

THE TRIP
of
THE PRESIDENT
to
BALTIMORE, MARYLAND

July 14, 1999

Staff Copy

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Wednesday, July 14, 1999

BALTIMORE, MARYLAND

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99 JUL 13 14:06

Wednesday, July 14, 1999

SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, JULY 14, 1999

Final Schedule

SCHEDULING DIRECTOR:

STEPHANIE STREETT

HOME: 202-332-5651

OFFICE: 202-456-2823

WHCA PAGER: 4824

PRESS DESK:

DORI SALCIDO

HOME: 703-548-6466

OFFICE: 202-456-5771

WHCA PAGER: 4844

EVENT COORDINATOR:

AVIVA STEINBERG

HOME: 202-362-1813

OFFICE: 202-456-2920

WHCA PAGER: 4022

EVENT COORDINATOR:

CECILY WILLIAMS

HOME: 202-726-0009

OFFICE: 202-456-5039

WHCA PAGER: 4063

ADVANCE LEAD:
(BALTIMORE, MD)

MOLLY BUFORD

CELL PHONE: 202-489-6509

STAFF OFFICE: 44-220

WHCA PAGER: 4452

WEATHER:

WASHINGTON, D.C.

*Cloudy with scattered showers. Winds
east to northeast at 8 to 12 knots. Low 64
to 69. High 76 to 81.*

July 13, 1999 (8:03PM)

Wednesday, July 14, 1999

Schedule of the President
for
Wednesday, July 14, 1999
Final Schedule

DOWN UNTIL 12:15 PM

12:15	pm-	MEETING
12:30	pm	OVAL OFFICE
		Staff Contact: John Podesta
12:30	pm-	MEETING
12:40	pm	OVAL OFFICE
		Staff Contact: Stephanie Streett
12:40	pm-	BRIEFING FOR REMARKS TO THIRD ANNUAL DLC
1:00	pm	CONVERSATION
		OVAL OFFICE
		Staff Contact: Bruce Reed, Minyon Moore
1:00	pm-	HOLD FOR POSSIBLE BRIEFING AND DEPARTURE STATEMENT
1:30	pm	LOCATION TBD
		Staff Contact:
		Event Coordinator:
		PRESS TBD
1:35	pm	THE PRESIDENT departs The White House via Marine One en route Fort McHenry Landing Zone [flight time: 25 minutes]
2:00	pm	THE PRESIDENT arrives Fort McHenry Landing Zone
2:10	pm	THE PRESIDENT departs Fort McHenry Landing Zone via motorcade en route Baltimore Convention Center [drive time: 10 minutes]

July 13, 1999 (8:03PM)

Wednesday, July 14, 1999

2:20 pm

THE PRESIDENT arrives Convention Center

Greeters: Al From
Honorable Tom Siebert

Greeters: Governor Parris Glendening
(Backstage) Governor Tom Vilsack
Governor Roy Barnes
Governor Mel Carnahan
Governor Tom Carper
Lieutenant Governor Kathleen Kennedy-Townsend
Lieutenant Governor Cruz Bustamante
Maryland Senate President Mike Miller
Maryland House Speaker Casper Taylor
Mayor Kurt Shmoke
Lew Akers
Will Marshall

July 13, 1999 (8:03PM)

Wednesday, July 14, 1999

2:30 pm-
3:45 pm

REMARKS TO THIRD ANNUAL DLC CONVERSATION
HALL D

Baltimore Convention Center

Remarks: Jeff Shesol

Staff Contact: Bruce Reed, Minyon Moore

Event Coordinator: Aviva Steinberg

OPEN PRESS

Note: There will be approximately 490 guests in attendance.

- Off-stage announcement of the President, accompanied by Lieutenant Governor Cruz Bustamante and Al From.
- Al From introduces Lieutenant Governor Cruz Bustamante.
- Lieutenant Governor Cruz Bustamante, California, makes brief remarks and introduces the President.
- The President makes remarks.
- The President proceeds to his seat.
- Al From introduces brief presentations by local officials.
- Mayor Kirk Watson, Austin, Texas, makes a statement.
- Mayor Don Cunningham, Bethlehem, Pennsylvania, makes a statement.
- State Senator Ember Reichgott Junge, Minnesota, makes a statement.
- Labor Commissioner Mike Thurmond, Georgia, makes a statement.
- The President responds, works a ropeline and departs.

July 13, 1999 (8:03PM)

Wednesday, July 14, 1999

3:55 pm THE PRESIDENT departs Baltimore Convention Center via motorcade
en route Fort McHenry Landing Zone
[drive time: 10 minutes]

4:05 pm THE PRESIDENT arrives Fort McHenry Landing Zone

4:15 pm THE PRESIDENT departs Fort McHenry Landing Zone via Marine One
en route The White House
[flight time: 25 minutes]

4:40 pm THE PRESIDENT arrives The White House

4:45 pm-
5:30 pm PHONE AND OFFICE TIME
OVAL OFFICE

5:30 pm-
6:30 pm HOLD ONE HOUR

6:30 pm-
6:45 pm BRIEFING
DIPLOMATIC RECEPTION ROOM
Staff Contact: Minyon Moore

6:50 pm THE PRESIDENT departs The White House via motorcade en route
Washington Court Hotel
[drive time: 10 minutes]

7:00 pm THE PRESIDENT arrives Washington Court Hotel

Greeters:
(Hallway)

Senator John Kerry, Honorary Chair, College Democrats of America

Representative Loretta Sanchez, Honorary Chair, College Democrats of America

Representative Debbie Stabenow, Honorary Chair, College Democrats of America

Harold Powell, National President, College Democrats of America

Reta Lewis, National Chair, College Democrats of America

Kieran McNeill, General Manager, Washington Court Hotel

July 13, 1999 (8:03PM)

Wednesday, July 14, 1999

7:05 pm-
8:00 pm

ADDRESS COLLEGE DEMOCRATS NATIONAL CONVENTION
GRAND BALLROOM

Washington Court Hotel

Remarks: Jordan Tamagni

Staff Contact: Minyon Moore

Event Coordinator: Cecily Williams

EXPANDED POOL PRESS

Note: There will be approximately 400 guests in attendance.

Note: The Elected Student Executive Board of the College Democrats of America will be seated on stage.

-- Off-stage announcement of the President, accompanied by Harold Powell, National President, College Democrats of America.

-- Harold Powell, National President, College Democrats of America, makes brief remarks and introduces the President.

-- The President makes remarks, works a ropeline and departs.

8:05 pm

THE PRESIDENT departs Washington Court Hotel via motorcade en route The White House
[drive time: 10 minutes]

8:15 pm

THE PRESIDENT arrives The White House

BC RON

THE WHITE HOUSE
WASHINGTON, DC

HRC RON

NEW YORK, NEW YORK

July 13, 1999 (8:03PM)

A

1999 DEMOCRATIC LEADERSHIP COUNCIL (DLC) NATIONAL CONVERSATION

DATE: Wednesday, July 14, 1999
LOCATION: Baltimore Convention Center
TIME: 2:30 p.m.–3:45 p.m.
FROM: Minyon Moore and Linda Moore

I. PURPOSE

To highlight the outstanding work New Democrat leaders are doing at the state and local level, and to underscore the importance of their contributions to the New Democrat movement here and abroad.

II. BACKGROUND

This is the DLC's third annual National Conversation. You will recall that you addressed the group last year. The Vice President addressed the group in 1997. This forum brings together state and local elected officials from throughout the country who are developing the next generation of New Democrat ideas and the strategies to implement them. The National Conversation will illustrate that New Democrats are in the forefront of efforts to create "problem-solving government" at the state and local levels.

III. PARTICIPANTS

Approximately 490 community leaders from around the country are expected to attend, including 170 elected officials. Participating in the program with you are DLC Chairman Al From, California Lt. Governor Cruz Bustamante and four local officials who will discuss how they are applying New Democrat principles to the challenges facing their communities. The presenters and the topics they are addressing are:

Austin (TX) Mayor Kirk Watson will discuss leading a city into the future by utilizing high-tech businesses and products to address city problems with public-private partnerships.

Minnesota State Senator Ember Reichgott Junge will discuss charter schools.

Georgia Commissioner of Labor Mike Thurmond will discuss welfare reform and skills training.

Bethlehem (PA) Mayor Don Cunningham will discuss moving a Steel Belt town from the Industrial Age to the New Economy.

Note: Secretary Glickman will travel to Baltimore with you to be present for your announcement regarding food stamps. Two elected leaders you met during the New Markets tour will be seated in the front of the audience – East St. Louis Mayor Debra Powell and State Rep. Leah Landrum (Phoenix).

IV. PRESS PLAN

Open press.

V. SEQUENCE OF EVENTS

- You are greeted curbside by Al From and former U.S. Ambassador to Sweden Tom Siebert, co-chair of the event.
- You proceed to hold, where you are greeted by event co-chair Maryland Lt. Governor Kathleen Kennedy Townsend, California Lt. Governor Cruz Bustamante, Maryland Governor Parris Glendening, Iowa Governor Tom Vilsack, Georgia Governor Roy Barnes, Missouri Governor Mel Carnahan, Delaware Governor Tom Carper, Baltimore Mayor Kurt Schmoke, Progressive Policy Institute President Will Marshall, Maryland Senate President Mike Miller, Maryland House Speaker Casper Taylor, Ginger From and Ferris, Baker Watts, Inc. CEO Louis Akers, Jr.
- Off stage announcement of Secretary Glickman, Governor Glendening, Mayor Schmoke, Lt. Governor Townsend, and the Honorable Tom Siebert. This group takes their seats in the audience.
- Off stage announcement of you accompanied by Lt. Governor Bustamante and Al From. The three of you proceed to the stage.
- Al From makes welcoming remarks and introduces Lt. Governor Bustamante.
- Lt. Governor Bustamante delivers remarks and introduces you. (Lt. Governor Bustamante and Al From depart the stage as you proceed to the podium.)
- You deliver remarks.
- Upon conclusion of your remarks, you return to your seat. Al From proceeds to podium and introduces the four presenters.
- Austin (TX) Mayor Kirk Watson makes brief remarks.
- Minnesota State Senator Ember Reichgott Junge makes brief remarks.
- Georgia Labor Commissioner Mike Thurmond makes brief remarks.
- Bethlehem (PA) Mayor Don Cunningham makes brief remarks.
- Upon completion of the final presentation, you deliver concluding remarks, work a ropeline, and depart.

VI. REMARKS

Remarks provided by speechwriting. Talking points for your concluding remarks provided by NEC and DPC.

VII. ATTACHMENTS

- Information on the food stamps announcement you will make as part of your speech.
- Talking points for your concluding remarks.
- National Conversation booklet containing agenda, participants, and background materials.

B

**THE REMARKS
FOR THE DLC CONVERSATION
WILL BE FORWARDED**

C

Food Stamps Announcement

Today you will take a series of executive actions to help ensure working families access to food stamps. Along with the Earned Income Tax Credit, Medicaid coverage, and childcare, food stamps are an important support for working families. Families with earnings up to 130 percent of poverty (\$8.50 an hour for a family of three) can be eligible for food stamps to supplement their income and help buy food for their families, but only two of five working families eligible for food stamps actually apply for and receive them. Today you will take three new executive actions to help working families:

*** Issue Guidance Making it Easier for Families to Own a Reliable Car and Receive Food Stamps:** If we want people to leave welfare and go to work, we need to make sure they can get to work. Because lack of reliable transportation is a major barrier to families finding and keeping a job, the welfare reform law of 1996 allowed states to make it easier for families to own a car and still be eligible for the Temporary Assistance for Needy Families (TANF) program. But until now, states have only been able to use that flexibility to help those receiving cash welfare benefits – while working families receiving in-kind benefits through TANF, such as child care, continued to lose eligibility for food stamps if the value of their car exceeded the food stamp program asset limit of \$4,650. This policy forced many working families to choose between nutritional assistance or a reliable car. Today, the Administration will release new policy guidance to allow states to use their more generous TANF asset test, rather than the Food Stamp Program asset limit, in determining food stamp eligibility for all families eligible for TANF. This will enable working families eligible for in-kind TANF benefits (e.g., childcare, job retention services, on-the-job training) to have a reliable car and still get food stamps. More and more states are using TANF funds to provide non-cash supports for working families to help people who have left welfare stay off the rolls and help families from going on welfare in the first place. You encouraged states to provide non-cash supports in the final TANF regulation you announced on April 10.

*** Unveil New Rules Making it Easier for States to Serve Working Families:** Current food stamp procedure requires administering agencies to adhere to complex rules on reporting and projecting income, and penalizes states for small errors in projected earnings. But low-income working families often have fluctuating incomes, because their hours of work per week vary or they change jobs frequently. The old rules discourage recipients from going to work and give agencies an enormous burden of paperwork. Now, the Administration will allow states new options to simplify these rules, making it easier for working families to report income and easier for the food stamp program to serve working families. For example, families will now be able to report earnings every quarter instead of every month.

*** Announce Public Education Campaign and Hotline, and New USDA Food Stamp Toolkit:** You will announce that U.S. Department of Agriculture Secretary Dan Glickman will lead a nationwide food stamp public education campaign to educate working families about food stamps through new informational materials and an enhanced toll-free information line. The Administration will also release a new USDA Food Stamp Toolkit that will provide state, local, and community leaders information about best practices to assist working families and will clearly explain the food stamp law's access requirements.

D

Talking Points for Concluding Remarks DLC National Conversation

I. Your response to **Austin Mayor Kirk Watson's** presentation on leading a city into the future by utilizing high-tech businesses and products to address city problems with public-private partnerships.

- * I definitely agree with you that we need to do more to train America's high-tech workforce and to prepare America's children for the workplace of the 21st century.

- * These are high-skill jobs that pay more than 70 percent above the private sector average wage.

- * That's why I have fought for:

- universal access to higher education through programs such as HOPE scholarships

- tax incentives for worker scholarships

- the Workforce Investment Act --which will streamline our workforce development programs

- regional skills alliances -- which will encourage collaboration between industry, workers, and local colleges and universities

- programs to ensure that all of our children are "technologically literate" -- by connecting every classroom to the Internet and training our teachers to use technology

II. Your response to **Minnesota State Senator Ember Reichgott Junge's** presentation on charter schools.

- * When I was elected in 1992, there was only one charter school in the entire country -- a charter school started by teachers in St. Paul. Now, with leadership from Ember and the DLC, and with my constant support, there are hundreds of thousands of students benefiting from well over 1000 charter schools across the nation. This charter school movement is creating models of accountability, flexibility, and choice for our entire public education system.

- * Now, I think Ember is right to point out the need to ensure the success of charter schools *and* bring real accountability, choice, and innovation to all of our public schools. It is critical that we focus on making sure that charter schools are models of success -- and that they remain strictly accountable to parents and the public for helping all students succeed. And I think we all must learn the lessons from the charter school movement, develop effective strategies to provide all parents with high-quality choices in public education, and help all of our public schools become like the best of our charter schools.

III. Your response to Georgia Commissioner of Labor Michael Thurmond's presentation on welfare reform and skills training.

* Welfare reform is off to a good start. The actions I announced today will help ensure working families can access food stamps, including making sure that families do not lose food stamps just because they own a reliable car that helps them get to work. When I went around the country last week on my New Markets tour, I saw people in poor communities across the country who want to work. That is why we need to enact this New Markets legislation to provide a third way that enables businesses and government together to help give people the chance to work.

IV. Your response to Bethlehem Mayor Don Cunningham's presentation on moving a Steel Belt town from the Industrial Age to the New Economy.

*NEW MARKETS -- Last week, I traveled to New Markets -- like Bethlehem -- across the country to shine a spotlight not only on the needs of these communities, but also on the great potential for growth, profit, and economic opportunity in these untapped markets.

I have proposed a New Markets Initiative that would help spur new private investment in places like the City of Bethlehem through loan guarantees and tax credit incentives for venture capital funds that target investments in low and moderate income communities. We are working on getting this passed this year.

CDFI's -- In 1994, Established the CDFI Fund which provides small business loans and technical assistance.

DISLOCATED WORKER ASSISTANCE -- The Administration is committed to addressing the needs of Dislocated Workers. Passed in 1998, the Workforce Investment Act improved the quality of services and streamlined delivery of training, counseling and placement services to Dislocated Workers and others in need of assistance. The Administration's Universal Reemployment initiative, proposed in the FY2000 budget, demonstrates a commitment to additional resources to meet the training needs of every worker who lose their jobs.

ON STEEL (IF ASKED):

I remain concerned about the impact of last year's surge in steel imports on our steel industry, our steelworkers and their communities. Vice President Gore and every member of my Cabinet shares this concern, and has worked to address it.

It is clear that a good part of last year's surge involved unfair trade. That is evident from the dumping determinations that have been made against Japan, Russia and other countries.

My Administration has put into place a strategy of aggressive enforcement of our trade laws and making clear to our trading partners at the highest levels, as I have done, that America will not tolerate unfair trade.

This strategy has produced strong results. Overall steel imports have fallen significantly from their high last August, and over the first five months of this year are back to pre-crisis levels (even with January- May 1997 levels and 6% below same period in 1998 , even accounting for the 30% steel import increase in May).

This strategy remains in place. Just yesterday, with the help of Vice President Gore, who spoke twice to Russian Prime Minister Stepashin, the Commerce Department negotiated agreements with Russia that will reduce its exports to the U.S. of hot rolled steel by 80% and its cold rolled exports by 50%. These agreements will reverse the surge from Russia, and prevent surges in other products from Russia in the future.

Background:

While Bethlehem Steel has closed or sold all of its steel operating facilities in Bethlehem, PA, the company's headquarters and research division are still located there.

E

July 12, 1999

MEMORANDUM FOR THE PRESIDENT

99 JUL 13 PM4:12

FROM: Minyon Moore and Craig Hughes, Office of Political Affairs

SUBJECT: Maryland Political Briefing

PRESIDENTIAL ELECTION RESULTS

1992			1996		
Clinton	988,571	50%	Clinton	966,207	54%
Bush	707,094	36%	Dole	681,530	38%
Perot	281,414	14%	Perot	115,812	7%

RECENT PRINCIPAL TRAVEL

The **Vice President** was in Chevy Chase, Maryland on May 11 for a Gore 2000 fundraiser.

The **Vice President** was in Baltimore on February 12 to give the keynote address to the Maryland Police Corps Graduation Ceremony.

You were in Maryland on February 10 to attend an Americorps event at the University of Maryland campus in College Park.

You were in Maryland on December 23, 1998, to announce a HUD grant in Baltimore.

You were in Baltimore, Maryland on November 1, 1998, to attend services at the New Psalmist church with Governor Parris Glendening (D) and Rep. Elijah Cummings (D).

The **Vice President** was in Maryland on October 27, 1998, to attend a luncheon for Governor Glendening in Chevy Chase.

NOTE: Texas Governor **George W. Bush** (R) will also be in Baltimore on Wednesday. He is addressing children at the East Door youth center at 2:30 pm and holding a Bush for President fundraiser at the Hyatt Hotel at 5:30 pm.

1998 GUBERNATORIAL ELECTION RESULTS

Governor Parris Glendening (D) narrowly defeated Harford County Executive Ellen Sauerbrey (R) 56% - 44% in a hard-fought reelection campaign. A large part of Glendening's victory is attributed to the record number of African American voters. African Americans represented one-fifth of the voters, and 90% of African American votes went to Glendening. These numbers have been attributed to Glendening's television advertisements, which focused upon Sauerbrey's opposition to past civil rights laws.

1998 SENATE ELECTION RESULTS

Senator Barbara Mikulski (D) easily won reelection to a third term by defeating Ross Pierpont (R) 71% - 29%. Mikulski remains extremely popular, with high approval ratings and a leadership position as Senate Democratic Conference Secretary.

1998 CONGRESSIONAL ELECTION RESULTS

1st Congressional District – Wayne Gilchrest (R) – 5th term – 69%

Rep. Gilchrest (R) handily defeated Irving Pinder (D) 69% - 31%.

2nd Congressional District – Robert Ehrlich (R) – 3rd term – 69%

Rep. Ehrlich (R) handily defeated Kenneth Bosley (D) 69% - 31%.

3rd Congressional District – Ben Cardin (D) – 7th term – 78%

Rep. Cardin (D) easily defeated Colin Felix Harby (R) 78% - 22%.

4th Congressional District – Albert Wynn (D) – 4th term – 86%

Rep. Wynn (D) overwhelmingly defeated John Kimble (R) 86% - 14%.

5th Congressional District – Steny Hoyer (D) – 10th term – 66%

Rep. Hoyer (D) handily defeated Robert Ostrom (R) 66% - 34%.

6th Congressional District – Roscoe Bartlett (R) – 4th term – 63%

Rep. Bartlett (R) handily defeated Timothy McCown (D) 63% - 37%.

7th Congressional District – Elijah Cummings (D) – 3rd term – 86%

Rep. Cummings (D) overwhelmingly defeated Kenneth Kondner (R) 86% - 14%.

8th Congressional District – Connie Morella (R) – 7th term – 60%

Rep. Morella (R) handily defeated Ralph Neas (D) 60% - 40%. While Neas' attempt to demonize Morella on the basis of her vote for the impeachment inquiry did not translate into votes, it may have prompted Morella to re-think her position on impeachment, and she eventually voted against it.

HOT ISSUES

Gun Lawsuits

On July 1, two Baltimore mothers filed lawsuits in the City Circuit Court against the manufacturers of the guns that killed their children. The lawsuits claim that gun manufacturers should be held liable, like pharmaceutical companies, if their products are not child proof. The mothers are seeking over \$7 million dollars from the two companies, though they have indicated that their intentions are more politically motivated, than financial. Past lawsuits against the industry have failed to collect any damages, but the plaintiffs hope that the current public sentiment toward manufacturers, will sway them to change their practices.

Outbreak of Legionnaires' Disease

On July 6, a third person died at Harford Memorial Hospital from a Legionnaires' disease caused by a contaminated hot-water tank at the hospital. Legionnaires' disease is a form of pneumonia caused by bacteria. Since the disease has an incubation period of up to 10 days, it is possible that more cases will be found. The hospital has called its recent patients and asked them to report any symptoms.

1999 Baltimore Mayoral Race

Baltimore Mayor Kurt Schmoke (D) announced on December 3, 1998, that he would not seek a fourth term. Since his announcement, an abundance of candidates have surfaced. Kweisi Mfume (D), the NAACP President and former Congressman, was the clear frontrunner, despite the fact that he lives outside the City of Baltimore. However, on May 24, Mfume announced that he would not run for mayor, and instead will continue his work with the NAACP. On July 5, the filing deadline ended with a total of 26 candidates. Former mayor/governor and current State Comptroller William Donald Schaeffer (D) caused a stir by walking into the city election office just before the deadline, but was only there to see who had filed. City Council President Lawrence Bell (D), City Councilman Carl Stokes (D), and City Councilman Martin O'Malley (D) are considered the front-runners in the race. Bell defeated Stokes in the 1995 race for city council president.

Police Officer Conviction Overturned

On July 7, the Maryland Court of Special Appeals reversed the jury verdict that had convicted Baltimore Police Sergeant Stephen Pagotto of manslaughter in 1996. Pagotto's conviction came after he shot and killed 22-year-old Preston Barnes during a traffic stop. Pagotto was charged with manslaughter when it was believed that he had used unreasonable and excessive force in the shooting. The appellate court decision ruled that Barnes possession of 10 bags of crack cocaine constituted a reasonable cause for Pagotto's actions.

Pagotto's original trial in 1996 raised tensions between community leaders and police. During the trial, there were many debates regarding law enforcement tactics and allegations of improper conduct.

POLITICAL DATA

Governor:	Parris Glendening (D)	56% in 1998
Senate:	Paul Sarbanes (D)	59% in 1994
	Barbara Mikulski (D)	71% in 1998
U.S. House:	4D/4R	
State Senate:	32D/15R	
General Assembly:	106D/35R	
Electoral Votes:	10	

CONGRESSIONAL DELEGATION

Senator Paul Sarbanes (D)
Rep. Wayne Gilchrest (R-01)
Rep. Ben Cardin (D-03)
Rep. Steny Hoyer (D-05)
Rep. Elijah Cummings (D-07)

Senator Barbara Mikulski (D)
Rep. Bob Ehrlich (R-02)
Rep. Albert Wynn (D-04)
Rep. Roscoe Bartlett (R-06)
Rep. Connie Morella (R-08)

STATE CONSTITUTIONAL OFFICERS AND LEGISLATIVE LEADERS

Governor:	Parris Glendening (D)
Lt. Governor:	Kathleen Kennedy Townsend (D)
Secretary of State:	John Willis (D)
Attorney General:	Joseph Curran, Jr. (D)
State Comptroller	William Donald Schaefer (D)
State Treasurer:	Richard Dixon (D)
Senate President:	Thomas V. Mike Miller, Jr. (D)
Senate President Pro-Tem:	Clarence Blount (D)
Senate Minority Leader:	Vernon Boozer (R)
House Speaker:	Casper R. Taylor, Jr. (D)
House Majority Leader:	John A. Harsen (D)
House Minority Leader:	Robert Kittlenan (R)

MARYLAND AT A GLANCE

- Maryland has an estimated population of slightly more than five million, making it the 19th most populous state in the nation.
- 69.6% of Maryland resident are White, 24.6% are African American, 2.9% are Asian/Pacific Islander, and 2.6% are Hispanic.
- 12.3% of Maryland resident are age 65 or older.
- The median household income is \$39,386.
- 50% of Maryland residents have a college degree, while 78.4% have a high school diploma.
- 39% of those eligible voted in the 1998 elections, compared with 46.2% in 1996, and 53% in 1992.

F

THE WHITE HOUSE
WASHINGTON

July 13, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR.
IRMA MARTINEZ *gm*

SUBJECT: HOT ISSUES--BALTIMORE, MARYLAND

Baltimore Harbor Dredging: The U.S. Fish and Wildlife Service recently expressed opposition to the disposal of 18 million cubic yards of soil dredged from the Baltimore Harbor. The Army Corps of Engineers completed a Draft Environmental Impact Statement and proposed disposal of the sediment at Kent Island. The Environmental Protection Agency and National Marine Fisheries Service raised concerns about potential damage to both fish and aquatic plants. Governor Parris Glendening supports the Kent Island site and believes dredging the harbor is necessary to keep the 45-50 foot deep channels navigable. (DOI)

G

PRESIDENT CLINTON AND VICE PRESIDENT GORE'S ACCOMPLISHMENTS: MARYLAND

EXPANDING ECONOMIC OPPORTUNITY FOR ALL

- **Unemployment Down to 3.8%:** The unemployment rate in Maryland has declined from 6.4% to 3.8% since 1993.
- **271,700 New Jobs:** 271,700 new jobs have been created in Maryland since 1993 -- an average of 42,900 per year, compared to an average *loss* of 11,900 jobs per year in the previous administration.
- **246,400 New Private Sector Jobs:** Since 1993, 246,400 new private sector jobs have been created—an average of 38,905 jobs per year, compared to an average *loss* of 14,225 private sector jobs per year in the previous administration.
- **24,100 New Construction Jobs:** 24,100 construction jobs have been created in Maryland since 1993 -- an average of 3,805 jobs per year. In contrast, an average of 11,050 construction jobs were *lost* each year during the previous administration.
- **Poverty Has Fallen:** Nationally, the poverty rate has fallen from 15.1% in 1993 to 13.3% in 1997. In Colorado, the poverty rate has fallen from 9.7% in 1993 to 8.4% in 1997--down 1.3 under President Clinton. [Census Bureau]
- **90,000 Have Received a Raise:** Approximately 35,000 Maryland workers benefited from an increase in the minimum wage—from \$4.25 to \$4.75 -- on October 1, 1996. They, along with about 55,000 more received an additional raise—from \$4.75 to \$5.15 -- on September 1, 1997.
- **Business Failures Down 4.5% Per Year:** Business failures have dropped an average of 4.5% per year since 1993, after increasing 41.6% per year during the previous administration [Oct. 98 data].
- **A \$500 Child Tax Credit to Help Families Raising Children:** To help make it easier for families to raise their children, the balanced budget included a \$500 per-child tax credit for children under 17. **Thanks to President Clinton, the Balanced Budget delivers a child tax credit to 535,000 families in Maryland.**
- **Home Ownership Has Increased in Maryland:** Home Ownership in Maryland has increased from 64.9% to 67.1% since the fourth quarter of 1993.
- **Over \$25,000 of Reduced Federal Debt for Every Family of Four:** The national debt will be \$1.7 trillion lower in FY99 than projected in 1993 -- that's \$25,000 less debt for each family of four in Maryland this year.

EXPANDING ACCESS TO EDUCATION

- **Nearly 10,000 Children in Head Start:** Nearly 10,000 Maryland children were enrolled in Head Start in 1998. In FY99, Maryland will receive \$55.5 million in Head Start funding, an increase of \$23.5 million over 1993.
- **More High-Quality Teachers With Smaller Classes for Maryland's Schools:** Thanks to President Clinton, the final FY99 budget provides for the first year of the President's new initiative to hire 100,000 new, well-prepared teachers, to reduce class sizes in the early grades

to a national average of 18. Maryland receives \$17.5 million in 1999 to hire about 450 new public school teachers. And, under President's Clinton's proposal, Maryland would receive \$20 million in FY2000 to support a total of 544 teachers.

- **\$7.1 Million in Goals 2000 Funding:** This year [FY99], Maryland receives \$7.1 million in Goals 2000 funding. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.
- **\$5.5 Million for Technology Literacy:** This year [FY99], Maryland receives \$5.5 million for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century.
- **Over \$105 Million for Students Most in Need:** Maryland receives over \$105 million in Title I Grants (to Local Education Agencies) providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families [FY99]. This is an increase of \$6.4 million over FY98 funding.
- **\$102.9 Million in Pell Grants:** This year [FY99], Maryland will receive \$102.9 million in Pell Grants for low-income students going to college, an additional \$4.8 million over last year. With this increase, a total of 56,300 Maryland students will benefit.
- **Expanded Work-Study To Help More Students Work Their Way Through College:** The FY99 budget includes a significant expansion of the Federal Work Study program. Maryland will receive \$12.4 million in Work-Study funding in 1999 to help Maryland students work their way through college.
- **Over 3,000 Have Served in Maryland through AmeriCorps:** Since the National Service program began in 1993, 3,344 AmeriCorps participants have earned money for college while working in Maryland's schools, hospitals, neighborhoods or parks. [through 11/98]
- **Tuition Tax Credits to Open the Doors of College and Promote Lifelong Learning:** The balanced budget included both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter. **122,000 students in Maryland will receive a HOPE Scholarship tax credit of up to \$1,500. 150,000 students in Maryland will receive the Lifetime Learning Tax Credit.** [fully phased-in FY2000 estimate]
- **Expanded Job Training to Maryland's Dislocated Workers:** Thanks to President Clinton, the FY99 budget includes a significant expansion in the dislocated worker program. Maryland will receive \$15.1 million in 1999 to help 8,960 of Maryland's dislocated workers get the training and reemployment services they need to return to work as quickly as possible.

FIGHTING CRIME AND VIOLENCE

- **Violent Crime Falls 12% in Maryland:** Since 1992, serious crime in Maryland has fallen 6%. Violent crime and property crime have also declined 12% and 5% respectively. In

Baltimore, serious crime, as indicated by the crime index, fell 14%, robbery declined 30%. [1992 and 1997 Uniform Crime Index]

- **2,265 More Police:** The President's 1994 Crime Bill has funded 2,265 new police officers to date in communities across Maryland. [through 7/99]
- **Baltimore Will Receive Targeted Funding to Hire More Community Police:** Baltimore was selected as a pilot city for the President's new effort to target high crime neighborhoods. The pilot program will provide full funding for new officers by waiving the usual matching requirements. Baltimore will deploy new officers to help meet the unique needs of its community, such as combating gangs or targeting drug "hot spots."
- **Reducing Crime with Drug Courts:** Working to reduce drug-related crime in Maryland, the Clinton Administration has awarded Drug Court grants to the communities of Annapolis and Baltimore. Drug courts use the coercive power of the criminal justice system to combine drug testing, sanctions, supervision and treatment to push nonviolent, drug-abusing offenders to stop using drugs and committing crimes.
- **Over \$5.6 Million to Combat Domestic Violence:** Through the Violence Against Women Act, Maryland received \$5.66 million in federal funds in FY98 to establish more women's shelters and bolster law enforcement, prosecution and victims' services.
- **Nearly \$1.1 Million in Grants for Battered Women and Children:** In FY98, Maryland received approximately \$1.1 million in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse, an additional \$190,200 increase over FY97.
- **\$6.6 Million to Keep Drugs & Violence Out of Maryland's Schools:** Maryland received \$6.6 million in FY99 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING MARYLAND RESIDENTS FROM WELFARE TO WORK

- **121,486 Fewer People on Welfare:** There are 121,486 fewer people on welfare in Maryland now than there were at the beginning of 1993 -- a 55% decrease. [through 12/98]
- **Child Support Collections Up 85%:** Child support collections have increased by over \$165 million—or 85% -- in Maryland since FY92. [through FY98]
- **Encouraging Responsible Choices—Preventing Teen Pregnancy in Maryland:** Since 1993, President Clinton and Vice President Gore have supported innovative and promising teen pregnancy prevention strategies, with significant components of the strategy becoming law in the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Efforts are making a difference, adolescent pregnancy rates and teen abortion rates are declining. **And between 1992 and 1997, teen birth rates declined 13% in Maryland.**
- **\$30.7 Million for Maryland Welfare-to-Work:** In 1998, Maryland received \$14.9 million in Federal welfare-to-work state formula grants (the state matched \$7.5 million in funding), helping Maryland welfare recipients get and keep jobs. In addition, \$8.3 million in competitive grants were awarded to Maryland localities to support innovative welfare-to-work strategies. Part of the President's comprehensive efforts to move recipients from welfare to work, this funding was included in the \$3 billion welfare to work fund in the 1997 Balanced Budget Act.

- ***Helping People Get to Work:*** Through the Access to Jobs initiative, the Clinton-Gore Administration is working with communities across the country to design transportation solutions to help welfare recipients and other low-income workers get to and from work. Statewide, Maryland has received \$598,500 this year to fund innovative transit projects. In addition to this funding, Annapolis, Baltimore, Frederick County, Howard County, Montgomery County, and Prince George County have received a total of \$2.12 million for these transportation projects.

INVESTING IN MARYLAND'S HEALTH

- ***Health Care for Uninsured Children:*** The balanced budget included the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits—from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children. **To expand health coverage to more uninsured children in Maryland the Balanced Budget provided \$62 million in 1998.** This compares to the 1995 Republican plan vetoed by President Clinton that would have denied health coverage to 49,700 children in Maryland.
- ***Helping Over 92,500 Maryland Women and Children with WIC:*** The Clinton Administration is committed to full funding in the Special Nutrition Program for Women, Infants and Children (WIC). In FY98, Maryland received \$49 million in total WIC grant funding, helping 92,600 women, infants and children in need receive health and food assistance, 10,000 more than in 1994.
- ***More Toddlers Are Being Immunized:*** As a result of the President's 1993 Childhood Immunization Initiative, childhood immunization rates have reached an historic high. According to the CDC, by 1996, 90% or more of America's toddlers received the most critical doses of each of the routinely recommended vaccines—surpassing the President's 1993 goal. In Maryland in 1997, 97% of two-year olds received the vaccines for diphtheria, tetanus, pertussis; 93% received the vaccine for polio; 94% received the vaccine for measles, and 95% received the vaccine for *Haemophilus influenzae* B, the bacteria causing a form of meningitis.
- ***Increased Funding for Ryan White by \$94.7 Million:*** Between 1993 and 1998, Maryland communities received \$94.7 million in Ryan White formula and other HIV/AIDS program funds. This funding provides people living with HIV and AIDS medical and support services, including the AIDS Drug Assistance Program which helps those without insurance obtain much needed prescription drugs. [HHS, Health Resources and Services Administration, 12/98]
- ***Tobacco Plan Will Cut Smoking and Premature Deaths by 40% in Maryland:*** The Clinton Administration's tobacco proposal, combined with the recently enacted state tobacco settlements, will cut youth smoking and resulting premature deaths 40% in Maryland by 2004. Between 2000 and 2004, 50,200 of Maryland's youth will be kept from smoking and 16,100 will be spared a premature tobacco-related death. [Treasury Dept., 2/99]
- ***2,230,000 Americans in Maryland Cannot Be Assured They Have Patient Protections:*** Even if Maryland enacted all the protections in the Patients' Bill of Rights, 2,230,000 people in Maryland cannot be assured they have the comprehensive patient protections recommended by the President's Advisory Commission. This is because the Employee

Retirement Income Security Act (ERISA) may preempt state-enacted protections. That is why the President has called on Congress to pass a federally enforceable patients' bill of rights so that everyone enrolled in managed care may have a basic set of protections. Notably, 1,130,000 Maryland women are in ERISA health plans and are therefore not necessarily protected. Women are particularly vulnerable without these protections because they are greater users of health care services, they make three-quarters of the health care decisions for their families, and they have specific health care needs addressed by a patients' bill of rights.

PROTECTING THE ENVIRONMENT

- **\$8.8 Million in Safe Drinking Water Funding:** This year [FY99], thanks to President Clinton, Maryland will receive \$7.4 million for the Drinking Water State Revolving Funds to provide low-interest loans to municipalities to build, improve, and prevent pollution of drinking water systems. In addition, Maryland will receive \$1.3 million in Public Water Supply Supervision grants to help monitor drinking water quality and enforce health standards.
- **Superfund Clean-up in Harmans:** Since 1993, the EPA completed a toxic waste site clean-up in Harmans, Maryland [through 6/99].
- **Revitalizing Brownfields in Communities in Maryland:** As part of the Clinton-Gore Administration's efforts to clean up Brownfields, the EPA has awarded grants to Maryland communities Baltimore and Hagerstown, as well as Baltimore County, for environmental clean-up and economic revitalization. These projects are intended to jump-start local clean-up efforts by providing funds to return unproductive, abandoned, contaminated urban properties to productive use.

SPEARHEADING URBAN RENEWAL EFFORTS

- **Revitalizing Maryland's Communities:** Baltimore was designated as an Empowerment Zone and was awarded \$100 million to create more jobs, housing, and economic opportunity for Baltimore residents.
- **Expanding the Low-Income Housing Tax Credit Will Help Develop 2,900 To 3,400 New Affordable Housing Units in Maryland Over the Next 5 Years:** Last year, the President and Vice President pushed for a 40-percent expansion in the Low-Income Housing Tax Credit. This year, the President and Vice President will try again to enact tax incentives to develop affordable housing. In Maryland alone, this proposal would mean an additional 2,900 - 3,400 quality rental housing units for low-income American families during the next five years.

PROVIDING DISASTER RELIEF

- **\$45 Million in Federal Emergency Assistance:** Since 1993, Maryland has received \$45 million in disaster relief. [FEMA, 12/98]

EXPANDING FUNDS FOR TRANSPORTATION IMPROVEMENT

- **Over \$1.8 Billion in Federal Highway Aid:** Since 1993, Maryland has received over \$1.8 billion in federal highway aid. Included in this funding is \$4.8 million for emergency relief in response to natural disasters and \$2.39 million for scenic byways. [through FY98]
- **Over \$71 Million in Aviation Funds:** From FY93-FY98 Maryland received over \$71 million in Airport Improvement Program funds to help build and renovate airports, and, when

necessary, to provide funds for noise abatement to improve the quality of life for residents who live near airports.

- **Approximately \$565 Million in Transit Funding:** Since 1993, Maryland has received approximately \$565 Million in Federal Transit Funding.
- **Saving Lives and Property:** In 1997 the United States Coast Guard saved 34 lives and over \$22 million of property in Maryland.

**Briefing Materials
(Domestic/Economic Issues)**

for

PRESS CONFERENCE

July 21, 1999

Staff Copy

PRESS CONFERENCE

July 21, 1999

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A

Africa Growth and Opportunity Act

Q What will be the impact of the Africa Growth and Opportunity Act which passed the House last week?

- I welcome and applaud passage last week by the House of Representatives of the African Growth and Opportunity Act. This historic initiative will set the foundation for a stronger partnership between the United States and Africa. I urge the Senate to act quickly so that we can strengthen the ties between our nation and a continent on the verge of a new era of democracy and prosperity.
- This legislation offers the opportunity for increased trade and investment between the United States and Africa - to the mutual benefit of both. By working with African nations to build their economies, strengthen democratic government and increase opportunities for all the people of Africa, we will help build strong, capable partners with whom we can work to counter the growing threats of terrorism, crime, environmental degradation and disease.
- Sub-Saharan Africa is potentially one of the largest markets in the world with over 700 million people—more than Japan and all the ASEAN countries put together. However, America's trade with Africa is less than 1% of the U.S. total.
- The (African Growth and Opportunity Act) AGOA is designed to promote economic reforms and open markets, which in turn will create new and bigger markets for U.S. exports in some of the fastest growing export sectors including high-tech industries.
- The bill will provide for increased access to U.S. technical expertise, credit and markets, expanded debt relief and improve dialogue between both our countries. It will also allow access to U.S. textile and apparel markets making African nations competitive with all WTO member countries due to receive quota-free access in 2005.

Background:

The African Growth and Opportunity Act will:

- establish a U.S. policy, a framework of incentives to encourage greater economic growth and self reliance through enhanced international trade and investment in Africa
- expand U.S. market access for many goods from Africa's strongest reformers
- extends GSP program for 10 years in Africa, providing greater certainty for investors and traders;
- reinforce a strong call for the international community to join us in providing deeper debt relief;
- facilitate the development of a plan to establish a U.S.- sub Saharan Africa Free Trade Area encourages OPIC to provide up to \$500 million in long term equity investment funds. (will rollout on Thursday \$350million of \$500 million).

B

Budget Caps

The Wall Street Journal reported today that while the Republican leadership still says it is committed to staying within the caps, that the bills they are drafting will require billions of dollars in spending above the caps. With the surplus as plentiful as it is, with CBO projecting \$14 billion in non-Social Security surplus next year alone, why not ease the caps a little?

- Any discussion of the caps needs to take place in the context of the need to do first things first. The framework I put out would use the surplus in a balanced way and would do so by addressing first things first.
- My framework calls for using the surplus to meet the long-term financing needs of Social Security and Medicare, and to provide a long-overdue prescription drug benefit. Then we provide for targeted tax cuts, including \$250 billion over 10 years in the form of USA Accounts to help middle income Americans increase their savings.
- We are committed to doing first things first. It is a mistake to start spending the surplus now before we have addressed the needs that need to be met to provide a secure retirement for Americans in years and generations to come.
- The Republican tax cut, in the range of \$800 billion wipes out the entire non-Social Security surplus, failing to extend the solvency of Social Security, Medicare, provide for a long-overdue prescription drug benefit or provide adequate resources for defense and other domestic priorities.
- The consequences of this tax cut would be devastating. The House plan right now for defense would require cuts of nearly \$200 billion over ten years below what I have proposed in a long-term defense plan, which is necessary to protect and preserve military readiness at its current high level. If, in fact, the Republicans did meet the funding levels I proposed, the House plan would require cuts of nearly 40% below the FY1999 level (adjusted for inflation) on other domestic programs, including education, the environment and law enforcement.
- Right now, the Republicans should focus on how they will solve these problems, rather than charging down the road of spending the surplus without meeting these basic needs.

C

Campaign Finance Legislation

Q: Are you supporting Senator McCain in his effort to get campaign reform legislation before the Senate this week? What are the prospects for victory on this issue?

A: I strongly support the McCain-Feingold bill. For years, campaign finance reform legislation has been blocked by a minority of Republicans in the Congress. I believe it enjoys bipartisan, majority support in the House and the Senate, but Republican leaders have refused to let it come up. Members should be allowed to have a fair, up-or-down vote on this bipartisan bill.

D

Campaign Politics

Q. It seems the Vice President is moving to distance himself from your Administration as he campaigns for the Presidency. How will that affect your efforts to enact your own agenda and move legislation through the Congress?

A. There is no person in this country better prepared to serve as our next President than Al Gore. He has been a full partner in our Administration's successful program to build a prosperous America.

He's now begun a dialogue with American families to talk about how he can continue moving the country forward in the new century. I know he wants to keep working on the issues that American families care most about, like keeping our economy growing, bringing change to improve our schools, protecting our kids from guns and violence, and keeping our budget balanced while making investments in education and the environment.

My Administration also has a great deal of unfinished business in these and other areas, and I absolutely disagree with anyone who believes we can't get things done. I am confident we will be successful on our budget priorities, including the hiring of 100,000 qualified teachers and continuing to put more COPS on the beat. I am encouraged that the Republican majority continues to move in our direction on the issue of locking away the Social Security surplus. I think we can enact real "Lockbox" legislation on Social Security, and likewise secure 15% of the surplus for Medicare. I think we can enact targeted tax relief for working families through USA accounts, and credits for child care and long term care.

Q. Aren't the 2000 elections already creating an environment of partisan "point scoring" that prevents you from making progress on your domestic initiatives?

A. On the contrary, I believe an election year can make passage of important legislation **more likely** rather than less. For example, in 1996, we were able to raise the minimum wage, reform the welfare system, pass laws to make the food we eat and the water we drink safer and enact health care legislation that benefited as many as 25 million people **because** Congress realized that rejecting those measures would be unpopular with the voters.

Similarly, as the 2000 elections draw near, I cannot imagine Congress failing to pass bipartisan legislation on the Patients' Bill of Rights, the minimum wage, or on common sense gun safety legislation.

E

TO BE FORWARDED

F

Guns

Q: Mr. President, on what basis would you veto juvenile crime legislation currently under consideration by the Congress?

A: As I have said, while I want to consult the Attorney General on the entire bill before I make my final decision, I will veto any legislation that actually weakens our current gun laws. The House tried to do this by eliminating background checks for certain pawnshop redemptions and by shortening the amount of time law enforcement has to complete background checks at gun shows – before they killed the gun legislation entirely. This is unacceptable. I will not sign a bill filled with provisions slipped in by the gun lobby that weaken our current laws and create dangerous new loopholes that could be exploited by criminals.

Q: Mr. President, what do you think the prospects are for passing gun legislation this year?

A: My meeting last week with the high school students from Colorado convinced me that we must work harder than ever to pass responsible legislation to protect our children from guns, and to keep guns out of the hands of people who should not have them. I am committed to doing my part, and will keep pressure on the Congress to stop delaying these life-saving measures and finally pass common sense gun legislation before the next school year begins.

Q: Mr. President, you've said that you support the Vice President's proposal to require photo licenses to purchase a handgun. Will you push for his proposal during this Congress?

A: I believe that licensing is a good idea that should be taken up by Congress. The Vice President will be making the case for his proposal to the American public, and I support him. The fact remains, however, that this Congress has worked hand-in-hand with the gun lobby to oppose even more modest changes to our gun laws. So now, my main priority is to make sure that Congress passes as many of the gun measures I proposed last April as possible. At a minimum, the Congress should enact the reasonable measures that passed in the Senate, including: closing the gun show loophole; requiring child safety locks with every handgun sold; banning violent juveniles from owning guns as adults; and prohibiting the importation of large capacity magazines.

Q: House and Senate Republicans have indicated that they will soon appoint conferees to consider the juvenile crime bill, and that the final bill will probably contain some of the gun provisions called for by the Administration – particularly those that passed with bipartisan support. Would this be acceptable to the Administration?

A: I certainly hope that House and Senate leaders will stop their delay tactics, appoint conferees on the juvenile crime bill, and finally get around to considering common sense gun legislation. However, my position on this remains the same: any final youth violence legislation should at least contain the reasonable gun provisions that passed in the Senate – especially closing the gun show loophole. And under no circumstances should the final youth crime bill include provisions that weaken our current gun laws or create new dangerous loopholes.

So, while I appreciate the comments by Republican leaders that they may support at least some common sense gun measures, their rhetoric on guns has not matched their record. I urge them to listen to the voices of the children who were here last week from Denver and Littleton – instead of those from the gun lobby – and send me legislation that strengthens our gun laws and makes our communities and schools safer for all Americans.

G

THE JUDICIAL NOMINATION PROCESS

Q: Are you concerned about the pace of judicial nominations as you approach the final year of your Presidency?

A: Yes, absolutely. We have nominated an extraordinarily talented, diverse group of judicial nominees to fill vacancies in districts and circuits throughout the country. So far this Congress, we have nominated 50 outstanding women and men to be federal judges, only 9 of whom have been confirmed by the Senate. While I am pleased that the Senate has finally held two hearings regarding our candidates, this is far too few. By this time last year, the Senate had held 8 hearings and 34 judges had been confirmed. As Chief Justice Rehnquist has stated regarding judicial nominees, “[t]he Senate is surely under no obligation to confirm any particular nominee, but after the necessary time for inquiry it should vote him up or down.”

Q: A recent *Washington Post* column cited a study indicating that the proportion of women and minority judicial appointees decreased in the first two years of your second term. Do you remain committed to appointing women and minorities to the federal bench?

A: As the article noted, the judges appointed during this Administration remain, by far, the most diverse group in American history. The study focuses on judges *confirmed* by the Republican-controlled Senate during the first two years of the second term. But the proportion of women and minority judicial candidates *nominated* during the first two years of the second term was higher than those actually confirmed. We are on target this Congress to nominate the most diverse group of judicial candidates ever – more diverse even those nominated during the first two years of the Administration, when Democrats controlled the Senate. I hope the Senate will give prompt consideration to this excellent, and diverse, group of nominees.

Q: Did you do a “deal” agreeing to nominate Senator Hatch’s candidate, Ted Stewart, for the district court seat in Utah, in order to have some of your other candidates confirmed?

A: I am aware that Senator Hatch has strongly recommended the selection of Ted Stewart for a district court judgeship in the District of Utah. Consistent with our practice, I am not going to comment on a specific judicial candidate prior to nomination. I can say, however, that no final decision regarding this matter has been made.

H

Search and Recovery Effort
July 20, 1999

Q Do you think it is appropriate for the U.S. government to conduct a search for a celebrity that goes well beyond what the government would do for any average citizen?

A I certainly hope that we can continue to conduct this search in a way that allows us to bring some closure for the families at the heart of this tragic event.

As I said this weekend, the Kennedy family has played a unique part in this country's public life. They have suffered much, and given more. I think Americans recognize that this event is somewhat extraordinary, and understand that we may need to take reasonable measures to do what we can to help bring some closure to this tragedy.

Admiral Larrabee and the Coast Guard, Chairman Hall and the NTSB, and the other federal agencies involved have done a terrific job to date and will continue to conduct this matter in a thoroughly professional matter.

MEDICARE

PRESCRIPTION DRUG BENEFIT

Q: Why are you providing coverage to the over two-thirds of beneficiaries who already have private insurance coverage for prescription drugs?

A: **This charge is false. Less than one-third of Medicare beneficiaries have private insurance coverage – either retiree health coverage or Medigap.** Over the last four years, the number of firms offering retiree health coverage has declined by 25 percent. Beneficiaries purchasing Medigap find it to be inadequate and excessively expensive. Beneficiaries choosing the publicly financed Medicare HMO option are finding that it less frequently provides for a drug benefit and, even when available, is increasingly limiting coverage for this essential need.

Prescription drug coverage is essential to a modern Medicare program. No one designing the Medicare program today would exclude prescription drug coverage. It is as central to health care as hospital care was in 1965. My proposal simply provides an option to access this critically necessary benefit.

Means tested benefit excludes the middle class. The instability of private and Medicare managed care coverage has resulted in a growing number of uninsured throughout the income, demographic and geographic spectrum. Fully 40 percent of beneficiaries without drug coverage are middle class (with incomes above \$16,000 for singles, \$22,000 for couples). Means testing the benefit, as some suggest, would result in an inequitable and unfair system that would leave in an elderly widow with income of \$19,000 without access to desperately needed prescription drug coverage.

The Republican approach, using tax deductibility of private drug coverage, excludes millions of middle-class beneficiaries. Recently, the Republicans on the Ways and Means Committee unveiled a proposal to attempt cover prescription drugs by allowing beneficiaries to take a tax deduction for premiums for private drug coverage. This approach has several critical flaws. First, tax deductions matter more the more income you have – helping Ross Perot and other wealthy seniors more than the majority of middle-class seniors. Second, over 55 percent of seniors have no tax liability at all and thus would not benefit from this policy. And, third, making all private Medigap plans offer drug coverage does not necessarily make it more affordable. In fact, it could lead to less access to private coverage as insurers raise premiums or drop out of Medicare altogether.

Q: Why should the Medicare program subsidize a drug benefit for Ross Perot and Bill Gates?

A: This issue is nothing but a red herring utilized by those who do not want to provide a prescription drug benefit to the vast majority of Medicare beneficiaries who are middle class. It is the same argument that was used by those people opposing enactment of the Medicare program in the first place. Medicare was created as a program where everyone who pays in gets a benefit upon retirement. We have never means tested Medicare's benefits and there is a very good reason for that. It would be inconceivable to have a Medicare program that would disqualify an 85-year old widow who has had a stroke from hospital coverage because she has an income of \$25,000. Similarly, it is incomprehensible that prescription drug coverage in Medicare depends on how much income you have.

Equally as important is the fact beneficiaries who are sick – regardless of income – cannot access insurance in many places at any price. It is this sort of discrimination against the sick and the elderly that served as the rationale for creating the Medicare program to begin with.

Q: Will this new prescription drug benefit cover Viagra?

A: In general, the private sector contractors who will manage the Medicare drug benefit will be required to cover prescriptions that are medically necessary, including Viagra. However, as is the case in the Medicaid program and with other private insurers, the private contractors can use prior authorization or other limitations for drugs for which there are documented abuses.

INVESTING 15 PERCENT OF THE SURPLUS IN THE TRUST FUND

Q: Aren't projections always wrong? Isn't your dependence on the yet-to-be fully realized surplus dangerous and irresponsible?

A: No. One of the hallmark achievements of this Administration is that it has reinstated the credibility of government economic forecasts. In each and every year of this Administration, our economic forecasts have been more conservative than the economy's actual performance. If the surplus turns out to be less than our forecasts projects, it will translate into a less significant extension of the trust fund. In contrast, if the surplus is fully spent on a tax cut, the consequence of misestimates means deficits and new taxes.

PROVIDER REIMBURSEMENT

Q: How can you propose additional provider savings without restoring some of the excessive savings of the BBA?

A: I am certainly not ignoring the concerns that have been raised by providers in the wake of the implementation of the BBA. I have instructed HHS to implement administrative actions that would relieve unnecessary burdens that could undermine the ability of providers to deliver quality services. In addition, his proposal explicitly provides for a \$7.5 billion quality assurance fund to help smooth out problems that Congress and the Administration decide, based on objective evidence, have resulted in harm to beneficiaries. Although the reform proposal includes proposals to constrain out-year spending, they are much more moderate than those included in the BBA and those recommended by the Republican majority of the Medicare Commission. They do not include any hospital outpatient department savings, any disproportionate share payment reductions, any nursing home reimbursement savings, and any new home health care provider savings.

POLITICS OF MEDICARE AND THE 2000 ELECTIONS

Q: Isn't your proposal just another political ploy to help Al Gore and the Democrats take back the Congress and entice the seniors back to the Democratic tent?

A: Of course not. I am committed to strengthening and modernizing both Social Security and Medicare. I believe that the surplus provides a golden opportunity for members of both sides of the aisle to contribute to the development of important reforms essential to these important programs. It serves no one's interest – Democrats or Republicans – to ignore challenges facing the programs. It is my hope and expectation that the majority of the members will come to that conclusion as well and take advantage of this extraordinary opportunity.

Q: Does Mrs. Clinton support the President's Medicare proposal?

A: Mrs. Clinton supports my Medicare proposal. Because of her concern about the impact of the Balanced Budget Act on health care providers across the nation, and her longstanding concerns about teaching facilities in America, she also particularly supported provisions in my package of administrative and legislative changes that will smooth out the impact of the Balanced Budget Act on health care providers across the nation, including those in New York. For this reason, she strongly supported the inclusion of the \$7.5 billion quality improvement fund, and has made clear that she believes that we need to be particularly responsive to the concerns of academic health centers – the “crown jewel” of America's health care system. I explicitly raised concerns in this area and believes we need to work with the Congress to develop an approach to respond to these provider concerns.

J

PATIENTS BILL OF RIGHTS

Q: What are your next steps on the Patients Bill of Rights?

A: As I have said previously, I believe that the will of the public will prevail on this issue. I am confident that the House will pass a stronger bill, and we will continue to fight for a bill that ensures all Americans in all health plans get the quality health care they deserve.

Q: Won't your Patients Bill of Rights increase costs and raise the number of the uninsured?

A: No. You are only hearing the "scare tactic" arguments from the insurers and others special interests who oppose this bill. No legitimate consumer or health care provider group has raised this issue. Even more importantly, every estimate produced by independent experts have concluded that the cost associated with the bill is quite modest. Using CBO's projections, it is estimated that the Democratic Leadership's Patients Bill of Rights would increase premiums by less than \$2 a month – an amount which most Americans would consider a small price to pay to assure the patient protections they need. And since many good plans already provide these protections, many workers won't see any increase at all.

Q: Isn't the only outstanding issue between you and the Republicans passing a PBOR your insistence on providing for a right to sue?

A: First of all, there are a number of Republicans who do support a strong, comprehensive, Patients' Bill of Rights (for example, Congressman Norwood and Congressman Ganske.) Second of all, there are numerous shortcomings in the Senate and House Republican bills beyond just the enforcement provision. To name a few, it does not include access to specialists, has a wholly inadequate continuity of care provision, leaves out tens of millions of Americans, and covers less than 10 percent of the people in HMOs. These are serious shortcomings that need to be addressed, but we are confident that they can and will be if there is an open debate over these provisions.

FOLLOW UP QUESTION

Q: Are you saying that you would veto a Patients Bill of Rights that did not allow Americans to sue their health care plans?

A: I am certainly not going to sign a bill that does not have enforcement provisions that assure that the patient protections are real. I am not interested in a bill of goods – I want a Patients Bill of Rights. There may be alternative ways to ensure an adequate enforcement mechanism, but the Republican leadership has yet to advocate one that is adequate. I am open to working with Republicans and Democrats to determine the best enforcement provision, but again – I am not interested in signing into law an empty promise.

Q: Aren't you and the Democrats just using this as a political issue? Isn't it true you have no intention of signing any bill, and are really only interested in using this as an issue to separate the Republicans from the Democrats in the 2000 election?

A: I have worked for over two years to try to extend patient protections in all Americans in all health plans, and I believe the time for action is long overdue. It is my strong hope that Congress can pass a real, meaningful Patients Bill of Rights. I will do everything I can to secure that outcome – and as I have said, I am still optimistic that the House can strengthen the bill that passed out of the Senate and work towards this end. Having said this, I am not interested in signing a Patients Bill of Rights in name only. Americans don't want and shouldn't receive such an empty promise.

Q: Don't you believe it's misleading for you to use the \$1 premium increase you've been citing from your experience with the FEHBP program when it does not include the right to sue or a number of other patient protections included in the Democrats' bill?

A: The FEHBP experience provides a practical illustration that the wide range of patient protections that the Republican leadership has rejected do not lead to significant premium increases, as many Republicans have suggested. I have extended every protection the recommended by the Quality Commission for which I have any legal authority to do so – and the experience with 285 plans in FEHBP has illustrated that it can work and can be done in a way that does not significantly increase costs. I have never suggested that the Democrats' bill does not have appropriate additional provisions. Just last week, as I referenced the FEHBP experience, I also referenced the Congressional Budget projections, which include all of the provisions in the Democratic bill. As you will recall, it is less than \$2 per month per beneficiary.

K

TO BE FORWARDED

L

Race Book

Q: When are you going to finish the race book?

A: You know that this issue of how people of different races, religions, and ethnicities can come together is one that is of profound interest to me--I care deeply about this, even more as I've learned how these tensions can lead to war, bloodshed, destruction. This needs to be done right and I am going to take whatever time I think is necessary to do it right. As you all realize, there have been urgent demands on my time in the last few months but as I turn the bulk of my attention to the domestic agenda--this is one of my priorities.

Q: There are some stories circulating that your key advisor on race has quit in frustration--what do you have to say about that?

[From 6/25 POTUS Press Conference]

A: Oh, no, that's not what's going on. There is a draft of a book that I wanted to produce and asked for help on from Chris Edley and from others on our staff and not on our staff several months ago. And Chris gave me his draft; then the staff looked at it and talked about where it was and wasn't consistent with present policies we were pursuing. They gave it all to me.

I was involved for the last three months with the conflict in Kosovo. And what has really happened is that I want to do this right. I think all of you know how important this whole race issue is to me, and it's been amplified in its potential future importance because of the problems that we see involving race and ethnic and religious problems around the world.

So I want to make sure that when we put this document out, it is in the form of a book which can be useful and have something to say and move the conversation and the efforts beyond where we were in the Presidential Initiative on Race. So you shouldn't draw any conclusions other than that I want to be personally involved in it and I simply haven't had the time to give it the effort that it deserves.

Q: What will be in it?

A: I want to present social science research on where the nation is regarding demographics, disparities and discrimination. And I also want to communicate a vision of how we as a nation can recognize our diversity in positive ways while remaining united. The book will also offer a workplan for the nation on how to achieve this vision--federal, state, local, private and personal efforts that can make a difference.

Q: What will be used for? Who will receive it?

A: The broad public -- there are countless people around the country who want to help on this agenda, but are hungry for ideas and information. I hope the book will help fill those needs.

[From 6/25 POTUS Press Conference]

Q: Is it based on the panel's hearings and so forth?

A: Oh, yes, to some extent. It's based on the panel's hearings, it's based on very long conversations I had with the people that worked on the draft for me -- with Mr. Edley and Terry Edmonds, and others. We had some long, long sessions. I went through everything I wanted in the book. I went through some things I wanted to emphasize more than were emphasized in the year that the panel was publicly meeting and we were having the race dialogues.

But I think it's very important, but it's got to be, first of all, mine. It's got to reflect what I believe and where I think we need to go. And, secondly, it needs to move the ball forward a little bit.

There's still a great deal of interest in this in the country, and maybe, especially, among our younger people. And I just want this book to be very good.

So you shouldn't -- yes, there are some differences of opinion among the people who had input in it, but that's not what's caused us not to put it out. What's caused us not to put it out is that I have not had the time to give to it, to be very careful and relaxed and thoughtful about how I say what it is I want to say to the country about this.

Q: Given that America continues to have its own problems related to dealing with diversity, what is your vision for our society in the future?

A: **Vision** (from book). "What will the America we want look like? What vision should guide our work? To begin with, let me say that we must be bold enough to imagine and then journey towards a society dramatically different from both our past and present. Our ideals demand nothing less. To get to the promised land, we must battle the cynicism that says history and color must always shackle our aspirations.

So instead, let us envision a new America where **opportunity** will be shared so deeply and broadly that an observer, a stranger in our land, will see no evidence of a past with slavery or conquest or nativist discrimination. Whatever forms of misery remain, they will not be the special burden of any racial or ethnic group. Let us envision a nation where each person takes **responsibility**, not only for making the most of their own life, but also for ensuring that every other American has an equal chance to do the same. Let us build a sense of **community** so powerful that our social and economic interactions will

pull us out of ethnic enclaves. Rather than merely tolerating our differences, we will celebrate and draw strength from them. Finally, let us work to heal our **hearts** of the crippling influences of misunderstanding, prejudice and fear. free to experience the common humanity we share as the gift of our Creator.”

Q: How do you think the nation can achieve your vision?

A: Getting there: Opportunity. Of course there are a number of things we have to do, from enforcing antidiscrimination laws to bringing the mainstream economy to neighborhoods that are left out; from creating safe communities to building on our welfare reform successes. But I believe we must start by emphasizing *education*. Closing the racial gaps in educational achievement, so that the promise of a world class education is a reality for every child.

Getting there: Community and heart. But beyond public policy, we also have to do the work in our local communities, in our companies and institutions, that build bridges and create understanding and a commitment to build something better for everyone. That’s why my Advisory Board put an emphasis on collecting examples of “promising practices” from around the country, and we published a collection of those in a book that is also available on the White House website. Policy is important, but ultimately the policy ideas don’t mean much if we don’t have the moral and political consensus that comes from understanding and caring about each other.

Getting there: Leadership. Finally, I hope the American people will understand that a problem this difficult can’t be left to so-called leaders – in government, in corporations, in the pulpit. Everyone has a responsibility to work on this in his or her own way. So while there are things that politicians, faith leaders, corporate leaders, and college presidents can and must do, there are also things for every family and individual to try to do. And I believe millions of Americans are already working at it, and millions more are prepared to get engaged, given the inspiration and opportunity.

M

SOCIAL SECURITY LOCKBOX

Q: What is your opinion of the Senate Republican lockbox proposal? Why won't you urge Senate Democrats to support it?

A: Again, I am committed to protecting Social Security and Medicare. In my State of the Union address, I introduced a budget proposal based on core principles. I called for dedicating the new surplus to a lock box that would lower the nation's debt and extend the solvency of both Social Security and Medicare.

The House-passed proposal was a positive step because it adopted my call to dedicate the surplus to debt reduction. But it fell short of my overall framework because it does not adopt my other core principles -- it does nothing to extend the solvency of Social Security or Medicare, and in fact would permit much of the surplus to be used first for a tax cut rather than Social Security or Medicare first.

The current design of the Senate proposal risks the possibility of exacerbating an economic downturn and needs to be changed. The proposal must also do more ensure that the money it sets aside for debt reduction today will actually be used for this purpose tomorrow. While the proposal is consistent with paying down the debt held by the public, it does nothing to ensure that the benefits of this debt reduction go to the Social Security and Medicare programs.

Background:

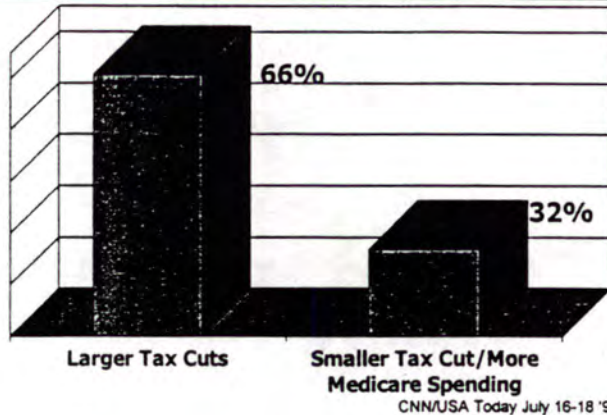
The lockbox legislation passed overwhelmingly (416-12) in the House on May 26, 1999. In the Senate, cloture on the lockbox has failed a number of times (at least five) because Senate Republicans are not allowing Senate Democrats to provide amendments.

Public Support for Democratic Medicare, Social Security and Budget Priorities

July 1999

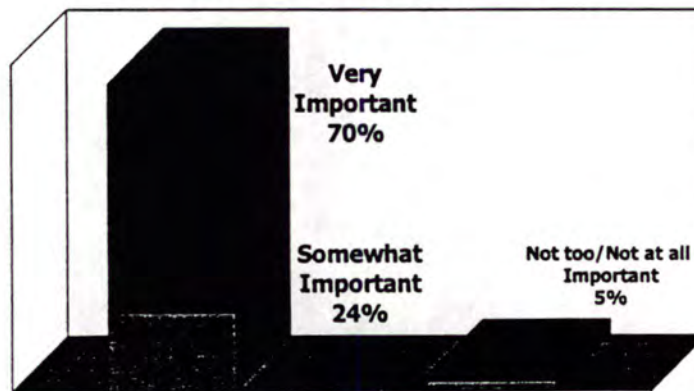
Americans Support Democratic Budget Priorities

Which combination would you prefer – (a) a larger tax cut and smaller increases in spending on Medicare, or (b) a smaller tax cut and larger increases in spending on Medicare?



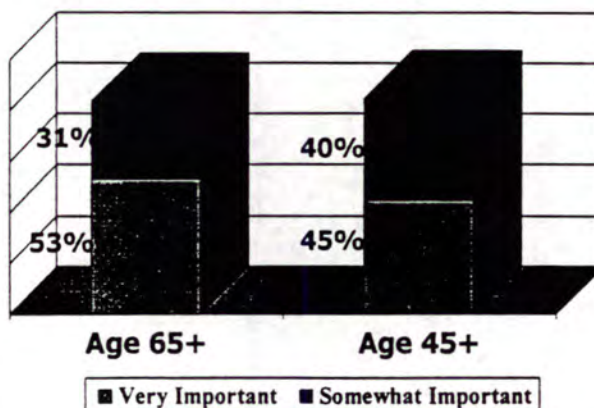
Medicare will be a Decisive Issue in 2000

How important will Medicare be to you in deciding how to vote in the year 2000?



Medicare is a Decisive Issue Among Both Seniors and "Boomers"

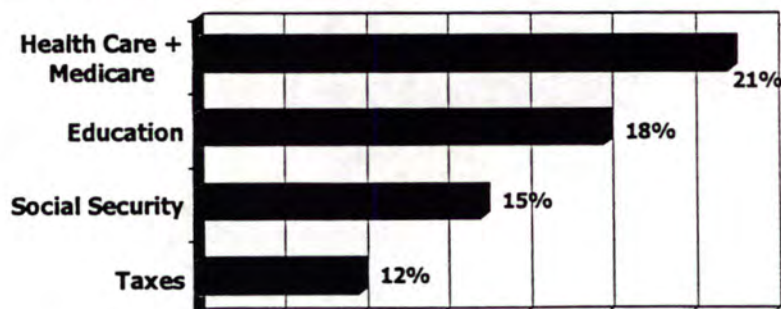
How important is a candidate's position on Medicare in deciding your vote?



American Assoc. of Health Plans 5/16-18/99

Most Important Problems:

What do you think are the two most important issues for the Federal government to address?



FOX News/Opinion Dynamics 7/99

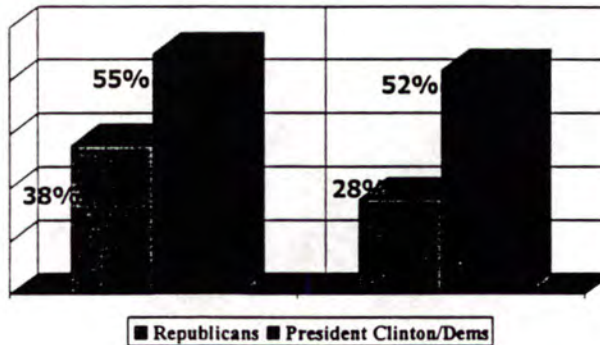
Americans Trust Democrats to do the Right Thing on Medicare

Who do you have more confidence in when it comes to handling Medicare – President Clinton or the Republicans in Congress?

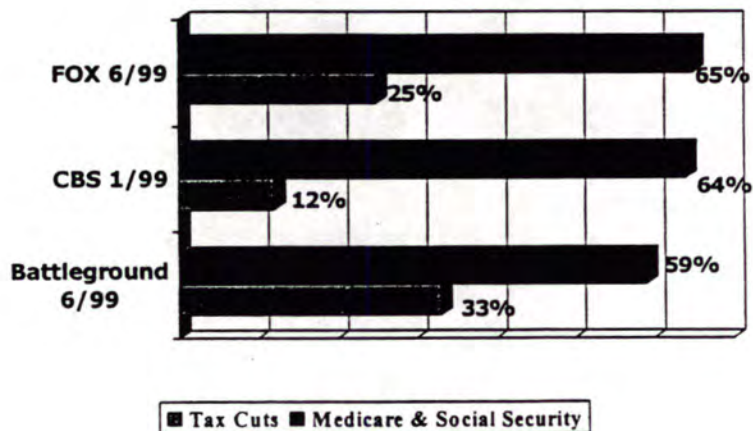
CNN/Gallup 6/99

Do you have more confidence in the Democrats in Congress, OR the Republicans in Congress – to deal with Medicare?

Battleground 7/99



Americans Strongly Prefer Using Budget Surpluses for Medicare & Social Security



N

Steel

Q: What is the Administration doing to fight the steel surge? We hear the Administration believes the steel crisis behind us. Why did you oppose the steel quota bill?

A: I remain concerned about the impact of last year's surge in steel imports on our steel industry, our steelworkers and their communities. Vice President Gore and every members of my Cabinet share this concern, and have worked to address it.

It is clear that a good part of last year's surge involved unfair trade. That is evident from the dumping determinations that have been made against Japan, Russia and other countries.

My Administration has put into place a strategy of aggressive enforcement of our trade laws and making clear to our trading partners at the highest levels, as I have done, that America will not tolerate unfair trade.

This strategy has produced strong results. Overall steel imports have fallen significantly from their high last August, and over the first five months of this year are back to pre-crisis levels (even with January- May 1997 levels and 6% below same period in 1998 , even accounting for the 30% steel import increase in May).

This strategy remains in place. Just last week, with the help of Vice President Gore, who spoke twice to Russian Prime Minister Stepashin, the Commerce Department negotiated agreements with Russia that will reduce its exports to the U.S. of hot rolled steel by 80% and its cold rolled exports by 50%. These agreements will reverse the surge from Russia, and prevent surges in other products from Russia in the future.

(If asked) Enacting illegal quotas was the wrong way to address illegal trade. Imposing illegal import quotas would have weakened our economy and undermined our ability to tear down unfair trade barriers in foreign countries. Tough enforcement of our trade laws is the most effective course, and we will remain vigilant.

Q: Is the Administration considering announcing new steps to help the U.S. steel industry fight imports?

A: My Administration remains fully committed to enforcing U.S. trade laws. We are looking at ways to ensure we are doing all we can to combat unfair trade in the steel industry. I hope to have something more to announce on this soon.

Background:

Preliminary June steel import numbers will be announced this Thursday.

O

TAX CUT

1. What is your reaction to the proposal on the part of moderate Republicans to propose a \$500 million tax cut?

- I put forth a framework to extend the solvency of Social Security and Medicare, to provide a long-overdue prescription for Medicare prescription drug benefits and to provide, as part of this balanced plan, a tax cut that will target middle-income tax payers. In addition, my plan will provide needed resources for defense and other domestic programs.
- Any plan for a tax cut needs to be evaluated in light of those goals. The burden is on anyone who puts forth a tax cut to explain how they also plan to fund basic needs.

2. The Republicans scaled back their tax cut by \$72 billion to \$792 billion. Will you compromise with the Republicans on a tax cut package? And if you do, what number will you accept?

- We need to take care of First Things First. I have put forth a balanced plan that meets the long-term needs of Social Security and Medicare, provides for a prescription drug benefit, provides tax relief for middle income Americans through USA Accounts and provides for defense spending to keep the nation's military readiness first-rate while adequately funding education and our other domestic needs.
- The core of my plan is a commitment to use our surplus to pay down our debt and save to meet the enormous challenge of protecting Medicare and Social Security for future generations.
- The Republican plan moves in the opposite direction.
- Instead of saving our resources to meet the challenge that we face, their plan explodes the cost of the tax cut so much that it threatens our nation's ability to save in order to meet our Social Security and Medicare needs of the 21st century.
- Indeed, in the second decade, just at the time our nation first confronts the demographic challenge of the baby boom; just at the time when the Social Security's Trust Fund is first under strain; just at the time when the Medicare Trust Fund is projected to become insolvent, the Republican tax cut would explode and drain an unimaginable **\$3 trillion**.
- If instead of paying down our debt, we allow for an exploding tax cut to drain **\$3 trillion** of our savings, we will not only threaten the fiscal discipline and economic stability that has recently blessed our economy, we will threaten our ability to find the resources to keep Medicare and Social Security strong for the next generation.

3. Will you back the plan of the Senate Finance Committee Democrats of a tax cut package closer to \$300 million?

- We need to take care of First Things First. I have put forth a balanced plan that meets the long-term needs of Social Security and Medicare, provides for a prescription drug benefit, provides tax relief for middle income Americans through USA Accounts and provides for defense spending to keep the nation's military readiness first-rate and adequately funds education and our other domestic needs.
- After we take care of these key priorities, we can discuss other things.
- I look forward to working with the members of the Senate Finance Committee and any other member of Congress on a responsible budget framework that maintains our fiscal discipline and puts our nation on the path of prosperity as we enter the 21st century.

4. Could you support some of the elements of the Roth tax cut plan?

- We need to take care of First Things First. I have put forth a balanced plan that meets the long-term needs of Social Security and Medicare, provides for a prescription drug benefit, provides tax relief for middle income Americans through USA Accounts and provides for defense spending to keep the nation's military readiness first-rate, and adequately funds education and our other domestic needs.
- Any tax plan of a size that takes up the entire on-budget surplus, doesn't do a thing for the long-term solvency of Social Security and Medicare, and would leave dramatic cuts in the discretionary areas of education and health care is not something that I could responsibly sign.

5. Chairman Archer has claimed that his plan saves Medicare. What is your response to this?

- A: The Republicans' exploding tax cuts threaten both Social Security and Medicare. Because they devote the entire non-Social Security surplus (\$996 billion over 10 years under CBO assumptions) and more to tax cuts, they set aside no new resources to extend Medicare or Social Security solvency. The tax cuts, which explode to a cost of \$3 trillion in the second ten years, would drain funds from the budget just at the time when Medicare becomes insolvent and the retirement of the baby boom generation puts pressure on Social Security.

In light of the Republican budget resolution and the bipartisan consensus not to use any of the Social Security surplus (\$1.899 trillion over 10 years under CBO) for any policies

except for Social Security, we cannot imagine that there will be much support for using the Social Security surplus to fill the hole their tax cuts create.

I have demonstrated in my budget framework that it is possible to set aside the entire Social Security surplus for Social Security and still be able to devote non-Social Security surplus resources to strengthening Social Security and Medicare, providing for military readiness and funding investments in education, veterans, environment, and anti-crime efforts, while still providing a fair and substantial tax cut. Quite honestly, it surprises me that even after such strong bipartisan consensus, some Republicans still support using Social Security funds for programs other than Social Security.

P

TRADE DEFICIT

Q Are you alarmed by the record trade deficits? What about the trade deficit with Canada and Mexico?

- The amazing strength of the U.S. economy relative to other countries does put pressure on our trade deficit. Because businesses and consumers are so confident and are spending so freely during our economic prosperity, imports are rising.
- Meanwhile, continued sluggish growth in many of our trading partner countries means that our exports are not increasing as fast as we would like. The trade situation will improve as Japan and the Asian economies continue to recover and as growth in Europe picks up.
- Growing export markets are key to continuing our economic prosperity. Between 1992 and 1997, exports accounted for one third of all US economic growth. We need that engine to re-fire. That is why it is particularly important that we highlight the need to for our trading partners to avoid any complacency. In Asian economies, for example, reforms are stabilizing their economies and they need to continue with those reforms.
- Trade among the three countries (U.S., Mexico, Canda) (exports and imports) is up 75 percent between 1993-98, outpacing U.S. trade growth with the world as the North American market is being opened by the NAFTA to the benefit of the U.S., and growth continues this year;
- Let's not forget that our economic and trade policies have generated the most successful U.S. economy in decades. And let's not forget that the U.S. Trade deficit accounted to 1.8 percent of GDP in 1998, well below the high of 3.0 percent in 1987.

(If pressed on NAFTA)

- NAFTA is doing what it was designed to do: open the Mexican market where it was previously closed and in so doing level the North American playing field so that our firms and workers have fairer access to the Mexican market.

Background:

- The U.S. goods and services trade deficit was a record high \$21.3 billion in May, up \$2.7 billion (up 14.8%) from April's revised level of \$18.6 billion, and up \$6.4 billion (43.2%) from May 1998. May goods and services imports of \$98.9 billion were a record. May goods imports of \$82.8 billion were also a record. May services exports of \$23.0 billion were a record.
- For year-to-date 1999 (January - May, the deficit is running \$32.2 billion (52.4%) higher than the same period in 1998. For full year 1998, the deficit was a record \$164.2 billion and was 56.9% higher than 1997's deficit of \$104.7 billion.
- Year-to-date 1999 (Jan-May) goods and service exports are down 0.8% this year as compared with 1998; imports are up 6.4%. (Import growth of 5.3% in 1998 was significantly down compared with 1997 growth of 9.3%).

Q

China WTO

Q Is China ready to re-engage in negotiations on its WTO accession?

A There is no change in China's position. We remain prepared to resume our talks with the Chinese when they are prepared to do so. We believe China's entry into the WTO on strong commercial terms is in both countries' interest.

Q Is Commerce Under Secretary Aaron going to Beijing next week to resume WTO talks?

A No. The purpose of Under Secretary Aaron's visit is to prepare for an annual meeting between our Secretary of Commerce and China's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) that focuses on our commercial relationship. This meeting usually occurs in the fall. (there is not date set yet).

Q Do you take this as a good sign?

A We support resumption of normal contacts between our officials.

Background:

The resumption of WTO talks depends in part on progress in talks with China on Belgrade bombing. China is still not satisfied but State Department-led team will go back out next week to address payment and property issues.

While Chinese still not prepared to re-engage on WTO talks, subcabinet contacts are increasing. For example, the Chinese invited Commerce Under Secretary Aaron to Beijing to discuss preparations for Secretary Daley's annual commercial dialogue with his Chinese counterpart in the fall. In addition, President Jiang reportedly told both Prime Minister Howard and Prime Minister Obuchi that China will reengage with the U.S. and that the commitments made by China in Washington will remain. Unfortunately, the bilateral WTO deal that Japan concluded with China last week appears to be very weak, particularly on issues of importance to us such as financial services, telecommunications and distribution.

R

Y2K LIABILITY REFORM

Q: Yesterday you signed the Y2K Act – a bill that will make it more difficult for plaintiffs to bring suit for harm from Y2K failures. Your Administration threatened to veto both the House and Senate-passed versions of Y2K liability reform legislation and yet now you sign a Conference Report little different than the Senate bill. Why the turn-around? Does this mean that you will drop your opposition to class action reform outside the Y2K context?

A: The Y2K Act is extraordinary, time-limited legislation designed to deal with an exceptional and unique circumstance – the Y2K problem. My Administration did seek and obtain some changes to protect plaintiffs with bona fide claims.

This legislation is important to our economy. If there are Y2K failures, responsible companies fear that they will spend millions or more defending Y2K suits, even if they bear little or no responsibility for the alleged harm. Frivolous litigation could hamper our courts and delay relief for those with legitimate claims. Firms whose productivity is central to our economy could be distracted by the defense of unwarranted lawsuits.

However, in response to your question, **my signature today in no way reflects support for the Y2K Act's provisions in any other context.**

Let me say one more thing: **I hope that, in the remaining days of 1999, the business community redoubles its efforts at remediation. Preventing problems before the start, and developing contingency plans when necessary, are still the best solutions to the Y2K problem.**

Background

- After protracted negotiations, the Administration reached agreement with Senator Dodd regarding a number of changes to the Senate-passed bill.
- The Conference Committee did not faithfully reflect the agreement in the revised legislation, drafting the protections we sought so narrowly so as to threaten the effectiveness of some of these provisions.
- Nonetheless, the differences are too subtle to explain to the public given the distance we had already come.
- Many Democrats supported our decision to endorse the Conference Report. Both chambers adopted the report by overwhelming margins. However, the Democrats are wary about the “momentum” that some argue we have given to Class Action reform and other tort reform proposals that are pending in Congress.

S

TO BE FORWARDED

THE TRIP
of
THE PRESIDENT
to
LANSING, MICHIGAN

July 22, 1999

Staff Copy

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Thursday, July 22, 1999

LANSING, MICHIGAN

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Event Memo	Tab E
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Briefing and Possible Foreign Policy Phone Call

Distributed
Separately

Michigan Background

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'99 JUL 21 PM8:37

Thursday, July 22, 1999

SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, JULY 22, 1999

Final Schedule

SCHEDULING DIRECTOR:

STEPHANIE STREETT

HOME: 202-332-5651

OFFICE: 202-456-2823

WHCA PAGER: 4824

PRESS DESK:

DORI SALCIDO

HOME: 703-548-6466

OFFICE: 202-456-5771

WHCA PAGER: 4844

TRIP COORDINATOR:

AVIVA STEINBERG

HOME: 202-362-1813

OFFICE: 202-456-2920

WHCA PAGER: 4022

ADVANCE LEAD:

MOLLY BUFORD

CELL PHONE: 202-489-6509

STAFF OFFICE: 39-220

WHCA PAGER: 4452

WEATHER:

WASHINGTON, D.C.

*Partly to mostly cloudy with isolated light
showers and thunderstorms. Winds
southeast at 5 to 10 knots. Low 70 to 75.
High 86 to 91.*

LANSING, MICHIGAN

*Partly cloudy with isolated afternoon
showers. Winds south to southwest at 8 to
12 knots. Low 62 to 67. High 85 to 90.*

July 21, 1999 (8:25PM)

Thursday, July 22, 1999

Schedule of the President
for
Thursday, July 22, 1999
Final Schedule

8:30	am		THE PRESIDENT departs The White House via motorcade en route Reflecting Pool [drive time: 5 minutes]
8:35	am		THE PRESIDENT arrives Reflecting Pool
8:45	am		THE PRESIDENT departs Reflecting Pool via Marine One en route Andrews Air Force Base [flight time: 10 minutes]
8:55	am		THE PRESIDENT arrives Andrews Air Force Base Greeter: Colonel Mike Wright, United States Air Force
9:10	am		THE PRESIDENT departs Andrews Air Force Base via Air Force One en route Capitol City Airport, Lansing, Michigan [flight time: 1 hour, 30 minutes]
9:40	am-	(T)	FOREIGN POLICY BRIEFING AND PHONE CALL
10:00	am		ABOARD AIR FORCE ONE Staff Contact: Samuel Berger

July 21, 1999 (8:25PM)

Thursday, July 22, 1999

10:40 am

THE PRESIDENT arrives Capitol City Airport, Lansing, Michigan

Greeters: Jennifer Granholm, Attorney General
State Senator John D. Cherry, Jr., Senate Minority Leader
State Representative Michael Hanley, House Minority Leader
State Representative Laura Baird
State Representative Lynne Martinez
State Representative Lingg Brewer
State Representative Paul N. DeWeese
Antonio Benavides, Lansing City Council President
Joan Bauer, Lansing City Council Vice President
Louis H. Adado, Lansing City Council Member
Sandy Allen, Lansing City Council Member
The Reverend Michael C. Murphy, Lansing City Council
Member
Mayor David C. Hollister, Lansing
Lansing County Commissioner Paul Pratt, Chair
Lansing County Commissioner Mary Stid, Chair Pro Tem
Lansing County Commissioner Wallace Juall, Vice-Chair Pro
Tem
Betty Lee Ongley, President, National Board of Directors, Older
Women's League
Judith A. Lee, Assistant Executive Director, Older Women's
League
Steve Protulis, Executive Director, National Council of Senior
Citizens
John D'Agistino, President, Michigan State Council of Senior
Citizens
Martha McSteen, President, National Committee to Preserve
Social Security and Medicare
Max Richtman, Executive Vice President, National Committee
to Preserve Social Security and Medicare
Ann Greer (T)

July 21, 1999 (8:25PM)

Thursday, July 22, 1999

10:55 am THE PRESIDENT departs Capitol City Airport, Lansing, Michigan via motorcade en route Lansing Community College
[drive time: 20 minutes]

11:15 am THE PRESIDENT arrives Lansing Community College

11:20 am THE PRESIDENT proceeds to Gymnasium

Greeters: Jim Anderton, President, Lansing Community College
Olga Holden, Trustee, Lansing Community College
Jim Byrum, Trustee, Lansing Community College
Brian Jeffries, Trustee, Lansing Community College
Paula Cunningham, Executive Director of Marketing,
Communications, and Board Relations, Lansing
Community College

11:25 am- CONVERSATION ON MEDICARE
12:40 pm GYMNASIUM

Lansing Community College

Remarks: Paul Glastris

Staff Contact: Bruce Reed, Mary Beth Cahill

Event Coordinator: Aviva Steinberg

OPEN PRESS

Note: There will be 45 participants and 350 audience members.

- Off-stage announcement of the President, accompanied by Jane Aldridge, Moderator.
- The President proceeds to podium.
- The President makes a statement.
- The President proceeds to his seat on-stage.
- Jane Aldridge, Moderator, begins the discussion.
- The President makes a closing statement, works a ropeline and departs.

12:45 pm- HOLD
1:00 pm

1:05 pm THE PRESIDENT departs Gymnasium via motorcade en route Dart Auditorium
[drive time: 5 minutes]

July 21, 1999 (8:25PM)

Thursday, July 22, 1999

1:10	pm	THE PRESIDENT arrives Dart Auditorium
1:15	pm-	GREET OVERFLOW CROWD
1:25	pm	DART AUDITORIUM Lansing Community College Staff Contact: Bruce Reed, Mary Beth Cahill Event Coordinator: Aviva Steinberg CLOSED PRESS
1:25	pm-	POLICE/ DRIVER PHOTOGRAPHS
1:30	pm	HALLWAY Dart Auditorium
1:35	pm-	BRIEFING
1:40	pm	ROOM 251 Dart Auditorium Staff Contact: Joe Lockhart
1:40	pm-	INTERVIEW FOR AARP'S <i>PRIME TIME RADIO</i> PROGRAM
1:50	pm	ROOM 252 Dart Auditorium Staff Contact: Joe Lockhart, Megan Moloney Event Coordinator: Aviva Steinberg CLOSED PRESS
1:55	pm	THE PRESIDENT departs Lansing Community College via motorcade en route Capitol City Airport, Lansing, Michigan [drive time: 20 minutes]
2:15	pm	THE PRESIDENT arrives Capitol City Airport, Lansing, Michigan
2:30	pm	THE PRESIDENT departs Capitol City Airport, Lansing, Michigan via Air Force One en route Andrews Air Force Base [flight time: 1 hour, 15 minutes]
3:45	pm	THE PRESIDENT arrives Andrews Air Force Base
4:00	pm	THE PRESIDENT departs Andrews Air Force Base via Marine One en route Reflecting Pool [flight time: 10 minutes]
4:10	pm	THE PRESIDENT arrives Reflecting Pool

July 21, 1999 (8:25PM)

Thursday, July 22, 1999

4:20	pm	THE PRESIDENT departs Reflecting Pool via motorcade en route The White House [drive time: 5 minutes]
4:25	pm	THE PRESIDENT arrives The White House
4:30 6:00	pm- pm	DOWN TIME
6:00 6:30	pm- pm	CONGRESSIONAL MEETING OVAL OFFICE Staff Contact: Steve Ricchetti, Larry Stein
6:30 7:30	pm- pm	HOLD
7:50	pm	THE PRESIDENT departs The White House via motorcade en route Private Residence [drive time: 10 minutes]
8:00	pm	THE PRESIDENT arrives Private Residence Greeters: Bill Douglas Corinne Douglas
8:05 9:30	pm- pm	DINNER DINING ROOM Private Residence Staff Contact: Joe Lockhart Event Coordinator: Aviva Steinberg CLOSED PRESS
9:35	pm	THE PRESIDENT departs Private Residence via motorcade en route The White House [drive time: 10 minutes]
9:45	pm	THE PRESIDENT arrives The White House
BC/HRC RON		THE WHITE HOUSE WASHINGTON, DC

July 21, 1999 (8:25PM)

A

THE WHITE HOUSE
WASHINGTON

July 21, 1999

CONVERSATION ON MEDICARE

DATE: July 22, 1999
LOCATION: Lansing Community College
EVENT TIME: 11:25am – 12:40pm
FROM: Bruce Reed, Gene Sperling, Mary Beth Cahill
Chris Jennings

I. PURPOSE

To participate in a discussion regarding the future of the Medicare program with Lansing and surrounding Michigan area community members.

II. BACKGROUND

You will participate in a conversation with approximately 45 Lansing and surrounding Michigan area residents. The Older Women's League, the National Council of Senior Citizens, and the National Committee to Preserve Social Security and Medicare have sponsored this forum. The audience consists of seniors from the three host organizations, senior organizations from Lansing and around the state, health care and consumer organizations, participants in senior programs across the community, and state and local elected officials.

Today, you will release a new report entitled, "*Disturbing Truths and Dangerous Trends: The Facts About Medicare Beneficiaries and Prescription Drug Coverage*," which describes the inadequate and unstable nature of the prescription drug coverage currently available to Medicare beneficiaries. You will also underscore the importance of seizing this historic opportunity to strengthen and modernize the Medicare program by making it more competitive and efficient; modernizing and reforming its benefits, including the provision of a long-overdue prescription drug benefit; and making an unprecedented long-term financing commitment to Medicare that would secure Medicare's financing for the next quarter century. Today, you will:

UNVEIL NEW REPORT DOCUMENTING THE DANGEROUS TRENDS IN PRESCRIPTION DRUG COVERAGE FOR MEDICARE BENEFICIARIES.

Prescription drugs have never been more important, but the people who rely on them most – the elderly and people with disabilities – increasingly find themselves uninsured or with coverage that is becoming more expensive and less meaningful. Today's report documents that the cost of purchasing essential prescription drugs is not only a problem for the millions of Medicare beneficiaries without any insurance, but is also an increasing challenge for beneficiaries who have coverage. Key findings of the report include:

✓ THREE OUT OF FOUR MEDICARE BENEFICIARIES LACK DECENT, DEPENDABLE, PRIVATE-SECTOR COVERAGE OF PRESCRIPTION DRUGS.

- **Only one-fourth of Medicare beneficiaries has retiree drug coverage**, which is the only meaningful form of private coverage.
- **Over three-fourths of beneficiaries have no coverage, inadequate Medigap coverage or public coverage for prescription drugs.** At least one-third of Medicare beneficiaries have no drug coverage at all. Another 8 percent purchase Medigap with drug coverage – but this coverage is frequently expensive, inaccessible and inadequate for many Medicare beneficiaries. About 17 percent have coverage through Medicare managed care. Given the projected leveling off of managed care enrollment and actual declines in the scope of managed care drug benefits, this source of coverage is unstable. Drug coverage in managed care can only be assured if it becomes part of Medicare's basic benefits and is explicitly paid for in managed care rates. Medicaid picks up 12 percent of the lowest income and sickest beneficiaries. The remaining 5 percent are in Veterans' and other public programs.

✓ PRIVATE TRENDS: DECLINE IN COVERAGE AND AFFORDABILITY.

- **Firms offering retiree health coverage have declined by 25 percent in the last four years.** Retiree health coverage is declining substantially because many firms previously providing it are opting to drop their coverage. The decline was more pronounced among the largest employers (greater than 5,000 employees), over a third of whom dropped coverage in this period.
- **Medigap premiums for drugs are high and increase with age.** Medigap premiums vary widely throughout the nation but are consistently two to three times higher than the Medicare premium proposed by the President. Moreover, unlike the President's proposal, premiums substantially increase with age as virtually every Medigap plan "age rates" the cost of the premium. This means that just as beneficiaries need prescription drug coverage most and are the least likely to be able to afford it, this drug coverage is being priced out of reach. This will particularly affect women, who make up 73 percent of people over age 85.

✓ **PUBLIC DRUG COVERAGE TRENDS: MANAGED CARE BENEFITS REDUCED.**

- **The value of Medicare managed care drug benefits is declining.** Nearly three-fifths of plans are reporting that they will cap prescription drug benefits below \$1,000 in the year 2000. This is part of a troubling trend of plans to severely limit benefits through low caps. In fact, the proportion of plans with \$500 or lower benefit caps will increase by over 50 percent between 1998 and 2000.
- **Participation by Medicaid eligible populations remains low.** Millions of Medicare beneficiaries under 75 percent of poverty (about \$6,000 for a single, \$8,500 for a couple) are eligible for Medicaid prescription drug coverage, but the participation rate is only 40 percent. This contrasts with an almost 100 percent participation rate in Medicare Part B. Inadequate outreach and welfare stigma contributes to these low participation levels and raise serious questions about the feasibility and advisability of using the Medicaid program to provide needed coverage for a population at higher income levels.

✓ **MILLIONS OF BENEFICIARIES HAVE NO DRUG COVERAGE.**

- **At least 13 million Medicare beneficiaries have absolutely no prescription drug coverage.** The number of the uninsured is not concentrated among the low income. In fact, the income distribution of uninsured Medicare beneficiaries is almost exactly the same for beneficiaries at all income levels.
- **More than half of Medicare beneficiaries without drug coverage are middle class.** Over 50 percent of Medicare beneficiaries without drug coverage have incomes in excess of 150 percent – an annual income of approximately \$17,000 for couples. This clearly indicates that any prescription drug coverage policy that limits coverage to below 150 percent of poverty, as some in Congress suggest, will leave the vast majority of the Medicare population unprotected.

✓ **PRESCRIPTION DRUG COVERAGE IS GOOD MEDICINE.**

- **Part of modern medicine.** Prescription drugs serve as complements to medical procedures, such as anti-coagulants, used with heart valve replacement surgery; substitutes for surgery, such as lipid lowering drugs that reduce the need for bypass surgery; and new treatments where there previously were none, such as medications used to manage Parkinson's disease. In addition, as our understanding of genetics grows, the possibility for breakthrough pharmaceutical and biotechnology will increase exponentially.

- **Medicare beneficiaries are particularly reliant on prescription drugs.** Not only do the elderly and people with disabilities have more problems with their health, but these problems tend to include conditions that respond to drug therapy. Not surprisingly, about 85 percent of beneficiaries fill at least one prescription a year for such conditions as osteoporosis, hypertension, myocardial infarction (heart attacks), diabetes, and depression.
- **The lack of drug coverage has led to inappropriate use of medications, which can result in increased costs and unnecessary institutionalization.** Recent research has determined that being uninsured leads to significant declines in the use of necessary medications. The consequence of inappropriate and underutilization of prescription drugs has also been found to double the likelihood that low-income beneficiaries entering nursing homes. One study concluded that drug-related hospitalization accounted for 6.4 percent of all admissions of the over 65 population and estimated that over three-fourths of these admissions could have been avoided with proper use of necessary medications.

III. PARTICIPANTS

Jane Aldrich, Moderator
See attached list of discussion participants.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced, accompanied by Jane Aldrich, moderator, onto the stage.
- **YOU** will proceed to the podium and make a statement.
- **YOU** will proceed to your seat on stage.
- Jane Aldrich will begin the discussion.
- Upon conclusion of the discussion, **YOU** will make a closing statement, work a ropeline and depart.

VI. REMARKS

To be provided by speechwriting.

VI. ATTACHMENT

Participants List
Conversation Talking Points

B

Draft 7/21/99 11:05 p.m.
Glastris

**PRESIDENT WILLIAM J. CLINTON
REMARKS AT MEDICARE CONVERSATION
LANSING COMMUNITY COLLEGE
LANSING, MICHIGAN
July 21, 1999**

Acknowledgments:

Moderator-- Jane Aldridge

Sponsors-- National Committee to Preserve Social Security and Medicare Pres. Martha McSteen and Exec. VP Max Richtman; National Council of Senior Citizens Exec. Dir. Steve Protulis; Older Women's League nat. board Pres. Betty Lee Ongley,

Members--Rep. Debbie Stabenow's mother, Ann Greer, who is on Medicare

I want to thank you all for joining me today in a conversation on the challenges Medicare faces, the challenges you face, and the choices we as a nation must make to secure and modernize Medicare for the 21st Century.

As our conversation gets underway here today, another debate is going on in Washington—a more heated debate than I suspect ours will be, but a debate crucial to the future of Medicare, and to the future of this nation. It is a debate over how best to use America's record-breaking budget surpluses.

That we can even have this debate is remarkable, when you consider that just six and a half years ago, when I first became President, we faced budget deficits that were \$290 billion and rising. Incomes back then were stagnant. Unemployment was high—here in Michigan it was 7.4 percent.

But beginning in 1993, we put in place a new economic plan of fiscal discipline, coupled with greater investments in areas like education, training and technology. That strategy has helped to produce a private sector-led economic expansion of historic proportions. Unemployment here in Michigan, for instance, has been cut almost in half since 1993, to 3.8 percent, with nearly 600,000 new jobs.

At the same time, we not only balanced the budget; we produced budget surpluses of \$99 billion this year, with substantial surpluses projected for years to come.

Now, as we debate what to do with our great prosperity, we face a critical choice: whether to move forward with the fiscal discipline that got us here, or return to the fiscal irresponsibility that crippled the economy and quadrupled the federal debt in the 12 years before 1993. We must decide whether to invest the surplus to strengthen America in the long term, or to squander it in the short term.

I think the right choice is to put first things first: invest the surplus to pay down the debt and meet our long-term obligations to secure Security and Medicare and

modernize Medicare by providing a long-overdue prescription drug benefit. Last month, I set forth a plan to do that.

My plan would, first, devote \$374 billion of the federal budget surplus over the next 10 years to strengthen Medicare to extend the life of the trust fund to 2027.

Second, my plan would use competition and the best practices now in the private sector to keep costs down without sacrificing quality.

Third, my plan will allow Americans between the ages of 55 and 65 who don't have health insurance on the job or in their retirement to buy into Medicare in a way that does not compromise the solvency of the trust fund

Fourth, my plan will modernize Medicare's benefits to match the advances of modern medical science. That means encouraging seniors and disabled Medicare beneficiaries to take greater advantage of preventive tests for cancer, osteoporosis, and other conditions, by eliminating the deductible and all copayments for such tests. And it means providing a voluntary, affordable prescription drug benefit.

Now, there are those who oppose providing secure, affordable, voluntary drug coverage for all Medicare recipients because they assume that most seniors already have private coverage. They're wrong, and today, I am releasing a report that shows why. According to this report, 75% of older Americans lack decent, dependable, private-sector coverage of prescription drugs. That's three out of every four seniors. To those who think prescription drug coverage isn't a problem for most Medicare beneficiaries, I say, think again.

In fact, the problem is getting worse. Fewer than one in four retirees has drug coverage from their former employers. And according to this new report, the number of corporations offering prescription drug benefits to retired employees has plummeted by 25 percent since 1994. Some 8 percent of seniors have Medigap policies with drug coverage. But premiums for these policies skyrocket as seniors get older, when they most need the benefits but can least afford to pay extra for them. Here in Michigan, seniors over 85 must pay over \$1100 per year in Medigap premiums for drug coverage, not counting the \$250 deductible. These high costs are especially cruel to the women, who make up 72 percent of Americans over 85.

Some 17 percent of seniors have drug benefits through Medicare managed care plans. But three-fifths of these plans cap benefits at less than \$1000 per year, and in just the last two years, the percentage that cap drug benefits at only \$500 per year has grown by 50 percent.

What does this mean? It means that the vast majority of seniors either have no drug coverage at all or coverage that is unstable, unaffordable, and rapidly disappearing. And it means America needs a prescription drug plan that is simple, voluntary, and available to all. Anyone who says we don't is out of date, and out of touch.

Securing and modernizing Medicare is the right thing to do for our seniors. It is also the right thing to do for our economy. By setting aside most of the surplus for Social Security and Medicare, we will also be paying off the national debt. Under my plan, by the year 2015, we will be debt-free for the first time since 1835. And that would mean lower interest rates, more business investments, more jobs, higher wages, lower car payments, lower house payments, lower credit car payments, lower student loan payments.

My balanced budget would do this, while increasing investments in areas like education, technology, the environment and defense. It would also offer a quarter of a trillion dollars in targeted tax cuts to help middle-income families meet the crucial needs for child care, for long-term care for aging relatives, for saving for their own retirement, and tax cuts for inducing people to invest in building modern schools or rehabilitating those that exist now, and for investing in the areas of our country which have not yet fully participated in our recovery.

My plan puts first things first. It would protect Social Security. It would secure and modernize Medicare. It would pay off the debt to keep interest rates low. It would make the investments we need. And, finally, it will provide substantial tax relief.

Unfortunately, the Republican-led House of Representatives is voting today on a tax bill that does the opposite. Their bill would spend virtually the entire surplus on a tax cut, draining \$3 trillion in national resources during the very years when the Baby Boomers start to retire, right when Social Security and Medicare feel the crunch. By failing to pay off the national debt, the Republican plan will lead to higher interest rates and a weaker economy down the road. It would force drastic cuts in areas where we should be investing more, like education, defense, the environment, and biomedical technology.

And, let me be clear about this: the Republican plan will put not one red cent towards extending the life of Social Security or Medicare. In fact, by devoting nearly all of the surplus to tax cuts, their bill would make it impossible to secure and modernize Medicare for the 21st Century. It would mean not extending the life of the trust fund. It would mean devastating cuts in the future. It would mean no ability to cushion the blow to health care providers from excessive cuts in the 1997 balanced budget agreement. It would mean no improvement in preventive care coverage. It would mean no prescription drug benefit.

If a bill like the current Republican plan comes to my desk, I will not sign it. And I will not sign it for the very reasons we are here to discuss today. Yes, we can have tax cuts. But tax cuts for the national interest, not the special interests. Tax cuts that leave room for investments in America's future. Tax cuts that come after we have secured and modernized Medicare. First things first.

The debate we're having in Washington is critically important. But the debate we are having here today is just as important--because the right thing will happen in Washington only if your voice is heard. That is why I am here today.

Thank you.

C

POINTS TO HIGHLIGHT AT THURSDAY'S CONVERSATION ON MEDICARE

There are many reasons to dedicate a portion of the surplus to the Medicare program. You should highlight that your plan:

- Extends the life of the trust fund for a quarter of a century from today;
- Eliminates the need for cuts equivalent to 60 percent below the private sector growth rate;
- Provides the opportunity to reinvest some of the surplus to mitigate excessive BBA 1997 cuts; and
- Helps offset the cost of a long overdue prescription drug benefit.

Medicare beneficiaries need access to a stable prescription drug benefit. You should stress that:

- Seventy-five percent of Medicare beneficiaries lack decent, dependable, private sector coverage of prescription drugs;
- Firms offering retiree health plans have declined by 25 percent over the last four years;
- Medigap coverage is inadequate, expensive, and increases with age – a particularly burdensome fact for older women, since over 70 percent of beneficiaries over the age of 85 are women;
- Medicare managed care plans are severely limiting their drug benefit packages;
- Over half the uninsured elderly are middle class individuals with incomes over 150 percent of poverty (approximately \$17,000 for couples) and therefore would not be helped by proposals that would limit a new prescription drug benefit to low income individuals, as suggested by some in Congress;

The drug benefit is an option that is designed to support existing private retiree health coverage and encourage new coverage. AARP believes that beneficiaries are afraid that our proposal would require them to opt for the new Medicare drug benefit. Some seniors, such as many UAW retirees in Lansing, are fearful that their former employers will drop their retiree health coverage and that the availability of a new Medicare drug benefit might accelerate the current trend of employers eliminating their commitment in this area. You should highlight that your plan:

- Provides a purely optional prescription drug benefit, allowing beneficiaries to continue their current coverage if they so desire;
- Provides new subsidies to employers to retain or start offering retiree health benefits; and
- Allows retired beneficiaries who have been dropped by their employers to enter the Medicare program at any time.

Assuring the solvency of the Medicare Trust Fund is an essential component of your Medicare reform proposal. You should stress that your plan:

- Reduces the burden on the children of baby boomers assuming the health care costs of their parents;
- Reduces the need for excessive future cuts in the Medicare program; and
- Is fiscally prudent because it helps to buy down the debt.

Your Medicare buy-in proposal provides a new health insurance option. Your plan takes strong steps to address the issues facing uninsured older Americans. As you know, the 55 to 65 age group is most rapidly increasing cohort of the uninsured and this group faces excessively high premiums that makes access to affordable insurance impossible. You should stress that your plan

- Provides for a Medicare buy-in option that gives the near elderly the choice of buying into the program without burdening the program; and
- Providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits the option to continue "COBRA" coverage until age 65.

Ensuring quality care and demonstrating sensitivity to provider concerns. Providers in Michigan, particularly the hospitals, are lobbying hard for relief from BBA 1997 provisions. While it remains unclear how much of the problem is caused by provider reimbursement in the Medicare program, mitigating some of the changes BBA made is viewed as the most likely solution. Your plan:

- Infuses a large portion of the surplus over 10 years into the Trust Fund, significantly reducing pressure to make large cuts in the Medicare program;
- Has no savings until 2003 and then significantly moderates provider reimbursement provisions currently in the BBA; and
- Provides for a \$7.5 billion quality assurance fund for providers and initiates a series of administrative actions to relieve provider burdens.

Providing new protections for low income beneficiaries. Your prescription drug benefit provides cost sharing protections for low income beneficiaries, including:

- Waiving the plans' premium and copayments for beneficiaries with family incomes at or below 135 percent of poverty (\$15,000 for a couple); and
- Providing for premium protections for beneficiaries up to 150 percent of the poverty level (\$17,000 for a couple).

Choosing between a tax cut and strengthening the Medicare program. Dedicating the entire on budget surplus to an unnecessary, excessive, and regressive tax cut is totally unwarranted. A tax cut such as the one being suggested by the Republicans would mean:

- Failing to extending the life of the trust fund;
- Failing to protect against devastating cuts to health care providers, much worse than those in the BBA of 1997;
- Failing to dedicate any funds to mitigate the impact of BBA 1997;
- Failing to provide for any preventive benefits improvements; and
- Failing to provide a long overdue, meaningful, prescription drug benefit.

**THE DISCUSSION TALKING POINTS
FOR THE CONVERSATION ON MEDICARE
WILL BE FORWARDED**

D

CONVERSATION ON MEDICARE DISCUSSION PARTICIPANTS

MARY AIKEY, East Lansing, MI

Mary believes that while the Medicare program has been a godsend to America's elderly, we need to modernize the benefit package and cover new things like prescription drugs and other preventive benefits. She is concerned about the instability of Medicare+Choice drug coverage, and believes that her Medigap policy does not always cover the right thing – like prescription drugs.

BARBARA AMES, Brighton, MI

Because of the services Medicare provided when her mother became suddenly ill, Ms. Ames was able to concentrate on helping her mother recover, and not the financial cost of her mother's illness. She hopes that Medicare will be there for her, and her daughter, so that a serious illness will not financially devastate the family.

MARY ARCHART, Lansing, MI

Mary, 74, feels fortunate that her supplemental coverage and investments have taken care of her to this point. However, she is afraid of what will happen down the line when her coverage is too expensive and she can no longer afford prescription drugs, which cost her \$100 monthly.

GREG BOVEE, Lansing, MI

Greg is a community pharmacist who counsels patients on their drug prescriptions and works with the appropriate caretakers to ensure that the medications are taken appropriately. He often encounters seniors who have to choose between purchasing drugs and necessities, such as food, and those who stretch out their medication because they can not afford to purchase their prescriptions regularly and end up in the hospital.

DERWOOD BOYD, Lansing, MI

Derwood, 77, has had no problems with his prescription drug coverage as he has supplemental insurance through the state. However, he does have many retired friends who are ill and have trouble keeping up with the cost of their prescription medications.

INEZ CAREY, Owosso, MI

Inez, 81, has Medicare and supplemental coverage, which does not include prescription drug coverage. Paying for her prescriptions is very difficult for her, and last year she spent between \$1600 and \$2000 on her prescriptions. She has been forced to pay for some prescriptions with her credit card, and she worries about her accruing debt.

DAVE AND DOROTHY COBB, Delta Township, MI

Dave, 65, and Dottie, 63, have supplemental coverage, and Dave now has Medicare but has not had to use it yet. He feels thankful that Medicare is there for him in case he needs it.

DUBE COULTER, Lansing, MI

Dube, age 53, and her husband assist in the care of her mother-in-law, who has recently moved into a senior apartment building. Dube worries about her own future, as retirement age is rapidly approaching, and she is not counting on Medicare being there for her. With their expenses for their 2 daughters' college education and trying to assist Thomas' mother, they are not able to save much for their own retirement.

MARY CROSBY, Lansing, MI

Mary, aged 75, and her husband, have Medicare and retiree coverage, provided by General Motors, which includes prescription drug coverage.

KAY CRUMM, Lansing, MI

Kay Crumm, Executive Director, Rocking Chair Senior Center, sees firsthand the everyday experiences and struggles of those seniors that participate with her senior center.

CURTIS DUNN, Lansing, MI

Curtis, 71, spends approximately \$120 per month on medications. He believes that the addition of a prescription drug benefit to the Medicare program is long overdue. He sees people at the grocery store and pharmacy paying for their prescriptions with their credit cards, and others who have had to take out home equity loans in order to pay their medication bills.

JOSETHINA ESTRADA, Lansing, MI

Josethina, a 69-year-old widow, is on Medicare, and has supplemental coverage, which helps pay her medical bills. With several health problems she must take many medications, and her daughter must help her pay for them.

HEATHER FRETTELL, Lansing, MI

Heather is a pharmacist who has seen many seniors who have to go without their medications because they are too expensive. She has seen some patients almost walk out of the store without any medication at all, due to the high cost.

CYNTHIA GERSTENLAUER, Lansing, MI

Cynthia Gerstenlauer has been an advance practice nurse specializing in geriatrics for 17 years. She has seen seniors, who think that they feel well enough to do without their medications, ration their medication and end up in the hospital. She has also seen older women who request a mammogram or a bone density test, and leave without receiving one because they could not afford the copayment or deductible.

LAURIE GORDON, MSW, East Lansing, MI

Laurie has been a home health social worker for 8 years, and has seen firsthand how the lack of prescription coverage can result in negative medical consequences.

LOREN AND JANETTA GRAHAM, Lansing, MI

Loren and his wife Janetta, both have Medicare and supplemental coverage through their former employer. They are very happy with the Medicare program, and have both used it regularly as cancer survivors. While they do have some prescription drug coverage, Loren knows that their insurance is not guaranteed as part of their retirement, and is concerned that at any time they could be forced into an HMO.

JO GRUBBE, Lansing, MI

Jo, 57, has three children. The company she works for does not have a pension program, and Jo believes she may have to work well beyond retirement age to cover healthcare costs as she gets older. She worries about whether Medicare will be there for her, and about how expensive supplemental insurance and medication costs will be when she needs them the most.

PHYLLIS GUTHRIE, Diamonddale, MI

Phyllis has a Medigap plan, which provides coverage for prescription drugs, but would like to see a guaranteed benefit for everyone. However, she is worried that we cannot afford the cost of a prescription drug benefit.

MARY JANE HOCK, Detroit, MI

Mary Jane, 72, has Medicare and supplemental coverage, but it does not cover prescription drugs. She has begun to spend her savings on her medications, which cost her about \$250 a month.

ADONNA JORY, Haslett, MI

Adonna, 76, has Medicare and supplemental coverage. She has been happy with her Medicare coverage, but her one complaint is that there is no assistance with the cost of prescription drugs, which personally cost her \$160 a month.

ALICE KOCEL, East Lansing, MI

Alice, 79, has Medicare and a retiree benefits program from her work as a state employee which includes prescription drug coverage. She is glad to see that Medicare has been expanding its preventive services, and would like to see more done for prevention.

OLIVIA LETTS , Lansing, MI

She has Medicare and a supplemental coverage plan that takes care of prescription drugs. She sees that her friends' costs are much higher than hers are. If she did not have her supplemental coverage she believes she would not be able to afford her medications costs, and she would likely not take all of her medications regularly.

BETTY LECLEAR, Holt, MI

Betty, 74, has Medicare and supplemental coverage which covers her medication costs, that would otherwise cost more than \$300 monthly. However, she does find it difficult to afford this expensive supplemental coverage. Betty wonders whether Medicare will be there for her three children when they grow older.

BETH LOTT, Lansing, MI

Beth, 67, has Medicare and supplemental coverage, which pays for prescription drug costs. She knows that there are seniors out there that do not have the benefits she does, and believes that something must be done to add prescription drug coverage to Medicare.

PATRICIA LOWRIE, Okemos, MI

Patricia, 55, assists in the care of her parents, who live in Washington, D.C., as much as she can (flies to DC once a month. While Patricia knows her currently employer has a good retiree benefits package, she does worry about whether the employer will still be able to provide it when she retires. Patricia is married, and has one son.

FRED AND JANE PARKER, Lansing, MI

Both Fred, 72, and Jane, 70, have Medicare and supplemental coverage, which includes prescriptions. They are thankful for their healthcare coverage, which has been there for Jane through 2 breast cancer surgeries.

LORI PRENTICE, RN, Lansing, MI

Lori has been a home care nurse for 10 years. She works with seniors who, recently released from the hospital, go to the pharmacy to buy their medications and find they can not afford their prescriptions.

DONNA RILEY, Detroit, MI

Donna has studied Social Security, Medicare, and other social issues, and talks about the need to preserve social security and Medicare. She feels that Medicare is a program that should be there for the younger generation, as it has been for her grandfather's generation.

JUDY ROHM, Mason, MI

Judy, 59, and her sister-in-law help to pay for the health care costs of her mother, who lives in assisted living. While Grayce has Medicare and supplemental insurance, if her daughters did not help out with these costs she would not be able to make it. However, assisting her mother is a hardship for Judy herself, who takes expensive medications for her recovery from a bout with cancer, which forced her to retire.

DR. KRISHNA SAWHNEY, Detroit, MI

Dr. Sawhney has been a surgeon in Detroit for almost 20 years. He has seen a patient die because he could not afford to purchase his medication regularly. He has also encountered a patient who came in for a mammogram but could not afford the copayment or deductible and ended up leaving without the test.

MILDRED SCOTT, Detroit, MI

Mildred, 75, has Medicare and supplemental coverage which does not provide for prescription drugs. She has been lucky to have doctors who will provide her with medication samples, as she would not be able to purchase her medications on her own.

DOROTHY SILK, East Lansing, MI

She has been on Medicare for years, and has been very happy with it. She has a Medigap plan that has a good drug benefit, but she worries about those seniors who can not afford a Medigap plan like she can.

SUE SMITH, Lansing, MI

Sue, 76, and her husband, Norm, have Medicare and supplemental coverage through a retiree program. However, this coverage is very expensive for them, and Sue wonders how long they will be able to afford it as the cost is forcing them to start using their savings.

JANICE SOUTHWELL, Mason, Michigan

Janice's father and stepmother have a Medigap plan that does not cover prescription drugs, and their medication costs are approximately \$2400 annually. She is 53 years old and is healthy, but does worry about what would happen if she and her husband lost the health insurance coverage her husband's employer is providing and she was solely dependant on the Medicare program.

GLORIA STAMBAUGH, Holt, MI

Gloria, 55, cares for her "adopted" grandmother, Annie, who is 71 years old. Annie has high prescription drug costs, and is only covered by Medicare. Annie is forced to scrimp to make it by, and Gloria does all she can to help her out.

DANIEL THOMPSON, Saginaw, Michigan

Daniel, 73, is a former GM worker of 53 years. He and his wife have Medicare and supplemental coverage, but have no prescription drug coverage and \$300 in medication costs monthly. His wife, Cloteal, has cancer, and takes a cancer drug that is very expensive. They had to remortgage their home to pay for their escalating health care costs and their prescription drugs.

FLOYD WALLACE, Leslie, MI

Floyd, 81, and his wife, Rosemary, don't know what they would do without Medicare. Rosemary has had surgery, and uses medical supplies that would often be difficult to pay for out of their own pocket. They have Medicare and a supplemental insurance, but no prescription drug coverage, and have about \$100 a month in medication costs.

FRANKIE WATTS, Lansing, MI

Frankie, 81, is on Medicare and supplemental coverage that includes a prescription drug benefit. However, due to her low income and the fact that a lot of small copayments eventually add up, she is often forced to let some of her bills go unpaid longer than she would like.

MARCIE WILSON, Mason, MI

Marcie and her husband have a Medigap plan, and say that it would have been impossible to pay their medical bills if they didn't. However, because their co-payments, premiums, and expenditures on prescription medications are all increasing, she does not know how long she will be able to sustain her current out of pocket costs.

SHERRY WILSON, Williamston, MI

Sherry has two sons, one in college, aged 18, and one aged 13 in the 8th grade. She is concerned about the funding gap of taking care of older parents, and knows that she can not afford to stop working if her elderly parents become ill. She saw her parents put her grandfather in a nursing home and she does not want that to happen to her parents.

JOHN AND BARBARA WILLSON, Delta Township, MI

John and Barbara have Medicare and supplemental coverage through his state employee retirement program. They do not have to sacrifice because they have good health insurance coverage, but know others that are not able to do as much as they do. He wonders whether Medicare will be there in the future, and has a son who has taken both Social Security and Medicare out of the equation when figuring out the finances for his future.

JACK WITT, Lansing, MI

Jack Witt, 75, spends approximately \$100 per month in prescription drug costs with no prescription drug coverage. He feels very strongly that everyone should be able to access a prescription drug benefit, and that we have a social responsibility to address this problem. He knows that if he were to suffer a financial hardship, his children would probably not be able to help that much, and wants to be able to maintain his pride in his old age.

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THE WHITE HOUSE

WASHINGTON

July 21, 1999

INTERVIEW WITH AARP'S PRIME TIME RADIO

DATE: July 22, 1999
LOCATION: Room 252 Dart Auditorium
Lansing Community College
Lansing, Michigan
TIME: 1:40 PM
FROM: Joe Lockhart, Megan Moloney

I. PURPOSE

To discuss your Medicare proposal.

II. BACKGROUND

Prime Time Radio is a one-hour weekly interview program produced by AARP. The program focuses on the wide-ranging interests and concerns of Americans 40 and older.

III. PARTICIPANTS

The President
Mike Cuthbert, Host
Prime Time Radio production staff (2)
Sarah Gegenheimer
White House Communications Agency (WHCA) staff
White House Television (WHTV)
White House Photographer

IV. PRESS PLAN

Prime Time Radio is a syndicated program that is currently heard on more than 50 public radio stations and a network of commercial stations in Florida.

Prime Time Radio will also tape the discussion event in Lansing and will broadcast portions of that discussion on their program.

V. REMARKS

There are no prepared remarks.

VI. ATTACHMENTS

- See Q&A from previous Medicare discussion event.
- News Clips from the Lansing State Journal

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Cost of drugs key issue for elderly

Lansing-area seniors, advocates tell stories of personal struggles

By Chris Andrews
Lansing State Journal

Gerald and Darlene Sawyer of Lansing spend up to \$700 a month to fill drug prescriptions. to treat Gerald's congestive heart failure, stomach ulcers and other ailments.

With a monthly income of \$1,200, that means the Sawyers go without in other ways.

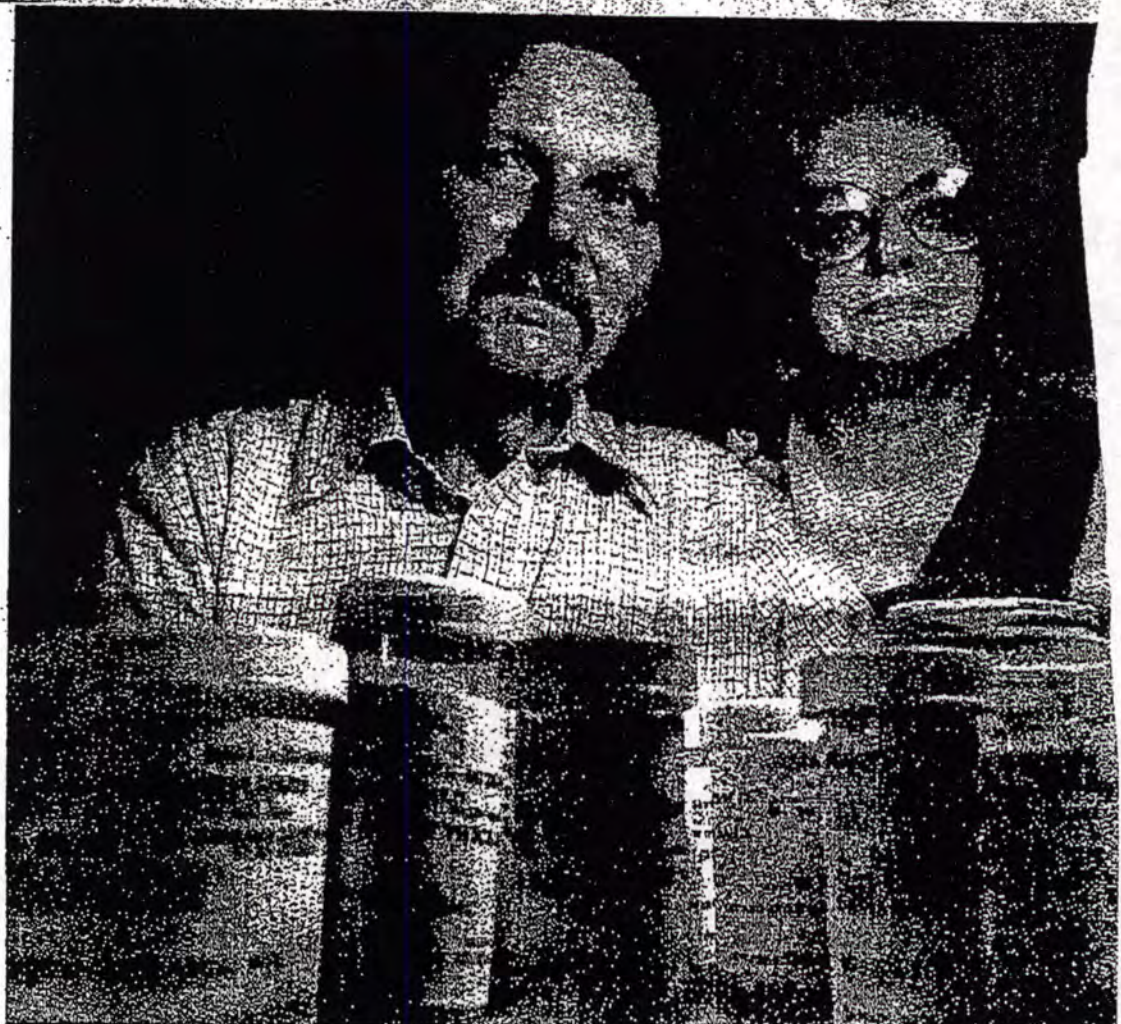
"I've just quit getting check-ups and everything I need because his prescriptions are so costly," Darlene Sawyer said. "We're doing the best we can under the circumstances."

The Sawyers are among at least 12 million senior citizens and people with disabilities who rely on Medicare to take care of their medical needs but have no insurance to help pay for drugs.

President Clinton is expected to push his plan to add prescription coverage to Medicare when he visits Lansing on Thursday for a town hall meeting on Medicare.

He will take part in a discussion with area residents, senior-citizen advocates and health experts in the gymnasium of Lansing Community College's Gannon Vocational Technical Center. It will be televised live on CNN.

Clinton says the \$1 trillion federal budget surplus enables the government to expand Medicare even at a time when its long-term solvency is considered uncertain. He has included prescription drugs — at



Tough decisions: Gerald and Darlene Sawyer of Lansing spend about \$700 of their \$1,200 monthly income on

Gerald's prescription drugs, which go without in other ways.

7/21/99 Page 2

ers. Call

Drugs: Clinton plan would help with costs

Continued FROM 1A

a cost of \$118 billion over 10 years. Other Medicare reforms would partially offset the expense.

The cost of prescription drugs has increased at double-digit rates in recent years as new, more powerful drugs are developed. Senior-citizen advocates say the lack of prescription coverage is a gaping hole in an otherwise successful program.

Under Clinton's plan, seniors could pay \$24 a month in premiums for Medicare coverage that would cover half the cost of up to \$2,000 worth of prescription drugs annually. The program would begin in 2002.

The government would subsidize or pay completely the premiums of low-income seniors.

The issue is expected to be a hot one from now until the November 2000 elections. Republicans say Clinton is trying to broaden a program when the focus should be on preserving it.

"The president's program adds a

huge expense and expanded bureaucracy to Medicare," said U.S. Rep. Nick Smith, R-Addison. "When we have a Medicare system that's sinking, we really need to put partisan politics aside and make sure we don't continue loading this Medicare boat down with what's going to make this boat sink quicker."

Others say seniors are sinking under the weight of prescription bills.

Thelma Davis sees the problems firsthand as she works with senior citizens at the Tri-County Office on Aging. Seniors come in daily with prescriptions they cannot afford to fill.

Davis said she does the best she can to help seniors get the drugs they need, whether through the state's emergency prescription program, doctors' samples or referrals to agencies such as the Red Cross.

"The prescription drug issue is a big issue, people not being able to get the medicine they need to stay healthy," said Davis, who sees some seniors whose monthly prescription drug costs exceed their income. "It would be cheaper to make sure they

get the medicine they need as opposed to them ending up in an emergency room or hospital."

Mary Ablan of the Area Agencies on Aging Association of Michigan said the government's biggest mistake when it created Medicare was to exclude prescription drug coverage.

The mistake is magnified as more new and expensive drugs become available, she said.

"I've been talking to senior citizens who don't have prescription coverage of any kind, and people tell me they have scripts they're not filling," Ablan said. "There are other scripts they only take half as often as they should to make the supply last."

Still, the 10-year, \$118 billion cost of Clinton's program is substantial — especially since some estimates have the system going bankrupt by 2008.

Under Clinton's plan, about \$72.5 billion would come from other Medicare reforms, while \$45.5 billion would come from the federal budget surplus.

Greg Scandlen, a fellow in health policy at the Cato Institute in Washington, D.C., said Clinton's plan is seriously flawed because it doesn't target assistance to those who need it most.

"It is absolutely the worst way to structure an insurance benefit: first-dollar coverage for people with normal, everyday expenses," Scandlen said. "The purpose of insurance is to protect you from financial devastation when unusual things happen."

There's also a danger that private companies will discontinue their coverage of retirees in light of the Clinton plan, he said. "You're basically crowding out the private coverage in favor of this government-run plan."

But for Darlene Sawyer, Clinton's plan offers the hope of relief from prescription drug bills she and husband Gerald sometimes find overwhelming.

"I think it will help a lot of people on Medicare," she said. "It should have been done long ago."

Staff writer Paul Egan contributed to this report.

7/21/99

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State passes prescription-drug plan for seniors

By Chris Andrews
Lansing State Journal

Regardless of what Congress does, low-income senior citizens in Michigan will get more with their prescription beginning next July.

Legislature in June voted to use \$30 million from the state's share of the national tobacco lawsuit settlement to create a new Elder Prescription Insurance Coverage program.

EPIC will enable Michigan residents 65 and older with incomes of less than 200 percent

of the poverty level to buy prescription drug insurance.

That's about \$16,480 for an individual and \$22,120 for a couple.

"We think this will take care of a pretty good percentage of senior citizens who are paying prescription drugs out of their pocket," said Gary Olson, director of the Senate Fiscal Agency.

Olson said the plan envisions seniors taking EPIC insurance cards to pharmacies to fill their prescriptions.

Details of the program are

still to be worked out. The eventual size of the program will depend in part on whether the Legislature eliminates two smaller programs — a prescription drug tax credit and an emergency pharmaceutical program.

Under a preliminary plan, eligible seniors living below the poverty level — \$8,240 for an individual and \$11,060 for a couple — could enroll in the program for free.

Eligible seniors earning more than that would pay annual premiums based on a slid-

ing scale.

Mary Ablan, executive director of the Area Agencies on Aging Association of Michigan, said the Legislature approved EPIC with little input from interest groups.

The biggest problem is that the program isn't an entitlement program, which means that if the money runs out, some seniors could find themselves stuck on waiting lists.

"EPIC policies would be sold to eligible people until the money ran out. Anyone new who applied would be out of luck."

Lansing State Journal

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LSJ Features

Clinton visit may boost campaigns

Focus on Medicare may sway voters at Thursday's event

By Steven Harmon
Lansing State Journal

It wasn't by accident that President Clinton chose Lansing as a place to talk Medicare reform.

His visit, scheduled for Thursday, is designed to bolster the upcoming campaigns of U.S. Rep. Debbie Stabenow and state Sen. Dianne Byrum, experts said. And he'll use the issue of Medicare. That should play well with elderly residents - those usually most likely to vote.

"It can't be anything but good for Stabenow and Byrum having Clinton come here," said Bill Ballenger, editor of Inside Michigan Politics and a former GOP state senator.

Stabenow, D-Lansing, is challenging Spencer Abraham, R-Auburn Hills, for his U.S. Senate seat in the 2000 election. Abraham, a first-term, is seen as one of the more vulnerable incumbents.

Byrum, D-Onondaga, is running against state Sen. Mike Rogers, R-Brighton, to fill Stabenow's 8th District seat. Political experts view it as one of 30 pivotal seats in the country.

Ed Sarpolus, pollster for Lansing-based EPIC/MRA, said Clinton would love to leave the White House in 2001 with Democrats back in control of the House, now held 223-210 by Republicans, with one independent. He'd also like inroads in the Senate, now GOP held 54-45, and one independent.

green and white



LCC will host
president's
forum
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Medicare - one of the top three concerns among voters, polls show - is key to making those gains, experts said.

"They have a tradition of trying to scare voters. That's what we're seeing now," said Republican pollster Steve Mitchell.

Voters have long considered Democrats to be caretakers of programs such as Social Security and Medicare, Sarpolus said. Elderly recipients tie Democratic presidents Franklin Roosevelt and Lyndon Johnson to the programs' creation.

"The public doesn't have confidence in Republican solutions, because Republicans trust the insurance industry or corporate America to take care of the problem," Sarpolus said.

Clinton wants to spend money from the \$1 trillion budget surplus to improve the future solvency of Medicare, the government's health-care program for older Americans.

Larry Jones, 63, of Lansing, is all for Clinton's plan and says he trusts Stabenow and Byrum to carry it through.

"Medicare is the difference between the two political parties. Republicans don't seem to have any sensitivity, any emotions," he said.

Earlier in his presidency, Clinton failed in his attempt to expand health insurance to the 43 million people who don't have coverage. His approach on Medicare is likely to be more successful because it affects seniors, who represent a large, active bloc of voters.

In Michigan, for instance, 53 percent of those who vote are 50 or older.

Clinton's visit gives Stabenow and Byrum high exposure on an issue that puts Republicans on the defensive.

Moreover, Abraham already is seen as vulnerable. In a June poll, Abraham led Stabenow 39 percent to 37 percent. At a similar point in 1998, Sen. Carl Levin, D-Detroit, led his Republican challenger, Ronna Romney, by 20 points, Sarpolus said.

But Republicans don't necessarily think they are at a disadvantage.

People have heard stories about health-service cuts, "but generally, they are satisfied with their own plans," Mitchell said. "I'm not sure this is the wedge issue Democrats think it is."

Clinton has threatened to veto a Republican plan that would narrowly expand Medicare coverage to low-income seniors. He also has criticized a Republican plan to use \$245 billion from the budget surplus for tax cuts.

Joe Davis, Abraham's press secretary, said Clinton has decided to pass up bipartisan Medicare reform in an effort to gain politically.

"If he wanted to have a conversation with America, why didn't he go to Phoenix or Los Angeles where the population is much bigger?" he said.

Ken Proctor, 48, of Charlotte, said he is amazed Stabenow and Byrum don't see political peril being associated with Clinton, who narrowly survived an impeachment vote earlier this year.

"After all that came his way, you would think it would have an impact on the general public, but he seems to be Teflon-coated," he said.

For their part, Stabenow and Byrum claim they don't expect political benefits from Clinton's visit.

"I'm glad he's coming, but I don't see his visit as anything that would serve political purposes," Byrum said.

Rogers said he isn't so sure Byrum will benefit.

"Making the system bigger and not better is wrong, and people will see through the Democrats' plan," he said.

Republicans have no plans to counter Clinton's message in Michigan. Gov. John Engler on Thursday will be in Flint for a bill signing. Abraham will be on the Senate floor.

"It's not like the White House called and consulted our schedule," said John Truscott, Engler's spokesman.

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Lansing State Journal

Sunday, July 18

LSJ Features

Clinton plans Lansing trip to discuss Medicare

By Steven Harmon
Lansing State Journal

President Clinton has decided to bring the national debate on Medicare to Lansing.

Clinton will host a "conversation on Medicare" in Lansing next Thursday, White House officials said Thursday.

No site has been chosen, and details on his visit won't be set until next week, including whether the forum will be a televised town-hall style meeting.

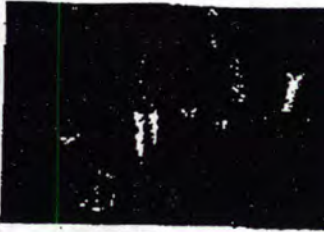
A White House advance team will arrive in Lansing today to lay out security and other arrangements.

Clinton's sixth visit to the Lansing area was suggested by U.S. Rep. Debbie Stabenow, D-Lansing, who has been an outspoken advocate on cutting the cost of drug prescriptions for seniors. The president last visited Lansing in March 1997, when he addressed the Legislature about education.

"The congresswoman thought this would be an excellent venue to have this discussion" on Medicare, said Sarah Gegenheimer, a White House spokeswoman.

green and white





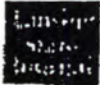
Thelma Davis, of the Tri-County Office on Aging, said she welcomes the exposure Clinton will bring to the issue.

"It's been a long time coming for the relief of seniors. Seniors have a hard time paying for medication, it's so expensive," she said. "Sometimes they have to make a choice between medication and food. That shouldn't ever happen in a country like this."

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July 21, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Minyon Moore and Orson Porter, Political Affairs

RE: Michigan Background

PRESIDENTIAL ELECTION RESULTS

1992			1996		
Clinton	1,871,182	44%	Clinton	1,989,683	52%
Bush	1,554,940	36%	Dole	1,481,572	39%
Perot	824,813	19%	Perot	336,681	9%

MOST RECENT PRINCIPAL TRAVEL

You were last in Lansing on March 6, 1997 to address a joint session of the legislature about education.

You were in Dearborn on April 17 to attend a Majority 2000 luncheon and spoke at Roseville Community Center in Roseville.

You were in Detroit on January 8 to attend the Detroit Auto Show and address the Economic Club of Detroit.

The **Vice President** was in Detroit on May 4 to address the National Sustainable Communities Conference.

The **First Lady** was in Michigan on October 22, 1998 to attend a DCCC luncheon and rally at the Westin Hotel in Detroit to benefit Michigan Democratic candidates and the Michigan Democratic State Party.

Mrs. Gore was in Michigan on June 14 to attend the annual UAW Woman's Conference in Onaway.

CURRENT SENATE DELEGATION

The senior senator from Michigan is Senator Carl Levin (D), first elected in 1978 and currently serving his fourth term in the U.S. Senate. Prior to serving in the Senate, he was president of the Detroit City Council from 1973-77. Senator Levin serves on the Armed Services, Governmental Affairs, Intelligence and Small Business committees.

The junior senator is Senator Spencer Abraham (R), who was first elected in 1994. He is a former chairman of the Michigan Republican Party and was a deputy chief of staff to former Vice President Dan Quayle. He serves on the Budget, Commerce, Science and Transportation and Judiciary committees. (See 2000 senate race).

1998 CONGRESSIONAL ELECTION RESULTS

First Congressional District: Bart Stupak (D) - 4th term - 58%

Rep. Stupak was challenged by state Rep. Michelle McManus (R). Throughout the campaign, McManus sought to link Stupak to gubernatorial candidate Fieger. While McManus lost 58% - 40%, she managed to shave thirteen points off of Stupak's significant margin of victory in 1996. Stupak has a large number of gun owning constituents. He is a hunter and an NRA member who recently took a hit for supporting a three day waiting period for the purchase of guns at gun shows. Stupak said "he had opposed gun control in the past and would again," adding further that the requirements for gun shows should be the same as those already in place for purchases at stores.

Seventh Congressional District: Nick Smith (R) - 4th term - 58%

State Senator Jim Berryman (D) challenged Rep. Nick Smith. Early in the fall election cycle Smith was the Democrats' top congressional target, but Smith managed to defeat Berryman 58% - 40%. During the campaign, Smith had a complaint filed against Berryman for accepting campaign contributions from several non-citizens over the past several years.

Eighth Congressional District: Debbie Stabenow (D) - 2nd term - 58%

You are visiting Rep. Stabenow's district. Rep. Debbie Stabenow defeated Republican incumbent Dick Chrysler in 1996. When Chrysler declined to make another run, state Rep. Susan Grimes Munsell (R) decided to challenge Rep. Stabenow. Stabenow beat Munsell 58% - 38%. This seat went for YOU by nine points in 1996. Stabenow is committed to strengthening and protecting Social Security and strongly supports efforts to set aside any budget surplus to achieve these ends. (See 2000 senate race).

Tenth Congressional District: David Bonior (D) - 12th term - 52%

Brian Palmer (R) challenged House Minority Whip David Bonior last fall. Palmer, a Bruce Township trustee and owner of Palmer Holdings Ltd., never mounted a serious challenge amid personal tax difficulties. Despite employing his personal fortune to mount the largest television ad campaign of any Bonior challenger, Palmer lost 55% - 45%. (See 2000 congressional race).

Twelfth Congressional District: Sander Levin (D) - 9th term - 56%

Lear Corporation spokeswoman Leslie Touma (R), challenged Rep. Sander Levin. Touma aired ads painting Levin as a "60's liberal who is out of touch with the 90's." While Touma was a formidable opponent, particularly in fundraising, Levin beat the challenger 56% - 42%.

Fourteenth Congressional District: John Conyers (D) - 18th term - 75%

Rep. John Conyers (D) handily defeated Vendella Maria Collins (R) 75% - 18%.

Fifteenth Congressional District: Carolyn Cheeks Kilpatrick (D) - 2nd term - 87%

Rep. Kilpatrick (D) easily defeated Chrysanthea Boyd Fields (R) 87% - 11% in this highly Democratic district, which includes most of center city Detroit.

Sixteenth Congressional District: John Dingell (D) - 23rd term - 66%

Rep. John Dingell easily defeated William Morse (R) 66% - 31%. Neither candidate faced an opponent in his primary.

1998 GUBERNATORIAL RACE

John Engler (R) had little difficulty defeating the controversial Democratic candidate Geoffrey Feiger 62% - 38%. While Feiger managed to beat expectations, his brash attitude and multiple campaign blunders turned off most Democratic voters and fellow state candidates. Feiger invested \$5.7 million of his own money smashing the state's personal spending record. This term will be Engler's final as governor because of term limits.

1998 STATE ATTORNEY GENERAL RACE

Jennifer Granholm (D) defeated John Smietanka (R) 52% - 48%. Michigan political analysts are predicting that Granholm will run for the Michigan gubernatorial race in 2002. Replacing the retiring attorney general Frank Kelly (R), Granholm became the state's first female attorney general and only the third person to hold this office in 37 years.

THE STATE PARTY

Attorney Mark Brewer is currently serving as chair of the Michigan Democratic Party. Retired Michigan AFSCME official Flo Walker and Flint Mayor Woodrow Stanley are co-vice chairs. Last year was a tough year for the Democratic Party in Michigan. Brewer has been blamed for the party's early endorsement of Larry Owen for governor that led to the Feiger nomination, losses of the State House and the State Supreme Court, and the inability to broaden the party. However, Brewer won reelection at February's state convention, where Mrs. Gore was the keynote speaker.

LANSING MAYOR

In November 1997, incumbent Mayor David C. Hollister (D) was elected to his second term defeating Ellen M. Beal (D) in this non-partisan mayoral race 70% - 30%. Mayor Hollister is a former teacher (primarily high school) and state legislator. As a state Rep., Hollister served as a member of the House Appropriations Committee where he co-chaired the Subcommittees on Social Services and Mental Health. He was very active in working on public health issues concerning indigent health care, child care, AIDS, long-term care, homelessness, domestic violence, and employment and training for welfare recipients.

WHITE HOUSE 2000

On July 14, Governor John Engler (R) signed into law a bill that would move the Michigan Republican primary up from March 21 to February 22, making Michigan the first large state to hold a vote after New Hampshire and Iowa. Engler hopes the move will give Michigan a stronger voice in the presidential selection process as well as provide a "boost" for Governor Bush's presidential campaign.

Democrats will not participate in the early primary because the Democratic National Committee (DNC) rules committee recently rejected a measure championed by Senator Carl Levin (D) to move the Democratic presidential nominating caucus to February 12, saying it was too close to the Iowa and New Hampshire caucuses.

Even though odds are still against him, Levin is mounting one final effort to make Michigan relevant in the selection of the Democratic nominee for president next year.

Senator Levin is now seeking to forge a five-state alliance to challenge national party rules that protect the privileged status of New Hampshire and Iowa. Levin, in concert with other Democratic leaders from Arizona, Delaware, Oregon, South Carolina, and West Virginia, hopes to mobilize a joint effort for waivers of the rules that protect New Hampshire and Iowa. If necessary, Levin wants the state party to carry the fight to the national convention floor. Party leaders met last night and pushed for a compromise resolution to move the Caucus date to March 11.

2000 SENATE RACE

On July 16, campaign officials for Senator Spencer Abraham (R) announced that he had raised about \$4.7 million so far for his Senate re-election race next year. After expenditures, he has \$3 million cash on hand, three times more than the \$900,000 cash on hand of his opponent Rep. Debbie Stabenow (D) who has raised \$1.1 million according to her campaign. The exact numbers will be filed with the Federal Election Commission later this month.

An EPIC/MRA poll conducted May 25-27 showed Senator Spencer Abraham (R) in a statistical dead heat with Rep. Debbie Stabenow (D) 39% - 37%. The same poll showed that Senator Abraham had a 42% - 34% - favorable opinion lead over Rep. Stabenow.

2000 CONGRESSIONAL RACES

On July 12, the Michigan Republican State Party announced that Secretary of State Candice Miller (R) will soon declare her candidacy to challenge Rep. David Bonior (D) next year. In 1986, Miller garnered only 34% of the vote in a loss to Bonior. Despite the announcement last week, the popular Secretary of State said that she is still evaluating "the level of support" and has not made any final decisions. Democratic leaders are fearful that Miller's candidacy could pose potential problems for Bonior, due to the district's changing conservative demographics and Miller's high name recognition. Furthermore, despite mediocre Republican challengers in recent campaigns, Bonior took just 52% of the vote in 1998 and 54% of the vote in 1996. His biggest recent margin of victory was 62% against Donald Lobsinger (R) in 1994. Last year, the GOP targeted Bonior, but he defeated Bruce Township trustee Brian Palmer (R) 55% - 45%. The First Lady has agreed to attend an event in his district on October 14, 1999.

On April 13, state Senator Diane Byrum (D) declared her candidacy for the congressional seat being vacated by Rep. Debbie Stabenow (D) who is running against incumbent U.S. Senator Spencer Abraham (R). Byrum will focus her campaign on education, public safety and health care. Byrum has won Stabenow's endorsement for this pivotal district for both parties, and the result will be one of the tightest congressional battles Michigan has seen in years.

State Senator and former FBI agent Mike Rogers (R) is expected to challenge Byrum. On July 11, Rogers reportedly had raised \$200,000 for his soon-to-be-announced campaign to succeed Stabenow. According to Terry Nelson, political director of the National Republican Congressional Committee, that is the most raised by any Republican non-incumbent 2000 congressional candidate other than New Jersey's Dick Zimmer, a former congressman who has raised \$460,000.

Byrum would not respond to inquiries about her fundraising.

HOT ISSUES

Lansing School Board approves Bond Issue to Repair Aging Schools

On July 15, the Lansing School Board, after months of discussion, voted to proceed with a bonding plan that would improve the city's aging schools - except for four buildings that would close because of declining enrollment. The owner of a \$60,000 home would pay \$165 more a year in taxes if the bond issue passes.

Included in the plan is a new \$30 million middle school to replace 78 year-old Pattengill Middle School, which would be demolished. The district is eyeing a site just north of Eastern High School. Bingham, Maplewood, Northwestern and Harley Franks schools would become the first to close in 15 years. More than 700 students could move to neighboring schools.

In all, the plan calls for \$70 million in improvements to elementary schools, \$75 million in improvements to middle schools and \$65 million in fix-ups at the high schools. Another \$35 million would go to improvements at other support facilities, such as Hill Center for Academics and Technology, which offers vocational training. Bond discussions have been slow and complicated as the school board wrestled with the incongruity of fixing schools while many of them are losing students. Much of members' time has focused on how to reduce the number of schools so the district is not fixing up facilities that are not needed. The upgrades should prepare all schools to handle new technology as well as fix major problems associated with older buildings, such as cracked walls and leaky roofs.

Seniors tell Senator Levin that drugs are too expensive

On July 11, Flint seniors in a meeting with Senator Levin told him that prescription drugs are too expensive. Attendees maintained that the cost of prescription drugs is excessive and suggested solutions ranging from greater regulation of pharmaceutical companies to outright drug price controls. Richard Wallis, a volunteer coordinator for the Michigan Medicare Medicaid Assistance Program, told Levin the President's plan would mean savings of about \$100 a month to seniors now enrolled in a Medigap program that pays for what Medicare does not pay.

1999 State Legislative Session

As the 1999 session of the state legislature came to a close, the Republican leadership passed an aggressive and often controversial agenda. They managed to end the session earlier than most of their predecessors despite the fact that 64 of the 110 members had no prior legislative experience. (Michigan has term limits for state elected officials). Members passed landmark legislation that included eliminating the state's largest business tax, letting more Michigan residents carry concealed weapons and permitting a reform board to take control of Detroit city schools. Normally legislative sessions begin in January of odd-numbered years and carry through until December in even-numbered years.

Cops fight race targeting

Michigan police agencies are taking steps to ensure that minorities won't be unfairly targeted in traffic stops when a tougher seat belt law takes effect April 1, 2000. Some officers will undergo sensitivity training, and departments across Michigan are reviewing procedures before the law goes into effect that will allow police officers to stop motorists solely for not buckling up. Some African Americans and Hispanics opposed passage of the new law arguing that it will let rogue officers pull over motorists for no reason other than skin color. A 1996 survey found that 58% of minorities wear seatbelts.

Michigan law enforcement officials also plan a statewide symposium on the issue early next year with Detroit Police Chief Benny Napoleon, U.S. Attorney Saul Green, state police Colonel Michael D. Robinson, and the Detroit office of the National Center for Community Justice which is coordinating the event. Officials are also planning a \$250,000 campaign to warn motorists about the law with \$150,000 coming from a federal grant and there are plans to begin noting the race of motorists they ticket so that the information can be studied. Finally, Michigan will hold strategy sessions where police agencies will meet with the Civil Rights Commission to discuss racial profiling before the law takes effect.

Archer Jr. files complaint Against Royal Oak Police

On July 24, Dennis Archer, Jr. son of Detroit mayor Dennis Archer, Sr., filed a complaint against the Royal Oak Police Department chastising police officers' behavior when they detained him and an Oakland County assistant prosecutor, Roberta Orr, on Memorial Day. Archer and Orr were riding in his black Jeep Cherokee when they were pulled over and surrounded by six police cars – a shotgun was drawn in his direction and Orr was handcuffed. Archer was shoved in the back seat of the squad car and told to "shut up." Archer was quoted as saying, "I was pulled over by six police vehicles on a major street in daylight, ordered out of my car at gunpoint and placed in the back of a police vehicle with my hands behind my back.... All this without ever requesting any identification or running my license plates." It was only after police officers ran a license plate check and learned that the car was registered to Dennis Archer of Detroit that police released the pair from custody.

Officials of the Royal Oak Police Department have assigned a detective to investigate the allegations this week. Police officials contend that Archer and Orr were stopped because officers were looking for a black male and an occupant in a dark-blue Jeep Cherokee in connection with an armed robbery at a nearby gas station. Commanders in Huntington Woods and Royal Oak have maintained that proper police procedures were used but conceded that the officers should have explained more clearly why the pair was stopped.

Arab-Americans charge bias on Capitol Hill

The withdrawal of the nomination of American Muslim Salam Al-Marayati to serve on a federal counter-terrorism commission has fueled long-simmering concerns among Arab-Americans and Muslims that they face bias from Congress. Al-Marayati's candidacy was pushed by House Minority Whip David Bonior (D) of Michigan and advanced by House Minority Leader Richard Gephardt (D) of Missouri. Gephardt withdrew the nomination following reports that it would take more than a year to provide a security clearance for the Iraqi-born American.

In addition, several Jewish organizations were critical of the selection, arguing that Al-Marayati was not qualified and that he had previously made statements in the past justifying terrorism against Israel and the United States. Michigan has the largest Arab population in the United States.

Guns

A Detroit News poll conducted May 27 showed that 80% of the respondents agreed that people should have to demonstrate a legitimate need to carry a gun before getting a permit to carry a concealed weapon. The same poll showed 66% agreed that there would be more accidental and intentional shootings if more people have the right to carry concealed weapons.

The poll was taken after two committees in the state House passed several pro-concealed weapons bills in April. The Senate measure raises the concealed weapons permit age from 18 to 21, bars people with a criminal records or history of mental illness from obtaining permits, and does not allow guns into churches, schools, day care centers or sports facilities. The House bill is similar, but does not include a blanket prohibition on where concealed guns can be carried. Republicans killed the two bills on the House floor in June because they were deemed too controversial. Political observers have said Republican leaders do not want a 2000 anti-gun ballot issue because it would draw Democratic/anti-gun voters to the polls in record numbers.

Teacher Shortage blocks efforts to improve schools

A critical shortage of math and science teachers in Detroit public schools threatens efforts to improve the quality of education in Detroit and across the nation. In June, Detroit kicked off an effort to hire 1,000 new teachers by summer's end. Substitutes or teachers with emergency certifications teach in about 10% of the district's 8,400 classrooms.

Management upheaval, maintenance problems, low-test scores, concerns about safety, and better opportunities and salary in the suburbs and the private sector make filling the 1,000 new positions difficult. Moreover, Detroit has a terrible reputation for not hiring people in a timely manner. The district is working on plans to offer \$1,000 bonuses to teachers who commit to the district for three to five years, and they hope to make on the spot conditional job offers at a June 25 job fair. Incoming math, science, and special education teachers will start out as fourth-year employees on the district's pay scale.

Detroit public schools are also suffering from a shortage of minority teachers to support the burgeoning minority population. The severity of the problem is magnified by the decline in minority enrollment in Michigan State's teaching program, despite increased recruitment. The problem is not unique to urban schools. Nationally, 90% of urban districts have an immediate need for minority teachers. The Oakland Human Resources Consortium, a suburban organization, plans to work with historically black colleges and universities to recruit more minority-teaching candidates to Oakland County.

POLITICAL DATA

Governor: John Engler (R) 62% in 1998
U.S. Senate: Carl Levin (D) 58% in 1996
Spencer Abraham (R) 52% in 1994
U.S. House: 10D/6R
State House: 52D/58R
State Senate: 10D/28R
Electoral Votes: 18

CONGRESSIONAL DELEGATION

Sen. Carl Levin (D)	Sen. Spencer Abraham (R)
Rep. Bart Stupak (D-1)	Rep. Peter Hoekstra (R-2)
Rep. Vernon Ehlers (R-3)	Rep. Dave Camp (R-4)
Rep. James Barcia (D-5)	Rep. Fred Upton (R-6)
Rep. Nick Smith (R-7)	Rep. Debbie Stabenow (D-8)
Rep. Dale Kildee (D-9)	Rep. David Bonior (D-10)
Rep. Joseph Knollenberg (R-11)	Rep. Sander Levin (D-12)
Rep. Lynn Rivers (D-13)	Rep. John Conyers (D-14)
Rep. Carolyn Kilpatrick (D-15)	Rep. John Dingell (D-16)

STATE LEGISLATURE

House: 52D/58R	Senate: 10D/28R
Speaker Chuck Perricone (R)	Majority Leader Dick Posthumus (R)
Majority Floor Ldr. Anne Raczkowski (R)	Speaker Pro Tem John Schwarz (R)
Minority Leader Mike Hanley (D)	Minority Leader John Cherry (D)

MICHIGAN AT A GLANCE

- * 1998 estimated population was 9,594,000 making Michigan the eighth-most populous state in the nation. The state has approximately 6.7 million registered voters.
- * Roughly 82% of Michigan residents are white, while 14% are African American, 2% Hispanic, 1% Asian, and 1% American Indian.
- * 12% of Michigan residents are 65 or older.
- * 55% of Michigan households are married couples. 26% are married couples with children.
- * Average per capita income is \$14,154. Median household income is \$31,020.
- * 44% of Michigan residents are college educated.
- * Turnout in the 1998 election was 54% of the voting age population compared to 54% in 1996.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

'99 JUL 21 PM 7:19

July 21, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: GEORGE T. FRAMPTON, JR. *DB for*
Acting Chair

SUBJECT: MICHIGAN HOT ISSUES

Corporate Average Fuel Economy Standards (CAFE)

CAFE is a controversial issue in Michigan where the auto industry and labor unions strongly oppose fuel economy standards generally and any suggestion that the Administration might raise the standards. The CAFE statute sets standards for cars that the Administration can modify and requires the Administration to set a standard for light trucks. During your first term, the truck standard was raised slightly, from 20.5 to 20.7 mpg. Since then, an annual appropriations rider has prevented any change in the standards.

This year, the environmental community and some Senators are raising the profile of the annual rider fight and are urging you to veto the DOT appropriations bill to block the rider.

If asked, you should say that the Administration has consistently opposed the rider and continues to do so. No decision on veto can be made until the substance of the bill is known. If there were no rider, the Administration would carry out its statutory obligation to begin a rulemaking to set standards for light trucks. Whether those standards would be higher than current standards would depend on the information received during the rulemaking.

THE WHITE HOUSE
WASHINGTON

July 21, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR.
IRMA MARTINEZ *gm*

SUBJECT: HOT ISSUES—LANSING, MI

General Motors to Build New Plant: The city of Lansing granted General Motors a tax break worth \$79 million to begin construction of a Cadillac plant, which will open in 2001. The tax package includes a 50 percent tax break on property taxes, as well as a 100 percent tax exemption on new equipment for the GM factory. Lansing will receive about \$5.7 million in new industrial facilities taxes and another \$9.2 million in other payments from GM. The city will also receive \$820,000 a year in new income taxes from the 1,500 workers that GM will employ. GM is awaiting a United Auto Workers decision on the proposal before the company moves forward with construction. (DOC)

Establishment of New Community-Based Outpatient Clinic: During the week of July 4, the Ann Arbor VA Medical Center opened a community-based outpatient clinic in Lansing, Michigan, in partnership with the Michigan State University School of Nursing. Community-based outpatient clinics are being created under the Department of Veterans Affairs' Veterans Integrated Service Networks system which partners with local veterans, labor organizations, and members of Congress to find the optimal balance in providing health care to our nation's veterans. This clinic will be the first of its kind to be managed and operated by nurses. (VA)

Indian Fishing Rights Negotiations: In 1979, the United States District Court for the Western District of Michigan ruled that certain Indian tribes in Michigan have a treaty-reserved right to fish within the waters of Lakes Superior, Huron and Michigan and that the State of Michigan has no right to regulate Indian fishing in exercise of that treaty right. In 1985, a 15-year Consent Decree was agreed to by the parties that allocated the fishery resource, primarily lake trout and whitefish, between the Indians and the State. The Decree expires next year and the Department of the Interior and Department of Justice along with five Tribes, the Bay Mills Indian Community, the Sault Saint Marie Tribe, the Grand Traverse Band, the Little River Band, and the Little Traverse Band, are renegotiating agreements with the State for allocation and management of the fishery in the hopes of settling further litigation. While the Indian Fishing Rights negotiations are highly controversial because of the potential impacts upon state and tribal commercial and sport fishing, the parties are precluded by a confidentiality agreement from publicly commenting on the status of the negotiations at this time. (DOI)

Lansing Voters to Consider School Renovation Bonds: On July 15, the Lansing School Board voted to proceed with a bond plan to raise money to renovate or replace some of the city's school buildings, which have an average age of 46 years. The upgrades would not only improve infrastructure, but also prepare all city schools to handle new technology. Residents may resist the bonds because of a perception that students are not receiving a good education in the city's schools, which have a declining enrollment. The bond plan could appear on the ballot as early as March, 2000. (DOEd)

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**PRESIDENT CLINTON AND VICE PRESIDENT GORE'S
ACCOMPLISHMENTS: MICHIGAN**

EXPANDING ECONOMIC OPPORTUNITY FOR ALL

- **Unemployment Down to 3.9%:** The unemployment rate in Michigan has declined from 7.4% to 3.9% since 1993.
- **590,200 New Jobs:** 590,200 new jobs have been created in Michigan since 1993 – an average of 93,189 jobs per year, compared to an average of just 22,125 jobs per year during the previous administration.
- **570,500 New Private Sector Jobs:** Since 1993, 570,500 new private sector jobs have been created in Michigan—an average of 90,079 jobs per year, compared to an average of just 16,425 private sector jobs per year in the previous administration.
- **61,800 New Construction Jobs:** 61,800 construction jobs have been created in Michigan since 1993 -- an average of 9,758 jobs per year. In contrast, an average of 1,175 construction jobs were *lost* each year during the previous administration.
- **380,000 Have Received a Raise:** Approximately 142,000 Michigan workers benefited from an increase in the minimum wage—from \$4.25 to \$4.75 -- on October 1, 1996. They, along with about 238,000 more received an additional raise—from \$4.75 to \$5.15 -- on September 1, 1997.
- **Poverty Has Fallen:** Nationally, the poverty rate has fallen from 15.1% in 1993 to 13.3% in 1997. In Michigan, the poverty rate has fallen from 15.4% in 1993 to 10.3% in 1997--down 5.1% under President Clinton. [Census Bureau]
- **A \$500 Child Tax Credit to Help Families Raising Children:** To help make it easier for families to raise their children, the balanced budget included a \$500 per-child tax credit for children under 17. **Thanks to President Clinton, the Balanced Budget delivers a child tax credit to 982,000 families in Michigan.**
- **Business Failures Down 7.5%:** Business failures in Michigan have dropped an average of 7.5% per year since 1993, after increasing 12.3% per year during the previous twelve years. [Oct. 98 data]
- **Home Ownership Has Increased in Michigan:** Home ownership in Michigan has increased from 71.5% to 76.6% since the fourth quarter of 1993.
- **Home Building Up 6.2%:** Home building in Michigan has increased by an average of 6.2% per year since 1993, after falling over 4.7% per year during the previous administration.
- **Over \$25,000 of Reduced Federal Debt for Every Family of Four:** The national debt will be \$1.7 trillion lower in FY99 than projected in 1993 -- that's \$25,000 less debt for each family of four in Michigan this year.
- **3.6% Growth in Total Bank Loans and Leases:** Michigan has seen a 3.6% average growth rate in total bank loans and leases per year since 1993. In contrast total bank loans and leases fell over 1.5 during the previous administration.
- **6.5% Growth in Commercial and Industrial Loans and Leases:** Since 1993, Michigan has experienced a 6.5% annual growth rate in commercial and industrial loans and leases. In

contrast commercial and industrial loans and leases fell over 1.6% during the previous administration.

EXPANDING ACCESS TO EDUCATION

- **Over 33,000 Children in Head Start:** Over 33,000 Michigan children were enrolled in Head Start in 1998. In FY99, Michigan will receive \$170.8 million in Head Start funding, an increase of \$63.4 million over 1993.
- **More High-Quality Teachers With Smaller Class Sizes for Michigan's Schools:** Thanks to President Clinton, the final FY99 budget provides for the first year of the President's new initiative to hire 100,000 new, well-prepared teachers, to reduce class sizes in the early grades to a national average of 18. Michigan receives \$50.3 million in 1999 to hire about 1,293 new public school teachers. And, under President Clinton's proposal, Michigan would receive \$56 million in FY2000 to support a total of 1,516 teachers.
- **\$18.3 Million in Goals 2000 Funding:** This year [FY99], Michigan receives \$18.3 million in Goals 2000 funding. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.
- **\$18.1 Million for Technology Literacy:** This year [FY99], Michigan receives \$18.1 million for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century.
- **\$344 Million for Students Most in Need:** Michigan receives \$344 million in Title I Grants (to Local Education Agencies) providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families [FY99]. This is an increase of \$17.8 million over FY98 funding.
- **\$211.5 Million in Pell Grants:** This year [FY99], Michigan will receive \$211.5 million in Pell Grants for low-income students going to college, an additional \$9.9 million over last year. With this increase, a total of 120,600 Michigan students will benefit.
- **Expanded Work-Study To Help More Students Work Their Way Through College:** The FY99 budget includes a significant expansion of the Federal Work Study program. Michigan will receive \$27.6 million in Work-Study funding in 1999 to help Michigan students work their way through college.
- **Nearly 3,000 Have Served in Michigan through AmeriCorps:** Since the National Service program began in 1993, 2,706 AmeriCorps participants have earned money for college while working in Michigan's schools, hospitals, neighborhoods or parks. [through 11/98]
- **Tuition Tax Credits in Balanced Budget Open the Doors of College and Promote Lifelong Learning:** The balanced budget included both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

226,000 students in Michigan will receive a HOPE Scholarship tax credit of up to \$1,500. 277,000 students in Michigan will receive the Lifetime Learning Tax Credit. [fully phased-in FY2000 estimate]

- **Expanded Job Training to Michigan's Dislocated Workers:** Thanks to President Clinton, the FY99 budget includes a significant expansion in the dislocated worker program. Michigan will receive \$21.6 million in 1999 to help 12,790 of Michigan's dislocated workers get the training and reemployment services they need to return to work as quickly as possible.

FIGHTING CRIME AND VIOLENCE

- **Violent Crime Falls 21% in Michigan:** Since 1992, serious crime in Michigan has fallen 9%. Violent crime and property crime have also declined 21% and 7% respectively. In Michigan's cities, between 1992 and 1997, serious crime, as indicated by the crime index, has declined 15% in Flint and 17% in Grand Rapids. In addition, murder has declined 21% in Detroit, with a 33% drop in robbery. In Flint, murder has dropped 63% with robbery declining 16%. [1992 and 1997 Uniform Crime Reports]
- **Juvenile Arrests Down in Michigan:** Michigan's juvenile murder arrests have decreased 47% between 1992 and 1997. [FBI, Uniform Crime Report, 1992 and 1997]
- **3,276 More Police:** The President's 1994 Crime Bill has funded 3,276 new police officers to date in communities across Michigan. [through 7/99]
- **Flint and Muskegon Will Receive Targeted Funding to Hire More Community Police:** Flint and Muskegon were selected as pilot cities for the President's new effort to target high crime neighborhoods. The pilot program will provide full funding for new officers by waiving the usual matching requirements. Flint and Muskegon will deploy new officers to help meet the unique needs of their communities, such as combating gangs or targeting drug "hot spots."
- **Reducing Crime with Drug Courts:** Working to reduce drug-related crime in Michigan, the Clinton Administration has awarded Drug Court grants to the communities of Charlotte, Detroit, Kalamazoo and Eaton. The Administration had previously awarded grants to the Michigan communities of Mt. Clemens and Sault Ste. Marie. Drug courts use the coercive power of the criminal justice system to combine drug testing, sanctions, supervision and treatment to push nonviolent, drug-abusing offenders to stop using drugs and committing crimes.
- **Over \$6 Million to Combat Domestic Violence:** Through the Violence Against Women Act, Michigan received \$6.4 million in federal funds in FY98 to establish more women's shelters and bolster law enforcement, prosecution and victims' services.
- **\$2.1 Million in Grants for Battered Women and Children:** This year [FY98], Michigan received approximately \$2.1 million in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse, an additional \$358,000 increase over FY97.
- **\$16.9 Million to Keep Drugs & Violence Out of Michigan's Schools:** Michigan receives \$16.9 million in FY99 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING MICHIGAN RESIDENTS FROM WELFARE TO WORK

- **686,356 Fewer People on Welfare:** There are 686,356 fewer people on welfare in Michigan now than there were at the beginning of 1993 -- a 59% decrease. [through 12/98]
- **Child Support Collections Up 47%:** Child support collections have increased by more than \$369 million—or 47% -- in Michigan since FY92. [through FY98]
- **Encouraging Responsible Choices—Preventing Teen Pregnancy in Michigan:** Since 1993, President Clinton and Vice President Gore have supported innovative and promising teen pregnancy prevention strategies, with significant components of the strategy becoming law in the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages “second chance homes” to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Efforts are making a difference, adolescent pregnancy rates and teen abortion rates are declining. **And between 1992 and 1997, teen birth rates declined 22% in Michigan.**
- **\$69.3 Million for Michigan Welfare-to-Work:** In 1998, Michigan received \$42.2 million in Federal welfare-to-work state formula grants (the state matched \$21.1 million in funding), helping Michigan welfare recipients get and keep jobs. In addition, \$5.3 million in competitive grants were awarded to Michigan localities to support innovative welfare-to-work strategies and Native American tribes in Michigan received \$733,000 in Federal funding. Part of the President’s comprehensive efforts to move recipients from welfare to work, this funding was included in the \$3 billion welfare to work fund in the 1997 Balanced Budget Act.
- **Helping People Get to Work:** Through the Access to Jobs initiative, the Clinton-Gore Administration is working with communities across the country to design transportation solutions to help welfare recipients and other low-income workers get to and from work. Statewide, Michigan has received \$851,190 this year to fund innovative transit projects. In addition to this funding, Detroit has received \$1.38 million for these transportation projects.

INVESTING IN MICHIGAN’S HEALTH

- **Health Care for Uninsured Children:** The balanced budget included the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits—from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children. **To expand health coverage to 156,000 uninsured children in Michigan the Balanced Budget provided \$92 million in 1998.** This compares to the 1995 Republican plan vetoed by President Clinton that would have denied health coverage to 57,900 children in Michigan.
- **Helping Nearly 218,000 Michigan Women and Children with WIC:** The Clinton Administration is committed to full funding in the Special Nutrition Program for Women, Infants and Children (WIC). In FY98, Michigan received \$115.2 million in total WIC grant

funding, helping 217,700 women, infants and children in need receive health and food assistance, 13,000 more than in 1994.

- **More Toddlers Are Being Immunized:** As a result of the President's 1993 Childhood Immunization Initiative, childhood immunization rates have reached an historic high. According to the CDC, by 1996, 90% or more of America's toddlers received the most critical doses of each of the routinely recommended vaccines—surpassing the President's 1993 goal. In Michigan in 1997, 95% of two-year olds received the vaccines for diphtheria, tetanus, pertussis; 91% received the vaccine for polio; 89% received the vaccine for measles, and 91% received the vaccine for *Haemophilus influenzae* B, the bacteria causing a form of meningitis.
- **Increased Funding for Ryan White by \$60.9 Million:** Between 1993 and 1998, Michigan communities received \$60.9 million in Ryan White formula and other HIV/AIDS program funds. This funding provides people living with HIV and AIDS medical and support services, including the AIDS Drug Assistance Program which helps those without insurance obtain much needed prescription drugs. [HHS, Health Resources and Services Administration, 12/98]
- **Tobacco Plan Will Cut Smoking and Premature Deaths by 34% in Michigan:** The Clinton Administration's tobacco proposal, combined with the recently enacted state tobacco settlements, will cut youth smoking and resulting premature deaths 34% in Michigan by 2004. Between 2000 and 2004, 114,500 of Michigan's youth will be kept from smoking and 36,600 will be spared a premature tobacco-related death. [Treasury Dept., 2/99]
- **5,320,000 Americans in Michigan Cannot Be Assured They Have Patient Protections:** Even if Michigan enacted all the protections in the Patients' Bill of Rights, 5,320,000 people in Michigan cannot be assured they have the comprehensive patient protections recommended by the President's Advisory Commission. This is because the Employee Retirement Income Security Act (ERISA) may preempt state-enacted protections. That is why the President has called on Congress to pass a federally enforceable patients' bill of rights so that everyone enrolled in managed care may have a basic set of protections. Notably, 2,560,000 Michigan women are in ERISA health plans and are therefore not necessarily protected. Women are particularly vulnerable without these protections because they are greater users of health care services, they make three-quarters of the health care decisions for their families, and they have specific health care needs addressed by a patients' bill of rights.

PROTECTING THE ENVIRONMENT

- **Brownfields—Revitalizing Communities in Michigan:** As part of the Clinton-Gore Administration's efforts to clean up Brownfields, the EPA has awarded grants to counties and communities in Michigan—Detroit, Flint, Saginaw, Kalamazoo, Ypsilanti, St. Joseph, Benton Harbor, Benton Charter Township, Chippewa County, Kinross Township, and Wayne County for environmental clean-up and economic revitalization. In addition, the Downriver Community Conference, including the communities of Monroe, Trenton, and Riverview, will benefit from a Brownfields grant. These projects are intended to jump-start local clean-up efforts by providing funds to return unproductive, abandoned, contaminated urban properties to productive use.

- **37 Toxic Waste Sites Cleaned Up:** Since 1993, the EPA has completed 37 Superfund toxic waste cleanups in Michigan—more than any other. These sites are located in Lansing, Ionia, Filer City, Adrian, Kalamazoo (2), Swartz Creek, Albion, Hartford Township, Detroit, Grand Rapids (2), Marquette, St. Louis, Oscoda, Otisville, Belding, Avon Township, Utica, Lansing Township, Whitehall, Sturgis, Battle Creek, Highland, Kent City, Kentwood, Cadillac (2), Pere Marquette Township, Brighton (2), Rose Township, Holland, Wyandotte, Clare, Grand Ledge and Niles [through 6/99]. This is more than 4 times the number of sites cleaned up in Michigan during the previous twelve years.
- **\$25.9 Million in Safe Drinking Water Funding:** This year [FY99], thanks to President Clinton, Michigan will receive \$21.9 million for the Drinking Water State Revolving Funds to provide low-interest loans to municipalities to build, improve, and prevent pollution of drinking water systems. In addition, Michigan will receive \$3.9 million in Public Water Supply Supervision grants to help monitor drinking water quality and enforce health standards.

SPEARHEADING URBAN RENEWAL EFFORTS

- **Revitalizing Michigan's Communities:** Detroit was designated an Empowerment Zone in December, 1994 and was awarded \$100 million to create more jobs, housing, and economic opportunity. Similarly in 1994, Muskegon, Flint, and Lake County were each named Enterprise Communities. In 1999, Harrison was designated a Rural Enterprise Community.
- **Expanding the Low-Income Housing Tax Credit Will Help Develop 5,600 To 6,700 New Affordable Housing Units in Michigan Over the Next 5 years:** Last year, the President and Vice President pushed for a 40-percent expansion in the Low-Income Housing Tax Credit. This year, the President and Vice President will try again to enact tax incentives to develop affordable housing. In Michigan alone, this proposal would mean an additional 5,600 - 6,700 quality rental housing units for low-income American families during the next five years.

PROVIDING DISASTER RELIEF

- **\$97.6 Million in Federal Emergency Assistance:** Since 1993, Michigan has received \$97.6 million in disaster relief. This includes \$32 million in aid to the damage caused by severe storms and straight line winds in 1998. [FEMA, 12/98]

EXPANDING FUNDS FOR TRANSPORTATION IMPROVEMENT

- **Over \$3.2 Billion in Federal Highway Aid:** Since 1993, Michigan has received over \$3.2 billion in federal highway aid. Included in this funding is \$1.6 million for emergency relief in response to natural disasters and \$152,800 for scenic byways. These funds have helped generate 135,664 jobs. [through FY98]
- **Over \$303 Million in Aviation Funds:** From FY93-FY98 Michigan received over \$303 million in Airport Improvement Program funds to help build and renovate airports, and, when

necessary, to provide funds for noise abatement to improve the quality of life for residents who live near airports.

- **Approximately \$444 Million in Transit Funds:** Michigan has received approximately \$444 million in FTA funds since 1993 to support mass transportation in Michigan. The funds have been used to replace and repair the state's bus system and upgrade facilities.
- **Saving Lives and Property:** In 1997 the United States Coast Guard saved 281 lives and over \$37.8 million of property in Michigan.