
Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **International**

INTERNATIONAL Q'S AND A'S

- o International Child Labor Legislation: Import Ban**
- o NAFTA and Jobs**
- o Fast Track Authority and Labor**
- o NAFTA and Chile**
- o International Child Labor: DOL Agenda**

INTERNATIONAL CHILD LABOR LEGISLATION: IMPORT BAN

Question:

Do you feel that a U.S. ban on imports made with exploited child labor is an effective solution to the child labor problem?

Answer:

- o We know that the American people do not want to subsidize abusive and inhumane working conditions with their consumer purchases.
- o Senator Harkin and others have introduced legislation that would ban imports made with exploited child labor.
- o We are prepared to work with the Congress on achieving the vitally important objective of reducing the use of exploitative child labor.
- o Last August, under the President's leadership, I helped organize a White House meeting with leaders from the apparel and footwear industries, unions and non-governmental organizations. This type of coalition building must be encouraged, and I look forward to hearing their recommendations.

Background:

- o Senator Harkin (D-IA) may ask this question to try to obtain support for his legislative proposal to ban the import of goods made with exploited child labor -- but Senator Harkin now seems more focussed on his bill that proposes to label products, and he is more likely to ask about that bill.
- o You will want to avoid an endorsement of any specific bill, since the Administration has not taken a position on them.

NAFTA AND JOBS

Question:

Is NAFTA good for American workers?

Answer:

- o NAFTA is good for the country, including our workers.
- o Overall NAFTA has supported the creation of more export-related jobs and those jobs, for the most part, are better, higher paying jobs. Export jobs on average pay 13% more than other jobs in our economy.
- o NAFTA also has a transitional adjustment assistance program for workers who lost jobs as the result of increased imports from or shifts in production to Mexico or Canada.

Background:

- o During the first three years under NAFTA, less than 100,000 workers have been certified under this transitional adjustment assistance program as having lost their jobs because of NAFTA. That represents less than 2% of all workers laid off. At the same time the U.S. economy, on average, has been growing by 200,000 jobs per month, or more than 10 million jobs in the last four years.

FAST TRACK AUTHORITY AND LABOR

Question:

Will the Administration insist on linking labor conditions to new fast track authority?

Answer:

- o The Administration considers it a high priority to receive new fast track authority from the Congress, and has been, and will continue to be, in consultation with the Congress on this matter.
- o We continue to believe that labor standards are important to the fast track process.

Fast track is _____
this is how it works _____
Adm. is seeking it in
order to negotiate
on _____

NAFTA AND CHILE

Question:

Will the Administration move forward toward bringing Chile into the NAFTA? If so, will the Administration insist on Chile signing on to the NAFTA Labor Agreement?

Answer:

- o The Administration has wanted to move forward with bringing Chile into the NAFTA for some time now and would like to begin that process.
 - o Chile would be expected to agree to appropriate labor standards.
 - o As we move forward on these matters, I would continue to consult closely with this Committee on these important issues.
-

Background:

- o President Frei ("Fray") of Chile is visiting Washington the last week of February. Frei's visit will draw attention to the issues of fast track authority, and when negotiations with Chile to join NAFTA might begin.
- o Chile has been of interest to Senators Dodd and Harkin.

INTERNATIONAL CHILD LABOR: DOL AGENDA

Question:

Will DOL continue to have a role in the issue of international child labor?

Answer:

- o The Administration has been leading the international effort to bring attention to the growing problem of exploitative child labor.
 - o We are not talking about children working in family businesses or on farms after school. We are talking about young children working full time under dangerous conditions. This includes bonded labor, where children are locked into circumstances of slavery because of debts assumed by their parents, and the forced prostitution of children.
 - o Once confirmed, I would expect to continue to work with this Committee to do all we can towards the elimination of exploitative child labor.
-

Background:

- o Senator Harkin (D-IA) may ask this question to try to get your commitment to continue work on international child labor.
- o Through appropriations legislation, Senator Harkin has been successful in directing ILAB to complete several studies on international child labor. ILAB is currently working on another such study.
- o Last Congress, Senator Harkin (D-IA) introduced a bill to ban the importation of goods made with child labor and a bill to require "child labor free" labels.

* * *

Bangladesh

- o DOL is supporting an innovative pilot project in Bangladesh to remove children from garment factories and place them in schools. About 5,000 Bangladeshi children are now getting an education through this project. In order to get the entire project underway, a small amount of U.S. funding was committed for stipends.
- o There was a positive network news program on the Bangladesh project mentioning DOL involvement. However, Senator Jeffords' (R-VT) staff raised some concerns about the stipend component as reported in the news program, but seemed satisfied by our response.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Affirmative Action**

AFFIRMATIVE ACTION Q'S AND A'S

o Affirmative Action

- Affirmative Action: Quotas**
- Affirmative Action: Contractor Burdens**
- Affirmative Action: The Free Market**
- Affirmative Action: Adarand and Piscataway**
- Affirmative Action: Texaco**

✓
Revised
1/24/97

AFFIRMATIVE ACTION: QUOTAS

Question:

Isn't affirmative action as implemented by OFCCP simply the imposition of race and gender quotas and preferences?

Answer:

- o The goal of affirmative action is to ensure equal employment opportunity for all Americans and to prevent discrimination.
- o Affirmative action as enforced by OFCCP requires federal contractors to engage in outreach and recruitment efforts to ensure a broad pool of candidates from which non-discriminatory selections can be made.
- o This program assures taxpayers that their dollars are not being used to support unlawful discrimination.
- o The OFCCP programs do not impose preferences, set-asides, or quotas based on race, gender or any other basis.

What do OFCCP
programs do?

AFFIRMATIVE ACTION: CONTRACTOR BURDENS

Question:

Why should the American taxpayer be required to continue to pay for the enforcement of Executive Order 11246 when it creates unnecessary, unfair, and burdensome requirements on Federal contractors?

Answer:

- o Equal employment opportunity is good for business; it expands the pool of qualified candidates and thereby improves the quality of the workforce. This outreach improves the quality of the work that is procured by the federal government.
 - o The bipartisan Glass Ceiling Commission found that leading CEOs firmly support the continuation of equal opportunity and affirmative action efforts.
 - o Based on my experience in the business community and working with business people, I agree that successful outreach and recruitment efforts are important not only in providing diversity, but in increasing the pool of qualified candidates.
 - o It is important to assure taxpayers that their dollars are not being used to support unlawful discrimination.
-

Background:

- o Companies like Saturn Corporation in Tennessee, Procter and Gamble and KeyCorp in Ohio, and the Law Company in Kansas are all federal contractors who have been cited as examples of exemplary effort in the affirmative action field. They demonstrate what can be accomplished when companies recognize affirmative action plans as good business.
- o OFCCP programs have resulted in the consideration by federal contractors of more women and minorities and individuals with disabilities. These considerations have resulted in increased hiring and promotions for qualified workers.
- o OFCCP programs have also resulted in enforcement actions on behalf of veterans, workers with disabilities, racial and ethnic minorities and women.

AFFIRMATIVE ACTION: THE FREE MARKET

Question:

Isn't the best and fairest way to create diversity in the workplace to allow the market to naturally correct the problem?

Answer:

- o As a business person, I agree that many American businesses have promoted diversity in the workplace, and I encourage voluntary efforts and education to show that outreach and recruitment make good business sense.
- o While the market has contributed to efforts to integrate the American workforce, it has not eliminated the vestiges of discrimination, as was highlighted by the recent allegations of discrimination at Texaco.
- o The report of the Glass Ceiling Commission also shows that there is still significant discrimination in the workplace.
- o As part of the Administration's "mend, don't end" effort, we met with many business leaders who told us of the importance of the government in helping to combat discrimination.

Background:

- o Federal contractors have paid nearly \$100 million in total financial settlements to victims of discrimination since 1994. This demonstrates the need for affirmative action.

AFFIRMATIVE ACTION: ADARAND AND PISCATAWAY

Question:

How do you see the Adarand and Piscataway cases of reported reverse discrimination, affecting the Federal government's affirmative action policies?

Answer:

- o The Administration has pledged to "mend, not end" affirmative action. To that end, following the Adarand decision, the Justice Department reviewed federal government programs and where necessary, has recommended changes to those programs.
- o The Justice Department has concluded that the Executive Order affirmative action program enforced by OFCCP meets the legal requirements of Adarand.

What about Piscataway?

Background:

- o Adarand suggests that federal programs establishing "sheltered competition" for racial minorities or women must survive strict scrutiny; Piscataway involves the selection of one teacher over another on the basis of race.
- o Neither Adarand, nor Piscataway were cases brought under any Department of Labor laws.

*Clayner
A — describe
P*

too

New
1/24/97

AFFIRMATIVE ACTION: TEXACO

Question:

What did DOL do with regard to Texaco, and what do you do with regard to egregious cases in general?

Answer:

- o The Texaco case is an egregious example of the kind of discrimination that we still find evident in the workplace today.
- o I am informed that Texaco is currently being investigated by the Office of Federal Contract Compliance Programs. This review is ongoing and has not been completed.
- o The President has affirmed this Administration's commitment to ensuring equal employment opportunity. The Department of Labor should work with employers to educate and assist them in complying with the law. In fact, I believe that the vast majority of contractors obey the law and do not discriminate. However, I also believe that those who violate the law should face the appropriate sanctions.

Background:

- o OFCCP discovers discrimination by conducting compliance reviews and investigating complaints of discrimination at Federal contractor facilities.
- o When discrimination is found, OFCCP attempts to conciliate the findings and remedies to bring the contractor in compliance with the law and to provide relief to the victims of discrimination.
- o If conciliation is successful, the contractor will often offer back pay, reinstatement, priority for new job openings, or revised employment practices to ensure future compliance.
- o If conciliation is unsuccessful, then the agency refers the findings to the Solicitor of Labor for enforcement, which can lead to the debarment of the Federal contractor.
- o There was 1 debarment in 1996, 1 in 1995, 5 in 1994, and 1 in 1993. There were a total of 3 debarments from 1989 until 1992, and 3 from 1985 until 1988.

OFCCP background should be in 134 Q, not last

What?

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Health**

HEALTH CARE Q'S AND A'S

- o Role of Labor Secretary with Respect to Private Employer-Provided Health Care System**
- o Decline in Health Care Coverage**
- o Implementation of HIPAA (Kennedy-Kassebaum)**
- o Additional Changes to the Health Care System**
- o Affordability of Coverage for Small Businesses**
- o Advisory Commission on Consumer Protection and Quality in the Health Care Industry**
- o Health Care Coverage for Kids**
- o Health Care for the Unemployed (Workers in Transition): New Program**
- o Retiree Health Care**
- o HMO'S and Medical Malpractice**

Revised
1/23/97

**ROLE OF LABOR SECRETARY WITH RESPECT TO PRIVATE EMPLOYER-
PROVIDED HEALTH CARE SYSTEM**

Question:

As Labor Secretary, what do you envision your role to be with respect to our system of employer provided health benefits?

Answer:

- o As Labor Secretary, I would like to continue to work with Congress in the bi-partisan manner that was established on health issues in the 104th Congress.
- o Broadly speaking, I will continue the Department's mission to seek ways to ensure that workers have secure, affordable and quality health care benefits, including:
 - ensuring that the Kennedy-Kassebaum bill (HIPAA) is implemented in a timely and streamlined manner;
 - exploring ways to enhance health care protections and quality for consumers;
 - working to support the President's interests in expanding access to health care for workers in between jobs.

Background on
HIPAA

DECLINE IN HEALTH CARE COVERAGE

Question:

The number of workers covered by employer sponsored health care plans continues to decline. What do you think should be done about this trend?

Answer:

- o The Administration is very concerned about the decline in workers' health care coverage.
- o The Administration seeks to assist small employers in obtaining affordable health care coverage through grants to the States to help create purchasing cooperatives.
- o The President has also expressed an interest in making sure that workers who are in between jobs do not lose their benefits and is examining options to expand health care coverage for children.

Update with
any new Admin-
initiations

IMPLEMENTATION OF HIPAA (Kennedy-Kassebaum)

Question:

As the Departments of Labor, HHS, and Treasury implement the Kennedy-Kassebaum Act (HIPAA), what steps will you take to ensure that the implementing regulations do not impose unreasonable costs on employers?

Answer:

- o I understand that the Department is taking a number of steps to ensure that the HIPAA regs are handled in a reasonable fashion.
- o A guiding principle in drafting the regulations is to achieve a delicate balance between the interests of workers and employers.
- o The aim is not to make the program complicated or costly, but rather to ensure that participants will get good and useful information about their rights.
- o You can be assured that I will do all that I can do, in coordination with the other two agencies, to make sure that the regulations are completed on the contemplated timetable of April 1, 1997.

Background:

- o The three agencies (DOL, HHS, Treasury) have been meeting since HIPAA was signed into law in August 1996 and are actively drafting all of the regulatory sections. In addition an inter-agency group is developing a Memorandum of Understanding to govern not only the drafting of the regulations but interpretation and enforcement of HIPAA and the regulations.
- o Finally, the three agencies have published a request for comments from the public and regulated entities for their views on the HIPAA portability provision and are reviewing the comments received as part of the deliberations on the regulations.

What are the regs
supposed to do?

ADDITIONAL CHANGES TO THE HEALTH CARE SYSTEM

Question:

What is the next step in health care after Kennedy-Kassebaum (HIPAA)?

Answer:

- o The Administration is very pleased with the bi-partisan cooperation that marked the health legislative activities in the 104th Congress.
- o The President has expressed support for a variety of other initiatives:
 - anti-gag legislation that would prohibit restrictions on medical communications between providers and patients;
 - assistance to small employers to obtain quality and cost-effective health coverage for their employees by providing grants to states to establish voluntary purchasing cooperatives for small employers.
 - expand coverage to workers in between jobs and to children.
- o We also expect that the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry will examine many issues affecting private sector ERISA health plans, such as the kind of information employers and consumers need to be informed purchasers of health care.

Update the
K&K health or
anything else on
table already.

AFFORDABILITY OF COVERAGE FOR SMALL BUSINESSES

Question:

Would you support expanding health care coverage for small businesses by allowing Multiple Employer Welfare Arrangements (MEWAs) to be exempt from state laws and instead be regulated by the Department of Labor?

Answer:

- o The Administration is interested in policies that will provide new opportunities for small businesses to purchase health care at affordable rates.
- o The President's FY '98 budget seeks to achieve this goal by providing grants to states to establish voluntary purchasing cooperatives so that small employers could band together to pool risks and form a large purchasing coalition.

Background:

- good*
- o A multiple employer welfare arrangement (MEWA) provides health benefits to the employees of two or more employers. Under ERISA, the Department shares regulatory responsibilities for MEWAs with the States. The States have primary responsibility over the financial soundness of MEWAs and the licensing of MEWA operators. The Department enforces fiduciary duties. By creating economies of scale, MEWAs can increase health coverage, especially in the small group market, by offering affordable health benefits. In practice, however, MEWAs have a long history of abuse.
 - o The Administration is concerned that the MEWA proposal put forth would weaken protections for workers and families by eliminating state protections that currently govern these plans. ERISA does not contain federal financial standards for MEWAs.
 - o The Department is also concerned it would not have the resources to fully monitor MEWAs if they are exempt from state laws.

*What proposal?
What does it
purport to do?*

Revised
1/23/97

**ADVISORY COMMISSION ON CONSUMER PROTECTION
AND QUALITY IN THE HEALTH CARE INDUSTRY**

Question:

The President has announced the creation of an Advisory Commission on Consumer Protection and Quality in the Health Care Industry. What issues do you believe such a Commission should address?

Answer:

- o First, I would like to say that I am very excited at the prospects of co-chairing the health commission with Secretary Shalala.
- o The Advisory Commission will address the important issues of quality and consumer protections in health care such as:
 - what information purchasers and consumers need to make informed decisions about health care;
 - whether individuals have access to the appropriate treatments and services; and
 - what consumer protections are necessary to ensure quality care.

Background -

Say it was created pursuant to Exec. Order or Pres. memorandum (whichever is correct) on a date. mandate to do x y z. There will be x number of members. Haven't been appointed yet. And need answer as to why not ~~be~~ members going appointed - what is going on & when they be?

New
1/23/97

HEALTH CARE COVERAGE FOR KIDS

Question:

What is the Administration's view on expanding health care coverage for kids?

Answer:

- o We want to work with all interested parties to expand kids' health care coverage.
 - o There are many different approaches to this problem. We do not want to compete with other proposals but rather offer complementary strategies that have the same goals but may have different approaches to achieve those goals.
 - o The Administration is evaluating different options to expand kids' coverage in the context of a balanced budget.
 - o As we evaluate these options, we want to include as many uncovered kids as possible.
-

Background:

The options the Administration is considering include:

- o **Outreach to the 3 million children who are currently eligible for Medicaid but not enrolled.** We are exploring ways to reach out to this group in communities so we can increase enrollment (e.g. information through schools).
- o **Strategies to target individuals who can't afford coverage for their children but are working.** We are looking to see if we can build upon successful examples of state and local partnerships that have established creative approaches to increasing coverage for children in their local communities (state grants for community health clinics some of which receive federal aid now).
- o **Strategies to target short-term financial assistance to workers between jobs to help pay for continued health insurance.** This proposal would continue coverage for 700,000 children. The President has spoken of this proposal several times.

Cautionary Note:

- Senator Daschle has introduced legislation to provide a tax credit for working families to help cover the costs of health care for children up to 18 years of age. The Administration has taken no position on this proposal and remains concerned that the effect of it might be to substitute public dollars for private ones. Therefore, if possible, avoid discussion of this particular proposal.

Revised
1/23/97

HEALTH CARE FOR THE UNEMPLOYED (Workers in Transition): New Program

Question:

Why should we create a new federal program to provide health care coverage to workers in transition?

Answer:

- o Since the beginning of President Clinton's Administration, the American economy has become more productive and competitive. As with other periods of change, the period has brought with it relocations and job change.
- o With the passage of Kennedy-Kassebaum, (HIPAA) we addressed the issue of health insurance portability. However, those workers who are temporarily displaced by workplace changes may not be able to afford their health care in between jobs.
- o The proposal contained in the President's FY '98 budget is designed to help these workers who had coverage under their previous jobs continue to afford coverage.

Background:

The President's budget contains \$9 billion for a worker in transition proposal, the structure of which is still evolving. It will however, contain limits, as follows:

- o The insurance subsidy will last for not longer than 6 months. The goal is to provide a safety net for the nearly 3 million Americans, including 700,000 children, who lose health coverage yearly because of job loss.
- o Many of these Americans will be able to obtain health insurance elsewhere (from a working spouse, for example), and will, therefore, not qualify for the President's proposal.
- o This proposal is designed as a demonstration project for four years.

What subsidy?
Don't assume knowledge.
Say proposal would do following:
provide an insurance subsidy of
xyz, but subsidy will have limits,
etc.

This is obvious.
What cases? Why are
there lawsuits?

Revised
1/23/97

RETIREE HEALTH CARE

Question:

Do you agree that legislative changes are needed in ERISA to address retiree health care?

Answer:

- o The Department has filed *amicus curiae* briefs in several cases involving the reduction of retiree health benefits.
- o I will review any Congressional proposals that are introduced and will continue to monitor court cases involving retiree health benefit promises.

Background:

- o Rising health care costs have resulted in corporations cutting back on retiree health benefits and retirees have faced impediments to enforcing an employer's promise of lifetime health benefits.
- o Several Democratic Members of Congress, including Senator Daschle, have proposals to address these issues, including requiring employers to provide advance notice of benefit cuts, allowing early retirees to buy into their employers' group health plan through COBRA until they are eligible for Medicare, and providing a presumption in favor of retirees when evidence exists that employers have made a lifetime promise of health benefits.
- o Secretary Reich indicated that he believed some changes might be needed to be made in ERISA to address the growing problem of termination of retiree health benefits.
- o Those who oppose change argue that tougher rules will discourage employers from offering these benefits. For this reason, to date, the Administration and the unions have been reluctant to endorse specific legislation. The Department continues to pursue an aggressive *amicus* brief program.

HMO'S AND MEDICAL MALPRACTICE

Question:

A recent *New York Times* article discussed a number of medical malpractice lawsuits where ERISA preemption was raised by the HMO as a defense to a malpractice claim. Secretary Reich was quoted in the article as saying that he would support legislation to address this problem if the Courts did not address it.

Would you also support legislation to amend ERISA preemption if the issue is not resolved by the Courts?

Answer:

Most fundamentally, I agree that HMOs should not be able to use ERISA preemption as a defense to medical malpractice claims.

- ☐ I will examine this issue further.
- ☐ Before committing to any legislative proposal, I would want to examine where the Courts are on this issue.

Background:

- ☐ The recent article appeared in the *New York Times* on November 17, 1996. Secretary Reich is quoted as follows: "The situation has to be corrected. If the courts won't do it, Congress must."

This is not
comprehensible -
what is ERISA
preemption & how
is it being used -
& is this a plausibly
likely Q?

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Pension**

PENSION Q'S AND A'S

- o Role of Labor Secretary with Respect to Private Pension System**
- o Tax Equity: Pension System**
- o Trends in Pension Coverage**
- o Pensions for Low-Wage Workers**
- o Pension Portability**
- o Pension Security - Audit Bill**
- o 401 (k) Plan Protection: Employer Stock**
- o Employer Mandate to Provide a Pension Plan**
- o Characterization of the President's Pension Proposal as a Mandate**
- o Daschle Pension Proposal**
- o Bingaman-Jeffords Pension Pro-Save Proposal**
- o Commission on Retirement Income Policy**
- o Harris Trust Regulations**
- o Economically Targeted Investments**
- o Financial Condition of PBGC**
- o Defined Benefit Plan Underfunding**

✓
Revised
1/23/97

ROLE OF LABOR SECRETARY WITH RESPECT TO PRIVATE PENSION SYSTEM

Question:

As Labor Secretary, what do you envision your role to be with respect to the private pension system?

Answer:

- o As Labor Secretary, I will be committed to expanding and protecting this nation's private pension system.
- o My commitment is doubly strong in the face of our challenge to meet the impending retirement of the largest generation of workers in American history, a dynamic economy and a changing workforce.
- o The three objectives I will try to achieve are:
 - expanding pension coverage;
 - improving pension portability;
 - combating pension fraud and abuse.

TAX EQUITY: PENSION SYSTEM

Question:

Do you believe our tax subsidies for pension plans are being spent in the most cost effective manner?

Answer:

- o These incentives have contributed to the tremendous growth in the level of savings through pension funds over the past several decades.
- o The President is committed to expanding pension coverage, especially to low-wage workers.
- o Legislation enacted last year was a step in the right direction. We need to continue these efforts.
- o I look forward to working with the Committee on this issue.

Background:

- o Senator Kennedy is concerned that the \$66 billion per year in federal tax subsidies to encourage pension coverage go disproportionately to wealthy individuals. He is advancing a proposal which is included in the Daschle bill to provide a tax credit to low-wage workers who contribute to pension plans. This proposal is aimed at expanding coverage to the 51 million Americans without employer pension coverage, including women who are twice as likely as men to be without a pension.
- o The Administration has not endorsed the Kennedy approach. We believe the basic problem we face is not the ineffective use of tax subsidies, but how we can instead, expand the number of workers who are able to take advantage of them.

need to
explain last year's
legislation.

TRENDS IN PENSION COVERAGE

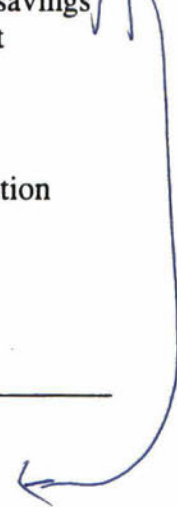
Question:

Since the 1970's there has been a tremendous increase in the formation of defined contribution retirement plans, particularly 401(k) plans. Is this shift away from defined benefit plans a problem?

Answer:

- o The changing nature of retirement income for working Americans is an important issue and one I intend to focus on at the Department.
- o The federal government must do all that it can to help ensure that retirement savings are secure and are adequate to maintain retirees' standard of living throughout retirement.
- o Changes in the form of pension coverage are a reflection of both sides of the employment relationship. Clearly, many employers perceive defined contribution plans to be advantageous, and many workers prefer them as well.
- o I plan to study this trend and to see how it affects workers.

Have to
explain
difference



Background:

- o The number of defined benefit plans decreased from 175,000 in 1983 to 84,000 in 1993.
- o However, because most larger employers have kept their defined benefit plans, there has been only a modest decline in the number of workers participating in defined benefit plans.
- o Today, approximately the same number of workers rely primarily on defined benefit plans as rely primarily on defined contribution plans.
- o As the workforce has grown, nearly all of the new pension coverage has been in defined contribution plans, and many employers already sponsoring defined benefit plans have added a 401(k) plan.

✓
Revised
1/23/97

PENSIONS FOR LOW-WAGE WORKERS

Question:

What do we need to do to assure that pension security is available to all Americans, particularly low and moderate wage workers?

Answer:

- o Expanding the availability of pension coverage to low and moderate wage workers is a top priority of the Administration.
- o A key aspect of this effort is to facilitate the ability of small firms to provide pension plans because the majority of workers without coverage are employed by small businesses.
- o Last year we made significant progress with the enactment of the pension simplification legislation which lowered the cost for small firms to sponsor a plan.
- o As Secretary of Labor, I will do all I can to ensure that the lower-wage workers at employers with these new plans are brought into the system.

→ ~~As~~ This needs to
be explained

PENSION PORTABILITY

Question:

As the workforce continues to become increasingly mobile, what can we do to enhance pension portability for workers?

Answer:

- o We consider the problem of enhancing the portability of pension benefits to be one of the central issues that needs to be addressed if we are to successfully expand private retirement income.
- o Last year the Administration proposed a variety of ways to improve portability, some of which were included in the Small Business Job Protection Act.
- o These successes represent a good start which I intend to build on. We need to expand our dialogue with interested representatives of employers and workers and work with Congress to advance useful proposals in this area.

Background:

- o Last year, the President announced a regulation which facilitates the ability of employers to accept the transfer of benefits for new workers.

Like
What?

PENSION SECURITY - AUDIT BILL

Question:

What steps would you take to enhance the security of the private pension system?

Answer:

- o There has been tremendous growth in benefits and in the number of workers covered by the private pension system, and it is more secure than ever.
- o The Labor Department is proud of its record of progress in safeguarding private pensions during President Clinton's Administration. In particular, the Retirement Protection Act, enacted in 1994, the Department's ongoing 401(k) enforcement program, and revised regulations have enhanced pension security.
- o However, there is always room for improvement. One of my top priorities will be to improve the auditing of pension plans, and the President has proposed legislation that would make significant improvements in this area.
- o I am pleased **Chairman Jeffords** sponsored similar pension audit legislation in the 104th Congress.

Background:

- President's or Jeffords'?*
- o The proposed legislation would strengthen ERISA audits in several ways:
 - Close the loophole for "limited scope" audits, which provide no overall assurance that plan assets are secure.
 - Require prompt reporting if criminal acts are discovered during an audit.
 - Require that plan auditors be subject to peer review to improve the quality of their work.
 - Make clear that the pension benefits of a plan fiduciary who breaks the law can be used to repay the plan and remove impediments that discourage the settlement of enforcement cases.
 - o Senator Daschle included a modified version of the Administration's proposal in his pension bill.

401(k) PLAN PROTECTION: EMPLOYER STOCK

Question:

Do we need stricter limits on the amount of company stock or real property that a company sponsoring a 401(k) plan is able to contribute to that plan in lieu of cash?

Answer:

- o We need to work together to make certain that situations like the Color Tile case are not repeated.
- o I look forward to working with the Congress to address this issue.

Background:

- o In the Color Tile case, Color Tile's 401(k) plan invested over 80% of its assets in Color Tile stores before it went into Chapter 11 bankruptcy.
- o In response, Senator Boxer introduced legislation to establish limits on the investment of 401(k) plan assets in employer securities and real property. A version of this is also included in the Daschle pension bill.
- o On September 12, 1996, Secretary Reich sent a letter to Senator Boxer expressing the Administration's support in principle for legislative changes.
- o Details need to be worked out between the Administration and the Congress.

EMPLOYER MANDATE TO PROVIDE A PENSION PLAN

Question:

Should we have an employer mandate for pension plans to help expand coverage to more workers?

Answer:

- o Last year the President proposed and Congress passed a number of measures that make it easier for employers to voluntarily sponsor pension plans by lowering costs and easing the administrative burden.
- o Broadening coverage within the existing system remains a high priority for the Administration.
- o We need to pursue implementation of the new law and have no plans to propose a mandate.

Some

Businesses

needed

Does anyone support
mandate? Who?

✓
Revised
1/23/97

CHARACTERIZATION OF THE PRESIDENT'S PENSION PROPOSAL AS A MANDATE

Question:

Isn't the 1% employer contribution proposed by President Clinton as part of the Retirement Savings and Security Act an employer mandate?

Answer:

- o Under the President's proposal, the decision to offer a pension plan would have remained the employer's. The President's proposal did not mandate that the employer offer a pension plan.
- o The President's proposal was intended to ensure that everybody who works for an employer offering one of these new pension plans receives at least some minimal benefit.

Background:

- o Current pension law requirements are designed to ensure that benefits are not disproportionately received by high-wage workers. These requirements are complex and are administratively burdensome for many employers.
- o The President's proposal was intended to offer small employers a new type of pension plan. The President's proposal would have waived compliance with these complex rules provided that the employer contribute at least 1% of a worker's compensation to the pension plan.
- o The 1% minimum employer contribution, which was intended to ensure that low-wage workers receive at least a minimum benefit, remains a high priority of the Administration and has been included in the Daschle pension bill.

Revised
1/23/97

DASCHLE PENSION PROPOSAL

Question:

Do you support the Daschle pension bill?

Answer:

- o We are supportive of Senator Daschle's efforts.
- o The current bill includes many provisions from the President's Retirement Savings and Security Act that were not enacted as part of the Small Business Job Protection Act of 1996. We believe those provisions significantly enhance this legislation.
- o I look forward to working with you on pension legislation.

Cautionary Note:

If asked about the inclusion of the Kennedy-Bingaman employer mandate to provide for payroll deduction of employee retirement savings accounts, you could say:

- o the Administration has not supported such a mandate to date;
- o the Administration is reviewing policy options for increasing pension coverage and portability without requiring a mandate;
- o this is an interesting idea that responds to a serious need.

Described by
Daschle

Revised
1/23/97

BINGAMAN-JEFFORDS PENSION PRO-SAVE PROPOSAL

Question:

What is your view of the Bingaman-Jeffords Pension Pro-Save proposal?

Answer:

- o I share the goals of improving portability and expanding coverage among workers in firms that do not currently sponsor pension plans.
- o I agree with the principle that one of the best ways to achieve this is to find new ways to make it as simple and inexpensive as possible for employers to make the opportunities available for workers to save through regular contributions.
- o I am optimistic that if we work together we can develop creative new approaches that will enable us to improve portability and expand coverage.

Background:

- o The pension Pro-Save proposal contains a mandatory payroll deduction for workers who elect to participate in this new portable pension system. The withholdings from payroll deduction would be deposited in a new "semi-governmental" entity which would manage the individuals's Pro-Save account.
- o The Administration has taken no position on this proposal but has serious concerns about both the mandate and the "semi-governmental" entity.

What is it?

✓
Revised
1/23/97

COMMISSION ON RETIREMENT INCOME POLICY

Question:

Senator Jeffords and others have proposed the creation of a Commission on Retirement Income Policy to study trends in retirement savings and to identify ways to promote additional retirement savings. Given the critical importance of retirement savings to millions of Americans, what is your view on the need for such a Commission?

Answer:

- o I believe it is important that all Americans have a safe and secure retirement.
 - o The growth and security of private pensions are important parts of our retirement income policy.
 - o I want to work with you on how best to achieve our mutual objective of a safe and secure retirement for all Americans.
 - o There are currently several advisory committees, representing a broad range of interests, available to the Secretary of Labor on issues of pension policy. Before creating another, I would like to become more familiar with the existing committees.
-

Cautionary Note:

- o The establishment of this Commission is strongly opposed by organized labor.

HARRIS TRUST REGULATIONS

Question

What will the Department do to implement the provisions of the Small Business Job Protection Act which give insurance company general accounts relief from ERISA's requirements, while still protecting plan participants from insurance company wrongdoing?

Answer:

- o I will look into this matter after I am confirmed.
- o I will do everything I can to be sure that the regulations adopted pursuant to this new law are indeed protective of workers' pensions.

Background:

- o In December 1993, the Supreme Court, in John Hancock Mutual Life Insurance Co. v. Harris Trust Savings Bank, overturned a Department of Labor interpretation which said that premiums paid by plans to insurance companies for insurance contracts were not subject to ERISA's fiduciary rules. These premiums become part of the insurance company's operating assets (which is called the insurance company's "general account").
- o This ruling caused all sorts of difficult practical problems and led to the inclusion of a provision in the Small Business Job Protection Act requiring the Department to give the insurance industry regulatory relief while safeguarding the interests of plan participant.
- o The Administration supported this position. You should be aware that Senator Dodd also supported this provision but Senator Wellstone opposed it because of concerns that the regulations may not provide adequate protective standards.
- o The Small Business Job Protection Act requires that DOL propose regulations by no later than June 30, 1997 and issue final regulations by December 31, 1997.

New
1/23/97

ECONOMICALLY TARGETED INVESTMENTS

Question:

Should the Federal Government encourage pension investment in Economically Targeted Investments (ETIs)?

Answer:

- o ETIs, when properly structured, provide competitive rates of return to plan participants, and produce additional benefits, such as job generation, affordable housing, and small business development.
 - o Pension fund managers and trustees, however, not the government, must make investment choices that are suitable for the circumstances of the particular fund.
 - o There are many different types of ETIs and, if you are interested, I can have my staff compile some information on these from existing studies.
-

Background:

- o In 1994, the Department published an interpretive bulletin, as recommended by the bipartisan ERISA Advisory Council. The bulletin confirms the Department's position that federal pension law allows investment in ETIs if such investments are projected to achieve competitive rates of return. This has been a longstanding position of the Department through more than twenty years of Democratic and Republican administrations.
- o As background for you, the following are two examples of ETIs:
 - The California Public Employees Retirement System, the nation's largest public pension fund, has been a vigorous investor in ETIs. This fund has committed \$375 million to its housing construction program of over 3,000 single family housing units. The investment has yielded more than its projected rate of return of 19.6%.
 - In the private sector, the Trust Company of the West has created the Boilermaker Co-Generation Fund to target investment in productive assets such as environmentally responsible energy production. The Boilermaker and Blacksmith National Pension Trust has invested \$200 million or about 10% of its total assets in this fund, projecting lifetime returns of over 14%.

Cautionary Note:

- o We should not appear to be endorsing any specific investment.

New
1/24/97



FINANCIAL CONDITION OF PBGC

Question:

What is the financial condition of the Pension Benefit Guaranty Corporation (PBGC)?

Answer:

- o The Pension Benefit Guaranty Corporation is on firm financial ground.
 - o At the end of 1993, its deficit was almost \$3 billion.
 - o When the books for 1996 are closed, PBGC anticipates reporting a surplus for the first time ever.
-

Background:

- o These statements refer to PBGC's own funds which are used to pay for the benefits of workers whose employers become insolvent and cannot pay benefits. These funds are accumulated from premiums paid by employers for the insurance provided by PBGC.
- o The amount of premium paid by employers is established by law in ERISA. It was most recently modified by Congress in 1994 (Retirement Protection Act). Under this new law, the variable rate premium was changed so that underfunded plans pay a higher premium than well-funded plans. This change contributed to turning PBGC's deficit into a surplus. President Clinton has often referred to this legislation as part of his pension security agenda and accomplishments.

New
1/24/97

DEFINED BENEFIT PLAN UNDERFUNDING

Question:

The Pension Benefit Guaranty Corporation (PBGC) announced last December that underfunding in single-employer plans was about \$64 billion in 1995. What do you think should be done about this?

Answer:

- o Pension security will be one of my top priorities.
- o The Administration worked with Congress on a bipartisan basis in 1994 to enact the Retirement Protection Act.
- o It is my understanding that the reforms enacted in 1994 are in the process of addressing the problem of underfunding of pension plans.
- o As Labor Secretary, I will be a member of the PBGC Board and will work with the Secretaries of Treasury and Commerce to make sure that pensions are properly funded.

What
does
it
do?

Background:

- o The \$64 billion deficit refers to the total amount of underfunding within the defined benefit pension system insured by PBGC. A defined benefit plan is underfunded when a shortfall is projected between the assets in the plan and the assets needed to provide benefits should that employer go bankrupt at that point in time. Underfunding does not mean that people are not currently receiving their benefits.
- o Two-thirds of all defined benefit pension plans are properly funded -- they have adequate assets to fund benefits should that employer go bankrupt. As interest rates change, the projected funding status of the plan changes. Because interest rates fluctuate from year to year, underfunding must be viewed over a number of years to truly get a picture of the funding status of a plan.
- o In 1995, interest rates declined dramatically, resulting in an increase in the projected shortfall for underfunded pension plans. We believe this will readjust over time.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Social Security/Medicare**

SOCIAL SECURITY/MEDICARE Q'S AND A'S

- o Future of Social Security**
- o Social Security Advisory Council Report**
- o Medicare Trust Fund**
- o Home Health Transfer & Medicare Trust Fund**

Revised
1/23/97

FUTURE OF SOCIAL SECURITY

Question:

Given the Social Security Trust Fund is expected to be depleted by 2030, what steps do you believe should be taken to address this serious national problem?

Answer:

- o Social Security is one of this nation's great success stories. It has cut the poverty rate among the elderly in half and protects millions of families who have lost their breadwinner through death or disability.
- o We must make certain that the system continues to provide meaningful benefits to all workers.
- o There is no crisis in Social Security, but there are long-term financing concerns. It will be far easier to address if we start in the near term.

However, it is critical that we resolve these concerns through a bipartisan process.

poor &
a little
background
re
solventy
etc.

Meaning <
Commission?

Revised
1/23/97



SOCIAL SECURITY ADVISORY COUNCIL REPORT

Question:

What is your view of the recently released Advisory Council report on Social Security?

Answer:

- o The Advisory Council worked hard and raised some important questions about the finances of Social Security -- but was completely split on what to do about them.
- o As the country, through a bipartisan process, reviews the recommendations that have been made by the Commission and others, they should be judged based on the principles that have guided Social Security as a public trust for more than 60 years:
 - Social Security must provide real benefits and a secure retirement, not only for today's retirees but for future generations as well.
 - Social Security's integrity as our nation's premier social insurance program must be maintained. Social Security must remain an effective safety net, providing a bulwark for all Americans against disability and the risks of poverty in their retirement years.
 - Social Security's finances must be sound.

Cautionary Note:

- o It is best to respond to questions about the Social Security report by stressing the importance of the program without discussing the Council's specific recommendations.

Revised
1/23/97

MEDICARE TRUST FUND

Question:

As Secretary of Labor, you will be a trustee on the Medicare Trust Fund. What are your recommended short and long-term measures to deal with the trust fund's solvency?

Answer:

- o I strongly agree with the President that we must address the short-term problems immediately as well as the long-term financing challenges of the Medicare Trust Fund without harming beneficiaries.

If pushed, you can say:

- One of the President's goals is to balance the Federal budget by 2002 and to extend the life of the Medicare Trust Fund into the middle of the next decade.
- As we take steps to extend the life of the Medicare Trust Fund, we must make sure not to indirectly harm beneficiaries through excessive hospital, doctor, and other provider costs. Moreover, we should not unnecessarily frighten beneficiaries and their families into thinking that their benefits are in imminent danger.
- As a Trustee, I would address the long-term financing challenges by supporting a bipartisan process to examine possible long-term financing reforms.

need background

Revised
1/23/97

HOME HEALTH TRANSFER AND THE MEDICARE TRUST FUND

Question:

Is the transfer of home health care costs out of the Medicare Part A (i.e., hospital) to the Part B (i.e., physician services) Trust Fund going to be in the budget and how can you justify it?

Answer:

- o As you know, the President -- and Republicans in the House -- advocated this proposal in recent budget plans.
- o The home health care initiative that the President proposed is good, defensible policy.

If pushed, you can say:

- Payment for long-term home health services should not be in Part A of the program, which is the part of Medicare that pays for acute -- not long-term -- services.
- In fact, prior to 1980 that is how Medicare allocated the payment for these services.

Need background -

i.e. we proposed
moving p.h.h. costs from
A to B. But this
affected is gimmick.
In fact -

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: CPI

CPI Q'S AND A'S

o CPI

- Boskin Report**
- Secretary's Role**
- Timetable**

CONSUMER PRICE INDEX: BOSKIN REPORT

Question:

The Boskin Commission recently issued a report concluding that the CPI overstates the true cost of living by an estimated 1.1 percentage points a year. What are your views on the problems associated with the CPI?

Answer:

- o This Administration believes that it is important to have the most accurate measure possible to ensure that benefits such as Social Security are protected against inflation and that inflation adjustments to tax brackets are done fairly.
 - The Boskin report raises legitimate and important issues about how changes in the cost of living are measured.
 - Most economists, including those at the Bureau of Labor Statistics, agree that the existing CPI produced by BLS is an imperfect measure of the changes in the cost of living.
- o BLS has over the years had a continual process to improve the CPI that has already resulted in major improvements in the CPI.
- o The BLS, the rest of the Administration, and the public now have the opportunity to carefully review the Boskin commission report and its recommendations.
 - However, the process of making changes in this arena must not become politicized.

Cautionary Note:

- o The Senate Budget Committee is conducting hearings over the next 2 weeks that will address the CPI issue. Witnesses include Alan Greenspan (Federal Reserve); Katharine Abraham (BLS) and Michael Boskin; Secretary Rubin; and OMB Director Raines. update
- o Updated information will be provided prior to the confirmation hearing reflecting significant statements made by the various witnesses on CPI that could be raised during your hearing. [Note: Senators Frist, Gregg and Murray are on the Senate Budget Committee.]

✓
Revised
1/22/97

CONSUMER PRICE INDEX: SECRETARY'S ROLE

Question:

How do you see your role as Secretary of Labor in supervising the work of BLS on this critical issue?

Answer:

- o First, let me say that any technical revisions to the official monthly CPI are best left to the experts at BLS.
 - For the public to have confidence in Federal statistics, they must believe that the data are objective and accurate and not subject to political influence.
 - Once the integrity of government statistics is compromised, it would be extremely hard to restore.
- o This Administration, like many others, has placed a high priority on insulating the technical work of the BLS from political influences and politics.
- o As Secretary, I want to ensure that BLS has the necessary resources to carry out its important work on CPI improvements.

New
1/22/97

CONSUMER PRICE INDEX: TIMETABLE

Question:

Given the importance of having an accurate CPI and the importance of the CPI in the current budget debate, what can you do as Secretary to expedite the CPI revision project?

Answer:

- o BLS has over the years had a continual process to improve the CPI that has already resulted in major improvements in the CPI.
- o I want to ensure that BLS has the necessary resources to carry out its important work on CPI improvements.

Background:

- o Members will come at this issue from the perspective of whether or not there are any budget savings from CPI adjustments that BLS is planning to do.
- o Last year Congress assumed the savings estimated for BLS improvements in both the formula bias and the new market basket (a total of 0.4% annual reduction in the measured inflation rate).
- o CBO is planning to reflect savings from BLS's hospital cost changes in its FY 98 baseline number (extent of reduction small but unknown).
- o It is possible that an alternative measure, such as the experimental index that BLS will begin producing this Spring, could be adopted by BLS in the official CPI in about 2 years, potentially leading to a reduction in the measured inflation rate. This potential adjustment has not been factored into budget savings yet.

Cautionary Note: Concern could be raised about why BLS cannot speed up its improvement efforts.

- BLS believes that even if it had unlimited resources, its current CPI improvement project could not be done any faster.
- If BLS were to make any further CPI improvements (such as an alternative measure), an OMB directive requires at least 6 months advance notice to the public before it can be implemented.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Safety and Health**

SAFETY AND HEALTH Q'S AND A'S

- o Need for OSHA**
- o The New OSHA**
- o Joe Dear's Successor**
- o OSHA Reform -- Codifying The "New OSHA"**
- o Cooperative Compliance Programs**
- o OSHA's Inspection Numbers**
- o Ergonomics**
- o Methylene Chloride Standard**
- o Smoking in the Workplace**
- o Workplace Violence Guidelines**
- o OSHA and Small Business**
- o Business Complaints About OSHA**
- o Streamlining Regulations**
- o Cost Benefit Analysis**
- o OSHA/NIOSH Consolidation**
- o OSHA/MSHA Consolidation**

NEED FOR OSHA

Question:

Do you think there is still a need for OSHA, especially since workplace fatalities have declined so rapidly in the last decade?

Answer:

- o Yes, although workplace fatalities have declined, too many workers are still being killed or injured on the job every day.
- o OSHA has made a great deal of progress as the injury/illness rate has also declined gradually over the past 26 years, but there is still a great deal to be done.

Background:

- o In 1995, 6,210 workers were killed on the job, an average of 17 per day.
- o In addition, more than 50,000 American workers die each year from disease caused by exposures at the workplace, and more than 6 million are injured or made ill.

THE NEW OSHA

Question:

How is OSHA going to change the perception of many business people that OSHA is more interested in fining employers than in helping to protect the safety and health of employees?

Answer:

- o I understand that OSHA's reinvention initiatives have already made enormous progress in improving worker safety and health through Cooperative Compliance Programs, Common Sense Rules in Plain English and Targeted Enforcement.
- o I intend to continue that progress.

Backlund -

~~that~~
How has OSHA been
reformed? Discuss
reform initiatives

JOE DEAR'S SUCCESSOR

Question:

What are you looking for in a successor to Joe Dear?

Answer:

- o The most important factor is a strong commitment to the safety and health of America's working men and women.
- o A good manager.
- o Someone who will listen to and understand the needs of workers and employers.
- o Someone committed to the OSHA reinvention initiatives.

OSHA REFORM -- CODIFYING THE "NEW OSHA"

Question:

Should Congress codify the positive changes Joe Dear has made administratively over the last few years?

Answer:

- o The new OSHA reinvention initiatives have shown that legislation is not necessary to effectuate significant change at the agency.
- o The President and I have no intention of turning back on those changes.
- o We need the flexibility to experiment with and improve the reinvention initiatives.

Cautionary Note:

- o Do not suggest a willingness to deal now with OSHA reform legislation.

~~I want to continue
to push the reform
process forward~~

COOPERATIVE COMPLIANCE PROGRAMS

Question:

Isn't the "cooperative compliance program" really more about intimidation than cooperation?

Answer:

- o OSHA's goal is to ensure America's working men and women a safe and healthy workplace. To achieve that, they are trying many innovative programs which leverage their limited resources.
- o Cooperative Compliance Programs identify companies that have large numbers of workers compensation claims and/or high rates of injury and illness. OSHA offers those companies the option of partnership with the agency to improve the safety and health of their workers, instead of traditional enforcement.

Background:

- o The Cooperative Compliance Program gives high hazard businesses the choice of partnership, by working with OSHA to find and fix their own hazards, or going through a full inspection.
- o OSHA promised the President in 1995 that by the end of 1996, we would offer this choice in every federal OSHA state. It is an expansion of the award winning Maine 200 program where about 65% of employers experienced reduced illness rates.
- o There have been problems implementing the program quickly in all 29 federal OSHA states, and Congressional delegations in Missouri and Colorado have complained on behalf of various businesses.
- o In addition, the AFL-CIO believes the CCP's put too much emphasis on voluntary compliance and not enough on enforcement.
- o Generally, the CCP's are popular with employers and are producing good results. Participating employers are correcting large numbers of violations, and their injury rates have declined significantly.

OSHA's INSPECTION NUMBERS

Question:

Does the drop in the number of OSHA inspections mean that OSHA does not have a commitment to enforcement?

Answer:

- o No - there is no lack of commitment to enforce.
- o It is my understanding that the reduction in the number of inspections was caused in part by the budget rescission, government shutdown, and uncertainty OSHA has faced over the last two years.
- o Now that OSHA's budget has been restored, I expect that there will be an increase in the number of inspections.

Background:

- o The number of OSHA inspections dropped from 42,000 in 1994 to 24,000 in 1996.
- o Part of the reduction was caused by program changes -- putting greater emphasis on compliance assistance, and conducting better focused and more comprehensive inspections.
- o The number of inspections in 1997 is expected to exceed 30,000.

ERGONOMICS

Question:

Do you intend to pursue ergonomics regulations?

Answer:

- o Repetitive stress injuries are too big a problem both for workers and businesses to ignore.
- o I understand that OSHA plans a new approach to address repetitive stress injuries that includes education and technical assistance, as well as rulemaking.
- o I will make sure that OSHA considers all points of view, including yours, as it moves ahead.

Background

What is it
Who is for,
Who against?

METHYLENE CHLORIDE STANDARD

Question:

Will you consider pulling back the new Methylene Chloride regulation?

Answer:

- o It is my understanding that OSHA recently published the final standard in the Federal Register, after 10 years of work.
- o I am not aware of all the details of this OSHA standard, but I am told that it will improve protection for workers from exposure to methylene chloride and as a result, help to prevent many cancer deaths.

Background:

- o A lawsuit has been filed in a U.S. Circuit Court of Appeals to block the standard.
- o Methylene Chloride is the first DOL standard to be subject to Congressional review under the Small Business Regulatory Enforcement and Fairness Act.

SMOKING IN THE WORKPLACE

Question:

What does OSHA plan to do about indoor air quality and smoking in the workplace?

Answer:

- o I understand that OSHA received an unprecedented number of comments from the public on its proposed rule and that they are being analyzed.
 - o I plan to get more fully briefed on this important issue when I join the Department.
-

Background:

- o Senators Warner (R-VA) and McConnell (R-KY) have been very critical of OSHA doing a standard affecting tobacco.

I will of course
be looking into

WORKPLACE VIOLENCE GUIDELINES

Question:

What need is there for workplace violence guidelines?

Answer:

- o The answer lies in the statistics.
- o I understand that homicide is the leading cause of death in the workplace for women, and the second leading cause for all workers.
- o I would like to work with you on this issue.

Background:

- o There were 6,210 fatal work injuries in 1995; women accounted for 534 of those fatalities.
- o Homicide accounted for 16% of the total 6,210 fatal work injuries in 1995.
- o In 1996, OSHA published draft guidelines on preventing violence in night retail establishments but has delayed issuing the guidelines because of complaints from Congress and the business community.

OSHA AND SMALL BUSINESS

Question:

What can be done to lighten OSHA's regulatory burden on small business?

Answer:

- o Because of my recent work with small businesses as the White House Public Liaison, I am particularly sensitive to the concerns of small business.
- o ~~It is my understanding that~~ OSHA is doing a lot already through its consultation program for small business, compliance assistance materials, and other activities.
- o OSHA may be able to do more to help small businesses and I am open to suggestions.

What has OSHA
done?

BUSINESS COMPLAINTS ABOUT OSHA

Question:

Are there complaints about OSHA that you heard from the business community while you were the White House Public Liaison that you think are valid?

Answer:

- o I have heard some valid complaints, and so have the President and Vice President.
- o Most often they concern the fact that the agency failed to distinguish between responsible employers and negligent ones.
- o I will follow through on the changes Joe Dear and Secretary Reich have implemented to target the most dangerous workplaces and to give recognition to responsible employers.

What kind of
complaints?

STREAMLINING REGULATIONS

Question:

Will you commit to reducing the number and complexity of OSHA regulations?

Answer:

- o The Vice President's Task Force on Regulation has eliminated over 16,000 pages of regulations, and OSHA has contributed to that total.
- o OSHA's most important job is protecting the safety and health of workers, but it should continue working in innovative ways to make its safety and health information more accessible to the public.
- o ~~I understand that~~ OSHA is also in the process of rewriting its regulations in plain English.

COST BENEFIT ANALYSIS

Question:

Shouldn't OSHA consider both the costs and benefits of the available options before determining what regulation or standard to issue?

Answer:

- o The American public rightly believes that worker safety is of paramount concern.
- o President Clinton strengthened cost-benefit review through an Executive Order in 1993.
- o OSHA, like every agency, performs a separate analysis of the economic impacts of its rules on small businesses.

Background:

- o Cost-benefit analysis has been a particular concern for Senator Gregg (R-NH), but any Republican Senator might raise this issue.
- o Executive Order 12866 requires every agency, to the extent permitted by statute, to conduct risk assessments and cost-benefit analyses before issuing major rules.
- o But the Occupational Safety and Health Act limits the extent to which a cost-benefit analysis may determine a workplace health or safety standard.

Not clear enough.
OSHA's current std. is
health based - it's econ.
& tech. feasible →
C-B analysis would mean

OSHA/NIOSH CONSOLIDATION

Question:

Should OSHA and NIOSH be combined since they deal with the same types of issue?

Answer:

- o No, both agencies have different and equally important responsibilities.
- o OSHA is responsible for establishing and enforcing workplace standards.
- o NIOSH conducts research on safety and health problems.

Background:

- o The Republican budget in the 104th Congress called for the elimination of NIOSH, and bills were introduced to merge NIOSH and OSHA. Several Senators, including DeWine (R-OH) and Kennedy (D-MA), successfully fought the consolidation.

exp/200
NIOSH
vs
OSHA

· OSHA/MSHA CONSOLIDATION

Question:

Why shouldn't MSHA be consolidated with OSHA? MSHA has a \$200 million budget but protects only 350,000 miners.

Answer:

- o Miners are exposed to unique hazards underground, in a constantly changing workplace: Roof falls, explosions, coal dust, and mine fires.
- o The Mine Act has succeeded in cutting fatalities dramatically, while mine productivity has soared.
- o The Mine Act is working. We shouldn't fix what isn't broken.

Background:

- o This is an important issue for coal-state Senators. The main OSHA reform bill in the House in the 104th Congress called for the elimination of MSHA.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Corporate Issues**

CORPORATE ISSUES Q'S AND A'S

- o Corporate Welfare: Balanced Budget**
- o Corporate Responsibility:**
 - Explanation**
 - Secretary's Role**

CORPORATE WELFARE: BALANCED BUDGET

Question:

Will you promote cuts in "corporate welfare" as a means of reaching budget balance?

Answer:

- o When we are working so hard to ~~balance the budget~~, everything must be looked at, including corporate welfare.
- The Administration already has cut \$70 billion in such subsidies.

Cautionary Note:

- o The President's FY 1998 budget plan will contain significant corporate subsidy cut proposals; however, the amount and details are not yet known to the Department.
- o Congressman Kasich's coalition to push for elimination of corporate subsidies is focused on the spending side vs. the tax side. Many of the spending programs his coalition is targeting are ones supported by the Administration (e.g., IMF funding).

expl. n -
te Rly

CORPORATE RESPONSIBILITY: EXPLANATION

Question:

What is a good corporate citizen?

Answer:

- part in terms of
Rogers, no?
phases last
out str...
primary...*
- o Most American corporations will say that their workforce is their greatest asset; good corporate citizens will take actions that prove that they mean it.
 - They will do so by:
 - Investing in their workers
 - Promoting family-friendly policies
 - Ensuring a safe and healthy workplace
 - Offering health and pension benefits, and
 - Promoting employee participation and labor/management cooperation
 - o Good corporate citizens are doing good by their workers while doing good by the bottom line.
 - o At the White House Conference on corporate citizenship, that I had the pleasure of organizing along with Secretary Reich, we heard CEO after CEO tell the story of how their "worker-friendly" policies held the secret to their success.
 - From those in attendance, including more than 100 CEOs who took the time just to come, listen, and learn, I've heard nothing but positive reviews.

Background:

- o The following are three examples of good corporate citizens:
 - Starbucks offers health insurance to its part-time employees, and its success is unquestioned.
 - Republic Engineered Steels is a model of labor/management cooperation and is surviving well in a very tough industry.
 - Johnson & Johnson has a model safety program that is saving the company money every day.

Revised
1/22/97

CORPORATE RESPONSIBILITY: SECRETARY'S ROLE

Question:

Do you anticipate continuing the corporate responsibility theme?

Answer:

- o The activities of the Department of Labor are focussed on helping corporations to act responsibly.
- Stopping sweatshops, enforcing wage laws, eliminating discrimination, and promoting training are all elements of "corporate responsibility."
- o In addition, I intend to continue to use the power of positive examples as a way of promoting worker-friendly practices.
- By shining the spotlight on best practices, we can make an important contribution at little cost. We know what works; we just need to spread the word.

*in corporations
"helping"*

*to
enforce
don't really
go
together*

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Budget**

BUDGET Q'S AND A'S

- o Balanced Budget**
- o DOL FY 1998 Request**
- o Streamling DOL**
- o Political Appointees**

BALANCED BUDGET

Question:

The President has announced that he plans to submit an FY 1998 budget that contains a plan to balance the budget by FY 2002. Shouldn't the Department's spending be cut back if we're trying to achieve a balanced budget?

Answer:

- o The President's top priority for this year is to reach an agreement with Congress on balancing the budget.
 - o But he is determined to reach this goal in a way that reflects our fundamental values:
 - our duty to care for our parents and our children;
 - our commitment to provide opportunity for all Americans;
 - to invest in education and training; and
 - to protect the environment for the future.
 - o The Department of Labor has a role in advancing these values:
 - providing employment and training opportunities;
 - enforcing basic labor laws; and
 - protecting the health and safety of American workers.
-

Background:

- o The President, working with Congress, has already made significant progress in reducing the budget deficit.
- o Since 1992, the deficit has been cut in half--from \$290 billion to \$144 billion in 1996--and the plan submitted with this budget can eliminate the deficit by 2002.

New
1/22/97

DOL FY 1998 REQUEST

Question:

How would you characterize the Department's FY 1998 request -- is it a continuation of last year's efforts or are there any new initiatives?

Answer:

- o The Labor Department programs are central to the President's agenda of focusing on work and families.
 - o There are many details in the Department's budget request that I'm looking forward to working on with you and others in Congress.
 - o Approval of the President's FY 98 budget request for the Department will be one of my highest priorities.
-

Background:

- o The Department's FY 1998 request represents a modest increase above last year's level [9%], both for employment and training programs and for worker protection activities, as well as for key statistical programs.
- o The Department's FY 1998 discretionary funding request is \$11.2 billion, an increase of over \$900 million, or about 9%, above FY 1997.
- o Of the total increase requested, about \$864 million, which is about 10% above FY 1997, is in the employment and training area providing expanded assistance to disadvantaged youth and adults, and dislocated workers, as well as assuring that the heavily automated State employment security system will be ready for the year 2,000 conversion.
- o The remaining increase of about \$110 million is primarily in the worker protection area, which receives an increase of about 7% above FY 1997, and reflects enhancements to programs to promote safe and healthful working conditions; and insure pension security, equal opportunity, and wage protections. Also, additional funds are provided for the continuing revision of the Consumer Price Index and other key statistical programs.

New
1/22/97

STREAMLINING DOL

Question:

In this era of downsizing, what steps do you plan to take to streamline or restructure the Department?

Answer:

- o This Administration has cut unnecessary programs, reducing the size of the federal government by over 250,000 staff, and reduced red tape.
- o I am looking forward to working with the Vice-President on the government-wide reinvention efforts, and will review the Department's streamlining accomplishments and future plans once I am confirmed.

Background:

- o The Department of Labor has approximately 16,000 staff, which makes it the third smallest Cabinet level Department in terms of number of employees.
- o Compared to the size of the organization when you were last at the Department in 1980, it is approximately one-third smaller. DOL's staffing was 24,000 in 1980 and has fallen to a level of 16,000 in 1996. — What about '92 or '93?
- o DOL's goal was a 12% staff reduction by 1999. As of October, 1996, DOL has exceeded this goal by reducing employment by 14%. (2,500 cut--from approximately 18,500 to 16,000).
- o The Department has attempted to re-deploy staff from overhead positions to front-line positions where the real work of the Department is concentrated.
- o These cuts have occurred even though the Department has taken on new responsibilities, such as the Family and Medical Leave Act, School-to-Work, and the oversight of 401(k) pensions.

Compared to
when?

New
1/24/97

POLITICAL APPOINTEES

Question:

Commerce Secretary Daley has announced plans to reduce his political staff by one third. Can you commit to taking similar actions in the Labor Department?

Answer:

- o I understand that the number of political employees at DOL has remained relatively stable at least since the Bush Administration.
- o I know that political staff have worked very closely with career employees on the various DOL initiatives, such as the 401(k) employee contribution project, new health care responsibilities, and the No Sweat initiative.

Background:

- o DOL currently has 110 political appointees out of the total 16,000 DOL population--or 0.7% of the total.
- o Commerce political appointees are 0.8% of the population--256 out of 32,000.
- o Health and Human Services political appointees are 0.2% of the population--140 out of 58,000.

Cautionary Note:

- o We have less than half the number of political employees compared to the Commerce Department.
- o The number of political appointees at the Department has never been an issue with the Hill.
- o You may not want to step into this thicket until you determine your need for political appointees.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Miscellaneous**

MISCELLANEOUS Q'S AND A'S

- o Black Lung Disability Trust Fund Status**
- o Pay Equity Legislation**
- o Future of the Veterans' Employment and Training Service (VETS)**
- o Veterans Preference Legislation**

BLACK LUNG DISABILITY TRUST FUND STATUS

Question:

What will you do to insure the solvency of the Black Lung Disability Trust Fund?

Answer:

- o I share your concerns about the future of the Black Lung program.
- o If confirmed, I will look into the status of the Black Lung program with your concerns in mind.

Background:

- o Program benefits are not in jeopardy because Congress has authorized the program to borrow from the Treasury as needed.
- o Claimants generally feel that they have not been treated fairly. The UMW has an interest in keeping the program in place at least at the current levels given that their membership are the future beneficiaries. The coal companies are concerned about policy changes which would effect future costs and any proposals for addressing the Fund's debt.
- o The Black Lung Disability Fund has an accumulated debt of \$5 billion.
- o DOL pays approximately 87,000 households disability and medical benefits totaling \$500 million a year.
- o DOL claims are paid from the Black Lung Disability Trust Fund which is supported by a tax on coal or by the insurance carrier of the coal company. The coal tax cannot exceed 4.4% of the market rate of coal.
- o In the 1970's and early 1980's, the Trust Fund borrowed significantly from the Treasury. In 1981, Congress acted to tighten eligibility requirements. However, each year the Trust Fund is charged additional interest costs.
- o Senator Byrd is the guardian of the program.

NEW
1/23/97

anything else
from US B then?

PAY EQUITY LEGISLATION

Question:

3.21.7

Would you support a pay equity bill or initiative?

Answer:

- Can we believe these*
- o I have always been concerned about the wage disparity between men and women.
- o When I headed the Women's Bureau, I issued several publications highlighting the then 59 cents gap. *What??*
- o The current gap of 71 cents shows that there has been some improvement, but we clearly need to keep working on this issue.
- o I would certainly like to read any such proposal in the hope that maybe working together, we can eliminate this gap during my lifetime.

Background:

- o The Senate Democrats have identified fair pay as one of their priority issues. Senator Daschle recently introduced S. 71, The Paycheck Fairness Act.
- o Among other things, the bill would provide more funding to the Equal Employment Opportunity Commission to beef up its enforcement of the Equal Pay Act and strengthen the remedies in the Equal Pay Act. DOL would be given more resources to improve and enhance its outreach and education on pay equity issues. In addition, DOL would be charged with giving out a national pay equity award.
- o Senator Harkin (D-IA) has been particularly interested in the issue of pay equity and may ask this question in an attempt to get you to express support for such legislation.
- o To date, the Administration has not endorsed any pay equity legislation.

Cautionary Note:

- o The Senate Republicans and Democrats are using the term "paycheck" to describe important legislative proposals. The Republican proposal, "The Paycheck Protection Act", deals with Beck. The Democratic proposal, "The Paycheck Fairness Act," deals with pay equity.

New
1/24/97

FUTURE OF THE VETERANS' EMPLOYMENT AND TRAINING SERVICE (VETS)

Question:

Would you support consolidating VETS into ETA?

Answer:

- o We need to recognize our special debt to our veterans.
 - o America's veterans deserve to have representation at the highest policy-making levels at the Department when it comes to assisting veterans in securing employment.
-

Background:

- o Early in the first term of the Clinton Administration, the National Performance Review (NPR) recommended consolidating VETS into ETA. Although Secretary Reich opposed this recommendation from the onset, it took time before the NPR stopped making this recommendation. The NPR caused considerable controversy among veterans, veterans service organizations and Members of Congress.

exp/m

New
1/24/97

VETERANS PREFERENCE LEGISLATION

Question:

Would you support legislation to change the federal civil service rules to provide veterans with more federal employment opportunities?

Answer:

- o President Clinton has staunchly supported "veterans preference," and I share that view.
 - o I believe that federal personnel rules should be streamlined and want to avoid any changes that would further complicate hiring and reduction in force (RIF) procedures.
 - o Congress and the Administration must make certain that any changes to the veterans preference rules result in jobs for veterans -- not merely in more complaint investigations.
 - o I look forward to working with the Congress on this important issue.
-

Background:

- o Last year, the House passed legislation that would have enhanced veterans Federal employment opportunities. Congress expected this legislation to become law and, accordingly, increased VETS' FY97 appropriation to provide for 10 additional investigator positions to handle the increased workload. No Senate action was taken on the bill.
- o Veterans preference legislation is expected to pass both the House and the Senate in the 105th Congress.
- o If enacted, the bill would: (1) expand federal employment access for veterans by allowing eligible veterans (those with an honorable discharge after 3 years of service) to compete for jobs in Federal agencies whether or not they have previously worked for a Federal agency; (2) strengthen protections for eligible veterans in a reduction in force by requiring that they be placed in the competitive level that has the most jobs if they could be trained for that job within 150 days; and (3) improve redress for veterans who believe that a Federal agency has violated their employment rights by requiring DOL to investigate and try to resolve alleged violations of veterans preference rules.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: SECTION III
Background on DEPARTMENT OF LABOR

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Secretary Reich MEMO**

BACKGROUND ON DOL

- o Secretary Reich Memo**
- o Department Flow Chart & Budget Tables**
- o Agency Mission Statements**

December 23, 1996

MEMORANDUM FOR SECRETARY-DESIGNATE ALEXIS M. HERMAN

FROM SECRETARY ROBERT B. REICH

REGARDING TRANSITION ISSUES AND MATERIALS

I want to reiterate my willingness to help you with your transition in the days and months ahead. Cynthia and I both stand ready to provide you with whatever information you want about the Department. To give you a preliminary picture of the Department's accomplishments and issues which face the Department, we have prepared the following set of materials. This book is intended to be an introductory overview.

This memorandum is divided into four sections. The first section offers a few general observations about my experiences leading the Labor Department over the last four years. The second section offers a summary overview of the Department's accomplishments during the last four years along with potential next steps which flow from and build on accomplishments during the first term. The third segment discusses legislative and regulatory issues that are likely to arise in your first one hundred days as Secretary of Labor. The final section describes the materials which are included in this book.

I. OBSERVATIONS

As you know, the Department of Labor contains agencies with a variety of statutory obligations. The next section of this book describes these statutory roles. One of the foundations to our success in the first term has been departmental leadership from the Offices of the Secretary and the Deputy Secretary to craft these disparate responsibilities into a unified whole. We have used cross cutting themes to capture the work of the department to create a sense of a singular mission rather than a federation of independent entities. You will see these themes in this memo and in the section of the notebook on appropriations and budget.

Many of our initiatives have been "driven" from either the Office of the Chief of Staff, the Office of the Deputy Secretary, or the Office of the Assistant Secretary for Policy. A good illustration has been our campaign against sweatshops in the garment industry. This issue involved the Wage and Hour Administration, the International Labor Affairs Bureau, the Office of Congressional and Intergovernmental Affairs, the Office of Public Affairs, the Office of the Assistant Secretary for Policy, and the Solicitor's Office. The Office of the Secretary brought these line agencies together, each with their own policies, programs, and recommendations, into a coordinated team effort. The garment campaign has won national recognition as well as the Ford Foundation/John F. Kennedy School of Government's Innovation in Government Award.

II. FIRST TERM ACCOMPLISHMENTS AND POSSIBLE NEXT STEPS FOR THE SECOND TERM

As you know, this Department has been central to the President's agenda during the first term and he has indicated by his statements and the decisions on our FY 1998 budget request that the work of the Department remains key to his Presidency. We found that our chances of success were enhanced by pursuing a multi-faceted, multi-year strategy, particularly during those times when the Department has been under attack. Each year we have:

- ✓ assessed our progress from the past year;
- ✓ analyzed the needs of our constituents and the environment;
- ✓ identified and developed ongoing or potential Presidential policy or legislative initiatives, many of which involved interagency coordination and the participation of the White House and other Cabinet departments;
- ✓ created performance agreements between each agency and the Secretary which identified commitments for the upcoming year which were, in turn, reflected in my performance agreement with the President; and
- ✓ built a budget for the year ahead which reflects all of the above.

Over the past months the agency heads and I have discussed the Department's accomplishments and the tasks ahead. Much of the immediate work ahead is contained in the agency specific sections of this book and grows out of the Department's FY 1997 appropriations.

I thought it would be useful to provide some context for a potential second-term agenda by giving a brief list of the department's accomplishments in the first term. I also offer some possible next steps to build on these accomplishments. You will see that we have been successful in many arenas: legislative action, changes in regulations or policies, enforcement actions, and public education efforts, among others.

RETIREMENT SECURITY

First Term Accomplishments

- ✓ Enacted the **Retirement Protection Act** to redress massive under funding of "defined-benefit" pension plans, thereby protecting pensions for 20 million workers;
- ✓ enacted **pension simplification and portability** legislation to make it easier for small businesses to offer retirement plans and for workers to build their retirement savings;
- ✓ launched a nationwide **pension education** program to urge workers to save for their retirement;

- ✓ stepped up **enforcement to recover 401(k) pension** money wrongfully diverted from pension plans, and conducted an "amnesty" payback period in which employers voluntarily restored such money;
- ✓ imposed a new requirement that shortens the amount of time within which employers must **deposit their workers' 401(k)** contribution (from 90 days to 15 days after start of month); and
- ✓ **blocked pension reversion** legislation that would have allowed employers to raid over funded pension plans.

Possible Next Steps

- Propose legislation requiring that all large pension plans be **fully audited** (such plans now contain \$950 billion in assets covering 22 million workers, and are not adequately protected);
- propose legislation that would adopt the remaining provision of the President's Retirement Safety and Security Act, including a provision which would require that **employers make at least a 1% of payroll contribution** on behalf of every worker; and
- propose legislation protecting against **inadequate diversification** by 401(k) plans which now concentrate their assets in real estate or in the plan sponsor's own stock.

HEALTH SECURITY FOR WORKING PEOPLE

First Term Accomplishments

- ✓ Stepped up enforcement against **fraudulent health-care** schemes; and
- ✓ litigated against companies that unilaterally **terminated the health benefits they promised** their employees.

Possible Next Steps

- Propose legislation expanding **health insurance** coverage for the temporarily **unemployed**; and
- increase enforcement against **health care fraud among multiple employers welfare** arrangements (MEWAs).

READINESS FOR THE FIRST JOB

First Term Accomplishments

- ✓ Enacted the **School-to-Work Opportunities Act**, in which 150,000 companies and over a half million high school juniors and seniors are now involved; and
- ✓ created the **National Skills Standards Board**, which is now developing skill standards for a wide range of industries and occupations.

Possible Next Steps

- Increase funding to **give high-school dropouts minimally adequate skills** to get jobs, and to obtain their GED high school equivalency;
- **expand the Work Opportunity Tax Credit** to target people moving from welfare to work; and
- utilize the **current authority of JTPA Title IIA** (adult training) and our **Welfare-to-Work \$3 billion Challenge proposal** (40 percent of JTPA IIA job training already goes to welfare recipients) to move people from welfare to work.

TRANSITION TO THE NEXT JOB

First Term Accomplishments

- ✓ Implemented a **re-employment system** requiring that all people receiving unemployment insurance be screened immediately to determine whether they were permanently laid off, and if so, provided with available job training and job-search assistance;
- ✓ created **One-Stop Career Centers** in more than half the states, providing a full range of re-employment services behind the same door: unemployment insurance, job search, job counseling, and access to job training;
- ✓ established "**America's Job Bank**" on the Internet -- an on-line, full-service job search and job listing for dislocated workers -- which now lists more than a half million job openings and receives more than 7.5 million "hits" per month; and
- ✓ enacted the **Work Opportunities Tax Credit**, which expanded and reformed the old Targeted Jobs Tax Credit for hiring the disadvantaged.

Possible Next Steps

- **Consolidate all federal job training programs into vouchers** paying up to \$2,600 in skill-grants, which dislocated workers can use at a local community college to upgrade their skills;
- alternatively, expand Pell Grants to include dislocated workers in non-degree programs;
- expand the use of one-stop career centers to include **welfare recipients** looking for work and poor teenagers seeking their first jobs;
- enable all workers with only a high school education to obtain **at least two years of post-secondary education** through a \$1,500 tax credit -- even if they can attend only part time (if the credit is non-refundable, expand Pell Grants to cover disadvantaged adults seeking higher education);
- enable workers of any age to qualify for up to a **\$10,000 tax deduction** per year for their own or their families' post-secondary education and training; and
- ensure that people who lose their jobs have a minimally-adequate income support (so they don't have to go on welfare) by **expanding unemployment insurance so more than the 35 percent of newly-unemployed workers now deemed eligible** receive it.

SAFETY ON THE JOB

First Term Accomplishments

- ✓ Offered employers a choice between establishing their own voluntary health and safety systems to prevent safety hazards (in cooperation with their employees) or being subject to regular inspections and citations;
- ✓ **changed the measure of success** for OSHA inspectors from numbers of inspections and citations to reductions in deaths and injuries; and
- ✓ blocked legislation and appropriations riders that would have reduced OSHA's authority.

Possible Next Steps

- Establish “**ergonomics**” **guidelines and standards** in industries and occupations where repetitive stress injuries are mounting:
- encourage or induce all employers to establish workplace health and safety systems:
- address problems associated with **violence in the workplace**, especially against women (particularly vulnerable in certain industries and occupations such as sales clerks in all-night convenience stores); and
- work with constituencies of OSHA, particularly organized labor and small businesses, to get greater appreciation and understanding of the best ways to leverage scarce resources to ensure that workplaces are safe and healthy.

CORE LABOR PROTECTIONS: DOMESTIC

First Term Accomplishments

- ✓ **Launched the “No Sweat” campaign against sweatshops**, informing consumers about which major retailers or manufacturers were contracting with domestic “sweatshops” paying below minimum wage and subjecting workers to unsafe working conditions:
- ✓ **barred such sweatshops from shipping** their goods in interstate commerce (an additional inducement to getting major retailers and manufacturers involved in solving the problem); and
- ✓ cracked down on abuses of **farm workers**.

Possible Next Steps

- Support legislation requiring that garments (produced either internationally or domestically) be **labeled** so that consumers can be assured that they are not unwittingly purchasing items produced in sweatshops; and
- expand the “**No Sweat**” initiative to other industries where we have found abusive labor practices, such as poultry processing.

CORE LABOR STANDARDS: INTERNATIONAL

First Term Accomplishments

- ✓ Negotiated and implemented the North American Agreement on Labor Cooperation (the **NAFTA labor side agreement**), the first international agreement to link trade objectives with labor law enforcement;
- ✓ participated in efforts to **eradicate child labor** in the rug and soccer-ball manufacturing industries in South Asia -- two epicenters of child labor -- by encouraging the use of labels which assure customers that their goods were not made by children; and
- ✓ issued two precedent-setting reports documenting exploitation of children around the world.

Possible Next Steps

- Put "**core**" labor standards (against slave labor, forced labor, the employment of very young children) on the agenda of the World Trade Organization, and seek to include them in other trade treaties, decisions over renewal of GSP, et al.; and
- work with the International Labor Organization on a new **convention on exploitative child labor**.

A LIVING WAGE

First Term Accomplishments

- ✓ Expanded the **Earned Income Tax Credit**;
- ✓ enacted and implemented a raise in the **minimum wage** for roughly 10 million workers (restoring its purchasing power to the level it was in 1989); and
- ✓ stepped up enforcement of the minimum wage law in low-wage industries like garment, agriculture, and janitorial services.

WORK AND FAMILY

First Term Accomplishments

- ✓ Enacted and implemented the **Family and Medical Leave Act** (producing user-friendly regulations in record time after enactment); and
- ✓ launched the **Working Women Count!** Survey and Honor Roll which committed more than 1,000 businesses to improve women's pay and benefits, and make workplaces more family friendly.

Possible Next Steps

- Propose legislation to **expand the FMLA** to, at a minimum, provide 24 additional hours for workers to attend parent-teacher conferences and tend to routine family medical care;
- propose legislation to **allow workers to take payment for overtime in extra time off** rather than additional wages, as long as the legislation guarantees that workers, not employers, retain the power to choose;
- propose legislation to **lower the threshold of coverage** so more workers benefit from the FMLA; and
- establish a hotline so that working families can easily learn their rights under the FMLA and learn how to file complaints if their rights are being violated.

IMPROVED MANAGEMENT-LABOR RELATIONS

First Term Accomplishments

- ✓ Conducted many regional conferences and a national **Conference on the Future of the American Workplace** to highlight the best labor-management cooperative practices;
- ✓ founded the **Commission on the Future of Worker-Management Relations** (also known as the Dunlop Commission) which issued reports in late 1994 and early 1995;

III. LIKELY ISSUES FOR THE FIRST 100 DAYS

I have divided the issues that could require your attention and action within the first one hundred days into two categories: legislative actions and regulatory/administrative actions. They are not in any order of priority or immediacy. They are listed alphabetically. More detailed information on each issue appears in other sections of this book and, of course, will be provided as you prepare for confirmation. Many of these issues do not involve the Department's statutory responsibilities. The Department plays a leadership role on many issues affecting working families.

LEGISLATIVE ACTIONS

Beck - Campaign Finance Reform

- The issue of whether unions can collect and use dues money for activities that do not relate to collective bargaining activities will arise in the upcoming congressional debate over campaign finance reform.
- The debate will almost certainly occur early in 1997. Employer groups want to see the Supreme Court's decision in *Beck v. Communications Workers of America* expanded. This decision essentially stated that union members could obtain a refund on any dues that would be used for political purposes to which they objected.
- The majority leadership in both houses of Congress will avidly pursue action early in the 105th Congress. Extensive hearings are also likely.
- The Department does not have administrative or enforcement responsibility in this area (the NLRB does), but takes the lead on labor issues of this sort for the Administration.

Compensatory leave

- The President proposed his own compensatory leave proposal (entitled "flextime") at the end of the last Congress. It would allow private employees to choose extra time off instead of overtime pay in certain circumstances, and it would expand the FMLA to provide 24 additional hours of unpaid leave (beyond the 12 weeks already in the FMLA) for certain additional purposes.
- Compensatory time is going to be one of the first labor issues raised in the 105th Congress, especially in the House. The Secretary will be called to

testify at committee hearings that will most likely be held as early as February and March .

- The Department's Wage & Hour Division will enforce and administer any comp time or FILA expansion legislation. The Department will also be the principal staff agency supporting the Administration's legislative efforts.

Health Care for the Unemployed

- There are a number of health care initiatives that the Administration will be pursuing in the near term. The President has proposed to give subsidies to unemployed workers to help pay for the cost of their health insurance.
- The Administration's revised version of the health care for the unemployed proposal will likely be included in the President's FY 1998 budget. It is also expected that Senator Kennedy will introduce similar legislation in this session of Congress.
- The White House has not decided whether HHS or the Department will administer this program. Regardless, the Department will play an important role in the legislative effort because this proposal is closely linked to the implementation of Kennedy-Kassebaum and the unemployment insurance system.

Immigration

- Senator Kennedy is committed to fixing the system for admitting foreign workers permanently and temporarily to the U.S. He has indicated that he would also like to bolster worksite enforcement against illegal immigration by providing an increased number of Wage and Hour inspectors and additional enforcement powers to the Department. The Secretary will have to determine how the Department wants to address the Senator's concerns and influence the shape of reforms to employment-based immigration programs.
- The Secretary will most likely be questioned on this topic during the confirmation process.
- The Department's Employment and Training Administration administers the permanent and temporary employment-based immigration programs. The Wage & Hour Division enforces workers protection in these programs and protections against illegal immigration. The Department has a leading role in legislative efforts on these issues in cooperation with the INS and the Justice Department.

Inclusion of Labor Standards in Fast Track Trade Negotiating Authority

- Renewal of "fast track" trade negotiating authority is expected to be an early legislative priority for the Administration. This legislation is necessary for the President to pursue trade negotiating commitments, such as Chile's accession to the NAFTA or a Free Trade Agreement of the Americas.
- In 1994, an attempt to pass such legislation collapsed because of disagreement between Congress and the Administration over including labor standards. The USTR will develop this legislative proposal, but the Secretary will have an opportunity to play a role in influencing the outcome of labor related issues through the Department's participation in the NEC.
- The Department houses the office that administers the NAFTA labor side agreement. In addition, the Department is the principal advocate for international labor standards in Administration discussions of trade and international economic policy.

Job Training Consolidation

- We expect that workforce development legislation will be introduced in the 105th Congress that would include job training reform. We also expect that the Administration will submit a new proposal that will include many features contained in the GI Bill on which there was a bipartisan consensus. The Secretary will play a substantial role in any job training consolidation proposal put forth by either the Administration or Congress.
- The 104th Congress considered the consolidation of job training programs and reform of the nation's employment and training system, but failed to pass any reform legislation.
- ETA administers the large majority of federal government worker training programs.

OSHA Reform

- The 105th Congress has signaled that it may introduce legislative proposals dealing with OSHA reform, cost-benefit analysis, or the periodic review and sun setting of regulations. The Secretary will be asked to testify on any OSHA legislation that the labor committees intend to move sometime before March or April 1997.

- A small area of agreement exists between the Administration and the majority on the committees about acceptable changes in the law, but not about the need for change. The Secretary will need to consider whether the Department should propose reforms limited to the few areas of agreement.

Pensions

- Senator Daschle is expected to introduce an omnibus pension bill as one of his top five bills in the first few weeks of the 105th Congress. The legislation will include many provisions from the President's Retirement Savings and Security Act proposal of April 1996 that were not included in the Small Business Job Protection Act -- including the audit bill and a provision to increase multi-employer PBGC guarantees. The goal of the President's proposal is to help make workers pensions more portable, more available and more secure.
- The Secretary may be called upon to testify and then help in securing the passage of components of the Daschle legislation.
- The Pension and Welfare Benefits Administration and the Pension Benefits Guaranty Corporation, in cooperation with the Treasury Department, would administer the changes contained in this legislation. The Department will take the lead in advancing this legislation from within the Administration.

Reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA)

- The Department has weighed in with a letter to the Director of OMB to ensure that the necessary labor standards and employee protections are included in ISTEA (i.e., Davis-Bacon, Section 13(c), and affirmative action rules and regulations).
- The Secretary or another department official may be called upon to become more involved in internal Administration discussion and negotiations on the final legislative proposal. The Secretary may also be called upon to testify at congressional hearings on this legislation as to the labor standards and employee protection issues.
- The votes on this issue could be a bellwether on the support for Davis-Bacon in Congress and whether the Department should consider supporting reform legislation.

- The Employment Standards Administration enforces the Davis-Bacon Act, Section 13(c), and affirmative action programs for federal contractors. The department will play only a supporting role in the ISTEA debate, but the lead role on worker protections issues.

Revision of the Consumer Price Index (CPI)

- Congressional interest in revising the CPI has grown as Congress and the President have focused their efforts on reducing the federal budget deficit. The widespread use of the CPI for escalation purposes -- particularly for Social Security benefits and income tax brackets--has resulted in intense interest in seeking to revise the method by which the CPI is measured.
- A Commission, headed by Michael Boskin recently issued a report that included short term and long term recommendations to BLS. Some of the recommendations concern activities that BLS already has underway while others are not justifiable from the Bureau's perspective. There will be an intensive and lively debate on this issue and the Secretary will most likely be drawn into the center of the debate.

TEAM Act

- The TEAM Act would amend the National Labor Relations Act to allow employers to set up and dominate labor organizations as long as they do not attempt to bargain collectively. Some employers argue that they are confused about the lawfulness of employee involvement in their workplaces. Some others want the ability to thwart union organizing drives by establishing sham unions or employee organizations that they can control while offering a facade of sharing decision-making with the employees.
- In the 104th Congress, the TEAM Act was passed by both the House and Senate. The President vetoed it pursuant to a standing commitment to veto any legislation that weakens Section 8(a)(2). The reintroduction of the TEAM Act is high on the agenda for both congressional labor committees. The Secretary will likely be called upon to testify on the TEAM Act early in the 105th session of Congress.
- The Department would not have responsibility for administering or enforcing the TEAM Act (the NLRB would), but takes the lead on labor issues for the Administration.

Welfare to Jobs Initiative/Challenge

- The President announced a Welfare-to-Work Jobs Initiative that would provide \$3 billion over three years to help communities move one million of the hardest-to-employ welfare recipients into jobs by the year 2000. While it has not yet been determined whether the Department of Health and Human Services (HHS) or Labor would administer this initiative, both departments have been working closely with OMB to develop the proposal. Obviously, we believe that building off the overall training and skill development programs of the Department makes sense.
- The Department is also assessing how the worker protection statutes it enforces will function under welfare reform. Under the leadership of the Office of the Assistant Secretary for Policy, the involved enforcement agencies are assembling information which the Department could provide to the states as technical assistance. The goal of this effort is to assure that former welfare recipients moved into work activities under the states' welfare reform plans get good jobs at fair wages.

REGULATORY/ADMINISTRATIVE ACTIONS

Advisory Commission on Consumer Protection and Quality in the Health Care Industry

- The Secretary of Labor will co-chair the Commission along with the Secretary of Health and Human Services. The Commission, which was created last fall, will address consumer-related issues in the private and public health care system. The President should announce his appointments to the Advisory Commission in the near future.
- The PWBA has prepared a set of recommended policy issues as the Department's priorities for the commission. These issues include disclosure by insurers and service providers of certain data related to quality measures.

Davis-Bacon Reform

- Some members of the congressional majority have attacked the methodology used to determine the prevailing wage under the Davis-Bacon Act and others have sought repeal of the program. The Department received more than \$3 million in our FY 1997 appropriations to study methods for improving the prevailing wage survey itself. The Wage and Hour Division has developed several reform options and begun briefing congressional staff and constituents.

- Several proposals have sparked an outcry from constituency groups. The Department is reviewing the reform options to ascertain which are the most likely candidates for further development and the expenditure of funds. In addition, the department has received oversight inquiries from our House authorizing committee regarding the status of the FY 1997 appropriations. Wage and Hour plans to consult with stakeholders and reevaluate the proposals before it decides in February on best to use the money.

Ergonomics

- Eliminating repetitive stress injuries (RSIs) through ergonomic redesign of jobs, work sites, and tasks is an OSHA priority. This major safety and health problem has prompted OSHA to initiate an ergonomics rulemaking, which the last Congress had specifically prohibited but has now been removed.
- As a way to build public support for addressing this problem, OSHA and NIOSH will convene a conference in early January with participation from business and labor. The conference will provide a forum to share practical experience and workplace ergonomics programs.

Garment - Apparel Industry Partnership

- The Apparel Industry Partnership, announced at the White House on August 2, 1996, includes representatives from all sides of the garment industry. This task force has been meeting regularly since its formation and is expected to make its recommendations to the industry and the public at large in February 1997 about how to assure and tell consumers that goods are not made under sweatshop conditions sometime.
- The Secretary can expect to be involved in this announcement as the Department is the Administration's principal representative to the partnership. The partnership arose out of the department's "No Sweat" campaign.

Implementation of Kennedy-Kassebaum

- Last year, the Congress passed the Kennedy/Kassebaum health reform bill, which ensures that workers who switch jobs or lose their jobs do not lose access to health insurance because of pre-existing illness. It also includes requirements for minimum hospital stays for newborns and mothers and parity of benefits for mental health.

- DOL, together with HHS and Treasury, is working on implementation of this law. DOL has responsibility under ERISA to enforce the law for employer plans, and is expected to publish the first installment of regulations in early 1997.

Implementation/Promotion of the Work Opportunity Tax Credit (WOTC)

- This new program went into effect on October 1, 1996, which provides a tax credit to employers who hire members of certain targeted groups, including qualified welfare and Food Stamp recipients. The program only has a one-year authorization that is set to expire on September 30, 1997.
- An offshoot of the program (the Welfare to Work Tax Credit) is likely to be part of the Administration's welfare to work proposal that will be unveiled as part of the President's FY 1998 budget. The Secretary will play a role in advocating for the passage of a new tax credit proposal if it is included in the FY 98 budget.

NAFTA Issues

- The Department's International Labor Affairs Bureau (ILAB) has received and is reviewing several submissions under the North American Agreement on Labor Cooperation (NAALC) alleging the non-enforcement of labor laws in Mexico. The Secretary may need to decide questions related to these submissions in early 1997.
- Concerns about truck safety and the enforcement of certain labor standards as truck traffic enters the U.S. from Mexico under NAFTA led the Administration to delay opening the border to Mexican trucks in December 1995. Discussions are underway that could lead to opening the borders with a variety of protections for Mexican and U.S. workers. Discussions are also occurring with affected unions, particularly the Teamsters.

Workplace Violence Non-Regulatory Guidelines

- OSHA has proposed workplace violence guidelines for night retail establishments to educate employers about "best practices." The guidelines do not create requirements for business and are not enforceable as standards.
- Many businesses are opposed to the voluntary guidelines, fearing their existence could help victims in tort cases, and force them into more

expensive practices. The Secretary will need to decide whether to proceed with issuing these guidelines early in 1997. The Secretary will also have to decide whether to develop similar sets of guidelines for other sectors.

IV. MATERIALS

The materials which follow are organized to give you picture of the issues you will face from a variety of vantage points. The materials also give you a sense of the breadth of responsibilities of the Secretary. After the overview of the Department, we describe three entities which exist to support the Secretary and to assist in actualizing these priorities. Next, from a departmental focus we have given you the legislative environment and the current status of our budget request. Many of the substantive battles of the Department have been fought as part of the appropriations process. You will see overlap in these sections.

The next sections focus on the various agencies and entities of the Department. Again, issues will be repeated. The last sections present the roles which come along with being the Secretary of Labor.

Again, we stand ready to provide you with whatever information you need in the coming weeks as you prepare for your confirmation.

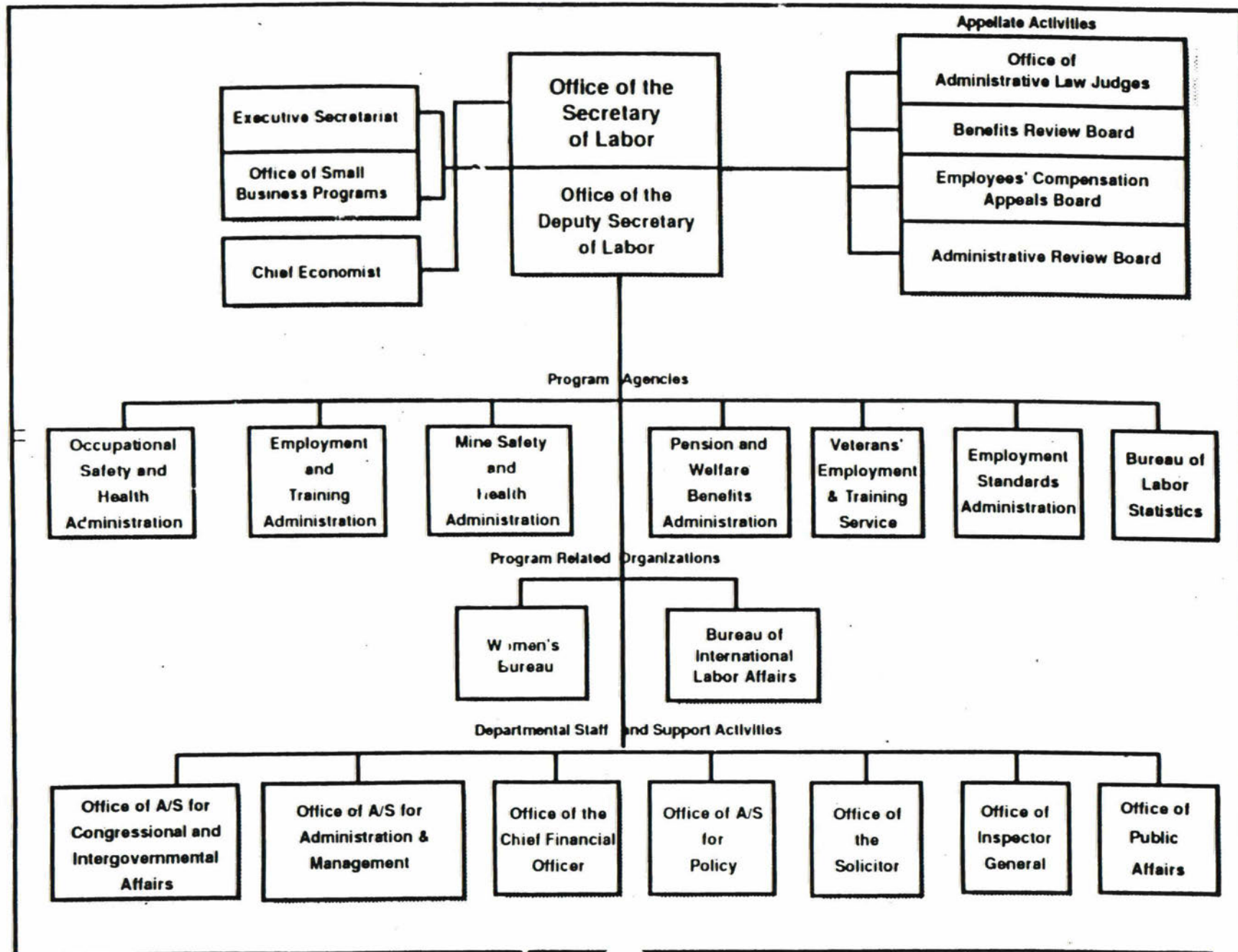
Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: Department Flow Chart &
Budget Tables

U.S. Department of Labor



U.S. DEPARTMENT OF LABOR BENEFIT/GRANT PROGRAMS

FY 1997

Agency/Law	BA (\$000)	FTE
- Employment and Training Administration - Job Training Partnership Act - School-to-Work Opportunities Act - The National Skills Standards Act of 1994 - Women in Apprenticeship and Nontraditional Occupations Act - Displaced Homemakers Self-Sufficiency Assistance Act - Older Americans Act of 1965 - Trade Act of 1974 - Social Security Act - The Wagner-Peyser Act of 1933 - Internal Revenue Code of 1954 - National Apprenticeship Act of 1937	33,732,549	1,328
- Pension Benefit Guaranty Corporation - Employee Retirement Income Security Act of 1974 - Pension Protection Act - Retirement Protection Act	135,720	731
- Employment Standards Administration - Federal Employees' Compensation Act - Longshore and Harbor Workers' Compensation Act - Federal Coal Mine Health and Safety Act of 1969 - War Hazards Compensation Act of 1942 - War Claims Act of 1948 - Black Lung Benefits Revenue Act of 1977	1,461,110	1,319
- Bureau of Labor Statistics - The Wagner-Peyser Act of 1933	52,053	0
- Veterans Employment and Training - Veterans' Compensation, Education, and Employment Amendments of 1982 - Service Members Occupational Conversion and Training Act of 1992 - Stewart B. McKinney Homeless Assistance Act of 1987 - Veterans Employment, Training and Counseling Amendments of 1987 - The Wagner-Peyser Act of 1933	180,949	250
TOTAL	35,562,381*	3,628

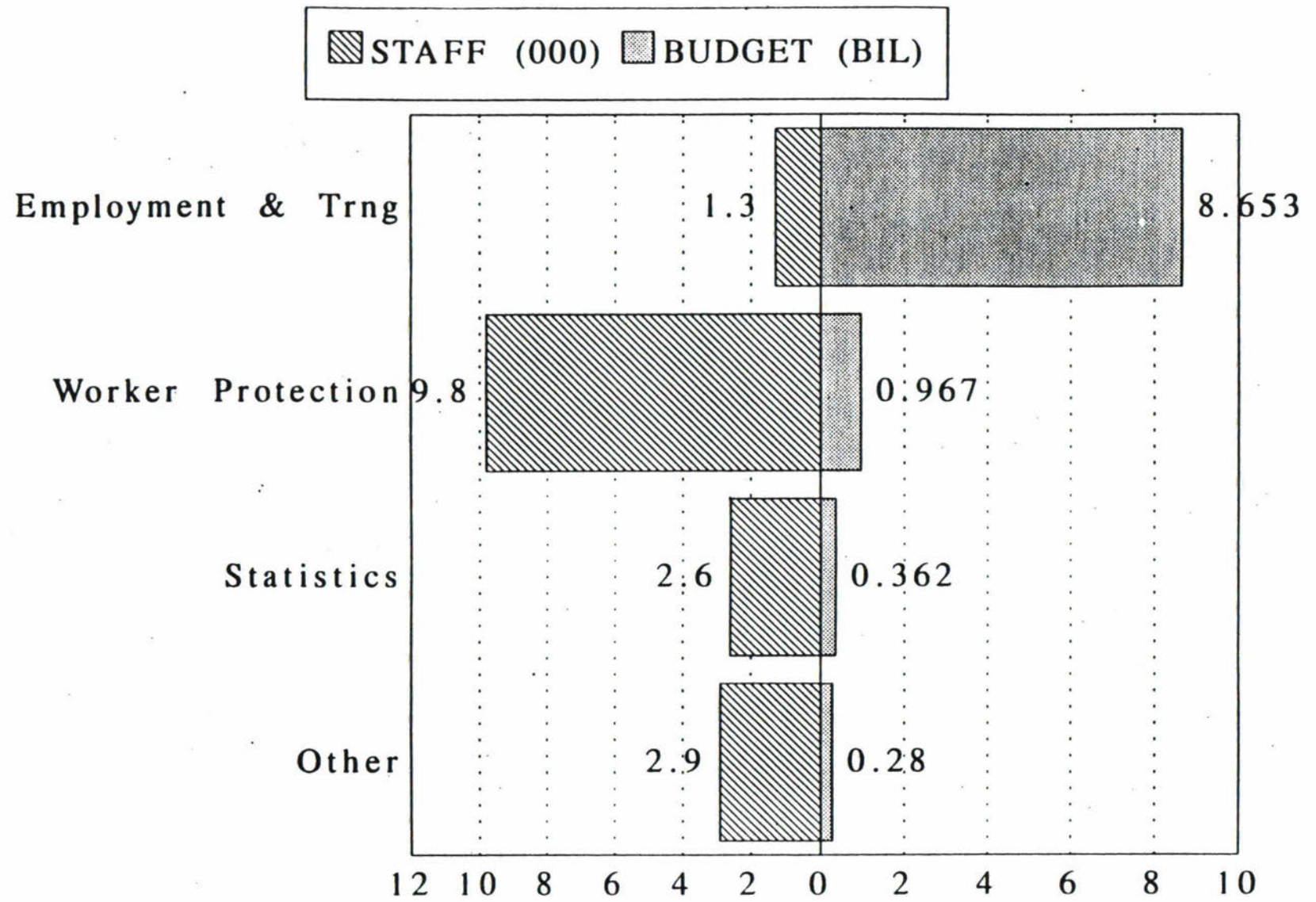
*Of this \$35.6 billion, approximately \$25 Billion is mandatory and the remaining \$10 billion is discretionary.

**U.S. DEPARTMENT OF LABOR
WORKER PROTECTION / STATISTICS PROGRAMS**

FY 1997

Agency/Law	BA (\$000)	FTE
- Employment and Training Administration - Immigration and Nationality Act	7,944	0
- Pension Welfare and Benefit Administration - Employee Income Security Act of 1974 - Federal Employees' Retirement System Act of 1986	77,083	652
- Employment Standards Administration - Fair Labor Standards Act of 1938 - Walsh-Healey Public Contracts Act - Consumer Credit Protection Act - Contract Work Hours and Safety Standards Act - Service Contract Act - Davis-Bacon Act - Migrant and Seasonal Agricultural Worker Protection Act - Immigration and Nationality Act - Employee Polygraph Protection Act of 1988 - Immigration Nursing Relief Act of 1989 - Immigration Act of 1980 - Family and Medical Leave Act of 1993 - Rehabilitation Act of 1973 - Vietnam Era Veterans' Readjustment Assistance Act of 1974 - Executive Order 11246 - Americans With Disabilities Act - Labor-Management Reporting and Disclosure Act of 1959 - Civil Service Reform Act of 1978 - Urban Mass Transportation Act of 1964 - Rail Passenger Service Act of 1970 - Airline Deregulation Act of 1978	214,712	2,623
- Occupational Safety and Health Administration - Occupational Safety and Health Act of 1970	325,734	2,241
- Mine Safety and Health Administration - Federal Mine Safety and Health Act of 1977	197,810	2,198
- Departmental Management - OASAM - Civil Rights Act of 1964	4,535	52
- Veterans Employment and Training - Uniformed Services Employment and Reemploy Rights Act of 1994	1,000	10
SUBTOTAL - WORKER PROTECTION	828,818	7,776
- Bureau of Labor Statistics - An Act to Establish the Bureau of Labor, 1884	309,647	2,552
TOTAL	1,138,465	10,328

STAFFING VERSUS BUDGET



Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **Agency Mission Statements**

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

MISSION STATEMENT

The **Occupational Safety and Health Administration (OSHA)** helps save lives, prevents injuries and illnesses and protects the health of America's workers through cooperative compliance, common sense enforcement, strategic partnerships, and leveraging resources to protect more workers with fewer dollars all with a focus on measurable program outcomes.

OSHA will continue to stress the strategic theme of a common sense approach to occupational safety and health. The multiplier effects of leveraging resources, and the value of strategic partnerships, which also demonstrate effectiveness, will be emphasized. Overall, OSHA will continue to develop a sharpened focus on measurable program outcomes and tighter alignment and integration of multiple program and management initiatives.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$324,995	0	2,241
1998	\$347,085	0	2,361

CONFIRMATION Q's & A's

Cooperative Compliance Programs
Ergonomics
Indoor Air Quality Rulemaking
Merger MSHA/OSHA Legislation
Methylene Chloride Rulemaking
New OSHA
OSHA Reform Reg Reform Legislation
OSHA Role in Protecting Workers at DOE "GOCO" Facilities
OSHA Cooperative Compliance Program
OSHA Night Retail Violence Guidelines
OSHA Smoking Report
OSHA Smoking in the Workplace
OSHA SBREFA Regulations
OSHA Methylene Chloride
OSHA MSHA Merger
OSHA NIOSH
Prop 65 California Hazard Communication Proposition Standard
Regulations Tuberculosis
Safety and Health Program Standard
Workplace Violence Guidelines

EMPLOYMENT AND TRAINING ADMINISTRATION

MISSION STATEMENT

The **Employment and Training Administration** (ETA) assists all Americans in gaining access to the information and other resources they need to successfully manage their connection with good jobs at decent wages, and to ensure that U. S. businesses have access to the skilled and secure workers they need to successfully compete in a global economy.

To achieve its mission, ETA underwrites a wide range of employment and training services that enable both individuals and employers to participate effectively in a robust labor market environment. As the Federal steward of a highly decentralized employment and training system, ETA is reliant upon its partners in state/local government, as well as in the private sector, for quality management and service delivery.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$8,854,000	\$23,425,000	1,335
1998	\$9,298,000	\$26,130,000	1,495

CONFIRMATION O's & A's

Dislocated Workers
Employment Service
GI Bill - Employment and Training Consolidation
Job Corps
Job Training Consolidation Governance
Job Training: America's Job Bank
Job Training: Apprenticeship
Job Training: Incumbent workers
JTPA - Wagner-Peyser Statutory Waivers
JTPA Dislocated Worker Program - (Title III-B)
Migrant Workers - OIG
One-Stop
School-to-Work
Skill Standards
Summer Jobs - (JTPA Title II-B)
Super Section 127 Tax Credit for Education and Training Work related Expenses
TAA Reauthorization
Unemployment Insurance
Welfare to Work
Work Opportunity Tax Credit
Youth Opportunities Area Grants
Youth Opportunities: Consolidation

MINE SAFETY AND HEALTH ADMINISTRATION

MISSION STATEMENT

The **Mine Safety and Health Administration** (MSHA) works to make the first priority and concern of all in the mining community the health and safety of its most precious resource, the miner. In partnership with the American mining community, MSHA works to eliminate fatalities, reduce the frequency and severity of accidents, and minimize health hazards associated with the mining industry.

This country's miners are the most productive in the world and supply both U.S. industries and overseas markets with high-grade coal, metal and non-metal products. Yet along with this high productivity, many of these men and women daily face the dangers of death, injuries and occupational disease. MSHA will continue to work in partnership with the American mining community to reduce fatalities, reduce the frequency and severity of accidents, and minimize health hazards associated with the mining industry.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$197,187	0	2,198
1998	\$205,804	0	2,186

PENSION AND WELFARE BENEFITS ADMINISTRATION

MISSION STATEMENT

The Pension and Welfare Benefits Administration (PWBA) protects the integrity of pensions, health plans, and other employee benefits for over 200 million people. PWBA ensures that workers get the information they need to protect their benefit rights, assists plan officials to understand the requirements of the relevant statutes in order to meet their legal responsibilities, develops policies and laws that encourage the growth of employment-based benefits, and deters and corrects violations of the relevant statutes.

PWBA has enormous responsibilities to the majority of American workers and their families who are covered by private sector pension and health benefit and other employee benefit plans. There are over 6 million private employee benefit plans, which cover approximately 200 million people, including workers, their families, and retirees, and control of more than \$3.5 trillion in assets.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$76,840	0	639
1998	\$84,307	0	715

CONFIRMATION O's & A's

Additional Changes to the Health Care System
Affordability of Coverage for Small Businesses
Bingaman-Jeffords Pension Pro-Save Proposal
Commission on Retirement Income Policy
Consumer Protections and Managed Care
Daschle Pension Proposal
Decline in Health Care Coverage
Economically Targeted Investments (ETIs)
Elements of ERISA Governing Health Care
Employer Stock and Employer Real Property to 401(k) Plans
Audit Bill
Health Medicare and Budget Cuts
Health Care Commission
Health Care for Children
HMO's and Medical Malpractice
Implementation of Kennedy-Kassebaum (HIPAA)
Medicare Trust Fund
Multiple Employer Welfare Arrangements - MEWAs
Need for Increased retirement Savings
Pensions Top Hat Plans
Pensions Harris Trust
Pension Abuse Project
Pension Portability
Retiree Health
Tax Equity Pension System

VETERANS' EMPLOYMENT AND TRAINING SERVICE

MISSION STATEMENT

The **Veterans' Employment and Training Service (VETS)** helps veterans, Reservists, and National Guard members in securing employment and the rights and benefits associated with such, through existing programs, the coordination and merger of programs, and the implementation of new programs. Services provided are consistent with the changing needs of employers and the eligible veterans' population, with priority given to disabled veterans and other veterans with significant disadvantages in the labor market.

VETS ensures that veterans receive employment priority for services and training to which they are entitled by law, assists separating service members with employability training, and enforces veterans' reemployment rights laws.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$181.851	0	260
1998	\$181.955	0	254

CONFIRMATION Q's & A's

Veterans Preference Legislative Action

EMPLOYMENT STANDARDS ADMINISTRATION

MISSION STATEMENT

The **Employment Standards Administration** (ESA) protects the Nation's workers by achieving compliance with labor standards through enforcement, administrative, and educational programs; ensuring that Federal contractors have nondiscriminatory employment practices; promoting internal union democracy and fiscal integrity; and providing disability assistance to certain workers to resolve injuries, return to work, and receive appropriate benefits.

To achieve its mission, ESA administers a number of diverse programs designed to reflect the goals and priorities of the different divisions of ESA -- Wage Hour, Office of Federal Contract Compliance (OFCCP), Office of Workers Compensation Programs (OWCP), and Office of Labor Management Standards (OLMS).

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$316,437	\$1,311,602	3,942
1998	\$340,350	\$1,298,656	4,055

CONFIRMATION O's & A's

Affirmative Action
Black Lung Disability
Child Labor in the U.S
Comp Time
Davis-Bacon
Davis-Bacon Helpers Regulation
Employee Choice Fle. Time and FMLA Expansion
Family Medical Leave
Firefighters
FLSA Enforcement Review
FMLA Expansion
Garment Contractor Liability
Garment Continuation of "No Sweat" Campaign and Use as Model for
Other Enforcement Efforts
Immigration
Low Wage Worker Initiatives
Minimum Wage Indexes
Reauthorization of ISTE A
Regulations Joint Employment for Agricultural Workers
Rule 60-2
Section 541 - FLSA Exemption
Section 13(c) Transit Employee Protection Program
Texaco Case
Volunteers

BUREAU OF LABOR STATISTICS

MISSION STATEMENT

The **Bureau of Labor Statistics** (BLS) is the principle fact-finding agency for the Federal government in the broad field of labor economics and statistics. BLS is an independent national statistical agency that collects, processes, analyzes and disseminates essential statistical data to the American public, Congress, other Federal agencies, State and local governments, business, and labor. BLS also serves as a statistical resource to the Department of Labor.

BLS data must satisfy a number of criteria, including relevance to current social and economic issues, timeliness in reflecting today's rapidly changing economic conditions, accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$360,822	0	2,544
1998	\$379,457	0	2,636

CONFIRMATION Q's & A's

CPI Revision

PENSION BENEFIT GUARANTY CORPORATION

MISSION STATEMENT

The **Pension Benefit Guaranty Corporation (PBGC)** operates as a service-oriented agency that protects participants' benefits and supports a healthy retirement plan system by encouraging the continuation and maintenance of private pension plans; protecting pension benefits in ongoing plans; providing timely payments of benefits in the case of terminated pension plans; and, making the maximum use of resources and maintaining premiums and operating costs at the lowest levels consistent with statutory responsibilities.

PBGC administers a guaranteed retirement pension system that provides an uninterrupted pension income to eligible participants of pension plans in PBGC trusteeship.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$10,330	\$125,338	731
1998	\$10,624	\$137,376	731

BUREAU OF INTERNATIONAL LABOR AFFAIRS

MISSION STATEMENT

The **Bureau of International Labor Affairs** (ILAB) carries out the Department's international responsibilities and assists in formulating U.S. international economic, social, trade and immigration policies affecting American workers.

ILAB also promotes respect for international labor standards to protect the economic and physical well-being of workers in the U.S. and around the world; and gathers and disseminates information on domestic and foreign labor markets and programs so that U.S. employment policy formulation might benefit from international experiences.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$9,465	0	89
1998	\$11,095	0	87

CONFIRMATION Q's & A's

Child Labor International
Fast Track, Labor and Chile
Fast Track Negotiating Authority
International Child Labor: Bangladesh Program
NAFTA Cross-Border Trucking
NAFTA and Jobs
NAFTA and the Labor Agreement

WOMEN'S BUREAU

MISSION STATEMENT

The **Women's Bureau** is the single unit at the Federal level exclusively concerned with serving and promoting the interests of working women. The Bureau formulates standards and policies which promote the welfare of wage-earning women, improve their working conditions, increase their efficiency, and advance their opportunity for profitable employment.

Central to its mission is the responsibility to advocate and inform women and the public of women's work rights and employment issues. The Women's Bureau must use many tools, including development and implementation of national programs and other initiatives to fully address the needs and concerns of the approximately 62 million women in this nation's labor force.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$7,743	0	72
1998	\$7,569	0	68

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT

MISSION STATEMENT

The **Office of the Assistant Secretary for Administration and Management** (OASAM) provides timely, high quality, and proactive management and administrative services to program agencies within the Department. OASAM serves as the principal advisor to the Secretary on all budget, administrative, and management matters and is responsible for directing the development, implementation, review and evaluation of Department-wide administrative and management systems, policies, and programs.

OASAM carries out its mission through sub-offices which are organized along functional lines. These offices include the Office of Budget, the Human Resource Center, the Information and Technology Center, the Civil Rights Center, the Business Operations Center (finance, procurement, and administrative programs), and OASAM regional offices.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$13,904	0	112
1998	\$14,259	0	112

CONFIRMATION Q's & A's

Balanced Budget
DOL FY 1998 Request
FY 1998 Budget Highlights
GPRA Implementation
Streamlining DOL

OFFICE OF THE ASSISTANT SECRETARY FOR POLICY

MISSION STATEMENT

The Office of the Assistant Secretary for Policy (OASP) advises and assists the Secretary of Labor and coordinates and provides guidance to the Department's policy activities. OASP provides principal staff support to the Office of the Secretary on a wide range of policy and program areas with a principal focus on issues that cut across agency jurisdictions.

OASP coordinates several functions within the Department. These include the implementation of a National Agricultural Worker Survey, the development, implementation and oversight of workplace substance abuse programs and activities; the pilot testing of alternative dispute resolution procedures; and administering the Department's World Wide Web site on the Internet. OASP manages the policy review process for the Office of the Secretary and coordinates the regulatory program and agenda.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$4,930	32
1998	\$7,079*	33

*increase reflects \$2M for E-LAWS

CONFIRMATION Q's & A's

Corporate Welfare
Cost-Benefit Regulatory Analysis
Health Care Coverage for the Unemployed
Independent Contractor
Regulatory Reform
Right to Work Legislation

OFFICE OF THE CHIEF FINANCIAL OFFICER

MISSION STATEMENT

The **Office of the Chief Financial Officer (OCFO)** demonstrates a commitment to customer-driven quality and continuous service improvements, through the use of technical expertise and financial systems. As DOL agencies continue to reinvent their operations to better serve the taxpayers, they must employ staff, use contract support, issue grants, and make direct payments to the public. The OCFO provides the framework for financial management, central payroll, accounting and reporting operations, and the Department's accounting systems.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$4,394	0	40
1998	\$4,930	0	39

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

MISSION STATEMENT

The Office of Congressional and Intergovernmental Affairs (OCIA) provides direction and support for all legislative and intergovernmental programs of the Department of Labor and implements decisions by and for the Secretary and Deputy Secretary for all policy and operation matters which affect legislative programs, proposals and priorities. OCIA acts as the liaison between the Department of Labor and the groups on the outside that have an interest in the Department's overall goals and objectives. This primarily relates to State and Local government, labor unions, the business community, and community based organizations. The Assistant Secretary is the principal Congressional and Intergovernmental spokeswoman and chief and legislative strategist for the Department of Labor. The Assistant Secretary provides overall guidance, supervision, and coordination of the work of the Department of Labor Secretary's Regional Representatives.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$3,710	35
1998	\$3,810	34

CONFIRMATION Q's & A's

Beck

OFFICE OF INSPECTOR GENERAL

MISSION STATEMENT

The **Office of Inspector General** (OIG) serves the American worker and taxpayer by conducting audits, investigations, and evaluations that result in improvements in the effectiveness, efficiency, and economy of Departmental programs and operations; detecting and preventing fraud and abuse in DOL programs and labor racketeering in the American workplace; and providing recommendations and information to the Secretary and the Congress on how to attain the highest possible program performance.

The OIG administers provisions of the Inspector General's Act for the Department of Labor. Through an independent, comprehensive program of audits and investigations, the Office focuses on the efficiency and effectiveness of the Department's programs and preventing or detecting fraud, waste and abuse.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$47.268	0	450
1998	\$47.046	0	450

OFFICE OF PUBLIC AFFAIRS

MISSION STATEMENT

The Office of Public Affairs (OPA) provides strategic perspective on DOL issues in an effort to build public capital for departmental initiatives. OPA's mission is to serve the Secretary by identifying leading departmental issues that need a public face, and to serve the institution by managing the external communication of its programs. In short, OPA seeks to inform Americans about DOL's work.

OPA helps build public support for such programs as the 401(k) fraud initiative, PWBA's pension education efforts, the NO SWEAT garment initiative, America's Job Bank and OSHA's safety and health initiatives. Although OPA concentrates on crafting message initiatives, it also responds to media inquiries.

OPA's responsibilities include national news strategies and same-day regional press opportunities, which are carried out by our ten regional offices. OPA's system involves both a short-term strategy to proactively involve the Secretary in today's news events, and a long-term one that crafts campaign initiatives and "DOL Products" for the future.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$4,801	39
1998	\$5,129	37

OFFICE OF THE SOLICITOR

MISSION STATEMENT

The **Office of the Solicitor (SOL)** is responsible for providing the Secretary and Departmental officials with the legal services required to accomplish the mission of the Department and the priority goals established by the Secretary. SOL is an integral part of the Department's enforcement strategy and the last step in the process. SOL is involved with prosecuting the worst actors and worst offenses, protecting vulnerable worker populations, and deterring future violations with significant penalties. Each year, SOL's activities produce and save revenues for the U. S. Treasury.

In fulfilling its mission, SOL not only supports enforcement, but promotes voluntary compliance with Departmental programs. SOL actions are a reminder that the Department can back up the work of its agencies and provide a level playing field for all American businesses.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$66,123	0	683
1998	\$70,764	0	699

OFFICE OF THE SECRETARY

This includes the Chief of Staff and Deputy Chief of Staff, the Counselor, scheduling, administrative support and advance.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$3,254	21
1998	\$3,308	21

OFFICE OF THE DEPUTY SECRETARY

This includes two Associate Deputies as well as scheduling and administrative support.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$950	8
1998	\$1,015	8

OFFICE OF THE CHIEF ECONOMIST

MISSION STATEMENT

The Office of the Chief Economist serves as the primary economic advisor to the Secretary of Labor and provides economic analysis of general labor market developments, current Labor Department programs, and new initiatives under consideration by the Administration. In particular, the Office of the Chief Economist provides economic advice to the Secretary related to the Secretary's role as a member of the National Economic Council.

The Office of the Chief Economist provides technical assistance and policy advice both within the department, and in interagency fora, on a wide array of issues including minimum wages, welfare reform, health care reform, pension reform, sweatshops, education and training and the budget. It also provides information to OCIA to assist with data request from the Congress.

It supervises the preparation of briefings for the Secretary on economic indicators such as the monthly employment reports, inflation rates, wage and compensation patterns, poverty rates, income inequality, social security, GDP growth, trade and productivity. It also participates in policy reviews of new DOL interagency initiatives under consideration by the Administration, especially within the NEC.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$453	5
1998	\$484	5

CONFIRMATION Q's & A's

Future of Social Security
Health: Medicare and Budget Cuts
Medicare Trust Fund
Medicare and Home Health Transfer
Social Security Advisory Council Report
Social Security Reform

EXECUTIVE SECRETARIAT

MISSION STATEMENT

The Executive Secretariat serves as the staff office to the Secretary of Labor, Deputy Secretary and Chief of Staff and reviews and analyzes all outgoing documents prepared for the signature of these officers. The Executive Secretariat is unique in that it provides the Secretary with an independent perspective on agency initiatives and actions as well as resolves interagency policy conflicts before issues reach the Office of the Secretary for decision making.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$1,312	19
1998	\$1,348	19

OFFICE OF SMALL BUSINESS PROGRAMS

MISSION STATEMENT

The Office of Small Business Programs (OSBP) administers the Department of Labor's (DOL) responsibilities under the Small Business Act, as amended, and related mandates, to promote procurement opportunities for small disadvantaged, small women-owned businesses, and minority colleges and universities.

Under the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), serves as DOL's clearinghouse for compliance guides and central referral point for providing regulatory enforcement compliance assistance to small businesses, and monitors the agencies' activities.

Administers DOL's programs for minority colleges and universities, pursuant to Executive Orders 12876, 12900, and related directives.

Provides administrative oversight of DOL's advisory committees and similar committees and agreements to ensure compliance with the Federal Advisory Committee Act and related laws.

BUDGET

FISCAL YEAR	(dollars in thousands)	FTE
1997	\$606	6
1998	\$1,181*	10

*increase reflects addition of SBREFA
