

Long-term planning - LW

THE WHITE HOUSE

cc: Bruce

To all team leaders -

Now that the State of the Union is over, Bruce and I would like to put together a long-term planning memo to give to Evkine. I hesitate to say it, but the model is still the attached NEC memo. For now at least, let's use the same categories: budget proposals, legislation, non-legislation, and things we're not doing but should be. Please get your materials to Laura by Wednesday.

Also - we haven't gotten many ideas for events, initiatives, announcements, etc. to fill the coming weeks. Sketch your minds as soon as possible. Many thanks.  
P.S. Ignore Bruce's writings -- it's many months old. Eero

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**NATIONAL ECONOMIC COUNCIL**  
**Long-Term Planning**  
 June 6, 1997

EK -  
 Should we get  
 started on  
 a Goals/Objective  
 Processes  
 memo  
 for '98,  
 or hope the  
 urge goes away  
 - BR

*As we approach mid-year, it is a good time for us to consider planning and priorities for the NEC. For your consideration in that effort, attached you will find the following documents:*

- *The subprocesses related to completion of the bipartisan balanced budget agreement;*
- *Existing legislative priorities where NEC processes are underway;*
- *Non-legislative processes that are taking place or are being framed;*
- *Possible processes that we can consider starting or past processes to consider re-energizing; and*
- *The NEC's "goals and objectives" memorandum to Erskine Bowles of February 28, 1997, which we have used as our roadmap thus far this year.*

Tobacco  
 WR  
 Family/child  
 care  
 Urban housing

Summers: Global w., trade, entitlements, income equal, educ. = big issues after budget.  
 Spelling: Cities, WR. 3pt Clintonomics → cities Tax Reform.  
 Shalala: Poverty, nat. safety net, UI as short-term safety net for WR  
 Slater: Accomplishments.  
 Raines:

## CRITICAL BUDGET PROCESSES

*(Active through the summer and fall)*

1. Working with Senate Finance Committee and House Ways and Means Democrats on a Unified Education Tax Cut Proposal
2. Defining the Boundaries of What is Acceptable on Taxes
3. Preparation and Hill Briefings to Defend Against Roll-back on EITC

4. America Reads

- Agreed to America Reads, but lacking an authorization: must ensure that there is a congressional commitment to passing the proposal

5. School Construction: Agenda to Support Initiative Outside of Budget Agreement

6. Long-term Medicare and Social Security

- Continue and advance discussions on bipartisan process or commission
- Timing and expectation?
- Separate processes for Social Security and Medicare?
- Extent to which these issues should be tied to long-term retirement security issues

7. Plan for Developing Children's Health Care Initiatives (\$16 billion)

- Seek unified Democratic plan
- Work with Rep. Thomas
- Issue of joint committees in House?

8. Details of Medicare

- MSAs and objectionable policies; details of protections for low-income seniors

9. How to Best Target Medicaid DSH Savings

10. Plan for Developing Welfare-to-Work Initiatives

- Develop consensus plan on \$2-3 billion welfare-to-work jobs initiative

11. Strategy to Protect Key Discretionary Priorities Not Specifically Protected in the Agreement

12. Other

Immigs  
Dys/Neuro Ex/  
MDS  
Sci/Tech

## LEGISLATIVE PRIORITIES

1. **Pass NEXTEA Reauthorization** (*through September*)
  - Administration seeking a reauthorization bill that -- in addition to investing in infrastructure -- speeds welfare recipients' transition to work, improves safety, and protects the environment (the Congestion Mitigation and Air Quality and Transportation Programs).
  - The House and Senate will mark up shortly, with CMAQ as the major battleground.
2. **Electricity Restructuring** (*through summer*)
  - Develop Administration position by summer to make electricity industry more competitive
3. **Product Liability** (*ongoing*)
  - Policy process needs to determine, internally and then on Capitol Hill, whether there is legislation that can meet the President's concerns and get passed on the Hill, what the timing is, and what alternative contingency plans are.
  - Pressure from Senate to move soon, certainly before August.
4. **Securities Litigation Reform** (*through June*)
  - Policy process needs to determine internally whether we favor some form of preemption of state securities litigation.
5. **Fast Track** (*push beginning in August*)
6. **China/MFN** (*Congress must act by beginning of September*)
  - Ongoing Administration effort to push for win in July
7. **Flex Time and FMLA Expansion** (*negotiations ongoing*)
  - NEC process to continue to consult with interested agencies on legislative strategies
  - Currently negotiating with the Hill to build bipartisan support for Flex Time legislation consistent with the President's principles
  - Defeat Comp Time proposals inconsistent with the President's principles

Domestic Violence

**17. Caribbean Basin Trade Enhancement Act**

- Currently working with NSC, USTR and other agencies to identify most promising legislative approach

**18. Ex-Im/OPIC Reauthorization**

**19. 150 Account**

## ADDITIONAL NEC PROCESSES

### 1. New Pension Initiatives

- NEC leading interagency-level working group on this.
- Depending upon impact on budget and budget process, several new initiatives as well as proposals from last year's Retirement Savings and Security Act could be introduced sometime this summer.
- Audit bill and related PBGC amendments including doubling of multiemployer plan guarantee to be transmitted before June 10.

### 2. Refine U.S. Position on Global Climate Change

- Tarullo and McGinty heading working group
- Develop analysis to support decision on U.S. negotiating position for Kyoto treaty negotiations scheduled to conclude in early December
- Determine whether President should take lead in sketching out the types of emissions constraints the Administration is willing to support.

### 3. Summit of the Eight

- Prepare for meeting in Denver in June and coordinate development of deliverables

### 4. PM/Ozone (*scheduled decision in early June*)

- NEC, OIRA, and CEQ working on review of proposed PM/Ozone rule changes.

### 5. Income Inequality and Hispanic Education

- NEC continuing to investigate with CEA general income inequality issues, focusing specifically on Hispanic incomes, with emphasis on role of education and drop-out rates. Develop policy responses.

### 6. Personal Bankruptcies and Credit Card Debt

- NEC interagency process beginning to prepare for a possible response to National Bankruptcy Review Commission recommendations that will be released this fall
- Continue to monitor credit card debt.

**7.     Sweatshops**

- NEC and Labor continuing to monitor efforts of the Apparel Industry Partnership
- NEC has begun an interagency working group process to coordinate overall sweatshop initiative, including developing a plan for internationalizing our sweatshop eradication efforts.

**8.     Education Technology**

- NEC's top priority is successful implementation of the E-rate, which will provide up to \$2.25 billion annually in discounts for schools and libraries; and full funding of the President's \$500 million request for the Technology Literacy Challenge Fund.
- NEC is working with DoEd and OVP to identify additional ed tech initiatives, particularly regarding educational content, teacher training, and private initiatives.

**9.     Income-Contingent Repayment of Student Loans**

- NEC working with DoEd to explore making ICR generally available to public

**10.    Promoting Savings**

**11.    Military Base Reuse**

- NEC working with Defense, the Chief of Staff, and others to monitor the current process and gain support for significant additional reform, particularly the cumbersome process for getting land, buildings and personal property transferred to communities for redevelopment.

**12.    INTELSAT Restructuring**

- NEC working with others to develop and negotiate a plan for restructuring of this treaty organization that enhances competition in satellite telecommunications.
- Absent such a plan, take steps to protect our market from the potential distortion of an anticompetitive restructuring.

**13.    Aerospace "Offsets"**

- NEC interagency working group is analyzing labor concerns about foreign "offsets" (outsourcing) in aerospace and putting in place an institutional mechanism to improve the dialogue among labor, management and government on this issue.

**14.    FAA Reform**

- Assisting OVP, Transportation and others to restructure the financing and management of the FAA, including implementation of the recommendations of the

Gore Commission and the ongoing National Civil Aviation Review Commission.

15.

**Science and Technology Initiatives**

- NEC is working with OVP and OSTP to identify or implement Administration science and technology initiatives, such as the Next Generation Internet, new models for public/private collaboration, establishment of prizes for specific technological advances, and the promotion of new applications for information and communications technologies.

**16. APEC Leaders Meeting in November**

- NEC is leading an interagency process to identify priority deliverables for the Leaders Meeting and a plan for their adoption.

**17. NAFTA Report**

- NEC is coordinating interagency effort to develop Presidential report
- Will develop rollout plan in mid-June



## NEW PROCESSES AND OLD PROCESSES TO CONSIDER RENEWING

1.

### **Community Empowerment**

- Need to restart NEC/DPC process with OVP regarding new ideas and continuing efforts on Brownfields and EZ/ECs.

2.

### **Labor Markets and Welfare-to-Work Initiative**

- NEC assisting DPC's welfare-to-work effort by focusing on evaluations and studies of what works

3.

### **Housing**

- NEC to work with HUD, DPC and others to develop initiatives in homeownership and other areas

### **4. Disasters**

- Work with OMB, Treasury, and FEMA on development and funding of a consistent, effective Administration position on disaster mitigation and financial support, and have a viable program before the next major non-flood disaster.

### **5. Regulatory Reform**

- If restarted by OIRA, NEC will assist

### **6. Corporate Citizenship**

three-staged *strategy for the DPC/NEC to develop new policy ideas* -- generated by White House staff, agencies, and outside groups.

*We would very much like to discuss this plan with you in the coming days.*

### **III. Process**

We envision the project to be divided into three stages: first, a taking stock of on-going significant long-term projects and evaluating how they might fit within an overall thematic plan, second a review by senior staff and a list of new issues to be vetted, and finally implementation. The process is outlined specifically below.

#### **I. THEMATIC OUTLINE OF ONGOING NEC AND DPC PROCESSES**

The outline below is based on themes articulated by Mark Penn in his memorandum of June 9, 1997. We have listed within this framework some of the key policy processes on which our councils have been or are currently working.

##### **1. *Preparing our economy to meet the challenges of the new global economy and the information age***

- Opening up new markets (fast track; Africa trade initiative; CBI)
- Growth for all communities (community empowerment)
- Electricity deregulation
- Legal reform efforts (products liability; securities litigation reform; patent reform)
- Worker training (Skill Grants)
- Protecting Consumers (managed care commission, privacy, food safety)

##### **2. *Caring for America's children***

- Expanding health care coverage to children
- Ensuring greater access to better child care
- K-12 agenda (educational standards; school construction; America Reads; educational technology, after school expansion, urban and failing schools)
- Higher education agenda (higher education reauthorization; Pell Grant-Chakah Fattah proposal)
- Reduce teen pregnancy
- Protecting our children from smoking

##### **3. *Preparing our families and communities for the 21st Century***

- Safer communities (more police, Brady laws/gun control, criminal registries)
- Welfare reform (welfare to work, training, transportation, child care)
- Creating the balance between family and work (FMLA expansion; comp time)
- Expanding health care coverage (workers between jobs, contraceptives)
- Caring for our parents and rebuilding families (elder care, adoption)
- Safe working conditions (sweatshop initiative)
- Promoting retirement savings and security (saving initiatives; pension reform)
- Making a clean environment consistent with economic growth (PM/Ozone; Global Climate Change; Superfund, right to know)
- Protecting our values (controlling the internet, liquor ads)

**4. *Making government work again***

- Restoring discipline (balanced budget; long-term entitlement reform)
- Regulatory reform
- Adapting the federal bureaucracy to change (REGO reforms; FAA overhaul; State Department overhaul)
- Electoral reform (campaign finance)

**5. *Reconciling the forces of diversity and make them our greatest strength***

- Racial reconciliation
- Creating opportunity while demanding responsibility (community empowerment agenda; welfare-to-work; housing)
- District of Columbia

**6. *Maintaining America's leadership in science and technology***

- Making technology available to every child, rich or poor (educational technology)
- Advancing fight against dread diseases (increase research budget for fighting leading killers)
- Controlling the new dangers/ethical dilemmas that science presents (family-friendly internet; cloning)
- Preparing for the technology needs of the 21st Century (Next Generation Internet)
- INTELSAT restructuring
- Encouraging exploration (NASA, genome project)

**II. THREE-STAGED STRATEGY FOR DEVELOPING NEW IDEAS**

## MEMORANDUM

**TO:** BRUCE REED, GENE SPERLING

**FROM:** TOM FREEDMAN, JONATHAN KAPLAN

**RE:** AN DPC/NEC STRATEGY FOR DEVELOPING A LONG-TERM  
PLANNING AGENDA

**DATE:** JULY 18, 1997

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### I. Summary

The attached is a description of the DPC/NEC Long Term Planning process for the generation and vetting of issues around a comprehensive thematic agenda. The plan is designed to produce a timely document describing a domestic strategy, supported by a methodology for announcing and implementing a series of specific national initiatives. The process will formulate initiatives that can be utilized in the upcoming State of the Union and the FY '99 budget, and will incorporate the recommendations and initiatives of the senior White House staff and cabinet level agencies.

### II. Rationale

There is an opportunity for the Administration to describe the appropriate next steps in domestic policy. Given possible opportunities available as a result of the budget agreement, and major upcoming programmatic announcements including the State of the Union, the 1998 elections, and the FY '99 budget, the elucidation of the Administration agenda will be particularly important.

### III. Background

**other memos floating**

Both of you have raised the fact that, as we approach closure on the budget in the coming months, it will be critical to lay out a post-budget domestic and economic agenda to serve as the Administration's 1998 -- or longer-term -- policy blueprint. Already, several memoranda have been circulated, from both external and internal sources, sketching some of the broader themes on which the White House might focus.

The limited purpose of this preliminary memorandum is two-fold: (1) to outline our *ongoing DPC and NEC policy processes and projects* within a thematic construct, and (2) to lay out a

We would suggest that our policy development effort be divided into three stages.

- Taking stock of all ongoing long-term processes and projects and evaluating how they might fit within an overall thematic plan (as described above);
- Getting working groups in gear and beginning to develop new ideas; and
- Developing and fully vetting new policy ideas, and announcing them.

***Stage 1: Draft Long-Term Planning Document and Begin to Originate New Ideas (July-August)***

- a. Draft preliminary long-term planning memorandum of ongoing DPC and NEC processes with a thematic structure (started herein) (late July)
- b. Contact other White House offices (Vice President, First Lady, OSTP, CEQ, ONDCP, NSC) and Cabinet agencies for additional domestic and economic policy ideas and projects; incorporate these into long-term planning memorandum (August)
- c. Provide initial memorandum (on NEC and DPC processes and themes) for comment to Chief of Staff and other senior administration officials, including several initial policy ideas (August)
- d. Incorporate senior staff's comments and ideas into long-term plan

***Stage 2: Pull Together New Ideas (August-December)***

- e. Ensure that NEC and DPC working groups in key policy areas are up and running; start new groups where necessary (August-September)
- f. Working groups develop new policy ideas after consulting with elected officials, academics, friends of the Administration, and others (September-December)

***Stage 3: Develop, Fully Vet, and Announce New Ideas (September-mid 1998)***

- g. Fully vet new ideas through the standard NEC and DPC processes (September-December)
- h. Involve Legislative Affairs, Political Affairs, and others in the discussions of "new idea" strategy, as it relates to a 1998 strategy (September-December)
- i. Schedule events and announcements around new policy initiatives (November-mid 1998)

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- budget  
SON

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*work & family  
care & child*

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199 budget  
198 SOTU



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Future Action