Chron

EB – we need to discuss BC

THE PRESIDENT HAS SEEN
9-30-97

Credit report reform offers easier access

y Christine Dugas
ISA TODAY

Millions of Americans should nd it easier to get access to their redit reports and to correct er- ors after credit reforms take ef- ect Tuesday.

Congress approved changes in ie Fair Credit Reporting Act last ear. Consumer groups say the hanges don't protect consumer rivacy enough, but they should nprove credit reports' accuracy.

"In general, consumers won a ig victory," says Ed Mierzwinski t U.S. Public Interest Research roup.

Accuracy is crucial because usinesses use credit reports to ecide whether consumers can orrow money, rent an apart- ient or even get a job. Key hanges:

▶ Credit bureaus must correct iistakes within 30 days.

Use main numbers to order a copy of your credit report or to report a problem.

Credit bureau	Main numbers (phone 1-800)	To get off mailing lists (phone 1-800)
Transunion	888-4213	680-7293
Equifax	685-1111	556-4711
Experian	682-7654	353-0809

Source: companies listed

▶ Banks, retailers and others ho furnish information to credit ireaus must clean up their re- ords so errors don't reappear.

▶ Credit bureaus must offer ll-free phone numbers.

▶ Potential employers can't t a credit report without a job oplicant's permission. And be- re denying a job based on a edit report, an employer must ve the applicant a copy.

▶ The big three credit bureaus Experian (formerly TRW), quifax and Transunion — must are information so consumers in call one company to have eir name removed for two ears from lists of prospects for e-approved credit offers.

▶ Penalties for obtaining cred- reports under false pretenses w include big fines and up to o years in jail.

Credit bureau executives say ey already have been comply- g with many of the provisions.

Apple ad campaign honors

By Melanie Wells
and Julie Schmit
USA TODAY

NEW YORK — If you're known by the company you keep, interim Apple CEO Steve Jobs may hope the star power celebrated in Apple's new ads will rub off on his troubled computer company.

The campaign, which made its de- but on ABC's *Wonderful World of Disney* Sunday, pays tribute to cre- ative thinkers dead and alive. Among the living: Time Warner Vice Chairman Ted Turner, Virgin Atlantic Airways chief Richard Branson, and Bob Dylan. Deceased visionaries include Alfred Hitch- cock, Martin Luther King Jr., John Lennon and Frank Lloyd Wright. Mohandas Gandhi, a Jobs' hero, is also featured.

The message: Apple is a tool for creative thinkers.

"It's a clever idea and interesting that Apple is looking to the past — a period when it had its halcyon days," says Jeffrey Bernbach, an ad- vertising lawyer and a cousin to the late ad man Bill Bernbach, who also will be honored in the ads.

But some marketing experts think the ads should focus more on prod- ucts and Apple's future. Its market sh ... world- wi ...

Copied
Bowles

... Allen A ... ciates, w ... or and c ... humbs d ... ept. ... isiness p ... says. " ... ive ra- ti ... Apple c ... ' Right n ... reason t ...

... Trout agrees: "What's the news? What's

Low-income tax audits rising

IRS data confirm agent's suspicion

By Thomas A. Fogarty
USA TODAY

WASHINGTON — When a whistle-blowing Internal Revenue Service agent told the Sen- ate last week that she's spending an increas- ing amount of time dunning the poor, her bosses said her experience wasn't typical.

But the agency's own audit statistics show it's more than IRS agent Jennifer Long's imagination that has her working more often in the poor neighborhoods of Houston.

IRS statistics show:

▶ The audit rate for short-form filers with incomes less than $25,000 doubled from 1994 to 1995 — from about 1% to almost 2%.

▶ During the three-year period ended in 1996, the audit rate for individuals with in- comes of $100,000-plus hovered close to 2.9%. That reflects a precipitous decline from pre- vious years. In 1988, the audit rate for taxpayers with incomes of $100,000-plus was 11.4%.

"Our data support what (Long) said," says David Burnham, a Syracuse University professor who has posted IRS audit data on the Internet. "If you look at the evidence, upper-income income people are having an easier time."

Lawrence H. Summers, deputy Treasury secretary, defends IRS audit patterns, noting that large corpora- tions have, by far, the highest audit rate *(see chart)*. Fur- ther, high-income filers have the highest rate among in- dividual taxpayers. "The IRS audit strategy is aimed at using limited resources ... to make sure all taxes get paid," Summers says.

Long, a veteran revenue agent, testified the second day of three days of hearings before the Senate Finance Committee.

"As of late, we seem to be auditing only the poor," she told the committee. "In a typical case assigned for audit, there are no assets, no signs of wealth — no evidence that would support a suspicion of higher, unreported in- come."

Tax audits

This chart from the IRS shows the percentage of tax returns audited in selected income groups the past three fiscal years.

Type of income tax return	Fiscal '94	Fiscal '95	Fiscal '96
Individuals, by income:			
1040A, less than $25,000	1.04%	1.96%	2.00%
Non-1040A, less than $25,000	0.88%	1.30%	1.17%
$25,000 – $50,000	0.53%	0.90%	0.95%
$50,000 – $100,000	0.72%	1.05%	1.16%
$100,000 and over	2.94%	2.79%	2.85%
Corporations, by asset size:			
Under $250,000	0.84%	0.78%	1.04%
$250,000 – $1 million	2.47%	2.18%	2.76%
$1 million – $5 million	7.11%	6.05%	6.64%
$5 million – $10 million	15.83%	14.89%	14.08%
$10 million – $50 million	22.49%	19.79%	19.86%
$50 million – $100 million	24.69%	22.04%	21.29%
$100 million – $250 million	30.77%	27.92%	27.57%
$250 million and over	55.14%	51.77%	49.61%

Source: Internal Revenue Service

IRS issued a statement last week saying a statistical review of recent audit patterns "could result in an erro- neous conclusion that the IRS was unfairly targeting lower-income taxpayers at the expense of higher-in- come taxpayers."

At the same time, IRS acknowledges it is giving extra scrutiny to those who claim the earned income tax credit, a benefit intended to keep the working poor off welfare by providing payments up to $2,500 a year through the income tax system.

Tax officials say the special attention, which Republi- can congressional critics demanded, is merited. Ac- cording to an IRS study of returns filed during the 1995 tax season, filers claimed $4.4 billion more than they were entitled to. That figure is about 26% of the total claimed under the earned income tax credit.

At the top of the income scale, IRS says, these factors affected the declining audit rate:

▶ A smaller IRS examination staff auditing a larger pool of $100,000-plus returns.

▶ Elimination of high-end tax shelters by revisions in the 1986 tax act.

cc HRC | Bruce | Klein | Graham
B

THE PRESIDENT HAS SEEN
9-30-97

copied
HRC
Reed
Lewis
Emanuel
COS

Executives push family agenda

Meeting needs can retain talent

By Dottie Enrico and Stephanie Armour
USA TODAY

No sacrifice: Ogilvy & Mather CEO Shelly Lazarus, fourth from left, refused to cancel a trip with her family to attend a worldwide board meeting. The Lazarus clan, from left: Ted, Samantha, Benjamin, Shelly and George.

AP

Ogilvy & Mather chief executive Shelly Lazarus was once asked to forgo a family ski trip to attend a worldwide board meeting in Paris. She refused.

"People were horrified," she says.

She ended up with a compromise, but she still kept her family first.

"I took the family to Paris for vacation, attended the board meeting, then took everybody to visit (ad agency founder) David Ogilvy at his chateau later in the trip."

Despite the stereotypes, there are some high-ranking executives — both men and women — who are refusing to sacrifice family for career. And those executives are setting standards for employees who are grappling with the same demands.

Management experts say that may be exactly what it takes — for top executives to step forward as role models — to change the career-climbing climate that drives some to quit.

"The corporate culture is determined at the top," says Randall Buerkle, an organizational development expert.

"The more progressive organizations really have an empathy for the family," Buerkle says. "I think we'll see more and more of that."

Lazarus, for example, says she believes that empowering employees to speak up about their personal and professional needs can be a hidden asset for any company worried about holding on to talented performers.

Pepsi-Cola North America CEO Brenda Barnes put a spotlight on the problem last week when she resigned her post to focus on family.

Though Barnes said she was tired of missing school plays and family time, others have refused to fall into that trap.

Ellen Kullman, a vice president and general manager at DuPont in Wilmington, Del., shuffles her work schedule to meet family demands, taking time away from the office as needed.

"I think people are afraid to use the more flexible programs," Kullman says. "When they see me do it, they feel it's OK for them, too. I'm not apologetic."

Other examples:

▶ Mike Cook, chairman of Deloitte & Touche, watched in horror as top-performing women left the firm at a dramatically higher rate than men. Five years ago, he set up a task force to find out why.

He discovered that having flextime and job-sharing programs available wasn't enough. Cook says management attitudes, not just behavior, had to change so that workers could feel their careers wouldn't be stalled because they wanted time for personal pursuits.

"I always used to tell my secretary to tell callers I was in a client meeting if I left the office early to spend time with my family," he says. "Think of the message that sends.

"Every employee needs to believe that he or she can have a life outside of the office without feeling like it looks unprofessional," he adds.

▶ Karen Sones, a vice president at First Tennessee Bank in Memphis, works at home one or more days a week. Other employees have asked her advice on how to set up similar arrangements.

"It's part of the culture," Sones says. "It's talked about enough that employees are not afraid to ask for the time. They've seen others do it."

▶ Carol Buchanan moved about four years ago to Sonoma County, Calif., with the hope she could work at home. Her employer, Right Management Consultants, agreed.

"It's been four years, and this has been a gift," says Buchanan, a vice president and consultant.

Some change already is taking place, as more companies adopt — and use — family-friendly policies.

More than 50% of large companies allow working from home, and 50% allow job-sharing, based on a 1997 survey of 519 companies by Watson Wyatt, a human resources consulting firm.

Despite some change, other reports show many employees yearn to take a leap like Barnes'. A study this month from Lutheran Brotherhood showed 32% of people polled would give up their lifestyle for a simpler one with less pay.

The trick is how to do both.

"All of us have to start putting results and performance first," says Steve Groot, president of the Allstate Indemnity, which has more than 500 employees. "The time has passed where we give undue credit to window-dressing like working during vacations and spending long hours in the office."

Some companies called family-friendly

Working Mother **magazine's best companies for mothers (in alphabetical order)**

Allstate Insurance
Barnett Banks
Fel-Pro
Glaxo Wellcome
IBM
Johnson & Johnson
Merck
NationsBank
SAS Institute
Xerox

Business Week's **Top S&P 500 Family-Friendly Companies[1] (in order of ranking)**

MBNA America
Motorola
Barnett Banks
Hewlett-Packard
Unum
Lincoln National
Merrill Lynch
DuPont
TRW
Cigna
Lucent Technologies
ITT Hartford
Amgen
Texas Instruments
Rockwell International
Marriott International
First Chicago NBD
Baxter International
Medtronic
Autodesk

Source: Business Week, Sept. 15, 1997, issue.
1 – Publicly traded, in Standard & Poor's 500 Index

AY • M

ock offe

Company (ticker), underwriter

Bell Canada Intl. (BCICF)
Goldman Sachs
Wireless telecommunications firm

Best Software (BEST)
Hambrecht & Quist
Provides asset and payroll software for mi

Cognicase (COGIF)
Volpe Brown
Provides automated software maintenance

Corixa (CRXA)
Lehman Bros.
Develops vaccine products for cancer and

Engel General Developers
Friedman Billings
Israel housing developer

Gulf Indonesia Resources (GRL)
Goldman Sachs
Oil expoloration firm

Ivex Packaging (IXX)
Merrill Lynch
Provides specialty paper and plastic packa

Omega Research (OMGA)
Robertson Stephens
Provides investment analysis software for

OSI Systems (OSIS)
Robertson Stephens
Designs optoelectronic devices for security,

Petersen Companies (PTN)
Morgan Stanley
Publishes 78 special-interest magazines

Power-One (PWER)
Stephens Inc.
Designs power supplies for electronic equip

RSL Commun. (RSLC)
Goldman Sachs
International long-distance phone company

SPR (SPRI)
Smith Barney
Provides information technology

Source: Renaissance Capital, Greenwich

C

THE WHITE HOUSE

WASHINGTON

Date 7/30

To: Rob Malley for Sandy Berger

From: The Staff Secretary

How do you want to handle this?

STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 72201

Mike Huckabee
Governor

September 29, 1997

'97 SEP 29 PM5:38

President Bill Clinton
c/o Mack McLarty
Special Counsel to the President
The White House
Washington, D. C. 20500

Dear Mr. President:

It was certainly good having you in Arkansas last week for the ceremonies surrounding the 40th Anniversary of the Central High Crisis. Janet especially enjoyed her visit at the Mansion with Hillary.

I wanted to alert you to what could be a very serious problem that would directly affect a mutual friend and former kindergarten classmate of yours, John Anthony. But more importantly, could have a dramatic impact upon the relationship of Evangelicals and America with the nation of Israel.

In February of this year, a bill was introduced in the Knesset which would create a penalty of up to one year in prison for anyone who would distribute or import any material which could be construed as an enticement to change religion. There are other indications of an increasingly strict environment regarding basic human rights being challenged largely due to pressure from some of the more extreme religious sects within Israel.

John was in Arkansas during the past few days and I visited with him. As you are aware, John and his family have lived in Israel for twenty-three years and know the situation there quite well. Support for Israel has always been strong within the evangelical community in the United States but, this would weaken dramatically should the government entertain notions of this kind of censorship.

I would ask that you have a senior level official talk with John and ascertain what roll the United States could play in helping to avert potentially disastrous move by the Israeli government.

Thanks for your attention to this matter.

Sincerely,

Mike Huckabee

Mike Huckabee

MH:gs

cc: Dr. John Anthony

The American Jewish Committee

The Institute on American Jewish-Israeli Relations

CURRENT PROBLEMS OF THE CHRISTIAN COMMUNITY IN ISRAEL

(Summary of the Findings of Yossi Klein Halevi, Widely Respected Journalist, as reported in his lead story in the July 10, 1997 issue of THE JERUSALEM REPORT)

1. The Christian community reports continuing harassment by Moslem Arabs.

2. More and more Christians are leaving the country, caught between Moslem fundamentalism and Ultra-Orthodox Jews.

3. Israeli authorities are treating Christians with growing indifference and even contempt.

4. The staff of the Ministry of Religious Affairs' Christian Community Department has been ejected from their office space and has had no where to work for the last eight months.

5. Jerusalem's mayor appears to be uninformed and is seen to be uninterested in the Christian community.

6. Jerusalem's new advisor on Christian Affairs has blatantly politicized his office.

7. Relations with the Christian community, including right-wing Evangelicals and supporters of the Likud have worsened to an exceptional degree. (See the Bridges For Peace story in the article).

8. Orthodox Jewish hostility to Christians and the Christian community is on the increase.

9. The army promptly complied with a Shas demand that tours for soldiers omit visits to the churches.

10. Some orthodox officials in the Ministry of Religious Affairs use their role to display their personal hostility.

11. The process of seeking or renewing a visa for the working Christian is becoming time-consuming, traumatizing and even degrading.

12. Some Ministry of Religious Affairs officials would just as soon get rid of all the goyim. (The AJC quote was accurately reported).

13. The proposed anti-missionary law attempts to deal with what a prominent expert described as a peripheral phenomenon. There is a real fear that the Palestinian law forbidding the sale of land to Jews will extend to Christians as well. The Christian community feels increasingly uncomfortable under the oppressive impact of the Moslem majority culture.

Carolyn -

Eric Hatlem gave this to me. Do you know who should get it

B

DELIVER TO:

New Executive Office Bldg.
725 17th Street, N.W.
Washington DC

1st floor

Marsha

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

CHAIRMAN

August 21, 1997

'97 SEP 30 AM 8:19

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The Nuclear Regulatory Commission (NRC) will give its full support to the 1997 Combined Federal Campaign of the National Capital Area. As you requested, I will personally chair the campaign at the NRC, and Paul E. Bird, Director, Office of Human Resources, will serve as vice chair. We will work hard to help the Federal Government achieve its Combined Federal Campaign goal for this year.

Respectfully,

Shirley Ann Jackson

Shirley Ann Jackson

9/30/97

Send to Dorskind?
(Agency Liaison)

Yes ✓

No

AUG 25 1997

But probably NRN, Jim what do you think?

To Jim Dorskind
for reply
Phil Caplan
9/30/97

Phil Caplan —
How do we respond
'97 SEP 30 AM 9:40
to these letters?
Kris

Office of Cabinet Affairs
interofficememorandum

TO:
- ☐ All OCA Staff
- ☑ Kris Balderston
- ☐ David Beaubaire
- ☐ Bibb Hubbard
- ☐ Ronda Jackson
- ☐ Jon Jennings
- ☐ Anne McGuire
- ☐ Steve Silverman
- ☐ Elisabeth Steele
- ☐ Other ___________

FROM: Thurgood Marshall, Jr.

DATE: 9/26/97

- ☑ For your action.
- ☐ For your files.
- ☐ For your information.
- ☐ Per your request.
- ☐ ___________

21 Ladera Rd.
Santa Fe, NM 87505

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

9/19/97

Dear Mr. President,

Today is my last day of service in your Administration. My wife and I are returning to New Mexico, after being here almost from the very beginning. It has been my honor and privilege to serve you and this country in some small way. I am proud to have worked for you, and will continue to do whatever I can to help from out there.

There is more to be done to protect the land, the people, and the communities out West. Some will not support you at the time, but history will vindicate courage, vision, and commitment. Already, southern Utah communities are beginning to see great benefit in their new Monument, believe it or not. So keep it up, and know you have support everywhere. Sincerely,

SEP 25 1997

Geoff Webb

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, DC 20240

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

U.S. OFFICIAL MAIL
WASHINGTON D.C.
SEP 22 '97
U.S. POSTAGE
0.32

The President
The White House
Washington, D.C. 20500

SEP 25 1997

THE PRESIDENT HAS SEEN
9-30-97

copied
Ruff
COS

THE PRESIDENT HAS SEEN
9-30-97

THE WALL STREET JOURNAL MONDAY, SEPTEMBER 29, 1997

Supreme Court Agenda Touches Everyday Life

By EDWARD FELSENTHAL
Staff Reporter of THE WALL STREET JOURNAL

When can employers consider race in making job decisions? Can workers sue when they are sexually harassed by someone of their own gender? How should judges handle controversial scientific evidence?

These are some of the biggest questions coming up in the Supreme Court's new

LEGAL BEAT

term, which could alter both the workplace and the marketplace. While the term is unlikely to reshape the grand contours of American law, it could flesh out critical details of some important earlier decisions.

"This is a term of grass-roots cases," says A.E. Dick Howard, a law professor at the University of Virginia. "It is the stuff of day-to-day life."

The term, which begins on the first Monday in October, will deal with a wide array of issues affecting consumers, workers and businesses. Among other closely watched areas, the justices will tackle cases involving some much-criticized practices of the legal profession, and they will step into a bitter turf war between banks and credit unions.

Affirmative action is at the heart of the case of Sharon Taxman, a white teacher in Piscataway, N.J., who was laid off so that a black teacher could stay. The justices already made their discomfort with minority preferences clear in an opinion two years ago, so Ms. Taxman's case won't be a litmus test on affirmative-action itself. But the case gives the justices a chance to explain the nuts-and-bolts of exactly when affirmative action is allowed and how it should operate in the workplace.

Ms. Taxman claims the school board violated federal antidiscrimination law by dismissing her in order to foster racial diversity at the high school where both teachers taught secretarial skills. She contends that affirmative action is permitted only as a remedy for past discrimination and not simply to promote diversity. So far, Ms. Taxman has prevailed in the lower courts.

The case, which the school board calls "a lightning rod in a stormy national debate," should help to resolve some important questions. For example, can the goal of workplace diversity ever justify giving minority-group members a leg up? Do the same rules apply to layoffs and hiring decisions? Is affirmative action more justified in fields where there is a dearth of minority applicants? Or in jobs such as police work where a person's race may influence his effectiveness on the job? *(Piscataway vs. Taxman)*

Taking up another workplace issue, the justices will review the reach of federal discrimination law in regulating sexual behavior. The question in the case is whether the law prohibits people from harassing co-workers of their own gender.

Plaintiff Joseph Oncale, a worker on an offshore oil rig, claims that male co-workers assaulted him in the shower and on a boat and that he finally had to quit because he feared future assaults. This type of harassment is clearly illegal in cases involving men and women. Now, the justices must decide whether same-sex harassment is also barred. If so, the case could open the door to more such lawsuits, not just against homosexuals but also against heterosexuals who engage in sexually tinged horseplay at the office. *(Oncale vs. Sundowner)*

Several cases on the docket raise issues about the legal profession — and put it in a somewhat awkward light. Indeed, one such case sounds like it could have been plucked from a book of lawyer one-liners. Question: How do lawyers get involved in philanthropy? Answer: They sue a charity.

The case involves mandatory contributions lawyers make to fund legal services for the poor. Lawyers often keep clients' money — such as fees paid in advance — in an interest-bearing account. In many states, they are required to donate some of that interest to an organization that sup-

Please Turn to Page B14, Column 4

Continued From Page B1

ports legal aid. A conservative group challenged this arrangement in Texas, claiming it violates the constitutional rights of lawyers and clients.

The opponents insist they don't mind helping the poor but say they object to some of the cases handled by legal-aid programs. The Texas Equal Access to Justice Foundation, which administers the fund, says that it collects only small amounts of interest and that the critics "have no legal basis to object to how the money is being used." *(Phillips vs. Washington Legal Foundation)*

Another case involves a technique for settling lawsuits out of court: Paying plaintiffs not to reveal potentially embarrassing information. Critics say such agreements muzzle crucial facts that could help other consumers. Companies say they are often needed to suppress information that is privileged or proprietary.

The case challenges efforts by General Motors Corp. to enforce a deal that restricts a former employee from testifying against it in product liability disputes. The employee, Ronald Elwell, agreed to quit helping plaintiffs when he settled a quarrel he had with GM over his compensation. The issue before the justices is whether a plaintiff in a case involving a Chevrolet Blazer accident has a right to call Mr. Elwell as a witness, despite his agreement and a court order enforcing it. *(Baker vs. GM)*

The high court will also offer guidance this term on lawyers' use of what critics call "junk science." In a case against General Electric Co. and Westinghouse Electric Corp., the justices will decide how much leeway judges have to keep out scientific evidence they regard as flimsy. The case was filed by an electrician who claims he got lung cancer from chemicals in equipment that GE and Westinghouse manufactured. *(General Electric et al vs. Joiner)*

In a case that will be closely followed by manufacturers and retailers, the justices will consider throwing out a 1968 decision that prevents manufacturers of everything from ice cream to automobiles from setting a maximum retail price for their products. Manufacturers claim the old rule keeps them from giving their customers the lowest possible prices. Retailers say that they should be free to make their own pricing decisions. *(State Oil vs. Kahn)*

Consumer finance will be a central issue when the court hears a fight over the efforts of banks to restrict membership in credit unions. Banks claim that credit unions, which are exempt from taxes and can therefore offer lower interest rates on loans, have expanded beyond their original mandate. Traditionally, a credit union's members came from the same company or town. But many credit unions now accept members from a wide variety of workplaces and communities. *(NCUA vs. First National Bank)*

THE PRESIDENT HAS SEEN
9-30-97

K McGinty
[illegible]

copied
McGinty
COS

THE PRESIDENT HAS SEEN
9-30-97

Testing Time in the Everglades

Surely the most ambitious environmental pledge to emerge from the Clinton White House is its promise to restore the Everglades and Florida Bay to good health. It has made heartening progress in a very short time, extracting large sums from a budget-conscious Congress to get the project under way. Now, however, President Clinton faces a serious test of his commitment to the enterprise. He must decide whether to allow plans for a major commercial airport south of Miami and adjacent to the Everglades to move forward or halt the project pending a complete review of its environmental consequences.

Environmentalists believe he should put the project on hold. We strongly agree. Without proper safeguards, a huge commercial installation nestled between two national parks — the Everglades, 12 miles to the west, and Biscayne National Park, two miles to the east — could pose unacceptable risks to both. The White House knows this. It also knows that stopping the project, at least for now, would infuriate a lot of voters in Dade County, where the Democratic Party has lately made substantial inroads. The decision is thus not only a test of the Administration's environmental values but also a test of its political will.

The project began with the best of intentions. Hurricane Andrew blew through Dade County in 1992 and left its economy in ruins. The next year, with White House encouragement, the Defense Department offered to turn Homestead Air Force Base over to Dade County to promote development. County leaders quickly settled on a development group, Homestead Air Base Developers, dominated by influential Cuban-Americans with close ties to the Democratic Party. The developers, in turn, proposed a massive, two-runway international airport with office buildings, warehouses and hotels.

As required by law whenever Federal property is transferred, the Air Force produced an environmental impact statement. It was a shoddy piece of work. The study was conducted in 1993-94, before the developers produced their plan, and assumed a more modest, single-runway airport. Worse, it addressed the environmental impact on the 1,360-acre base itself, largely ignoring the potential air, water and noise pollution that an airport could inflict on the two adjacent parks. Conservationists erupted in fury and began pressing the White House to undertake a brand new review.

They have ample cause for concern. Many biologists believe that the noise generated by a large airport could have an adverse impact on the health and reproductive capacity of wildlife, not to mention its impact on tourists in search of the tranquillity that national parks are supposed to deliver. Further, polluted runoff could threaten the waters and fish in Biscayne Bay, while large-scale residential and industrial development could deplete the aquifers on which the Everglades depend.

For the last few months, a consulting firm hired by the Pentagon has been reviewing the original study. The report is still secret, and it is not known whether the firm will recommend a new, full-scale assessment. But without such a review, the Administration will have no way of knowing what conditions to attach to any deed of conveyance when the base is finally transferred to Dade County, or what safeguards to require. At a minimum, even a small-scale airport will probably need waste treatment facilities, land to create buffer zones around the property, perhaps even artificial marshes to filter runway runoff. But it would be good to have solid evidence in hand.

This will not be an easy call for the White House. Many Dade County residents still suffer the scars of Hurricane Andrew, and the Administration does not want to be seen as reneging on a promise to help them. But it is equally important for Mr. Clinton not to break his promise to the Everglades. It makes no sense to spend millions of dollars on the most ambitious restoration project in America's history while exposing a sensitive corner of that project to commercial devastation.

Flaws in Immigration Laws

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 is a morass of technical complexity that has yet to be fully explicated by either the law's drafters or the immigration officers who are supposed to carry it out. But it is already apparent that at least two elements need immediate correction.

One provision unfairly punishes refugees from Nicaragua, El Salvador and Guatemala who fled civil wars in the 1980's and were given temporary protection from deportation. Under prior law, these refugees, totaling about 300,000, could have become permanent residents by showing that they had lived here for seven years and had good moral character, and that deportation would cause them and their family members extreme hardship. The 1996 act increased the residency requirement to 10 years, eliminated hardship to the refugee himself as a basis to fight deportation and limited the number of immigrants who could seek permanent residency through this avenue to 4,000.

These Central Americans played by an earlier set of rules endorsed by both Republican and Democratic administrations, but are now being unjustly penalized. The White House supports, and Congress should pass, a bill introduced by Senator Connie Mack, a Florida Republican, that would exempt this group from provisions of the new law, allowing the prior legal standards to apply.

A second provision would actually encourage illegals to stay underground rather than risk going abroad, as they might soon have to, to obtain immigrant visas. The new law imposes a three-year bar to re-entry on illegals who leave the country today and a 10-year bar on those who leave after April 1. If a key provision in current immigration law is allowed to expire tomorrow, as scheduled, they will have to return to their home countries to obtain permanent visas.

Under the current rule, people who qualify for permanent residency can have their applications for immigrant visas, or "green cards," processed here rather than through American consulates in their home countries. This does not give them any preference. But it reduces paperwork at consulate offices abroad, and generates $200 million a year in revenues from applicants who pay $1,000 each to have their papers processed here.

The Senate has voted to make the provision permanent, but the House is expected to vote only on a three-week extension. If Congress does not renew the provision, hundreds of thousands of people will have to go abroad for green cards. Thousands who have met the criteria for permanent residency but are technically illegal in status would be barred from coming back for years.

Fighting illegal immigration is a difficult and important job. But Congress should do it in a way that will deter illegal entry at the border. Deporting Central American war refugees and those who are on the verge of getting green cards will not achieve that goal.

The New York Times

MONDAY, SEPTEMBER 29, 1997

THE PRESIDENT HAS SEEN
9-30-97

EB
Sec. Rubin

IRS Issues Mid-Level Suspensions

Action in Response To Hearings, Probe

By Albert B. Crenshaw A1
Washington Post Staff Writer

The Internal Revenue Service, apparently making good on promises last week to the Senate Finance Committee, has suspended a number of mid-level managers while it investigates allegations that field agents were rated on the number of seizures, levies and liens they imposed on taxpayers.

Meanwhile, Republican congressional leaders yesterday promised quick action to change the way the IRS works and perhaps the tax law itself.

The developments followed three days of explosive hearings last week in which several taxpayers detailed how they were pursued by the agency for taxes they did not owe or had paid or tried to pay.

At the close of the hearings Thursday, acting IRS Commissioner Michael Dolan apologized and promised prompt action on any allegations the committee had received.

Finance Chairman William V. Roth Jr. (R-Del.) said Thursday that the panel had received more than 1,500 letters, phones calls and faxes, and they were still pouring in.

The IRS would not comment yesterday on the suspensions, first reported by Newsweek magazine, but a spokesman noted that Dolan had promised the Finance Committee prompt action, and that "in some cases it may be appropriate to suspend the employee pending the outcome of the investigation."

Newsweek also reported that it had obtained a copy of an internal IRS memo from the agency's Arkansas-Oklahoma collections office that gave detains of how agency managers use collections data to evaluate workers, an apparent violation of the Taxpayer Bill of Rights.

House Majority Leader Dick Armey (R-Tex.) yesterday promised legislation by year-end to restructure the IRS and curb abuses. House

See IRS, A7, Col. 1

EB
Need to key our actions to the Taxp. B of R already passed —

IRS, From A1

Ways and Means Committee Chairman Bill Archer (R-Tex.) had made a similar promise earlier and said he had a commitment from the House leadership to bring a measure to the floor this year.

Armey, in a Fox television interview, said the bill would likely be based on recommendations of the National Commission on Restructuring the Internal Revenue Service, a congressionally appointed panel that spent more than a year studying the agency.

The group, which is headed by Rep. Rob Portman (R-Ohio) and Sen. Bob Kerrey D-Neb.), has recommended revamped oversight of the agency by Congress. The panel also has recommended a different governance system that would include private sector experts and others who would be "accountable to the president and the American people."

Kerrey, appearing yesterday on CBS's "Face the Nation," said of the bill: "I think we can pass it this year. . . . And I think there's an urgency to do so."

Ironically, the commission's year of study turned up little evidence of the kinds of abuses that surfaced last week. Its report focused on better use of technology, better training of workers and simplification of the tax laws as the keys to a more "user-friendly" IRS.

Since the commission's call for tax simplification was followed almost immediately by enactment of one of the most complex pieces of tax legislation in history, it was not clear how seriously its recommendations would be taken.

The Finance Committee hearings have not only given the recommendations new life, but, Armey made clear, given added impetus to a favorite goal of many Republicans, a flat income tax or a national sales tax.

Armey and other Republican leaders have announced plans for a national tour to promote tax law changes. House Speaker Newt Gingrich (R-Ga.) told reporters yesterday that the goal is "increased awareness that will bring people to the need to replace the current tax code and replace the IRS as we know it," the Associated Press reported.

Because neither the commission nor Congress's General Accounting Office, in separate probes, has been able to document widespread abuses of taxpayers, there was considerable suspicion among Democrats and others that the Finance Committee hearings were a stalking horse for an effort to rewrite the tax code.

The cases the committee produced, however, were so egregious as to make such motivation irrelevant and they have clearly touched a chord with millions of Americans.

In addition to the wronged taxpayers, the committee heard from a half-dozen current and former IRS employees who accused the agency of targeting smaller taxpayers, who are less likely to have expert advisers, and of using collection quotas to decide who gets promoted within the agency.

Dolan denied targeting small taxpayers, but said he would stop using overall collections data even to rank the agency's 33 district offices nationwide.

Officials at the Treasury Department, the IRS's parent agency, called for a meeting today with the IRS's senior managers for "a candid conversation" about the Finance Committee testimony and "what other actions may be necessary," according to a letter to Dolan from Deputy Treasury Secretary Lawrence H. Summers.

copied Bowles

The Washington Post
Monday, September 29, 1997

SISTER CITIES COMMISSION

LITTLE ROCK, ARKANSAS
USA

THE PRESIDENT HAS SEEN
9130197

copied
Streett
COS

September 23, 1997

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-2000

Dear Mr. President:

On behalf of the Little Rock Sister Cities Commission we would like to extend an invitation for you to be the keynote speaker at the International Sister Cities Conference which will be held in Little Rock during the week of July 21, 1999. There will be a mix of United States and foreign delegates. Representatives of Sister Cities organizations from other nations are typically business and political leaders with great influence in their home communities. The state of Arkansas will be invited to participate in the conference.

In your position as the Honorary Chairman of Sister Cities U.S.A., this could be an excellent forum for delivering a "State of the World" address. Our focus will be split between international business alliances and global children's issues. We are asking Mrs. Clinton to speak on children's needs.

We deeply appreciate your consideration of this request.

Most Respectfully,

Jim Dailey

Mayor Jim Dailey
City of Little Rock

Alfred L. Williams

Alfred L. Williams
Chairman, Little Rock
Sister Cities Commission

Wayne Cranford
Frances Cranford

Wayne Cranford
Frances Cranford
Co-Chairmen of the 1999 SCI Conference

Susan Gregory

Susan Gregory
1999 SCI Conference Coordinator

THE PRESIDENT HAS SEEN
9-24-97

Copied
Begala
Emanuel
COS

d. Withdrew a Representative Hoekstra amendment which consolidated 28 federal education programs into block grants to the states. The amendment, which was similar to, but less far reaching than the education block grant proposal that passed the Senate last week, would convert $2.5 billion worth of programs currently run by the Department of Education, including Goals 2000, school-to-work programs, educational technology programs, and the Safe and Drug-Free School program; and

e. Withdrew a Representative Riggs amendment which prevents the Department of Education from withholding funds from states that do not enforce affirmative action policies for admission to public educational institutions if those states have laws prohibiting affirmative action. Representative Riggs has indicated that he will bring the amendment up next year in an authorizing bill.

3. Treasury, Postal Services Appropriations Act: On Wednesday, September 17, the House passed (231--192) H.R. 2378, the Treasury, Postal Services Appropriations Act. The measure provides $12.5 billion in new discretionary spending for the Treasury Department, the Postal Service, the White House and other agencies. This amount is $600 million more than current levels, but $600 million less than the Administration's request. The Administration has concerns about cuts in the IRS, restrictions on the FEC, and other issues. During consideration of the bill, the House:

What are they? – cc Rahm/Begala poss. issue

a. The bill contains a 2.3% COLA increase for Congress and the Judiciary branch. The provision is likely to come under continued attack from Republican conservatives; and

b. Withdrew an amendment that would have allowed the importation of fire-arms, including M-1 carbine rifles, that the United States had given or sold at a discount since the 1950s to Cold War allies.

good

The Week Ahead

Next week the House is expected to consider H.R. 2160, the FY98 Agriculture Appropriations Conference Report. The House may also turn to consideration of H.R. 2267, the FY98 Commerce/Justice/State Appropriations bill. Senior advisers recommend a veto due to inadequate funding levels for the Legal Services Corporation and restrictions on the use of sampling for the decennial census. Finally, the House may turn to consideration of H.R. 2343, the Thrift Depositor Protection Oversight Board Abolishment Act. The Administration supports passage of this bill.

Senate

1. FY98 Military Construction Appropriations Conference Report: On Wednesday, September 17, the Senate passed (97--3) H.R. 2016, the FY98 Military Construction

THE PRESIDENT HAS SEEN
9-24-97

Appropriations Bill Conference Report. The measure, the first of the thirteen annual appropriations bills to be sent to the President, allocates $9.2 billion for military construction. This amount is $0.8 billion above the President's request and includes approximately $3.8 billion for family housing. The Administration supports the legislation and the measure is now cleared for your signature.

2. FDA Reform Bill: On Tuesday, September 16, the Senate passed (94--4) a motion to invoke cloture on S. 830, the FDA Reform Bill. The measure streamlines the FDA approval process and renews crucial fees supporting the agency. As Senator Kennedy continues to filibuster the bill, the Administration is still working to reach a compromise on the Coats device issue. HHS has given Senator Coats a proposed compromise and Senator Dodd is working with the Administration to try to get movement. Secretary Shalala has also spoken directly with Senator Coats.

we will have a tough decision here

3. FY98 Interior Appropriations Bill: On Thursday, September 18, the Senate passed (93--3) H.R. 2107, the FY98 Interior Appropriations bill, as amended. The $13.7 billion measure is an improvement over the House reported bill, but the legislation still contains several objectionable provisions. In particular, the bill requires authorization for key land acquisitions in Montana (New World Mine) and California (Headwaters) which will significantly impede progress on these land purchases. The Administration, however, did reach satisfactory resolution of three contentious provisions: the first would have infringed on Native American sovereignty; the second would have required means testing for Native American programs; and the third would have prohibited funding for an ongoing rulemaking on hardrock mining. Still oustanding, however, is an Administration-opposed provision limiting the ability of the Forest Service to revise forest plans and another prohibiting funding for grizzly bear reintroduction into Idaho and Montana. During consideration of the bill, the Senate:

Should do outreach to tribal leaders to make sure they know of our effort on -- Marie

> a. Defeated (23--77) an Administration-opposed Ashcroft amendment that would have eliminated all funding for the National Endowment for the Arts (NEA). Senator Ashcroft's amendment was one of four amendments defeated during the week aimed at cutting funding for the NEA, leaving intact the $100 million appropriated for the agency in the bill.

4. Shelton Nomination: On Tuesday, September 16, the Senate confirmed by unanimous consent the nomination of General Henry H. Shelton to be chairman of the Joint Chiefs of Staff.

Week Ahead

The Senate will resume consideration of S. 830, the FDA Reform Bill. The Senate may also turn to consideration of the FY98 District of Columbia Appropriations Bill, the only remaining appropriations bill awaiting action.

Copied
Echevest
COS

cc: The Vice-President
Erskine Bowles
John Podesta
Sylvia Mathews

THE PRESIDENT HAS SEEN
9-24-97

III. OTHER ISSUES

Tobacco Agreement

- Governors Paul Patton (D-KY), James Hunt (D-NC), and Lawton Chiles (D-FL) were briefed on your proposal for comprehensive tobacco legislation. Governor Hunt released a statement commending you for including the protection of tobacco farmers as a top priority. Governor Hunt also called for Members of Congress to work together to reach a final settlement on tobacco quickly.

- We invited and hosted five state attorneys general for your tobacco announcement on Wednesday, September 17, 1997. They have expressed their strong view that your position on this issue be presented as "building on the framework and good effort of the prior agreement," and not as the prior deal being "dead." They feel your comments, thus far, have been sensitive to their concerns.

I agree strongly

Seattle/Tacoma International Airport

- Both Governor Gary Locke (D-WA) and Mayor Norm Rice (D-Seattle) called regarding funding that is critical to development of an additional runway at Seattle-Tacoma International Airport (Sea-Tac). After talking with FAA Administrator Jane Garvey, we were able to notify Mayor Rice and Governor Locke that the Administrator and Secretary Slater were working with Senators Patty Murray (D-WA), Slade Gorton (R-WA), and Congressman Norm Dicks (D-WA) to increase the "letter of intent" for Sea-Tac to $220 million (over a ten-year period), which would be the second highest allocation in the country. Both Governor Locke and Mayor Rice were very appreciative of this news.

good ← when we get it done, make sure runway issue moving

Copied Reed COS

from IGA Weekly Report