation.

"The ISTEA bill states that its provisions do not apply to loan
consolidation. Our Budget and CBO assumed that the Direct Loan
Consolidation rate will decline on July first and this is an issue we
will be discussing with Congress."

(Please send back edits if you have any objections.)

Kristi

Reply Separator

Subject: Re:

Author: Robert_M._Shireman@opd.eop.gov at Internet Date: 6/9/98 9:48 AM

Will we be able to review the statement (and especially what it says on
consolidation loans) at the meeting this afternoon?

(Embedded

image moved Kristi_Kimball @ ed.gov (Kristi Kimball)

to file: 06/08/98 07:31:14 PM

PIC22865.PCX)

Record Type: Record

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

cc:

Subject:

Just wanted to make sure everyone knows that we are planning to release the interest rate press statement on Wednesday, June 10th, not tomorrow (Tues). (This is the combined judgement call from Pauline, David and Bob.)
Kristi

Message Sent

To: _____

Stephanie_Babyak @ ed.gov (Stephanie Babyak)
Jane_Glickman @ ed.gov (Jane Glickman)
Pauline_Abernathy @ ed.gov (Pauline Abernathy)
David_Frank @ ed.gov (David Frank)
Jon_Oberg @ ed.gov (Jon Oberg)
Robert M. Shireman/OPD/EOP
Dan_Madzellan @ ed.gov (Dan Madzellan)

This email message and attachments have been scanned and found to be free of all known viruses.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-JUN-1998 10:51:47.00

SUBJECT: state-by-state breakdown

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

READ:UNKNOWN

TEXT:

Is there a state-by-state breakdown of the amount of money that each state is going to receive under ISTEA? If so, will it be released today?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Joseph C. Fanaroff (CN=Joseph C. Fanaroff/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-JUN-1998 08:53:41.00

SUBJECT: ISTE A

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Dorothy Robyn e-mailed me and said you have done a 2 pager on ISTE A. Can you forward that to me? Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 15:55:39.00

SUBJECT: ISTEa talking points--one more version

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

READ:UNKNOWN

TEXT:

This version, which is what just went to the press office, has the minor edits I'd submitted (not a smooth process).

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D23]MAIL45394406H.126 to ASCII,
The following is a HEX DUMP:

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

**AN HISTORIC INVESTMENT IN INFRASTRUCTURE WHILE MAINTAINING FISCAL
DISCIPLINE AND PROTECTING OTHER CRITICAL INVESTMENTS**

June 9, 1998

Today, President Clinton will sign an ISTEA Reauthorization Bill That Includes An Historic Investment in Infrastructure While Maintaining Fiscal Discipline and Protecting Critical Investments, Such As Education, the Environment, and Health Care. *While providing an historic investment in our infrastructure, the agreement maintains President Clinton's priorities of reserving the surplus until Social Security is reformed and investing in critical areas such as education, the environment, and health care. In response to the concerns the Administration raised, Congress improved the bill and the agreement now represents a solid compromise that is consistent with President Clinton's core principles:*

✓**Strengthens Our Infrastructure.** The agreement guarantees nearly \$200 billion to continue rebuilding America's transportation system -- *an approximately 30-percent increase over the 1991 ISTEA reauthorization.* This agreement will help communities modernize and build the roads, bridges, transit systems, and railways that link the people of our great and vast country together, that keep our economy strong and vibrant.

✓**Maintains Fiscal Discipline.** The agreement reduces the amount of additional transportation funding by \$17 billion from the spending levels that were included in the original Congressional bills even though those bills had passed the House and Senate by large majorities.

✓**Preserves Surplus Until Social Security Is Reformed.** *Unlike the original Congressional bills, the compromise is fully paid for with real offsets. And because the agreement does not touch the surplus, it is fully consistent with the President's call to "Save Social Security First."*

✓**Protects Critical Investments in Our Future.** *Unlike the original Congressional bills, the transportation agreement does not squeeze other critical investments in our future, such as education, health care, research and development, and the*

**THIS HIGHWAY-TRANSIT BILL AGREEMENT ALSO REFLECTS PRESIDENT CLINTON'S
PRIORITIES BY:**

environment, because it is not financed by lowering the discretionary caps.

- ✓ **EXPANDING TRANSIT FUNDING**
- ✓ **PROTECTING THE ENVIRONMENT**
- ✓ **HELPING MOVE PEOPLE FROM WELFARE TO WORK**
- ✓ **HELPING DISADVANTAGED BUSINESSES**
- ✓ **EXTENDING THE ETHANOL TAX CREDIT**
- ✓ **STRENGTHENING BORDER INFRASTRUCTURE**

✓ *Expands Transit Funding Within A Smaller Bill.* While the agreement has less overall spending than the original Congressional bills, it increases the share of transit funding from 17 percent of total surface transportation spending to 20 percent of total spending by 2002.

✓ **Protects the Environment.** The highway-transit agreement strengthens proven strategies to protect public health and the environment by increasing funding for the Congestion Mitigation and Air Quality Improvement program by 40 percent above prior ISTEA levels.

✓ **Helps Move People from Welfare to Work.** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. To help those moving from welfare to work get to their jobs, the highway-transit agreement authorizes \$900 million over the next six years for President Clinton's welfare-to-work transportation plan. Of the \$150 million per year, \$50 million is guaranteed in FY99, rising to the full \$150 million per year guaranteed in FY2003.

✓ **Helps Disadvantaged Businesses.** The highway-transit agreement provides opportunities to disadvantaged businesses by retaining the Department of Transportation's Disadvantaged Business Enterprise (DBE) program.

✓ **Extends the Ethanol Tax Credit.** In order to provide incentives to use ethanol in gasoline and protect the environment, the highway-transit agreement extends the Ethanol Tax Credit through FY2007.

✓ **Strengthens Border Infrastructure.** The highway-transit agreement authorizes the Administration's program to target resources to border crossings to improve traffic flow and reduce illicit trade. The agreement allows highway funding to be used for Customs and INS equipment that speeds border crossings.

While the Agreement Provides Funding For Increased Safety, It Does Not Include A National Drunk Driving Standard of .08 BAC. The agreement includes a number of measures to increase safety, including incentive grants to increase seat-belt use and a strong program to make highway-rail grade crossings safer. Congress has also agreed to new provisions to target repeat drunk drivers and to ban open alcohol containers in cars. However, the President is disappointed that Congress refused to lower the national drunk driving standard to .08 percent blood alcohol content (BAC). The President will continue to work to make sure that .08 is the law in every state of the country.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 08:48:05.00

SUBJECT: Re: ISTE A

TO: Joseph C. Fanaroff (CN=Joseph C. Fanaroff/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

we have a two pager that jon orszag did two weeks ago and that Jake
siewert has revised slightly; jake cld e-mail it to you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Steve_Collens@moseley-braun.senate.gov (Steve Collens) (Steve_Collens@moseley-braun.senate.gov (Steve Collens) [UNKNOWN])

CREATION DATE/TIME:10-JUN-1998 11:54:46.00

SUBJECT: Re[2]: when the President signs the ISTEA bill

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

READ:UNKNOWN

TEXT:

I was there, and I (and CMB) were very happy about that! Thanks.

Do you know where I could find a copy of his whole statement from yesterday? I couldn't find it on the White House web site.

Reply Separator

Subject: Re: when the President signs the ISTEA bill
Author: Robert_M._Shireman@oa.eop.gov at internet
Date: 6/10/98 10:20 AM

Message Creation Date was at 10-JUN-1998 10:20:00

Here's what he said yesterday, if you didn't see it:

Let me finally say that now that we are honoring our commitment to build a 21st century transportation infrastructure, I hope that the bipartisan support I have already seen for a 21st century education infrastructure will result in a broad bipartisan bill there as well. For less than one-tenth of the cost of this bill and without spending a cent of the surplus, we can help to ensure that our children will be able to learn in safe, modern, well-equipped schools. (Applause.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUN-1998 10:57:32.00

SUBJECT: Student loan consolidation MEMO

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

FYI. While I think politically we shouldn't trot out a principal to highlight this, this likely action wouldn't be a bad leak to someone. Any thoughts?

(While last year's backlogs would be part of the story, there's the opportunity to get some digs into Congress: this is the second time their actions have backfired somewhat. When they passed the "emergency" last year in response to the backlog, instead of increasing student access to refinancing in the guarantee program, the largest consolidator -- Sallie Mae -- pulled out of the program. In the meantime, ED took care of the backlog and the problems that led to them. Now, the ISTEA provision in effect increases demand for direct loan refinancing, without addressing the problems in the guarantee program.)

----- Forwarded by Robert M. Shireman/OPD/EOP on 06/15/98
10:52 AM -----

Robert M. Shireman
06/13/98 01:33:04 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Sally Katzen/OPD/EOP
cc: Brian A. Barreto/OPD/EOP
Subject: Student loan consolidation MEMO

Gene should definitely read this before Monday a.m. If he is comfortable with the direction we're going, I don't need to talk to him. If he has questions, we need to talk.

A bullet on this should also appear in his 7:45 memo (just repeat the first and last paragraphs of the memo, and include the memo in his binder).

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

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D66]MAIL49503366D.126 to ASCII,
The following is a HEX DUMP:

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

June 13, 1998

MEMORANDUM FOR GENE SPERLING

FROM: Bob Shireman

SUBJECT: Decision on Interest Rate for Consolidation in Direct Lending

The student loan working group (NEC, OMB, Treasury, and Education) met today and we reached a tentative decision that the Secretary should set the rate for consolidating into direct lending (DL) at the *lowest* level (T-bill plus 2.3 percentage points) starting on July 1. That is 80 basis points less than the maximum rate in the guarantee (FFEL) program

You will recall some history on the issue of DL consolidation loans:

- After DL was expanded in the 1993 budget deal, the Administration considered an advertising campaign to encourage current FFEL borrowers to consolidate into DL to get a lower interest rate or improved repayment options. After considerable pressure from the industry and Congress, the advertising plans were scrapped.
- Last year, the Education Department got a black eye when its new contractor, EDS, needed to stop taking new applications because of a large backlog and numerous errors in processing. We took a beating in Congress and in the media. Congress passed a one-year "emergency" measure in the fall equalizing interest rates and benefits on FFEL consolidation loans with DL so that FFEL lenders could relieve the pressure. Sallie Mae-- at the time the largest FFEL consolidator -- pulled out because it said the new rate (combined with a fee lenders must pay the government) made the loans unprofitable. EDS has addressed the backlog and the problems that led to it.

The issue:

This issue arises because the ISTEA bill -- which fixed the interest rate problem for three months -- was *silent* on what the rate should be for consolidated loans. While *new* loans will have a repayment rate of T-bill plus 2.3 percentage points starting on July 1, under current law the rate for *FFEL consolidations* will remain at T-bill plus 3.1. The *DL* rate, however, is set by the Secretary, and has always been equal to the rate on new loans, which under the ISTEA bill will be T-bill plus 2.3 starting July 1 -- 80 basis points lower than FFEL.

There are a number of potential problems in moving to the low rate:

- Given that the low rate is available only in DL, and possibly only during the three-month window (after that is uncertain, depending on congressional action), there could be a flood of applicants, bringing back the stories of last year's embarrassing backlogs and errors in the consolidation process.
- Republicans will kick and scream, hurl accusations, and allege takeover conspiracies.

- They may have some Democratic allies.
- To match the low rate in FFEL, Republicans would have to find additional offsets, raising the possibility that the budget problems with the bill could get worse.

However, there are strong reasons to offer the lower rate:

- It helps former borrowers reduce their debt burden.
- The student groups, direct loan advocates, and at least some of the college associations are pressing hard for it. (The student groups have promised to publicly heap adulation on us).
- It is the best interpretation of congressional intent. (In addition, it comports with CBO's interpretation of current law, as reflected in cost estimates).
- By forcing this issue to be addressed by Congress, it provides leverage that may help us address the excess lender subsidies and perhaps other issues in the HEA reauthorization.
- This is the best way to get a low consolidation rate for the long term, in both programs, since it will be difficult for Congress to increase it once it is set. (Though we don't think that it would be as stuck downward as the rate on new loans).

The other option would be to leave the rate at T-bill plus 3.1. That would bring us scorn from the student groups but praise from no one. Overall it is the safer route, but it gains us nothing. Ultimately, the consensus was that the certain and potential benefits of moving to the low rate are worth the risks.

To reduce those risks, I have already received pledges from the student groups that if we adopt the low rate, and if that causes backlogs in the system and/or cause Republicans to retaliate, they will *aggressively* defend the Administration. We will ask the key Democrats for the same. Meanwhile, Education and EDS have prepared plans to handle increased demand over the short and long term.

On Monday we will review a draft letter to the congressional committees informing them of the plan and of our desire to work with them in the reauthorization to provide for the same low rate in both DL and FFEL (though lenders could theoretically offer the low rate, it would be unquestionably unprofitable). We will then set up Hill briefings with Democrats, probably Tuesday morning. If that goes smoothly, Republicans will be informed and the letter will be sent.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:17-JUN-1998 19:11:22.00

SUBJECT: McKeon message

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

READ:UNKNOWN

TO: pauline_abernathy (pauline_abernathy @ ed.gov @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

I would suggest a briefing as follows:

--We want the same low rate for consolidations in both programs.

--But given that Congress didn't address consolidations in the ISTE bill, the rate in DL is going to be lower starting July 1. (If questioned: That is because the policy in DL has always been to offer the same rate for DL consolidations as for new loans, and the CBO and OMB baselines assume that rate. The higher education groups have made it clear they expect us not to change that policy.)

--This creates a temporary differential with FFEL. That may lead to significant demand and FFEL lenders may feel threatened. In order to keep demand down:

--We will not promote the reduced rate. We will do only the minimal Federal Register notice.

--We will ask Congress to work with us to ensure that the same low rate will be provided in both programs. If there is an impression that this rate will be generally available for the long term, then there shouldn't be a rush into DL. So it would be helpful for you to join in that goal (which is different from the House-passed bill).

--At the same time, we will be preparing for some increased demand, and are taking steps to be prepared for that.

- Contractor capacity, short and longer term

- Efforts to inform students who have applied, or are interested in applying, with information about possible delays, etc.

- Other efforts to meet possible demand.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian_Siegel@ed.gov (Brian Siegel) (Brian_Siegel@ed.gov (Brian Siegel) [UNKNOWN])

CREATION DATE/TIME:18-JUN-1998 12:30:53.00

SUBJECT: Re[3]: draft fact sheet for mckee

TO: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])
READ:UNKNOWN

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

TO: James_Kvaal@ed.gov (James Kvaal) (James_Kvaal@ed.gov (James Kvaal) [UNKNOWN])
READ:UNKNOWN

CC: stack_k@a1.eop.gov (stack_k@a1.eop.gov [UNKNOWN]) (OMB)
READ:UNKNOWN

CC: Thomas_Kelley@ed.gov (Thomas Kelley) (Thomas_Kelley@ed.gov (Thomas Kelley) [UNKNOWN])
READ:UNKNOWN

CC: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

CC: Don_Feuerstein@ed.gov (Don Feuerstein) (Don_Feuerstein@ed.gov (Don Feuerstein) [UNKNOWN])
READ:UNKNOWN

CC: Daniel_Bernal@ed.gov (Daniel Bernal) (Daniel_Bernal@ed.gov (Daniel Bernal) [UNKNOWN])
READ:UNKNOWN

CC: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])
READ:UNKNOWN

CC: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

CC: Jean_Veta@ed.gov (Jean Veta) (Jean_Veta@ed.gov (Jean Veta) [UNKNOWN])
READ:UNKNOWN

CC: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])
READ:UNKNOWN

CC: Mike_Smith@ed.gov (Mike Smith) (Mike_Smith@ed.gov (Mike Smith) [UNKNOWN])
READ:UNKNOWN

TEXT:

Pauline -- its an overstatement to say that the transportation bill provisions explicitly do not apply to consolidation loans. The only

mention of consolidation loans in the bill is in the provision relating to the increased special allowance payments. That provision does not reference the interest rates themselves. It is more accurate to say that the transportation bill simply does not address consolidation loan interest rates -- it is silent on those rates in contrast to specifically providing interest rate formulas for all other loans.

Brian

Reply Separator

Subject: Re[2]: draft fact sheet for mckeeon
Author: Pauline Abernathy at WDCB01
Date: 6/18/98 10:28 AM

As usual, Bob's suggestion is great. I reordered it, corrected some typos Brian found, and added a quote from the highway bill (revised version attached). Brian pls correct me if this is not correct, but my understanding is that the highway bill is silent on consolidation rates except for a sentence in which is explicitly states that the 50 pb SAP does not apply to consolidation loans ("This subparagraph shall not apply in the case of any consolidation loan"). Thus in the fact sheet I say "The law explicitly states that provisions '...shall not apply in the case of any consolidation loan.'" I think that is fair but want to make sure people understand it.

Reply Separator

Subject: Re: draft fact sheet for mckeeon
Author: Robert_M._Shireman@opd.eop.gov at Internet
Date: 6/18/98 9:40 AM

The problem with the first paragraph is that the lay reader would say, "If the ISTEA bill -- which lowered interest rates -- didn't apply to consolidation loans, then consolidation rates shouldn't change." I would re-order the paragraphs to explain the policies and baselines as they existed pre-ISTEA, then say that the ISTEA law (explicitly? quote it?) did not change the policies and regulations that were in effect, therefore they remain.

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D52]MAIL49602396M.126 to ASCII,
The following is a HEX DUMP:

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

Loan Consolidation Interest Rates

June 18, 1998

- **Loan Consolidation terms are established under the Emergency Student Loan Consolidation Act of 1997 and the Higher Education Act.** Under these laws, Direct Consolidation Loan interest rates are established by regulation and FFEL Consolidation Loan interest rates are set in statute.
 - The Department's regulations at present set the Direct Consolidation Loan interest rate at the interest rate for Stafford Loans.
 - The Emergency Student Loan Consolidation Act of 1997 improved the statutory terms of FFEL Consolidation Loans to match the terms of Direct Consolidation Loans through July 1, 1998, *but did not provide for the maximum FFEL Consolidation Loan rate to decline on July 1 with the new Stafford Loan interest rate.*
- **The 1997 Act provided for a differential between Direct and FFEL Consolidation Loan interest rates beginning July 1st.** Both the Administration's and CBO's baselines reflect the differential between Direct and FFEL Consolidation rates in the last quarter of this fiscal year. In both, the Direct Consolidation Loan interest rate drops on July 1 to match the new Stafford Loan rate while the FFEL Consolidation Loan interest rate remains by law at the 91-day Treasury Bill rate plus 3.1 percentage points for the remainder of the fiscal year, after which the FFEL Consolidation Loan rate reverts by law to the weighted average of the underlying loans, rounded up to the nearest whole percentage point.
- **The Highway Bill did not change Loan Consolidation interest rates.** The temporary student loan interest rate provisions contained in the Transportation Equity Act for the 21st Century recently signed into law apply to new Stafford student loans made under the Direct Loan and Federal Family Education Loan (FFEL) programs between July 1 and October 1, 1998, but not to Consolidation Loans made under either program. The law explicitly states that provisions "...shall not apply in the case of any consolidation loan."
- **The Administration supports lowering the consolidation rates in both programs in HEA.** The Administration proposed that the reauthorization of the Higher Education Act level the playing field by also setting the maximum FFEL consolidation rate at the new Stafford loan rate.
 - The House HEA bill sets the loan consolidation rates in both programs at the weighted average of underlying loans rounded up to the nearest 1/8th of 1 percent.
 - The Senate Committee HEA bill retains current law, under which Direct Consolidation is set by regulation and the maximum FFEL consolidation rate will, beginning October 1st, be the weighted average of the underlying loans rounded up to the nearest whole percentage point.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])

CREATION DATE/TIME:22-JUN-1998 18:07:08.00

SUBJECT: Re[4]: McKeon DL Consolidation Rate Meeting

TO: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])
READ:UNKNOWN

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

TO: Jean_Veta@ed.gov (Jean Veta) (Jean_Veta@ed.gov (Jean Veta) [UNKNOWN])
READ:UNKNOWN

TO: Susan_Frost@ed.gov (Susan Frost) (Susan_Frost@ed.gov (Susan Frost) [UNKNOWN])
READ:UNKNOWN

TO: Thomas_Kelley@ed.gov (Thomas Kelley) (Thomas_Kelley@ed.gov (Thomas Kelley) [UNKNOWN])
READ:UNKNOWN

TO: Phyllis_Jean_Sanders@ed.gov (Phyllis Jean Sanders) (Phyllis_Jean_Sanders@ed.gov (Phyllis Jean Sanders) [UNKNOWN])
READ:UNKNOWN

TO: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])
READ:UNKNOWN

TO: Diane_Rogers@ed.gov (Diane Rogers) (Diane_Rogers@ed.gov (Diane Rogers) [UNKNOWN])
READ:UNKNOWN

TO: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

TO: Scott_Fleming@ed.gov (Scott Fleming) (Scott_Fleming@ed.gov (Scott Fleming) [UNKNOWN])
READ:UNKNOWN

TO: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

CC: Patricia_Dorn@ed.gov (Patricia Dorn) (Patricia_Dorn@ed.gov (Patricia Dorn) [UNKNOWN])
READ:UNKNOWN

CC: Linda_Anderson@ed.gov (Linda Anderson) (Linda_Anderson@ed.gov (Linda Anderson) [UNKNOWN])
READ:UNKNOWN

CC: Mike_Smith@ed.gov (Mike Smith) (Mike_Smith@ed.gov (Mike Smith) [UNKNOWN])
READ:UNKNOWN

CC: Taronda_Wallace@ed.gov (Taronda Wallace) (Taronda_Wallace@ed.gov (Taronda Wallace) [UNKNOWN])
READ:UNKNOWN

CC: Tia_Cosey@ed.gov (Tia Cosey) (Tia_Cosey@ed.gov (Tia Cosey) [UNKNOWN])
READ:UNKNOWN

CC: Vicky_Stroud@ed.gov (Vicky Stroud) (Vicky_Stroud@ed.gov (Vicky Stroud) [UNKNOWN])
READ:UNKNOWN

TEXT:

Glad to play the role. If I were Mr. McKeon, here are some different arguments I might consider using...

1. Congress's not totally foreclosing a July 1 drop in DL cons rates in ISTEAs is the result of conviction that the Administration would not try to take the issue out of Congress's hands. The House has already acted. I've spoken to Sen Jeffords. He is in agreement that you should not reduce the rate until Congress has a chance to act. You will get a letter from us tomorrow advising you in the strongest terms not to drop the rates.
2. Not foreclosing a July 1 drop in DL cons rates was an oversight. You will get a letter of intent tomorrow, which we expect you to follow. You should not try to take advantage of such an oversight.
3. I have a letter here from FFEL consolidators stating that there will be no FFEL consolidation industry if you drop the rate. I have another letter signed by _X_ lenders that such a low consolidation rate would make their future participation unlikely. You are playing with the future of 70% of the Stafford loan program. How can you even consider dropping the rate?
4. You are doing students and borrowers a huge disfavor. Nothing but chaos can result from such a decision to drop the rate. Did you learn nothing from the backlog hearings last fall? You will get a letter tomorrow from me asking on behalf of students and borrowers not to put them through this again!
5. By holding out a long range solution rather than taking the right action now, you are trying to play a foolish game of blackmail. You know there are no funds available to provide level playing field in both consolidation programs, therefore this is a cheap political move which will threaten the bipartisan HEA.
6. You are obviously trying to favor DL over FFEL, despite your protestations to the contrary. This is an attempt to ruin FFEL completely. Although we have tried to be bipartisan and let both programs compete, you have not cooperated. If you do not keep the DL rate at 3.1, we will act to set it there legislatively, and will have support from the higher education groups, students, and the public. Your own statements have indicated that DL cannot handle 100% of the loan volume.

Reply Separator

Subject: Re[3]: McKeon DL Consolidation Rate Meeting
Author: Pauline Abernathy at WDCB01
Date: 6/22/98 3:25 PM

I actually will not be able to be on tonight's 6 pm conference call for more than 5 minutes but the participants of tomorrow's meeting can all make this time. In particular, the conference call is a chance for OLCA to throw out some of the possible hostile questions that could be asked tomorrow as well as for OGC to provide guidance on what to say about the regs and July 1.

Attached are the latest tps Jon prepared. OGC, pls take another look at them. Thanks.

Reply Separator

Subject: Re[2]: McKeon DL Consolidation Rate Meeting
Author: Kristi Kimball at WDCB01
Date: 6/22/98 2:10 PM

Pauline would like to hold a short conference call later today with Bob Shireman, Barbara Chow and ED staff to prepare for the Tues. meeting with McKeon.

For those interested, the call will take place from 6:00 to 6:30pm today. To connect, call 456-6799 (then code 6705). If that line is busy, call 456-6777 (then code 6705). Each line can handle seven calls.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JUL-1998 14:31:15.00

SUBJECT: Re: Farmin'

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

READ:UNKNOWN

CC: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

We will be providing two types of welfare to work grants which be particularly helpful to rural areas. Both will have new rounds of grants in the fall. If I may excerpt another document:

Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21), which the President signed on June 9th, authorizes \$750 million over five years for the President's initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers, and will assist both rural and urban areas.

\$3 Billion to Help Move More People from Welfare to Work: Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients, and certain non-custodial parents, into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work

projects. The President announced the first round of 49 innovative competitive grants on May 27th, and several more rounds will be forthcoming (the next in early fall). The Department of Labor is committed to ensuring about 30 percent of these grants are provided to rural areas.

Thomas L. Freedman
07/07/98 06:43:51 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: Mary L. Smith/OPD/EOP
Subject: Farmin'

In preparation for a rural agenda event w/NEC, we're putting together a list of things the President could say on health, welfare to work, education and crime that would have special resonance in rural areas. Are there one or two things (money, a new program, legislation that has not been passed yet) in each area that might make sense for this list? Can you e-mail them to me by midday tomorrow? Thanks.

Message Sent

To: _____
Christopher C. Jennings/OPD/EOP
Sarah A. Bianchi/OPD/EOP
Michael Cohen/OPD/EOP
Cynthia A. Rice/OPD/EOP
Jose Cerda III/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francis S. Redburn (CN=Francis S. Redburn/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 8-SEP-1998 11:08:51.00

SUBJECT: NEC/DPC Write-up on Current and Proposed Administration Programs

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

READ:UNKNOWN

CC: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: John M. Goering (CN=John M. Goering/OU=PIR/O=EOP@EOP [PIR])

READ:UNKNOWN

CC: Patricia E. Romani (CN=Patricia E. Romani/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Theodore Wartell (CN=Theodore Wartell/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Joslyn G. Mack (CN=Joslyn G. Mack/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here are a few updates and factual edits to one of the three documents you circulated last week for comment.

----- Forwarded by Francis S. Redburn/OMB/EOP on 09/08/98
11:05 AM -----

Joslyn G. Mack
09/08/98 10:57:07 AM
Record Type: Record

To: Francis S. Redburn/OMB/EOP@EOP

cc:

Subject: NEC/DPC Write-up on Current and Proposed Administration Programs

This write-up was circulated for review to the following branches:
Transportation, Housing, FIB, and Environment. OMB edits are as follows:

Define (1/2 P) at the beginning of paper.

1. Facilitating commutes to available jobs.

(P) Access to Jobs. The Administration proposed, as part of its ISTEA reauthorization package, \$100 million per year for six years to assist States, local governments, and non-profits in planning and implementing new transportation services such as van pools to link welfare recipients and other economically disadvantaged persons to jobs. TEA-21, the new transportation legislation law, authorizes \$150 million per year for Job Access and Reverse Commute grants (no more than \$10 million for the latter). This program will assist States, local governments, and non-profits in planning and implementing new transportation services such as van pools to link welfare recipients and other economically disadvantaged persons to jobs. The level of guaranteed funding is, however, much lower (e.g., \$50 million in FY 1999). in FY 1999 (\$50 million), but increases to \$150 million by FY 2003.

4. General community revitalization

Community Development Block Grant. CDBG funds are provided to entitlement cities (generally, cities in MSAs with a population of 50,000 or more and designated central cities of MSAs with a population below that level?), urban counties, and States for community and economic development activities, including job creation, provision of public facilities or services and residential housing rehabilitation.

[Additional information: Office of Federal Statistical Policy makes the designation of Metropolitan Statistical Areas (MSAs) and designated central cities. Designated central cities do not require a minimum population.]

6. Community revitalization through affordable housing creation

(P) Home Loan Guarantee Program. This \$11 million initiative would allow States and localities to use leverage HOME funds as collateral to leverage private loans for the production, rehabilitation and acquisition of large-scale affordable housing developments in distressed communities. Under this program, HUD would guarantee private loans of up to five times the jurisdiction's most recent HOME allocation.

7. Infrastructure

TEA-21. TEA-21 is the largest infrastructure bill in history and provides funding for the interstate highway system, Federal-aid eligible roads, and for mass transit. It also continues the program structure established

under ISTEA with emphasis on flexible use of funds, improvement of the environment, and a strong planning process. ; it generally does not provide funding for local roads that are not considered part of the interstate system.

(note: examples of Federal-aid eligible roads in the District include major arterials such as New York, Wisconsin and Connecticut Avenues.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-OCT-1998 10:52:25.00

SUBJECT: Welfare Reform Web Site

TO: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I'm going to be sending a bunch of updates, but in the meantime, could you ask the web team to just change the wording and the link for the following section under Information by Topic:

Currently says:

The Administration has proposed a \$600 million welfare-to-work transportation

initiative called Access to Jobs as part of the reauthorization of ISTEA. For more

information about ongoing transportation initiatives, see the Department of

Transportation's Welfare to Work Transportation page.

Change to:

The Transportation Equity Act for the 21st Century (TEA-21) authorized \$750 million over

five years for the President's welfare-to-work transportation initiative and reverse commute grants.

Of this amount, \$50 million is guaranteed funding in FY 1999.

See the Department of Transportation's Welfare to Work Transportation page. [change link to www.fta.dot.gov/wtw/]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:28-OCT-1998 20:29:58.00

SUBJECT: for 7:45

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

CBS news ran a piece wed. night on competition in the airline industry that (according to DOT) was generally positive about the Administration. The hook for the story was the 20th anniversary of airline deregulation. It described the problems that plague the industry despite the success of deregulation, and included a sound bite of Rodney Slater defending DOT's competition guidelines, which are under attack by the big carriers. The wrap-up was not great -- something to the effect that we won't see any changes unless there's money in it for the big guys. (DOT has been working w CBS on this story, which grew out of DOT's very good conference last month celebrating the 20th anniversary of dereg.)

Separately, we received a leaked copy of a recent memo from Carol Hallett, the head of the Air Transport Assn, to airline CEOs, on ATA's campaign to kill the competition guidelines. In it, Hallett comments on the provision in the just-passed FAA authorization bill that delays the guidelines for 12 legislative weeks: "The anti-guidelines provision is significant, b/c it pushes the possible implementation date well into 1999 and closer to the presidential campaign season. By injecting presidential politics into the debate, we hope to change the political dynamic and make it difficult or impossible for DOT to act." This and other portions of the memo have already been quoted in the trade press, making the ATA look bad. As DOT's press guy said to me, "This memo is a gift."

In addition to defending the guidelines, DOT is beginning a cross-country outreach process -- much like the one they did to develop our NEXTEA proposal -- to get input for a bill to address competition problems in aviation. Two things are key: First, changing airport practices, including DOT rules restricting how PFCs (passenger facility charges) and other funds can be used, so that startup airlines can get access to gates and other facilities. Second, lifting a variety of restrictions that keep foreign airlines from investing and operating in the U.S., in exchange for reciprocal treatment for U.S. airlines in other countries. No single policy change could do more to increase competition in U.S. aviation. (e.g., Richard Branson is willing to spend \$250M to establish operations of his Virgin Airways in the U.S., but current restrictions won't let

him.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-DEC-1998 16:29:08.00

SUBJECT: Re: No-Cost SOTU Items

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

TO: Malcolm R. Lee (CN=Malcolm R. Lee/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: D Holly Hammonds (CN=D Holly Hammonds/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Sharon H. Yuan (CN=Sharon H. Yuan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TEXT:
ANY MORE IDEAS....

PLEASE SEND THEM TO ME ASAP....

Jonathan Orszag
12/16/98 03:04:43 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
bcc: Records Management
Subject: No-Cost SOTU Items

GENE HAS A 5:00 MEETING TODAY TO DISCUSS INITIATIVES THE STATE OF THE UNION
THAT HAVE NO COST FOR FY2000 OR LITTLE COST WITHIN EXISTING RESOURCES IN
FY99. (One example is the .08 drunk driving proposal we had as part of
ISTEA; another example would be the Apparel Industry Partnership (AIP).)

PLEASE SEND ME IDEAS BY 4:30. THANKS.

Message Sent

To:

Jeanne Lambrew/OPD/EOP
Peter A. Weissman/OPD/EOP
Melissa G. Green/OPD/EOP
Shannon Mason/OPD/EOP
Sharon H. Yuan/OPD/EOP
Bruce McNamer/OPD/EOP
Cecilia E. Rouse/OPD/EOP
Jeff B. Liebman/OPD/EOP
Gay L. Joshlyn/OPD/EOP
Ronald Minsk/OPD/EOP
Sarah Rosen/OPD/EOP
Lori Hendricks/OPD/EOP
Lael Brainard/OPD/EOP
Jonathan A. Kaplan/OPD/EOP
Thomas A. Kalil/OPD/EOP
Sonyia Matthews/OPD/EOP
Dorothy Robyn/OPD/EOP
Jake Siewert/OPD/EOP
Elaine M. Mitsler/OPD/EOP
Charles R. Marr/OPD/EOP
Robert M. Shireman/OPD/EOP
Malcolm R. Lee/OPD/EOP
Brian A. Barreto/OPD/EOP
Sally Katzen/OPD/EOP
D Holly Hammonds/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-JAN-1999 11:39:59.00

SUBJECT: NTSB & child safety seats

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

READ:UNKNOWN

TEXT:

I talked to Phil Recht who said that NTSB made these announcements yesterday at a conference held by the National Safe Kids Coalition. NTSB is recommending a nationwide network of installation sites to help parents to learn how to properly install child seats. The NTSB encouraged the child seat manufacturers, car dealers, and the states to voluntarily set up these fitting stations. NTSB also suggested that NHTSA could give grants to encourage states to set up these installation sites.

With respect to the fact that NHTSA already has a rule coming out that sets up new types of features on both child seats and in cars to better install child seats, NTSB said that the new rule does not eliminate the need for these installation sites for 2 reasons: (1) the rule is going to be phased in and during the phase-in period, there is still a need for education; and (2) the rule requires a new tether attachment which, in turn, will require instruction on how to use it.

NHTSA's reaction is that this sound like a good idea. Phil suggested two ways we could address this when we announce the new rule:

- 1) In ISTEA, Transportation does have some incentive money going to the states when they increase seatbelt usage. We could encourage the states to use their money for this.
and/or
- 2) we could try to get some car manufacturers and dealers to voluntarily set up these installation sites in their dealerships and announce that at the event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard P. Theroux (CN=Richard P. Theroux/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:22-APR-1999 14:26:46.00

SUBJECT: transportation E.O.

TO: Ronald Minsk (CN=Ronald Minsk/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TEXT:

Have you seen the draft fleet/transportation efficiency E.O? It needs some fixes. Call if you'd like my thoughts. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-MAY-1999 19:09:34.00

SUBJECT: Re: Draft VP Charlotte Welfare to Work Announcement

TO: Lee Ann Brackett (CN=Lee Ann Brackett/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

CC: Paul K. Orzulak (CN=Paul K. Orzulak/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TEXT:

Some history we should work into the remarks follows. I'll send a few other specific comments about the remarks in a minute.

The Access to Jobs initiative was part of the Administration's NEXTEA transportation reauthorization proposal. September 25, 1997, VP sent letters to Hill urging them to include the Administration's welfare to work transportation proposal in their consideration of the Federal Transit Act of 1997. I'll fax down the letter. The key quote was "We must make sure that those who are now required to work not only have the opportunity to work, but also have the means to get to work". October 1, 1997, the VP participated in an event w/ Secretary Slater where he highlighted the importance of this initiative. The President, Vice President, and Secretary Slater fought hard--and appreciate the support of our friends in Congress-- to ensure this initiative was included in the final ISTEA transportation reauthorization bill signed in June 1998. Might want to say something like, "I remember urging our friends in Congress to incorporate this initiative back in the Fall of 1997 and it is exciting to stand hear today seeing that vision become reality -- seeing funds made available to support innovative projects throughout the country, such as this one here in Charlotte...."

At the ISTEA bill signing, the President said "The act will expand opportunity. It offers transportation assistance to enable more Americans to move from welfare to work. If you can't get to work, you can't go to work."

On April 10th, in his radio address the President called on Congress to fully fund our welfare to work transportation and housing voucher proposals. Here's paragraph about the budget proposal as background:

Welfare-to-Work Transportation: A significant barrier facing people who move from welfare to work, in both cities and rural areas, is finding transportation to get to jobs and employment-related services. The President's leadership on this issue helped secure funding through FY 2003 for Job Access grants to assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers. The President's budget doubles funding for this initiative, providing \$150 million in FY 2000.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: J. Eric Gould (CN=J. Eric Gould/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:12-MAY-1999 10:10:16.00

SUBJECT: Re: edits to budget and accompl. doc for VP coalition mtg

TO: Eugenia Chough (CN=Eugenia Chough/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

The edits to LI benefits are fine also. Just change the typo: (S-NY) for Moynihan to (D-NY).

Eugenia Chough 05/11/99 08:22:37 PM

Record Type: Record

To: Andrea Kane/OPD/EOP, J. Eric Gould/OPD/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: edits to budget and accompl. doc for VP coalition mtg

Andrea and Eric -- Below are some edits for the President's 2000 budget document and the accomplishments document. We'd like to update and disseminate these materials at Thursday's VP Coalition meeting, and figured this would be a good place to remind folks of the state of play for federal legislation. Let me know what you think.

Genie

AK, From the accomplishments doc - here's my suggested edit for the transportation section:

Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare-to-work transportation plan as part of his ISTEA reauthorization

bill. The Transportation Equity Act for the 21st Century (TEA-21) authorized \$750 million over five years for the President's Job Access initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Omnibus Budget Act included \$75 million for this program in FY 1999, and in May, Vice President Gore and the Department of Transportation awarded \$71 million of these funds to 177 agencies and organizations nationwide. is currently reviewing applications for this first year funding. The President's Budget proposes to double funding for FY 2000, bringing the program to the authorized level of \$150 million. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.

AK, from the budget doc, here's my edit on the WtW reauth:

Welfare-to-Work Reauthorization: In 1997, the President insisted that the Balanced Budget Act provide \$1.5 billion a year in FY 1998 and FY 1999 for states and local communities to help move long-term welfare recipients in high poverty areas into jobs and help them succeed in the work force. In order to ensure the success of welfare reform for individuals who face the greatest challenges, the President proposes to reauthorize the Welfare-to-Work program in FY 2000, with several program modifications including a stronger focus on increasing the employment fathers so they can better meet their responsibilities to their children. The President's budget includes \$1 billion for the Welfare-to-Work initiative in FY 2000, of which at least \$150 million will be dedicated to fathers who agree to work, pay child support, and become part of their children's lives again. Remaining funds will go toward assisting long-term welfare recipients with the greatest challenges to employment move into lasting jobs, including doubling the funds available for Native American tribes.

In April 1999, Representative Cardin (D-MD) unveiled Welfare to Work Amendments of 1999 (H.R. 1482) to extend the program at the President's proposed level of \$1 billion, and open up the program to more people with barriers to entering the workforce, former foster youth, non-custodial parents and individuals who are homeless or with disabilities. The bill is expected to receive bipartisan support.

EG, here's the addition from the 00 budget document, after the LI benefit summary:

In March 1999, Senator Moynihan (S-NY) and Representative Levin (D-MI) introduced the Fairness for Legal Immigrants Act of 1999 (S.792/H.R.1399) which includes the above provisions proposed in the President's budget.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:12-MAY-1999 14:50:27.00

SUBJECT: Bruce KatBudget and Other Initiatives

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Lisa Green (CN=Lisa Green/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Theodore Wartell (CN=Theodore Wartell/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TEXT:

Ted -- Please forward to any others who were at the meeting last week. I am increasingly forgetful. Many thanks.

----- Forwarded by Sarah Rosen Wartell/OPD/EOP on
05/12/99 02:47 PM -----

Bruce Katz <BKATZ@brook.edu>

05/11/99 04:24:45 PM

Record Type: Record

To: Sarah Rosen Wartell/OPD/EOP

cc:

Subject: Budget and Other Initiatives

Sorry for the delay in getting back to you on the "3 Big items" to consider for national urban policy. This is something of a rush job because I am headed out to Boston in the next hour.

My approach to this issue is as follows; (1) what are the larger urban trends that deserve national attention; (2) what is the appropriate federal role in responding to these trends; (3) what 3 initiatives should the Administration consider going forward.

WHAT ARE THE LARGER TRENDS:

As we all discussed last week, the dominant trend in American society is the decentralization of economic and residential life. I've attached a power point presentation which basically makes 4 key points with respect to the cities:

(1) The outer suburbs have become the population growth centers in the 1990s. Even cities that have grown in the 1990s (e.g., Denver, Atlanta) have been outpaced by explosive suburban growth. The "living downtown" movement fueled by demographic shifts like the aging of the population is still a small counter trend relative to the larger decentralization.

(2) The suburbs (and increasingly the outer suburbs) have become the employment growth centers in the 1990s. Cities across the country are losing their share of regional jobs at a rapid pace. DC, for example, went from 33% of the region's jobs to 24% of the regions jobs in 7 years. The new economy jobs, with few exceptions, tend to be located far from the urban core. The urban renaissance that is much discussed does not appear to have made a large dent in these trends either in terms of scale or types of jobs created.

(3) Poverty continues to concentrate in older urban neighborhoods. That is principally a racial phenomenon (the white poor tend to be highly dispersed). These growing neighborhoods of high poverty present a stark challenge to policymakers: pervasive joblessness, nonperforming schools, relatively higher crime rates, etc.

(4) Welfare reform is where all these trends converge. With jobs decentralizing, commuting patterns altered and public transit connections inadequate, central city residents (in many but not all cities) are becoming more spatially isolated from the new employment centers. Not suprisingly, the decline in urban welfare caseloads is lagging behind state performance. Baltimore has, for example, 13% of MDs population but 56% of the welfare caseloads in the state!

WHAT CAN THE FEDS DO?

I think federal policies tend to have the following impact on the trends discussed above:

(1) They reinforce the general policy tilt in favor of new communities by subsidizing new roads, new infrastructure, new homes, etc.

(2) They reinforce the general trend towards concentrated poverty through policies that principally subsidize affordable housing (particularly for very low income families) in older communities.

(3) They fail to address the myriad challenges that working families face namely the inability of incomes to keep pace with the costs of housing, child care, health care, transportation and the like.

The Clinton Administration has pursued a range of policies since 1993 that have tended to mitigate against the general picture discussed above. Some

of these policies have been or have the potential to be systemic and far reaching in impact. The enactment of ISTEA and TEA 21 have the potential to shift infrastructure spending towards the needs of older communities. The public housing transformation has the potential to create economically integrated communities in urban areas. The expansion of CRA has clearly made capital available for housing and commercial needs in underserved areas. The extension of EITC has clearly helped millions of working families meet their needs.

I think these larger policies put forward some general principles which the feds should consider going forward:

First, changing "the rules of the game" as difficult as that is must happen if federal policies are going to support desirable outcomes (e.g., vital urban economies, enhanced economic integration, declining concentrated poverty). That could involve changes in who governs the shift from State DOTs to metropolitan planning organizations will clearly make a difference over time. That could also mean a change in basic programmatic rules who gets served by programs, what activities can be funded, etc. The public housing transformation at its core involved a change in these programmatic rules.

Second, information matters. Information drives and creates markets. Information also drives and supports new political coalitions. CRA works because we know where banks lend and we bundle that information at the national level, put it out in a way that breaks down spatially and give communities a regulatory peg to use the information.

Finally, the federal govt bears the bulk of the national responsibility to invest in working families. From child care to health insurance to affordable housing to nutrition assistance to workforce these are ultimately federal issues that require huge investments of public resources.

WHAT 3 THINGS SHOULD THE FEDS CONSIDER??

Against this backdrop, I think federal policy should evolve in 3 directions.

First, it should to the greatest extent possible promote smarter growth trends in our metropolitan communities. As Marge and others said last week, the states are the key players on this agenda. Yet the feds can clearly contribute most importantly by making implementation of TEA 21 a significant part of the VPs livability agenda. That should mean first and foremost requiring state DOTs and MPOs to geocode their investments and disclose their spending annually. This is probably the MOST important thing the feds can do on transportation if the goal is to empower local constituencies and inform regional conversations. It is completely ironic that we still require banks to spatially disclose where they lend but dont require transportation bureaucracies to disclose where they spend. My sense is that DOT is not taking the disclosure exercise as seriously as they should.

Second, the federal govt should give low income families access to

economic opportunities wherever they are located in a metropolitan area.

To do that, the feds could consider every conceivable step to instill metropolitan thinking in the governance of workforce, transit and welfare. In many large urban markets, buses still stop at city borders, financed in part by federal funds. I am concerned that recent events the Workforce Investment Act may be moving governance in the opposite direction, with many rapidly growing suburbs deciding to form their own workforce entities and not connect to the places left behind. These are basic rules of the game the feds should NOT be neutral on this excessive devolution. It should be sending out strong signals that these cross-border issues should be organized in a metropolitan context, by metropolitan entities with strong links back to the central core communities. If not, we are going to impede the ability of lower income residents to get to and live near growing employment centers.

The feds also could help build a network of intermediaries some community based whose principal job is to link disadvantaged residents to job opportunities. In some respects, the workforce system is where the housing system was 25 years ago mostly dominated by centralized bureaucracies with little connection to neighborhoods. The intermediaries that exist in the current system are mostly fledgling, supported by foundation investments and often operate outside the traditional system. In many respects, building a new intermediary network would be the next logical step in community development which, in the 1980s and 1990s has focused on affordable housing solutions almost exclusively.

Third, the federal government should reward work and give working families families earning up to \$30,000 in many urban markets the ability to "make ends meet" in today's volatile economy. That could mean any number of things:

child care investments along the lines that Belle Sawhill and others have suggested

savings investments along the lines that Stegman and others have suggested; and

homeownership investments along the lines that Self-Help, LISC and others have suggested.

The states already have powers on health care and nutrition assistance that they are not using to the fullest. Bob Greenstein is the best contact on this.

The bottom line is that these investments because of the spatial separation of class in this country are ultimately investments in older communities. Some of them end up being spatially targeted; others are indirect spatial investments.

These are the BIG federal investments. They mostly occur on the mandatory side of the equation. They dwarf anything we do on the discretionary side.

Those are my 3 "urban" initiatives for now. I have avoided any mention of

empowerment zones or new markets tax credits or brownfields or even traditional community development because those areas have dominated "urban" thinking for the past 7 years and I have no great brainstorm to add to the mix. My sense is that these other issues give the feds the opportunity to tap into some powerful market and political forces burgeoning smart growth coalitions, suburban labor shortages, inadequate wages and benefits that can be used as the basis for policy reforms that have systemic effects.

Anyway, give me a holler if you need anything else. I will be spending a lot of time in the coming months spelling out this investment agenda with greater specificity if that helps.

- detroit.ppt

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D11]ARMS249680648.136 to ASCII,
The following is a HEX DUMP:

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

Clinton Presidential Records Automated Records Management System [EMAIL]

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

Hex Dump file is not in a recognizable format, has been incorrectly decoded or is damaged.

File Name: p_74608693_opd_html_1.msosf

Attachment Number: [ATTACH.D11]ARMS249680648.136

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Margy Waller <mwaller@dlcppi.org> (Margy Waller <mwaller@dlcppi.org> [UNKNOWN])

CREATION DATE/TIME:26-MAY-1999 19:55:33.00

SUBJECT: Re: Presidential letter

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

thanks, and thanks for the input...talk to you soon.

>>> <akane@oa.eop.gov> 05/26/99 06:52PM >>>

Letter was dated 2/17/98

When I delivered my 1998 State of the Union speech to Congress, I was joined by Elaine Kinslow from Indianapolis, one of the many individual heroes of the welfare revolution. After 13 years on and off welfare, Elaine now works as a transportation dispatcher with a van company. This job is not only helping Elaine create a better life for her family, but it's also helping other welfare recipients travel to and from work. Her company takes patients to doctors appointments and provides rides to former welfare recipients who cannot reach their jobs by public transportation.

Throughout our country -- in rural, urban, and suburban areas -- there is a critical need for transportation to move people physically from welfare to work. As you know, few welfare recipients own cars. In many areas, either there is no mass transit or the transportation available does not provide adequate links to jobs within a reasonable commute time. In addition, many entry-level jobs require work during evenings or weekends, when transportation services are limited.

To support innovative efforts such as the one in Indianapolis, I have proposed a \$100-million-a-year welfare-to-work transportation plan as part of my ISTEA reauthorization bill. Funds could be used for both capital and operating expenses, and local transportation and human service systems would be strongly encouraged to collaborate. This competitive grant program will assist states and localities in developing flexible transportation alternatives to help welfare recipients and other low-income workers get to where the jobs are. This plan, if enacted, and the 50,000 new welfare-to-work housing vouchers I've proposed will help welfare recipients move closer to new jobs or obtain stable housing.

Because of the tremendous need for transportation services, I urge you to use existing funds for this purpose wherever possible. Both the Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare reform law and the Welfare-to-Work grants created by the

Balanced Budget Act of 1997 offer considerable flexibility to provide certain transportation services. For example, TANF funds can be used for families eligible for TANF, and Welfare-to-Work funds can be used for a subset of the welfare population, those long-term recipients with specific employment barriers. To encourage each state and community to take full advantage of current funds, the Secretaries of HHS, Labor, and Transportation will provide you with written guidance by early April.

Together, we've helped reduce the welfare rolls by 4.3 million people over the last five years -- by 2.4 million in the new welfare law's first 13 months. I urge each of you to take the savings from these lower caseloads and use them to help even more people move from welfare to work by investing in transportation, child care, and other critically needed services. I look forward to our continued partnership in this area.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-JUN-1999 12:08:09.00

SUBJECT: Re: Part II of Livable Communities Document

TO: Oscar Gonzalez (CN=Oscar Gonzalez/OU=OMB/O=EOP @ EOP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare-to-work transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21) authorized \$750 million over five years for the President's Job Access initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Omnibus Budget Act included \$75 million for this program in FY 1999, and in May, Vice President Gore awarded \$71 million of these funds to 179 communities in 42 states around the country. The President's Budget proposes to double funding for FY 2000, bringing the program to the authorized level of \$150 million. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.

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

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The following is a HEX DUMP:

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

THE WHITE HOUSE

Office of the Vice President

For Immediate Release

Thursday, May 13, 1999

(202) 456-7035

**VICE PRESIDENT GORE ANNOUNCES \$71.3 MILLION
FOR WELFARE-TO-WORK TRANSPORTATION**

Charlotte, NC -- Vice President Gore announced today that the federal government will provide \$71.3 million to help communities across the country fund 179 transit projects to help welfare recipients and other low-income workers get to and from work.

"Transportation plays a vital role helping people move from the dependence of the welfare rolls to the security, pride, and self-sufficiency of the pay rolls," said Vice President Gore. "Because we know: if you can't get to work, you can't go to work. That is why I am proud to announce today that we are awarding more than \$71 million in grants to help communities across the nation connect people moving from welfare to work to the places where jobs are being created."

The \$71.3 million in funds, provided under the Department of Transportation's Job Access and Reverse Commute Program, will help communities implement transit projects in 42 states. The funds will allow local communities to implement innovative approaches to providing transportation, bringing together transit providers, community organizations, employers, planners and others who have a stake in the success of welfare reform.

Projects will include new bus or van service; extended bus routes, or expanded service hours, or door-to-door service to accommodate shift and weekend workers and workers with non-traditional working hours. They will also include linking workers to jobs near child care and transit facilities; trip mapping; carpooling and vanpooling; and guaranteed rides home in emergency situations. The selected proposals announced today will receive funding once they submit the required documentation over to the Department of Transportation.

"Public transportation is a key element of the Clinton-Gore commitment to helping people move from welfare to work," said U.S. Secretary of Transportation Rodney E. Slater. "Since this Administration took office, the number of people on welfare has come down 46 percent and more people are working. President Clinton has said that we can help even more Americans move from welfare to work and succeed in the workforce by helping them get from where they are to where the jobs are by fully funding these transportation grants in the FY 2000 budget."

The Clinton-Gore Federal budget for FY 2000 has proposed that Congress appropriate the full \$150 million it authorized for this program in last year's transportation bill.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-JUN-1999 16:04:14.00

SUBJECT: Re: Part II of Livable Communities Document

TO: corine.hegland (corine.hegland @ ost.dot.gov @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

FYI - as you know from my voice mail just now, I don't know a lot about the livability initiative, but I did offer this comment to OMB after I reviewed the report on Livable Communities that is working its way through clearance at the same time as State of the cities. It went to Tom Herlihy on 5/27

----- Forwarded by Andrea Kane/OPD/EOP on 06/02/99 04:02 PM -----

Andrea Kane
06/02/99 12:07:59 PM
Record Type: Record

To: Oscar Gonzalez/OMB/EOP
cc: Paul J. Weinstein Jr./OPD/EOP, Cynthia A. Rice/OPD/EOP
Subject: Re: Part II of Livable Communities Document

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

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[Automated Records Management System Hex-Dump Conversation]