EF

DRAFT

230739
W/H004

June 24, 1997

MEMORANDUM FOR THE RECORD

RE: FILES FROM THE OFFICE OF THE STAFF SECRETARY

Carol Cleveland of the Staff Secretary's Office has begun to retain and send to ORM "insurance copies" of documents that had been sent to the Oval Office.

These copies are marked with with five annotations:

1) a large red check mark indicating that the original document had gone into the Oval Office,
2) a date by the check mark indicating when the document had been returned to the Staff Secretary's Office from the Oval Office,
3) a circle indicating that it had gone to Todd Stern,
4) an "X" within the circle indicating that Todd Stern had reviewed and returned it to his staff for appropriate handling and
5) the letters, "RM," indicating that the document was sent to the Office of Records Management.

Other notations may appear on these documents, most frequently a five digit number in the upper right hand corner. This is the computer generated identification number for each document. It is often referred to in one of three ways, as

a) the Staff Secretary's log number,
b) the SS (Staff Secretary) number, or
c) the Seclog (Secretary's Log) number.

During the years that Sharon Wagner oversaw much of the paperwork in the Staff Secretary's Office, these "insurance copies" were not retained once a document had travelled through the five stages of the life cycle described above.

One (1) Box Filed Oversize Attachment # 9360 + #10322

DRAFT

Hold pending comments by Carol Cleveland

JW Good

230739

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HBA
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TERRY GOOD
DIRECTOR - ORM
THE WHITE HOUSE
WASHINGTON DC 20500
MEMO FOR THE RECORD RE FILES FROM THE OFFICE OF THE STAFF SECRETARY, DATED MAR 97 - JUN 98
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RM RSZ 970811 C 970811
CAROL CLEVELAND OF THE STAFF SECRETARY 'S OFFICE HAS BEGUN TO RETAIN AND SEND TO ORM "INSURANCE COPIES" OF DOCUMENTS THAT HAD BEEN SENT TO THE OVAL OFFICE
ONE (1) BOX OVERSIZE ATTACHMENT #9360 - DATED MAR 97 - SEP 97 ~~(HELD IN ROOM 75)~~
ONE (1) BOX OVERSIZE ATTACHMENT #10322 - DATED OCT 97 - JUN 98 ~~(HELD IN ROOM 75)~~

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in pocket of
POTUS' trip
book 3-13-97

Dist:
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'97 MAR 12 PM6:36

THE DIRECTOR

March 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Franklin D. Raines

SUBJECT: Emergency Supplemental Appropriations to Respond to Recent Natural Disasters -- INFORMATION

3-18-97

You will soon receive for your approval a proposed package of emergency appropriations to assist States that have suffered extraordinary damages from the Western floods and the more recent floods and tornados. The purpose of this memorandum is to summarize the proposed $2 billion package, the criteria we used to evaluate the agency requests, and the issues that might be raised once we send the package to Congress.

Congressional Treatment of "Emergency" Appropriations

The agencies -- primarily Agriculture, Commerce, the Army Corps of Engineers, Interior, Transportation, and FEMA -- requested $3 billion in FY 1997 emergency appropriations. To ensure that we meet fully all of the emergency needs, without putting unwarranted pressure on other discretionary priorities, we reviewed each proposal to determine whether all the criteria were satisfied. This review produced the $2 billion package submitted to you for your approval. We are proposing that this amount be designated as an emergency and thus should not require spending offsets.

Although the Budget Enforcement Act (BEA) does not require Congress to provide offsets for emergency appropriations, it has been the policy of the Congress since 1995 to require offsets for all new spending, whether or not the spending is categorized as "emergency" for the purposes of the BEA. Therefore, we need to be prepared to work with the Congress to find acceptable offsets once the package starts to move through the legislative process. We are optimistic that we can identify offsets that do not jeopardize your priorities; however, the larger the emergency package, the more difficult this becomes to accomplish.

New Criteria

To evaluate the agency requests, we designed criteria to identify true emergencies related to current disasters (i.e., disasters that have occurred since Congress approved the FY 1997 Omnibus Appropriations Act last September). We also asked the agencies to consider whether it might be more appropriate to respond using previously appropriated funds for lower-priority activities rather than request new emergency funds that might compete with Administration priorities in the search for offsets.

These criteria eliminated additional funding for past disasters that occurred prior to the preparation of your 1998 budget, funding to reimburse agencies for expenses incurred for past disasters, and expenditures that could be funded within regular (non-emergency) appropriations. Using these criteria, we constructed an emergency package comprised of items that we believe are true emergencies and warrant emergency designation.

Summary of the Proposed Package

The proposed package includes $2 billion in emergency appropriations, predominantly to repair damage from the Western floods (in California, Washington, Nevada, Idaho and Oregon) and for the recent flooding and tornados (in Tennessee, Kentucky, Arkansas, Ohio, Indiana, and Illinois) as well as the recent freeze conditions in North and South Dakota. The package is divided among Federal agencies as follows:

-- $979 million to FEMA, for immediate emergency response activities, including housing, debris removal, clean-up of publicly-owned facilities, and individual assistance;

-- $291 million to the Corps of Engineers, mostly for debris removal and levee repair at Federal facilities;

-- $291 million to Transportation, to repair highways and bridges;

-- $243 million to Interior, to repair damage at national parks, particularly Yosemite, and to provide assistance on Indian reservations;

-- $161 million to Agriculture, mostly for debris removal and levee repair at privately-owned farms; and

-- $23 million to Commerce, for hatchery repairs.

Of the total, $568 million is proposed as a contingent appropriation, to be released upon your declaration of need (in most cases, because we are still completing the damage assessments and cannot produce reliable estimates of the repair cost at this time).

No additional funds are provided for the Small Business Administration because they have adequate resources to meet these new demands. Funds are also not provided for the Department of Housing and Urban Development, in most part because the activities they support through their Community Development Block Grant can be supported by FEMA and SBA (and because Congress rejected our request last year for additional CDBG funding to respond to Hurricanes Bertha and Fran).

Potential Issues

Because we have held down the total level of funding in the package (to reduce potential competition with your priorities in the search for offsets), some may object at the margin. In particular, we want to make sure that you understand how we have handled funding related to the following high profile items:

-- **North Carolina and other pre-1997 disasters.** Several regions with damage from earlier disasters have asked for additional funds. We have excluded funding for previous disasters from this package because those needs were addressed by $400 million of emergency appropriations last fall and remaining needs should be addressed in the context of the regular appropriations process.

  We have included language in the pending emergency package giving agencies maximum latitude to spend these supplemental dollars on the highest priority disaster-related projects, regardless of their cause. Therefore, North Carolina will be able to apply to FEMA and SBA for additional resources to the extent the State has eligible needs.

-- **Yosemite.** The $176 million in the proposed package fully addresses the need to rebuild Yosemite National Park. Of this amount, $148 million is to repair Federal facilities. However, some of the damage in Yosemite occurred in facilities owned and insured by private concessionaires, and the package includes $30 million in contingent appropriations in the event that private insurance funds are not available to repair all of the facilities. We have drafted the language in the emergency package to ensure that public funds do not relieve the private contributors and their insurance carriers from meeting their contractual obligations.