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The President Sees Consensus, While Religious Leaders Disagree About the Church-State Divide

By E.J. Dionne Jr.

Two of our leading presidential candidates, Texas Gov. George W. Bush and Vice President Gore, are talking enthusiastically about what government can do to help "faith-based organizations" solve social problems. At a White House prayer breakfast with religious leaders last Tuesday, President Clinton embraced what he called "an emerging consensus about the ways in which faith organizations and our government can work together." Pastors dealing with social problems are landing on the covers of national magazines and scholars are predicting a new "great awakening" of religious fervor in the country.

What's going on here? Is the wall between church and state tumbling down?

Not at all. But the turn of the millennium in America may well be remembered as a time when the country renegotiated the relationship between religion and public life, faith and culture. Don't be scared by this: We are not about to chuck religious freedom, impose censorship or herd everyone into a church, synagogue or mosque. Indeed, it is partly because of advances in religious freedom—the result of court decisions and cultural changes that occurred during the 1960s—that it is even possible to talk about increased cooperation between the religious and governmental worlds.

There is no consensus yet on how church and state are supposed to work together, let alone how much. This is nothing new. Arguments for strong barriers between religion and government have waxed and waned through American history, for radically different reasons in different times.

Separation between church and state never meant that religion had no place in American life; remember, this is a nation that still stamps "In God We Trust" on its currency. But the rise of the religious conservatives and the culture wars of the past two decades sharpened the debate over separation and aroused both sides.

On the one side, religious conservatives decried the growing "secularization" of America and engaged in what sociologist Nathan Glazer has called a "defensive offensive" meant to restore the consensus on values that existed—or at least seemed to exist—before the '60s. On the other, those dismayed by the religious right saw separation as a bulwark against the growing influence of organizations such as the Christian Coalition and the Moral Majority.

Many rank-and-file evangelical Christians found themselves as turned off as the rest of the country by polarization around political issues related to religion. "There's a certain backlash against the shrill, partisan message they've heard," Nathan Hatch, the provost at Notre Dame and a historian of evangelical Christianity, told a conference organized by the Ethics and Public Policy Center last week. "A lot of evangelicals are suburban people, and they much more easily identify with a George Bush than a Jerry Falwell or a Gary Bauer. They're people of values. They're also tolerant. There's a sense that the attack mode is counterproductive."

The church-state divide has often been cast as a fight between religious people and their secularist foes. But out of the public eye, there is a lively argument taking place among religious leaders themselves about the wisdom of allowing any breach of the church-state wall.

There was once a time when the separation of church and state was a cardinal commandment of Southern Baptists and nearly all evangelical Protestants. For most of these Protestants, spending even a dime of public money on religious schools or church programs was to assail the Founders, destroy religious freedom and turn God into a servant of the state.

"Most people think church-state separationists are atheists or humanists or just bad people," said Derek Davis, director of the J.M. Dawson Institute of Church-State Studies at Baylor University. "It's just not that way at all."

Davis's center at Baylor, one of the country's premier Baptist institutions, speaks for the old separationist tradition that still finds many adherents in the pews of Baptist churches. He offers useful reminders that the current argument over the role of religion in public institutions—especially in the public schools—has its roots early in American history. In 1844, he notes, six people were killed in a riot in Philadelphia over what version of the Ten Commandments should be posted in the public schools. Whatever one thinks of today's battles over whether to post the Ten Commandments in government buildings, nothing that disturbing has happened yet.

If all evangelical Christians thought like the old-line Baptist separationists, Clinton and other politicians probably wouldn't be talking so rapturously about a new relationship between church and state. But the culture wars changed the church-state argument by moving many Baptists and evangelicals to a new view: that separation was promoting secularism and turning once-friendly public institutions into environments hostile to religion. The Rev. Richard John Neuhaus captured this sense in his 1984 book, "The Naked Public Square."

Thus, on church-state issues, says Richard Cizik, director of the Washington office of the National Association of Evangelicals (NAE), his organization has "really done a 180 [-degree turn]" over the past 40 years. Once opposed to state aid to religious schools, Cizik said, the NAE now supports private school vouchers and has endorsed the "charitable choice" provisions of the 1997 welfare bill promoting government aid to faith-based charities.

Earlier in our history, arguments over separation were just as fierce, but had different inspirations. When Catholic immigrants began flooding America from Ireland in the 1840s, there was strong Protestant opposition to any government assistance to the schools the Catholics were establishing. Here, separatism was less about protecting government or religion than in opposing any expansion of "Popery."

Similar fights broke out from the late '40s through the '60s over government aid to parochial schools. Eleanor Roosevelt carried out a famous and bitter public argument with New York's Cardinal Spellman on the issue.

"Certainly there's been a regrettable history of animus toward Catholics," says Melissa Rogers, associate general counsel at the Baptist Joint Committee on Public Affairs, whose group is separationist and spun off from Southern Baptist Convention after Baptist conservatives defeated moderates and liberals.

Davis agrees that separatism was often "fueled by this anti-Catholic bias." But both Davis and Rogers insist that anti-Catholicism was less important historically to separationists than a general fear of the effect of state involvement in religion on both government and the religious institutions themselves.

What's striking now is that conservative Protestants who long opposed aid to Catholic schools now find themselves allied with Catholics on the voucher issue. "One of the most remarkable changes of the 20th century is the virtual evaporation of hostility between Protestants and Catholics," says Grant Wacker, a professor of religious history at Duke University Divinity School. "I don't think it's because Baptists have come to have a great respect for Tridentine theology. It's because they see Catholics as allies against graver problems. There's a large reconfiguration going on now."

Indeed. In the separationist wars, Baptists find themselves allied with Jews and many mainline Protestant churches. But

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even more relevant are liberal/conservative splits within the denominations and faiths themselves. On some church/state questions, Reform Jews are on the opposite side from Orthodox Jews. In the Christian churches, liberals and conservatives (or, as some would have it, modernists and traditionalists) ally against each other across denominational lines, creating a new politics.

What sense can be made of this, and in particular of the turn toward faith-based institutions? Is a new national consensus on church-state questions possible?

A consensus is possible—even if it will be hard to achieve—if the current arguments are understood as the third stage in a long national debate.

While Protestant hegemony in America—the first stage—began to erode with the end of Prohibition, arguably the last political project to unite mainline and fundamentalist Protestants. But the formal dominance of Protestantism was largely repealed in the 1960s, often with the strong support of progressive Protestants themselves.

The second stage involved a hard push for separation, including many of the relevant court decisions. It was no accident that this occurred as the country was coming to terms with its historic treatment of minorities. "I see the '60s as a time when we began to grow up a little bit," says Davis, director of the Baylor center. "If we want to be a democracy that supports the rights of minority groups, including religious minorities, we can't have a government that stands behind and supports one world view."

John F. Kennedy's election as president marked the full entry of Roman Catholics into the mainstream of American life. The civil rights movement sought to right historic wrongs done to African Americans. The era swept away long-standing barriers to Jews, the effective end of restrictive covenants and new movements to defend the rights of Latinos and Asians. All brought the pervasively white and Protestant ethos in government-financed institutions and society into question.

Today's commotion is rooted in a new fear—that the combination of legal decisions and cultural trends has marginalized religion more than is either necessary for religious freedom or desirable for the country. In creating what Yale Law School professor Stephen Carter called "The Culture of Disbelief" in his book of that title, the country seemed to replace old prejudices (of race and religion) with a new prejudice against belief itself.

The current renegotiation of boundaries—the third stage—has already borne fruit. In 1995, new federal guidelines to school administrators were designed to make clear that while the state cannot impose religion, students cannot be forced to be secular against their will or silenced in their personal expressions of religion. Individual students could not be stopped from praying. Jewish students could not be barred from wearing skull caps, any kid who wanted to talk about religion on school grounds had the right to do so. As the president said at the time, the Constitution "does not require children to leave their religion at the schoolhouse door."

In 1997, the administration issued guidelines requiring government supervisors to respect individual expressions of faith by religious employees. Christians, the guidelines said, can keep Bibles on their desks. Muslim women can wear head scarves. Jewish workers should be accommodated as much as possible in scheduling so they can honor the High Holidays. This may all seem like common sense, but it reflects an awareness that a desire to preserve religious freedom entails both keeping the government out of the way and protecting the free expression of believers.

The battle over expanded government aid to faith-based institutions will not be so easy. Rogers calls it "the wrong way to do right." She means that the admirable efforts by faith-based charities should get much more private and corporate support, but not government help. Yet Gore's endorsement of what has come to be known as "charitable choice" suggests a slow shifting of the boundaries being drawn by moderate and even liberal Democrats who have come to see the churches as indispensable allies to government in solving problems.

The NAE's Cizik thinks the rise of religious feeling in America and a decline in the hostility to religious institutions may be a sign that "a new, more acceptable consensus would replace partisan religious fights." Even active participants in the culture wars, he says, are tired of them.

Amen to that. And if a new consensus still involves some contention, that's neither surprising or disappointing. What else do you expect in a country where people have rioted over the Ten Commandments? But somehow, precisely because every generation has been willing to argue about it, we have managed to preserve religious liberty.

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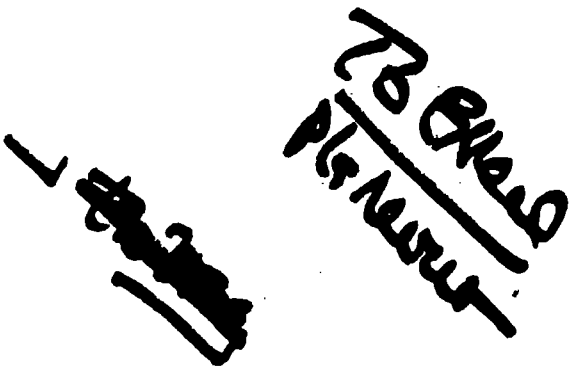

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PRESERVING AMERICA'S PRIVACY AND SECURITY IN THE NEXT CENTURY: A STRATEGY FOR AMERICA IN CYBERSPACE

A REPORT TO
THE PRESIDENT OF THE UNITED STATES

September 16, 1999

William Cohen
Secretary of Defense

Janet Reno
Attorney General

Jacob J. Lew
Director of the Office
of Management and Budget

William Daley
Secretary of Commerce

PRESERVING AMERICA'S PRIVACY AND SECURITY IN THE NEXT CENTURY: A STRATEGY FOR AMERICA IN CYBERSPACE

1. A TIME OF PIVOTAL CHANGE

American history has been punctuated by periods in which the Nation had to respond to sweeping social, economic and technological developments. In the best of times, people working together in government and industry became the engine of progress that shaped the character of the time and facilitated new prosperity and opportunity for Americans. Three examples illustrate this point.

Opening the Heartland and expanding the frontier. Beginning with the Louisiana Purchase in 1803, the government initiated a remarkably successful policy to open up a vast new area. Over the next five decades, the United States doubled the size of its territory. Under the government's plan, land grants were given to railroads to open the Midwest and in turn to create a future market for rail services. Land was awarded to homesteaders, and yet other parcels were reserved as income sources for institutions of higher education.

The technological advance of the railroad was the engine pulling this growth. From the 1820s to 1900, American railroads added an average of more than 2,000 miles of track each year. By the close of the 19th century, the combination of these factors had served to triple the size of our nation. The Administration and the Congress, working together and in concert with technology advances, created an infrastructure for a new society.

Industrialization and the Great Depression Produce a New Society. Around the turn of the century, the country was firmly in the Industrial Age. Technical innovations in automation and machinery spurred the growth of factories, assembly lines and mass-production in our nation's cities. The Ford assembly line for the Model T and the Wright brother's flight catapulted us into a mobile society and drove further technological innovations. Telephones became more commonplace and the nation began to shrink as news and information traveled faster. As a nation, we created new opportunities in industries never heard of, and created a new class of wealth, based on opportunity and innovation, not birthright. The economy moved from an agrarian society to an industrial society.

But the growth and prosperity experienced by many halted when the Great Depression gripped the country. In response, the government developed a series of

creative policies and programs that brought government and business to the common task of restoring productivity to America. While there were a number of social programs, government support for technology was key to driving development. For example, the government took a pivotal role in expanding the electrical grids that would become the backbone of our national infrastructure, first with the creation of the Tennessee Valley Authority in 1933 and two years later with the creation of the Rural Electrification Administration. Electrical technology, in the ensuing years, radically altered the capabilities of America's rural farms and industry. Just as important, it created a transmission belt that further disseminated the ideas and technology being generated in the nation's cities.

A World War Produces a Global Community and the American Century. In a third case, World War II shattered the international political system at the same time that it brought an end to 19th century colonialism. The creation of the World Bank, the International Monetary Fund, and the rules for a global trading system became the cornerstones of the emerging global economy.

The urgent need for increased production and the burst of scientific funding associated with the war effort -- sustained by a continuing Federal commitment to new science and technology in the following years -- vaulted the United States into the age of electronics and computers – the beginning of the Information Age.

Advances in telecommunications, such as broad-band carrier systems and switching devices, combined with innovations in the computer industry to give individuals more power than ever to process large amounts of information and transmit that information at ever-greater speeds. Further, this country's goal to reach the moon by the end of the 1960s fueled development of advanced electronics, increased computing power and communications capabilities. At the same time, technological leaps in computer memory and data storage enabled the centralized use (and, unfortunately, misuse) of information to examine or profile individuals, consumers, and groups. As these issues emerged, our legal system responded. Looking back, the "Information Economy" that Americans recognize today could be seen emerging as early as the late 1940s.

Each of these examples was a pivotal episode in American history in which complex social, economic, and technological forces came together. Facing the challenges of the day, America's governmental, societal and technical leaders crafted a new vision of the future, and in the process became pioneers on a new frontier of opportunity and promise.

America now faces a new time of pivotal change, enormous opportunity, and promise. This time, technology itself presents both an opportunity and a threat to global society increasingly dependent on, and connected by, advanced computing and communications. Continuing a balanced strategy that advances our national interests is the challenge of our day.

2. Cyber America: Great Promise and Serious Risks

America now stands on the brink of revolution fueled by machines – computers – and networks of computers that facilitate the instant exchange of and access to ideas and information. The computer has and will continue to revolutionize virtually all aspects of American society, just as electricity, the power grid and the railroad changed our forefathers' society.

The Computer as an Economic Engine. It is well known that the computer, and its application in business, commerce, education and recreation has transformed the American economy. America is becoming a country of "knowledge workers," with the ubiquitous application of computer technology at its core. America's productivity today is grounded in computer applications and networks. Barcodes speed us through shopping lines and simultaneously facilitate store manager recordkeeping and reordering. Airline reservations can be booked from home computers. Everything from clothes to books to software can be purchased over the Internet. American companies are discarding their proprietary computer systems and using the Internet and the Web to increase productivity, network their entire chain of suppliers, and deliver "just-in-time" training to their employees. American students can conduct original research with colleagues on machines around the world with but a few keystrokes. Travelers can monitor current weather conditions in another country. Scientists can "conference" electronically and transmit astounding volumes of information in seconds to colleagues on other continents.

As remarkable as today's innovations are, the years ahead hold even greater promise. Computers will become virtual partners in all aspects of our lives. Homes will be centrally wired to allow integrated alarms, electronics, appliances, telephones, and computers to simplify our lives. Education will become more adaptive to the routines of individual students, and banking, finance, and shopping will increasingly migrate to the home and portable computing devices.

And in this process and through networking, computers have created the well-known "cyberspace" that eliminates the traditional boundaries of time and place and links governments, businesses, and individuals in the same electronic environment.

The Dangers of Cyberspace. Like any new tool in previous eras, computers can be used by those who prey on the innocent. International narcotics traffickers now routinely communicate with each other via computer messages. Hostile governments and even some transnational organizations are establishing cyber-warfare efforts, assigned the mission of crippling America's domestic infrastructure through computer attacks. Hackers destroy cyber-property by defacing homepages and maliciously manipulating private information. Pedophiles stalk unsuspecting children in computer chat rooms. Individuals post homepages with instructions to manufacture pipebombs, chemical weapons, and even biological agents. Crooks break into business computers, either stealing funds directly or extorting payments from companies anxious to avoid more expensive disruption. Disgruntled employees, with valid access to their companies' system, can take steps to disrupt the business operations or steal proprietary, sensitive,

and financial information. And our personal data is at risk of being unlawfully accessed and read by malicious individuals, without our knowledge, as it resides on or traverses communications and computer networks.

These concerns are not hypothetical. We have seen these types of activities, and other equally dangerous activity, in past and on-going cases. The danger posed by evil individuals using these powerful new tools grows by the day. Just as other technologies have the risk of being abused, it is necessary for us to evaluate how to respond. Without protective action, we will not be safe. America must take responsible steps to ensure that this promising electronic environment is safe for law abiding citizens and businesses.

3. Balancing America's Bedrock Values

While these problems seem unprecedented, in fact they represent a return to the bedrock problems faced by America's constitutional founders. American democracy became and remains a new experiment in government--balancing the rights of individuals against the imperatives of society and limiting the reach of government into personal, private lives, while mandating a government responsibility for public safety and security for all citizens.

Computers are now at the center of competing American values. In honest, law abiding citizens' hands, the computer becomes an indispensable tool for education, personal and commercial business, research and development, and communications. In criminal hands, the same computer becomes a tool of destruction and criminality.

Enter encryption. Over the past decade, another information technology has emerged that amplifies this tension - encryption. Encryption includes special instructions that scramble a clear readable message in complex ways that make it unreadable. For the strongest forms of encryption, only the intended recipient can unscramble the message and read the original plain text, unless someone else has gained access to the corresponding decoding software and decryption key.

Originally only available and used by military agencies, strong encryption is now available to many and has become a building block for the new digital economy. It is essential to provide security and privacy for electronic commerce and e-business. Encryption is critical because it allows individuals, businesses, and other organizations to share information privately without it being unlawfully intercepted or accessed by a third party, to establish their identities, and to maintain the integrity of information. Without the use of encryption, it is difficult to establish the trust that people and firms need to do business with each other, or to have confidence to run their business electronically. With the use of encryption:

- Individuals and consumers can securely conduct their finances and communicate with each other over the Web.

- Firms can transmit their software, music, movies, reports and other forms of intellectual property over the Internet while minimizing the risks of widespread piracy.

- Businesses can protect their company proprietary information over the Internet, with confidence that the information is secure from prying eyes.

- Firms can develop products more rapidly, as teams of engineers around the world can collaborate on their designs in real-time over secure high-speed networks.

However, while the majority of users will use encryption for legitimate, lawful purposes, we must recognize that terrorists, pedophiles and drug gangs are increasingly using encryption to conceal their activities. Hence, encryption has posed a serious public policy challenge over the past decade.

The Federal Government has sought to maintain a balance between privacy and commercial interests on one hand and public safety and national security concerns on the other by limiting the export of strong encryption software. Preserving this balance has become increasingly difficult with the clear need for strong encryption for electronic commerce, growing sophistication of foreign encryption products and the proliferation of software vendors, and expanded distribution mechanisms. In the process, all parties have become less satisfied with the inevitable compromises that have had to be struck. U.S. companies believe their markets are increasingly threatened by foreign manufacturers in a global economy where businesses, consumers, and individuals demand that strong encryption be integrated into computer systems, networks, and applications. National security organizations worry that the uncontrolled export of encryption will result in diversion of powerful tools to end users of concern. Law enforcement organizations see criminals increasingly adopting tools that put them beyond the reach of lawful surveillance.

At the end of the century, these are the important national interests that must be reconciled. Determining a policy direction for encryption has become more complex, and more urgent, for all those affected. A strategic paradigm that better achieves balance is needed.

4. A New Paradigm to Protect Prosperity, Privacy and Security

To support America's prosperity and protect her security and safety, we propose a new paradigm to advance our national interests. The new paradigm should be comprised of three pillars - information security and privacy, a new framework for export controls, and updated tools for law enforcement. We discuss each in turn.

I. Information Security and Privacy. As a nation, we have become increasingly dependent on computers and telecommunications. These new technologies create vast opportunities for personal expression and electronic commerce, while also

creating new risks to public safety and national security. Computers and telecommunications rely on open protocols and ultra-accessibility, thus making individuals' and organizations' words and actions vulnerable to outsiders in new and potentially frightening ways. A first pillar of our new paradigm must be to promote information security and privacy – to assure the security and privacy of stored and transmitted data from unauthorized and unlawful access.

The President has recognized the challenge of updating privacy for new technologies: "We've been at this experiment in Government for 223 years now. We started with a Constitution that was rooted in certain basic values and written by some incredibly brilliant people who understood that times would change, and that definitions of fundamental things like liberty and privacy would change, and that circumstances would require people to rise to the challenges of each new era by applying old values in practical ways."

In updating enduring constitutional values for the computer age, we need to assure that our citizens' personal data and communications are appropriately protected. Businesses need to privately communicate with their employees and manufacturing partners without risk that their proprietary information will be compromised through unauthorized access. Encryption is one of the necessary tools that can be used in this technological environment to secure information. Therefore, we encourage the use of strong encryption by American citizens and businesses to protect their personal and commercial information from unauthorized and unlawful access.

We must also recognize the inherent security risks posed by the spread of and dependence on "open systems" and ready accessibility. The Defense Department's situation is typical. Twenty years ago the Defense Department operated largely proprietary communications systems over government owned switches and circuits. DOD technology was homebuilt and tightly controlled. Today, the U.S. DOD has more computer users than any other organization in the world – 2.1 million computers access over 10,000 networks on an average work day. Even so, 95% of DOD's communications occur over public circuits or with commercial software and hardware. The Defense Department's reliance on commercial products and services is repeated throughout the country by government agencies and the private sector.

If the Department of Defense is to function safely in cyberspace, it must use strong tools for encryption and identity authentication. It is not just military operations and data that must be protected. All government agencies and all business activities will increasingly need a full set of security tools to ensure access, privacy and absolute confidence in business operations that utilize computer technology.

We recognize that information technology is changing rapidly and constantly providing both new security capabilities and challenges and, hence, we will never reach a "perfect solution." Nevertheless, there are many efforts underway throughout the government to address the need for more secure systems. By adopting commercial approaches, where appropriate, and sponsoring R&D to fill needed capabilities, we

believe the Federal government should, by example, lead the way for America to develop and use the tools and procedures for information security and privacy in the next century.

The Department of Defense, for example, has allocated over $500 million to develop a comprehensive security management infrastructure. This infrastructure will utilize a range of encryption products (with stronger products for more sensitive applications involving higher levels of classification), and a public key infrastructure (PKI) to identify and authenticate those who use our information networks. The Department is also adopting stronger standards for network configuration and operator qualification and certification, and is taking steps to better detect unauthorized intrusions into DOD networks.

The Federal government must continue to promote the development of stronger encryption technologies for federal use. The advanced encryption standard (AES) is in the final stages of a public selection process. Once promulgated, AES could become as ubiquitous as today's digital encryption standard (DES) which has contributed greatly to the growth of electronic commerce.

In the Federal government, the Department of Defense is a leading proponent of information security through its information assurance initiative, and other agencies are recognizing the need for increased diligence in maintaining adequate security of Federal information and systems. We encourage each agency to vigilantly build security enhancements into their business operations in risk-based and cost-effective ways that enable, not impede, the agency's ability to perform its mission.

Further, we believe that the Congress and Executive Branch should work together to promote both the awareness of information privacy and security and the development of appropriate tools and resources by the private sector, and to consider whether tangible incentives are appropriate. Given the rapid changes in technology, we advocate a technology neutral approach. This approach would have the public and private sectors working together to encourage development of a broad range of privacy and security products and processes and share promising practices with one another. We believe equally strongly that security infrastructures and the deployment of security products -- should neither be mandated nor prohibited. Public and private organizations must determine their risks and be free to choose their own solutions.

The government's requirement to protect its own sensitive and privacy information is matched by individual's and the private sector's own interests in proper handling of sensitive information. Many in industry and elsewhere are already developing and using sophisticated security and privacy products and processes. Government should act as a facilitator and catalyst and help stimulate the development of commercial products that will help all Americans protect their sensitive information.

In sum, the first pillar of the new paradigm calls on the Federal government, the Congress and all others to partner in promoting ways to bring information security and privacy to the Information age. Working together, we can develop tools and procedures

for safe operation in cyberspace, applying enduring constitutional values to our new circumstances.

II. Encryption Export Controls for the New Millennium. At the dawn of the new millennium, technology is advancing at such a rapid pace that attempts to control its global spread under the existing export control regime need to be regularly reevaluated. Encryption will continue to enable new economic realities that must be considered in a balanced approach to export controls.

Encryption products and services are needed around the world to provide confidence and security for electronic commerce and business. With the growing demand for security, encryption products are increasingly sold on the commodity market, and encryption features are being embedded into everyday operating systems, spreadsheets, word processors, and cell phones. Encryption has become a vital component of the emerging global information infrastructure and digital economy. In this new economy, innovation and imagination are the engines, and it is economic achievement that underpins America's status in the world and provides the foundation of our national security. We recognize that U.S. information technology companies lead the world in product quality and innovation, and it is an integral part of the Administration's policy of balance to see that they retain their competitive edge in the international market place.

We as a nation must balance our desire and the need to assist industry with a prudent, objective and steady judgment about how to protect national security; a judgment that acknowledges that technological advantages may add new dimensions to an already complicated problem set. We must ensure that the advantages this technology affords us are not extended to those who wish us ill or who harbor criminal intent. This judgment must be informed by both foreign and domestic realities.

While the U.S. is a huge market for telecommunications goods and services, the other nations of the globe present markets much larger than our domestic demand. Our networks are inextricably bound to those of our allies and adversaries alike. Likewise, America's interests do not end at our borders. American diplomats, service men and women, as well as countless business people work and live around the globe. America's interests are served by the ability to send and receive proprietary, personal and classified information to exactly where it is needed around the world. Likewise, America's interests are served daily by shared actions with our allies, which require accurate and authentic information be exchanged. Our policy must acknowledge these vital interests.

But even as we do, it is imperative that we uphold international understandings, and strive with other nations to prevent the acquisition of encryption technology to sponsors of terrorism, international criminal syndicates or those attempting to increase the availability of weapons of mass destruction. We must also meet our responsibilities to support our national decision makers and our military war fighters with intelligence information in time to make a difference.

Accordingly, the Administration has revised its approach to encryption export controls by emphasizing three simple principles that protect important national security interests: a meaningful technical review of encryption products in advance of sale, a streamlined post-export reporting system that provides us an understanding of where encryption is being exported but is aligned with industry's business and distribution models, and a license process that preserves the right of government to review and, if necessary, deny the sale of strong encryption products to foreign government and military organizations and to nations of concern. With these three principles in place, the Federal Government would remove almost all export restrictions on encryption products. This approach will provide a stable framework that also will allow U.S. industry to participate in constructing and securing the global networked environment. This approach also maintains reasonable national security safeguards by monitoring the availability of encryption products and limiting their use in appropriate situations.

The Administration intends to codify this new policy in export regulations by December 15, 1999, following consultations on details with affected industries and other private sector organizations.

However, with this new framework for export controls, the national security organizations will need to develop new technical tools and capabilities to deal with the rapid expansion of encrypted communications in support of its mission responsibilities. The Congress will need to support such new tools and technical capabilities through necessary appropriations.

III. Updated tools for Law Enforcement. Because of the need for and use of strong encryption globally, governments need to develop new tools to deal with the rapid expansion of encrypted communications. Updated tools for law enforcement that specifically address the challenges of encryption constitute the third pillar of the new strategy. We cannot ignore the fact that encryption will be used in harmful ways - by child pornographers seeking to hide pictures of exploited children, or commercial spies stealing trade secrets from American corporations, or terrorists communicating plans to destroy property and kill innocent civilians. Even more significant, because cyberspace knows no boundaries and because it is not immediately clear if a cyberattack involves Americans or foreigners, America's national security will increasingly depend on strong and capable law enforcement organizations. This is because the United States military and intelligence agencies have long been restricted by law from undertaking operations inside the United States against American citizens. Accordingly, America's national defense is now increasingly reliant on ensuring that our law enforcement community is capable of protecting America in cyber space.

Under existing law and judicial supervision, law enforcement agents are provided with a variety of legal tools to collect evidence of illegal activity. With appropriate court orders, law enforcement may conduct electronic surveillance or search for and seize evidence. In an encrypted world, law enforcement may obtain the legal authority to access a suspect's communications or data, but the communications or data are rendered worthless, because they cannot be understood and cannot be decoded by law enforcement.

in a timely manner. Stopping a terrorist attack or seeking to recover a kidnapped child may require timely access to plaintext, and such access may be defeated by encryption. Hence, law enforcement's legal tools should be updated, consistent with constitutional principles, so that when law enforcement obtains legal authority to access a suspect's data or communications, law enforcement will also be able to read it.

Quite simply, even in a world of ubiquitous encryption, law enforcement with court approval must be able to obtain plaintext so that it can protect public safety and national security. Therefore, we must undertake several important and balanced initiatives.

First, we need to ensure that law enforcement maintains its ability to access decryption information stored with third parties, but only pursuant to rules that ensure appropriate privacy protections are in place. To ensure this result, the Administration and the Congress must develop legislation to create a legal framework that enhances privacy over current law and permits decryption information to be safely stored with third parties (by prohibiting, for example, third party disclosure of decryption information), but allows for law enforcement access when permitted by court order or some other appropriate legal authority.

Second, since criminals will not always store keys with third party recovery agents, we must ensure that law enforcement has the personnel, equipment, and tools necessary to investigate crime in an encrypted world. This requires that the Congress fund the Technical Support Center as proposed by the Administration, and work with the Administration to ensure that the confidentiality of the sources and methods developed by the Technical Support Center can be maintained.

Third, it is well recognized that industry is designing, deploying and maintaining the information infrastructure, as well as providing encryption products for general use. Industry has always expressed support, both in word and in action, for law enforcement, and has itself worked hard to ensure the safety of the public. Clearly, industry must continue to do so, and firms must be in a position to share proprietary information with government without fear of that information's disclosure or that they will be subject to liability. Therefore, the law must provide protection for industry and its trade secrets as it works with law enforcement to support public safety and national security. The law must also assure that sensitive investigative techniques remain useful in current and future investigations by protecting them from unnecessary disclosure in litigation. These protections must be consistent with fully protecting defendants' rights to a fair trial under the Constitution's Due Process clause and the Sixth Amendment.

The Administration and the Congress need to work jointly to pass legislation that provides these updated authorities. The Administration is in the final stages of drafting legislation and will shortly submit it to the Congress for consideration.

It is imperative to emphasize that the malicious use of encryption is not just a law enforcement issue - it is also a national security issue. The new framework for export

controls must be complemented by providing updated, but limited authorities to law enforcement.

5. Conclusion

America stands on the pivot point of a crucial time in its ongoing development, and we face once again the on-going debate in this country between individuals' rights and the collective needs of society. The genius of our Constitution is in the balanced way it addressed that debate and in the procedures it created for continuing that discussion as the society and the economy evolved. For our own part, we enter that debate determined to preserve that same balance of the rights and responsibilities that has characterized our country through its history, but we are equally determined not to be thoughtlessly bound to old approaches and old technologies. Our challenge is to adapt our historical approach to the technological challenges we face. We believe the new paradigm described above achieves that objective.

We can now see a future with great promise and - and serious consequences - posed by the same technical developments. How well we handle these important challenges will shape the next century. It is far better that we approach these problems from a cooperative perspective. The past years of confrontation must be replaced by an era of collaboration. For only by working together, which is the rich history of this nation, can we ensure our economic viability and protect ourselves from those who would do us harm.

cc Sidi/Bruce
see me - he's good

THE PRESIDENT HAS SEEN
9-2-9-99

cc [illegible]

Marshall University
Huntington, West Virginia

I think these letters should be forwarded to Bob Barnett & Bruce - You reply accordingly

The Honorable William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

POTUS
Hist

After attending the first Millennium lecture at the White House (you were very kind to commend my biography of John Marshall), I began to realize how necessary it is to provide an objective account of the achievements of your presidency. Perhaps I am especially conscious of that because I am just finishing a biography of Ulysses S. Grant. Grant's generalship has stood the test of time but his presidency has been trashed by historians, most of whom have never bothered to examine the record. I don't suggest that will be the case with your administration, but I believe it is important to get the record before the country in readable, authoritative fashion without undue delay. It should also be done by a recognized scholar whose record for objectivity is beyond question: someone who has had no connection with your administration and has not benefited in any way.

If you have not made a prior commitment, I would very much like to undertake the task. My biography of Grant goes to the publisher in December, and I would propose to begin immediately after that. My approach would be similar to that of Arthur Schlesinger in the *Age of Roosevelt*, and I would see this as a two or three volume work that placed the Administration in the context of the final decade of the century.

Years ago I worked with General Lucius Clay (*Lucius D. Clay: An American Life*), and I am familiar with the problems of writing about someone who is still active. I also understand how valuable your time is, and would not intrude on it more than absolutely necessary. Aside from access to the record, General Clay granted me one interview per week, and his comments were invaluable. The written record is informative, but never tells the whole story.

If you wish to consider my suggestion further, I would be pleased to come to Washington to discuss it, at your convenience.

With all best wishes for you and the First Lady,

Respectfully,

Jean Edward Smith
John Marshall Professor

copied
Blumenthal
Reed
Podesta
Hernreich

cc Board of Supv

Drucilla Ramey writes concerning "Driving While Black" issue . The Bar Association of San Francisco sponsored a resolution to the American Bar Association calling for legislation requiring federal, state and local law enforcement agencies to collect statistics about race and related factors when making traffic stops. Legislation has been adopted by both houses of the California Legislature, but they have learned that Governor Davis has threatened to veto the bill and/or dilute it by amendments. She urges you to contact him and let him know how important this issue is to you, for the country as a whole and California as its largest state.

THE BAR ASSOCIATION OF SAN FRANCISCO

September 2, 1999

BY FEDERAL EXPRESS

President Bill Clinton
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500-2000

Dear Bill:

I am writing because I urgently want to bring to your attention something that I believe is near and dear to your heart on which action by you could make a crucial difference.

Following your leadership in the Call to Action you made in July, and in particular your action in the federal arena on the issue known as "Driving While Black," the Bar Association of San Francisco drafted and sponsored a resolution that we asked Mayor Dennis Archer to present on our behalf to the American Bar Association calling for legislation requiring federal, state and local law enforcement agencies to collect statistics about race and related factors when making traffic stops. On August 10, 1999, the House of Delegates of the ABA unanimously adopted our resolution, which was reported the following day in the Washington Post. I enclose a copy of the article.

The Driving While Black issue is of particular concern in California, which is the largest state in the country and in which there is extensive anecdotal evidence of a widespread systemic problem. Virtually every African American and Latino man one talks to has multiple stories of being stopped by police, subjected to humiliating treatment (such as being handcuffed, held at gunpoint, etc.), and released without charges being brought. This includes prominent athletes, politicians, attorneys, businessmen, teachers, and people from every walk of life. Not surprisingly, when information about this issue was brought to their attention, virtually every major metropolitan bar association in California (Los Angeles, Santa Clara County, San Diego County, Alameda County, Orange County, and Beverly Hills) chose to co-sponsor our resolution.

Our bar, joined by these other bar associations, also wrote to Governor Gray Davis, on whose desk is sitting legislation adopted by both houses of the California Legislature, that would require law enforcement officials throughout California to do the same thing that you have ordered federal law enforcement authorities to do: record and keep statistics on the race and ethnicity of driver and occupants, reasons for stop, whether a search was conducted, and basis for search, for all traffic stops conducted here. This is the second time both houses of the Legislature have passed this legislation. The first time it was passed, it was vetoed by then-Governor Pete Wilson. In our letter to Governor Davis, we highlighted the important reasons and need for this legislation. Enclosed is a copy of that letter and the California legislation it references.

We recently learned that Governor Davis has threatened (non-publicly) to veto the bill and/or to so dilute it by amendments that it would fail altogether to address the important racial injustice that is occurring in law enforcement authorities' traffic stop activities in this State. We are greatly disheartened by this information. The only possibility of changing the Governor's mind that I can see is for you to contact him directly and let him know how important this issue is to you personally, and for the country as a whole and California as its largest state. I know how supportive you and Hillary were to the Governor when he was running for election. I have confidence that your encouragement to the Governor would make the difference.

Yours very fondly,

Drucilla Ramey

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Personal (2 pages)	nd	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Eric Liu
OA/Box Number: 16242

FOLDER TITLE:
POTUS - Miscellaneous [Correspondence and Memorandums]

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P1 National Security Classified Information [(a)(1) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

THE PRESIDENT HAS SEEN
8-30-99

copied
Reed
Podesta

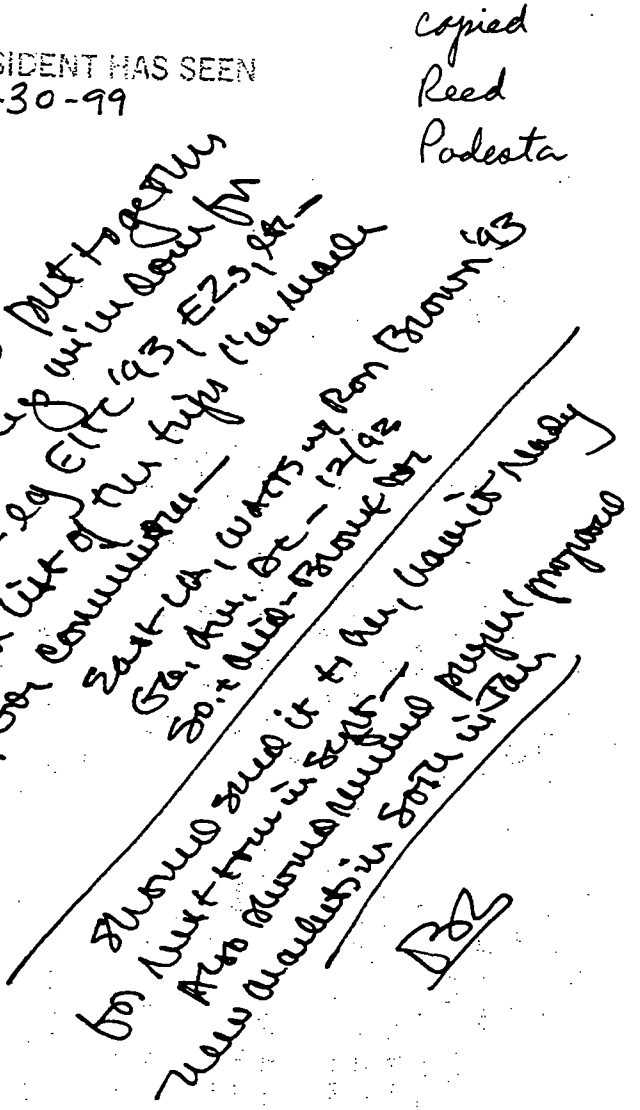
B Reed
We need to put together a list of things we've done for the poor -- e.g., EITC '93, EZs, etc. --
+ a list of the trips I've made to poor communities --
East LA, Watts w/Ron Brown '93
Georgia Ave., DC - 12/93

_____ - Bronx

Should send it to her, have it ready for her and to me in Sept.

Also should ~~remind people I proposed~~ new ~~markets~~ in SOTU in Jan

BC



Clinton spoke on the occasion of the VFW's 100th anniversary celebration in Kansas City, Mo. Clinton noted that President Harry Truman had addressed the group on its 50th birthday.

But Clinton has had an uneasy relationship with the military as well as veterans since taking office. He began his tenure with some calling him a draft dodger, immediately faced a controversy over allowing gays in the military, and more recently has been criticized for what some consider inadequate spending on veterans' health.

Clinton has made an effort to improve these chilly relations, for example by opening new outpatient clinics for veterans. On Monday, he was received warmly his speech was interrupted by applause 18 times
as though VFW members were consciously seeking to disprove predictions of a cool reception.

Clinton's audience Monday was not so much the veterans themselves as lawmakers in Washington. The president and Congress have regularly skirmished over the size of the foreign affairs budget, which includes everything from foreign aid to embassy operations to anti-drug efforts to United Nations dues.

"It is a battle every year," said Mike Froman, who was chief of staff to former Treasury Secretary Robert Rubin. "There is very little constituency in favor of foreign affairs funding, and it is not terribly popular up there with members of Congress who understandably ask, 'Why should I spending money abroad when there is so little money to address my needs at home?'"

Clinton has proposed a foreign affairs budget of $21.5 billion for 2000, a slight increase from recent years. Both houses of Congress promptly slashed that figure by more than $2 billion.

Clinton, in response, spent much of his speech Monday arguing for the importance of diplomacy to prevent war in places like the Mideast, the Balkans and Africa. He also stressed a longtime sore point: the $926 million the U.S. owes in back dues to the United Nations.

"International engagement costs money, but the costliest peace is far cheaper than the cheapest war," Clinton said.

Republicans acknowledge that their priorities in foreign affairs differ markedly from Clinton's. For example, they note, the Republican Congress has approved spending $1.4 billion on em ;y security in the aftermath of last year's embassy bombings, while Clinton wants to spend $550 million.

Republican Party spokesman Mike Collins criticized Clinton for cutting defense spending. "Yes, we need an arsenal of peace, but we also need an arsenal of defense," Collins said. "And he has let that arsenal become seriously depleted."

Both sides said it is likely that Congress will ultimately restore at least some of the $2 billion, and that Congress and the president will agree on a foreign affairs budget. Whether that will include the U.N. back payments, however, is anyone's guess.

The debate in Washington over foreign affairs been especially testy ever since the Republicans took over Congress and Sen. Jesse Helms, R-N.C., became chairman of the Senate Foreign Relations Committee. While foreign affairs is historically a source of contention between the president and Congress, experts say the issue become more heated in recent years.

Helms and Clinton have clashed, for example, over the president's appointment of former Massachusetts Gov. William Weld, a Republican, as ambassador to Mexico. Helms, saying Weld was not tough enough on drugs, blocked Weld's appointment over the objections of some in his own party.

Clinton and Helms have also been at odds over Helms' desire to bring several independent agencies, such as the U.S. Information Agency and the Arms Control and Disarmament Agency, into the State Department. Helms has largely prevailed.

Republicans, meanwhile, have tried to prevent foreign aid money from going to organizations that fund abortions. And Helms has blocked international pacts that Clinton wants ratified, notably the Comprehensive Test Ban Treaty halting underground nuclear testing.

Many believe Helms' relationship with Clinton officials, especially Secretary of State Madeleine Albright, has warmed considerably. But most still believe the foreign policy wars are harder-fought now than in previous administrations.

"In the past there were spats, but you did not have this gross level of difficulty on money," said Dan Goure, a high-level Pentagon official under President George Bush. "This is a significant dispute."

Clinton shows sudden interest in appearing to be a champion of the poor

By Naftali Bendavid

Chicago Tribune

WASHINGTON President Clinton recently found himself in a hot, stuffy mop factory in a rundown neighborhood here, urging big businesses to link up with inner-city firms. "We finally have a chance to do something for the places that have been left behind," Clinton said, with vast spools of mop strands stacked behind him.

Three days earlier, Clinton was holding forth in a dingy airplane hangar in eastern Arkansas about the need to revive the impoverished Mississippi Delta. "There is an enormous feeling out there in the country today that we ought to do something for the areas that have still not felt the economic recovery," Clinton said.

As his term begins to wind down, the president who has based his entire career on refocusing the Democratic Party from the needs of the poor to the needs of the middle class, who has passionately shied away from anything resembling 1960s liberalism, is sounding less like Bill Clinton and more like Lyndon Johnson.

Clinton sent a long list of proposals to Congress this month aimed at bringing investment to distressed areas. That followed a four-day, six-state July tour through poverty-stricken areas. He recently held a White House ceremony honoring lawyers for the poor. He attended a welfare-to-work conference in Chicago. He urged Congress last week to expand the AmeriCorps program, which helps the underprivileged, to 100,000 volunteers a year. He is planning another poverty tour this fall.

In a sense, Clinton is doing what some hoped and others feared he would do from the beginning of his presidency: spotlight the poor. It is not that Clinton is abandoning his appeal to the middle class, as his recent rhetoric on Social Security and Medicare amply demonstrates, but rather that he is adding a new edge with echoes of the Great Society.

Clinton's proposals are not particularly far-reaching; many are either small-scale items or repackaged versions of old programs. What many find interesting, though, is Clinton's sudden interest in appearing to be a champion of the poor after fighting so hard for so long to appear a centrist leader of the middle class.

Theories abound as to why the quintessential New Democrat has been sounding more like an Old Democrat: Clinton is reaching for a legacy. Or Clinton is trying to energize the Democratic base for the 2000 elections.

"I think Clinton is doing this because he thinks it's right, but in the past he thought there would be political costs to pay," said Democratic consultant Victor Fingerhut. "Now he is not going to

be up for another election, and that gives him a little more freedom. He is doing it now that the game is over and he is out of the game."

Bruce Reed, Clinton's chief domestic policy adviser, said the administration has helped the poor from the beginning, and the White House is merely highlighting the issue more now.

"In the early going, it was easier to get it done without shining a big spotlight on it," Reed said. "We're just at a different stage. New things are possible, both because the economy is doing so much better and because some of the old debates have run out of steam."

Clinton has risen to power, and governed, largely on the strength of his message that the middle class has been abandoned by both the left and the right. This centrism has inevitably meant a shift away from the traditional Democratic focus on the poor.

In both of Clinton's presidential victories, crucial support came from the middle class, especially women. The signature initiatives of Clinton's presidency, from crime to health care to tax cuts, may have helped the poor but were aimed squarely at the middle class. In December 1994, Clinton announced a "Middle Class Bill of Rights."

Advocates for the poor have not considered Clinton a great c npion, especially since he signed the 1996 welfare reform law limiting benefits to five years.

"The president has a really, really black mark on his record by signing the welfare law," said Stuart Campbell, executive director of the Coalition on Human Needs. "It's a black mark he will never be able to expunge."

But consider what this centrist has recently put on Congress' plate. His "New Markets" initiative would prod businesses to plow $15 billion into poor neighborhoods and would create community banks and investment firms to help these areas. He has also asked for such items as $15 million to help renters to buy their own homes and $50 million to refurbish abandoned urban buildings.

To be sure, this is not exactly the Great Society. The Clinton proposals have a distinctly New Democrat twist to them: They don't use federal money for far-reaching programs but to coax investment from business.

In touting his BusinessLINC program, which teams big businesses with struggling inner-city firms, Clinton spoke recently of business' obligation to help poor areas but only if they can make a buck. "This has to be a profitable decision," he said. "This is not a social program. This is free-enterprise economics."

Compare that to Johnson's sweeping declaration in 1964 that "this nation, this generation, in this hour, has man's first chance to build a Great Society, a place where the meaning of a man's life matches the marvels of man's labor."

Some advocates for the poor take a jaded view of Clinton's new campaign. For one thing, they say, the proposals have a slim chance of passage in a Republican Congress that is not eager to hand the Democratic administration a success. And to many the approach seems indirect and piecemeal.

"It certainly is a very good thing to jawbone business to do its t and to offer some incentives for them, but it is not all of what's necessary for poor families with children," said Deborah Weinstein, director of family income at the Children's Defense Fund. "Despite this strong economy, there has been a substantial jump in the number of children living below the poverty line."

Weinstein would like to see more direct help to these poor children. But the White House contends the administration has been paying attention to the poor since taking office. "Clinton laid out an ambitious urban empowerment agenda in the '92 campaign, and we've been carrying it out under the radar screen for six years," Reed said.

Clinton in 1993 did push through a major expansion of the Earned Income Tax Credit, giving significant tax help to the working poor. The president has also created 135 "empowerment zones" around the country, giving incentives for businesses to operate in economically distressed areas.

And the administration boasts of its enforcement of the Community Reinvestment Act, which encourages banks to lend in poor areas.

Ellen Vollinger, legal director of the Food Research and Action Center, said Clinton deserves credit for defending the food stamp program, which some critics wanted to dismantle. "It was incredibly important that the administration stayed behind the federal nutrition safety net," Vollinger said.

Alexander drops out of campaign after 6th-place finish in straw poll

By Dick Polman
Knight Ridder Newspapers

Everybody knew, back in the early summer, that Lamar Alexander's presidential dreams were dissipating after the would-be next leader of the free world was spotted all alone at an airline reservation counter in Manchester, N.H., booking his own flight.

Monday, the former Tennessee governor and federal education secretary finally bowed to the verdict of an indifferent citizenry, declaring in Nashville that he was pulling the plug on his fruitless quest to become the 2000 Republican nominee.

Alexander, 59, a mainstream conservative who has been running for president virtually full time since 1993, decided that Saturday's Iowa straw poll was tantamount to a fatal blow. He had pinned his hopes, and most of his meager funds, on finishing near the top. Instead, he was crushed by Texas Gov. George W. Bush and by four other candidates who have never held elective office.

"My heart wants to keep going," Alexander said Monday in a statement to supporters, "but there is no realistic way to do it. ... I have been privileged to see this magnificent country as few people have. I would not swap those experiences for anything."

He did not endorse a rival, and he reiterated his previous charge that Bush may be too inexperienced.

So Alexander becomes the first casualty of the straw poll a non-binding vote that nevertheless has real consequences for the biggest losers. Former Vice President Dan Quayle, for example, finished even lower eighth place and Monday some of his top lieutenants in South Carolina, a key early primary state, defected to a rival, Arizona Sen. John McCain.

Alexander, who also failed in his first bid for the GOP nomination three years ago, when his plaid shirts and carefully crafted "outsider" image were not enough to wrest the prize away from Bob Dole, was widely believed to be in big trouble. He was speaking to crowds of 20 Iowans, and at midyear his national cash on hand was the lowest of all presidential contenders unless you count fringe candidate Lyndon LaRouche.

To many observers, his stubborn persistence was beginning to look like self-delusion. Political analyst Rich Galen, a former Republican operative, said Monday: "He's a very decent guy, but when you run for president for six years and you rocket to 1 percent support in the national polls, sooner or later you've got to get the joke."

Analysts and political activists agree that Alexander's demise is vivid proof that sterling credentials are not enough to catapult

THE PRESIDENT HAS SEEN
8-30-99

B Reed
See my notes and
questions, advise

B Reed

See my notes and
questions, advise

Copied
Reed
Podesta

THE PRESIDENT HAS SEEN
8-30-99

Issue	The Vice President	Governor Bush	Current Law
Private Funding for Faith-Based Organizations	The Vice President has called upon corporations to match contributions to faith-based organizations just as they do other charities. © Didn't I sign a bill on this Didn't I sign a bill on this —	Governor Bush has proposed to encourage increased private giving by 1) providing a state tax credit to corporations that donate to charities dedicated to fighting poverty; 2) increasing the amount of charitable donations companies can deduct to 15 percent of the company's taxable income; and 3) limiting the civil liability of companies that donate equipment, facilities, vehicles, or aircraft to charitable organizations, except in cases of gross negligence.	States currently have the authority to provide credits against state taxes. Governor Bush does not appear to have enacted such a law in Texas. Under current law, companies can deduct charitable contributions until their value exceeds 10 percent of the company's taxable income. Current law already limits the liability of companies that donate food, and individuals who volunteer for charitable organizations.
Increasing the Influence of Faith Based Organizations	The Vice President has said that faith-based organizations will be integral to the policies set forth in his Administration, as they should be at the state and local level, and that he would work to "scale up" the efforts of faith-based organizations to bring their leadership into all levels. © not bad Not bad	Governor Bush has said he would establish an "Office of Faith-Based Action" in the Executive Office of the President, and would encourage similar state offices. He also would establish a Compassion Capital Fund to fund research on best practices among charitable organizations, support technical training in those practices, and provide start-up capital to qualified charitable organizations that wish to expand or emulate model programs. He would challenge the private sector to match federal funding of this effort.	Through the Justice Department, the Administration has awarded "values-based" grants to faith-based organizations for crime prevention.

8-30-99

Issue	The Vice President	Governor Bush	Current Law
Federal Funding for Faith-Based Organizations	The Vice President has proposed to extend the welfare law's "charitable choice" provision to new areas such as drug treatment, homelessness, and youth violence prevention, so long as individuals have secular alternatives and no one is required to participate in religious observances as a condition of receiving services.	Governor Bush has proposed to expand "charitable choice" to all federal laws that authorize the government to use non-governmental entities to provide services to beneficiaries with federal dollars. Faith-based organizations should provide secular alternatives, and fund inherently religious activities through private funds. He promised to launch initiatives involving faith-based organizations to: 1) help children of prisoners; 2) fund after-school programs with vouchers and open the entire 21st Century Program to competition by faith-based groups (only 10 percent is awarded by competition now, the rest goes to schools); 3) launch performance-based drug treatment programs; 4) fund pilot pre-release prison programs; 5) fund second-chance homes for teenage mothers through a block grant to states; and 6) make permanent the current $5,000 adoption tax credit, which expires in 2001.	The welfare law's charitable choice provision, which also applies to the Community Services Block Grant and the formula funds in DOL's Welfare-to-Work program, allows states to use the TANF block grant to administer services through contracts with charitable or religious organizations. Organizations receiving such funds may not expend them for sectarian worship, instruction, or proselytizing, and cannot be required to alter their practices or internal governance, or to remove religious symbols in order to qualify. The state must provide individuals who object to being served by a religious organization with an alternate provider. The Supreme Court has held that religiously affiliated groups may receive government funds so long as they do not use them to fund religious activities, but the government cannot fund "pervasively sectarian" groups. The Administration has long supported second-chance homes (which were authorized by the welfare law) and the adoption tax credit (which was enacted in 1996).

(3)

Waitley Phipps program -- someone should see him on VP's behalf, endorse it -- I should have

Mayor Daley already gives after-school to church schools -- should check it out and endorse

(4)

VP should be for this -- could give a family, family ramification speech including 1, 5, 6 --

But what have we done to promote them? Maybe I could highlight this as a way to increase their visibility and number

THE PRESIDENT HAS SEEN
8-30-99

Issue	The Vice President	Governor Bush	Current Law
Expand the Federal Charitable Deduction		Governor Bush has proposed to allow all taxpayers the ability to itemize their charitable donations, at an estimated cost of $8 billion a year.	Currently, only individuals who itemize can claim a deduction for charitable contributions.
Promote a Charitable State Tax Credit		Governor Bush said he would support legislation to provide a credit against individual state taxes for contributions to charities addressing poverty. States could use TANF funds to pay for this credit.	Currently, TANF funds can only be used to provide tax credits in very limited circumstances, such as funding a refundable state Earned Income Tax Credit paid to needy families.
Permit Charitable Contributions from IRAs	N/A	Governor Bush said he would propose legislation to allow people over age 59 to make charitable contributions with IRA funds without paying income tax.	Under current law, individuals pay income tax on distributions to the extent they represent pre-tax contributions.

B Reed (6)

Is this a good idea
Sounds good.
What would it cost—
VP perhaps should adopt it

B Reed

Is this a good idea

Sounds good

What would it cost

VP perhaps should adopt it

THE WHITE HOUSE

WASHINGTON

March 29, 1999 9-25-99

MR. PRESIDENT:

Attached is a white paper from Secretary Shalala on the health and safety legacy of your Administration. You can read it at your convenience; Chris Jennings has reviewed it.

Phil Caplan

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Echaveste
Reed
Podesta

9-23-99

'99 MAR 23 PM1:35

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAR 22 1999

MEMORANDUM FOR THE PRESIDENT

Every American should be healthy and safe. Your Administration has vigorously pursued this fundamental goal. In doing so, the Administration has shown that there is a continuing and central role for government in meeting the basic needs of ordinary Americans. It has redefined this role by understanding the obstacles to meeting its commitments, and reinventing to find the appropriate ways to address persistent and difficult problems. After six years, the Administration has achieved lasting and important improvements in the health and safety of the American people.

Infant mortality is at an all time national low. The nation has achieved record high levels of childhood immunization against preventable diseases, reduced childhood vaccine-preventable diseases to the lowest levels ever recorded and has made great progress in eradicating others. Children, women, the elderly, and racial and ethnic minorities are receiving new and overdue focus in clinical care, outreach, prevention and research. The nation's food supply and blood supply are safer than ever before. Millions more working families and children are securing health insurance. New mechanisms are in place to strengthen the quality of the nation's health care, inform Americans about their health and facilitate involvement in their own care. Science and evidence-based research provide the underpinnings for new policy and practice. Investment in biomedical research and prevention is generating new knowledge at a rapid pace, paving the way to greater health and safety for generations to come.

The enclosed paper, **Legacy: Health and Safety 1993-2001**, reviews our progress in five general areas: access to quality health care; prevention, risk reduction and safety; expanding the frontiers of knowledge; collaboration among scientific research, delivery systems and practice, and consumer involvement; and strengthening stewardship and demanding accountability to protect and benefit consumers. Your commitment to improving the health and safety of all Americans has been critically important to these extraordinary advances.

Donna E. Shalala

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Enclosure

Legacy: Health and Safety 1993-2001

Every American should be healthy and safe. The Clinton Administration has vigorously pursued this fundamental goal. In doing so, this Administration has shown that there is a continuing and central role for government in meeting the basic needs of ordinary Americans. It has redefined this role by understanding the obstacles to meeting its commitments, and reinventing to find the appropriate ways to address persistent and difficult problems. After six years, the Administration has achieved lasting and important improvements in the health and safety of the American people.

Infant mortality is at an all time national low. The nation has achieved record high levels of childhood immunization against preventable diseases, reduced childhood vaccine-preventable diseases to the lowest levels ever recorded and has made great progress in eradicating others. Children, women, the elderly, and racial and ethnic minorities are receiving new and overdue focus in clinical care, outreach, prevention and research. The nation's food supply and blood supply are safer than ever before. Millions more working families and children are securing health insurance. New mechanisms are in place to strengthen the quality of the nation's health care, inform Americans about their health and facilitate involvement in their own care. Science and evidence-based research provide the underpinnings for new policy and practice. Investment in biomedical research and prevention is generating new knowledge at a rapid pace, paving the way to greater health and safety for generations to come.

Progress has been marked and measurable. When the Administration took office in the early 1990's, Americans were faring poorly on many indicators of well-being. Thousands of children were dying in infancy. Tobacco use, the most preventable cause of death and disease, contributed to millions of deaths from cancer and heart disease as well as other diseases. Outbreaks of contaminated food emerged, spreading sickness and alarming the public. Millions of Americans lacked access to regular health care either because they had no health insurance or were under-insured. Families were regularly confronted with painful choices -- paying for child care so a parent can stay in the workforce, saving to send a child to college, or obtaining necessary medical care for themselves or their children in times of illness or injury.

To address these problems necessitated confronting existing economic and social realities and the political realities that developed. Progress was made more challenging because of the ongoing transformation and upheaval in the health care market. A recent report by the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry described the dimensions of the changes in the health care industry this way:

> Four characteristics define the health insurance market today, with implications both for who gets coverage and also for the kinds of coverage and protections in place for those who have insurance coverage: (1) pluralism, with a focus on employer-based coverage for the non-elderly; (2) significant and growing numbers of uninsured Americans; (3) the continuing pressure of costs on employers and consumers; and (4) the shift to managed care and the growth of self-funded plans in the group insurance market. The implications of these characteristics are profound, generating potential tradeoffs among cost control, coverage and access.

The Administration initially chose to deal with a market that was changing rapidly, becoming increasingly complicated and functioning poorly for millions of Americans by proposing a plan for universal health insurance that gave every American a gateway to health care. This effort was based on an assumption that an unfettered market would continue to disadvantage significant groups of Americans across the country. With the blockage of the Health Security Act came critical lessons which informed the Administration's approach to improving health and health care. The public was not ready to accept massive intervention which it perceived would be accompanied by added layers of impenetrable bureaucracy. It was reluctant to entrust to government solutions to major systemic problems that touch the lives of ordinary citizens. Generating large-scale investments in the face of $300 billion dollar budget deficits also proved increasingly problematic.

To achieve progress in this environment required a new, more strategic and evolving approach to government's role and responsibility. Extensive regulation had to be balanced against a need to foster, not stifle innovation. Traditional mandates had to be weighed against the potential paralysis of our efforts due to the opposition by some to any government intervention at all. The Administration's new approach called for strategies that were different from the past, buttressed by strong commitments.

The abiding commitment has been to the American people, to addressing their needs and to achieving better outcomes for them. Promoting scientific inquiry and evidence-based research to find the best remedies has driven the search for new and better ways to reach our goals. A quest for new and effective treatments has been matched by a strong focus on identifying the best methods for preventing or reducing the risk of harm or disease. Public health issues became legitimate arenas of public advocacy, education and program development by government leadership beyond the traditional public health community. As effective practices emerge from rigorous scientific analysis, there has been vigorous and concerted effort to spread them. Finally, there has been fidelity to the notion that interventions in markets should be targeted to protect vulnerable populations, ensure quality, and strengthen the capacity of the consumer to obtain needed care.

In light of these lessons and commitments, the Administration adopted an approach designed around defined, strategic steps. It focused on expanding access to the financing families need to secure health care. It placed priority on improving the benefits and services available to consumers. It demanded heightened accountability for results, which requires the ability to measure and report on progress to achieve desired outcomes. It promoted cooperation with every affected sector and everyone with a stake in the enterprise. These include states and other governmental entities, contractors, public and private health plans, providers, professionals, the public health sector broadly and consumers themselves.

In sum, the new means to achieving the goals are realistic and pragmatic, faithful to the goals of health and safety through coverage, quality and prevention, building progress at a pace appropriate to each aspect of this multifaceted and complicated problem. The Administration found ways to shape an active role for government, make the necessary investments, strengthen the market, and positively touch the lives of virtually every American.

This memorandum concentrates on five general areas which illustrate and incorporate these new approaches and reviews our progress in each: access to quality health care; prevention, risk reduction and safety; expanding the frontiers of knowledge; collaboration among scientific research, delivery systems and practice, and consumer involvement; and strengthening stewardship and demanding accountability to protect and benefit consumers.

I. Access to Quality Health Care

Expanding Health Insurance Coverage

One of the most critical components of the Administration's plan to strengthen the health of Americans involved expanding health insurance to the millions of Americans without it.

In 1993, more than 37 million Americans had no health insurance at all, and another 25 million had inadequate coverage with very high deductibles. Nearly 90 percent of the uninsured were employed. Other families risked losing health insurance if they changed jobs, were priced out of the health insurance market even though they were working, or were prevented from purchasing insurance as a result of specific medical conditions.

The Administration initially delineated a proposal for universal health insurance, the Health Security Act, opening an important national debate about need, health care and health delivery and articulating a goal of universal access to care through universal coverage. With rejection of this systemic approach, the Administration sought creative ways to address, step by step, specific areas of need: security, choice and eligibility. Another important area involved cost control, as the inflationary spiral in health care costs had contributed to making important routes to health care inaccessible.

Improving access to care for other groups stimulated different efforts to link public health financing with private health plans. For many recipients of Medicaid, the federal-state health insurance support for the nation's lowest income individuals, doctors and other critical health care services were not readily available. Using waivers and other administrative tools to demonstrate new approaches, nineteen states contracted with managed care plans, linking an estimated 1.4 million Medicaid recipients to a routine source of preventive and primary care in their community or to other critical benefits. For other low-income individuals making a transition into the workforce, and legal immigrants, the Administration's support for maintaining their eligibility for Medicaid has been critical.

The 1996 Health Insurance Portability and Accountability Act (HIPAA) strengthened protections for those who are insured through their employer to ensure they do not lose health coverage when they change jobs. The law also secured access to health insurance for individuals purchasing insurance individually rather than in a group health plan, limited the use of exclusions from health insurance as a result of pre-existing medical conditions, and prohibited discrimination against employees and dependents based on their medical conditions. In addition, HIPAA guaranteed access to health insurance for small employers, regardless of the health status of any of its group members and renewability of insurance to all employers regardless of size.

Next, the Administration sought to address the serious gap in insurance coverage for children. In 1993, more than ten million children had no health insurance, placing them in stark jeopardy during these formative years. Uninsured children are three times as likely to have unmet health needs as their insured counterparts, and much less likely to have seen a doctor in the previous year. Some of these children are eligible for but not enrolled in the federal-state health insurance program serving low-income families; for others, their parents' employer either provides no health benefits at all, provides benefits which do not extend to dependents, or provides health insurance which parents forego because it is unaffordable.

The 1997 State Child Health Insurance Program (CHIP), proposed by President Clinton, provides $24 billion in federal resources, matching state funds, to provide health insurance coverage for children in families with too much income to be eligible for Medicaid, but not enough to obtain employer-sponsored health coverage. This is the largest investment in health care for low-income children since Medicaid was created in 1965, and paves the way for millions more children to be connected to a regular source of health care.

By the end of January 1999, 50 states and territories had plans approved that will extend health insurance to uninsured children in their states. States and territories estimate that by October 2000, under existing plans, they will be able to provide health insurance to 2.5 million more children. A recent report sponsored by the Commonwealth Fund estimates that, when combined with Medicaid outreach, the new CHIP program could reach 9 million of the 11.3 million children the report estimates are currently uninsured and eligible for coverage under one of the two programs.

Unlike the under 65-year old population, elderly and disabled Americans in this country have benefitted from a universal health insurance system -- Medicare -- for many years. The program serves 38 million people, the vast majority of whom rely solely on this source of health insurance coverage to pay for medical care. Some have been priced out of the complete Medicare package as a result of their low income, others have had limited access to critical therapeutics, including prescription drugs. With the cohort of older Americans increasing, diagnostic tools and treatments becoming more extensive, and health plans becoming more diverse, it is critical to modernize Medicare to ensure full participation and provide the elderly the range of choices that the health care market has to offer.

Given the size of the beneficiary population and the millions more who will be served by it each year, shifts in Medicare's structure or benefits have far-reaching effects on a huge number of people as well as on a substantial portion of the health care market.

During the past five years, the Administration has made significant advances in modernizing Medicare and improving access to it for the burgeoning elderly population. Medicare Plus Choice opens the Medicare program beyond traditional fee-for-service providers and health maintenance organizations to a wide array of health plans and benefits that serve many other Americans in the private market. Over time, as an expanded set of health plans and benefits become available to Medicare beneficiaries, the elderly will have a set of options that can be tailored more appropriately to a particular beneficiary's needs.

The Administration also targeted subgroups of the elderly who faced special barriers. It is now possible, for example, for approximately 6 million low-income elderly to get special help in paying their Medicare premiums so that they can get the benefits they are due like other senior citizens. Improving medical care for Medicare-eligible military retirees will be achieved, in selected communities, by enabling them to receive comprehensive health care services through military health care facilities.

Even as the Administration has made significant strides in expanding health insurance availability and widening choice of health care options, the private employer-based health insurance system continues to erode. With health care costs increasing again at a higher rate and paring profit margins, managed health plans migrate in and out of some communities, reflecting recurring volatility in local and regional health care markets and undermining the continuity of care for their patients. A continuing challenge involves addressing the increasing number of Americans who lack health insurance. Without the critical interventions during the past five years, however, millions more children and adults would risk losing insurance, not obtaining it in the first place or receiving inadequate care. (See Figure 1)

Creating Patient-Oriented Health Care Systems for Veterans and for the Military

The largest health care system in the nation, Veterans Health Administration (VHA), serves veterans -- individuals who have previously served the nation through the military and have been honorably discharged or have retired from active duty. While more than 25 million Americans are veterans, VHA provides health care to about 3.7 million veterans-- those with service-connected disabilities or illnesses and that much larger proportion of veterans who are low income individuals with no private health insurance, including many who are homeless. This population is generally older and sicker than the broader public, with a significantly higher rate of substance abuse and mental illness.

Before 1995, VHA was rapidly becoming an outdated inefficient system based on acute care – a collage of independent competing medical centers that provided hospital-focused, specialist-based, uncoordinated and episodic treatment for illness. This system was also experiencing many of the same market forces that were causing upheaval in the private health care market. In 1995, the Administration completely reorganized the VHA system to provide the most decent and reliable health care possible, to take advantage of exploding scientific and medical knowledge, and to address the spiraling costs of care. It is now a coordinated interdependent system in which patients are enrolled in primary care and have their care, from preventive to acute, managed by a single caregiver or team. Inter-facility and inter-provider variability in the provision of care is diminishing. More patients are being treated and are receiving a broader array of coordinated services in a greater number of locations.

VHA established 22 integrated health care networks (Veterans Integrated Service Networks, or VISNs) that emphasize ambulatory and primary care. Through this philosophical, management and operational reinvention, VHA closed, merged or consolidated hospitals and other treatment centers, developed new mechanisms for sharing assets between and among VA facilities, implemented patient care service lines, and redirected savings from these changes to vastly

expand ambulatory capacity. Numerous new community-based outpatient clinics were opened using new legislative authorities for leasing, contracting and sharing. Accompanying the restructuring of the system into networks, VHA instituted new systems of resource allocation, performance contracts, measurement and accountability, customer service standards and consumer feedback mechanisms.

The Veterans Health Care Eligibility Reform Act enabled all veterans to apply to receive health care at VA medical facilities nationwide. For the first time, as a result of this new program, enrolled veterans will be able to receive comprehensive benefits in the most appropriate cost-effective settings, within the resources available for the priorities of veterans being enrolled each year.

With a reinvented system and new legislative authority, veterans now have better access to care. Massive changes were accomplished in transforming from the old to the new system. Compared to FY 1994, annual inpatient admissions in FY 1998 decreased 32 percent while ambulatory visits increased by 35 percent. At the same time, 52 percent of hospital beds were closed, as were three acute care and one long-term care hospital. In 1994, less than 20 percent of VHA patients received primary care; by FY 1998, more than 90 percent were expected to be enrolled in primary care. Ambulatory surgeries increased from 35 percent of all surgeries performed in FY 1995 to 70 percent in FY 1998. Associated with this change has been increased surgical productivity and reduced mortality, with no change in the patient risk profile.

In addition to surgical mortality, one-year survival rates for the nine high volume conditions tracked by VHA also suggest the impact of these changes. From the baseline year of 1992 to 1997, the survival rates remained stable for five of the conditions and increased for four conditions: congestive heart failure from 75 percent to 84 percent, chronic obstructive pulmonary disease from 84 percent to 88 percent, pneumonia from 82 percent to 89 percent, and chronic renal failure from 72 to 81 percent.

The Defense Department provides health services to another 8 million eligible active duty service members, their dependents and military retirees. The same kinds of financial, social and technological pressures that affect private health systems were constraining the capacity, benefits and services of this large system. As part of health care reform, the DOD redesigned the military health care system into a managed care system called TRICARE, using inventive ways to enhance access, cost containment and performance. DOD purchased a substantial portion of health care through long term, regional, risk contracts with large health care providers but produces most care in military hospitals and clinics. The department created the Defense Health Program, bringing together into a more cohesive and collaborative entity resources for the three military services' medical operations and enabling them as a result to use resources and technology more efficiently, thereby serving patients more efficiently and effectively. DOD created a true tri-service defense health program using managed care on a regional basis.

Finally, DOD took important steps to bring modern communication and biomedical technology to improve health care during deployment of military personnel and on the battlefield. Pioneering advances have occurred in telemedicine, mobile surgery, air medical evaluation techniques and

other critical technology which is enabling the military to push medical care further forward on the battlefield or provide it to deployed individuals wherever they are.

Consumer Protection and Quality

Access to care is only as good as the quality of the care provided. In an increasingly complex and changing health care market, the Clinton Administration has focused significant attention on strengthening and assuring quality care, protecting all health care consumers, and using the purchasing power of the government to achieve important new benefits, new rights and new choices in health care for millions of Americans.

To ensure that the best professional knowledge is used in the health care system, and to identify the most promising ways to protect health care consumers, the President appointed an Advisory Commission on Consumer Protection and Quality, chaired by the Secretaries of Health and Human Services and Labor. The Commission made pioneering recommendations in a Consumer Bill of Rights and Responsibilities that addressed fundamental practices to enhance the capacity of consumers to secure quality care from health care providers: information disclosure, choice of providers and plans, access to emergency services, participation in treatment decisions, respect and nondiscrimination, confidentiality of health information, complaints and appeals and consumer responsibilities.

The Bill of Rights applies to all health care consumers regardless of the type of health plan in which they are enrolled. The Administration mounted a multi-faceted strategy, using administrative as well as legislative levers, to reach every consumer sector with these protections. First, given that the federal government itself is the largest purchaser of health care in the United States, the President directed the six federal agencies that are health care purchasers to pursue full compliance in their health programs, and to identify obstacles to meeting that goal.

Medicare, Medicaid, and the Indian Health Service, the largest programs affecting over 70 million people, have either already met or exceeded many of the Bill of Rights' recommendations. Where necessary, administrative steps are being used to upgrade standards in these programs. Medicare, for example, covers an estimated 38 million elderly and disabled individuals, about 6.5 million or 17 percent of whom are currently enrolled in managed care. The program is implementing rules which require new patient protections such as access to emergency services when and where the need arises, patient participation in treatment decisions and direct access to qualified specialists to address complex or serious medical conditions. Medicaid, which covers about 40 million individuals, about half of whom are in some managed care arrangement, is adding new protections including access to specialists and an expedited independent appeals process for patients.

The 285 participating health plans that reach nine million federal employees and their dependents, have been directed to institute a series of protections for patients this year. These include access to emergency room services, access to specialists, continuity of care, and disclosure of financial incentives and methods of compensation used to pay physicians. Over 8 million beneficiaries served by the Military Health System and another 3 million veterans will also receive the patient protections laid out in the bill of rights as a result of actions by the Department of Defense and the Veteran's Administration.

Second, the Administration has proposed legislation for a Patients' Bill of Rights, to ensure that consumers in private health plans are similarly protected. Without legislative action, the 125 million Americans covered by 2.5 million private sector health plans governed by the Employee Retirement Income Security Act (ERISA) will be denied most of the patient protections identified as critical to quality health care by the President's Advisory Commission.

Third, a variety of efforts have also been made to strengthen the capacity of health care plans and providers to develop and report quality data, and to share that information with the public. Use of this information by employers, employees and other purchasers is critical to ensuring a system that is driven by the quality of care and not simply by its cost.

The Quality Commission also made strong recommendations about the need to enhance the measurement and improvement of quality. It suggested that health care quality improvement draw on many of the same principles that have been applied in the Administration's reinvention of government. This evidence-based approach to quality improvement is narrowing the gaps between what we know how to do in medical care and what we actually do for the American public. The Administration's commitment to biomedical research has been matched by a renewed commitment to health services research about what works in the delivery of health care. This commitment was carried out by the Administration's support of evidence-based research, the development of the National Guideline Clearinghouse which will provide a central repository of best health delivery practices, a focus on prevention , and emphasis on research about health outcomes and effectiveness.

In addition to asking Federal agencies to lead the way to consumer protection in health care, the President organized the Quality Interagency Coordination Task Force (QuIC), a collaboration among all the federal health involved in health care, chaired by Secretaries of Health and Human Services and Labor. The purpose of the QuIC is to improve measurement, share best practices and knowledge about how to use information generated by measurement to improve health care quality, to inform patients about the options available to them, and to enhance the health care workforce's ability to provide quality services.

As technological invention has escalated the ability to store, analyze and distribute extraordinary volumes of data, confidentiality of personal health information has become a paramount concern. The Administration responded to this concern with recommendations to the Congress to preserve confidentiality of federal health records, guarantee rights for patients and define responsibilities for record keepers.

Strengthening Americans' Role in Health Care

Respecting the health care needs of America's citizens and strengthening their influence have been principal elements of the Clinton Administration's approach to achieving a healthier nation. At virtually every opportunity, there have been efforts to reach Americans with accurate, accessible and understandable information about health and health care. Emerging knowledge about nutrition, fitness and disease prevention is disseminated widely and in highly visible mediums. Beyond these messages moreover, the information provided makes people's

expectations about choice real, by providing the practical information about how and where to obtain health and medical care, and how to choose among a range of health plans, providers and treatments. The Administration has taken a comprehensive approach, drawing on the reach and resources of every medium, advancing the use of high technology in the service of outreach, and calling upon the organizations and institutions, community networks and professionals of every sort who interact with the public on a daily basis.

The federally-sponsored Consumer Assessment of Health Plans (CAHPS), which can be used by managed care plans, employers and others to get consumers' views of the care they are receiving, illustrates the kind of information generation which can over time affect the basis on which health care purchasing is conducted. Among the first to get the benefit of this information will be Medicare enrollees in managed care plans and enrollees in the Federal Employees Health Benefits Program. Policy in these two programs frequently sets a standard that the private health care system follows.

A massive Medicare education program using print and electronic media, individual counseling, partnering with private organizations including employers, unions, advocacy groups and providers will aid the 38 million Medicare beneficiaries navigate an expanded set of health plan choices as they come to fruition. This tailored information program for beneficiaries and their families will strengthen understanding of the program, break down its complexity, and foster more effective use of the health and medical supports it offers. Such an information program will have lasting impact as senior citizens become more numerous, live longer, and have the ability to age actively and in good health.

In concert with states, there is also an extensive education and outreach initiative to reach families with children who may be eligible for existing or new child health insurance programs. Given the unique opportunity to link millions of currently uninsured children to a regular source of medical care, federal agencies are reaching out to every grantee, advocacy and professional network to send the message of the importance of health care for children. Virtually all states have developed plans and are seeking the resources to expand health insurance for low-income children. In addition, many states, including Connecticut, Vermont, Arkansas and Wisconsin have taken critical steps to remove the stigma of Medicaid so that more families and children who could take advantage of its benefits recognize its value and will enroll.

Using the information highway, scores of new government-generated web sites are enabling consumers to navigate easily the vast array of health and medical information produced by the federal government and its partners. New Internet resources like *Healthfinder.gov,* Medicare.gov, National Women's Health Information Clearinghouse and MEDLINE, which offers the most extensive collection of published medical information in the world, open new doors of knowledge and data for the public, improving their ability to become informed, make responsible choices, and contribute to improving their health and that of their family.

Product labeling offers another way to advance the ability of consumers to affect their own health and behavior. In general, consumers want to know more and more about the products they use, especially products central to their daily health and well-being such as food and drugs. In

addition to changing the ways in which information becomes available, the quantity of information available is being increased substantially. The Internet has accelerated dissemination of an increasing fund of information and the Administration has taken advantage of the new technologies as noted above. Careful and accurate labeling of consumer products offers another approach to enhancing information for public use. Just as with food labeling, over the counter drug labeling will be revised by the Food and Drug Administration to provide more useful information to the consumer. In the future, drugs for use by children will also be made safer by proper labeling, based on newly required studies of safety and appropriate dosage. This information can be used by physicians and health providers to make science-based judgments about appropriate treatments when prescribing drugs for children.

II. Prevention/Risk Reduction/Safety

Many things have the potential to cause harm. Motivated by a commitment to a public health approach, the Administration saw an important role for government in increasing public attention to these factors, applying scientific tools to understand the nature, scope and characteristics of the factors, testing strategies to control and prevent them, and strengthening clinical practice to use the most effective methods to address them. The Administration sought to improve safety and reduce the risk of harm regardless of whether the harm resulted from disease, behavior and lifestyle, environmental hazards or under use of care. Consequently, issues from reducing susceptibility to communicable diseases to early detection of chronic illnesses, from securing the safety of the food supply to preventing hazards and violence at work and at home and to preparedness for global threats, took a central place in the roster of Administration priorities.

Child Immunizations

In 1992, less than sixty percent of all children under age two received the recommended immunizations against vaccine preventable diseases. Low-income children's vaccination rates were considerably lower. Since 1993 the Administration's Childhood Immunization Initiative (CII) has been dedicated to reducing the risk to children of acquiring vaccine preventable infectious diseases. This national initiative focuses on five areas: (1) improving the quality and quantity of immunization services, (2) reducing vaccine costs for parents, (3) increasing community participation, education and partnerships, (4) improving systems for monitoring disease and vaccinations, and (5) improving vaccines and vaccine use.

Of particular note in this effort is the Vaccines for Children Program (VFC) which provides vaccines at not charge to many of the Nation's most vulnerable children. Not only has VFC program made vaccines more available and affordable to these children, but it also promotes continuity of health care and has also improved access to the latest vaccines. This year the rotavirus vaccine was recommended for use in young children. The vaccine works to prevent one of the most severe causes of diarrhea in children. In 1999 this vaccine will be available through VFC program. Prior to the VFC program, these children may not have received timely access to the newest recommended vaccines. Other efforts of the CII include many vigorous and creative public education campaigns conducted by public agencies, private agencies and many public-

private partnerships that have made possible wider acceptance and readier availability of immunizations to millions of children. Now a record high percentage of young children throughout the nation are immunized. For children under the age of two, the most vulnerable age group, the immunization rate for a recommended series has risen to 78 percent, a record high level.

This record has stimulated great strides in preventing specific pediatric illnesses. Measles is disappearing, moving from epidemic status to about 138 cases per year, most of which are imported from outside the U.S. Diseases such as acquired mental retardation, deafness, and often-fatal meningitis, caused by *Haemophilus influenzae* type b, have been substantially reduced. In all, childhood vaccines prevent 12 infectious diseases: polio, measles, diphtheria, mumps, pertussis (whooping cough), rubella (German measles), tetanus, *Haemophilus influenzae* type b, varicella (chicken pox), and hepatitis B. By 1997 over 90 percent of children under age two were immunized against measles, polio, and *Haemophilus influenzae* type b, and over 80 percent were immunized against diphtheria, pertussis, tetanus, and hepatitis B. (See Figure 2)

Mammograms and Other Preventive Screening

As we have learned from research about the value of regular screening to identify the presence of disease at an early stage, the Clinton Administration consistently has sought ways to make these life saving approaches available and affordable to the public. To make this possible, coverage is now provided through Medicare for vital preventive benefits that can help prevent future illness or injury.

Breast cancer is the most common non-skin cancer in women, and the second leading cause of cancer deaths for American women. Yet only 61 percent of women ages 51 and over had a mammography in the previous two years, according to a 1994 study by CDC. Based on evidence that screening measures could prevent approximately 15-30 percent of all deaths from breast cancer among women over the age of 40, in 1997 the NIH issued guidance that women age 40 and over should receive mammography screening once every one to two years. Now all Medicare beneficiaries over 40 have access to annual screening mammograms, and women ages 35-39 can obtain a one-time initial, or baseline, mammogram. The FDA also put in place standards that upgrade the quality performance of personnel and equipment at all U.S. facilities for mammography screening.

Changes in Medicare coverage also have made more accessible other critical cancer detection techniques, such as a screening pap smear, pelvic exam and clinical breast exam including mammography. Osteoporosis, for example, afflicts 10 million Americans annually, 80 percent of whom are women. Osteoporosis causes about 1.5 million fractures a year, costing $10 billion in direct medical expenditures. With tests of bone mass density now covered for postmenopausal women, millions of women will have an opportunity to take steps to avoid this debilitating disease and avert many of its painful and costly consequences.

Preventive approaches are not limited to women. Screenings for prostate and colorectal cancers are now more widely covered benefits under Medicare. Approximately 16 million Americans

have diabetes and nearly 798,000 new cases are reported annually. Minorities - especially African-Americans, Native Americans and Hispanics/Latinos - comprise a disproportionate share of those who suffer from diabetes. Under Medicare, critical education and self-management training for diabetes, which will aid individuals in developing the skills and resources generally needed to control the disease, are now more widely available.

Curbing Tobacco Use

Recently-appointed director of the World Health Organization, Dr. Gro Bruntland, calls tobacco use the most preventable disease worldwide. In the U.S., smoking is the largest single cause of morbidity and mortality. Every year more than 400,000 people die from tobacco-related cancer, respiratory illness, heart disease, and other health problems. At the same time, each year another million teenagers become regular smokers.

Research has demonstrated that children experiment with tobacco use at ages 10-13, become addicted at ages 14-16, and once addicted, by age 18 become tobacco industry customers for life. To break this cycle, the Administration set a goal of reducing the smoking rate among young people by 50 percent within seven years, thereby curbing unnecessary disease, disability and death in adulthood.

The insight that tobacco use is a pediatric disease persuaded the Administration to open a new comprehensive campaign in the war against smoking. First, the Administration used its regulatory powers to prohibit young people's access to tobacco and to curtail its visibility and appeal to youth by limiting the industry's marketing tools, such as advertising, billboards, giveaways and sponsorship of events and other products. Second, the proposed rule itself and the flood of public response to it exposed hundreds of thousands of pages of industry documents revealing the depth and duration of the industry's knowledge of tobacco's addictive qualities, and the manufacturing and marketing strategies used by the industry to expand and secure a customer base despite extraordinary compromises to public health.

Third, implementation and enforcement of the Synar rule became a priority. The Synar Amendment requires states to conduct random unannounced inspections of a sample of tobacco vendors to assess their compliance with laws prohibiting tobacco sales to underage children. States failing to meet their goal of reducing violation rates to 20 percent risk losing a percentage of their federal funds for substance abuse prevention and treatment. HHS placed a special Office on Smoking and Health at the CDC, including a clearinghouse to assist states with effective practices, established a public health research program to demonstrate and evaluate state-based programs, and created new strategies to address the effects of secondary smoke and other environmental issues. In 1999, CDC will be providing support to all 50 states, the District of Columbia, and the territories to conduct comprehensive tobacco control programs. Several states programs include counter-advertising, community coalitions, and policies on environmental tobacco.

Strengthening the public health infrastructure as a whole (including federal laboratories and surveillance, as well as state and local capacity to identify, diagnose, and respond) will enhance the nation's capacity to deal with health emergencies of many types. The critical capacity necessary to address all of these issues of emerging infection involves detection of the infection, isolation of the infectious agent, identification and characterization of the microorganism, and linkage to a system of prevention and/or treatment.

Through the leadership of the Centers for Disease Control and Prevention, the U.S. launched in 1994 and updated in 1998 a strategic plan to prevent emerging infectious diseases. The strategic planning documents, developed with the Committee on International Science, Engineering, and Technology (CISET) and a score of federal agencies, provide the framework for specific action initiatives to address, for example, food safety, an influenza pandemic, and bioterrorism. The initial plan spurred Presidential action and congressional appropriations, a resolution and plan by the World Health Organization, a plan for Canada, a Department of Defense plan and an NIH infectious disease research plan. Other indicators of progress include new resources for state health departments, training young professionals to build new leadership, and renewed attention on infectious diseases which had been considered conquered rather than only controlled, and for which we had not imagined new kinds or sources of infectious agents.

In the international sphere, the United States recognized the importance of addressing global health through cooperation with international organizations and as a high priority issue in bilateral relationships. The World Health Organization (WHO) plays a critical role in coordinating establishment of international standards for vaccines, blood products, other biological products, drugs and medical devices and for the data and information that help medical and health professionals assess, diagnose, treat and prevent disease and disability worldwide. Working with other reform-minded countries, the U.S. led the effort to reinvigorate the WHO by searching for and recruiting new leadership, ultimately installing Gro Bruntland, of Norway, as the new WHO Director. In addition, global health is now an issue on the agendas of the European Union and the Organisation for Economic Cooperation and Development (OECD), and the U.S. is working closely with the Pan American Health Organization to increase the use of existing and newer vaccines, to strengthen the National Control Authorities and the National Control Laboratories involved in the regulation of vaccines and other biological products, and to increase the research and surveillance activities in the region. Finally, committees to address health through information, technical assistance and other exchanges were established as part of bilateral relationships such as the commissions between the U.S. and Russia and between the U.S. and South Africa. Several other bilateral working groups, including the US/European Union Task Force, the US/INDIA Joint Working Group, and the US/Japan Common Agenda, are pursuing activities to address emerging infectious diseases.

Food Safety

Foodborne illnesses kill approximately 9,000 people annually and make up to 81 million others sick. New, more virulent, more drug-resistant pathogens, life style changes such as eating more meals outside the home, the importation of more foods from around the world, the increased consumption of seafood, and other shifts in food production are creating new challenges for the

nation's food safety system. The inspection system, first established in the 1920s and operated by several different agencies, had become completely outmoded.

To overcome this fragmented, divisive and archaic system of monitoring and protecting the food supply, the Administration advanced a comprehensive new initiative to make sure that the food Americans consume is one of the safest in the world. This concentrated attention to the food safety system has resulted in substantial improvements, from modernizing inspections to creating a high technology early warning system to detect and control outbreaks of foodborne illness.

Not all the improvements in food safety rely on high technology solutions. The Administration also has given renewed visibility to high impact low technology practices, such as hand washing and everyday actions that individuals can take to handle and prepare food safely. Fight Bac!, a consumer education campaign, focuses on four basic principles: CLEAN, SEPARATE, CHILL, and COOK. Mounted by the Partnership for Food Safety Education, a coalition of government, industry and consumer organizations, the campaign is vigorously communicating messages to the broad public to convince them to change unsafe food handling behaviors and to adopt sound, science-based public health practices that ensure food safety.

Both the U.S. Department of Agriculture (USDA) and FDA now use a new highly science-based approach to inspections and enforcement, called Hazard Analysis and Critical Control Points (HACCP), which places considerably more responsibility than in the previous system on the commercial food producers or processors. This new basis for inspection and detection has been put into place for seafood, meat and poultry and will be applied as well to juices.

The new system also includes enhanced surveillance capacity through FoodNet, a network of laboratories to do *active* surveillance regarding foodborne illness, and PulseNet, a network of laboratories specializing in genomics and genetic fingerprinting, which will facilitate rapid recognition of outbreaks so they can be investigated and controlled before they spread. PulseNet is expanding its reach and capacity by connecting many state public health laboratories with CDC, and by bringing USDA and FDA laboratories on line. A Food Safety Council, established by the President in 1998, will institutionalize coordination among the nine agencies involved in food safety across the government to ensure that a seamless food safety system is achieved.

One early indicator of progress is the reduction in time between detection, diagnosis and response with regard to certain emerging infections. In 1993, it took weeks to determine the common food source of the outbreak of foodborne illness caused by a deadly strain of bacteria, *E. coli* 0157:H7. Today, it can take PulseNet and its new computer links as little as 48 hours to match strains of bacteria and recognize foodborne illnesses occurring at the same time but in different communities. In the near future, PulseNet will be able to perform these functions not only on *E.coli* 0157:H7 isolates, but also on other bacteria that cause illness through food. This technology and coordination can detect major outbreaks and provide the basis for determining public health actions, including product recalls, ultimately reducing illness and saving lives.

Bioterrorism

The U.S. has increasingly become vulnerable to terrorist attacks with weapons of mass destruction. Biological weapons present some unique challenges, including a silent release in a public space and a prolonged process of identification more likely to occur in context of a health professional, which call for a special response capability.

To address the health consequences of any incident involving use of nuclear, biological or chemical materials, the Administration is developing a strategic plan with four components: enhancing the public health infrastructure with emphasis on the surveillance system; strengthening the medical response capability; creating and maintaining a stockpile of pharmaceuticals and other materials; and enhancing research, design, development and approval of diagnostics, antibiotics/antivirals and vaccines. Implementing this plan will require creating partnerships to enhance the local health and medical system capability to respond effectively, while at the same time improving the federal capability to augment rapidly state and local response resources, including local emergency medical systems.

Promoting Reproductive Health; Preventing Infertility

> "Reproductive health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity, in all matters relating to the reproductive system and its processes. Reproductive health therefore implies that people are able to have a satisfying and safe sex life and that they have the capability to reproduce and the freedom to decide if, when, and how often to do so."

These words represent the resolve of the 1994 International Conference on Population and Development that publicly transformed the world understanding of health and reproduction. No longer are these issues to be viewed only from the perspective of controlling population. Instead, with significant engagement by the U.S., the delegates from around the world crafted a "programme of action" designed to promote reproductive health and to recognize reproduction as a health and human rights issue. As the National Research Council subsequently stated, implicit in this vision of reproductive health are three principles: 1) every sex act should be free of coercion and infection; 2) every pregnancy should be intended; and 3) every birth should be healthy.

These have been defining tenets since the Clinton Administration took office. In one of his earliest actions, the President overturned a previous directive prohibiting women in the military from receiving abortions. There have been consistent efforts to promote choice, enhance reproductive health and take a comprehensive view of women's health.

Stemming sexually transmitted diseases, especially chlamydia and syphilis, is one of the arenas in which progress is most promising as a result of this important shift in framework. Chlamydia, the most common infectious disease reported to the CDC, is the most common preventable cause of potentially fatal tubal pregnancies and involuntary infertility. This sexually transmitted disease can facilitate the spread of HIV, and infant eye infections and newborn pneumonia can result from maternal transmission of chlamydia.

In the past six years, the nation has tackled chlamydia using a reproductive health paradigm, a different strategy than is used to address other STDs. To address jointly the prevention of pregnancy and prevention of STD infection required collaboration across STD prevention and family planning programs at the federal, state and local levels. Federal funding for chlamydia prevention are now shared between these two branches of public health departments, creating more connection across the two programs. Data from the states in which this approach has been mounted indicate dramatic declines in chlamydia positivity in both older women and teenagers attending family planning clinics that were participating in the screening program. A similar effort use chlamydia screening in a managed care setting showed a reduction by 60% of pelvic inflammatory disease (PID) which is the central link to negative health outcomes.

Building on this recognized success, federal resources now cover about 40-50 percent of women in publicly funded family planning clinics in 20 states. However, in the other 20 states, only about 15 percent of women at risk are reached with the screening protocol. The Administration is proposing to expand successful screening and treatment programs for chlamydia.

Another STD, syphilis, is targeted for total elimination in the U.S. Prevention of syphilis is critical to reducing transmission of HIV. Currently, the U.S. is at record low rates of syphilis; 75 percent of counties have eliminated the disease. In the past several years, progress has also been made in bringing down the disparate impact of the disease by race from 60 percent higher among African Americans than whites to 40 percent higher. Nevertheless, just 31 counties produce half of all the new syphilis cases, and the racially disproportionate impact persists. A focused effort to eliminate the disease will involve using the biomedical tools already available and building the public health infrastructure which is necessary to address other persistent and new infectious diseases -- other STDs, AIDS, tuberculosis, bioterrorist threats -- in areas that currently suffer from severe lack of capacity.

Traffic Safety

In the decade preceding the advent of the Administration, considerable progress had been made in improving traffic safety. However, a robust economy stimulates greater mobility and increased use of vehicles. As a result, stagnation in traffic safety markers such as fatality rates, fatalities related to alcohol use, and the use of seat belts essentially meant falling behind with more deaths and injuries -- virtually all preventable.

New leadership at the National Highway Traffic Safety Administration (NHTSA) reengineered its approach to traffic safety to place it once again on the public agenda not only of government, but of industry, public health professionals and a wide variety of community stakeholders. Further, it found a range of non-regulatory remedies to promote positive safety practices on the road. As with other public health problems, many of these new solutions relied on reaching out to a broader constituency, and developing partnerships at the state and community level, to share responsibility and ownership of the problem of motor vehicle injuries.

To make the new collaborations effective, NHTSA created constituency-specific networks to focus on discrete problems. The Network of Employers for Traffic Safety (NETS), for example, enables industry to focus on traffic crashes as an internal cost issue. Techniques for Effective Alcohol Management (TEAM) draws together representatives of athletic stadiums and arenas, initially to address alcohol-related motor vehicle injury, and more recently to highlight seat belt use. Engineers from the automobile industry are now linked to a wide spectrum of scientists, health professionals, law enforcement personnel, and crash investigators at seven trauma centers around the country through CIREN (Crash Injury Research and Engineering Network) to improve the knowledge base about injury resulting from vehicle crashes and about the factors contributing to crashes. Through this new information, medical professionals can make better decisions about risk, diagnosis and interventions.

Scientific knowledge became a catalyst for change in other arenas as well. Research findings stimulated renewed interest by law enforcement agencies whose participation was essential. The fact that the majority of felony arrests result from routine traffic stops energized police and other law enforcement personnel to give greater visibility to enforcing use of child safety seats, seat belt usage and other safety measures.

Strengthening the data system which undergirds traffic safety efforts has also proven particularly effective in engaging states in taking actions to address their local problems. NHTSA linked state data to enable states to analyze and assess their own information instead of relying solely on the federal agency to identify the problems. In addition, through CODES (Crash Outcome Data Evaluation System) traffic records are connected with data about hospital discharges emergency medical services.

Finally, NHTSA created the Safe Communities program to elevate traffic safety as a public health issue, catalyze community-based coalitions, and make available the tools communities need to address the problem in a sustained and results oriented way. Other federal agencies such as CDC, intergovernmental organizations such as the National Association of Governor's Highway Safety Representatives, and other public and private organizations became partners with NHTSA to assist localities to identify and take control of the safety issues in their communities. More than 550 communities have opted to be "Safe Communities," and with support from other federal agencies, these coalitions are mobilizing to address other safety issues as well.

The renewed interest in traffic safety at all levels of government and the community is beginning to reap benefits in greater use of safety measures and reduced injuries. In 1997, seat belt use inched up to 69 percent, alcohol-related traffic deaths dropped by two percent, declining to a record low of 38 percent, and the fatality rate from crashes fell slightly to 1.6 percent, also an all time low. With Americans traveling more every year, continued effort along this path will be necessary to meet NHTSA's goals of a 20 percent reduction in traffic fatalities and injuries by the Year 2008.

Improving the Safety and Health of America's Workers

Many serious workplace hazards threaten the health of workers who labor in their midst. Whether through injury or disease, these hazards jeopardize the productivity of the workforce, the well-being of the workers and their families, and the fiscal vitality of the industries involved. Despite progress in reducing workplace deaths between 1980 and 1994, an average of 137 individuals die each day from work-related disease and an additional 16 die from injuries on the job. Millions more are injured or permanently or temporarily disabled. The estimated annual economic burden of disease and injury for occupational disease and injury in 1992 was $171 billion. Yet reducing the risks presented by many of these hazards has proven an arduous task as a result of the polarization of interested sectors, debates over regulation, and tensions about what, if any, degree of risk is acceptable.

The Administration realized that the debates were protracted, resolved little and often resulted in stalemate. Millions of workers remained unprotected. Both public and private sector efforts have faced increasing fiscal constraints brought about by the downsizing trends of the 1990's. It was clear to the Administration that it was necessary to go beyond tradition and the usual approaches to test a different strategy. To address this issue, the National Institute for Occupational Safety and Health and its more than 500 partners created the National Occupational Research Agenda (NORA) in 1996 to target and coordinate occupational safety and health research and to leverage resources for research to protect working Americans.

The Agenda identifies 21 priority research areas for the entire occupational safety and health community. In 1998, the largest single infusion of federal funding for extramural occupational health and safety research was achieved. Science and new technology became tools for consensus building around pragmatic solutions rather than the source of debate about relative levels of risk reduction.

Partnership is vital to the Agenda's success. An illustrative example involves a pioneering partnership with the asphalt industry and the associated labor organizations which led to a timely voluntary solution to the problem of workers' exposure to asphalt fumes during paving operations. The partnership turned the traditional approach on its head, seeking to prevent rather than react to the carcinogenic effects of asphalt fumes on workers. Traditional rulemaking in this case would have provoked years of litigation and would have lost time to protect the affected workers. The partnership, by contrast, was able to sidestep a protracted debate and deliver practical controls in the workplace. Through the use of innovative engineering controls, the partners were able to achieve 100 percent of an industry voluntarily agreeing to implement control technology equipment -- which reduces worker fume exposure by about 80 percent – on all new highway pavers.

Over the past five years, successful occupational health and safety research partnerships with private industry and labor, including General Motors, Walmart, United Auto Workers, Browning Ferris Industries, Laborers' Health and Safety Fund of North America, Ford Motor company, and others have laid the groundwork for a new era of protecting America's workforce.

Partnerships have also become the hallmark of efforts to the improve the safety of consumer products. The U.S. Consumer Product Safety Commission has, whenever possible, used voluntary and pragmatic approaches to achieving safety for the public in preference to more adversarial regulatory measures.

Recalls of hazardous products are now accomplished, for example, with an innovative process of collaboration with industry. This Fast Track Product Recall Program, which received the 1998 Innovations in American Government Award from the Ford Foundation and Harvard's Kennedy School of Government, achieves recalls three times more quickly than in 1995. In this program, if an industry voluntarily identifies and reports a product problem to the CPSC, and agrees to do recalls within 20 working days, the CPSC agrees not to make a letter of findings that would otherwise be placed in public files about the industry. This new process has minimized adversarial proceedings, increased the rate at which products are returned to the manufacturer, effectively getting unsafe products off the shelf faster and away from consumers. From products such as Hasbro's "Soft Walkin' Wheels" toy to Sunbeam's Gas Grill, fast-track recalls occur in an average of seven to ten days, effectively deterring most hazardous products from ever getting to consumers in the first place.

Regulating product safety has traditionally been time consuming and often contentious. CPSC sought alternatives to regulation as ways to achieve safety while retaining the power to regulate. For example, to overcome the problem of children strangling when the strings at the neck of their outerwear garments caught on playground or other equipment, CPSC asked industry voluntarily to remove the strings and replace them with snaps, buttons or Velcro closures. Industry agreed to do so voluntarily and later adopted a voluntary standard on this issue. Industry solved a different problem, eliminating the loops on venetian blinds cords in which some children were strangling, in a similar cooperative fashion. First, the industry agreed to give away replacement safety tassels free. Subsequently, a new voluntary standard was adopted and industry developed a number of new safer products to eliminate the strangulation hazard. When CPSC told manufacturers of baby walkers that it was considering a mandatory standard to address the thousands of injuries to children resulting from falls down stairs, the industry came up with a variety of new designs. Both the affirmative efforts to collaborate with industry and the continuing authority and willingness to regulate where necessary have produced significant improvements in the safety of consumer products.

Efforts to promote safe products and to reward good practice have also heightened awareness and attention by the public of ways to protect people from harm. In cooperation with Gerber Foods, CPSC developed the "Baby Safety Showers" program, which the First Lady helped launch. This idea has been picked up by hospitals, organizations that work with new mothers, parenting education programs and many others to help educate new parents about safety in infancy. The CPSC Chairman also initiated a Commendation for Substantial Contributions to Product Safety, given periodically to industry, which offers another way to give public attention to positive actions for safety.

Prevention of Family and Interpersonal Violence

Intentional injury between intimates reached very high levels in the early 1990s. In 1993, there were more than one million violent victimizations of women by an intimate. A 1994 study of child abuse and neglect, using a methodology that includes children both reported to child protection agencies as well as children believed to be maltreated but not reported, found that 2.8 million children were abused or neglected. The Administration made a major commitment to the prevention of family and intimate violence.

In the context of a comprehensive effort to address crime, the Administration collaborated with the Congress to gain adoption of the Violence Against Women Act. While efforts to prevent and end sexual violence began as grass-roots, community-based movements more than two decades ago, these landmark provisions of the Crime Act of 1994 provided new legal tools and bolstered funding to address violence against women. The Violence Against Women Act made certain acts federal crimes. It doubled funding for shelters and other critical community-based help for battered women and their children. It also substantially increased funding for rape prevention and education, especially for school-age children. It provided new support to local law enforcement and police for training and special focus on domestic abuse. It enhanced research opportunities, stimulating collaborative investigations across domains and disciplines. It strengthened surveillance and applied to crimes against women public health methods of tracking, testing and evaluating interventions, and spreading effective practices and public health messages. These approaches are making it possible to link more closely surveillance processes and service delivery systems to strengthen the science base for systems that prevent and respond to family violence.

Signs of progress are emerging. The Crime Victimization Survey, administered by the Department of Justice, reports that since 1993, the rate at which women experience violent victimizations at the hands of an intimate has declined. For every 1000 women in the population, the rate dropped from 9.8 violent victimizations in 1993 to 7.5 in 1996. Vigorous implementation of the Violence Against Women Act, knitting together legal protections, social supports and public health approaches at the community level have contributed to a climate in which violence between intimate partners is not condoned.

Escalating reports of abuse and neglect of children propelled the Administration to seek ways to reassert the importance of safety in both policy and practice. Through the Adoption and Safe Families Act of 1997, states are given streamlined legal requirements and new financial incentives to facilitate and expedite adoptive or permanent families for maltreated children who have been languishing in foster care. The new law also increases support for preventive and early intervention activities to help vulnerable families stay together safely.

Together, these new laws and the additional resources flowing into communities are establishing for the next century essential frameworks for enhancing family safety.

III. Expanding the Frontiers of Knowledge

Commitment to the continuous development of knowledge has been a canon of the Clinton Administration. Scientific discovery is exploding at an unprecedented pace. Technology, genetics, and information capacity have all contributed to this flourishing and complex enterprise. Finding ways to continue and accelerate these developments and harness them for the public good has required many careful and strategic steps, as well as a deep respect for and understanding of the nonlinear nature of the processes of scientific research and advancement. Rigorous research usually takes not only talent and creativity but time, rarely proceeds without complications or detours, and requires commitment for the long course.

A first and fundamental step taken by the Administration involved recognizing the need to strengthen the intellectual, managerial and financial underpinnings of the government's vast scientific activities. The Administration attracted one of the world's most distinguished scientists to lead the National Institutes of Health, the world's largest biomedical research institution. He, in turn, attracted a number of distinguished biomedical researchers to lead the various Institutes and Centers. In addition, the Administration called annually for significant support for science research, and crafted a 21st Century Research Fund to stabilize high level investment in biomedical, behavioral, and prevention research for the next generation.

Over the past five years, building on the multi-year research activities of a large number of investigators and collaborators, many important discoveries have emerged and several have been swiftly transferred into clinical practice. Significant and durable changes have generated much more active processes for translating basic science into clinical practice and then into broad use. New communication tools are making it possible to give greater visibility to and graphically portray basic science stories. These stories attract public attention, convey vividly the excitement of new scientific discoveries, show the progress that is occurring and give a vision of what is possible. Through stories, the public can become more knowledgeable about personal health, allowing individuals, where possible, to be healthier.

One result is a much more holistic approach to disease, to health and to basic human behavior and functioning. It is possible now, for example, to understand and promote the notion that when diet is changed in certain ways, it is affecting risk factors not just for one disease -- heart disease or cancer or osteoporosis -- but potentially for many of them at the same time. Further, research on any disease frequently confers unanticipated insights into other diseases.

Vaccine Development and Use

The development of safe and effective vaccine has been one of the outstanding accomplishments of biomedical research in the 20th century. The beneficial impact of vaccines has been especially great in improving the health of children. Childhood vaccines, used in national immunization programs, have eradicated one infection (smallpox), eliminated another from the Americas (polio), and dramatically reduced the incidence of many other infectious diseases of children. In the last five years there has been significant progress in vaccine development, led in major part by the National Institutes of Health (NIH). (See above) The FDA and its biologic laboratories in

cooperation with the NIH and the CDC have provided critical contributions fostering the acceleration of new cutting edge technologies by establishing standards and methodologies ensuring the safety of these new product areas.

Several vaccines for use in children are in advanced stages of development. One of these, the vaccine to prevent rotavirus diarrhea has been licensed by FDA for use in the United States in 1998 and has been recommended for routine use in children by the Immunization Practices Advisory Committee. This vaccine prevents the most common cause of dehydrating diarrhea in infants and is widely expected to markedly reduce this problem. An experimental live vaccine, the cold-adapted (ca) influenza virus vaccine is also under development. Based on reports of investigational clinical trials, it is expected to improve significantly the health of children by preventing about 90 percent of the cases of acute influenza infection that occur in children and also reduce the rates of middle ear infection by nearly one third. Vaccines to prevent the serious complications of the food borne infection caused by Escherichia coli O157:H7 and related enterotoxigenic strains are also on the horizon.

Pediatric AIDS

HIV has been one of the leading causes of death in the U.S. between the ages of 1 and 24 years since 1991. Transmission of the virus from HIV-infected pregnant women to their offspring is the major source of new pediatric infections in the U.S. and worldwide. In 1994, an NIH-sponsored study group reported a clinical trial which demonstrated that zidovudine (ZDV or AZT) administered to the mother during pregnancy, labor and delivery and to the infant in the first weeks of life can reduce mother to child transmission of this fatal infection from 25 to 8 percent. A Public Health Service Task Force led by an NIH researcher published recommendations which form the major basis for the use of this drug to prevent perinatally-transmitted pediatric HIV and AIDS. Recent reports from a number of areas around the country indicated that maternal-fetal transmission of HIV has fallen to 5-7 percent as a result of this treatment regimen. Drug development for therapies for HIV is an area which facilitated and broadened the ability of children to access both clinical trials and new therapies.

The recently presented findings of another NIH researcher, based on a comprehensive international study, suggests that elective cesarean delivery can reduce further the transmission rate in ZDV-treated pregnant infected women to only two percent. Furthermore, as a result of NIH-sponsored research and public health service clinical guidance, this nation is also on the way to eradicating mother-to-child transmitted pediatric AIDS, beating the two percent rate of perinatal HIV transmission set as a goal a few years ago by the private Pediatric AIDS Foundation.

Chronic Disease

New knowledge has changed some chronic diseases to acute diseases and these can be treated more effectively. For example, with the discovery that about half to three-quarters of peptic ulcers are a result of an infectious agent, the disease can now be managed through the use of antibiotics. The length and frequency of crises from sickle cell disease, which affects African-Americans disproportionately, have been diminished through the use of hydroxyurea added to penicillin to prevent infection. This treatment has been approved for use by adults but not yet for children.

The first indications have emerged of a decline in the incidence and death rates from cancer. While not yet confirmed, likely contributors to this decline include: a decrease in smoking among adult men and improved screening procedures including mammography and pap smears, which lead to earlier detection and management of the disease, increasing the survival rate. Another likely contributor involves greater sophistication in defining risk, enabling better advice to be proffered on prevention.

Deaths from coronary heart disease continue to decline, reflecting new treatments such as beta blockers. New diagnostic techniques also enable earlier detection, finding heart disease that may have gone unnoticed in the past. On the horizon is making sure that the successful treatments are made widely affordable and available.

IV. Collaboration Among Science Research, Delivery Systems, Prevention, and Consumer Involvement

One of the hallmarks of Clinton era strategies for change has been to maximize collaborations between government and anyone with a real interest in the issue. Complexity has been a major factor inherent in trying to conquer health and safety problems that contain scientific and technological, fiscal, political and social dimensions. The Administration made certain assumptions in the face of these complexities. Foremost among them was that no one sector could devise solutions or take action alone. So the Administration crafted collaborations to bridge scientific research, dissemination of findings, application of findings to new treatments and making the treatments available safely and as quickly as possible. These partnerships drew on both public and private health care delivery systems to put new findings into practice, and involved consumers as teachers as well as beneficiaries. Wherever possible, cooperation included providing information, and developing, testing and marketing prevention strategies.

HIV/AIDS: A Case Study

Nowhere has this collaborative approach been more historic and had greater impact than in the fight to stem HIV/AIDS in the United States. In the 1990s, AIDS diagnoses and deaths dropped markedly in this country. At least 15,000 fewer people died of AIDS in 1997 than in the previous year alone, a 42 percent decline. (See Figure 3) Among the leading causes of death, HIV infection fell from 8th to 14th place between 1996 and 1997. The result is increasing numbers of people who are HIV-infected and still alive and whose quality of life has improved. The number of new cases of HIV infection reported annually in the United States has leveled off to approximately 35,000 to 40,000 per year, far less than in the early years of the epidemic. However, rates of infection in some racial/ethnic minority communities have increased over the years and remain alarmingly high.

This legacy builds on the work, creativity and perseverance of many who came before and has achieved its significant changes through the multiple and layered efforts of many throughout the government, the private sector and by the public. Actions by the President from the outset of the

Administration, dedication of the federal scientific enterprise, public health agencies and many others, and unprecedented investment of resources for treatment and prevention, however, have contributed to deepening and accelerating progress in controlling this disease.

Since the disease was identified in 1981, the past five years stand out for the number, nature and pace of changes that have been made. During the 1980's, HIV was addressed using a rehabilitative, chronic care model, focusing heavily on hospice care and with virtually no resources devoted to treatment. The period of time from diagnosis to death was 12-18 months. From the mid-eighties until 1990, scientists began to be able to describe opportunistic infections. With the ability both to identify and to anticipate infections, practitioners began to apply a therapeutic model, resulting in significant drops in morbidity and to some extent mortality. Still, however, only minimal funds were available for treatment and the period of time from diagnosis to death, while widening, was about 18 to 26 months. The early 1990's brought significant scientific breakthroughs in the development of nucleisides (AZT, DDI, DDC, 3TC, D4T), extending the time from diagnosis to death to about 36 months. In 1991, the Ryan White Act provided for medical treatment and support services that identify and retain people in care.

Adequate funding for these treatment and support services, though, were only realized when the Clinton Administration fought for them. Provided in combination with the nucleicides, these new services extended significantly the amount of time someone could live with HIV/AIDS, lengthening the time from diagnosis to death to four to five years. These shifts were accompanied by consistent presidential attention marked by establishing an AIDS office in the White House, creating a Presidential AIDS Advisory Council and holding a Presidential Summit on AIDS. Funding for AIDS research, treatment and prevention was a priority in every budget submitted by the Administration, resulting in a 266 percent increase in Ryan White CARE Act funds, and a 787 percent increase in assistance for the purchase of AIDS drugs. In addition, the President used his executive powers to heighten focus on ensuring that teenagers get the message that they are not immune to HIV and that employers, including the federal government, have an obligation to provide accurate, sensitive training for employees about HIV/AIDS in the workplace.

The most promising developments emerged in 1995. The use of protease inhibitors in combination with nucleisides was rigorously tested and returned promising findings with unusual speed. These findings provided incentive to place HIV-infected individuals in phase 3 clinical trials enabling them to receive the new treatment regimens. The early 1990's brought significant scientific breakthroughs, including the development of nucleoside analogues, that dramatically improved the duration and quality of life for people infected with HIV. They have also decreased the number of new cases and shifted the mix of who is affected by the disease.

HIV/AIDS has become a disease of major proportions in poor, minority communities. Stemming the disease in these communities by strengthening access to care and treatment, ensuring that the drug combination is available and affordable, and investing in outreach, education and prevention poses critical challenges for the future. In collaboration with minority elected officials, the Administration has enhanced its activities and garnered new funding to address the AIDS crisis in these communities.

Development of a vaccine that can lead to eradication of the disease remains an essential goal. The President, in May 1997, laid a challenge to develop such a vaccine within ten years, and established a comprehensive AIDS vaccine research initiative. After only one year, the Food and Drug Administration authorized the first large-scale trial of an AIDS vaccine in this country.

The Administration is also taking the lessons from the recent U.S. progress in reducing the devastating impact of HIV/AIDS to the developing world which is suffering even more far reaching and catastrophic effects. It is worth illustrating more specifically the nature of these contributions, since they reflect robust and continuing attention, consistent and high level investment, and engagement of every sector of government from the scientific enterprise to the public health infrastructure. They also reflect critical partnerships with social, faith, education, business and community networks, and those who have been directly affected by HIV/AIDS.

This collaboration has yielded significant results in development of knowledge and application of new interventions, ways to position surveillance systems to monitor target populations in the face of emerging infections, and rapid translation of research into medical therapeutics and clinical information for systems of care. Also emerging from the collaboration has been scientific definition of the mechanisms in the replication and distribution of the virus, a description which then enabled drug companies to focus on developing drugs that could block or inhibit the functioning of these mechanisms and not harm the cells of the body.

Development of new effective drugs led to the creation of standards of care for the combined use of protease inhibitors and nucleisides for adults and adolescents, infants, and pregnant women. These guidelines were disseminated and applied in care systems in a timely fashion, protecting thousands of individuals who otherwise would not have received treatments appropriately. Aligning the regulatory approval process for new drugs with emerging scientific findings and dialogue with the affected community fostered understanding that the better established, the earlier in the process and the more open the dialogue, the better quality the product is likely to be. A similar finding arose from involving the affected community in devising services for a continuum of care.

Breast Cancer: A Case Study

As noted earlier, breast cancer is the most common cancer in American women. As reported in the July 1998 issue of the journal Cancer, scientists have found that the recent decline in mortality among all decades of ages of white women between 30 and 79 and black women between 30 and 69 is due to a trend toward progressively earlier diagnosis of breast cancer.

Through investment in treatment and prevention, research, outreach and education, the past five years have generated a significant expansion in the awareness and understanding of breast cancer, identification of alterations in two important genes that are associated with inherited breast cancers, enhanced and higher quality tools for and use of early detection, approval and testing of new drugs and treatment regimens, and greater access to clinical trials. The fight against breast cancer is another arena in which the Administration's model of partnership and collaboration across disciplines, professionals and citizens, and the public and private sector is reaping significant dividends.

Two key collaborations set the framework for these efforts. The first drew together a pioneering effort with public and private sector partners. In late 1993, the Secretary of Health and Human Services launched a process which established the National Action Plan on Breast Cancer. A working group representing government agencies, elected officials, the scientific community, private industry and breast cancer survivors developed and oversees implementation of the plan which focuses on six priorities: 1) information for consumers, practitioners and scientists; 2) expansion of biomedical, epidemiological and behavioral research; 3) establishment of a national biological resources bank for obtaining and storing tissue for research; 4) involvement of consumers in all levels of research, education and services programs; 5) improving access and participation in clinical trials; and 6) assessing the legal, ethical and policy issues connected with hereditary susceptibility to breast cancer.

In 1994, a second collaboration formed, this one to draw together federal government agencies with responsibilities that in some way affect, or could affect, the campaign for earlier and more effective diagnosis, treatment and elimination of this disease. This Federal Coordinating Committee on Breast Cancer was designed to strengthen cooperation across the federal government in order to ensure a coherent, strategic and organized effort to address this disease.

Resources to address breast cancer have grown markedly during the past six years. A significant breast cancer research program, at the Department of Defense, has grown to $650 million in FY 1999. The National Institutes of Health resources dedicated to research on breast cancer will reach $480 million, an 11 percent increase from the previous year alone. Additional funds at HHS are dedicated to early detection, diagnosis, and prevention, including funds to improve access for all women to mammography screening and follow up services. Resources are also derived from Medicare for coverage of mammography screening for all recipients over age 40, as well as from Medicaid and the Indian Health Service.

As evidence grew about the benefits of early detection, these public-private efforts took several steps to improve the knowledge base, make the tools affordable, and encourage women to become aware of and to take advantage of the various methods available. As mentioned above, the President attained expanded Medicare coverage to help pay for screening mammograms for all Medicare beneficiaries age 40 and over. Several targeted campaigns, some featuring the President and the First Lady, have been launched urging older women, African American women and Hispanic American women to obtain regular mammograms and highlighting the new Medicare benefits. Through a CDC program, more than half a million free and low-cost mammography screenings have been provided to uninsured, low-income, elderly, minority and Native American women and the program now reaches every state. Efforts have also been made to ensure that substance abuse and mental health programs providing primary health care services to women also include education on early detection methods and counseling on risks for breast cancer. The most recent data available, based on median of state estimates from the Behavioral Risk Factor Surveillance System, show that the percent of women 50+ receiving a mammogram and clinical breast exam in the past two years continues to grow, increasing14% between 1991 and 1997. (See Figure 4)

Access to mammography screening must be accompanied by quality technology and accountability if women are to be reassured that detection efforts will produce accurate results. In keeping with

its general attention to health care quality, the Administration took two important steps to ensure the quality of mammography screening. First, in implementing the Mammography Quality Standards Act of 1992, the FDA issued high standards for the estimated 10,000 accredited mammography facilities throughout the nation as well as for the equipment used and the personnel who administer and interpret the screenings. Second, clinical practice guidelines for mammography were developed and disseminated to mammography providers, health care professionals and consumers. Finally, a variety of efforts are underway to improve mammography technology and quality, including use of new technologies to interpret the screenings. Several agencies, including the Departments of Defense, CIA, NASA and HHS, have also been collaborating with private sector partners to examine ways to apply new imaging technologies to the early detection of breast cancer.

On the treatment front, several promising drugs have been developed to stem advanced stage breast cancer as well as to retard the cancers detected earlier. In 1998, the FDA approved Herceptin, the first genetically-engineered antibody therapy for individuals with advanced stage breast cancer. In 1998, the FDA also approved the use of tamoxifen for reducing breast cancer risk in women at high risk for the disease. A multi-site clinical trial of the drug Taxol is producing promising early findings with regard to the drug's effectiveness, when used in combination with standard chemotherapies, in initial post-surgical treatment of some women with localized, node positive breast cancer. STAR (The Study of Tamoxifen and Raloxifene), a large-scale clinical trial involving 200 institutions across the U.S. and 22,000 high risk post menopausal women, will compare the effectiveness of the drug Raloxifene to the drug Tamoxifen in reducing invasive breast cancer incidence among women who have not been afflicted. Another clinical trial, the Women's Health Initiative, involves 49,000 women in a test of the impact of a low-fat, high fiber diet on breast cancer prevention.

Advances in genetics are also revealing important information about inherited breast cancers. Research sponsored by the National Human Genome Research Institute and the National Institute of Environmental Health Sciences has found that alterations in two important genes, BRCA1 and BRCA2, are associated with many inherited breast cancers. NCI has established the Cancer Genetics Network, a national network of centers focused on issues related to inherited predispositions to cancer, including breast cancer, and also a Cooperative Family Registry for Breast Cancer Studies to gather family histories and a range of other family information and specimens in the hope of preventing or delaying inherited breast cancers in individuals with genetic susceptibility. The Administration recognizes the value of enabling the public to understand and become knowledgeable about breast cancer, and that there is an important role for government in both developing the information and making sure it is accessible and widely available.

Given the increased knowledge and breakthroughs in detection and treatment, there are now a record 2 million American women who are breast cancer survivors. Through the National Breast Cancer Action Plan and many other initiatives, cancer survivors are now participating in a wide range of governmental entities that review and make critical decisions about research, education and outreach activities. In addition, the Administration created an Office of Cancer Survivorship, opened at NCI in 1996, to study the economic, psychological and physical status of women who

have survived their cancers. Through these mechanisms, cancer survivors are collaborating with government in finding ways to improve the survival prospects of millions of other women as well as their own.

The partnerships spawned in the past six years across science, government, clinicians, the pharmaceutical industry, and women either afflicted with or survivors of breast cancer have made significant advances in the early diagnosis, the nature of the treatments available, and the likelihood of survival of the breast cancers which affect millions of American women. Government has played an important role in providing empowerment and hope in efforts to conquer a deadly disease.

V. Strengthening Stewardship and Demanding Accountability

Executing our fiduciary responsibilities for benefits and services on which millions of Americans rely has generated a new frontier of accountability. The Administration has taken a broad-based, multifaceted approach to detecting, identifying, and rooting out fraud, waste and abuse. Using new technologies and incentives for identifying illegal acts, government has become more efficient and prudent in managing its funds in the service of the public. Creative partnerships with providers, consumers and enforcement agencies, performance measurement, and increased resources are all elements of the efforts to protect the integrity and quality of the nation's publicly funded health enterprise.

Drug Approval Process

To bring to the public quickly and safely the benefits of advances in science and medicine, the Food and Drug Administration streamlined operations and redesigned its drug approval process. It added several hundred new reviewers, increased its spending on information technology and implemented new review process management initiatives. These changes have helped the agency to reduce the time it takes to get a drug reviewed by nearly half. Similarly, the number of drugs reviewed in a year has increased by approximately half and those applications with the requisite data to support approval get through the system. Similar strides are being made in review of medical devices. The FDA Modernization Act of 1997 will extend this progress by improving regulation of food, medical products and cosmetics. A "new use" initiative issued by the FDA in 1997 will also accelerate the development of new and supplemental uses of medications. By bringing new medical treatments to the public as quickly as possible while holding firm to high scientific standards of review, the health of Americans is demonstrably affected by this improvement in management and accountability.

Fighting Medicare and Medicaid Fraud, Waste and Abuse

The Administration instituted a fundamentally new strategy to root out waste, fraud and abuse in the nation's most expansive and far-reaching health programs -- Medicare and Medicaid -- involving the Inspector General, Health Care Financing Administration and the Administration on Aging in HHS, plus the FBI and the Department of Justice.

Operation Restore Trust, initiated as a five-state pilot in 1995 and expanded nationwide in 1997, reoriented the health fraud-busting apparatus of the government with a new comprehensive approach.

Three areas of the Medicare program were targeted for additional vigilance and specific fraud control measures: home health care, durable medical equipment and nursing home services. In all of these areas, audits were increased, control processes were tightened, law enforcement was strengthened and program structures were reformed. For home health, the segment of Medicare that is growing fastest, a temporary moratorium on bringing in new providers provided time to strengthen the enrollment process. New legislation provides that home health care will be paid on a prospective basis for each episode of care and eligibility standards were augmented to ensure that home health companies are qualified and experienced in service delivery. Similarly, nursing homes now are subject to prospective payment or consolidated billing systems. These will not only ensure that services are obtained at reasonable costs, but also promote a more coordinated and thorough program of care of each nursing home resident. New requirements have been set for suppliers of durable medical equipment and for home health care providers to ensure that they are legitimate and capable contractors. Eligibility for long term hospice care patients will be reviewed more frequently, ensuring appropriateness and adequacy of care provided.

The lessons learned from Operation Restore Trust are now being institutionalized. Stepping up government fraud control activities in health care programs required stable and enhanced resources. The Health Insurance Portability and Accountability Act (HIPAA) provided a new dedicated Health Care Fraud and Abuse Control account, funded each year through Medicare Part A Trust Fund. These funds are enabling HHS and the Department of Justice to expand investigations, audits, evaluations and inspections related to the delivery and payment of health care; increase training of older persons who can help inform peers about how to remain alert to health care fraud; strengthen enforcement of civil, criminal and administrative statutes addressing health care fraud and abuse; devise and disseminate information for the health care industry about fraud and abuse; and create a national data bank to receive and report final adverse actions against health care providers. These new resources also have supported expansion of the HHS Office of Inspector General's field operations from 26 to 31 states.

Law enforcement is being improved with better coordination of resources and activities of organizations both within the Federal government and the States. New enforcement tools, including stronger penalties and disclosure requirements, were authorized and better methods for identifying, referring, investigating and prosecuting those who would defraud the Federal government of public resources and take from the consumers of health care resources to which they were entitled.

New approaches were also developed to prevent fraud and waste from even getting started or to cut it off at its source. For example, with the cooperation of the health care industry, the Inspector General has developed compliance guidelines for health care providers to give them better tools to reduce their own risk of fraud. Incentives have stimulated the involvement of beneficiaries themselves in the identification and reporting of fraud. A fraud hotline was greatly expanded, made more user friendly and widely publicized to beneficiaries. The Administration has recruited

thousands of volunteer and paid long term care ombudsmen and other service providers in the field of aging and provided training in how to identify and report fraudulent practices in nursing homes and other long term care settings.

Under the Health Care Fraud and Abuse Control Program created under HIPAA, HHS has reported more than $1.2 billion in fines and restitution returned to the Medicare Trust fund during fiscal years 1997 and 1998. During these years, HHS also excluded more than 5,700 individuals and entities from doing business with Medicare, Medicaid, and other federal and state health care programs for engaging in fraud or other professional misconduct -- up from 2,846 in the previous two years. In addition HHS increased convictions by nearly 20 percent in 1997 and another 16 percent in 1998. Since 1993, actions affecting HHS health care programs have saved taxpayers more than $38 billion, and have increased convictions and other successful legal actions by more than 240 percent.

VI. Continuing Challenges

Americans are healthier and their prospects for living longer are greater today than they were just six years ago. The Clinton Administration set out to contribute to a healthier and safer nation, and has succeeded in that goal. Millions more children will be able to enjoy their early years protected from contagious and debilitating childhood diseases or premature death. Millions more families will be connected to a regular source of affordable quality medical care. Children and adults alike will reap the benefits of new medical treatments for chronic illness. The food Americans eat will be the safest in the world.

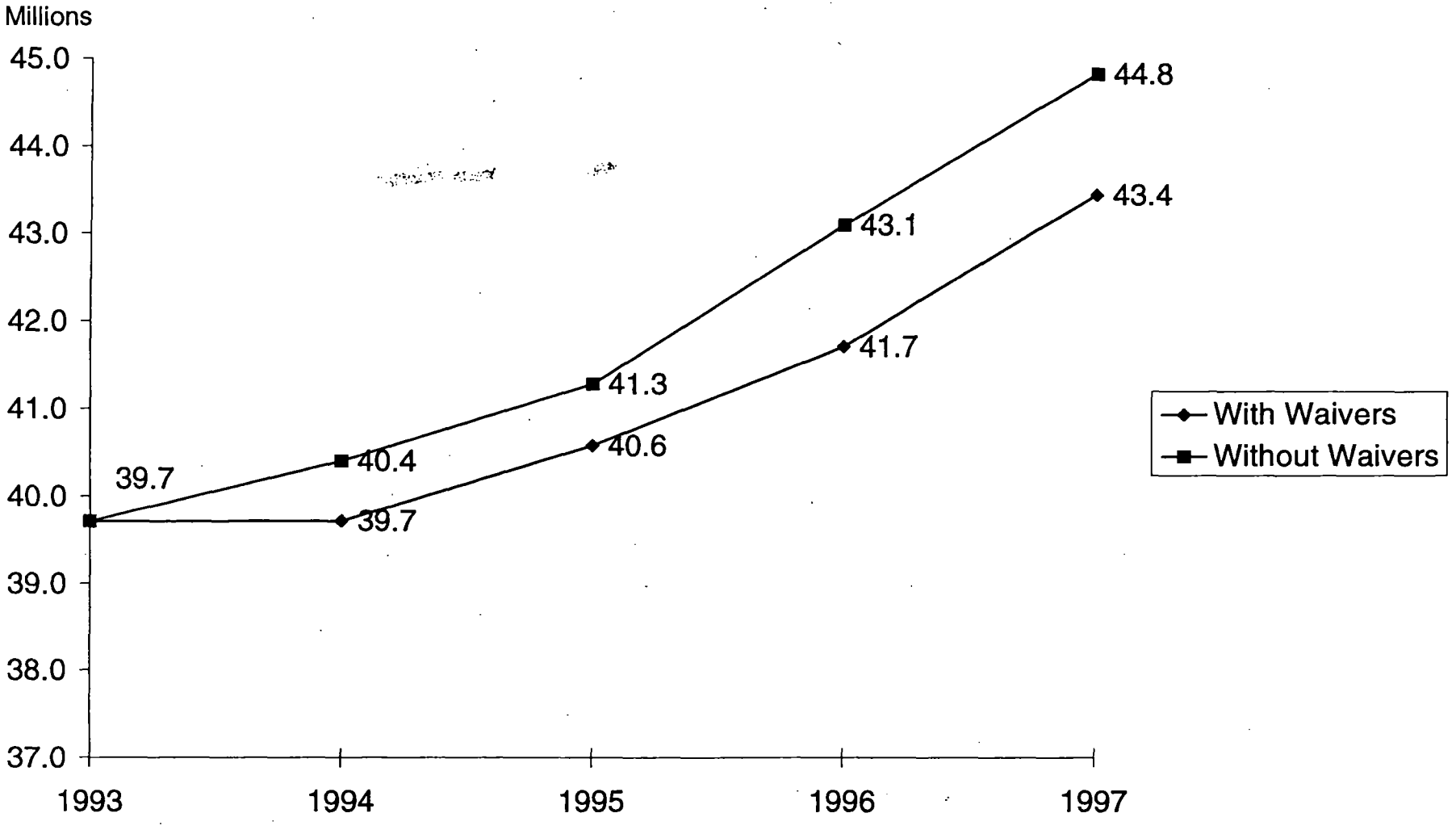
While there have been measurable gains, gaps in bringing good health and safe surroundings to every American remain. Serious challenges - economic, philosophical and ethical - remain about how to get sophisticated care to millions of Americans who may not be wealthy or well informed. We have yet to fully comprehend and surmount all the reasons that far too many people compromise their health by ignoring proven evidence about the importance of nutrition and physical exercise. We do not yet have proven ways to stop young people's abuse of substances -- drugs, alcohol, tobacco -- that can be life-threatening either immediately or later in their adulthood. We have yet to test, and hope never to have to use, comprehensive plans to address global health risks such as pandemic flu or bioterrorist attacks.

In all these instances, however, the Administration has recognized the dangers and the opportunities, expanded and retooled the capacity to understand, identify, track and respond to public health emergencies, tested new strategies and incentives for reaching special groups to prevent unnecessary illness, injury, disability or death and to promote healthful lifestyles and behavior. We have invested in biomedical, behavioral, health services, and prevention research which is producing an extraordinary array of discoveries and will provide the engine for future progress in achieving a healthier and safer nation.

Finally, while the legacy of specific improvements in health and safety positions the nation for making additional improvements into the next century, what may be an even more enduring legacy is the active, pragmatic, nonideological approach to governing that the Clinton Administration

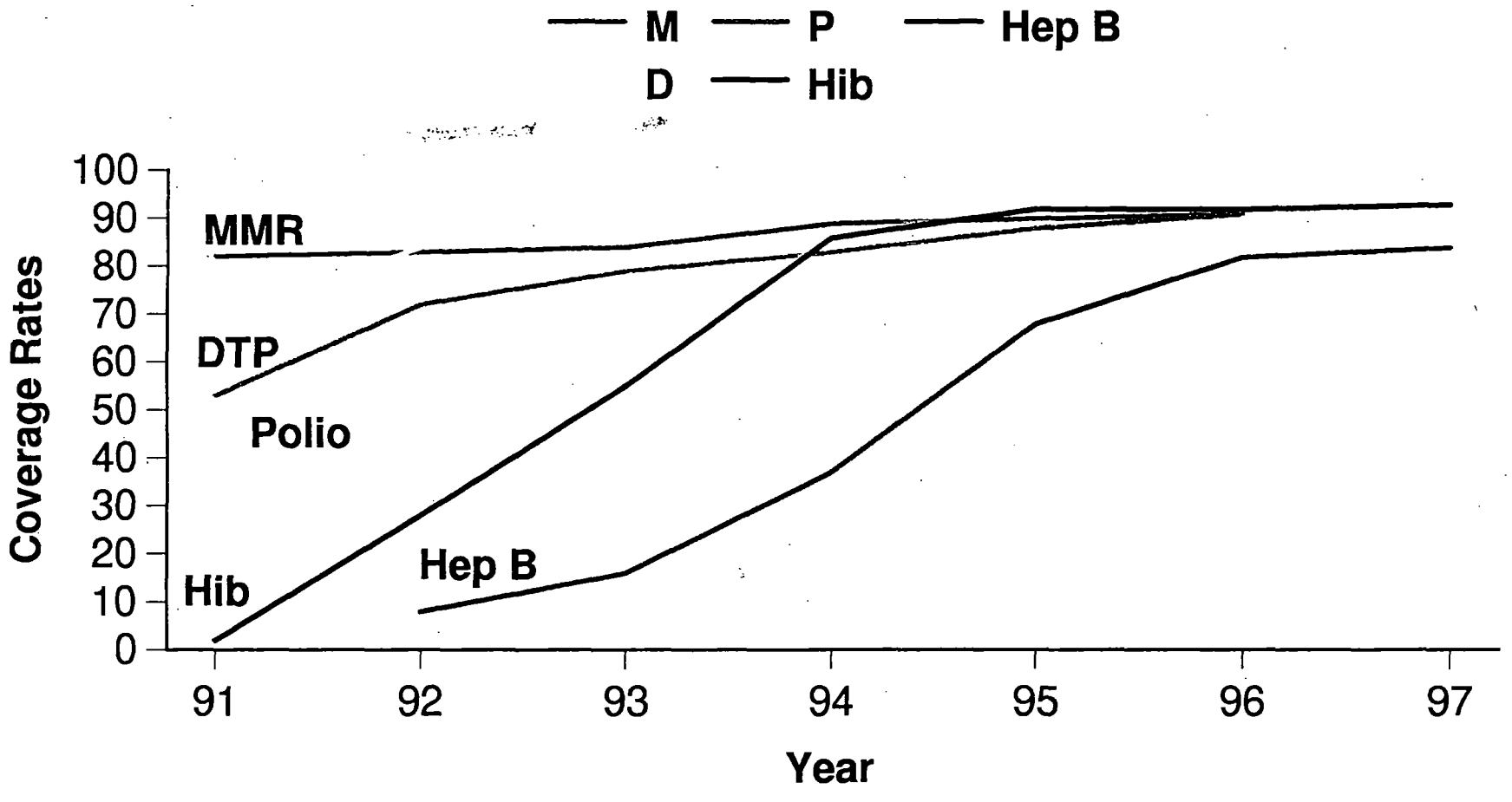
pioneered and used successfully. This legacy underscores the critical role for the federal government to meet people's evolving needs, and the imperative to hold firm in the belief that government matters.

The Effect of 1115 Waivers on the Number of Uninsured



Source: ASPE Calculations of HCFA and Census Bureau Data

Vaccine Specific Coverage Rates Among U.S. 2 Year Olds, 1991 - 1997

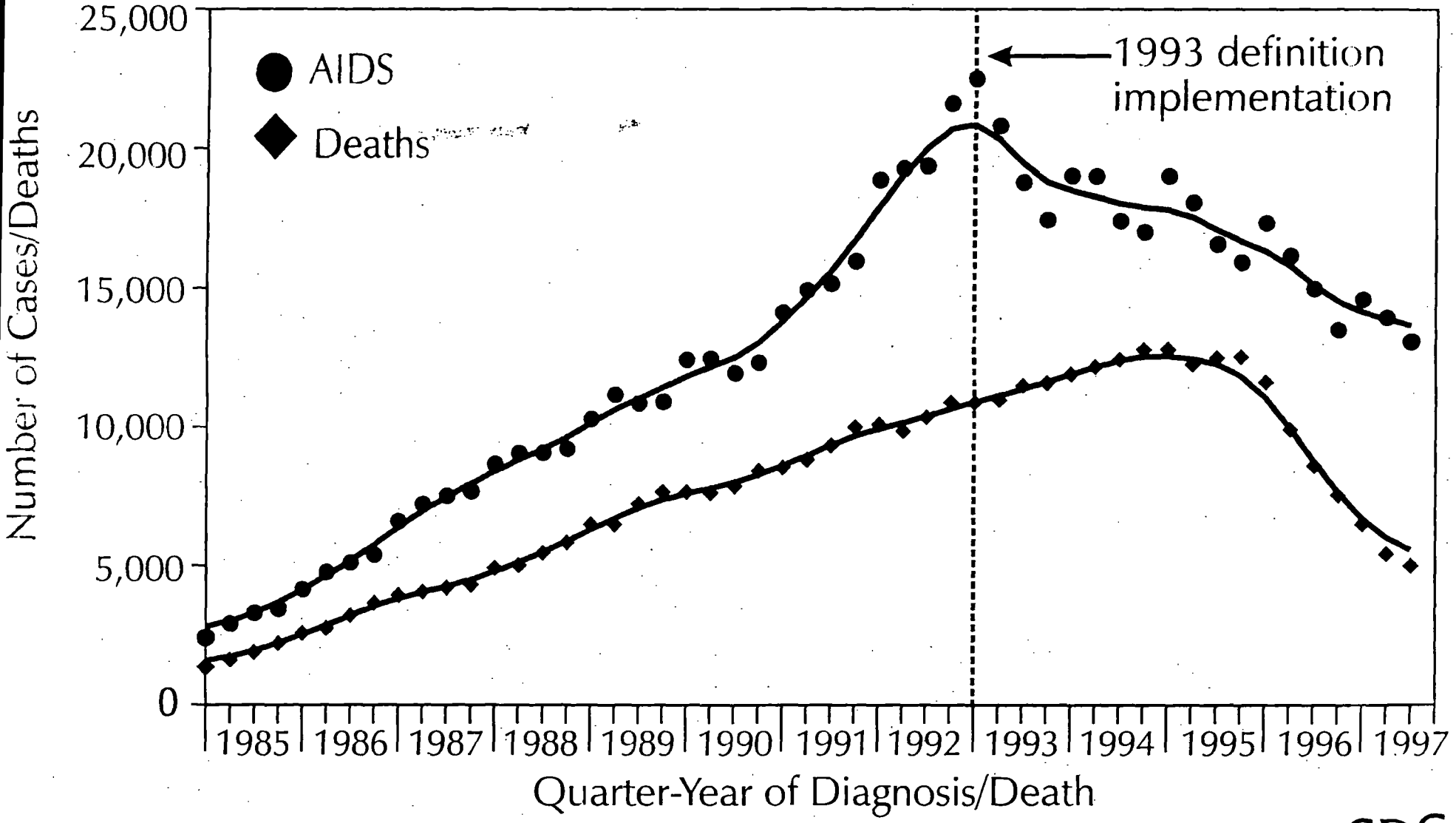


Source: USIS (1967-1985) and NHIS (1991-1993)
National Immunization Survey, 1994-1997

CDC
CENTERS FOR DISEASE CONTROL AND PREVENTION

FIGURE 3

Estimated Incidence of AIDS and Deaths of Persons with AIDS*, 1985 - September 1997, United States



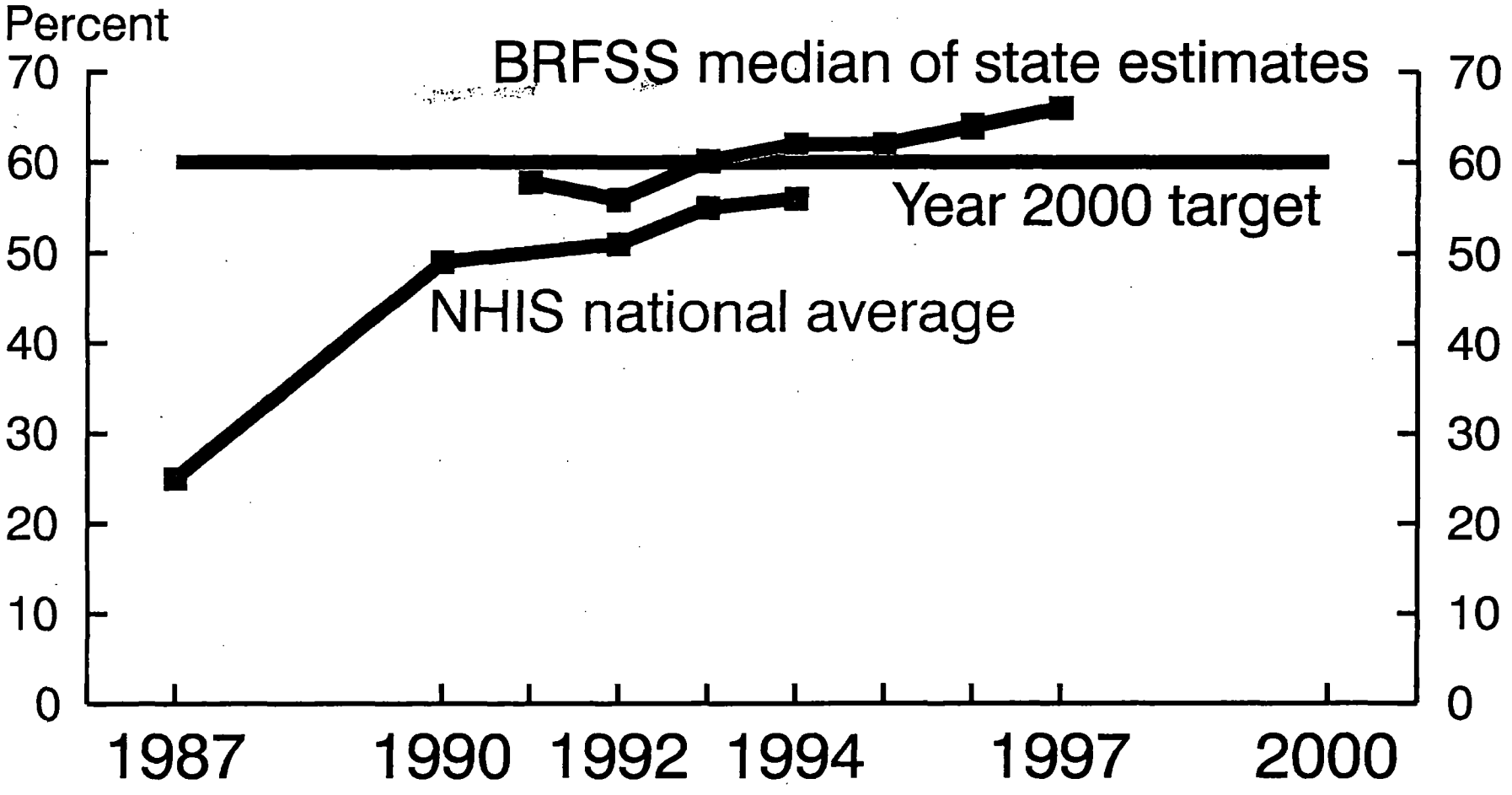
*Adjusted for reporting delays

CDC

FIGURE 4

Mammogram and Clinical Breast Exam in the Past Two Years

Percent of All Women, 50 Years and Over



SOURCE: 1987, 1990, 1992-94 national data from CDC, NCHS, National Health Interview Survey; 1991-97 median state estimates from CDC, NCCDPHP, Behavioral Risk Factor Surveillance System.

9-24-99

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Reed - what do you think about this? Bob

Copied Reed Podesta

MEMORANDUM ON PROPOSED EXECUTIVE ORDER RE: PURCHASE OF FIREARMS BY THE UNITED STATES GOVERNMENT

By John P. Coale and David K. Lietz

Virtually all presidents since Franklin D. Roosevelt have used their general power over procurement to place conditions on private actors who do business with the United States government. The tool most commonly used to implement these conditions is an Executive Order issued as a valid exercise of the President's authority under the Federal Property and Administrative Services Act of 1949 (FPASA), 40 U.S.C. Section 471 et seq. That statute grants the President authority to issue policies or directives to promote economy and efficiency in governmental procurement. Courts have interpreted that authority very broadly, upholding Presidential orders so long as they have some nexus to the general goals of economy and efficiency, even if the orders also serve other goals. The courts have only acted to strike down such Executive Orders when such orders are deemed to regulatory in nature, and pre-empted by existing federal law.

A. The President's Authority Under the FPASA

The FPASA was enacted "to provide for the Government an economical and efficient system for . . . procurement and supply." 40 U.S.C. Section 471. The goals of economy and efficiency "appear in the statute and dominate the sparse record of the congressional deliberations" concerning the FPASA. *AFL-CIO v. Kahn*, 618 F.2d 784, 788 (D.C. Cir.) (en banc), *cert. denied*, 443 U.S. 915 (1979).

Section 486(a) of the FPASA provides that the President "may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provisions of said Act." Congress intended to "emphasiz[e] the leadership role of the President in setting Government-wide procurement policy on matters common to all agencies," *Kahn*, 618 F.2d at 788, by giving the President "particularly direct and broad ranging authority over those larger administrative and management issues that involve the Government as a whole." *Id.* at 789.

Since enactment of the FPASA, Presidents have exercised their statutory authority, among other things, to ban discrimination and require affirmative action by federal contractors, to exclude certain state prisoners from federal contract work, to require federal contractors to adhere to wage and price controls, and to require federal workers to pay parking fees. *See id.* at 790-93; *American*

Fed'n of Gov't Employees v. Carmen, 669 F.2d 815 (D.C. Cir. 1981); *Contractors Ass'n v. Secretary of Labor*, 442 F.2d 159 (3d Cir.), *cert. denied*, 404 U.S. 854 (1971); *Farkas v. Texas Instrument Inc.*, 375 F.2d 629, 632 n.1 (5th Cir.), *cert. denied*, 389 U.S. 977 (1967). President Bush issued Executive Orders requiring federal contractors to post notices declaring that their employees could not be required to join or maintain membership in a union, 57 Fed. Red. 12985 (Apr. 14, 1992), and prohibiting federal contractors from entering into "pre-hire" agreements that are legal under the NLRA, 57 Fed. Reg. 48713 (Oct. 28, 1992). The courts have consistently held these Presidential orders to be within the broad authority under section 486(a).

B. Scope of Executive Orders Promulgated Under the FPASA

Over the years, Presidents and the courts consistently have interpreted the FPASA to allow any Presidential order, so long as it is "rationally related" to economy and efficiency in government procurement. The President need only have a "rational basis" for finding that the Executive Order serves economy and efficiency in government procurement. Although courts have stated that there must be a "reasonably close nexus" between the goals of economy and efficiency in government procurement and the Order, this nexus has generally been defined as a "reasonable relation." *See Kahn*, 618 F.2d at 793.

The FPASA authorizes the President to prescribe any policies and directives he deems necessary to effectuate the provisions of the FPASA. 40 U.S.C. Section 486(a). Since the purpose of the FPASA is to promote economy and efficiency in federal procurement of goods and services, Presidential orders under section 486(a) "must accord with values of 'economy' and 'efficiency.'" *Kahn*, 618 F.2d at 792. "Economy and efficiency are not narrow terms; they encompass those factors like price, quality, suitability, and availability of goods and services that are involved in all acquisition decisions." *Id.* at 789. In light of this broad reading of economy and efficiency, section 486(a) "grants the President particularly direct and broad-ranging authority over those larger administrative and management issues that involve the Government as a whole." *Id.* at n.8.

As one commentator has asserted, under *Kahn*, the President need not demonstrate that an order "would infallibly promote efficiency, merely that it [is] plausible to suppose this." Alan Hyde, "Beyond Collective Bargaining: The Politicization of Labor Relations under Government Contract," 1982 Wis. L. Rev. 1, 26. In the view of the United States Department of Justice,

> "a more exacting standard would invade the 'broad ranging' authority that the court held the statute was intended to confer upon the President. *See Kahn*, 618 F.2d at 787-89. In addition, a stricter standard would undermine the great deference that is due presidential factual and policy determinations that Congress has vested in the President. *See e.g.*, Henry P. Monaghan, "stare Decisis and Constitutional Adjudication," 88 Colum. L. Rev. 723, 738 (1988).
>
> We have no doubt, for example, that Section 486(a) grants the President authority to issue a directive that prohibits executive agencies from entering into contracts with contractors who use a particular machine that the President has deemed less reliable

than others that are available. Contractors that use the less reliable machines are less likely to deliver quality goods or to produce their goods in a timely manner."

Justice Department Memorandum on Executive Order 12,954, 1995 (BNA) DLR 48 d28 (March 13, 1995).

In reviewing Presidential orders, courts have shown great deference to the President's construction of his authority under the FPASA and his judgment as to what measures will promote economy and efficiency in government procurement. *See Kahn*, 618 F.2d at 790; *see also AFL-CIO v. Reagan*, 870 F.2d 723, 727 (D.C. Cir. 1989) (court presumes Presidential order complies with the statute in the absence of clear evidence to the contrary); *United States v. Duqensne Light Co.*, 423 F. Supp. 507, 509 (W.D. Pa. 1976) (court will not second-guess validity of President's judgment if the Presidential order does not contradict the policy and purposes of FPASA); *United States v. Chemical Found. Inc.*, 272 U.S. 1, 14-15 (1926) ("in the absence of clear evidence to the contrary, courts presume that [public officers] have properly discharged their official duties"). Further, so long as the Order is designed to promote economy and efficiency, the Order may also serve other permissible ends, such as slowing inflation or promoting employment opportunities for minorities. *Carmen*, 669 F.2d at 821; *Rainbow Navigation Inc. v. Dep't of the Navy*, 783 F.2d 1072, 1078 (D.C. Cir. 1986). "We cannot agree that an exercise of section 486(a) authority becomes illegitimate if, in design and operation, the President's prescription, in addition to promoting economy and efficiency, serves other, not impermissible, ends as well. *Carmen*, 669 F.2d at 821.

The *Kahn* Court stated that the President is entitled to at least as much deference in construing his own statutory authority as executive agencies receive in construing statutes they are charged to administer. 618 F.2d at 790; *see Chevron U.S.A. Inc. v. NRDC*, 467 U.S. 837, 844 (1984) (agency interpretation of statute entitled to "considerable weight"); *Fleming v. Mohawk Wrecking and Lumber Co.*, 331 U.S. 111, 116 (1947) (President's contemporaneous and consistent construction of his authority under the First War Powers Act entitled to "great weight").

C. The Executive Order 12,954 Conundrum

In the 1996 case of *Chamber of Commerce of the United States v. Reich*, 74 F.3d 1322 (D.C. Cir. 1996), the D.C. Circuit Court of Appeals set aside Executive Order 12,954, which was an Executive Order barring government agencies from contracting with employers that permanently replace lawfully striking employees. In *Reich*, it was undisputed that the National Labor Relations Act (NLRA) preserved "to employers the right to permanently replace strikers as an offset to the employees' right to strike." *Reich*, 74 F.3d at 1332. Under the NLRA preemption doctrines which the US Supreme Court has promulgated through its many decisions involving the NLRA, the D.C. Circuit ruled that the Executive Order was regulatory in nature, and was pre-empted by the NLRA.

It is notable that the *Reich* Court specifically declined to address the issue of whether the President, in the absence of the NLRA, would be authorized (with or without appropriate findings) under the FPASA and the Constitution to issue the Executive Order. *Reich*, 74 F.3d at 1332. Thus, the President's authority to act with broad discretion under the FPASA was not eroded by the *Reich*

decision. It is only in those situations Congress has acted to put in place elaborate regulatory schemes (such as the federal labor relations policy and the careful "balance" between employers and employees) and where an Executive Order is "regulatory" in nature (as opposed to relating to procurement) that the courts have become willing to invalidate FPASA Executive Orders.

With regard to the purchase of firearms by the United States government, there is no regulatory scheme relating to firearms and enacted by Congress which is remotely comparable to the broad-reaching NLRA. Moreover, an Executive Order relating to the purchase of firearms by the federal government is related to procurement *per se*. Any challenge to such an Executive Order would be hard pressed to cite *Reich* as controlling authority to invalidate the Executive Order.

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Eric Liu
Deputy Director of Domestic Policy
Office of Domestic Policy
The White House
Washington, DC 20502

Dear Eric,

I just wanted to let you know that on October 19, 1999, together with Congressman Gephardt's office and over 120 members of Congress we will be web casting a Town Hall meeting with 500 students from the Canon Caucus Room. The 'Talk Back Live" style program with the students will be web cast to 100's of schools around the country to allow them to not just listen to the meeting but also participate.

We are working with the New York Times, Scholastic, the NEA and others to promote this event to teachers and students nationwide. I know that the Democratic Leader's office has a request in for the President to attend this event and I just wanted you to be aware of the level of involvement that this event is generating.

Whether it is orchestrated at the web cast or during the Rose Garden ceremony to present the student resolution we would also like to hold a brief press conference with the President, if possible, to announce our new in-school initiative with Time Warner. This program will enable the students attending the conference and all students nationwide to set-up SHINE clubs at their schools to empower them to take a personal stand to fight youth violence. The communication between schools for the clubs will take place on-line at our web site at shine.excite.com.

Any questions please contact me at (212) 727-8680. I hope all is well.

Regards,

Alan Rambam
Founder

cc: Bruce Reed, Assistant to the President for Domestic Policy
Irene Bueno, Special Assistant to the President for Domestic Policy

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