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

to: J. CRIPPS
FAT
Jul 1985

FOR IMMEDIATE RELEASE
JUNE 7, 1988

OMB 88-11
CONTACT: PUBLIC AFFAIRS
(202) 395-3080

At a time when various Members of Congress are calling for increased Federal drug spending in the face of a drug crisis of unparalleled proportions, the Commerce, Justice, and State appropriations bill, as marked up by the House Appropriations Committee, would actually reduce FY 1989 funding for the Department of Justice's drug-related programs below the President's budget request -- providing essentially a freeze at FY 1988 enacted levels.

The President's FY 1989 budget requested sufficient funds to preserve the momentum of the Federal Government's war on drug abuse in the three key areas of prevention, treatment, and law enforcement. Should Congress provide less than the President's request, programs to combat illegal drugs will suffer:

- o Drug Enforcement Administration: 177 agents and support positions and \$44 million would not be funded. Expanded intelligence capabilities and equipment, including aircraft and ADP resources, would not be purchased.
- o Bureau of Prisons: 3,400 positions and \$574 million would not be funded. These resources would have been used to activate facilities and improve staffing at existing facilities. In addition, the President's request would provide a total of 5,300 new bedspaces for Federal detainees and sentenced prisoners.
- o U.S. Attorneys: 566 additional attorney and support positions and \$44 million would not be funded. Among other things, drug prosecutions, including major Organized Crime Drug Enforcement Taskforce cases, could not be prosecuted.
- o U.S. Marshals: 161 Marshals and support staff and \$24 million would not be funded. Prisoner transportation and productions at drug trials as well as judicial security and seized asset management would be adversely affected.

The Administration calls on Congress to restore funding for these essential programs by reducing funds for programs of lesser priority.

The table below illustrates the potential impact of the Committee markup on the Department of Justice's major drug programs.

Commerce, Justice, State Appropriations Bill
 House Full Committee
 Major DOJ Drug Programs
 (\$ in millions)

	<u>FY 1988 Enacted</u>	<u>FY 1989 Pres. Request</u>	<u>House Comm. Markup</u>	<u>Markup vs. Request</u>
Drug Enforcement Administration	494	538	494	-44
Bureau of Prisons	931	1,505	931	-574
U.S. Attorneys	380	424	380	-44
U.S. Marshals	183	208	183	-24
TOTAL	1,988	2,675	1,988	-686

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

June 11, 1988

MEMORANDUM FOR JIM MILLER
CAROL CRAWFORD
GORDON WHEELER

FROM: JOE WRIGHT *JW*
SUBJECT: Revenue Offsets for D'Amato/DeConcini Drug Bil

As far as we can tell, Chuck Keiffer says that the D'Amato/DeConcini bill assumes offsets for FY 1989 from the following sources:

- o IRS compliance (adding 6,800 FTE) -- \$1.12 billion;
- o BATF compliance (adding 40 FTE) -- \$0.13 billion;
- o Increased Debt Collection -- \$2 billion.

The total for all of the above is \$3.25 billion in offsets. I still have to find out exactly where the debt collection improvements are supposed to come from -- the IRS or all agencies. More to follow.

cc: Dan Crippen

PROPOSED DRUG PLAN ACTION STEPS:

- 1) Drug Policy Board should do a formal report to submit to President
--copies of this report to be distributed to press after session
with President
- 2) Attorney General Meese, accompanied by Frank Keating and Ian
McDonald, brief the President on the report by the Drug Policy Board
- 3) Presidential statement is issued at the end of the meeting through
Press Secretary Office
--there should be a thorough staff review of the report to determine
if certain portions should be possibly implemented through
executive order
--there should be a backgrounder for distribution that shows steps
already taken to deal with the drug problem
--there should be a fact sheet that shows legislative changes that
have already occurred/ pending legislative changes that should be
considered by the Congress this year
- 4) At the conclusion of the meeting, the Attorney General, Keating and
McDonald should appear in the briefing room to outline the report
- 5) At the conclusion of the meeting, Keating and McDonald should meet
with the other members of the Presidential drug task force to brief
them
- 6) At the conclusion of the briefing, Keating and McDonald should meet
with the Hill leaders and their designated representatives to give
them background on the report
- 7) Within a day or two, there should be a formal administration drug
proposal which will go before the full drug task force when it convenes
to consider possible action
- 8) OMB should immediately be commissioned to determine budget impact,
set priorities and determine how funds can be arranged to meet the
goals
- 9) There should be a direct tie-in to the AIDs commission report,
particularly in the treatment area and fold it into a comprehensive
plan for the full task force to consider

man? \$

report of W.H. conference on drug... - Herrington

- 10) A plan should be put in place to put administrative spokesmen on the morning talk shows the next day: Meese, Keating, McDonald
- 11) The day of the meeting with the President, there should be an appearance on McNeill-Lehrer and CNN
- 12) The President should call for a full meeting of the drug task force immediately after the July 4 break to begin work on a comprehensive program
- 13) An out-reach program should be implemented to generate private sector support for the work-force proposal, educational components
--this should include representatives from NAM, Chamber of Commerce, Labor, N.E.A., American Legion, V.F.W., NFIB, Police Chiefs
- 14) An out-reach should be established with the National Governors Association, Mayors Conference, NaCO to generate broad support at all levels of government
- 15) Consideration should be given to a presidential trip in July or August that is drug-related
--this could be either to a business conference, a regional drug forum, visiting a drug program that is underway and successful that shows local/state/federal cooperation
- 16) Before the fall school term begins, I would strongly consider a presidential trip to a school district for a convocation that hits hard on just say no, just say now is the time to stop, etc.

Range / Donatelli

TIMELINE:

1) Immediate:

- briefing with President
- press briefing
- Hill briefing
- press interviews
- call for meeting of task force
- OMB review

2) Within first week or two:

- meeting of bipartisan task force on drugs
- out-reach programs begin

3) Over next several weeks:

- presidential travel (July/August)
- presidential travel (September)

Project Officer: John Tuck

ADMINISTRATION'S PROPOSALS FOR 1988 ANTI-DRUG LEGISLATION

The National Drug Policy Board has approved the following proposals for use by the Executive-Legislative Task Force called for by the President on May 18, 1988. They are arrayed along the six policy goals the President announced in 1986.

In submitting this report and these proposals, the Board assumes the full and complete acceptance by the Congress of the President's FY 89 drug-related budget proposal to meet the Board's approved strategy implementation plan.

Goal #1: DRUG-FREE WORKFORCES

These proposals build upon the initiatives already underway in the Federal workforce and recognize the private sector in which most of the Fortune 500 companies have instituted some form of drug prevention programs and policies.

- Require private sector companies that receive federal funds to have drug-free workforce plans consistent with the goals and objectives of Executive Order 12564.
- Provide incentive and assistance for expansion of non-federal drug-free workforce programs to include technical assistance, public outreach, and a clearinghouse for drug-free workforce information.

Goal #2: DRUG-FREE SCHOOLS

These proposals are in addition to the outstanding campaign led by the First Lady and the Secretary of Education to alert students, parents and teachers to the dangers of drug abuse. They are intended to make our colleges and universities responsive with the national commitment for drug-free schools.

- Require institutions of higher learning to have drug prevention policies and programs in order to participate in federal student aid programs under the Higher Education Act of 1985.
- Withdraw federal student aid for one year from students convicted of drug use offenses and permanently withdraw aid from students convicted of drug trafficking offenses.

Goal #3: EXPAND DRUG TREATMENT ACCOUNTABILITY

Expanding and improving accountability of the nation's drug treatment programs is vital to the success of the anti-drug effort. Toward that end, treatment must be consistent with these four principles: (1) treatment programs must be drug-free; (2) drug testing must be used to ensure compliance with treatment regimens; (3) treatment programs must be accountable for the use

of public funds and the outcomes of therapy; and, (4) drug users must share the cost of their treatment whenever they are able. In addition, the threat of increased crime in our cities and the spread of AIDS by IV drug users into the general population require new initiatives to meet the challenge.

- Cause federal probationers and parolees to avoid drug abuse through application of progressive sanctions and incentives, which include alternatives to incarceration, such as mandatory treatment, and the use of drug testing to confirm drug-free status.
- Increase the commitment to discretionary federal grants for state and local treatment programs using a 1/3 - 1/3 - 1/3 matching fund formula between federal, state and local authorities.
- Increase research, development and evaluation to identify effective drug treatment methods, particularly those aimed at crack/cocaine addiction.
- Establish treatment facilities for pregnant women who use illegal drugs, with particular concern for helping infants to begin life drug-free.

Goal #4: EXPAND INTERNATIONAL COOPERATION

Drug abuse is now recognized as a global problem requiring cooperative international solutions. These proposals are designed to further strengthen our ability to assist and work with nations in a comprehensive approach to the overall drug problem.

- Expand economic development assistance by targeting funds to support cooperating drug-producing nations' efforts to stop the growth and production of illicit drug crops.
- Increase the resources for eradication programs; provide additional aircraft, training and research for new, safe methods to eradicate illicit drug crops.
- Increase support and contributions to multilateral organizations engaged in anti-drug campaigns to encourage other nations to join the international effort and to provide a method of instituting anti-drug programs in countries not yet willing to cooperate with the U.S.
- Provide additional amounts and types of small arm, ammunition, and other military assistance to cooperating anti-narcotics forces in cooperating foreign countries by

seeking an amendment to the restrictions contained under Section 482B of the Foreign Assistance Act.

- Increase the appropriate use of DOD resources, such as training teams, technical assistance, intelligence gathering, and hardware to support drug interdiction and destruction of drug manufacturing facilities in cooperating foreign nations.
- Increase resources available for rewards for the capture and conviction of drug traffickers; for international training for anti-drug operations; and, for computerized border management systems to identify and monitor cross-border movement of drug traffickers and terrorists.

Goal #5: STRENGTHEN LAW ENFORCEMENT

- Pass the Drug Free America Act as transmitted to Congress on September 15, 1986 and the Criminal Justice Reform Act as transmitted to Congress on October 16, 1987. Among the acts provisions:
 - Establish constitutional procedures to impose the death penalty in appropriate federal cases, including for those convicted of killing while engaged in a continuing drug enterprise;
 - Establish "good faith" exceptions to the exclusionary rule, which prohibits introduction of improperly seized evidence in criminal cases;
 - Establish a system for reporting on the manufacture and sale of precursor and essential chemicals used in the production of illegal drugs.
 - Reform Federal habeas corpus procedures to make the judgment of State courts.
- Pass a Narcotics Corruption Act to strengthen penalties for public corruption in narcotics related cases.
- Require the rapid deportation of illegal aliens apprehended in narcotics related cases and require the registration of aliens convicted of drug-related felonies.
- Impose a federal minimum mandatory 10 year prison sentence for persons convicted of using or possessing automatic weapons in the commission of a crime and a minimum mandatory 5 year sentence for possession of illegal automatic weapons.

- Strengthen the Money Laundering Control Act of 1988 to require civil and criminal penalties against any financial institution operating in the U.S. for violations of the recordkeeping provisions of the Bank Secrecy Act.
- Direct the identification of convicted drug traffickers traveling with a U.S. passport by marking the passport to alert U.S. and foreign officials of previous violations and seize passports of individuals caught bringing illegal drugs into the U.S.
- Expand the role and level of DOD military support by designating drug interdiction support as a mission of the DOD military, particularly for surveillance and detection. DOD also will expand the role of the National Guard, increase training resources, and drug enforcement operational support. Additionally, urge Congress to fully fund the Coast Guard to the level requested by the President.
- Modify the maritime drug smuggling criminal penalties to provide explicit extraterritorial application of 19 U.S.C. 844 (simple possession), in order to allow for the inclusion of possession to be a lesser-included offense in drug trafficking cases and to penalize failures to comply with lawful boarding orders to vessels and landing orders to aircraft.
- Expand the domestic eradication campaign with additional support by the National Guard in conjunction with the Drug Enforcement Administration's strategy.
- Increase assistance to State and Local law enforcement for Zero Tolerance programs through additional federal support such as local Crack Task Forces, increase local participation in federal law enforcement operations like Operation Alliance and the Organized Crime Drug Enforcement Task Forces (OCDETF), support for local law enforcement assistance for drug-free public housing and other programs designed to focus on the drug users.
- Expand and focus research and development efforts on drug detection technology to identify drugs in commercial cargo containers.
- Provide for FAA, Postal Service, other federal employees, and airport passenger and baggage screeners who in the course of their normal duties of inspections identify illegal drugs or large amounts of currency that may be related to drug trafficking to report the information to federal law enforcement officers.

Goal #6: EXPAND PUBLIC AWARENESS AND PREVENTION

- Expand the international public awareness campaign by enhancing the flow and distribution of information concerning the threat of drug abuse and the efforts of the U.S. to stem the flow and demand for drugs.
- Increase the commitment of resources targeted at high-risk youth (low-income families, runaways, drop-outs, products of dysfunctional families, juveniles in the criminal justice system) through a range of community based and joint programs including public-private job opportunity and educational assistance programs.
- Expand and focus surveys to provide current and specific information on drug use by geographical area and by segments of the population to ensure national strategies and programs are appropriately targeted and to measure effectiveness of efforts.

ORGANIZATIONAL PROPOSAL

The organization and management of the drug issue is critical to the success of our effort. The National Drug Policy Board has demonstrated the value of bringing together all elements of the executive branch to develop a sound plan of action. Future progress will depend upon the continuation and institutionalization of your Administration's progress.

- Mandate by legislation the statutory responsibilities for the overall drug policy management with the National Drug Policy Board as directed in Executive Order 12590.
- Provide for the President to designate the Chairman of the cabinet-level body to be responsible for the development and implementation of the national drug policy and plan.



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

JUN 30 1988

MEMORANDUM FOR THE ARTHUR B. CULVAHOUSE, JR.
COUNSEL TO THE PRESIDENT

FROM: James C. Miller III
Director

SUBJECT: Drug-Free Workplace Legislation

In response to a commitment I made in my testimony before the Government Operations Committee on June 15th, I have been working with Congressman Bob Walker and Chairman Jack Brooks on developing legislation that will ensure that the workplaces of Federal grantees and contractors are drug-free. The Committee reported out Chairman Brooks' bill (H.R. 4719) on June 29, 1988 by unanimous vote. The provisions of the Brooks Bill are close to those originally proposed by Bob Walker and they are also similar in many respects to the provisions of the Walker-Kildee Amendment to the Juvenile Justice Bill that unanimously passed the House. The Walker-Kildee language, which I supported in my testimony, would require contractors and grantees to:

1. have formal policies in place that are designed to ensure that workplaces are free of illegal drugs,
2. make good faith efforts to implement such policies, and
3. be rendered ineligible to receive Federal funds if they fail to comply with 1 or 2.

The most recent version of the Brooks drug-free workplace bill adopts the Walker-Kildee approach by requiring a formal policy, using a good faith compliance standard, and making ineligibility for Federal funds the operative sanction. Bob Walker strongly supports the bill and it appears that all the members of the Committee - both

Republican and Democrat - intend to be listed as co-sponsors. The final version of the bill also included a number of specific points that we made, such as greater emphasis on a good faith standard for employer compliance, a prohibition against drug use in the workplace, increased discretion for employers in actions to take against employees involved with drugs, and providing a reasonable implementation schedule.

While the bill is not perfect, it successfully addresses many of the key concerns raised by this Administration. I believe we should support it. I have attached a brief description of some additional provisions of the bill. Please let me know your comments.

Attachment

c: Ken Duberstein
Dan Crippen

IDENTICAL MEMORANDUM TO: ATTORNEY GENERAL
SECRETARY OF DEFENSE

ATTACHMENT

Other provisions of the Brooks bill (H.R. 4719):

- specifies the necessary components of an employer's drug-free workplace policy focusing on drug convictions for offenses occurring in the workplace but emphasizing rehabilitation efforts. (Note: These parallel those in Executive Order 12564. While they do not mandate drug testing, they do not prohibit it either.)
- requires employees to certify that they will comply with the drug-free workplace policy.
- makes noncompliant Federal grantees subject to current termination, suspension, and/or debarment proceedings and noncompliant Federal contractors subject to termination, suspension, and/or debarment proceedings conducted by boards of contract appeals.
- permits agency heads to waive a determination of ineligibility of an employer to receive a Federal grant or contract if doing so would be in the public interest.
- requires employees to notify employers of any drug-related convictions and requires employers to notify the Federal Government of any such convictions.

Reported out
of Gov. Ops.
Comm. 6-29-88
(voice vote w/
amendment)

SHOWING AN AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4719, AS ADOPTED BY THE
SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY

Strike all after the enacting clause and insert the
following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Drug-Free Workplace Act of
3 1988".

4 SEC. 2. DRUG-FREE WORKPLACE REQUIREMENTS FOR FEDERAL
5 CONTRACTORS.

6 (a) DRUG-FREE WORKPLACE REQUIREMENT.--No person or
7 organization shall be considered a responsible source, under
8 the meaning of such term as defined in section 4(8) of the
9 Office of Federal Procurement Policy Act (41 U.S.C. 403(8)),
10 for the purposes of being awarded a contract for the
11 procurement of any property or services from any Federal
12 agency unless such person or organization has certified to
13 the contracting agency that it will provide a drug-free
14 workplace by--

15 (1) publishing a statement notifying employees that

1 the unlawful manufacture, distribution, dispensation,
2 possession, or use of a controlled substance is
3 prohibited in the person's or organization's workplace
4 and specifying the actions that will be taken against
5 employees for violations of such prohibition;

6 (2) establishing a drug-free awareness program to
7 inform employees about--

8 (A) the dangers of drug abuse in the workplace;

9 (B) the person's or organization's policy of
10 maintaining a drug-free workplace;

11 (C) any available drug counseling,
12 rehabilitation, and employee assistance programs; and

13 (D) the penalties that may be imposed upon
14 employees for drug abuse violations;

15 (3) requiring that each employee to be engaged in the
16 performance of such contract, as a condition of
17 employment on such contract, certify that--

18 (A) the employee has received a copy of the
19 statement required by paragraph (1), understands its
20 contents, and will abide by its terms; and

21 (B) the employee will notify the employer of any
22 criminal drug statute conviction for a violation
23 occurring in the workplace no later than 5 days after
24 such conviction;

25 (4) notifying the contracting agency within 10 days

1 after receiving notice under paragraph (3)(B) from an
2 employee or otherwise receiving actual notice of such
3 conviction;

4 (5) imposing a sanction on, or requiring the
5 satisfactory participation in a drug abuse assistance or
6 rehabilitation program by, any employee who is so
7 convicted, as required by section 4; and

8 (6) making a good faith effort to continue to
9 maintain a drug-free workplace through implementation of
10 paragraphs (1), (2), (3), (4), and (5).

11 (b) SUSPENSION, TERMINATION, OR DEBARMENT OF THE
12 CONTRACTOR.--

13 (1) GROUNDS FOR SUSPENSION, TERMINATION, OR
14 DEBARMENT.--Each contract awarded by a Federal agency
15 shall be subject to suspension of payments under the
16 contract or termination of the contract, or both, and the
17 contractor thereunder shall be subject to debarment, in
18 accordance with the requirements of this section if the
19 board of contract appeals of the contracting agency
20 determines that--

21 (A) the contractor has made a false certification
22 under subsection (a);

23 (B) the contractor violates such certification by
24 failing to carry out the requirements of paragraph
25 (1), (2), (3), (4), or (5) of subsection (a); or

1 (C) such a number of employees of such contractor
2 have been convicted of violations of criminal drug
3 statutes for violations occurring in the workplace as
4 to indicate that the contractor has failed to make a
5 good faith effort to provide a drug-free workplace as
6 required by subsection (a).

7 (2) CONDUCT OF SUSPENSION, TERMINATION, AND DEBARMENT
8 PROCEEDINGS.--If a contracting officer determines, in
9 writing, that cause for suspension, termination, or
10 debarment exists, a suspension, termination, or debarment
11 proceeding subject to this subsection shall, on
12 application by a contracting officer of an agency, be
13 conducted by the board of contract appeals of the agency
14 which conducts the procurement. The board of contract
15 appeals shall, based upon a preponderance of the evidence
16 presented, resolve all issues of fact, determine whether
17 a basis exists for the suspension or termination of the
18 contract or debarment of the contractor, and issue a
19 final decision in favor of or against suspension or
20 termination of the contract or debarment of the
21 contractor. A proceeding, decision, or order of the board
22 pursuant to this subsection shall not be subject to
23 interlocutory appeal or review. Determinations and final
24 decisions of the board of contract appeals shall be final
25 unless appealed by the contractor to the United States

1 Court of Appeals for the Federal Circuit within 60 days
2 after the receipt by the contractor of a copy of a final
3 decision of the board of contract appeals. Section 10(b)
4 of the Contract Disputes Act of 1978 (41 U.S.C. 609(b))
5 shall apply with respect to the finality of such board
6 determinations and decisions under this paragraph.

7 (3) CONDUCT BY GSA BOARD.--In the case of an agency
8 that has not established a board of contract appeals
9 under section 8(a)(1) of the Contract Disputes Act of
10 1978 (41 U.S.C. 607(a)(1)), the General Services
11 Administration Board of Contract Appeals shall make the
12 determinations and issue final decisions under paragraph
13 (2) for such agencies. Section 10(b) of the Contract
14 Disputes Act of 1978 (41 U.S.C. 609(b)) shall apply with
15 respect to the finality of such Board determinations and
16 decisions under this paragraph.

17 (4) EFFECT OF DEBARMENT.--Upon issuance of any final
18 decision under this subsection requiring debarment of a
19 contractor, such contractor shall be ineligible for award
20 of any contract by any Federal agency and for
21 participation in any future procurement by any Federal
22 agency for a period specified in the decision, not to
23 exceed 5 years, except that an award to such contractor
24 may be made if the head of the agency determines, in his
25 or her discretion, that the award of such contract is in

1 the public interest. Upon issuance of any final decision
2 recommending against debarment of the contractor, the
3 contractor shall be compensated as provided by law or
4 regulations.

5 SEC. 3. DRUG-FREE WORKPLACE REQUIREMENTS FOR FEDERAL GRANT
6 RECIPIENTS.

7 (a) DRUG-FREE WORKPLACE REQUIREMENT.--No person or
8 organization shall receive a grant from any Federal agency
9 unless such person or organization has certified to the
10 granting agency that it will provide a drug-free workplace
11 by--

12 (1) publishing a statement notifying employees that
13 the unlawful manufacture, distribution, dispensation,
14 possession, or use of a controlled substance is
15 prohibited in the grantee's workplace and specifying the
16 actions that will be taken against employees for
17 violations of such prohibition;

18 (2) establishing a drug-free awareness program to
19 inform employees about--

20 (A) the dangers of drug abuse in the workplace;

21 (B) the grantee's policy of maintaining a drug-
22 free workplace;

23 (C) any available drug counseling,
24 rehabilitation, and employee assistance programs; and

25 (D) the penalties that may be imposed upon

1 employees for drug abuse violations;

2 (3) requiring that each employee to be engaged in the
3 performance of such grant, as a condition of employment
4 on such grant, certify that--

5 (A) the employee has received a copy of the
6 statement required by paragraph (1), understands its
7 contents, and will abide by its terms; and

8 (B) the employee will notify the employer of any
9 criminal drug statute conviction for a violation
10 occurring in the workplace no later than 5 days after
11 such conviction;

12 (4) notifying the granting agency within 10 days
13 after receiving notice of a conviction under paragraph
14 (3)(B) from an employee or otherwise receiving actual
15 notice of such conviction;

16 (5) imposing a sanction on, or requiring the
17 satisfactory participation in a drug abuse assistance or
18 rehabilitation program by, any employee who is so
19 convicted, as required by section 4; and

20 (6) making a good faith effort to continue to
21 maintain a drug-free workplace through implementation of
22 paragraphs (1), (2), (3), (4), and (5).

23 (b) SUSPENSION, TERMINATION, OR DEBARMENT OF THE
24 GRANTEE.--

25 (1) GROUNDS FOR SUSPENSION, TERMINATION, OR

1 DEBARMENT.--Each grant awarded by a Federal agency shall
2 be subject to suspension of payments under the grant or
3 termination of the grant, or both, and the grantee
4 thereunder shall be subject to debarment, in accordance
5 with the requirements of this section if the agency head
6 of the granting agency or his official designee
7 determines, in writing, that--

8 (A) the grantee has made a false certification
9 under subsection (a);

10 (B) the grantee violates such certification by
11 failing to carry out the requirements of paragraph
12 (1), (2), (3), (4), or (5) of subsection (a); or

13 (C) such a number of employees of such grantee
14 have been convicted of violations of criminal drug
15 statutes for violations occurring in the workplace as
16 to indicate that the grantee has failed to make a
17 good faith effort to provide a drug-free workplace as
18 required by subsection (a).

19 (2) CONDUCT OF SUSPENSION, TERMINATION, AND DEBARMENT
20 PROCEEDINGS.--A suspension, termination, or debarment
21 proceeding subject to this subsection shall be conducted
22 in accordance with applicable law, including Executive
23 Order 12549 or any superseding Executive order and any
24 regulations promulgated to implement such law or
25 Executive order.

1 (3) EFFECT OF DEBARMENT.--Upon issuance of any final
2 decision under this subsection requiring debarment of a
3 grantee, such grantee shall be ineligible for award of
4 any grant from any Federal agency and for participation
5 in any future grant from any Federal agency for a period
6 specified in the decision, not to exceed 5 years, except
7 that an award to such grantee may be made if the head of
8 the agency determines, in his or her discretion, that the
9 award of such grant is in the public interest. Upon
10 issuance of any final decision recommending against
11 debarment of the grantee, the grantee shall be
12 compensated as provided by law or regulations.

13 **SEC. 4. EMPLOYEE SANCTIONS AND REMEDIES.**

14 A grantee or contractor shall, within 30 days after
15 receiving notice from an employee of a conviction pursuant to
16 section 2(a)(2)(B) or 3(a)(2)(B)--

17 (1) take appropriate personnel action against such
18 employee up to and including termination; or

19
20 (2) require such employee to satisfactorily
21 participate in a drug abuse assistance or rehabilitation
22 program approved for such purposes by a Federal, State,
23 or local health, law enforcement, or other appropriate
24 agency.

25 **SEC. 5. WAIVER.**

1 (a) IN GENERAL.--A termination, suspension, or debarment
2 under this Act may be waived by the head of an agency with
3 respect to a particular contract or grant if--

4 (1) in the case of a waiver with respect to a
5 contract, the head of the agency determines, after the
6 issuance of a final determination under section 3(b) by a
7 board of contract appeals regarding a contract entered
8 into by that agency, that suspension or termination of
9 the contract or debarment of the contractor, or refusal
10 to permit a person or organization to be treated as a
11 responsible source for a contract, as the case may be,
12 would severely disrupt the operation of such agency to
13 the detriment of the Federal Government or the general
14 public; or

15 (2) in the case of a waiver with respect to a grant,
16 the head of the agency determines that suspension or
17 termination of the grant or debarment of the grantee
18 would not be in the public interest.

19 (b) EXCLUSIVE AUTHORITY.--The authority of the head of an
20 agency under this section to waive a termination, suspension,
21 or debarment shall not be delegated.

22 **SEC. 6. AUTHORITY OF BOARDS.**

23 Not later than 90 days after the date of enactment of
24 this Act, the chairman of each board of contract appeals
25 shall prescribe rules and procedures governing actions under

1 this Act. Each judge of such board may administer oaths and
2 affirmations and issue subpoenas.

3 **SEC. 7. DEFINITIONS.**

4 For purposes of this Act--

5 (1) the term ``drug-free workplace`` means a site for
6 the performance of work done in connection with a
7 specific grant or contract described in section 2 or 3 of
8 an entity at which employees of such entity are
9 prohibited from engaging in the unlawful manufacture,
10 distribution, dispensation, possession, or use of a
11 controlled substance in accordance with the requirements
12 of this Act;

13 (2) the term ``employee`` means the employee of a
14 grantee or contractor directly engaged in the performance
15 of work pursuant to the provisions of the grant or
16 contract described in section 2 or 3;

17 (3) the term ``controlled substance`` means a
18 controlled substance in schedules I through V of section
19 202 of the Controlled Substances Act (21 U.S.C. 812);

20 (4) the term ``conviction`` means a finding of guilt
21 (including a plea of nolo contendere) or imposition of
22 sentence, or both, by any judicial body charged with the
23 responsibility to determine violations of the Federal or
24 State criminal drug statutes;

25 (5) the term ``criminal drug statute`` means a

1 criminal statute involving manufacture, distribution,
2 dispensation, use, or possession of any controlled
3 substance;

4 (6) the term ``grantee`` means the department,
5 division, or other unit of a person or organization
6 responsible for the performance under the grant;

7 (7) the term ``contractor`` means the department,
8 division, or other unit of a person or organization
9 responsible for the performance under the contract; and

10 (8) the term ``Federal agency`` means an agency as
11 that term is defined in section 552(f) of title 5, United
12 States Code.

13 **SEC. 8. EFFECTIVE DATE.**

14 Sections 2 and 3 shall be effective 120 days after the
15 date of the enactment of this Act.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 30, 1988

RECOMMENDATIONS OF THE NATIONAL DRUG POLICY BOARD
FOR 1988 ANTI-DRUG ABUSE LEGISLATION

FACT SHEET

President Reagan today received a series of wide-ranging recommendations from the National Drug Policy Board to reinforce the nation's crusade for a drug-free America.

The President stated his intention to approve next week an Administration package that will be presented to the Bipartisan Executive-Legislative Task Force. He proposed the Task Force in his May 18 address to the graduating class at the U.S. Coast Guard Academy.

The Task Force's mission, the President said, is "to develop a comprehensive legislative package to address every aspect of the drug problem. I urge the Task Force to begin its deliberations with an initial meeting soon after the Fourth of July weekend so that we can enact the necessary legislation quickly."

The President has designated four members of that Task Force: Treasury Secretary James Baker; Attorney General Edwin Meese III; new White House Chief of Staff Kenneth Duberstein; and National Security Advisor Colin Powell. Senate Republican Leader Bob Dole appointed Senators Alfonse D'Amato of New York and Pete Wilson of California. House Republican Leader Bob Michel appointed Congressmen Jerry Lewis of California, Mickey Edwards of Oklahoma, and Bill McCollum of Florida. Congressional Democrats have yet to appoint their members to the Task Force.

The Recommendations

- o The recommendations respond to the President's request of April 28 to the National Drug Policy Board for new ideas and initiatives. The major themes of the National Drug Policy Board's recommendations are user accountability and zero tolerance; tough law enforcement; and sanctions against drug users and traffickers. The Board's recommendations fit into the President's six goals for a drug-free America outlined in 1986:
 1. Drug-free workplaces for all Americans
 2. Drug-free schools, from elementary to university
 3. Expanded treatment for drug users
 4. Improved international cooperation to cut off the production and transportation of illegal drugs
 5. Strengthened drug law enforcement, using all of our available resources to stop drug traffickers
 6. Increased public awareness and prevention
- o The recommendations of the National Drug Policy Board would require companies receiving Federal funds to have drug-free workforce plans consistent with the goals and objectives of Executive Order 12564.
- o The recommendations call for greater accountability by drug users. Specific recommendations would make Federal student aid conditional upon a college's adopting an effective anti-drug program; withdraw Federal student aid from those convicted of drug offenses; and improve the accountability of treatment programs through drug testing and by requiring users who are able to do so to share the cost of treatment. One of the Board's recommendations focuses on treatment for pregnant women who use illegal drugs. Another recommendation deals with Federal probationers and parolees.

--MORE--

- o The National Drug Policy Board also recommended increased efforts in international eradication of illicit drug crops and economic development assistance for cooperating countries; increased appropriate use of U.S. military resources; identification on U.S. passports of convicted drug traffickers; and increased assistance to state and local law enforcement.
- o Other recommendations include expanding international public awareness of the threat of drug abuse and U.S. efforts to combat it; increasing resources targeted at high-risk youth; and providing better survey data on drug use.

The Unfinished Agenda: Strengthening Federal Law Enforcement

- o Among the National Drug Policy Board's recommendations are specific calls for Congress to enact tougher measures previously proposed by the President.
- o These include legislation to allow the use of the death penalty in certain Federal cases, including those in which defendants were convicted of murder while engaged in a continuing drug enterprise; and allowing "good faith" exceptions to the exclusionary rule so evidence seized during an arrest could be used in criminal cases. The President previously proposed controls on the manufacture and sale of chemicals used to produce illegal drugs.

The Drug Abuse Budget

- o The President's FY 1989 budget request calls for total drug-related spending of almost \$4 billion, a 13 percent increase over the FY 1988 Continuing Resolution passed by Congress. Federal spending for anti-drug programs is more than three times higher in FY 1988 than it was in FY 1981.
- o However, despite Congressional calls for increased Federal drug spending, the House has cut funding for key law enforcement components of the Department of Justice budget for FY 1989 by over \$900 million.
- o The Senate Appropriations Committee has cut the President's request for important Department of Justice drug enforcement activities by over \$500 million.
- o The National Drug Policy Board recommended that the President's budget request be fully funded before new programs or initiatives are funded.
- o In his May 18 speech at the Coast Guard Academy, the President reminded Congress to enact his request to restore the cuts to the Coast Guard's budget for this year. Congress cut \$72 million out of funding for the Coast Guard, which has curtailed the service's drug interdiction efforts.

Federal Funding for Drug Enforcement,
Prevention and Treatment
budget authority in millions of dollars,
with estimates for FY 1988 and FY 1989

1981	1988	1989
\$1,138	\$3,464	\$3,903

Proposed Drug Abuse Budget, FY 1989
budget authority in millions of dollars

Enforcement	Prevention	Treatment	Total
\$2,858.5	\$612.6	\$431.5	\$3,902.6

The FY 1989 Enforcement Budget
budget authority in millions of dollars

Interdiction	\$1,094.6
Investigations	646.6
International Efforts	219.6
Prosecution	183.5
Corrections	601.6
Intelligence	47.0
State and Local Assistance	21.2
Research and Development	21.0
Regulatory and Compliance	23.5
Subtotal, Enforcement	<u>2,858.5</u>

Progress Toward a Drug-Free Society

- o Current use of cocaine among the nation's high school seniors dropped by one-third in 1987 -- from 6.2 percent in 1986 to 4.3 percent in 1987 -- the lowest level since 1978. Daily use of marijuana fell from one in nine high school seniors in 1979 to one in 30 in 1987.
- o In 1980, 27 percent of U.S. military personnel said they used illegal drugs. In 1988, illegal drug use fell to 6 percent, a dramatic 78 percent decline.
- o The Justice Department announced June 26 that 12,285 defendants were convicted on Federal drug charges in 1986. That is a 134 percent increase over 1980.
- o Seventy-seven percent of those convicted were sentenced to prison in 1986. That compares with a 71 percent incarceration rate in 1980.
- o Sentences are getting longer. The average sentence increased from 46 months in 1980 to 61 months in 1986, a 33 percent increase. The new Federal sentencing guidelines put in force by the U.S. Sentencing Commission will further increase the average time served for drug offenses.
- o Reagan Administration efforts are aimed at reducing the supply of illicit drugs while working to eliminate the demand for the deadly drugs that kill our children, wreck our communities and weaken our nation.

THE WHITE HOUSE

WASHINGTON

July 14, 1988

MEMORANDUM FOR RHETT DAWSON

FROM: REBECCA G. RANGE *Rebecca*

SUBJECT: Plans for July 17-24

In following up on the recommendation of the National Drug Policy Board, particularly the call for a drug-free workplace for all Americans, the President would meet with Secretary Verity in California to ask him to put together with private business an ambitious program to eradicate drugs in the workplace. The scope of the program would include all places of employment, large and small, factories; offices; retail stores; law firms; offices; etc.

A statement would be released following the meeting regarding the President's charge to Secretary Verity and outlining the annual cost to the U.S. economy, including such things as lost productivity, increased absenteeism and related health and social costs. The statement would also praise companies for what they have done but call for private sector involvement and commitment at the highest levels.

Secretary Verity has already been presented with a proposal from the private sector to organize such a program. Jesse Phillips, Founder and Chairman, Phillips Industries has put together a detailed organizational and substantive plan and agreed to put up a fair amount of funding. The plan would need some revising but is basically complete. So, within a couple of weeks, the Department could have a full fledged private sector plan to present to the President and/or announce to the world then, perhaps in mid-September, the President could meet with the group and receive a run-down of their plans.

I am attaching some of the packet from Jesse Phillips.

A PROGRAM TO ACHIEVE A DRUG FREE AMERICA
IN THE WORKPLACE

ASSUMPTIONS

1. Illegal drug use is the #1 problem in the United States. It is a higher priority than a balanced budget, education or a strong dollar. As a result, it will be given top priority attention. We assume that the President, the Congress, the media and other top movers and shakers support this view. If our top leadership, public and private, do not support this view, we can forget this program. However, I believe the country is ready.

2. A prerequisite to solving the drug problem is reducing the demand for drugs.

3. Zero tolerance -- the use, possession or distribution of illegal drugs whether on or off the job will not be tolerated.

4. Merely announcing the program plus peer pressure will deter a significant percentage of users -- thus decreasing the demand.

5. The President will be actively involved, especially welcoming and announcing appointments.

6. The involvement of an organization in this program must emanate from the top executive down -- no exceptions.

7. There will be full cooperation of the media to treat this as the #1 priority -- as their own program. This is nonpolitical.

SCOPE

All places of employment, large and small, will be included in the program. Included are not only factories, offices, retail stores, but also, for example, law firms, social service agencies, school administration, newspaper staffs, etc., etc., etc.

OBJECTIVE

All workplaces shall adopt a model drug program for zero tolerance. The program may vary to suit the circumstances, but no program can be successful without testing.

The commitment to adopt a program must be in writing from the top executive of the organization. There must be an interest to execute and enforce the program.

METHOD AND ORGANIZATION

To convince millions of workplaces to voluntarily adopt a drug program will require a vast organization and strong promotion. Getting the necessary influential people to join and support the effort will be very difficult. I doubt it can be done unless the President personally invites the desired appointees.

For the most part, the effort should be through existing organizations. For example, the National Chamber of Commerce or the National Association of Manufacturers would assume the responsibility to enlist all their members. The state chambers would work with and follow up the local chambers. The local chamber might well appoint a local chairman and committee to enlist the workplace.

Comparable methods could be directed through the national organizations of accountants, lawyers, doctors, hospitals, the Ad Council, newspaper publishers, broadcasting companies, churches, etc.

The United Way might undertake the enlistment of all the social service agencies.

The National Unions would urge their locals and members to get behind the effort. The teachers' unions would endorse the program.

The Association of Governing Boards of College and University trustees and presidents would commit their institutions to a drug-free program.

One of the difficult areas will be the enlistment of the millions of small workplaces, where few national organizations exist. Perhaps the Small Business Administration can help here.

All of these efforts would be coordinated through the Secretary of Commerce. The Secretary would appoint a chairman and a small (five people) executive action-oriented committee. Then there would be a large, prestigious Board of Directors. The individual national organization would report to a member of the Board of Directors. (See organizational chart.)

STAFF

A small central coordinating staff would work out of the Department of Commerce. Staff should be kept to a minimum. Most of the work would be done by already existing staff at the different organizations. Strong volunteer efforts should be expected.

Perhaps we can follow the lead of the Private Sector Initiative and the Alliance of Business and Industry.

FINANCE

Financing would be done through the private sector as much as possible. Each organization would cover its own expense as much as possible. Monies for core expense and mass printing would be raised by voluntary tax-free contributions.

REPORTING

A system of quarterly or semi-annual reporting would be adapted to measure the effectiveness of the program.

PROMOTION

The President would announce all major appointments with the proper publicity and fanfare. He would announce all major successes.

The President, the Cabinet and all their direct reports would take a highly publicized drug test.

The Supreme Court would take a drug test. All members of Congress would be invited to be tested. Taking a drug test could become a status symbol.

Promotion would include people signing a statement that they support the program. Local media would report daily workplaces which had adapted the program.

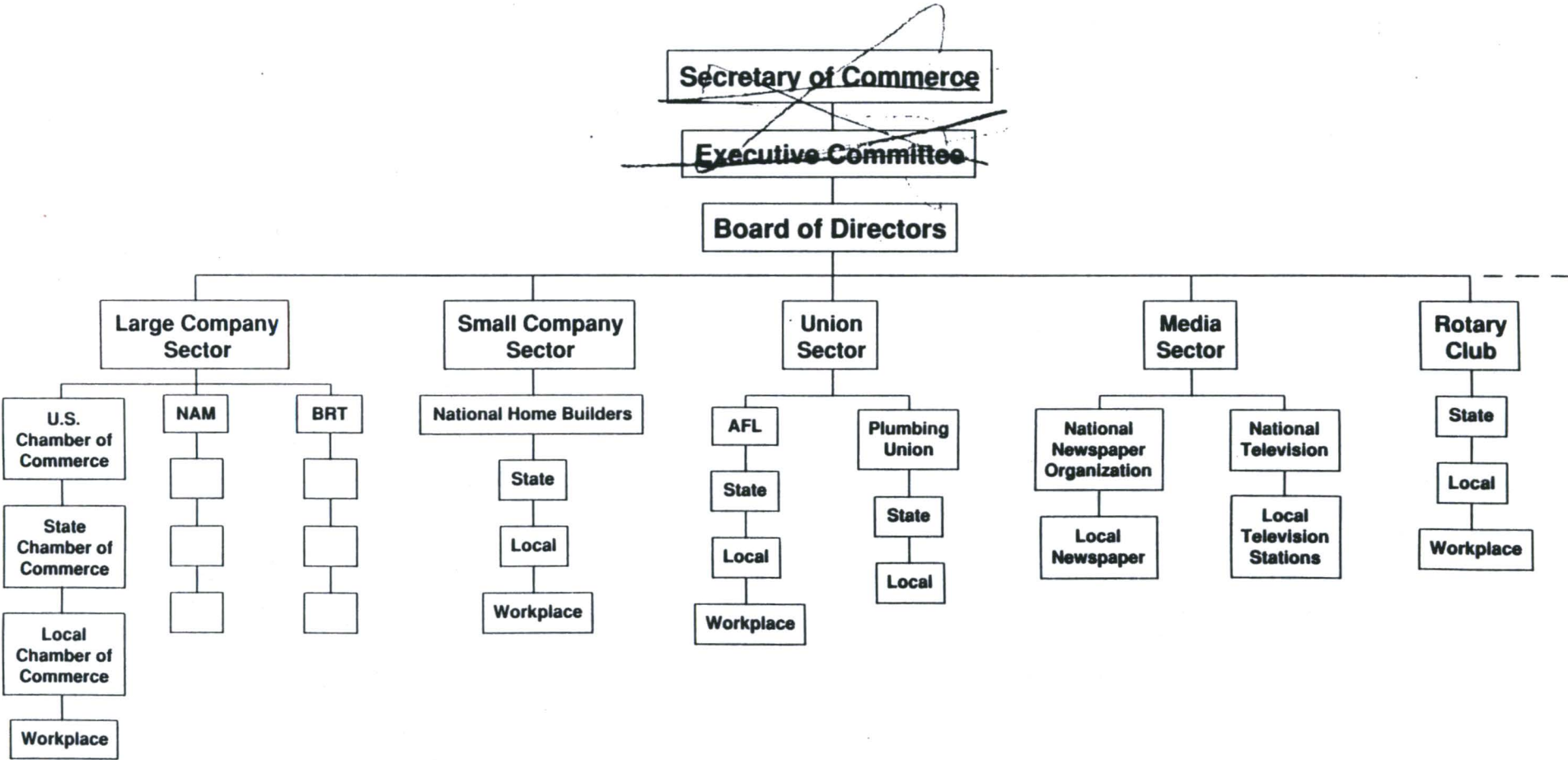
CONCLUSION

This is an ambitious program. If the illegal use of drugs is the insidious disease that will destroy our country and freedom, as we claim it is, then it has to be met with an ambitious program. Halfway measures will not work. We must have a united attack as we had in World War II.

Jesse Philips
Founder and Chairman
Philips Industries Inc.

July 12, 1988
Submitted to The Honorable C. William Verity

Organizational Chart for a Drug Free America In the Workplace



The sector titles and organizations mentioned
are only illustrative and should not be
construed as definitive.

May 25, 1988

JESSE PHILIPS

Mr. Jesse Philips, Founder and Chairman of Philips Industries Inc., is a pioneer in the development of a national model anti-drug program for industry. Philips Industries has the program in operation in its 53 plants and offices located in 20 states.

Mr. Philips was appointed by President Reagan as a member of the White House Conference for a Drug Free America. Mr. Philips is Chairman of the Workplace Committee of the Conference. He has also briefed Vice President Bush on the drug issues.

Mr. Philips has appeared on The Today Show and the MacNeil-Lehrer Report. His remarks have been circulated in over 200 newspapers. He has written on this subject for the Wall Street Journal and Random House Books. The American Management Association and others have reprinted and distributed the Philips Industries program.

July, 1988

JESSE PHILIPS

Jesse Philips, Chairman of Philips Industries, founded the company in 1957.

Mr. Philips was born in New York City. During his pre-school years his family relocated to Hartford, Connecticut. He graduated from Weaver High School in Hartford, graduated Magna Cum Laude from Oberlin College in 1937, and received his Master of Business Administration degree from Harvard Graduate School of Business Administration in 1939.

Hillsdale College awarded Mr. Philips an honorary Doctor of Business Administration degree in 1985. He received an honorary Doctor of Humane Letters degree from the University of Dayton in 1986. Oberlin College recognized Mr. Philips with an honorary Doctor of Humanities degree in 1988.

Prior to the founding of Philips Industries, Mr. Philips was one of the owners of the Johnson-Shelton Company "Home Store" in Dayton, Ohio, until 1956 when it was sold to a chain.

In addition to his business responsibilities, Mr. Philips is active in community affairs. In the past, he has served as a Director of many organizations and businesses including the Society Bank Corporation; the Third National Bank and Trust Company; the Dayton Chamber of Commerce; the Miami Valley Council of Boy Scouts of America; the Dayton Council of the Salvation Army; and the Jewish Community Council. He was Associate Chairman of the Dayton Community Chest Drive, the Dayton Chairman of the Ohio Foundation of Independent Colleges and a member of the Visiting Committee of the Harvard Graduate School of Business Administration.

Additionally, Mr. Philips was a Trustee of the Sinclair College Foundation, a member of the Board of Trustees of the Dayton Art Institute, a member of the Dayton Area Progress Council, and a Trustee of the Dayton Council on World Affairs. After nineteen years of service, Mr. Philips left the Board of Trustees and Executive Committee of Oberlin College in the fall of 1987.

Current affiliations include:

- ...Presidential appointment to the White House Conference for a Drug Free America -- Chairman, Drugs in the Workplace Committee
- ...Chairman of the Board of Trustees of the University of Dayton
- ...Trustee of the Dayton Foundation
- ...Wellington Cordier Fellow of Columbia University
- ...Board of Trustees of the Cincinnati Opera Association
- ...Board of Trustees of the American Music Scholarship Association
- ...President's Council, Purdue University
- ...Chairman of the Dayton Jewish Community Complex

Philanthropic activities include:

- ...Endowment of a Chair for Professorship of Manufacturing at the Harvard Graduate School of Business Administration
- ...Contribution of \$1,000,000 to Oberlin College for a new Physical Education Center which bears his name
- ...Chairman of the Building Committee for the Jewish Community Complex of Dayton, whose principal building is named after him
- ...Establishment of the Jesse Philips Scholars Program through a gift of \$1,000,000 Scholarship Fund to the Dayton and Montgomery County Schools
- ...Endowment of \$1,000,000 for a Chair in Child Psychiatry at Columbia Presbyterian Hospital in the name of Dr. Irving Philips
- ...Gift of \$1,000,000 to the University of Dayton, which has named a building the Jesse Philips Center
- ...Endowed scholarship, Notre Dame University

Awards and honors include:

- ...Distinguished Service Award, Harvard Business School
- ...Executive of the Year Award from the Dayton Executive Club, March 17, 1983
- ...Spirit of America Free Enterprise Award from the Junior Achievement and Free Enterprise Foundation, April 28, 1983
- ...Big Brothers and Big Sisters Award, November 21, 1983
- ...University of Dayton Beta Gamma Sigma National Honorary Business School Chapter Award
- ...Apostolic Blessing; Recognition by Pope Paul VI
- ...Jesse Philips Day, Dayton, Ohio, September 10, 1978
- ...Ohio Governor for a Day, October 29, 1982
- ...CEO Bronze Award, Financial World, March 1985; also March 1986
- ...Camp Fire National On Behalf of Youth Award, 1985
- ...Association of Governing Boards of University and College National Trustee of the Year Award, 1986
- ...International Ambassador's Award at U.S. Department of State, Sister Cities, 1986

Mr. Philips and his wife, Caryl, reside in Dayton, Ohio.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
OFFICE OF THE ADMINISTRATOR (OIRA)

DATE: 7/5

TO: Dan Crippen

ACTION:

- | | |
|--|---|
| <input checked="" type="checkbox"/> For your information | <input type="checkbox"/> Please comment |
| <input type="checkbox"/> FYI and return | <input type="checkbox"/> Draft Response |
| <input type="checkbox"/> Appropriate action | <input type="checkbox"/> Let's Discuss |

REMARKS:

Attached is for you
info in went for
didn't give you a copy.
Carol



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

MEMORANDUM FOR THE DEPUTY DIRECTOR

THROUGH:

Carol Crawford *CR*

FROM:

Phyllis Scheinberg *Phyllis*

SUBJECT:

Funding Table for the Coast Guard's FY 1989 Budget

This table responds to your request from this morning's WH Operations meeting notes (attached).

	<u>President's Budget</u>	<u>House Approp. Committee</u> (\$ in millions)	<u>Senate Approp. Committee</u>
Coast Guard Operations			
Transportation Bill.....	2,101	2,026	1,896
Defense Bill.....	--	60	200*
Total CG Operations..	2,101	2,086	2,096
Coast Guard Capital			
Transportation Bill.....	348	103	298
Defense Bill.....	--	350	--
Military Construction Bill.....	--	--	50
Total.....	348	453	348
Total Defense/Mil. Con. Earmark		(410)	(250)

* \$200M provided as "in-kind operational support" without reimbursement.

Attachment



NATIONAL DRUG POLICY BOARD
Washington, D.C. 20530

22 July 1988

MEMORANDUM FOR JOHN TUCK
ALAN KRANOWITZ

FROM: FRANK KEATING, IAN MACDONALD, CAROL CRAWFORD
NDPB DRUG BILL COORDINATORS

SUBJECT: Drug Bill

Pursuant to your request, this memorandum provides a proposed procedure for handling the drug bill as it moves through Congress and identifies issues that require further guidance from the principals. In addition, we have raised two additional questions that require further discussion.

I. Tracking Procedure

It is generally agreed that the process used to coordinate the Administration's position on the trade bill was successful and efficient. While there are many differences between the trade bill and the drug bill, enough similarities exist to warrant using a modified version of the same model to track the drug bill.

In summary, the plan involves tasking the Office of Management and Budget (OMB), working with the National Drug Policy Board (NDPB), to handle initial assignments of responsibilities and the coordination of paper among the agencies and the West Wing. Major elements of the plan are as follows:

1) The Coordinators will catalogue provisions of the various drug bills, write a synopsis of each provision, and assign agency (Department) leads to each provision. The coordinators will also identify provisions on which further guidance from principals (e.g. Baker, Meese, Powell, Duberstein, *U.P.* and Miller) is required.

2) Each lead agency will coordinate with other interested agencies to develop an Administration position on each provision assigned to it. The lead agency will advise the Coordinators of the recommended position. Absent White House or the Coordinators *u v.P.* concerns, the recommendation will become the Administration position. Where White House or the Coordinators concerns are raised, the issue will be discussed further and raised to the principals only if consensus is not possible.

3) Lead agencies will communicate the Administration's position to relevant Hill staff and members.

4) Lead agencies will keep the Coordinators informed of the status of their discussions and modifications in the provisions as the effort progresses.

5) The Coordinators will provide, on a regular basis, reports on the status and modification in each provision.

II. Identification of Issues

The Coordinators will list the provisions of each of the four major bills (Dole, Byrd, Wright, and Michel) and rank each according to its degree of controversy. A ranking of "A" indicates the need for further guidance from the principals in order to develop an Administration position (example: drug czar). A "B" ranking indicates that the Administration's position on the provision can be settled at the working group (senior policy official) level (example: Forest Service authority to investigate drug crimes). A "C" ranking indicates that an Administration position already exists or can be developed at the staff level.

The Coordinators is also ranking the NDPB proposals "A", "B", or "C" and has identified four that require further clarification from the principals. These are DOD involvement, funding, levels, ratio of additional funds for demand versus supply, and private sector workplace requirements.

III. Additional Questions

It is the President's intent, as we understand it, to retain some flexibility in defining the Administration's positions on individual issues. Two questions arise in that context. First, the process described above is intended to result in the development of Administration positions that respond to legislative proposals and that will of necessity be more specific than the NDPB recommendations in some cases. To the extent the process succeeds in developing and communicating Administration positions to the Hill, the President's negotiators will by definition lose some flexibility in any subsequent Task Force negotiation. Is this acceptable? Second, it is understood that agencies are prohibited from sending forward views that purport to represent an Administration position on any of the provisions in the drug bills. In cases where an Administration position has already been cleared, or where an NDPB recommendation is specific and unambiguous in its intent, agencies are authorized to send forward an Administration position. Is this consistent with your intent?

Lastly, it is imperative that a schedule and timetable be constructed to ensure full Administration participation in this legislative process.