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THE WHITE HOUSE
WASHINGTON

SEPTEMBER 27, 1996

THE PRESIDENT HAS SEEN

9-29-96

96 SEP 27 P 4: 35

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: RAHM EMANUEL *R.E.*

SUBJECT: WEEKLY REPORT

CRIME/DRUGS: On Saturday the Vice-President will announce new COPS grants to fund 1,700 new police officers. He will also conduct satellite interviews in targeted markets.

✓ This week the Congress passed the "Meth" legislation. The final legislation is very close to the President's original bill. I have suggested that the President sign the legislation at the NAPO "TOP COP" event in the Oval Office on October 3. The "TOP COP" event honors the best National Association of Police Organizations police officers. It would also go a long way towards smoothing over feelings after the Fraternal Order of Police endorsement.

The last national police organization is ready to endorse the President. The International Brotherhood of Police Officers has a sizeable membership in the Northeast. They are willing to endorse in Hartford, Connecticut where they have a significant membership. We have discussed doing an endorsement event the morning of the first debate.

This week we generated some negative stories concerning Congressman Barr's attempt to alter the Brady Bill extension. At this time, the GOP seems to be backing off ever so slightly. We need to be very strong about retaining the original Senate language.

We are working with Departments of Justice and Transportation on a drug test for people 21 and under applying for their driver's license. This drug test can be part of our new agenda. We are working to have this ready by the first debate.

Jeffrey Cole has completed a study on TV violence. Jeffrey Cole is affiliated with UCLA and conducts an annual study of TV violence. The report concludes that there has been a drop in TV violence over the past year and can be tracked to the President's focus on the issue.

UG * **WELFARE:** CDC has completed a study showing a major reduction in out of wedlock births and a significant drop in teen births. The reductions are the first in over thirty years. We are working on an event for next week for the President to release the data.

We have worked on the Child Support Executive Order for the radio address. The policy contributes to the President's long record of making child support collection a priority.

At the end of October we will have numbers showing that over 2 million people have dropped off of welfare.

IMMIGRATION: As I write this, we are in the process of negotiations with the Hill on the final terms of the legislation. I have asked INS to produce a chart comparing the legislation to our original legislation. I have also asked INS to produce a report reviewing the Administration's three year record.

EDUCATION: The Department of Education has completed a report on the direct lending program. The report assembles data from different areas and shows how defaults are down and participation is up. We have discussed doing a Presidential event around the release of this report.

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N O R A
NATIONAL
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RESPONDING
TO
AIDS

September 24, 1996

The Honorable William Jefferson Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

96 SEP 26 P12:37

Co-chairs

David Harvey
AIDS POLICY CENTER FOR
CHILDREN, YOUTH AND
FAMILIES

Miguelina Maldonado
NATIONAL MINORITY AIDS
COUNCIL

Executive Committee

Callie Gass
NATIONAL AIDS FUND

Rose Gonzalez
AMERICAN NURSES
ASSOCIATION

Byron J. Harris
NATIONAL ALLIANCE OF STATE
AND TERRITORIAL AIDS
DIRECTORS

Christine Lubinski
AIDS ACTION COUNCIL

H. Alexander Robinson
AMERICAN CIVIL LIBERTIES
UNION

Jane Silver
AMERICAN FOUNDATION FOR
AIDS RESEARCH

Winnie Stachelberg
HUMAN RIGHTS CAMPAIGN

Dear Mr. President:

On behalf of the Executive Committee of the National Organizations Responding to AIDS (NORA), we are writing to express our serious concerns regarding the provisions of the conference agreement on H.R. 2022, the Immigration Reform Bill. We understand that the Republican leadership intends to fold the conference report of this bill into the omnibus appropriations bill. These provisions would undermine the fragile safety net which currently exists of vital HIV/AIDS related health services for immigrants and undocumented persons living in the United States. It would be a travesty if the appropriations bill, which provides funding for AIDS research, prevention and care, also includes provisions that ultimately serve to fuel the spread of HIV infection in the United States and deny life saving treatment and drugs to persons already infected based on their immigrant status. We oppose such a measure and call upon you to work to ensure that these provisions are stricken from the H.R. 2022 conference report and not included in any legislative proposal, including the omnibus appropriations bill.

NORA is a coalition of over 150 national religious, public health, children's and AIDS organizations working together to advocate for responsive public policies for people living with HIV and AIDS.

Public Law 104-193, the Personal Responsibility & Work Opportunity Reconciliation Act of 1996 (Welfare "Reform"), already has provisions which stringently limit access to health care for immigrants. The law excludes newly arrived legal immigrants from participation in the Medicaid program for a period of five years. Access to publicly funded health care by legal immigrants is limited to the use of other federal and state public health programs for the testing and treatment of communicable diseases, including HIV infection. While these limitations are bad enough, the provisions in the conference report of the Immigration Reform Bill, are more extreme and explicitly deny medical care for legal immigrants who test positive for HIV. Under these provisions, legal immigrants may access public health facilities for the testing and treatment of all other communicable diseases. However, in the case of HIV/AIDS, they will only have access to testing.

The Welfare "Reform" law permits undocumented individuals to have access to

continued...

NORA

A coalition convened by
AIDS Action Council

1875 Connecticut Ave., NW
Suite 700
Washington, DC 20009
202 986 1300
202 986 1345 fax

"A coalition of over 175 organizations responding to AIDS with resolve and action."

Dr. Eric P. Goosby, Office of HIV/AIDS Policy, HHS
The Honorable Albert Gore, Jr., Vice President of the United States
Ms. Alexis Herman, Assistant to the President & Director of Public Liaison
Mr. Harold Ickes, Assistant to the President & Deputy Chief of Staff
Dr. Philip R. Lee, Assistant Secretary for Health, HHS
Mr. Jacob Joseph Lew, Deputy Director, OMB
Ms. Nancy-Ann Min, Director of Health & Personnel, OMB
Mr. Leon E. Panetta, Chief of Staff
Ms. Carol H. Rasco, Assistant to the President for Domestic Policy
Ms. Donna Shalala, Secretary of the Health & Human Services
Mr. Richard Socarides, Special Assistant to the Deputy Chief of Staff
Mr. George Stephanopoulos, Senior Policy Advisor to the President
Mr. Todd D. Stern, Assistant to the President & Staff Secretary
Mr. David Strauss, Deputy Chief of Staff, Office of the Vice President

* Listed alphabetically

ARMSTRONG McCALL
The Professional Salon Supplies and Furnishings Specialist
5010 Burleson Rd. P.O. Box 17068 Austin, Texas 78760 • 7068

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Laura Tyson

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be good policy?

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THE PRESIDENT HAS SEEN
9-29-94



The Professional Salon Supplies and Furnishings Specialist

September 27, 1996

Dear Mr. President:

Two of the most serious challenges faced by Family Businesses are:

I. Eliminating tax discrimination which limits the ability of Family Businesses to grow and compete with large public companies.

- Large public companies are able to raise capital by issuing additional stock and/or accumulating earnings. In contrast, closely held, family businesses generally raise additional capital by accumulating earnings.
- IRS's aggressive attempts to access the **Accumulated Earnings Tax** on closely held, family businesses has forced these family businesses to elect S Corporation status. The Accumulated Earnings Tax is effectively a burdensome "double tax" on corporate earnings, which usually results in an effective tax rate of 60%.
- The earnings of a family business which elects S Corporation status, are unfairly taxed at a rate of 39.6%, which is 5.6% higher than the 34% tax rate that it would have paid as a C corporation.

Action Request:

Decrease the maximum tax rate applicable to closely held, family owned businesses operating as S Corporations to the tax rate paid by comparable C Corporations.

II. Eliminating inconsistency in estate tax treatment between transfers of family businesses and family farms from one generation to another.

- Many closely held, family businesses have to be sold or liquidated when owners die in order for the estates of the owners to pay the Federal Estate Taxes associated with the ownership of the businesses.
- Family farms are allowed special treatment regarding valuations of the property, which can substantially reduce the Federal Estate Taxes. The intent of this special treatment is to allow a family operated farm to pass from one generation to another, without having to liquidate the assets to pay onerous Federal Estate Taxes.

Action Request:

Provide relief from Federal Estate Taxes associated with ownership of closely held, family businesses by providing special valuation treatment similar to the treatment provided for family farms.

Thank you for your time and consideration.

Very respectfully yours,

John H. McCall

SEPTEMBER 16, 1996

96 SEP 16 P10:12

MEMORANDUM FOR THE PRESIDENT

FROM: CRAIG SMITH AND ERIC EVE

SUBJECT: NEW YORK CITY'S CATHOLIC SCHOOL PLAN

This memorandum is in response to your question about Mayor Giuliani's religious school program.

On September 8th, Mayor Giuliani embraced a Catholic school plan, first offered in 1991, in which the Archdiocese of New York would educate up to 1,000 of the City's lowest-achieving public school students at taxpayer expense. The mayor stated that the Catholic schools would educate these students "for a period of time that would be agreed upon and get them up to reading level, math level. We would negotiate the expense and the money that would be necessary to do that." In addition to attending classes, archdiocese officials said that the chosen students would be expected to attend religion classes and prayer services, and the city would be expected to pay \$2,400 to \$4,000 of the tuition bill for each student. Church officials estimated that they currently have enough space for 1,000 public school students. The New York City public school system now lacks space for approximately 91,000 students.

New York City Schools Chancellor, Rudy Crew, rejected the proposal immediately. In a press conference, the Chancellor said "I think if its done without public money, that's a very different story . But if this is a function of simply taking public money and diverting it from this system to another, no, that's a problem." Chancellor Crew has been joined by many other groups in his dismissal of the Mayor's proposal. The spokeswoman for the United Federation of Teachers said "Draining resources out of the public schools would hurt the great majority of students who are left behind in a system that is already inadequately supported." Norman Siegel, director of the New York Civil Liberties Union, said the plan "would raise serious and substantial constitutional questions of separation of church and state."

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Since the initial proposal, private corporations have agreed to donate funds to cover the cost of tuition. Thus far, Giuliani has received more than \$1 million in pledges for scholarship money for the program. Crew has said that he would not block a privately funded program.

Note: The *New York Daily News* reports today that Giuliani has rejected the idea of Dole joining him in New York to this plan. Giuliani said, "I have to make a choice between who I vote for, how I endorse somebody. It should be separate from this whole school debate."

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9-29-96

96 SEP 27 P7: 36

September 27, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
September 20 - September 27, 1996

*See note
On tunnel down
page 1*

DEPARTMENT OF TREASURY

- **IRS RIF Agreement:** The IRS and the National Treasury Employees Union have concluded bargaining on the proposed RIF without reaching agreement. The two sides expect to use the Federal Mediation and Conciliation Service to assist in resolving the impasse.
- **Black College Loans:** On September 19, the Federal Financing Bank closed a \$3.5 million loan to WV State College. This is the first loan issued under the HBCU loan program.
- **Simplified Tax System Roll-out:** In October, STAWRS will be rolling out a prototype which will allow employers to combine federal and state electronic filing requirements into single point filing from the employer's perspective. This prototype will simplify the interaction between taxpayers and government (both federal and state). This begins a new era of partnership between federal and state agencies and taxpayers.
- **Project LEAD:** On September 15, a robbery/homicide occurred in Glen Burnie, MD. Through ATF's Project LEAD, a computer application, local officers and ATF agents were able to trace the murder weapon to the purchaser of the crime gun. The purchaser admitted illegally buying the murder weapon for the suspect.
- **FL-NJ Firearms Seizure:** On September 13, ATF agents arrested a NJ resident who illegally purchased 35 firearms in Miami, FL, and transported the firearms to NJ. Agents arrested the subject and seized 35 handguns after he stepped from a bus in Elizabeth, NJ.

- **Child Support:** Treasury and OMB are preparing an executive order for you to sign regarding the collection of delinquent child support obligations. The order will direct federal agencies to deny federal assistance, licenses, and permits to deadbeat dads, and offset federal payments to deadbeat dads. Treasury worked with the White House to incorporate the executive order in your weekly radio address, and Treasury will coordinate with the White House press office to ensure that the press is briefed fully.
- **Haiti IMF Loan:** This week, after months of negotiations, Haiti officially agreed to the details of the IMF's \$133 million, 3-year loan program. On October 18, the IMF Board will review the loan. By that time, the IMF expects Haiti's Parliament to have approved two key reform bills. Approval of one of these, the Modernization of Public Enterprises, could be delayed past October 18, but the IMF Board may still review the loan if acceptable progress had been made.
- **Haiti Presidential Security:** In response to your directive to Treasury, DOJ and Defense to provide material assistance to Haiti's presidential security unit, Treasury Enforcement is coordinating contributions of vehicles, ammunition, bullet resistant vests, and related equipment.
- **Sallie Mae:** Sallie Mae legislation is being blocked by Senators who are reportedly retaliating for campaign literature produced by Sallie Mae that attacks the Administration's direct student loan program.
- **Haiti Funds:** State and AID, with support from Treasury, are in the process of briefing Senate and House authorizing committee staffs regarding AID's intent to release \$28 million of ESF funds to Haiti. While the funds release has been opposed by Jesse Helms, it is a key component of the Administration's larger strategy of economic reform and development in Haiti.
- **Hearing on Cuban Shootdown:** Following last week's Western Hemisphere Subcommittee hearing on the Cuban Air Force's shootdown of two Brothers to the Rescue aircraft, an NSC-led interagency team is responding to allegations of government attempts to conceal facts and to Congressional accusations that the Air Force mishandled the situation. In October, Chairman Burton plans to hold a hearing on this issue. In spite of the Administration's commitment to continue to provide the subcommittee with information relevant to its inquiry, Chairman Burton led the subcommittee to vote 7-2 (partisan split) to authorize issuance of documentary and testimonial subpoenas, which would be served on the Secretaries of State, Defense, and Treasury in the event of non-cooperation with their requests.

9-29-96

DEPARTMENT OF COMMERCE

- **Brazil Trade:** The Brazilian Navy has selected the Edo Corporation to supply sonar equipment for the Niteroi frigate modernization program, a contract valued at approximately \$20 million. The award of this contract will maintain employment at Edo's Norfolk, VA, and NY manufacturing facilities. Secretary Kantor sent a letter on behalf of Edo to the Brazilian Minister of the Navy in the midst of strong competition from Thomson of France and Atlas of Germany.

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United Arab Emirates (UAE) Aircraft Competition: The UAE designated two finalists in its \$4-5 billion fighter aircraft competition: the Lockheed Martin F-16 and the French Dassault Rafale fighter. With this announcement, the Administration can now support the one U.S. contractor.

let's
it through

- **ITA Success Story:** On September 5, Chester Engineers of Moon Township, PA, was awarded a \$7.1 million water recycling and waste water treatment contract by Jenn An Steel in Taiwan, beating out Japanese competition. This success will provide jobs for 100 Chester employees and benefit five American equipment suppliers. Chester's contract marks the fourth victory in 14 months for American firms doing business in southern Taiwan.

- **Economic Indicators during the Next Two Weeks:**

Gross Domestic Product	September 27
Corporate Profits	September 27
Personal Income and Outlays (August)	September 30
New One-Family Houses Sold and For Sale (August)	September 30
Value of New Construction Put in Place (August)	October 2
Manufacturers' Shipments, Inventories, and Orders (August)	October 3
Housing Completions (August)	October 4
Wholesale Trade (August)	October 9
Advance Retail Sales (September)	October 11

- **Ireland Trade Conference:** On October 6-8, DOC officials will attend the U.S. Conference for Trade and Investment in Northern Ireland and the Border Counties of Ireland, to be held in Pittsburgh, PA.
- **Secretary's Schedule:** On September 26-27, Secretary Kantor participated in the U.S.-China Joint Commission on Commerce and Trade meetings. On October 1-3, Secretary Kantor will travel to Raleigh, NC, Chicago, IL, St. Louis, MO, and Nashville, TN, for various events.

DEPARTMENT OF LABOR

- **Worker Safety Citations:** On September 26, Secretary Reich cited Lisbon Contracting, a utility contractor, with a penalty of \$374,400 for two serious citations in NJ and PA.
- **Minimum Wage Event:** On October 1, Secretary Reich will meet with minimum wage workers to commemorate the implementation of the minimum wage increase recently signed into law.
- **United Auto Workers:** On September 17, the tentative agreement between Ford and the United Auto Workers was approved by the union's Executive Board and its UAW-Ford Council of local union officers. Following a series of regional meetings, the union will have a ratification vote. The entire process is expected to be completed by September 29. Contracts with Chrysler and General Motors have been extended. The UAW has yet to identify a "target" for the second round of talks.
- **Steelworkers:** Negotiations to replace a contract expiring on October 1 are continuing between the United Steelworkers and the Wheeling-Pittsburgh Steel Corporation. Some 4,500 workers are covered by the agreement.
- **Prison Labor and the Minimum Wage:** DOL is negotiating with Senator Graham to remove or modify the Reid-Graham amendment on the Labor-Health and Human Services Appropriations bill and the proposed continuing resolution. The amendment eliminates minimum wage and overtime coverage for inmates who participate in state-sanctioned work programs.
- **Secretary's Schedule:** On September 30, Secretary Reich will travel to Boston, MA, to participate in events with congressional candidate John Tierney. On October 1, Secretary Reich will deliver a lecture on income inequality at George Washington University. On October 3, Secretary Reich will convene a roundtable of consumer reporters to release a pension publication that will give workers guidance on steps they can take to guard their pensions.
- **Employment Numbers:** On October 4, Secretary Reich will release the monthly employment and unemployment numbers.

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DEPARTMENT OF TRANSPORTATION

- **ValuJet Airlines:** This week, DOT expects to issue a final order allowing ValuJet Airlines to resume air carrier operations. On August 29, objections to the tentative decision issued were filed by the Association of Flight Attendants, stating that the carrier should not be allowed to operate with Robert Priddy as Chairman and Lewis Jordan as President. The DOT's final order concludes that the carrier continues to be competent with Priddy and Jordan in control.
- **Military Airport Program (MAP):** On September 29, Secretary Peña will announce four new Military Airport Programs: 1) Memphis, TN, 2) Homestead, FL, 3) Austin, TX, and 4) Phoenix, AZ.
- **Aviation Safety Report:** On September 18, the FAA released Deputy Administrator Daschle's 90-Day Safety Review report to your Commission on Airline Safety and Security. The resulting report contains six principal and more than 30 supporting recommendations on safety and security regulatory activity. This review was ordered in the aftermath of the ValuJet crash. Funding to implement these recommendations is included in the continuing resolution.
- **Alameda Corridor:** Congressional approval of the \$59 million appropriation, which will pay for DOT's \$400 million direct federal loan to the Alameda Corridor project, is expected with the passage of the omnibus appropriations bill for FY97. On September 25, DOT officials met with representatives of the Alameda Corridor Transportation Authority (ACTA) to complete negotiations over the loan agreement. ACTA faces cash flow constraints that will delay the project unless it receives additional money within about 30 days.
- **Panamanian Cocaine Seizure:** On September 18, the Coast Guard boarded a Panamanian merchant vessel, *Forest Link*, in Pascagoula, MS. Twenty-two pounds of cocaine were found in the ship's laundry.
- **NAFTA:** This week, DOT is completing the paperwork necessary to modify the moratorium on grants of operating authority to Mexican-owned motor carriers to permit Mexican bus companies to operate across the border pursuant to the provisions of NAFTA. NAFTA provides for both Mexico and the U.S. to lift all restrictions on granting authority to carry passengers from one country to the other over regular routes in scheduled operations as of January 1, 1997.

- **MO Klan Activity:** On September 24, the U.S. filed an amicus brief in the case of Missouri Highway and Trans. v. Cuffley, which involves an attempt by the Ku Klux Klan to participate in the MO Adopt-a-Highway litter control program by adopting a one mile stretch of Interstate 55 in South St. Louis. The amicus brief urged that the Adopt-a-Highway program is not a public forum.
- ✓ • **FAA Reform:** This week Congress is completing action on a final version of the FAA reform legislation that is an important first step in achieving the National Performance Review of a more business-like air traffic control system at the FAA. The legislation provides needed autonomy for FAA operations and a new user-fee structure that can put FAA services on a more business-like basis. The bill will also embrace several of the "White House Commission on Aviation and Security" initial recommendations issued by the Vice President on September 9. Note: The conferees adopted an amendment to benefit Federal Express that is strongly opposed by organized labor. The inclusion of this amendment may make it more difficult for the Senate to act quickly on the conference report. If the Senate does not act, there is support for including the aviation bill in the continuing resolution.
- **Media Activities:** On September 27, *Inside Edition* will air a segment on stealth/secret aircraft operations, near-miss reports, and FAA requirements. FAA declined an on-camera interview. *USA Today* is working on a piece on the cost-effectiveness of airport security canine programs.
- **Secretary's Travel:** On September 30, Secretary Peña will travel to Bergstrom Air Force Base in Austin, TX, for a MAP announcement. On October 1, Secretary Peña will attend the opening of a new \$300 million east runway at the Dallas/Fort Worth International Airport. The new runway will bring the total number of runways available to seven and provide the airport with additional capacity.
- **TWA Crash:** This week, the TWA 800 investigation team, headed by the NTSB, continues its retrieval of wreckage on a 24-hour basis. Efforts are expected to last another 3-4 weeks, after which weather may impinge on the activity. With 70 percent of the center fuel tank having been retrieved, plans are to begin a major reconstruction of the fuselage in mid-October, with completion slated for late January. Some important items, such as a scavenger fuel pump and several fuel probes, remain missing. Media interest centers on the FAA's response to the White House Commission recommendations, the use of the crash aircraft for bomb detection testing earlier this year, security enforcement at specific airports, domestic baggage match, passenger profiling, and explosive detection systems.

UNITED STATES TRADE REPRESENTATIVE

- **Super 301:** On October 1, Ambassador Barshefsky will release the annual Super 301 report on U.S. trade expansion priorities and will initiate section 301 investigations of these practices. The report will highlight the Administration's achievements ensuring compliance with U.S. trade agreements and enforcing U.S. trade laws.
- **Japanese Insurance Meeting:** On October 29, Ambassador Barshefsky will meet Japanese Finance Minister Kubo to discuss the ongoing insurance negotiations.

SMALL BUSINESS ADMINISTRATION

- **Empowerment Zones/Enterprise Communities:** On October 1, the Administrator will open the Detroit One Stop Capital Shop with local elected officials. The facility will offer comprehensive financial and technical assistance to small businesses in neighborhoods in the Empowerment Zone.
- **Urban Economic Development Meeting:** On October 2, Administrator Lader will deliver the keynote address to the National Council for Urban Economic Development in Cleveland, OH.
- **Denver Women's Empowerment Meeting:** On October 3, Administrator Lader will speak to several hundred women business leaders in Denver, CO.

FEDERAL MANAGEMENT EMERGENCY AGENCY

- **Disaster Activities:** A request is under review for ND for severe storms and flooding. A request for cost share adjustment is under review for OR. NY was granted an extension to the filing deadline to request a major disaster declaration for TWA Flight 800 until September 9. Although the deadline has passed, NY has indicated an intent to request Federal assistance. A request for a major disaster declaration as a result of Hurricane Fran is under review for SC. CA has requested an extension to the filing deadline to request a major disaster declaration as a result of the July 31-August 15 fires.
- **FEMA/Warner Home Video Partnership:** FEMA and Warner Home Video have created an unprecedented partnership to distribute over 1 million Family Disaster Plan brochures and 5,000 preparedness videos to video stores nationwide in conjunction with the release of the movie "Twister" on video. A 30-second PSA featuring Director Witt is included on each video.

DEPARTMENT OF JUSTICE

- **FBI Files:** On September 12, five former government employees filed suit against the FBI, EOP, and Hillary Rodham Clinton, for violation of the Privacy Act and the common law tort of invasion of privacy. Alexander, et al. v. FBI, et al. (D.D.C.) Plaintiffs, allegedly former political appointees and federal government employees in the Reagan and Bush administrations, assert that in the spring of 1993 defendants Bernard Nussbaum, Craig Livingstone, and Anthony Marceca, acting at the direction of Mrs. Clinton, requested that the FBI release their confidential background investigation files to EOP. Plaintiffs seek \$90 million in compensatory damages and injunctive relief against further violations of their rights, and to maintain the suit as a class action.
- **Prison Reform:** On September 18, Judge Harold Vietor held a provision of the Prison Litigation Reform Act unconstitutional and denied defendant state officials' motion to terminate a consent decree concerning conditions at the IA State Penitentiary in Gavin v. Ray. The U.S. had intervened to defend the constitutionality of the statute.
- **Drugs Discovered on Colombian Presidential Aircraft:** On September 21, Colombian National Police discovered 14 packages of heroin totaling 3 kilograms concealed in the nose cone of Colombian President Samper's official aircraft. President Samper was due to depart Colombia aboard the plane to attend the United Nations' meeting in NY. Colombian police stated they were alerted to the find by an anonymous telephone call. Reportedly, eleven Air Force personnel have been arrested.
- **SC Racial Gerrymander Cases:** On September 23, the three-judge court in Able v. Wilkins unanimously held that six of the nine challenged SC state house majority-minority districts were unconstitutional racial gerrymanders. In the consolidated action, Smith v. Beasley, the court in a 2-1 split decision held all three challenged state senate majority-minority districts unconstitutional. In light of the short time period before the November general elections, the court ordered that House and Senate elections for all districts should proceed according to schedule, and further proceedings in the litigation should be delayed while the General Assembly attempts to adopt and preclear constitutional reapportionment plans. DOJ participated in the two cases as defendant-intervenors in support of the challenged districts.

- **IA 3-Strikes:** On September 11, in his ninth felony conviction, Michael Einfeldt was found guilty for crimes relating to the robbery of a supermarket in Waterloo, IA. The government has filed an Information seeking a mandatory life term for Einfeldt under the "Three-Strikes" provision of the 1994 Crime Act. One of Einfeldt's robbery accomplices was the first person in the nation sentenced to a life term under the "Three-Strikes" law.
- **Colombian Drug Trafficker Sentenced:** Last week Carlos Ruben Hinojosa-Gonzales, leader of an international cocaine trafficking organization that obtained cocaine from Colombia and oversaw its distribution to cities throughout the U.S., was sentenced to 40 years in prison, 20 years of supervised release, and a \$3 million fine.
- **MD Non-Emergency Number:** DOJ is working with the Baltimore Police Department and AT&T for next week's launch of the nation's first 311 non-emergency number. This pilot project is the first step in responding to challenges associated with the overburdening of the 911 system.
- **Tribal Housing in Everglades National Park:** In Miccosukee Tribe of Indians v. United States, et al. (S.D. FL), the tribe is seeking permission to construct housing in Everglades National Park in accordance with its own plan and housing configuration. Last week, the tribe notified the Park Service that on September 18, it would begin construction in the configuration that the Park Service disapproved. The U.S. moved for an emergency status conference, at which the Tribe was enjoined from construction activities until further order of the Court. Judge David also ordered the parties to meet.
- **Salmon Harvest:** In Ramsey v. Kantor, utility customers of Bonneville Power Administration (BPA) challenged the 1993 decisions authorizing the harvest of non-Endangered Species Act-listed salmon. They claimed that the endangered and threatened Snake River salmon stocks would be taken without lawful permits under the Endangered Species Act (ESA). Parties contend that eliminating harvest would help replenish the salmon stocks more quickly and result in less pressure on BPA to make costly modifications. Last week, the Ninth Circuit upheld the United States' position under the ESA, finding the state regulations on salmon harvest were permissible. However, the court ruled against the Government on the National Environmental Policy Act issues, holding that issuance of an ESA permit and several other federal actions constitute a major federal action requiring assessment under that act.

- **NJ Radio Personality Felony Plea:** On September 18, former nationally-syndicated talk-radio host Irwin H. "Sonny Bloch" pled guilty to eight felony charges. Bloch admitted using his broadcasts to promote fraudulent wireless cable and radio schemes, yielding more than \$21 million of investment. Bloch's financial advisory program reportedly reached more than 1.5 million listeners each day in 200 or more American cities.
- **Mexican Police Official Slain:** On September 21, a senior Tijuana drug enforcement official and three assistants were found tortured and murdered in Mexico City. The murder of Jorge Garcia-Vargas, subdirector of Baja California's National Institute to Combat Drugs, and his colleagues is the seventh gang-style slaying this year of law enforcement officials who had worked with the Baja California Federal Attorney General's (PGR) Delegation. Mexican officials declined to comment on a motive, but PGR officials stated they had the hallmarks of a drug related execution.
- **Colombian Narcotic Trafficker Sentenced:** On September 17, Colombian Fiscalia confirmed that Jorge Rodriguez Orejuela, brother of Cali Group kingpins Miguel and Gilberto Rodriguez Orejuela, was sentenced to 86 months imprisonment for narcotic trafficking.
- **Attorney General's Schedule:** On September 30, Attorney General Reno will address the Cleveland State University Marshall College of Law for its 100th Anniversary. On October 2, the Attorney General may attend a 311 Event in Baltimore, MD. On October 4, Attorney General Reno will address the University of North Carolina at Charlotte for its 50th Anniversary.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Drug Abuse Hotline Number:** On October 17-22, the daytime drama *Guiding Light* will air the SAMHSA/Center for Substance Abuse Treatment Referral Helpline number and the National Clearinghouse on Alcohol and Drug Information Web Site address at the end of upcoming episodes dealing with alcoholism and misuse of prescription drugs. Last month, Secretary Shalala addressed the Soap Summit in NY and encouraged daytime dramas to provide accurate public health information in their story lines.
- ✓ **National Breast Cancer Screening:** On October 1, HHS will announce grants to health departments in 50 states, the Virgin Islands, D.C., and thirteen American Indian/Alaskan Native organizations to implement a nationwide breast and cervical cancer screening program for medically underserved women. This announcement will be one of many programs coordinated during October for Breast Cancer Awareness Month.

9-29-96

- **New Breast Imaging Technology Grant:** On September 30, HHS, in a unique collaboration with the CIA, will award \$1.98 million to the University of Pennsylvania to conduct a series of clinical trials of imaging technology from the intelligence community. This imaging technology, originally used for missile guidance and target recognition, is being studied as a device to improve the early detection of breast cancer.
- ✓ **Medicaid Counseling Project:** Next week, HHS and the Robert Wood Johnson Foundation will announce grants to support demonstrations of a "cash and counseling" alternative for providing long-term care for Medicaid recipients with disabilities. The voluntary experiments will allow persons with disabilities to elect to receive cash with which to make their own personal care arrangements in lieu of receiving services paid directly by the Medicaid program. Under this program, AR will receive \$448,294 and NY will receive \$498,738.
- ✓ **NY Medicaid Proposal:** HCFA and NY are in the process of negotiating the terms and conditions of the NY's demonstration proposal, The Partnership Plan. The demonstration program would move approximately 2.7 million current Medicaid eligibles and 300,000 Home Relief beneficiaries into managed care. The Partnership Plan also proposes to establish special needs plans to serve individuals with HIV/AIDS and mentally ill adults and children.
- **Lab Fraud Settlements:** Two national clinical laboratories agreed to pay \$11 million to settle allegations of submitting false claims to Medicare and other federally funded insurance programs by billing for certain blood profiles neither ordered by doctors nor medically necessary. The settlement by Corning Clinical Laboratories, Inc., formerly known as MetPath, Inc., and Unilab Corporation, resolves a civil fraud action covering laboratories in CA, CO, CT, FL, MI, MO, and GA. When doctors ordered a complete blood count test, these laboratories allegedly billed federally funded insurance programs for additional hemogram indices even though they were not requested or needed.
- **Family Assistance Grants:** On September 30, HHS may announce approval of the Temporary Assistance of Needy Families plans for WI and MI. FL, OH, MA, and VT have also submitted their TANF State plans, which are pending approval.
- **Child Care Grants:** On September 30, HHS will award \$9 million in FY96 discretionary funds to States, Territories and 237 Tribal Grantees. These CCDBG funds provide child care assistance to low-income families and increase the affordability, availability and quality of child care and development services.

9-29-96

- **Home Drug Testing:** On September 30, the House Commerce Subcommittee on Oversight and Investigation will hold a hearing at which some attention will be focussed on FDA's action concerning "Aware," a home test kit to determine drug use. Because of unresolved questions concerning this kit's accuracy and reliability, FDA has approved use of it only if a physician, psychologist or drug abuse counselor is involved in the decision to use it and in the interpretation of its results. It is expected that Chairman Barton will take the view that the FDA action is an infringement of parental autonomy. Dr. Bruce Burlington, Director of FDA's Medical Devices center, will testify.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- ✓ **Homeownership Record and Capital Gains Tax Proposal:** Over the next several weeks, Secretary Cisneros will be in CA, MI, CO, NM, and NY to promote your homeownership record and proposed capital gains tax credit plan.
- **Secretary's Schedule:** On September 27, Secretary Cisneros will address the RC 2000 Conference of Community College Presidents in Denver, CO, to announce the winners of the Campus of Learners initiative. He will also address the luncheon meeting of the Council of La Raza. On September 28, Secretary Cisneros will participate in homeownership events in Pueblo, CO, and Santa Fe, NM. On September 30, Secretary Cisneros will announce the opening of the Philadelphia Homeownership Center in Philadelphia, PA. On October 1, Secretary Cisneros will possibly do a press event with Senator Mikulski on turning around the Hollander Ridge public housing in Baltimore, MD. On October 3, Secretary Cisneros is planning to participate in a homeownership event in NY.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- ✓ • **NC Drug-Free America Event:** On September 30, Director McCaffrey will deliver a keynote address to kick off the Partnership for a Drug-Free North Carolina as they join the 45 other states and major cities launching a formal alliance with the National Partnership for a Drug-Free America. This is the largest public service educational effort in the history of NC.
- ✓ • **TOP COPS Awards:** On October 3, Director McCaffrey will participate in the National Association of Police Organization's (NAPO) third annual TOP COPS Awards Ceremony in Washington, D.C. Director McCaffrey will present a TOP COP Award to U.S. Customs Special Agent Compton who was the head investigator in the largest "port-runner" drug investigation in the history of the U.S. Customs Service. The investigation resulted in the seizure of 4,000 pounds of marijuana, 8,300 pounds of cocaine, and the arrest and indictment of 36 individuals.

- **Media Activities:** On September 26, Director McCaffrey will conduct an editorial board meeting with the Christian Science Monitor. On September 30, Director McCaffrey will conduct an editorial board meeting with the Raleigh News and Observer.

DEPARTMENT OF INTERIOR

- **Pilot Fee Project Update:** On October 7, Interior plans to announce the public discussion stage of an experimental program which will result in new or increased user fees at wildlife refuges, Bureau of Land Management areas, and National Parks. No fees will actually be charged until after January 1. All fees will be targeted to specific projects, including parking lots, trails, and water systems. The Forest Service has already announced its new fees with little or no controversy.
- **Gulf of Mexico Lease Sale:** For the second time this year, a federal offshore natural gas and oil lease sale in the Gulf of Mexico has set a record. Minerals Management Service received a record 929 bids on 617 tracts. On October 26, 57 participating companies offered \$352 million in high bids at the sale held in New Orleans, LA. This is the first sale in the Western Gulf of Mexico, and only the second sale overall, in which tracts receiving bids in water depths of 200 meters or more are eligible for consideration under provisions of the Deepwater Royalty Relief Act signed by you in November 1995. This sale, along with the record breaking Central Gulf Sale earlier this year, are clear indications that the Gulf of Mexico is embarking on a new era for offshore energy development.
- **UT National Monument Update:** Implementation of your proclamation designating the Grand Staircase-Escalante National Monument in UT will require tremendous effort in at least three major areas: 1) development of a management plan for the Monument; 2) consolidation and exchange of state school lands within the Monument's boundaries; and 3) resolution of issues related to coal leases held by Andalex and the environmental impact statement being prepared for the mining operation. For each of these general areas, DOI is identifying actions or decisions that must be completed in the next few months.
- **Secretary's Schedule:** On September 27, Secretary Babbitt will participate in the South Florida Ecosystem Restoration Task Force Meeting in Ft. Lauderdale, FL. He will also be meeting with South Dade agricultural representatives. On September 28, Secretary Babbitt will be participating in a roundtable discussion in Boulder, CO, with tribal leaders on tribal relations and on establishing a joint Tribal-Interior action agenda to strengthen the trust relationship.

9-29-96

UNITED STATES DEPARTMENT OF AGRICULTURE

- **National Home Loan Program:** On September 30, Secretary Glickman will launch a National Performance Review initiative in St. Louis, MO, which will centralize home loan servicing for 600,000 borrowers nationwide-saving the government about \$250 million over the next five years. The new centralized service in St. Louis will now handle all loan servicing through an automated system that will expand and improve benefits to new and existing home loan borrowers.
- **AZ and NM Timber Harvesting Injunction:** The AZ District Court recently declined to lift the August 1995 injunction against timber harvesting activities on National Forests in AZ and NM. This opinion has significant negative implications for the Forest Service's system of staged decision making and several prominent ecological protection efforts, including the Pacific Northwest Forest Plan and the ongoing planning effort to protect Pacific salmon in the Upper Columbia River Basin.
- ✓ **Cattle Prices:** Choice grade fed steer prices have moved into the low \$70-per-cwt range in September, compared with prices in the high \$50s during the spring. Continued high feed costs and uncertainty about feed supplies are also helping hold down feeder cattle prices. Feeder cattle prices are expected to strengthen if the corn crop reaches the level forecast, but weakening fed cattle prices later this year will dampen the rise.
- ✓ **U.S. Poultry:** Driven by gains in broiler part exports, U.S. poultry meat exports for the first seven months of 1996 are approaching \$1.3 billion. U.S. poultry meat exports have topped 1.3 million tons, up 20 percent from last year. Exports to Russia account for much of this gain, with a strong July export pace pushing total Russian imports to-date to a healthy 500,000 tons.
- **Hurricane Update:** Agricultural damages in Puerto Rico include farm structures, roads, livestock, and aquaculture. Preliminary agricultural losses total over \$125 million. Crops particularly hard hit are coffee, plantain and bananas, ornamentals, citrus, and vegetables. Weather continues to affect NC's cotton crop following Hurricane Fran, with cotton prospects having been further reduced by subsequent heavy rains. Good weather in the next several weeks will be crucial to save what is left of the crop. Cotton grades, however, will certainly be lower as a result of the rain, and cotton that had already opened will be the most affected. On October 3, Secretary Glickman will be in Fayetteville and Raleigh, NC, to visit with farmers and others about the disaster.

- **National School Lunch Week:** October 14-18 is National School Lunch Week emphasizing USDA's efforts in helping schools prepare healthier meals and motivating students to make healthy food choices. USDA officials will visit Team Nutrition school around the country, including Nashville, TN, Boston, MA, and Cleveland, OH.
- **Secretary's Schedule:** On September 30, Secretary Glickman will launch the Dedicated Loan Origination and Servicing System, a National Performance Review initiative, in St. Louis, MO. On October 3, Secretary Glickman will participate in events in Fayetteville and Raleigh, NC. On October 4, Secretary Glickman will participate in events in Aberdeen and Watertown, SD. On October 5, Secretary Glickman will participate in events in Great Falls and Shelby, MT. On October 11, the Secretary will participate in an event in Lansing, MI. On October 12, Secretary Glickman will participate in the Farm Aid concert in Columbia, SC.

DEPARTMENT OF ENERGY

- **Environmental Technology Program Awards:** On October 2, DOE will announce the ETP Awards. Energy officials will make the announcement to develop basic and applied research partnerships that will provide the foundation for new technologies in pollution prevention, energy efficiency, and improved environmental quality.
- **Environmental Science Lab:** On October 16, DOE will dedicate a \$229 million construction project at the Pacific Northwest National Laboratory. The dedication will highlight the Administration's commitment to science and the environment and stimulate economic growth in the private sector.
- **Clean Cities Signing Ceremony:** On October 4, Secretary O'Leary will attend the Norfolk, VA, Clean Cities designation signing ceremony.
- **NJ Electricity Industry Meeting:** On October 10, Secretary O'Leary and Congressman Pallone will co-host the first of four public meetings to obtain input from affected constituencies on the wide range of issues related to electricity industry restructuring.

9-29-96

- **Sallie Mae "Candidate's Package:"** On September 24, The *Washington Post* reported on the Student Loan Marketing Association's (Sallie Mae) document entitled "Responding to Clinton/Democratic Charges on Student Loans: Candidate's Package on Federal Student Loans." The 11-page document advises Republican candidates on how to defend themselves from criticisms of their opposition to the Federal Direct Student Loan Program. The Chairman of the Board and CEO of Sallie Mae have sent Secretary Riley letters regretting the document and repudiating it. The bill containing Sallie Mae privatization passed the House and is pending in the Senate.

✓
Caucus
Done?

- **UNCF President Resignation:** On September 20, Secretary Riley received a letter from William H. Gray III, President of the UNCF, resigning from the Historically Black College and University Capital Financing Board. Mr. Gray complained that since the HBCU Capital Financing Program was established in 1992, no loans have been made under the program and that "disagreement continues within the administration about how to administer this program." The first loan under this program, to West Virginia State University, was closed after Mr. Gray's resignation.
- **Parochial School Disability Case:** Last week, DOEd received a copy of a petition for Supreme Court Review of K.R. v. Anderson Community School Corporation, a Seventh Circuit decision that the Individuals with Disabilities Education Act does not require a public school district to provide a full-time instructional assistant to a child with disabilities who was voluntarily placed in a parochial school. A subsequent decision in another circuit conflicts with the K.R. decision. The DOJ filed an amicus brief in the case at the Seventh Circuit supporting the school district's position. The U.S. does not plan to file a brief with the Supreme Court unless the Court requests it..
- **Improving America's Schools Conference:** On September 24-26, the first of three regional conferences sponsored by DOEd is occurring in St. Louis, MO. Other regional conferences are in San Francisco, CA, and Atlanta, GA.
- **Net Day Kickoff:** Secretary Riley will make remarks at a September 26, Washington D.C. Net Day event. Secretary Riley is scheduled to participate in Net Days in Princeton, NJ, Boston, MA, and SC.

- **Secretary's Schedule:** On October 4, Secretary Riley will speak at an event with Governor Miller in NV. On October 4, Secretary Riley will keynote an event at the University of California at Berkeley. On October 8, Secretary Riley will visit Lorraine Community College in Cleveland, OH, with Congressman Brown. On October 2, Secretary Riley is scheduled to announce technology challenge grants in MI.

VETERANS AFFAIRS

- **Medicare Reimbursement Projects:** During the August recess, the Administration's proposed legislation to establish pilot projects for Medicare reimbursement to VA for care provided to certain Medicare-eligible veterans was transmitted to Congress. We have not been able to get any Senate action. The House Veterans' Affairs Committee is planning to move ahead with a version that is markedly different from the Administration's and is significantly defective. VA wishes to see this legislation move and be revised in the Senate.
- **Homeless Grants:** Later this month, VA will be announcing the award of homeless assistance grants totaling some \$5.8 million to 23 public and private nonprofit groups to develop new programs to assist homeless veterans. VA has awarded grants to 76 agencies over the past three years. The grants supplement up to 65 percent of the cost of acquiring or renovating facilities that will be used for supportive housing service centers. VA is also providing direct assistance to native American veterans with grants to the Standing Rock Sioux Tribe in Fort Yates, ND; the Rosebud Sioux Tribe in Rosebud, SD; and the Seattle Indian Center Seattle, WA.

ENVIRONMENTAL PROTECTION AGENCY

- **Brownfields:** On September 30, EPA will announce a new round of Brownfields grants that will provide seed money to help clean up and redevelop abandoned, contaminated urban property.
- **Media Activities:** On September 25, Administrator Browner was interviewed by NPR for a segment comparing former Senator Dole's and your records on the environment. *The Washington Post* is working on an article that will show the effects of former Senate Majority Leader Dole's regulatory reform proposals on the Administrations right-to-know initiatives. *The New York Times* is also working on an article about the latest expansion in right-to-know.

- **Children's Health and the Environment:** Administrator Browner sent a memo to you to recommend issuing an Executive Order that would require health and safety regulations and standards to take into account the unique risks faced by children from environmental threats, coordinate research across the government concerning children's health, and develop a pamphlet to provide information to families about practical steps they can take to protect themselves from environmental threats. Administrator Browner also recommended that the Administration challenge Congress to adopt legislation -- embodied in a set of principles issued with that challenge -- that would provide consumer information labels to families warning of any unique health risks to children from products containing toxic compounds.
- **Administrator's Schedule:** On October 10, Administrator Browner will visit a sewage treatment plant with Congresswoman Lowey in NY. The Administrator will highlight steps taken to improve water quality in Long Island Sound. On October 10, the Administrator will attend the Chesapeake Bay Executive Council Meeting in Harrisburg, PA. On October 18, the Administrator will meet with the Society of Environmental Journalists in St. Louis, MO.

OFFICE OF PERSONNEL MANAGEMENT

- **Federal Health Insurance Premiums:** The Federal Employees Health Benefits (FEHB) program will face an average premium increase for 1997 of just 2.4 percent. The FEHB program covers more than 9 million federal employees, retirees, and dependents. Sixty four percent of participants will see their share of the premium remain the same or decrease next year. From 1989-97, FEHB premiums have increased an average of 3.7 percent annually, compared with a 7.9 percent average annual increase in the private sector.
- **Home Addresses for Unions:** OPM expects a Treasury-Postal continuing resolution to contain language prohibiting the release of bargaining unit employees' home addresses to federal labor unions without employee consent. The Senate has already adopted language offered by Senator Gregg that is overly restrictive in that it prohibits other allowable address releases.
- **Congressional Activity:** On October 3, the House Civil Service Subcommittee has tentatively scheduled a hearing on "Campaigning at Taxpayer Expense: Politicizing the Federal Workforce."

GENERAL SERVICES ADMINISTRATION

- **Downtown Association Meetings:** In the next three weeks, Administrator Barram is scheduled to address Downtown Associations in Dallas, TX, Cleveland, OH, Keene, NH, Memphis, TN and St. Louis, MO, to highlight GSA's role in Empowerment Zones. On October 8, Administrator Barram will speak at the FDA groundbreaking ceremonies in Cincinnati, OH. On October 17, Administrator Barram will speak at the dedication of the renovated Court of Appeals Building in San Francisco, CA.

✓ **Computers to Schools:** GSA's New England Region is actively reaching out to schools in search of participants for their Federal Excess Computers Donation Program/Tech Day scheduled for October 28. On September 17, the FEB facilitated a transfer of \$57,700 worth of computer equipment to the Lowell, MA, Enterprise Community. This brings total FEB transfers to the EZ/EC communities of Boston, MA, Lowell, MA, and Burlington, VT, to \$198,272. On September 13, Commissioner Peck announced the transfer to 150 personal computers and related equipment to the city of Philadelphia, PA, from federal agencies in the Philadelphia area.

cc:	The Vice President	Michael McCurry
	Leon Panetta	Doug Sosnik
	Harold Ickes	Marcia Hale
	Evelyn Lieberman	Don Baer
	George Stephanopoulos	Ron Klain
	Alexis Herman	Rahm Emanuel
	Carol Rasco	John Hilley
	Maggie Williams	

THE PRESIDENT HAS SEEN
9-29-94

DEPARTMENT OF LABOR

- **Worker Safety Citations:** On September 26, Secretary Reich cited Lisbon Contracting, a utility contractor, with a penalty of \$374,400 for two serious citations in NJ and PA.
- **Minimum Wage Event:** On October 1, Secretary Reich will meet with minimum wage workers to commemorate the implementation of the minimum wage increase recently signed into law.
- **United Auto Workers:** On September 17, the tentative agreement between Ford and the United Auto Workers was approved by the union's Executive Board and its UAW-Ford Council of local union officers. Following a series of regional meetings, the union will have a ratification vote. The entire process is expected to be completed by September 29. Contracts with Chrysler and General Motors have been extended. The UAW has yet to identify a "target" for the second round of talks.
- **Steelworkers:** Negotiations to replace a contract expiring on October 1 are continuing between the United Steelworkers and the Wheeling-Pittsburgh Steel Corporation. Some 4,500 workers are covered by the agreement.
- **Prison Labor and the Minimum Wage:** DOL is negotiating with Senator Graham to remove or modify the Reid-Graham amendment on the Labor-Health and Human Services Appropriations bill and the proposed continuing resolution. The amendment eliminates minimum wage and overtime coverage for inmates who participate in state-sanctioned work programs.
- **Secretary's Schedule:** On September 30, Secretary Reich will travel to Boston, MA, to participate in events with congressional candidate John Tierney. On October 1, Secretary Reich will deliver a lecture on income inequality at George Washington University. On October 3, Secretary Reich will convene a roundtable of consumer reporters to release a pension publication that will give workers guidance on steps they can take to guard their pensions.
- **Employment Numbers:** On October 4, Secretary Reich will release the monthly employment and unemployment numbers.

Leon
Wright
on this?
C. S. Baker

Dorothy / Sandy

THE PRESIDENT HAS SEEN
9-29-96

Summa.
N. this -

BC

9/26/96

THE PRESIDENT HAS SEEN
9-29-96

Betty -

Last night at the Congressional
Hispanic Caucus Dinner, the President
asked me to remind him to
follow-up with Rep. Bill Richardson
regarding the NSC. Thanks,
xl-6620 Janet

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 9-29

TO: Leon Panetta
John H. H. H.
Frank Rhines
FROM: Staff Secretary

Jesse Jackson appeal
to get Eleanor Holmes
Norfolk D.C. tax bill
in the Omnibus "CR".

He says in letter he's
going to call POTUS.

cc: M. Foley

NATIONAL
RAINBOW
COALITION



DATE Sept 26, 1996
TO President William Clinton
FAX # 456-1121
FROM Rebecca Jacobson
PHONE # 202 728-1180 X18
OF PAGES (INCLUDING COVER PAGE): 3

TERRI HAYES - Office of the President

NATIONAL, 1700 K Street, NW, Suite 800, Washington, DC 20006, (202) 728-1180 Phone, (202) 785-2391 F

NATIONAL RAINBOW COALITION

September 26, 1996

President William J. Clinton
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear President Clinton:

As you know, I have been Statehood Senator for the District of Columbia for the past six years, and you have supported the quest of District residents for full citizenship rights. It has been painful to watch the fiscal decline and fall of the capital of the United States since you took office and the outright resistance to the full congressional representation and self government accorded every other jurisdiction that flies the American flag. Imagine how, as governor of Arkansas, you would have responded if your congressional representatives were denied a vote in Congress, even though your residents were second per capita in federal income taxes and had fought and died in every war since the American Revolution. These are the circumstances that made me run for statehood senator. I cannot leave this post this year without trying to take a step that helps to remedy at least part of this moral and civic outrage.

It should be a matter of national shame that the nation's capital is now solvent. Congresswoman Eleanor Holmes Norton has sponsored a bill that may be the only hope for retaining the fiscal viability of Washington, D.C. as a city. Although the four territories have the exact same representation in Congress as the District, they pay no federal income taxes whatsoever. The District of Columbia Economic Recovery Act (DCERA) would provide a progressive tax cut but would leave residents still paying federal income taxes. Thus, the DCERA is not meant to deal with all of the unconscionable denials of basic democratic rights. However, it could well determine whether the city lives or dies.

Only 11.5% of D.C. tax filers earn between \$50,000 and \$100,000, compared with 20% nationally; 83% of D.C. filers earn less than \$30,000. D.C. lost 33,000 residents during the ten years of the 1980s, but in only the first five years of the 1990s, the city has lost 46,000.

The DCERA affords a financial lifeline to a city that is dying by offering a financial incentive to rapidly fleeing residents to remain here. The DCERA is needed to make up for the fact that the

Reverend Jesse L. Jackson, President and Founder
Dennis Rivera, Chairman, Board of Directors

Francisco L. Borges, Treasurer
The Honorable Salima Siler Marriott, Secretary

President William J. Clinton
September 26, 1996
Page 2

District has no state to recycle income from wealthier areas, yet must pay for state functions such as Medicaid (25% of D.C. residents receive Medicaid!); is barred from taxing commuters who use city services; cannot tax most of the land in town because it is federally owned; is severely restricted in private economic development by rigid height and other restrictions; and is prevented from requiring property taxes from special interests, such as the Daughters of the American Revolution and the American Chemical Society. The Norton bill gives progressive reductions according to income, from a 70% reduction (\$15,000 to \$30,000 income) to a 34% reduction (\$200,000 and over).

Congresswoman Norton is struggling to get her bill included in the omnibus continuing resolution, and at least some members of the House and Senate leadership are trying to help her. (More than twice as many Democrats as Republicans have co-sponsored the DCERA in the House.) Obviously, it will be difficult for Eleanor to jump all necessary hurdles, but the bill is by no means dead. However, whether or not you can endorse this measure, I certainly hope you would not send any signal that you would veto the continuing resolution if it were to contain what I believe to be a life or death provision to keep the District of Columbia alive.

I strongly support the DCERA and will continue to support the bill publicly. The 500,000 people I have represented as statehood senator deserve a lot more than they have gotten. In the time of the city's greatest need -- on your watch -- I ask you not to turn your back on its residents, as some of your advisors appear to have done. I will call you myself shortly.

Sincerely,

A handwritten signature in black ink, appearing to read "Jesse Jackson, Jr.", with a stylized, cursive script.

Reverend Jesse L. Jackson
President
National Rainbow Coalition

THE WHITE HOUSE

WASHINGTON

96 SEP 27 09:25

September 26, 1996

MEMORANDUM FOR TODD STERN

FROM:  DAN BURKHARDT

SUBJECT: POST-INAUGURATION CHAIR
REQUESTS

Attached is a draft of a letter that Matt Millikin, Jim, and I prepared to address requests for the President and/or First Lady to serve as honorary chairs for events after next year's inauguration. Please let me know if you agree with this approach and with the substance of the letter. Thanks.

Attachment



Date

Name
Address
City, State Zip

Dear _____:

Thank you so much for your letter requesting that the President (and First Lady) serve as Honorary Chair(s) for your event.

The President (and Mrs. Clinton) sincerely appreciate(s) your interest. Unfortunately (he/they) cannot commit at this time to an event date so far in the future. However, we are pleased to keep your invitation on file and expect to be able to respond to your request later this year. You should hear from us again after we have completed our review.

On behalf of the President (and First Lady), I thank you again for your interest.

Sincerely,

James A. Dorskind
Special Assistant to the President
Director of Correspondence and
Presidential Messages

HONORARY PARTICIPATION REQUEST

Please return to Room 457

Today's Date: September 26, 1996

Date of Request: 7/31/96

Request for: POTUS

Type of Request: Chair of the Honorary Government Committee

Requestor Name: Mr. Frederick L. Potter

Title: Executive Director

Organization: Organizing Committee
America's Clean Air Celebration
Suite 1000
1925 North Lynn Street
Arlington, Virginia 22209

Contact Tel. #: 703/528-2500

Event Date: 10/7/97

Event Description: Black-tie dinner

Notes: This event will celebrate air quality improvements and highlight the progress that the oil and auto industries have made in this area. A list of those people invited to participate and those who have accepted is attached. CEQ believes that the President should regret this request because the event is weighted too heavily toward past clean air accomplishments and does not sufficiently emphasize future environmental needs. The Vice President's staff has indicated that he will regret this request.

The President should REGRET.

Recommendations:

TS mo EL _____
(Unless otherwise noted, a yes answer
will automatically generate a message).

Comments:

96 SEP 27 10:07

America's Clean Air Celebration

Celebrating 30 Years of Progress, 1970-2000

July 31, 1996

The Honorable William Clinton
President of the United States
Office of the President
Old Executive Office Building
Washington, D.C. 20501

Dear Mr. President:

Recognizing your history of leadership, we are officially inviting you to serve as the Honorary Chair of the Government Committee for *America's Clean Air Celebration: 30 Years of Progress, 1970-2000*. The black-tie celebration is being held in the nation's capital, at the J.W. Marriott Hotel, Monday evening, October 7, 1996. We hope you can attend, and will serve as Honorary Chair of this national event.

As the enclosed preliminary program indicates, the primary purpose of this event is to celebrate the major U.S. air quality improvements, and highlight the measurable progress both the oil and auto industries have made in producing cleaner fuels and motor vehicles. We will also provide both a national publication and video documenting these improvements. Appropriate credit will be given to government leaders (from Presidents Nixon to Carter to Bush to yourself), and to the auto and oil industries for the major improvements achieved over the past 30 years. A portion of any proceeds gained from this event will be directed towards further environmental and energy education.

We are in the final stages of completing our plans for *America's Clean Air Celebration*, and will be working closely with government leaders, major environmental organizations, as well as the American Automobile Manufacturers Association, the American Petroleum Institute, and the Clean Fuels Development Coalition.

D. Reid Wilson, Deputy Chief of Staff, U.S. EPA and Ed Rothschild, Energy Policy Director for Citizen Action will be playing prominent roles in the organization and public outreach aspects of *America's Clean Air Celebration*. Each have agreed to serve as supplemental points of contact for your staff to communicate with as you consider accepting our invitation to serve as the Honorary Chair of the Government Committee for this major national event. Please have your staff contact Jackie Stepan or myself if you will be accepting our invitation.

We very much look forward to the prospect of having you with us the evening of October 7, and are honored that you will consider playing an important role in celebrating America's energy, environmental and economic success story.

Wishing you every success, I remain

Sincerely,

Frederick L. Potter

Executive Director, Organizing Committee

cc: D. Reid Wilson, U.S. EPA, 202/260-7960
Edwin Rothschild, Citizen Action 202/775-1580

Honorary Chair
Matt Miliken
RM 457
Special Reg
Regret -

Status As Of September 9, 1996

Honorary Chairs from Industry

Mike Bowlin, Chairman, ARCO (C)
John Hall, Chairman, Ashland Inc. (C)
Urban Sternfels, President, NFPA (C)

Andrew Card, President, AAMA (C)
Jack Smith, Chairman, General Motors Corporation (C)
Rob Liebertore, Vice President, Chrysler Corporation (C)
Elliott Hall, Vice President, Ford (C)

Honorary Government Committee

President Bill Clinton (Inv.)
Vice President Al Gore (Inv.)
Senate Minority Leader Thomas Daschle (C)
The Honorable George Mitchell (C)
Senator J. Bennett Johnston (C)
Senator John Breaux (C)
Senator Max Baucus (C)
House Minority Leader Richard Gephardt (Inv.)
Congressman John Dingell (Inv.)
Congressman Henry Waxman (Inv.)
Council on Environmental Quality, Kathleen McGinty (Inv.)
Governor Ben Nelson (C)
Governor Roy Romer (C)

Republican Presidential Nominee Bob Dole (Inv.)
Republican Vice Presidential Nominee Jack Kemp (Inv.)
The Honorable George Bush (C)
Senate Majority Leader Trent Lott (Inv.)
Senator John Chafee (C)
Senator Frank Murkowski (C)
Senator Don Nickles (Inv.)
Congressman Newt Gingrich (C)
Congressman Bill Archer (Inv.)
Congressman Joe Barton (Inv.)
Governor John Engler (C)
Governor Tommy Thompson (C)
Governor Bill Weld (C)
Governor Pete Wilson (Inv.)

Clean Air Advisory Group

Joe Colucci, Co-Chair, U.S. Auto/Oil (C)
Denny Minano, Vice President, General Motors (C)
Charlie DiBona, President, API
Doug Henderson, Executive Director, WSPA (C)
Ernie Micek, Chairman, Cargill Inc. (Inv.)
Edwin Rothschild, Executive Director, Citizen Action (C)
Greg Dana, Vice President, ALAM (C)
Bruce Carhart, Executive Director, OTC (C)
Jasim Grunet, Executive Director, NESCAUM (C)
Bill Becker, Executive Director, STAPPA/ALAPCO (C)
James Strock, Secretary, California EPA (C)

Jack Wise, Mobil, Co-Chair, U.S. Auto/Oil (C)
Brian Mulrone, President, Consult Communications (Inv.)
Helen Petrauskas, Vice President, Ford (Inv.)
George Peapples, Vice President, General Motors (C)
Ken Dickerson, Senior Vice President, ARCO (C)
Mary Gade, Chair, OTAG (Inv.)
John Dunlap, Chairman, CARB (C)
Fred Krupp, Executive Director, EDF (Inv.)
Jim Lents, Chairman, SCAQMD (C)
Carl Pope, Executive Director, Sierra Club (Inv.)
Charles Imbrecht, Chairman, CEC (Inv.)
Ron White, Deputy Director, American Lung Assoc. (Inv.)

Organizing Committee

Lodwrick Cook, Honorary Co-Chair Organizing Committee (C)
Bill O'Keefe, Chief Operating Officer, API
Diane Graham, President, STRATCO (C)
Arthur Wiese, Vice President, Public Affairs, API (C)
C. Boylen Gray, Senior Partner, Wilmer, Cutler, Pickering (C)
David E. Hallberg, President, BioClean Fuels Inc. (C)
Todd Sneller, Administrator, Nebraska Ethanol Board (C)

Jim Kinnear, Honorary Co-Chair Organizing Committee (C)
Frederick L. Potter, President, IRI (C)
Douglas Duranle, Executive Director, CPDC (C)
Jim deGraffenreid, President, HART Publications (C)
William Reilly, Visiting Professor, Stanford University (C)
Bill Rosenberg, President, E3 Ventures (C)
Marvin Schlanger, COO, ARCO Chemical Co. (C)

EPA Administrator Carol Browner — Confirmed Participant, Can not serve on Honorary Committee

(C) — Confirmed Participation
(Inv.) — Letter Sent, but not Confirmed

HONORARY PARTICIPATION REQUEST

Please return to Room 457

Today's Date: September 26, 1996

96 SEP 27 A10:07

Date of Request: 9/17/96
Request for: POTUS
Type of Request: Honorary Banquet Chairperson
Requestor Name: Mr. Richard Lapchick
Title: Director
Organization: Sport in Society
Northeastern University
360 Huntington Avenue, 161 CP
Boston, Massachusetts 02115
Contact Tel. #: 617/373-4025
Event Date: 11/19/96
Event Description: 1996 Sport in Society Annual Awards Banquet and Hall
of Fame Induction Ceremony

Notes: This AmeriCorps organization is dedicated to helping at-risk youth strike a balance between academics and athletics by expanding the positive role sports play in society. The President accepted this request in 1995. The President indicated to Eli Segal that he would accept again for this year, and Eli has informed the group that the President will serve. Given the status of this request, this memorandum is for your information only, unless you feel we should try to reverse the decision.

Recommendations:

TS OK EL _____
(Unless otherwise noted, a yes answer
will automatically generate a message).

Comments:

SPORT IN SOCIETY™

THE CENTER FOR THE STUDY OF SPORT IN SOCIETY

Northeastern University
360 Huntington Avenue, 161 CP
Boston, Massachusetts 02115
(617) 373-4025
(617) 373-4566 Fax

September 17, 1996

BY FAX

Ms. Carmen Fowler
Office of Correspondence and Presidential Messages
The White House
Washington

Dear Ms. Fowler:

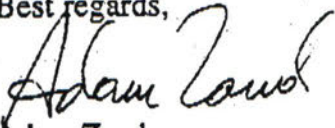
On behalf of Northeastern University's Center for the Study of Sport in Society, I am requesting a correspondence from President William Clinton for inclusion in the banquet program of our 1996 Sport in Society Annual Awards Banquet and Hall of Fame Induction Ceremony being held on November 19, 1996.

We are pleased that President Clinton has once again agreed to serve as our Honorary Banquet Chairperson for the event. We hope that he can again bring prestige to our printed materials for the evening by signing a letter of welcome.

I have enclosed a proposed draft of the letter as well as a copy of the letter that appeared in the 1995 Awards Banquet program. We are printing the program soon and if at all possible we would like the letter delivered within two weeks. Delivery should be made to me at the address on this letterhead or if using a overnight service our delivery address is 716 Columbus Avenue, Suite 161 CP, Boston, MA 02120. If you have any questions or need additional information, please call me at (617) 373-3159.

Thank you so much for your attention to this request. As always, we treasure the support that we receive from The White House.

Best regards,


Adam Zand
Marketing Assistant

Enclosures

cc: Richard Lapchick, Director, Sport in Society
June Ferestien, Director of Marketing and Development

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Wills Rees, Vice President, New Jersey Nets
Rachel Robinson, President, Jackie Robinson Foundation
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Roger Wilkins, Institute for Policy Studies

Players Association Directors

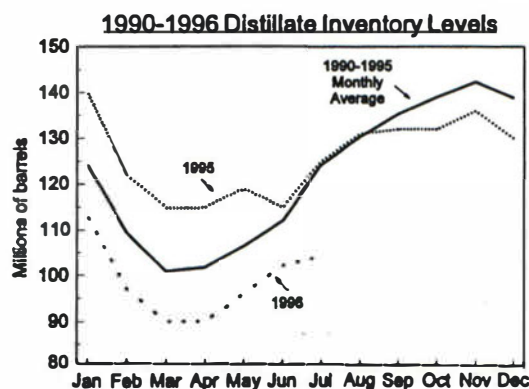
Doug Allen, NFLPA
Robert Goodnow, NHLPA
David McGreevy, NFLPA
Eugene Ushaw, NFLPA

CURRENT DEVELOPMENT

Could the Market for Heating Oil Get Hot?

Lean inventories appear to have been one cause of the spike in gasoline prices this spring. Some worry that it may be "deja vu all over again" this winter with distillates (which include home heating oil, diesel fuel, and some types of boiler fuels).

Analysis. Distillate inventories in 1996 have shown their normal seasonal pattern, but at levels below



those of earlier years (see chart). The most likely reason for these low inventories—and for low inventories of crude oil and other refined products as well—is market expectations through most of the year that crude prices would be lower in the near future. Although 1996 distillate inventories might be adequate to cover demand in a normal winter heating season, a colder winter than usual could produce a price shock.

Demand for distillates is determined primarily by two factors: the level of economic activity (which affects demand for diesel fuel from the trucking industry and is currently strong) and the severity of winter weather (especially in the Northeast where heating oil demand is concentrated). With inventories low, an early cold snap could strain supply. Although rising prices might elicit some incremental domestic production and imports, this supply response is likely to be limited.

Price prospects. The Department of Energy estimates that heating oil prices, which averaged about 93 cents per gallon last winter, will be about 9 cents per gallon higher this winter (reflecting higher crude oil prices this year). But if the weather is 10 percent colder than normal, an additional 7 to 8 cents a gallon could be tacked on.

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to
J. KLEIN

- **NJ Radio Personality Felony Plea:** On September 18, former nationally-syndicated talk-radio host Irwin H. "Sonny Bloch" pled guilty to eight felony charges. Bloch admitted using his broadcasts to promote fraudulent wireless cable and radio schemes, yielding more than \$21 million of investment. Bloch's financial advisory program reportedly reached more than 1.5 million listeners each day in 200 or more American cities.
- **Mexican Police Official Slain:** On September 21, a senior Tijuana drug enforcement official and three assistants were found tortured and murdered in Mexico City. The murder of Jorge Garcia-Vargas, subdirector of Baja California's National Institute to Combat Drugs, and his colleagues is the seventh gang-style slaying this year of law enforcement officials who had worked with the Baja California Federal Attorney General's (PGR) Delegation. Mexican officials declined to comment on a motive, but PGR officials stated they had the hallmarks of a drug related execution.
- **Colombian Narcotic Trafficker Sentenced:** On September 17, Colombian Fiscalia confirmed that Jorge Rodriguez Orejuela, brother of Cali Group kingpins Miguel and Gilberto Rodriguez Orejuela, was sentenced to 86 months imprisonment for narcotic trafficking.
- **Attorney General's Schedule:** On September 30, Attorney General Reno will address the Cleveland State University Marshall College of Law for its 100th Anniversary. On October 2, the Attorney General may attend a 311 Event in Baltimore, MD. On October 4, Attorney General Reno will address the University of North Carolina at Charlotte for its 50th Anniversary.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Drug Abuse Hotline Number:** On October 17-22, the daytime drama *Guiding Light* will air the SAMHSA/Center for Substance Abuse Treatment Referral Helpline number and the National Clearinghouse on Alcohol and Drug Information Web Site address at the end of upcoming episodes dealing with alcoholism and misuse of prescription drugs. Last month, Secretary Shalala addressed the Soap Summit in NY and encouraged daytime dramas to provide accurate public health information in their story lines.
- **National Breast Cancer Screening:** On October 1, HHS will announce grants to health departments in 50 states, the Virgin Islands, D.C., and thirteen American Indian/Alaskan Native organizations to implement a nationwide breast and cervical cancer screening program for medically underserved women. This announcement will be one of many programs coordinated during October for Breast Cancer Awareness Month.