Y 4.AP 6/1: T 74/2000/pt.3

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR FISCAL YEAR 2000

DEPOSITORY
SUPERINTENDENT
OF DOCUMENTS
0393A

JUN 16 1999

ST. JOHN'S LAW LIBRARY

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS

JIM KOLBE, Arizona, *Chairman*

FRANK R. WOLF, Virginia
MICHAEL P. FORBES, New York
ANNE M. NORTHUP, Kentucky
JO ANN EMERSON, Missouri
JOHN E. SUNUNU, New Hampshire
JOHN E. PETERSON, Pennsylvania

STENY H. HOYER, Maryland
CARRIE P. MEEK, Florida
DAVID E. PRICE, North Carolina
LUCILLE ROYBAL-ALLARD, California

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

MICHELLE MRDEZA, BOB SCHMIDT, JEFF ASHFORD, and TAMMY HUGHES,
Staff Assistants

PART 3

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

Printed for the use of the Committee on Appropriations

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

ST. JOHN'S LAW LIBRARY
3 5952 01223 0893

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR FISCAL YEAR 2000

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS

JIM KOLBE, Arizona, *Chairman*

FRANK R. WOLF, Virginia
MICHAEL P. FORBES, New York
ANNE M. NORTHUP, Kentucky
JO ANN EMERSON, Missouri
JOHN E. SUNUNU, New Hampshire
JOHN E. PETERSON, Pennsylvania

STENY H. HOYER, Maryland
CARRIE P. MEEK, Florida
DAVID E. PRICE, North Carolina
LUCILLE ROYBAL-ALLARD, California

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

MICHELLE MRDEZA, BOB SCHMIDT, JEFF ASHFORD, and TAMMY HUGHES, *Staff Assistants*

PART 3

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

56-420 WASHINGTON : 1999

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-058444-2

COMMITTEE ON APPROPRIATIONS

C. W. BILL YOUNG, Florida, *Chairman*

RALPH REGULA, Ohio
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
TOM DELAY, Texas
JIM KOLBE, Arizona
RON PACKARD, California
SONNY CALLAHAN, Alabama
JAMES T. WALSH, New York
CHARLES H. TAYLOR, North Carolina
DAVID L. HOBSON, Ohio
ERNEST J. ISTOOK, JR., Oklahoma
HENRY BONILLA, Texas
JOE KNOLLENBERG, Michigan
DAN MILLER, Florida
JAY DICKEY, Arkansas
JACK KINGSTON, Georgia
RODNEY P. FRELINGHUYSEN, New Jersey
ROGER F. WICKER, Mississippi
MICHAEL P. FORBES, New York
GEORGE R. NETHERCUTT, JR., Washington
RANDY "DUKE" CUNNINGHAM, California
TODD TIAHRT, Kansas
ZACH WAMP, Tennessee
TOM LATHAM, Iowa
ANNE M. NORTHUP, Kentucky
ROBERT B. ADERHOLT, Alabama
JO ANN EMERSON, Missouri
JOHN E. SUNUNU, New Hampshire
KAY GRANGER, Texas
JOHN E. PETERSON, Pennsylvania

DAVID R. OBEY, Wisconsin
JOHN P. MURTHA, Pennsylvania
NORMAN D. DICKS, Washington
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
STENY H. HOYER, Maryland
ALAN B. MOLLOHAN, West Virginia
MARCY KAPTUR, Ohio
NANCY PELOSI, California
PETER J. VISCLOSKY, Indiana
NITA M. LOWEY, New York
JOSE E. SERRANO, New York
ROSA L. DELAURO, Connecticut
JAMES P. MORAN, Virginia
JOHN W. OLVER, Massachusetts
ED PASTOR, Arizona
CARRIE P. MEEK, Florida
DAVID E. PRICE, North Carolina
CHET EDWARDS, Texas
ROBERT E. "BUD" CRAMER, JR., Alabama
JAMES E. CLYBURN, South Carolina
MAURICE D. HINCHEY, New York
LUCILLE ROYBAL-ALLARD, California
SAM FARR, California
JESSE L. JACKSON, JR., Illinois
CAROLYN C. KILPATRICK, Michigan
ALLEN BOYD, Florida

JAMES W. DYER, *Clerk and Staff Director*

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR 2000

TUESDAY, MARCH 2, 1999.

EXECUTIVE OFFICE OF THE PRESIDENT

WITNESS

MARK LINDSAY, DIRECTOR, OFFICE OF ADMINISTRATION, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. KOLBE. The meeting of the Subcommittee on Treasury, Postal Service and General Government will come to order.

Good morning, Mr. Lindsay——

Mr. LINDSAY. Good morning, Mr. Chairman.

Mr. KOLBE [continuing]. And welcome. This morning's hearing is on the Executive Office of the President, and we are pleased to welcome our witness here today. Mark Lindsay is certainly no stranger to this subcommittee, but it is the first time that he is appearing in this capacity as Director of the Office of Administration for the Executive Office of the President.

Mr. Lindsay, we very much appreciate the relationship that we have developed over the years. We all have found you to be very forthright with our subcommittee, and your cooperation has gone a long way to making our jobs easier. I look forward to your new role, and I think it will be a very constructive one for both of us.

Mr. LINDSAY. Thank you very much, sir.

Mr. KOLBE. Over the past several years, this subcommittee has taken a fairly aggressive role in its oversight responsibilities of the Executive Office of the President, including the White House and the Executive Residence. For those who have followed this oversight that we have done, it is no surprise that we have been frustrated at times by what we thought was a lack of cooperation on the part of the White House.

I have been and I remain sympathetic to those who suggest that we should be sensitive to maintaining the traditional sense of comity between the Executive and Legislative branches. But I also believe very strongly that the subcommittee has a responsibility to ensure public dollars are being used in the most prudent manner and for official duties and responsibilities of the Presidency in the same way that I would think that the Legislative Branch Subcommittee should exercise vigorous oversight of ourselves.

This is my third year as Chairman of this subcommittee. As I have reviewed the operations of the Executive Office of the President, what I have been struck with over this time is the very informal, and what I have thought lax, procedures that have been in place for managing what is a fairly large organization. There are

12 separate entities under the umbrella of EOP, all with the unique responsibilities and duties, so to say that your office is constantly challenged and managing such a diverse group is somewhat of an understatement.

I think that EOP can be managed better and smarter. I believe we have seen and continue to see some fairly significant problems with day-to-day operations of these organizations. We have seen problems in the past with the White House Travel Office; the operations of the Executive Residence as it relates to hosting both political and nonpolitical events; the use of the Executive Residence personnel to host an extraordinary number of overnight stays, and now, something we will be talking about in a little bit, the phenomenal escalation in the cost of modernizing the White House computer systems.

Quite frankly, and certainly through no fault of the current witness, I think many of these problems could have been avoided by some better management procedures, particularly in terms of improved internal controls and financial accounting. The request of the President for this forthcoming year for the White House activities is for all practical purposes a current services budget.

Nonetheless, there has been a tremendous increase associated with the computer modernization efforts underway, including efforts to ensure that the White House computers are Y2K compliant. I continue to have concerns that the White House doesn't have a system in place to provide either its own internal management teams or the Congress with valid estimates of this and some of its other projects.

I look forward to hearing from our witness today and hope that some of these concerns about the financial management systems in the White House might be addressed in your remarks and perhaps in our questions.

Before I recognize Mr. Hoyer for any opening remarks, I would just make note that the subcommittee is not going to have a separate hearing this year on the operations of the Executive Residence. I understand Mr. Lindsay is prepared to answer questions that might relate to the operation of the residence.

With that in mind, let me call on my distinguished friend and colleague, Mr. Hoyer, for some opening remarks.

Mr. HOYER. Thank you very much, Mr. Chairman. And I, too, want to welcome Mr. Lindsay to the committee and to his new role, not his new presence, because he has been present often and worked on many of the problems which you have raised.

I want to say that the nine accounts relating to the operation of the Executive Office of the President, which we will hear about, with a total of request of $111.7 million, the chairman raises the issue of Y2K compliance costs and others, but I want to compliment you on keeping the costs down associated with running the Executive Office of the President.

We had no new FTEs requested. In fact, this fiscal year 2000 request is a decline, as I understand it, of seven-tenths of a percent from '99 when you include the fiscal year 1999 Y2K request level and you take into mind the technological changes that have occurred in the electronic communications. I am pleased you are able

to serve the President without the overall 4.4 percent increase for pay, which is essentially being absorbed.

I share the chairman's view, and I appreciate his expressing it once again, about the comity that ought to exist between the White House and the legislative branches of government. Having said that, I think it would be inappropriate if I did not make some comments at this point, and the chairman has also made some comments, with reference to the review that this committee has put the White House under.

I must observe that having served on this committee since 1983, it is a review that no previous White House had been placed under in my opinion. Secondly, although the chairman observes that there have been administrative shortcomings in the management of the White House, there is no doubt about that. I happen to serve on the House Administration Committee and have for at least the last 5 Congresses.

And frankly, Mr. Chairman, I wouldn't want an independent auditor to be grading the White House administration and then grading the administration of the House offices. I think we are improving in that central management of the House, and I think what has been on a bipartisan basis, but certainly the leadership of Mr. Thomas and indeed Speaker Gingrich, has helped in that regard. But neither the legislative nor executive branches would win awards, in my opinion, for management administration, and largely because there is such a high turnover of members and essentially of White House personnel.

Having said that, I have observed before, and I am pleased that we have a chairman who is fair, considerate and moderate in the sense of his approach to how to deal with things. Having said that, I don't want anybody offended. But I remarked before, this White House is the most investigated White House in the history of the Presidency, period. And for all intents and purposes, those investigations have come up dry, dry, dry, not only on the small things, but even the large things.

We recently had an impeachment, which nobody in the House, nobody, thought would result in a conviction. And in fact it did not. But I might observe, Mr. Chairman, that I have had the opportunity, as I am sure you have as well, of reading the GAO report on the investigation that—not oversight, but in my opinion investigation, visits to the White House, the family visits were more than previous residences. But as the report shows, and I think I want to read the report at this point in time, because we are not going to have the residency and, therefore, this is the only opportunity to do it.

But, Mr. Chairman, this is not a criticism of you, but you and I have disagreed on this, as you know, and we have done it in what I think is in a gentlemanly and fair fashion, but we have nevertheless disagreed. And in the audit report dated October 29th, 1998, we found the fiscal year 1996 certificated expenditures of the President and Vice President under 3 year SC section 105 and 106 respectively were proper; operative words, "were proper."

The report goes on then relatively extensively with respect to the overnight visitors at the White House, and essentially concludes that although there was not auditworthy reports on which the GAO

could rely to verify assertions of how many overnight visitors, it also pointed out correctly, and in my opinion, from a policy standpoint properly, that we do not monitor overnight guests at the White House.

I believe that as a policy we ought not to do that. There is no recordkeeping requirement for overnight guests. What the audit report clearly indicates is that those overnight guests were properly reimbursed, that is to say, meal costs and other direct costs that were incurred.

They observed, as I knew was going to be the case—I used the example of my daughter having a visitor over, and that when I put those sheets in the washing machine as opposed to other sheets in the washing machine, I did not know what the differential cost was. And so I didn't attribute to her inviting guests over extra costs.

But it indicates that the consequential costs of keeping lights on and things of that nature were difficult, if not impossible, to ascertain. Mr. Chairman, I raise this only because this is the only time this year following the receipt of the audit report that this will be able to be raised. Unlike when it was originally asserted, and the hearing was originally maintained, when there were TV cameras in this room and the room was packed, it is always true that the assertion gets a lot of publicity.

This President has been subjected to unremitting attacks. Now having said that, the President has brought some of it on himself, we understand that. But the fact is, now when the audit report comes out and says essentially we are proper, that is the certificated costs and that it verifies that the—to the extent that the records can assert it, that, in fact, the White House's own report of the number of visitors, and they say we did not identify any notable discrepancies between the names the White House publicly disclosed and materials we examined.

There was not a requirement for records to be kept. I think there ought not to be a requirement that records be kept. I agree 100 percent with the chairman, the White House is spending public money. This committee has a responsibility to assure that that money is properly applied. But nothing that I have seen, heard, read or reviewed in terms of the GAO's report indicates to me anything, other than the expenditures made by the White House have, in fact, and have been proper.

And I appreciate your being here, Mr. Lindsay. I look forward to hearing about the budget. And I appreciate, Mr. Chairman, the time you have extended to me.

Mr. KOLBE. Thank you very much.

Mr. Lindsay, you may proceed. Your full statement, of course, will be placed in the record. And if you wish to just summarize, you may do so.

[The statement of Mr. Lindsay follows:]

OPENING STATEMENT FOR
MARK LINDSAY, DIRECTOR
OFFICE OF ADMINISTRATION
ON BEHALF OF THE
EXECUTIVE OFFICE OF THE PRESIDENT

Good morning Mr. Chairman and members of the Subcommittee. It is an honor to appear before this panel to present the fiscal year (FY) 2000 budget request for the Executive Office of the President (EOP). This budget request will properly position the EOP to meet its challenges into the twenty-first (21st) century. Our budget request represents the following nine (9) EOP accounts: Compensation of the President, the White House Office, Special Assistance to the President, the Official Residence of the Vice President, the Office of Administration, the Office of Policy Development, the National Security Council, the Council of Economic Advisers, and Unanticipated Needs.

Before we discuss the budget specifics, let me say how pleased we are with our achievements in addressing the Year 2000 (Y2K) challenge while simultaneously meeting the enormous, information technology demands of the President and the American people. With the constant

advances in technology, these demands have grown at an accelerated rate. For example, in all of 1993, the EOP received 84,600 e-mail messages and 4.0 million visits to the White House Web Page. In comparison, since January 1, 1999, we have already received 418,280 e-mails and over 14.2 million visits to the White House Web Page. Since 1993, we have been required to dramatically increase the capacity of our systems by as much as 500 percent. The EOP has met these rapidly growing demands by utilizing the latest technology to offer greater and more complex information technology services. This has stretched our resources beyond their limits. Nonetheless, even as we have endeavored to meet the Y2K challenge, we have never deviated from our commitment to provide the level of services required by the President to meet an ever expanding range of priorities.

Y2K Achievements:

As a result of our accomplishments, we are confident that the EOP's mission critical systems will be Y2K compliant and 100 percent operational on January 1, 2000 and that the President will receive uninterrupted support. Our achievements are reflected in four key areas. First, the EOP telecommunications system, the number one mission critical system within the EOP, will be Y2K implemented by March 31, 1999. Second, the information technology network, which interconnects the EOP's computers, will be Y2K implemented by the end of March. Third, 95 percent of the EOP's personal computers (PC's), as well as the PC software utilized by EOP

employees at their desktops, will be Y2K implemented by March 31, 1999. Finally, the Enterprise server, which will replace the EOP's mainframe computer, will be Y2K implemented by the end of March. Overall, roughly 25 percent of every EOP mission critical system will be Y2K implemented by March 31, 1999. The remaining systems are forecast to be Y2K compliant in the October 1999 time frame, providing us with adequate time to fully test our systems and ensure that they are all operational on January 1, 2000.

We fully understand that the solution to the Y2K challenge is rooted not only in technology, but in strong management and thorough oversight. Therefore, we are engaged in a critical self-evaluation and are encouraging our staff members to examine our business practices. We are constantly asking ourselves: how do we do business and how do we improve? For example, we are continuously evaluating the mission critical status of our systems and prioritizing them for renovation, validation and testing. As part of this prioritization, we have developed, in cooperation with our customers, a list of EOP non-Y2K Projects/Upgrades that will be deferred until our mission critical systems are compliant. Consistent with sound business practices, we carefully recruited the technical, managerial, and administrative personnel necessary to ensure that our mission critical systems remain operational and continue to support the President on January 1, 2000. In addition, we are employing processes successfully adopted in private industry and other government agencies to maximize resources and achieve objectives. This has fostered cooperative relationships and engendered mutual support that serves as the basis for

future cooperation in the areas of data exchange and continuity support.

As part of our management strategy, we are engaged in vital contingency planning and risk management. Thus, each agency within the EOP has begun to prepare Business Contingency and Continuity Plans. These plans will act as a safety net to protect system integrity and will include the formation of "rapid response teams" that will be specifically trained to deal promptly with any exigencies.

In order to better support the President, we are determined to continue our business strategy of solving the Y2K challenge while enhancing quality and performance. Although it is often time-consuming, we carefully select the Y2K solutions that will not only fix the problem, but allow us to improve the service we provide to the President. Under this two-for-one strategy, many systems that we are replacing due to non-compliance will provide us with far greater capability. For example, with each obsolete, non-compliant PC that is replaced by an updated, compliant desktop system, we are able to process data faster, avoid less downtime and improve staff productivity. With the replacement of our outdated Electronic Requisitioning System (ERS), we will be able to streamline the procurement process and obtain goods and services more efficiently. The replacement of our obsolete, non-compliant mainframe with a state of the art mainframe server will provide us with increased reliability, speed, security, and capacity, combined with substantially decreased operational costs. In short, with every system we replace

because of non-compliancy, we turn our Year 2000 problem into our Year 2000 opportunity.

As we have institutionalized our management reforms, we have created and strengthened new management systems. One such system is the Information Technology Management Team (ITMT). Established with the support of this Subcommittee, the ITMT promotes a common Y2K strategy for the EOP and ensures the implementation of an EOP-wide information technology plan. The ITMT refines the EOP's Information Technology (IT) by approving all key IT projects, especially those related to Y2K. The ITMT formed various technical working groups, comprised of technical experts from each EOP agency, to analyze areas such as: Common Software, Internet/Intranet, Help Desk, On-the-Road Trip Package, Telecommunications, and Electronic Document Management. These working groups evaluated the unique and common business processes of the EOP agencies, studied available technologies, and recommended an EOP strategy consistent with the overall EOP Information Technology Architecture (ITA). For example, the Common Software Working Group recommended standardized desktop configurations for use within the EOP. The Working Group recognized that EOP-standardization would lead to a more stable and easily maintained software base, simplified software sharing, lower software life cycle costs, and improved focus for training and support. These ITMT initiatives represent some of many projects whereby IT strategy is determined by the needs of the EOP as a whole rather than by any one EOP agency.

In our efforts to address the Y2K challenge, we have used funds from the FY 99 Capital Investment Plan (CIP), and the Y2K Supplemental Appropriation to leverage the EOP's efforts to meet the requirements of the Presidency. In addition to meeting the Y2K challenge, we must continue to improve our technology infrastructure. Thus, our budget includes a request for an $8.806 million CIP to carry on the improvements that are consistent with our Information Technology Architecture.

The FY 2000 Capital Investment Plan:

The FY 2000 CIP request includes the essential investments as outlined in the ITA for modernizing the EOP environment to meet the needs of the President, his staff, and the growing technological demands of the American people. This year's CIP has seven (7) basic components: network infrastructure; internet infrastructure; financial system upgrade; roll-out and test equipment; mainframe printers; ITA initiatives; and planning for FY 2001 projects. The following examples illustrate the importance of ongoing infrastructure investments:

Network Infrastructure: As technology advances and the needs of users increase, our network infrastructure is stretched past its limits. The majority of the components that comprise the EOP network infrastructure are antiquated and difficult to maintain. The requested funds will be utilized to increase network capacity (wire closet equipment, switches, and cables); add server capacity and

redundancy to reduce server crashes and overloads; and provide diagnostic tools enabling help desk/operations staff to quickly diagnose network problems and proactively monitor network activities.

Internet Infrastructure: The use of the internet has grown astronomically. Our current Internet infrastructure is insufficient to adequately support the dramatic increase in demand. The requested funds will be used to increase bandwidth (telephone pipeline) for line service commensurate with the EOP's needs; establish a security perimeter to maintain secure internet, intranet, and extranet applications; and purchase scalable internet hardware to run the necessary applications.

Roll-out and Test Equipment: The numerous advances in technology mean our IT network must continuously grow. Adequate testing processes must be implemented to ensure the stability of our systems as our network rapidly expands. We currently lack a testing environment for analyzing new systems before purchase and installation. The installation of systems without the proper testing environment is a high risk endeavor, frequently leading to unanticipated complications, a diversion of technical staff, system downtime, and higher costs.

The requested funds will be utilized to develop this essential testing environment for the implementation of new technologies.

EOP Operating Budgets:

The total budget request for the nine EOP accounts I represent today is $111.723 million, including the CIP. This represents an average increase of only 1.19 percent over last year's total request. This modest increase will allow these EOP accounts to maintain a high level of effective service to the President and the Nation. This budget request invests in the ongoing success of the President's domestic policies and economic strategy that have resulted in unprecedented prosperity and stability. Our budget request will see to it that the President has the necessary funds to deal with unforseen contingencies for national interest, security, or defense purposes. Moreover, this request will provide funding to support America's ever expanding national security interests. This budget request also invests in our continuing efforts to create a government that is more efficient, streamlined and responsive to the American people.

In developing this budget request, we identified cost saving measures, shifted resources and aligned our request to actual expense history and demonstrated need. Consistent with our ongoing fiscal restraint, there are no increases in FTE's for FY 2000. Moreover, agencies whose staffs are mostly or entirely in administratively determined positions, such as the White House, Vice President's Office, and Office of Policy Development, held salary levels nearly static.

The EOP will continue to maximize its resources and implement cost saving measures. Yet, it is imperative that the EOP be adequately funded to provide the quality of support the American people will require into the millennium. We are confident that this budget request will allow the EOP to maintain a high level of effective service to the President and the Nation while remaining fiscally disciplined.

Thank you for your consideration. I look forward to answering any questions that you have.

Mr. LINDSAY. Thank you very much, Mr. Chairman. I would like to summarize my comments for this hearing this morning.

I would like to thank you for having me here before you. It has been a privilege to be able to work with this committee in addressing some of the very important issues that have had to be addressed for the Executive Office of the President.

Mr. Chairman, Representative Hoyer, members of the subcommittee, it is my honor to appear before you to present the fiscal year 2000 appropriations budget request for the Executive Office of the President. Our budget request represents the following nine Executive Office of the President accounts. Those accounts are: Compensation to the President, the White House Office, Special Assistance to the President, the Official Residence of the Vice President, the Office of Policy Development, the National Security Council, the Council of Economic Advisers, the Unanticipated Needs, and the Office of Administration.

The total budget request for these nine Executive Office of the President accounts is $111.7 million. This represents an average increase of only 1.1 percent over last year's total request. This modest increase will allow the Executive Office of the President accounts to maintain a high level of effective service to the President and the Nation.

This is important because of the demanding environment in which we now live and work throughout this country. While our fiscal year budget request represents a modest request, our achievements over the last year have been quite significant. In cooperation with the Subcommittee, we have implemented an information technology architecture plan that has allowed us to not only address the year 2000 problem, but also make improvements to our information technology infrastructure that have allowed us to maintain a level of service and meet the ever increasing demands that are required by the environment in which we work.

This has been accomplished through the implementation and the access to the Federal funds made available to the Y2K supplemental fund. This has allowed us to address issues which have come up in our costing and assessment requirements, which were not apparently available to us when we first did our assessment.

This is inherent in the investigation of the kinds of issues which are involved in the year 2000 crisis that this Nation faces. In addressing this issue, in many cases, we have discovered that you really don't know the extent of many of these problems and difficulties until you actually look into the systems and identify what those costs are actually going to be. That is the problem that we have faced, and it hasn't been unique with the Executive Office of the President which is like other Federal agencies that have been forced to go into this fund to finance additional activities for their Y2K activities. But in addition to that, as a result of our efforts to address the Y2K problem, we are 100 percent confident that the Executive Office of the President will be Y2K compliant this fall and that the President will suffer no interruption in services.

In addition to meeting the Y2K challenge, we must continue to make improvements to our information technology architecture. As we have agreed, and as we have worked out with this subcommittee, we have committed to bring the information technology

architecture of the Executive Office of the President to a level that is commensurate with the office that it serves.

Thus, our budget request includes an $8.8 million capital investment plan. This is to carry on the improvements that are consistent with the information technology architecture and to make improvements that are significant and make us the kind of place that we continue to improve on. This capital investment plan has several basic components. Those are network infrastructure improvements, internet infrastructure, additional improvements to our financial management system, and in addition other information technology architecture additions which will enhance the effectiveness of our agencies to perform services helpful to the President of the United States.

We are confident that this budget request will allow the Executive Office of the President to maintain a high level of effective service to the President and the Nation and remain fiscally disciplined.

Thank you for your consideration. If you have any questions, I would be pleased to answer them. Thank you very much.

Mr. KOLBE. Well, it would be a first if there were no questions from the Committee. So there will be, and I am going to start. I have some other areas of questioning. But I want to start with this capital investment plan, because I think it raises some really substantive questions here, and in my opening remarks I mentioned this is the area that I have the greatest concern about this year, particularly some of the increases that we have seen in this.

Last year, I was concerned about the total costs of Y2K, estimated at $12.2 million. It seemed that the $12.2 million was being considered merely as a compilation of a lot of projects that had been identified by the independent contractor that had been hired to do your architectural requirements document.

Your predecessor assured this Subcommittee that the costs of the individual projects have been validated once by the IT management team, and then also by another independent contractor. But now we have an amended request from $12.2 million to 19.8 million, or $7.6 million increase. That is a 60 percent increase.

Can you explain why we have a 60 percent increase if all of the costs had been validated?

Mr. LINDSAY. Most certainly, sir. As I made reference to in my opening remarks, addressing the year 2000 problem has been a crisis for the entire Nation. It has been a problem which is manifold in its complexities. It has a problem associated with, number one, awareness, what kinds of systems must be addressed and what needs to be repaired.

In that sense, I believe that we have scored reasonably well in terms of making an assessment of what systems needed to be addressed and moving forward with making a request that is based on our best estimation of what would be required to do the nuts and bolts laborious task of renovating many of those systems or performing the actual work and making sure that those systems move forward.

But, Mr. Chairman, unfortunately, we had to make estimates, and in doing so, you are exactly correct, we followed the procedures that we have within the Executive Office of the President to do the

best we can to validate those numbers; that is, to do an assessment as to what the problem is, to meet with those customers, to identify the value of those services that are being provided, should we keep them, should we move to another system, is this a least cost method of moving forward. In that we process would then move [CLERK'S NOTE.—The agency clarified this to read "consult with"] to our Information Technology Management Team and the Information Systems and Technology Division in the Office of Administration to work together to do a technical assessment of what are the possibilities in addressing the year 2000 problem associated with that particular system.

These individuals, mainly career individuals, work very diligently in their best efforts to identify those costs and then, working with our procurement department, to identify contractors that can actually perform the work and help with performing some of the assessments. Those efforts were quite significant on our part. And, unfortunately, we were not always right on target. The examples that you have made reference to were good examples of where we really weren't as successful as we hoped that we would be.

But there are points of example where we actually did have some success in identifying systems and actually eliminating those particular costs. A good example of that is the fax on demand service which we provide. The Executive Office of the President had a fax on demand service which was going to require a substantial amount of money to renovate.

What we did in this process is identify what the need was and, working with the client, essentially made the assessment that we have got another means to accomplish that, through the White House webpage. Essentially what we did is take a product which took about $6 per page or per product cost to produce to about 4 cents per product to produce to the public. So in that sense, we were able to reduce costs quite significantly.

But unfortunately, you are exactly correct, overall the costs associated with addressing the Y2K problem have been quite substantial. And the problems are manifold because of the reason I just identified, but in addition to that, market forces. The market forces and the compressed time frame that we have to address the Y2K problem has made it so that the costs associated with paying for these activities have escalated quite substantially, and in many cases 100 percent over what we had actually considered over a year ago when we made these estimates.

So the combination of those factors have all conspired against us to make the estimation and the actual costs associated with these projects very difficult.

Mr. KOLBE. Well, that was a lot of words. I think if I summarized it, we goofed, we underestimated the amount of costs with this, and frankly I think it is just like the tip of the iceberg. I think what we are seeing, and we are seeing this over the Federal Government, is a lot of contractors are ripping us off. They come in and they say, it is going to cost this, you have got to do this, this, this, and it is going to cost you this much, $120 an hour, and if you don't pay it, we are out the door.

And I think given the extreme nature of what we have to accomplish, I don't know if there is anything else we can do right now.

But I have some other questions in this whole area of the Capital Investment Plan, but I will yield to Mr. Hoyer.

Mr. HOYER. Thank you, Mr. Chairman. And I want to echo your comments. I think the contractors are escalating costs very substantially in the face of a crisis, because they think that the purchasers have no alternative. Very frankly as the sponsor of the ADA, consultants came in and advised people to do things far beyond what I think the act required, because they wanted to make sure also that there was no subsequent liability either for themselves or their clients. And so they went far beyond. I think probably some of that is involved in this as well.

My own view is the ultimate ripoff was the computer manufacturers, and I have heard the explanation about saving space and, you know, you didn't have the capacity and all that sort of stuff. Selling computers that didn't know that 2000 was coming in 1993, '4, and '5 ought to subject them to liability.

I just think it is costing billions, maybe billions and billions of dollars around the country that computer manufacturers did not produce a product that knew 2000 was happening. I know they would say we knew it, but we didn't have a capacity and life is a series of trade-offs and 18 months later you have to have a new one anyway.

Having said that, $8.8 million computer modernization. If you do not get that, what are the consequences?

Mr. LINDSAY. The consequences of not getting that $8.8 million are quite profound. I think the most dramatic example of what the implications would be if we don't receive that funding is when we look at one of the major components, and that is the $4.7 million that we have requested for network infrastructure improvements.

Essentially, Mr. Hoyer, the systems that we have made improvements to in terms of addressing the Y2K problem and in addressing the information technology architecture improvements are systems that are connected by the network. Without the network, they are islands and they don't operate together. The network is the connecting glue that holds our systems together and allows us to communicate with each other and with the world. That infrastructure is in serious need of system improvement.

The $4.7 million identified in our budget request will allow us to complete the work that we started this year in addressing that problem. We are at 25 percent of the network replaced right now, because of Y2K issues, and this will allow us to complete the remaining 75 percent of the work. This includes the replacement of all kinds of technical equipment, routors and switches and other equipment which is just plain outdated, much of it Y2K compliant, but just plain outdated.

Mr. HOYER. Thank you. Now, this Committee properly wanted you to have an information architecture——

Mr. LINDSAY. Yes, sir.

Mr. HOYER [continuing]. And you spent some money and did a number of things to ensure that was happening. How does the $8.8 million fit into that ITA, and are you modifying your ITA in any way?

Mr. LINDSAY. Yes, sir, on both counts. The $8.8 million fits very nicely into our information technology architecture. The only com-

ponent of it which I would say is probably a bit of an outlier is the financial system, though we believe that that financial system is consistent with the principles that are identified in the information technology architecture.

And also reinforces your second question, which is why the information technology architecture is a living document. This is a document that we just didn't lay down and just set in stone; it is something that must move as technology and as the times improve. And one of the things that we have been able to do to buttress that is present and develop an information technology management and implementation strategy: That management and implementation strategy helps refine the process for how we actually make decisions on financing, assessing costs, and how we are going to keep that moving forward and make modifications to our information technology architecture in the future.

Mr. HOYER. Thank you. I have a couple of other questions that I will submit for the record. But let me ask you something. On your FTEs, my understanding is that you are at—1,186 was your target?

Mr. LINDSAY. That's correct.

Mr. HOYER. And where are you?

Mr. LINDSAY. We are at 1,126 right now.

Mr. HOYER. Okay. Which is?

Mr. LINDSAY. Below our target.

Mr. HOYER. Below your target. Now, with respect to the 25 percent staff reduction, a pledge which I thought was inappropriate to make, but nonetheless was made, how are we doing with respect to that?

Mr. LINDSAY. We have made every attempt to adhere to that guideline. There was an increase in FTEs with the Office of National Drug Control policy which was mandated by Congress. And other than that, there were just modest increases in other categories. But overall we have maintained our guidelines and goals and are still well below the prior administration's staffing levels.

Mr. HOYER. That would have been the 109, that ballpark addition?

Mr. LINDSAY. Exactly, sir.

Mr. HOYER. If you took the 109 from the 126 you would come up with 1,027 which would be—am I correct on that?

Mr. LINDSAY. I believe.

Mr. HOYER. 17, excuse me, 1,017. And the figure in actual fiscal year '93 was 1,005. So you are pretty much in that ballpark?

Mr. LINDSAY. Exactly correct, sir.

Mr. HOYER. Mr. Chairman, I know my time is up. Thank you very much.

Mr. KOLBE. Mrs. Meek.

Mrs. MEEK. Mr. Chairman, I have a list of questions, but I will ask only one and put the rest in for the record.

First, I would like to compliment you, Mr. Lindsay, and the members of the White House staff. You have come through quite a bit of scrutiny in the past year. I think now is the time that we should begin to see this scrutiny as maybe not having been necessary—I didn't think it was necessary, but even if it were, it means that from now on you will progress, I am sure, at a much faster pace than you have before.

I think that the Executive Office of the President should carry with it a certain amount of budget authority to the point of saying the job has to be done, and this is what it takes to do it. Perhaps you should come up with a comparative analysis of what has been done in the past. I am sure that it would show that this President has undergone much more budgetary scrutiny than the others.

And having said that, I have a few questions regarding the information which you have given us in your testimony. You spoke quite a bit about your CIP program.

Mr. LINDSAY. Yes.

Mrs. MEEK. And I understand now why it is important that you have the monies which you have requested and the technique which you have requested, in that you need to make an assessment, you need to try these methodologies out to be sure that they work, and to be sure that they are applicable to what you are trying to have them do. So I think that the testing environment is one that has some merit and it should be done.

The other thing, I am just wondering, what kind of initiatives do you intend to fund with your fiscal year 2000 capital investment plan?

Mr. LINDSAY. Thank you very much, Mrs. Meek. The initiatives that we are looking at are the kinds of issues where we can try to bring some automation into how we go about doing business. One of the things that we have done, I think in large part inspired by the leadership in this Committee, is to look at how we do business, and how can we do it better and do it in a way so that it meets our fiscal restraints, but also makes us—helps us perform better services to the President.

One of the things that we are looking at in these IT initiatives is—a good example is how we process documents through the Executive Office of the President. We are looking at, and one of the things you will look at, is a process of digital signature, as opposed to using paper to move documents from one particular place to the other, and then having people approve them and then having to go to the next person. We have developed, and are going to look at a process of digital signature where documents will go to an individual for review, and they will provide a code, which will provide a signature, an authorization to allow the process to move forward. That will help speed up the process, automate and increase the level of documentation for all different kinds of systems that we want to move forward with. Another example is looking at fee for services that are provided by, for example, the Office of Administration, to other Executive Office of the President agencies.

We want to look at and see if, in some cases, if people understand the actual costs associated with the activities that they are providing. Perhaps that will affect the level of use and manage or lead to better stewardship of those resources in appreciation for what those items cost. Those are examples of some of the planning initiatives that we are looking at in the information technology initiatives.

Mrs. MEEK. Would you please see, Mr. Lindsay, that the committee gets information on how you are promoting the use of women and minorities with your Y2K procurements?

Mr. LINDSAY. Yes.

Mrs. MEEK. It appears that you are going to spend quite a bit of money in this process. Would you please let us know just how you are going to utilize that money in terms of assisting women and minority businesses?

Mr. LINDSAY. Most certainly. We have been very proud of our record and making sure that our efforts in expending this money is very inclusive.

Mrs. MEEK. I am very concerned about that. In every committee I attend I ask that question and the preceding year I asked that question. I have yet to receive enough information as to what really happens out in the real world. It happens here. It happens in a HUD subcommittee. It happens on almost every committee. So I would appreciate a closer scrutiny for this committee.

Mr. LINDSAY. We would be more than happy to provide you information on that.

Mrs. MEEK. Thank you. Thank you, Mr. Chairman.

Mr. KOLBE. Yes, Mrs. Meek.

Mr. Peterson.

Mr. PETERSON. Good morning, Mark.

Mr. LINDSAY. Thank you very much, sir.

Mr. PETERSON. I guess I would like to begin by thanking you for the time you spent last week trying to familiarize me as a new member of the committee with the White House operation. I sincerely appreciated that.

Mr. LINDSAY. Thank you very much.

Mr. PETERSON. Also having been in state government 19 years, I know that government agencies and even administrations of government are seldom anywhere near the edge of computer technology. And it has been one of my fears that major agencies are going—are so far behind that the technology explosion that is going on is going to put government at peril if we don't get there somehow.

So I guess as I look at—you talked about the hodgepodge of systems that were there and the gutters full of wires and cables of all kinds and that usually but just—it just seemed like—and I wasn't here when $12 million was appropriated or approved, but it almost seemed like for $12 million for a thousand employees and the numbers of systems you could have almost put in new. Because I am aware of the costs of fiber installation is far less than it was a few years ago. The digital switching is getting better and faster and cheaper every year. Computers themselves are getting much cheaper. It almost seems you could have almost bought an entirely new system and just put your information back into it for $12 million. But I am not speaking technically accurate.

But it just seems to me for a thousand people you could connect them for $12 million and have some sort of a system that made sense. But what does 12 million buy us? What does 19 buy us? What's the difference?

Mr. LINDSAY. Well, in this particular case, Mr. Peterson, the $12 million that you are referring to, 98 percent of those funds were earmarked for Y2K improvements. One of the things that is a reality in terms of the way the Executive Office of the President works is though there are 2300 people in the complex, it interfaces with the entire government, from military, government agencies,

from the Office of Management and Budget, which has to work and collect budgets from other budgets.

The White House webpage, which is really a contact or window onto the rest of the country, which has hundreds of thousands of hits and e-mail messages which come in from the rest of the world. The actual amount of volume of work that actually takes place within the Executive Office of the President is one that greatly exceeds the number that you would normally experience in an organization with that number of people.

So to answer the question, the $12.2 million went to addressing primarily our year 2000 requirements and needs. One vital step was we have been able to replace about 25 percent of our network infrastructure. We have been able to—these funds will allow us to address the bulk of many substantial components of modernization and bring our systems up to a reasonable level so in many cases they can actually be upgraded.

We were at a point where in the past our capital investments were a very, very much smaller percent than what we saw in that particular year, to a point where in many cases there really wasn't that much being put into it. So what we had to do is essentially catch up to a point where we can actually get our systems to a level where current vendors and the current marketplace could actually provide some of the information to make some of the fixes.

That was—is a costly endeavor unfortunately. I wish we could have made and just gone and done everything whole and new. But unfortunately the costs associated with conducting this work are quite substantially higher.

Mr. PETERSON. Are we sometimes though maybe spending as much money as we could to put in new making old systems work, does that happen?

Mr. LINDSAY. I have no doubt that it probably does happen somewhere. But one of the things that we have done, just because of the time constraints associated with us addressing the Y2K problem and the financial constraints that we have had in the past, our staff has become quite adept in making the most out of a very limited set of resources.

So when we came to them with $12.2 million for addressing the Y2K problem, frankly one of the issues that our staff did is to take that money and to stretch it out as far as they possibly could, because they are not used to just when you need a new system just replacing it, but where that was possible and where that was appropriate, we followed and took those procedures.

But in many cases, it wasn't the best solution and then we went with the renovation side. So our staff essentially picked the right solution, I believe, in most cases for the problem that they had to face in that particular individual case.

Mr. PETERSON. Then what do we get for the $7.7 million or whatever?

Mr. LINDSAY. The $7.7 million will continue our Y2K effort in addressing all of the systems. A substantial portion of that money addresses the issue of independent verification and validation. The costs that we have experienced and associated with conducting those kinds of tests have been five times over what we originally considered they were going to be. Those escalating costs, in com-

bination with the scope of the work that has to be performed, added up to take up a substantial portion of the additional funds.

Mr. PETERSON. Could we, looking back, probably have went to some complete new systems, complete new fiber wiring, complete new switching, cheaper than where we spent our money?

Mr. LINDSAY. Looking back like 5 years perhaps in terms of—I mean, what we are planning on doing, what our information technology architecture contemplates is phasing out equipment within reasonable life cycles within time frames when they are going to be supported by vendors. So our plan is that in the future that is something that is incorporated in the way we do business right now.

So that is part of our plan. It wasn't as much a part of our plan in terms of how we address the Y—not the Y2K problem—but the information technology improvements in the past. But that is the way we do business now, and it is consistent with the information technology architecture and the ITMT.

Mr. PETERSON. Okay. Thank you.

Mr. LINDSAY. Thank you, sir.

Mr. KOLBE. Ms. Roybal-Allard.

Ms. ROYBAL-ALLARD. Mr. Lindsay, it appears that the Information Technology Management Team is working and enabling you to modernize your information technology systems and your Y2K compliance in a very coordinated manner, something that had not been done in the past.

The question that I have really has to do with what is going to happen in future administrations, because it has been my understanding that what created this hodgepodge in the first place is that every time a new administration came in, they put in their own ideas of how they wanted things to work in the various agencies within EOP.

Is there anything in the current system that will prevent the hodgepodge that has taken place in the past from happening in future administrations?

Mr. LINDSAY. Very much so, ma'am. What we have done through the ITMT is to primarily incorporate a set of individuals who work on developing these principles who are career individuals. A lot of these people are going to be there from one administration to the next. What the ITMT does is it works with a board which has a group of individuals who are at the top, but the people who actually do the work and perform most of the analysis are the working groups.

Those working groups are made up primarily of career folks who are going to survive one administration to the next. What we have done through the Information Technology Management Team, through the information technology architecture, and other documents is institutionalize the process.

In the past, there was a process that mandated how a particular individual may have approached a particular issue or what issues may have been hot at that particular time. What we have done is essentially put out on—for the public to view what we plan to do, where we plan to go and present that to this Committee and to make sure that the people within our community are aware of it

and arm them with the process so that they can continue to push for those initiatives when this administration moves on.

Ms. ROYBAL-ALLARD. Okay. Mr. Chairman, I believe that this committee was largely responsible for putting together or requiring that the ITMT be a part of this process, and I think you and the subcommittee are to be commended for that recommendation.

Mr. Lindsay, in your written statement you stated that only 25 percent of your mission critical systems will be Y2K implemented by March 31st and that the rest will be ready around October of 1999. Could you describe the 75 percent that will not be ready and its significance to the rest of the EO's operation? And also, since it is only a couple of months from October to the deadline, can you tell me is there a contingency plan in place in the event that something goes wrong and you cannot fix the remaining 75 percent in time?

Mr. LINDSAY. First off, we are very confident that we will be able to meet our requirements. In the June time frame, we plan on having 50 percent of our systems complete. In the August time frame, we will have 75 percent of our systems complete. Within the October time frame, we are looking for 100 percent compliance for our mission critical systems.

But in addition to that, following the guidelines and guidance, because some of our systems will not be ready by the March 31st deadline, what we have done is we have implemented a contingency planning process for all of the critical systems within the Executive Office of the President and, in addition to that, followed that with plans for some of the systems which are not even mission critical so that our staffs will be able to provide uninterrupted service to the President.

This is something that is very, very important to us to make sure that there is a level of continuity of operations that isn't going to interfer with these particular activities and that we are strongly committed to ensuring that by the fall we are 100 percent compliant on those mission critical systems.

Ms. ROYBAL-ALLARD. Thank you, Mr. Lindsay. Mr. Lindsay, I am also very interested in the statistics on minority procurement that Mrs. Meek——

Mr. LINDSAY. Most definitely.

Ms. ROYBAL-ALLARD [continuing]. Asked for. My understanding is that EOP has done a better job than some of the other Federal agencies. Perhaps you could also share with us some of—how you recruit and retrain, and how the methods that you used seem to be better than other agencies.

Mr. LINDSAY. Certainly.

[See Questions for the Record.]

Mrs. MEEK. I just want to ask Mr. Lindsay a critical question that my colleague asked about the Y2K compliance. You mentioned some of the projects that are being deferred. How these agencies react to your so-called master list which may or may not include some of their favorite projects?

Mr. LINDSAY. Well, one of the things that we have done through our process of doing business better is we didn't develop that list where I or someone else just sat in a room and developed that list;

what we did is we worked with our customers. Our customers identified what those mission critical systems were and were not.

So the fact is that our customers knew what systems were not going to be on that mission critical list before we did. And what we did then was a technical scrub working with them to make sure that that made sense. Our customers I believe are right on board with us and are very comfortable with our decisions in that respect.

Mrs. MEEK. Thank you.

Mr. LINDSAY. Thank you very much, ma'am.

Mr. KOLBE. The time of the gentlelady has expired. Just to follow up on this Y2K issue of Ms. Roybal-Allard again there. A couple years ago, as I recall, when Mr. Koskinen and others began talking about this, we were told that the timetable for agencies really needed to be the end of March to have mission critical systems up and ready, so that they can be tested.

Are you satisfied with the fact that only 25 percent of them are going to be ready by the end of March?

Mr. LINDSAY. No, I am not, sir.

Mr. KOLBE. It looks to me like you are not going to be able to have them all tested. What confidence do you have that you really are going to be ready by January 1st?

Mr. LINDSAY. I have a very substantial amount of confidence. The reason why I have that confidence is that I look at the time frame that we have had to address the issues that we had to. We have come an awfully long way even to get to the point that we are right now within a relatively short period of time. It is true we started very late in addressing this particular issue. So when you look at the methodology that we have used for addressing the issue and the—progress we have made thus far, I am very confident that that progress will not only continue, but it will increase.

Mr. KOLBE. One other question on this. Do you expect to have—I think you have indicated to staff that there will probably be additional resources required for Y2K efforts. Is that true, and when can we anticipate receiving such a request?

Mr. LINDSAY. Yes, that is true, sir. I believe that it will probably be in the end of March and the beginning of April time frame.

Mr. KOLBE. End of March, beginning of April. We have a lot of questions on the capital investment. So I am going to kind of leave that aside for the moment here. I would like to ask you what is the Administration's position on establishing a Chief Financial Officer within the Executive Office of the President?

Does the Administration support the provisions of H.R. 437 of the Presidential Executive Office Financial Accountability Act of 1999, which did not, of course, get enacted.

Mr. LINDSAY. We continue to have concerns about that legislation. One of the primary concerns that we have is that a lot of the issues that are identified are requirements of the Chief Financial Officer Act, which would be mandated under this legislation, are factors that we already incorporate in how we go about providing financial services right now.

The Financial Management Division performs the majority of those services, except for the preparation of an audited financial statement, which would have some substantial costs associated with it in terms of the preparation. We believe that the system that

we have developed in terms of addressing the financial needs for the Executive Office of the President is the most efficient and effective means of doing that, given the fact that the Executive Office of the President is not a Federal agency.

It is really a conglomeration of offices which serve the President. So we have had concerns over placing a Chief Financial Officer in the Executive Office of the President and what that mandates and what that might lead to, and so our concerns continue about that.

Mr. KOLBE. I would have a disagreement with that last statement of yours. But the Administration's position is that each of the 12 agencies should retain their individual financial accountability for their own financial activities. I mean neither is Congress a Federal agency in the sense that an executive agency is. But I think in the House the system has worked fairly well in terms of imposing some discipline on the budgeting process. I am not saying we don't have a long ways to go, but I think it certainly helped to do that.

Mr. LINDSAY. Well, Mr. Chairman, I would argue that we have been very successful in terms of imposing that discipline. Our Financial Management Division within the Office of Administration provides the kind of financial——

Mr. KOLBE. Is there a standard financial management system within EOP that is used by all of these agencies?

Mr. LINDSAY. Yes, there is. As a matter of fact, one of the items identified in our capital investment plan, the FAMIS upgrade system is one of those systems, it is frankly one of the systems that is used by the United States Senate. Our staff has met with folks in the Senate—to learn from the lessons that they have experienced in using that system to provide financial advice.

And our staff have found a lot of similarities in terms of what kinds of experiences we can learn from implementation of that particular system. So we do have a standardized financial system in our Financial Management Division in the Office of Administration that is useful and provides service to all EOP agencies.

Mr. KOLBE. Okay. Turning to another subject, despite the comments made by my colleague Mr. Hoyer. I think that this Subcommittee's oversight has helped in terms of bringing at least some of the discipline to some of the reimbursable activities at the White House. One of the things that we agreed on last year, and I think is working fairly well, is the system for having reimbursable events and for establishing procedures for interest and penalties when reimbursable events are not paid within 90 days.

I appreciate very much the report that you have given us on that. That one which was submitted to the committee in January suggests or it indicates that there are I think 11 events in 1998 that hadn't been reimbursed within the 90-day period. I want to know what the status of those are and whether or not interest and assessments for penalties or late payments are being imposed.

Mr. LINDSAY. I am happy to report that only 2 of those 11 remain outstanding and over $500 in penalties have been assessed.

Mr. KOLBE. Some of them look like they were a little more money, they had a little more than that. At least it is working, which is what we wanted.

Mr. LINDSAY. Yes.

Mr. KOLBE. One last question that I have. Last year, the Park Service testified that the estimated overtime costs for the domestic staff was $596,479 for fiscal year 1998. Two questions. What were the actual overtime costs last year, and what is the estimate for overtime costs for domestic staff in 1999 and fiscal year 2000? I believe you put into your budget for it.

Mr. LINDSAY. The actual costs for 1998 were $596,479, the estimated costs for fiscal year 1999 were $629,330.

Mr. KOLBE. And do you have an estimate for this coming year in the budget?

Mr. LINDSAY. We believe it is going to be a little bit over—under what we estimated for this year, which would be about $625,000.

Mr. KOLBE. You didn't give me one figure. Do you have an actual for last year yet?

Mr. LINDSAY. For 1998?

Mr. KOLBE. Yes. You gave me the estimated $596,000. That is the actual $596,479 was right to the penny in terms of the estimate we were given last year?

Mr. LINDSAY. I will have to double-check that, sir. I can get back to you with the actual figure.

Mr. KOLBE. Okay. Thank you very much.

Mr. Hoyer.

Mr. HOYER. Mr. Chairman, we are not in disagreement either with the gentlelady from California or yourself in terms of I think that the Committee's interest did spur appropriate reforms in terms of reimbursable costs. I have just seen the list. Unfortunately, I didn't see it before this, and it was submitted January 5th.

But in looking at the list, it appears that the reimbursements are being made, some pretty late still. The weather forecasters' reception was 7 months late in paying. I won't comment on how that relates to weather forecasting. But having said that, it does seem to be working. And I think it was a warranted reform.

And I think—I don't want anybody to be misled on my view that a number of things that this Committee has asked for have been appropriate and have led to better procedures. So I don't have any additional questions other than saying, Mr. Lindsay, I am sure that everybody on the committee feels, as I do, that your testimony has been very impressive. Whether one may have agreed on a particular assertion or not, obviously you are on top of this.

Obviously, from a management standpoint, we are, in fact, considering all the options available. Getting the cheapest option and an option that will last, as Ms. Roybal-Allard has pointed out, will not just last for the present administration, but will be a system that successive administrations can take advantage of. It has been—because obviously each administration had its own view of what it needed and what kind of information it wanted to use—somewhat of a difficult transition for—I talked to a number of people in the Clinton White House. When they came in, there were very disjointed systems, not because President Bush was not on top of it, just because the way they managed was perhaps different.

And frankly I don't think any of the government was up to speed. The troubling thing is that the world is not up to speed on this. And while the United States is spending billions of dollars essen-

tially in the public and the private sector to solve this Y2K problem, it is clear that the world is way behind on this. And I know that a number of people, both in the Senate, Senator Bennett, Steve Horn over here and others are trying to anticipate what problems we are going to confront at the end of this year. But I am pleased that at least the White House is going to be compliant by October. It would have been nice if everything had been compliant by the end of March. I think that would have been appropriate. It is a shame that we didn't make it. But I am pleased to have your confidence that we are going to make it by September 30th, which will give us at least a quarter to make sure we are ready for the new year.

So, again, I thought your testimony was very impressive, and I think that I would like to comment that staff has related to me your outreach to the committee has been outstanding as well. Mr. Peterson has left. But I know that you met with him. You have met with me and I am sure with Ms. Roybal-Allard and others, and I think that really establishes a confidence level that I think is appropriate, because I think frankly this committee ought to work with the White House.

There ought to be comity. I think there is comity, and I stress the fact we are fortunate on this committee to have a chairman as fair and judicious as Mr. Kolbe. I think we will work together and things have gotten a lot better, and I congratulate you and your predecessors for getting us to this point.

Thank you, Mr. Chairman.

Mr. LINDSAY. Thank you very much, sir.

Mr. KOLBE. Thank you, Mr. Hoyer. Ms. Roybal-Allard.

Mr. HOYER. Mr. Chairman, can I make a comment on this reimbursement? I think one of the things that one notes in comparing this list to the list that we had received previously, there are apparently no—excuse me, there are some, but relatively few pending payments, I think, of the—I don't know how many are on this, 11 pending——

Mr. KOLBE. 11, there are now two pending he said.

Mr. HOYER. Now two. That is a very, very, significant step forward in collection of these monies due and owing, and I think the chairman and the staff of this committee deserve some credit for that. Really calling your attention to it, it wasn't anybody was doing anything wrong, it just wasn't being done very systematically and, therefore, agencies slipped.

Mr. Chairman, as you know, we had the same problem as it dealt with our restaurant bills here. I know I got tied—a reporter called me up and said you owe $4,000 to a restaurant. I said, what do you mean I owe $4,000? I ate there maybe twice all last year. I said it wasn't that big a meal, honest. And what had happened, the University of Maryland Alumni Association had, through me, gotten a room here, and the catering bill went through the restaurant and the University of Maryland 6 months later hadn't paid its bill.

And this is on the record, I probably shouldn't have put that on the record, it is my alma mater and I know, but the fact of the matter is that they paid it shortly thereafter, but it was just in that time frame. But it looked like it was on my tab. Well, the

same thing was happening at the White House and the House restaurant. I am pleased we have taken care of it.

Thank you very much, Mr. Chairman.

Mr. KOLBE. Thank you. Ms. Roybal-Allard.

Ms. ROYBAL-ALLARD. Mr. Chairman, I don't have any more questions. But I, too, have been very impressed with Mr. Lindsay's testimony and would like to thank him for coming to the office and briefing me and my staff on the EOP. It was very much appreciated.

Mr. LINDSAY. Thank you.

Mr. KOLBE. Thank you. I think—I have a couple more questions which we will submit, minor questions, we will submit for the record. And again, Mr. Lindsay, we thank you very much for coming this morning.

Mr. LINDSAY. Thank you.

Mr. KOLBE. This is certainly an easy hearing.

Mr. HOYER. I might say, Mr. Chairman, that Mr. Lindsay's predecessors are saying to themselves timing is everything.

Mr. KOLBE. We thank you very much. For the members of the subcommittee, this afternoon's hearing will be at 2:30, beginning at 2:30 with Director Lew, OMB. Thank you very much, Mr. Lindsay.

Mr. LINDSAY. Thank you.

[Whereupon, at 11:05 a.m., the subcommittee was recessed, to reconvene at 2:30 p.m., this same day.]

The Subcommittee for Treasury, Postal Service and General Govern...
Executive Office of the President
Questions for the Record

Financial Accountability within the EOP

QUESTION 1: What is the Administration's position on establishing a Chief Financial Officer within the Executive Office of the President? Does the Administration support the provisions included in H.R. 437, the Presidential and Executive Office Financial Accountability Act of 1999?

ANSWER: The Administration continues to have concerns relating to the establishment of a Chief Financial Officer (CFO) within the Executive Office of the President (EOP) and the provisions of H.R. 437. The Administration's position is that a CFO is simply unnecessary in that virtually all of substantive functions proposed in H.R. 437 are already performed by The Financial Management Division (FMD) of The Office of Administration (OA). There are also significant costs associated with adhering to all of the provisions of H.R. 437. Moreover, the Administration believes that the current financial management system is very efficient, given the diversity of the twelve, independent EOP agencies.

QUESTION 2: Your predecessor testified in May of 1997 that there were problems and objections to having a centralized CFO within the EOP and that the individual EOP entities should retain individual accountability for their own activities, including financial activities. Is this the Administration's current position?

ANSWER: Yes. See Answer 1.

QUESTION 3: Is there a standard financial management system within the EOP that is used by all agencies?

ANSWER: Yes. All EOP agencies currently use The Financial Accounting Management Information System (FAMIS) as the standard financial management system within the EOP.

QUESTION 4: As part of your fiscal year 2000 Capital Investment Plan, your request includes $1,116,000 for enhanced Financial Systems. Specifically, what does this upgrade include?

ANSWER: These funds are requested for an upgrade to FAMIS, which will enable FMD to provide additional critical, financial services to the EOP. Specifically, the upgrade will provide EOP fund managers with effective management tools including: (1) online reporting software which will provide current information and reduce printing costs, (2) a budget formulation package that will enable EOP agencies to assemble historical data to build future budgets, (3) an automated travel manager system which will simplify administrative tasks through automated processing of travel forms and (4) an executive information system that summarizes accounting/ budgetary data consistent with the needs of each EOP agency.

Information Technology Architecture (ITA)

QUESTION 5: The Information Technology Architecture (ITA) is considered an evolving document in that it will change based on the business requirements of the EOP. What significant revisions have been made to the ITA that was approved by the Information Technology Management Team last February?

ANSWER: The ITA is currently being updated. The EOP anticipates that the revised ITA will be finalized in the August 1999 time frame. In addition, to assist the EOP in developing this and all future ITA's, The Information Systems and Technology Division (IS&T) of OA has developed the Information Technology Architecture Management and Implementation Plan (ITAMI Plan). The ITAMI Plan defines a rigorous IT investment planning methodology consistent with the Clinger-Cohen Act and the Government Performance and Results Act whereby IT planning is integrated with budget planning and focuses on mission improvement. A copy of the ITAMI Plan is attached hereto as Exhibit 1.

Capital Investment Plan-Annual and Total Costs

QUESTION 6: Last year, I was concerned about the total cost of your Y2K efforts -- $12.2 million in fiscal year 1999. Specifically it seemed that the $12.2 million being requested was merely a compilation of projects identified by the independent contractor hired to develop your Architecture Requirements Document. At that time, your predecessor assured the Committee that the cost of the individual projects had been validated-once by the Information Technology Management Team and once by an independent contractor. Since that time, you have submitted an amended request. Can you explain why these fiscal year 1999 costs escalated from $12.2 million to $19, 866,100 (+$7,666,100), an increase of more than 60 percent?

ANSWER: The original estimates relating to the EOP's Y2K efforts were based on the best information available at the time. As the EOP continued to assess its mission critical systems, the EOP discovered that additional renovations were necessary. The renovation process also revealed that many of the Y2K projects were technically more complex than originally anticipated. Finally, like other federal agencies, the EOP experienced significantly higher labor costs due to the extremely high demand for Y2K services in the market.

QUESTION 7: Including the supplemental request of $7.6 million, the total cost of the EOP's Capital Improvement Plan is now $42.0 million. Additionally, it also looks like your request for fiscal year 2000 ($8.8 million) is above the original plan you gave the Subcommittee last year by $2.6 million. What is the total estimated 5 year cost of EOP's Capital Investment Plan? Given the failure of previous cost validation efforts, what initiatives have you undertaken to ensure the validity of the current estimates?

ANSWER: The total estimated 5 year cost for the EOP's Capital Investment Plan (CIP) is $50.9

[Clerk's Note: The original ADP Modernization Plan submitted to the Committee on February 26, 1998 indicated a five year cost (fiscal years 1999-2003) of $34,358,000. The revised estimate for this same period of time, including current estimates of $29,791,000 for Year 2000 compliance, is $70,189,000, with an additional $10,482,000 anticipated in fiscal year 2004.]

million. A copy of the EOP's current 5 year CIP is attached hereto as Exhibit 2. In an effort to ensure the validity of current and future estimates, IS&T has developed the ITAMI Plan referred to above in Answer 5. The ITAMI Plan will ensure that the EOP's technology needs are driving the EOP's cost estimates in accordance with an established, well defined strategy. This will allow the EOP to be more accurate in developing cost estimates for the CIP.

QUESTION 8: Do you anticipate additional resources requirements for the EOP's Y2K efforts? When can we anticipate receiving a request for additional resources?

ANSWER: Yes. On April 2, 1999, the EOP submitted an additional request for Y2K funds in the amount of $9,925,200. The EOP will keep this Subcommittee apprised of the need for any additional Y2K funds.

FY 2000 Capital Investment Plan

QUESTION 9: In the documents that you provided to the Committee last year regarding your 5 year ADP modernization plan, you indicated that the fiscal year 2000 costs to this plan were $6, 216,000 yet your request is $8,806,000. What has changed since last year's submission? For the record, by project and activity, provide an updated five year plan for your modernization effort.

ANSWER: The original estimates included in the 5 year modernization plan provided last year were based on the best information available at the time. A more recent evaluation of the 5 year CIP indicated that additional funds were necessary to support and improve the EOP's information technology infrastructure. A copy of the EOP's current 5 year CIP is attached hereto as Exhibit 2.

QUESTION 10: Are the costs of this plan validated on an annual basis? Who is validating them?

ANSWER: Yes. These costs are validated on an annual basis by IS&T personnel. In the future, IS&T personnel will validate these costs in accordance with the ITAMI Plan referred to above in Answers 5 and 7.

QUESTION 11: Is any portion of the FY 2000 request of $8.8 million associated with Y2K?

ANSWER: No. The $8.8 million request relates entirely to the EOP's information technology architecture referred to above in Answer 9.

QUESTION 12: In addition to the $8.8 million being requested for the CIP, I notice that additional funds of $1,240,000 are being requested within the Office of Administration's Salaries and Expenses account for other information technology. Why are these funds being requested outside of the IT appropriation? Are the projects funded by this $1.2

million considered part of the EOP's Capital Investment Plan?

ANSWER: The $1,240,000 request within OA's Salaries and Expenses account seeks funds associated with annually recurring costs. Because such recurring costs are not a capital investment, the CIP does not include this amount. This is consistent with the Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates.

QUESTION 13: What is the rationale for requesting a separate line item for the Capital Investment Plan in the fiscal year 2000 appropriations language?

ANSWER: In an effort to be as precise as possible, the EOP has traditionally requested funds for capital improvements as part of a separate capital investment line item. This is consistent with the fiscal year 1998 appropriations language, wherein the Capital Investment Plan was initially appropriated, as well as OMB Circular A-11, Preparation and Submission of Budget Estimates.

Presidential Travel

QUESTION 14: Provide a full accounting of all Air Force One, and related Air Force fleet, travel the President and First Lady have taken, both foreign and domestic, since taking office. The accounting should include: the number of trips, the destination, the itinerary of each trip, whether and what parts of each trip were official, unofficial, or political; the cost of each trip; and from which accounts these costs were met.

ANSWER: See Exhibit 3.

Reimbursable Political Activities

QUESTION 15: One of the new requirements established in fiscal year 1998 and continued in fiscal year 1999 was the requirement that the Executive Residence charge interest and penalties for reimbursable events within the Residence that are not paid for within 90 days of the event date. The report on Reimbursable Activities submitted to the Committee on January 5, 1999, indicates that the Executive Residence has not received reimbursement for 11 events that occurred in fiscal year 1998. What is the current status of these reimbursements?

ANSWER: Only 2 of 11 accounts are outstanding, and the Executive Residence is working to collect payment.

QUESTION 16 : Current law requires that the Executive Residence charge interest and assess penalties for late payments (90 days after the event date). What is the current amount of interest and penalties that has been assessed on the 11 late payments identified in your January 5th report?

ANSWER: Only 3 of the 11 accounts were required to be assessed interest and penalties in the total amount of $500.89.

Computer Upgrades and the Computer Network Engineer

QUESTION 17: Last year the Committee provided $50,000 for computer upgrades and $82,000 for a Computer Network Engineer within the Executive Residence. Is the Computer Network Engineer on board? What was his/her start date?

ANSWER: Yes. The Computer Network Engineer joined the Executive Residence in February 1999.

QUESTION 18: What is the status of the computer upgrades? Are these systems Y2K compliant?

ANSWER: The computer upgrades are ongoing. It is anticipated that these systems will be Y2K compliant in the August 1999 time frame.

Overtime Salaries for Domestic Staff

QUESTION 19: Last year the Park Service testified that the estimated overtime costs for domestic staff was $596,479 for fiscal year 1998. What were the actual overtime costs for that year?

ANSWER: The actual overtime costs for the domestic staff in fiscal year 1998 were $752,524.

QUESTION 20: What are the estimated overtime costs for domestic staff for fiscal year 1999 and fiscal year 2000?

ANSWER: The estimated overtime costs for domestic staff in fiscal year 1999 are $629,330; the estimated overtime costs for domestic staff in fiscal year 2000 are $625,579.

New Accounting Technician

QUESTION 21: Is the new Accounting Technician on board?

ANSWER: Yes. The new Accounting Technician joined the Executive Residence in February 1999.

QUESTION 22: Is this technician responsible for billing sponsors of political and non-political reimbursable events within the Executive Residence? In the event that sponsors do not reimburse for events within the statutorily defined time period of 90 days, does this

technician calculate the interest, penalties and other charges that are due because of late payment?

ANSWER: The new Accounting Technician is not responsible for billing such sponsors in the first instance. Rather, the Accountant initially bills these accounts. If the reimbursement is untimely, then the new Accounting Technician assumes responsibility for billing the account and calculating the interest and penalties to be assessed because of late payment.

The Honorable Carrie P. Meek
The Subcommittee for Treasury, Postal Service and General Government
Executive Office of the President
Questions for the Record

QUESTION 1: It appears that activity on the White House home page and associated web sites has grown exponentially. Will the Internet Infrastructure component of the FY 2000 Capital Investment Plan allow the EOP to keep up with this increased demand? If so, for how long? What are your current projections of how much you expect activity to continue to grow on the White House home page? What additional infrastructure improvements, if any, may be required to accommodate this future demand?

ANSWER: The Internet Infrastructure component, in addition to the Network Infrastructure, Network Security Perimeter, and the Presidential Publications Services components of the infrastructure enhancements currently planned will accommodate the projected increase in demand through the end of FY 2000. Based on regression models, relative deviation and variance using current statistics along with random variables, the EOP expects to sustain the current rate of growth during FY 2000. In FY 2000 the EOP expects to experience a 100% increase over 1998 statistics in the use of the White House home page. Continuous infrastructure improvements in the areas of computer hardware, software, Network Infrastructure (bandwidth), Network Security Perimeter, Internet Infrastructure and Publications will be required to meet the ever increasing future demands which are expected to be placed on the EOP infrastructure.

QUESTION 2: Please comment on the Information Technology Management Team concept. Do you consider it effective? What are its major strengths and weaknesses? How might it be improved?

ANSWER: The Information Technology Management Team (ITMT) has been an extremely effective management structure to oversee IT investments, including those related to Y2K. Over the past year the ITMT has played a pivotal role in the EOP's Y2K efforts. The ITMT has participated in identifying and prioritizing mission critical systems; selecting replacement systems; approving the Information Technology Architecture Management and Implementation Plan (ITAMI Plan); and in endorsing a list of non-Y2K projects that will be deferred until the EOP's mission critical systems are compliant.

The ITMT's strength lies in its ability to prevent the stovepiped architecture of the past whereby each EOP agency purchased IT without a common EOP vision. If the ITMT is to continue to be effective, however, the ITMT will need to aggressively implement the IT asset management process set forth in the ITAMI Plan, educate the individual agencies on the new way of managing resources, and ensure compliance with the newly developed standards for the architecture.

QUESTION 3: The $8,806,000 FY 2000 Capital Investment Plan (CIP) requests funds to develop a testing environment for analyzing new systems before purchase and installation.

Please elaborate on why a testing environment would be helpful. Is it fair to say that you would expect to realize savings through the creation of a testing environment that would more than cover the costs of creating such an environment?

ANSWER: The testing environment will enable the EOP to test new products and technology in a lab environment which simulates the EOP's user community. In this manner, the EOP will be able to constantly look at user requirements without disrupting the EOP's production environment. This methodology ensures the full testing and effective implementation of new technologies that will decrease costs and significantly improve system performance. The EOP anticipates that the savings realized through the creation of a testing environment will more than cover the costs of creating such an environment.

QUESTION 4: What efforts is the EOP making to promote the use of small business, including minority and women owned businesses, in its Y2K procurement?

ANSWER: In FY98, the EOP recorded its highest achievements in small business awards with small businesses receiving 51.8% of total dollars, small disadvantaged businesses receiving 23.1% of total dollars, and small woman-owned businesses receiving 17.6% of total dollars awarded. This year, total awards (including Y2K) are expected to exceed $44 million, and the EOP expects to exceed last year's achievements.

In FY99, the EOP continues to maximize awards to small, disadvantaged and woman-owned businesses. For example, we determined that Y2K procurements for Independent Validation and Verification (IV&V) as well as Renovation efforts would be awarded under the 8(a) program. This has resulted in the award of seven 8(a) contracts with an estimated total of $7 million.

In addition, the EOP continues to strengthen the role of its Office of Small and Disadvantaged Business Utilization. The EOP is utilizing the Small Business Administration's Pro-Net, Department of the Treasury and other agency small business listings, and personal contacts by EOP small business and procurement staff to expand the EOP's knowledge of qualified, small, disadvantaged and woman-owned business sources that are capable of providing high quality goods and services at competitive prices.

QUESTION 5: For FY 98, FY 99 and the current fiscal year, please provide a statistical profile of your employees and management personnel broken down by race, sex, and pay grade.

ANSWER: See Exhibit 4. We have not compiled the information for FY2000 (the current fiscal year for which the EOP is seeking funds).

QUESTION 6: Please provide a profile broken down by race, sex, and company size of the vendors who are receiving contracts from the EOP. Please include the aggregate dollar amount of such contract awards, along with an aggregate dollar amount of all contracts awarded by the EOP to third parties.

ANSWER: In FY98, the aggregate dollar amount of all EOP contract awards was $34.5 million. Of that amount, $17.8 million was awarded to small businesses (51.8%), $7.9 million (23.1%) was awarded to small, disadvantaged businesses, and $6 million (17.6%) was awarded to small, woman-owned businesses.

As of March 17, 1999, the EOP has already awarded a total of $23.4 million in contracts with $9.6 million going to small businesses, $4.8 million to minority businesses, and $1.1 million to woman owned businesses.

QUESTION 7: In his Opening Statement at the hearing, Mr. Lindsay mentioned that the EOP developed a list with its customers of non-Y2K projects that will be deferred until all mission critical applications are Y2K compliant. Please provide a list of the projects that are being deferred.

ANSWER: See Exhibit 5.

QUESTION 8: Mr. Lindsay mentioned that the EOP will achieve significant operational cost savings by replacing its outdated mainframe with an enterprise server. How much will it save, over what period of time, and what type of costs will decrease?

ANSWER: The annual operating cost of the mainframe was approximately $512,000 for hardware and software maintenance and $7,000 to maintain the chiller required by the mainframe. The enterprise server annual hardware and software maintenance is projected at $239,000 and the server does not require the chiller. The resulting net savings of $280,000 has been incorporated in the FY 2000 OA, Salaries and Expenses budget. Projected over the five year life of the enterprise server, the savings is $1.4 million. The operational cost savings resulting from this action will allow the EOP to more efficiently direct resources in an environment of significantly increasing demand.

QUESTION 9: Please provide a list of the systems that the EOP deems mission critical for purposes of Y2K compliance. Are there any major disputes between the EOP and any of the agencies charged with achieving Y2K compliance for the Federal Government as to whether a particular system is mission critical for Y2K purposes? If so, please describe the nature of the dispute and the system involved.

ANSWER: A copy of the EOP mission critical list is attached as Exhibit 6. This list was compiled and coordinated closely with each of the EOP agencies. Accordingly, there were no disputes regarding which systems were considered mission critical for Y2K purposes.

QUESTION 10: The FY 2000 Capital Investment Plan requests funds to increase network capacity and to add server capacity and redundancy to reduce server crashes and overloads. How often do the EOP's servers crash? Please describe the nature and extent of the problem.

ANSWER: The EOP network servers experience capacity overloads or failures on an average of at least once per week. More specifically though, the EOP frequently experiences network

failure up to several times a day for a period of up to two days.

The primary causes of those failures are: (1) increased use of newer and more powerful Personal Computers and Commercial Off the Shelf applications, (2) the increased sharing of data between a myriad of offices and locations, and (3) the dramatic increase in the amount of data being transported over the past six years.

The Honorable Anne Northup
The Subcommittee for Treasury, Postal Service and General Government
Executive Office of the President
Questions for the Record

Y2K Compliance

You have reported that 95 percent of the EOP's personal computers (PC's), as well as the PC software utilized by EOP employees at their desktops, will be Y2K compliant by March 31, 1999.

QUESTION 1: What percentage, if any, of existing desktops will be retired?

ANSWER: The EOP anticipates that between FY 1997 and FY 2000, 100% of its desktops will have been replaced or upgraded.

As part of the EOP's Y2K critical self-evaluation, you have examined business practices and prioritized systems for renovation, validation and testing. In your testimony, you state that in cooperation with your customers, you have developed a list of EOP non-Y2K projects/upgrades that will be deferred until mission critical systems are compliant.

QUESTION 2: What items are on this list and what is each item's expected cost?

ANSWER: A copy of the Non Y2K Essential Projects/Upgrade List is attached as Exhibit 5. There are indirect personnel costs, which are not readily quantifiable associated with each project.

As part of the EOP's Y2K management strategy, you have engaged in contingency planning and risk management and have requested each agency within the EOP to prepare Business Contingency and Continuity plans.

QUESTION 3: What is the status of those plans? Will each plan be reviewed and integrated into an overall EOP Business Contingency and Continuity Plan?

ANSWER: Each agency is in the process of preparing its Business Contingency and Continuity Plan. To assist the agencies in this process, a representative from the Social Security Administration was recently invited to educate the agencies on contingency planning. Additionally, the EOP intends to hire a contractor(s) to facilitate the preparation of the plans.

Finally, as each agency develops their plan, the Information Technology Management Team's (ITMT) Business Contingency and Continuity Planning group will evaluate them for possible inclusion into an overall EOP plan, whenever feasible. This will help to ensure that common requirements are consolidated, duplication of effort is minimized, interdependencies identified, and common problems resolved.

QUESTION 4: To what extent will the Y2K compliance of outside contractors influence the effectiveness of these plans?

ANSWER: While the Y2K compliance of the utilities and the telephone service, and the U.S. Postal Service, are important to the EOP's Y2K efforts, the EOP is developing Business Continuity and Contingency Plans assuming "worse case" scenario this will ensure that sufficient procedures are identified, tested and in place on January 1, 2000. Using this approach, the EOP has every confidence that there will be a continuation of operations.

FY 2000 Capital Plan

You have requested $8.806 million for the EOP's FY 2000 Capital Investment Plan. In your efforts to address the Y2K challenge, you used funds from the FY 99 Capital Investment Plan and funds from the Y2K Supplemental Appropriations to meet the needs of the Presidency.

QUESTION 5: What specific projects were funded by this money? To what extent are they complete?

ANSWER: See Exhibit 7.

QUESTION 6: To what extent were projects from the FY 99 Capital Investment Plan related to current ITA objectives?

ANSWER: All projects from the FY 1999 Capital Investment Plan (CIP), most of which were Y2K related, are consistent with current ITA objectives. In fact, these projects represent the first step in the EOP's move to its target environment, which will be continued with the FY2000 CIP.

Executive Residence
Reimbursable Expenses

The fiscal year 1998 Treasury/Postal bill required the Executive Residence to prepare and submit, by no later than 90 days after the end of the fiscal year covered by the Act, a report setting forth the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of such amount that has been reimbursed as of the date of the report.

QUESTION 7: What is the amount of reimbursement outstanding for the 1998 fiscal year? What percentage is this of 1998 fiscal year reimbursements? What is the average number of days outstanding?

ANSWER: The total amount of reimbursement outstanding for FY98 is $9,140.74, which represents 9.35% of the funds collected for events. The average number of days outstanding for these events is 203 days.

QUESTION 8: In your estimation has this collection system been successful?

ANSWER: Yes. The system has been successful.

Staffing at the Executive Residence

The Executive Residence has requested no increases in its operating budget for additional FTE's. However, the cost of Other Personnel Compensation was listed as $691,000 (1998 actual), $1,466,000 (1999 estimate) and $1,552,000 (2000 estimate).

QUESTION 9: What types of functions are performed by other personnel? Are these contracted personnel under personal services contract agreement ("Services by Agreement")?

ANSWER: The Other Personnel Compensation category is for full-time staff overtime, holiday premium, night differential, Sunday differential, and shift premium rates of pay.

QUESTION 10: What factors have influenced the expected increase from 1998 to 1999?

ANSWER: In FY1998 several factors provided cost savings in the category of full-time staff premium pay including administrative controls, preapproval of overtime, and a reduction in number of reimbursable events. The FY1999 and FY2000 estimates have taken into account these administrative controls, as well as an effort to reduce costs, and the impact of projected increases for the full-time staff premium pay rate.

White House Repair and Restoration

Last year, Mr. Carlstrom testified that roof repair and restoration had been completed, with the exception of a few punch list items. In this year's appropriations justification, you mention that the replacement of the roof at the Executive Residence is currently complete except for a few punch list items.

QUESTION 11: What are the remaining items? What is the anticipated time frame and cost until final completion?

ANSWER: The punch list items on the roof project have now been completed. Additional work to replace the masonry chimney caps with lead coated copper caps will be accomplished in the spring or summer of 1999 completing all work on the roof replacement project.

EXHIBIT 1

Information Technology Architecture
Management and Implementation Plan

February 26, 1999

Information Technology Architecture Management and Implementation Plan



Executive Office of the President
Office of Administration

February 26, 1999

TABLE OF CONTENTS

I INTRODUCTION

A. PURPOSE....1

B. BACKGROUND....1

D. HOW THE EOP WILL BENEFIT....4

E. OVERVIEW OF THE PLAN....4

F. THEME....5

II ITA MANAGEMENT PROCESS

A. OVERVIEW....6

B. DETAILED PROCESS DESCRIPTION....7

III. IMPLEMENTATION OF THE ITA MANAGEMENT PROCESS

A. DEFINE ROLES AND RESPONSIBILITIES....13

B. ESTABLISH AN IT ARCHITECTURE TRAINING AND AWARENESS PROGRAM....15

C. ESTABLISH AN IT STANDARDS MANAGEMENT PROCESS....15

1. ARCHITECTURE STANDARDS PROGRAM FRAMEWORK....15

2. STANDARDS ADOPTION PROCESSES....16

3. STANDARDS SCOPE, USE, AND APPLICABILITY....17

IV. SUMMARY....18

LIST OF FIGURES

FIGURE I-1, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY: ENTERPRISE ARCHITECTURE MODEL 2

FIGURE I-2, EOP INFORMATION TECHNOLOGY ARCHITECTURE MODEL 2

FIGURE I-3, INFORMATION TECHNOLOGY MANAGEMENT TEAM PROCESS 5

FIGURE II-1, ITA MANAGEMENT PROCESS 8

FIGURE II-2, STRATEGIC BUDGET PLANNING 12

APPENDICES

APPENDIX A, PRINCIPLES OF THE EOP INFORMATION ARCHITECTURE

APPENDIX B, MINIMAL DESIGN CHARACTERISTICS

APPENDIX C, ITMT CHARTER

APPENDIX D, INFORMATION ARCHITECTURE REFERENCES

APPENDIX E, RECOMMENDED READINGS

APPENDIX F, RAINES RULES

APPENDIX G, GLOSSARY

Introduction

A. Purpose

The purpose of this volume is to present the Management and Implementation Plan for the Information Technology Architecture (ITA) for the Executive Office of the President (EOP). This architecture represents the EOP-wide enterprise as it pertains to all agencies of the EOP. It does not address autonomous systems specific to an agency's mission. However, agencies that have autonomous systems should develop their own ITA. Where necessary, agencies should communicate any impact their architecture has on the EOP so that mutual solutions can be negotiated between the agency and the rest of the EOP.

B. Background

This Plan is one of the tools that the EOP will use to manage change: both business (EOP mission) changes and technology changes. Managing change has become a pervasive issue, particularly as the penetration of information technology quickens the pace of, and the opportunity for, change within the EOP. A key issue in dealing with the high rate of change in EOP's complex information environment is understanding the effect of any given change in the context of the EOP as a whole, rather than in terms of its component agencies alone. The context and perspective for evaluating simultaneous and often interrelated changes is provided by the Information Technology Architecture (ITA) of the EOP. In the absence of this ITA, the EOP would not be able to effectively deal with change (both business change and technology change) and would have difficulty understanding the impact of such change within the EOP.

The ITA addresses the framework used by the EOP to evolve, maintain, or replace information technology resources in support of EOP's strategic goals. The document follows a model for constructing and managing an information technology, which was created by the National Institute of Standards and Technology (See Figure I-1). The EOP customized the model to its organization (See Figure I-2) and added the portion dealing with managing and maintaining the ITA consistent with guidance from the Office of Management and Budget (OMB) for maintaining and implementing an ITA.

The EOP ITA model places emphases on a management framework unique to this environment in that many agencies obtain separate funding for their autonomous IT needs, but still require coordination with the enterprise to ensure compatibility and interoperability issues are addressed from an enterprise level. Agencies retain the responsibility for supporting (including contracting support) of these autonomous (major) systems.

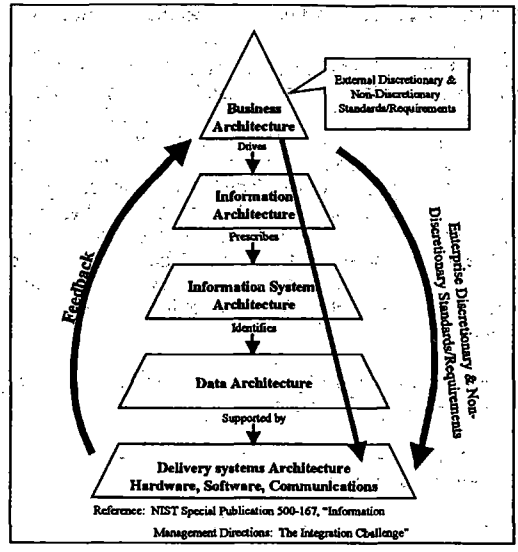


Figure I-1, National Institute of Standards and Technology Enterprise Architecture Model

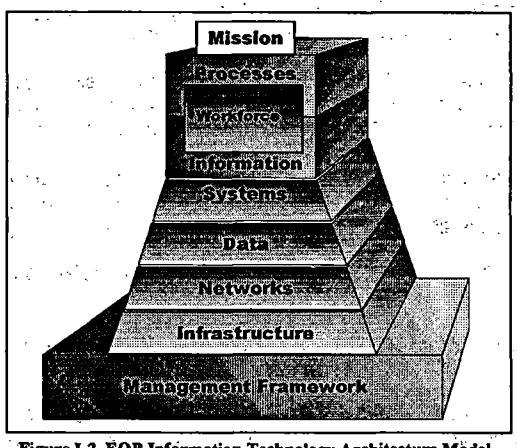


Figure I-2, EOP Information Technology Architecture Model

C. The Need for The ITA Management and Implementation Plan

The EOP believes that, while the development of an ITA is important, only its successful implementation meets the goals of the Information Technology Management Reform Act (ITMRA) of 1996 (more commonly known as the Clinger-Cohen Act of 1996). The Clinger-Cohen Act is a prime driver for changing the way that Federal agencies plan for the acquisition and use of information technology. The Clinger-Cohen Act assigns agencies the responsibility of "developing, maintaining, and facilitating the implementation of a sound and integrated information technology architecture" (Section 5125-(b) (2)). The Clinger-Cohen Act repeals Section 111 of the Federal Property and Administrative Services Act of 1949 (popularly referred to as the "Brooks Act") and establishes a new statutory scheme for information technology management and acquisition within the Executive Branch. The Clinger-Cohen Act seeks to improve mission performance by requiring agencies to:

- Use a clearly defined IT capital planning and investment control process for assessing and selecting IT investments;
- Establish performance measures for an IT investment and use them to assess IT's value in achieving agency mission;
- Develop, maintain, and facilitate a sound and integrated IT architecture for the agency; and
- Streamline IT acquisition processes to manage risk and to get the most advantage from incremental acquisitions and off-the-shelf products.

The Clinger-Cohen Act directs agencies to use a comprehensive capital planning and investment control approach to assess and manage the risks of IT projects and ensure they deliver maximum value. More specifically, the Act requires that:

- Agencies use a disciplined process, based on explicit decision-making criteria, to ensure that IT initiatives are implemented at acceptable costs and within reasonable and expected timeframes;
- IT investment decisions be linked to program budget decisions and focus on mission improvement; and
- IT management processes be embedded throughout the enterprise and be used for all IT-related decisions.

As part of OMB's responsibility for Clinger-Cohen Administration, OMB's former Director Franklin Raines, in his memorandum entitled "Funding Information Systems Investments," of October 25, 1996, stated:

> Investments in major information systems proposed for funding in the President's budget should be consistent with Federal, agency, and Bureau information architectures which: integrate agency work processes and information flows with technology to achieve the agency's strategic goals; and specify standards that enable information exchange and resource sharing.

The EOP, like other Federal organizations, is faced with concerns about the use of information technology. The EOP realizes that the efficiency of its operations depends on effective use of IT. Historically, in many Federal agencies IT modernization efforts have wasted large sums of money due to poor planning and program management. Also in many Federal agencies planning for modernization has been inadequate and agencies have had inadequate control over IT investment decisions and monitoring. More effective oversight of the EOP component agencies' efforts is needed. This requires the overhaul of IT-related contracting and purchasing.

The ITA Management and Implementation Plan will provide the EOP with the capability to ensure Information Technology systems strategies; policies and plans reflect business objectives. The plan will help the EOP ensure opportunities provided by emerging technologies are identified and exploited. Business risks will be identified to ensure that IT strategies are viable. The EOP will be able to establish appropriate resource levels and reconcile contentions and set priorities. The intent of the plan is to create a "culture" for the management of IT that reflects the EOP "culture."

D. How the EOP Will Benefit

With the adoption of the Management & Implementation Plan, the EOP will have an ITA with the capacity to support EOP agencies' requirements. Defined processes will identify new technology needs and provide for them. This plan defines a planning cycle that allows the EOP to: (a) update the EOP IT budget and strategic plan; (b) keep budgets in synchrony with strategic plans; and, (c) address evolving technology and the evolving mission of EOP. By instituting the processes of this plan the EOP will improve its ability to have the skilled staff to support IT needs (and know what technology to train them in). There will be an increased ability to share information among EOP agencies. There will be an increased awareness of what information is available at the EOP, and of the systems to process the information.

E. Overview of the Plan

As described in the EOP ITA, the management framework for ITA is the Information Technology Management Team (ITMT). This body oversees planning and provides guidance in implementing the architecture. Figure I-3 illustrates at a high level the role of the ITMT in the management and implementation of the ITA.

1. IT requirements are defined by the EOP component agencies through analysis of input from the external environment (such as Congress, OMB, and, GAO) and through business process engineering that asks the questions:

- how can business processes be transformed using IT; and
- how can IT support business processes?

The ITMT reviews the statements from the agencies on their need for IT support.

2. Prioritized IT Initiatives are submitted by the ITMT to the Architecture Office for impact analysis on the IT budget, the ITA and the IT Strategic Plan.

3. Upon receipt of the architecture impact of the IT Initiative, the ITMT decides whether to approve the startup of an IT project.

F. Theme

The underlying theme to the ITA Management and Implementation Plan is that planning links IT to business needs. Investment in IT is justified by how well it is expected to support the business processes of the EOP.

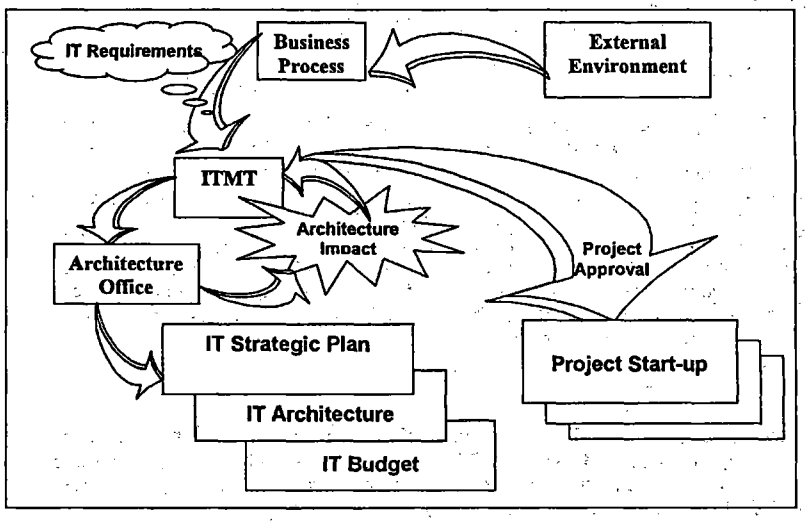


Figure I – 3, Information Technology Management Team Process

II. ITA Management Process.

A. Overview

The process described below will be used to manage changes to the Information Technology Architecture. Major responsibilities for this process rest with the component agencies, the Information Technology Management Team (ITMT), and the Office of Administration (OA).

1. Component Agencies. The component agencies have the primary responsibility for initiating changes to the ITA. This is accomplished by the development of a business case and an IT Strategic Need Statement.

- **Development of Business Case** – A component agency, as a part of conducting a business process engineering effort, develops a business case for enhancing or improving an agency business process or area.
- **IT Strategic Need Statement** – An agency will determine a course of action for improving a business process. When part of this course of action requires IT support, an IT Strategic Need Statement will be developed by the component agency.
- **Project Startup** – Upon approval of a project to implement an IT initiative, an agency itself may elect to manage the project. OA would then play an advisory role.

2. ITMT. The ITMT is responsible for reviewing IT Strategic Need Statements, developing the IT Initiative (usually requiring a technical working group), and approving and prioritizing projects to implement the IT initiatives.

- **Review of IT Strategic Need Statements** – Upon submission by a component agency of an IT Strategic Need Statement, the ITMT will review it and decide whether to approve developing it into a project or returning the statement back to the component agency for reevaluation and/or rewrite.
- **Establishment of a Technical Working Group** – The ITMT will establish a technical working group to perform additional research to develop the IT Strategic Need Statement into a complete IT initiative, (which will also include a cost/benefit analysis).
- **Prioritization of the IT Initiative** – The ITMT will identify funding and approve the IT initiative as a project to be implemented either by the component agency or OA.

3. **OA.** OA is responsible for updating the strategic planning documentation, submitting the IT budget requirements for inclusion in the Capital Investment Plan, and obtaining funding and starting up the projects assigned to it.

- **Update the strategic planning documentation set** – OA will update the EOP IT Strategic Plan, the EOP ITA, and the EOP IT budget documents to reflect the new project.
- **Submission of the IT budget requirements to the Capital Investment Plan** – OA will include the IT initiative budget requirements in the overall EOP IT budget submitted to Congress.
- **Obtain funding and start up projects** – OA will work with Congress to obtain funding and will assign a project team to start up the project that will implement the IT initiative.

B. Detailed Process Description

The overview provided in the previous section is broken down into nine major steps in this section (see Figure II-1). After the description of each major step the organization (component agency, ITMT, OA) responsible for that activity is shown in brackets.

1. **Develop a Business Case** *[Component Agency].* The Clinger-Cohen Act gave a new name, business case, for the traditional cost/benefit analysis. In this process the agency performs the first step in reconciling IT strategic planning and business re-engineering, as described in Table II-1 below.

Questions	Business Reengineering	IT Strategic Planning
Formulation	1. How can we reengineer our business to provide advantage?	1. How can IT be exploited to provide business advantage? (impact)
Implementation	2. How can we improve our processes to ensure the success of the strategy?	2. How can IT ensure the success of the business strategy? (alignment)

The component agency has the option of enlisting the aid of an OA business process engineer to assist in developing the business case. This analysis may consist of:

Information Technology Architecture Management Process

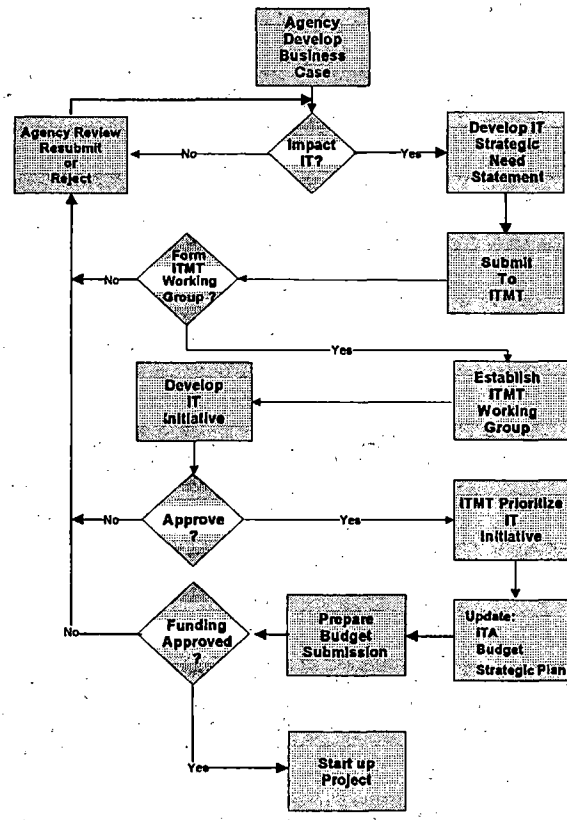


Figure II-1, ITA Management Process

- SWOT Analysis of the agency's strengths, weaknesses, opportunities, threats (risks), including a description of current and expected business and technical environment;
- Description of the component agency's business strategy, and proposed business initiatives;
- Identifying the impact of such external change agents as requests from Congress, laws, budget submission requirements, and OMB directives.

2. Develop IT Strategic Need Statement *[Component Agency].* One purpose of the business case analysis by the component agency is to identify specific strategic needs for IT support. Some of the questions that will be answered by this analysis include:

- What main techniques are used to produce the most important product of the agency?
- What are the products and potential substitutes?
- What is the information content of the products/services?
- Can IT change the products and/or the product lifecycles of the agency?
- Can IT improve the cost efficiency of the agency?

3. Submit IT Strategic Need Statement to ITMT *[Component Agency].* Once a component agency has developed an IT Strategic Need Statement, the statement is submitted to the ITMT. The ITMT will determine which ITMT Technical Working Group to submit it to for technical review. If no appropriate working group exists, the ITMT will appoint a new one. By submitting all IT Strategic Needs Statement to the ITMT an EOP-wide awareness of strategic IT initiatives is maintained.

4. Establish ITMT Working Group *[ITMT].* The working group will perform the research necessary to transform the Strategic Need Statement into a specific IT Initiative. The working group will determine whether IT support for the component agency's strategic need will require a new or modified strategic IT initiative. This will include an assessment of the capability of the current ITA to satisfy the strategic IT need of the component agency. The working group will coordinate with other agencies to identify any similar efforts, lessons learned, synergy of experience and skills, and piggyback opportunity. A timeline for the initiative with estimated costs will be developed.

The working group will also define technology to support the strategic initiative in accordance with the EOP ITA. During this step information which describes and justifies the initiative is captured. This includes background, financial, and technical information. A detailed project plan with clearly defined tasks, milestones, deliverables, and resource requirements must be provided for each proposed initiative. Each project plan must address how the initiative will employ existing data standards or establish new data

standards where none exist. Any system requiring over $250k in maintenance should submit the maintenance effort as a separate initiative. Systems requiring less than $250k for maintenance can include maintenance in a single initiative, with the specific systems for which the initiative covers maintenance costs clearly identified in the initiative documentation.

The working group will research alternative IT initiatives and assess the initiative to determine whether it meets a minimum set of viability criteria based on the Raines Rules (the policy guidance included in the October 25, 1996 memorandum from the former OMB director Franklin Raines, see Appendix F). All initiatives determined to be "Viable" must include an explanation which describes how the initiative met the viability criteria.

The working group will also identify risks for the IT initiative. Failure of an IT initiative can occur in five major areas:

- Technical failure;
- Data failure;
- User failure;
- Organizational failure; and,
- Failure in the business environment.

5. Prioritize IT Initiative *[ITMT].* Before resources can be assigned and development can begin, several other steps have to be taken. These are justifying the investment in systems and technology, allocating priorities to individual IT initiatives across the complete portfolio of IT initiatives and determining how the expected benefits will be delivered successfully. Priority setting, while allowing for logical precedence of development and key resource availability, shall also be based on the same principles as investment appraisal: that is, to maximize the benefit stream from the initiative.

Funding for the IT initiative will also be identified and allocated. Availability of funding will also have a direct impact on the prioritization process.

6. Update Associated Documentation *[OA].* There are three major documents that will be updated as IT initiatives are established: The ITA; the Budget; and the IT Strategic Plan.

ITA - Updating the EOP ITA may consist of adding the description of:

- the new project that implements the IT initiative;
- any new technology (hardware, software, communication) required as part of the initiative;
- any new information or data required as part of the initiative; and

- any new standards required as part of the initiative.

Budget - The EOP CIP will be updated to include funding for the new IT initiative. The Sustaining Budget will be updated to reflect, at a minimum, the cost of maintenance for the new technology resulting from the IT initiative.

IT Strategic Plan - The EOP IT Strategic Plan will be updated to describe how the new IT initiative moves EOP in the direction of the strategic IT vision and strategic EOP vision.

7. Prepare Budget Submission *[OA].* Supporting documentation shall be gathered to assist in justifying the new IT initiative during the EOP budget submission process with Congress. This documentation will be derived from the business case originally submitted by the component agency and also from the research performed by the ITMT working group on costs, benefits, risks, and recommended technology. OA will also coordinate with those component agencies that have their own budget submission process. A close interaction is maintained between the "Planning Stream" and the "Budget Stream", as illustrated in Fig. II-2.

8. Start IT Project *[OA and/or Component Agency].* The new IT initiative is formally made into a project by assigning responsibility for its implementation to a development organization. The development organization may be OA and/or the requesting component agency. This assignment will be dependent on the preference of the component agency and the funding arrangements.

A Project Charter will be developed that:

- describes the project;
- identifies roles and responsibilities of organizations and staff; and
- describes expected deliverables.

A Project Plan will be developed that:

- identifies all the tasks required to complete the project;
- identifies milestones and timelines for completion of tasks; and
- identifies staff and other resources required for completion of the project.

The development organization will allocate resources for the implementation of this project. These resources may include:

- funds
- people
- tools (computers, C.A.S.E.)
- time (schedules)

9. Conclude Project *[OA and/or Component Agency].* After implementation of the new technology at the completion of the project, an important step must be performed before the project is actually concluded. This step is the post-implementation review. The importance of the post-implementation review is that it is a way for the EOP to learn from its experiences, both good and bad, in IT development. Such 'lessons learned' will enable the EOP to become more successful in its IT investments. The value of strategic planning is mainly in selecting the right things to do, but poor implementation, which fails to deliver the benefits of these "right things', can easily negate the value of planning. Actual costs of the implementation will be identified and compared to the estimated and budgeted costs. Finally, a total benefit assessment will be performed which will look at the effect of the new technology both on the original requesting organization and on the EOP as a whole.

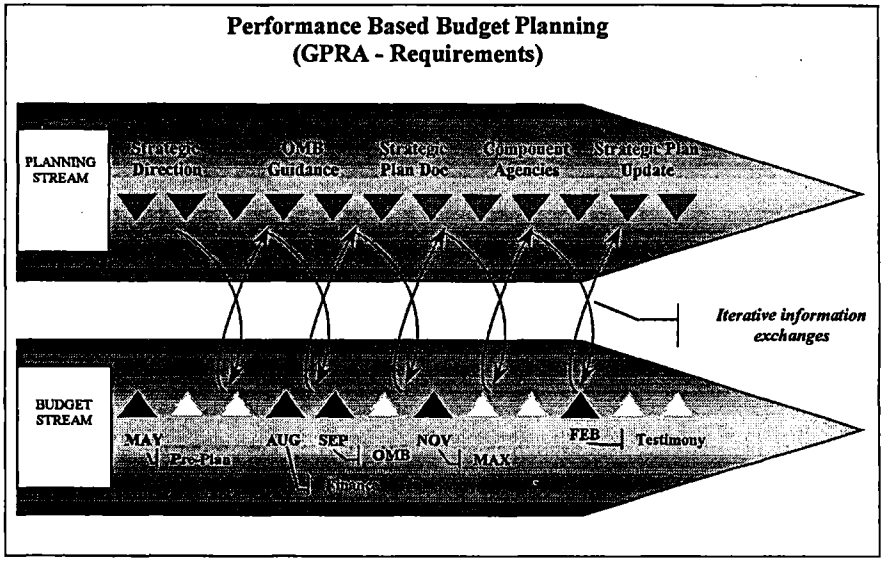


Figure II-2, Strategic Budget Planning

III. Implementation of the ITA Management Process

A. Define Roles and Responsibilities

The successful implementation of the ITA process at the EOP is contingent on the clear definition of roles and responsibilities among the component agencies of the EOP. Specific roles and responsibilities by office and/or position in the EOP are described below.

1. **Component Agency.** The agency head is responsible for executing the mission of the agency. The agency program managers are responsible for:
   (a) developing business cases for strategic initiatives:
   (b) participating in identifying opportunities for technology infusion (i.e., is the agency willing to try new technology identified as applicable to supporting the strategic initiative); and,
   (c) if required, assisting the Information Systems & Technology (IS&T) Division of OA in identifying IT support requirements.

The component agency budget office is responsible for aligning sustaining budgets with IT initiatives that support their agency. The identification of out-year support dollars for such items, as maintenance and technology upgrades are critical. They must also ensure that the IT initiatives are included in the Capital Investment Plan (CIP) of either their agency or the EOP.

Where it exists, the agency IT office is responsible for identifying the need for IT support for strategic initiatives. Either the agency's own IT staff or by OA's IS&T division may supply the identified support. Currently, the following component agencies have their own IT office:

- National Security Council (NSC);
- Office of Management and Budget (OMB);
- Office of National Drug Control Policy (ONDCP);
- Office of Science and Technology Polity; and
- United States Trade Representative (USTR).

2. The Office of Administration. There are four major roles for OA in the IT planning process: (a) administer the IT planning process; (b) oversee the IT budget compilation process; (c) act as the focal point for information feedback for the ITA and budget documents; and (d) convene and assist technical working groups. There are six major offices in OA that have roles and responsibilities for implementing the ITA.

The Director of OA chairs the Information Technology Management Team. In this role, the Director is responsible for recruiting members of the ITMT, updating the charter of the ITMT (see Appendix C – ITMT Charter), and establishing a regular schedule for ITMT meetings. The Director is also responsible for development of the EOP IT Strategic Plan.

The Associate Director for Information Systems & Technology (IS&T) of the Office of Administration formulates and promulgates information technology policies for the EOP in coordination with the ITMT. These policies cover such information technology architecture areas as:

- Telecommunications;
- Hardware and software architecture;
- Information architecture;
- Risk management and security;
- Shared services and utilities; and
- Human resources, procurement and accounting applications.

The Associate Director, IS&T is also responsible for:

- identifying strategic IT initiatives for centralized EOP infrastructure technical architecture components,
- Proposing the widespread transfer of new technology EOP-wide,
- Coordinating development of the IT Strategic Plan for the EOP and maintains and promulgating the EOP ITA, and
- Assigning and monitoring IS&T resources for IT projects as assigned by the ITMT.

The OA Associate Director for Financial Management ensures the IT Strategic Plan, the ITA and the IT initiatives are in line with the EOP budget.

The OA General Counsel reviews all procurement and project documents for legal impact and correctness.

The EOP Contracting Officer issues request for proposals (and bids) negotiates with contractors, awards contracts and monitors contractor compliance with contracts.

3. The Information Technology Management Team (ITMT). The ITMT was established by the EOP to coordinate and prioritize IT investments and to provide a critical link between IT and agency missions. The ITMT is composed of senior level managers who guarantee the successful EOP-wide integration of information technology. The ITMT also ensures that the EOP's IT program remains in compliance with the requirements of the Clinger-Cohen Act; the Paperwork Reduction Act, and the Government Performance and Results Act (see Appendix C, the ITMT Charter).

The ITMT will review the IT initiatives identified in the component agencies' Strategic Need Statements (SNS). If required, the ITMT will form a Technical Working Group to research in more detail the technical and business impacts of the SNS. The ITMT will either approve or disapprove the IT initiatives. The ITMT is responsible for prioritizing the IT initiatives and providing general timeframes for their completion.

B. Establish an IT Architecture Training and Awareness Program

This program would cover:

- Enterprise business and technology alignment;
- Use of business process redesign methodologies and tool suites by process owners;
- Enterprise architecture planning and development tool suites;
- Architecture proposal and business capital investments;
- Architecture transition/migration plans;
- Technology investment risk measurement and mitigation approaches; and
- Architectural configuration management.

The ITA is not the exclusive province of the IT technical staff. It is important that the following are kept up to date on the ITA and its role in their organization: (1) the ITMT; (2) the EOP technical staff; and, (3) program staff and other key staff in the component agencies. This instruction may consist of briefings, meetings, and newsletter articles. For example, numerous briefings were conducted to the ITMT that addressed the ITA and the associated planning process.

During monthly leadership meetings, technical managers of IS&T have been briefed on different aspects of the ITA and the associated planning process.

The IT Newsletter, which is distributed to all staff of the EOP, has had numerous articles on the ITA and the associated planning process. Numerous meetings, many one-on-one, were held with the lead technical management of the EOP component agencies.

C. Establish an IT Standards Management Process

The evolution to a flexible, open, and interoperable architecture requires that system designs be implemented using EOP-wide standards. Over time, interoperability problems will be resolved through the widespread use of a set of agreed-upon standards.

1. Architecture Standards Program Framework. The EOP information technology candidate standards present guidance for achieving interoperability within the EOP community. Use of these standards will be enforced for contracts that use EOP-wide technology implementations. The ITMT will oversee architecture implementations using these standards to assess the extent to which these contracts contribute to EOP's investment returns. EOP's Information Technology standards must be carefully considered whenever more than one agency, business area, program, business function, or site are involved and supported by technical information system solutions.

Without adoption of common standards and guidelines, achieving higher degrees of interoperability throughout the EOP is unlikely. Standards are an important pillar in the

EOP information architecture, and they must be advocated and stewarded by the ITMT to benefit the EOP.

2. Standards Adoption Processes. To further the standards-based open systems approach, the EOP will establish an information architecture standards adoption and retirement process and, with substantial EOP-wide contributions, an initial set of proposed standards. After a full review and approval process, these standards will supplement the architectural principles and add a significant building block to the EOP information architecture. The proposed EOP standards adoption process is as follows:

- A standard that is being recommended for adoption or retirement is submitted to the OA Associate Director, IS&T for EOP-wide consideration.
- Requests for comments are solicited from agency Information Technology Standards Points of Contact, ITMT members, and subject matter experts.
- The OA Associate Director, IS&T receives comments and forwards a consolidated response to the originating body. If comments are not received in the specified time frame, consensus is implied.
- The originating body provides resolution on the comments to OA Associate Director, IS&T.
- The OA Associate Director, IS&T distributes the Comments resolution to the Information Technology Standards Points of Contact for response and consensus position for their respective agencies.
- If EOP-wide consensus is reached, the standard is designated an interim standard.
- The interim standard is forwarded to the ITMT for approval. If the interim standard is accepted and approved, it becomes an adopted standard.
- If consensus is not reached or if the proposed standard is not accepted by the ITMT the standard is returned to the originating body, with an explanation for the rejection.

The baseline consists of selected standards from the Government and other standards bodies. EOP policy will comply with all mandatory Federal standards and specifications. Federal standards (e.g., Federal Information Processing Standards Publications) and EOP policies that specify standards were identified in the Information Technology Architecture document. Additional de facto standards may be identified when the baseline analysis update is completed.

The success of this architecture is tied to the establishment and implementation of a successful EOP-wide standards process. Industry, standards bodies, and the EOP are developing a methodology for identifying, defining, and communicating standards and their level of adoption. The EOP is establishing a process for continued review of EOP-wide and subsidiary agency architectures. A library of terms, definitions, access rules, characteristics, and interrelationships of each standard component will be developed to support dialog on EOP-wide requirements.

Current stovepipe systems are being replaced by integrated subsystems. Stand-alone systems (i.e., commercial-off-the-shelf (COTS) products) acquired for use by EOP from external organizations and partnerships must be integrated into subsystems depending on their data, processes, or need for telecommunications and security services. Increasingly, EOP acquisitions will be aligned with approved EOP standards. Agency acquisitions will be measured and viewed in light of adherence to standards.

Achieving the information architecture vision for EOP information resources requires greater EOP-wide interoperability than exists today. The adoption of EOP-wide standards, protocols, and best practices will enhance the information exchange. The standards-setting process must meet the needs of the entire EOP community and be dynamic enough to change as the information technology base changes. Adopted standards are analogous to building codes. They form a fundamental set of requirements that ensure the EOP information architecture is a sound, practical, and solid set of structures. The architectural infrastructure must interface safely and effectively with infrastructure components, such as applications and networks, and allow owners to optimize their work processes according to business drivers and needs.

3. Standards Scope, Use, and Applicability. The EOP will strive to use open systems standards throughout architectural implementations as described in the Information Technology Architecture document. Use and applicability of specific EOP-adopted standards is not mandatory; however, when and where possible, adopted standards are strongly advocated. When they do not apply, exemptions should be documented. Other voluntary or Federal standards can be locally adopted if they do not impair or otherwise render the EOP information architecture less flexible, interoperable, or capable.

Interoperability among agencies, sites, and customers, as well as the ability to collaborate on an EOP-wide and global basis, requires EOP-wide use of consistent and compatible standards. When local standards, products, or services are employed that are not consistent and compatible with corporate standards the organization using these standards, products, and services, will not be given additional support to overcome interoperability and collaboration problems. The choice to use other than EOP-established standards and protocols requires the organization making such a choice, to assume the training, conversion, and adaptation costs without shifting these adverse effects to other compliant EOP organizations and customers.

Lastly, the Office of Management and Budget, through recent Federal CIO Council activities and guidance, requires that all CIOs mandate a minimal set of standards to establish increased levels of interoperability throughout the Federal Government. While EOP has not instituted mandatory standards because of its consensus-based standards approval process, the issue of mandated standards could be revisited, if it is determined that the current approach is not working.

4. Maintenance of Standards. The adoption of standards is not a one-time activity. As technology progresses, old standards may be revised or updated. The EOP will identify when such changes in standards occur, and will incorporate the revised or updated

standard accordingly. The EOP will ensure a technical analysis and impact assessment is conducted before incorporating the revised or updated standard into the EOP ITA. The EOP will also ensure that both the technical and business effectiveness of standards is monitored.

5. Retirement of Standards. The EOP will identify standards that have been overtaken by technology or changing EOP requirements. A proposal for retirement will be produced that describes the reason for retirement and identifies a replacement standard, if applicable. This will require the EOP to be informed of component agencies new business cases or changes to existing business cases that would make obsolete the continued use of an adopted EOP standard. For example, standards for microfiche may no longer be needed if all agencies used compact disks (CD's) instead of microfiche. The proposal for retirement of a standard would be reviewed for technical merit and submitted to the ITMT for approval. The retirement of that standard would then be incorporated into the EOP ITA. Changes would be made as necessary to policies, procedures, roles, and responsibilities.

IV. Summary

Application of guidance and adherence to the architecture goals, principles, and approaches will enable decision makers, process owners, partners, and users to realize the benefits of increasing interoperability and easing of current architectural and design restrictions. System developers, operations staffs, contractors, and others will be able to better assess and describe the contributions of technologies new to EOP business areas. Based on these efforts, a coordinated and pervasive "vision" architecture of increased interoperability will be established EOP-wide.

The EOP information architecture will be characterized as providing transparent, reliable, non-redundant reach to diverse computing appliances providing access to the wealth of EOP information, and to maximize enterprise capabilities in a flexible, adaptable, and affordable manner. Finally, application of these guidelines will ensure that the business needs and technology capabilities become closely aligned at all levels of the architecture.

This Guidance is in effect as of the date on the cover and will periodically be supplemented or changed as needed to ensure appropriateness and usability.

Appendix A

Principles of the EOP Information Architecture

Purpose. This appendix describes the twelve principles of the EOP information architecture. These principles are high-level statements of the EOP's philosophy of information technology architecture expressed in terms of business and engineering goals and objectives. The principles are intended to endure and provide a basis for standards and information management policies. The principles are expressed using criteria by which the needs of the user-centric and corporate business views are woven into a unified, user-centric system with sufficient flexibility to adapt to business and technology changes. In the descriptions that follow, each principle is expanded to provide links to other parts of the architecture and other sections of this guidance.

The order of these principles is not hierarchical. Each principle has relatively equal ranking within EOP's enterprise architecture. Depending on the organization, site, business area, and particular need, a relative importance for related sets of principles may be established for agency architectural designs.

The following set of twelve principles reflects the addition of six principles to the six principles described in the ITA. This does not preclude the adoption of additional sound principles, but it does provide the EOP technology implementation envelope within which other possible principles reasonably fit. This flexibility is intended to maintain the overall coherence of the EOP information technology architecture.

Principle #1

The EOP will use a centralized Architectural planning process with EOP-wide participation to guide and govern the evolution of member agency systems.

Rationale:

The Clinger-Cohen Act of 1996 requires development of an Information Technology Architecture to guide the evolution of information technology systems and to serve as the roadmap for investment strategies.

Centralized architecture planning defines the target capabilities, interfaces and key relationships contributing to the attainment of Information Management objectives. Using a centralized architecture process facilitates increased information sharing and system to system interoperability.

Proactive architecture planning shall provide the strategic guidance that enables the greatest amount of information flow and interoperability within the EOP. The Information Technology Management Team, addressed above, is empowered to invoke the requirements of this principle.

Principle #2

EOP systems shall be engineered to use Commercial off the Shelf (COTS) Software whenever such software can reasonably be anticipated to meet application requirements.

Rationale:

This principle is especially applicable for systems and applications performing functions, which are common across the EOP (e.g., administrative and desktop activities and functions).

Long term experience with developing and maintaining application software has demonstrated that custom software has the highest lifecycle cost. Custom software is frequently engineered in a tight coupling with its support environment and is designed to support a specific business process. COTS is usually designed to operate across a broader base of support environment for increased marketability, which translates to increased migration options for the end user. The disadvantage is that COTS may not support all the unique business requirements of the organization. The preferential use of COTS is judged the most cost effective over the full life cycle because of its lower cost and more generalized functions that support a wider base of business processes. The order of preference for use of application software in the EOP should be:

1. Unmodified COTS
2. Unmodified Government-Off-The-Shelf (GOTS)
3. Modified COTS
4. Modified GOTS
5. Custom Development

This principle presupposes the use of a product selection process that adequately accounts for the level of integration and conformance to standards in commercial products.

Principle #3

Hardware components shall be replaced using a push down replacement scheme where top end users and applications drive the configuration of new equipment and displaced equipment is repositioned to retire obsolete items.

Rationale:

Acquisition of new equipment should be motivated by the performance of personnel in critical information management roles or by the actual or planned performance requirements of critical mission support applications. This does not mean that only top

end machines are procured. It does mean that the top end of the performance requirements drive the configuration of newly acquired systems.

Retirement of specific computer hardware items should be based on the component's inability to be affordably maintained or the component's incompatibility with planned system (e.g. common desktop) upgrades.

The criteria for obsolescence is that the component cannot support continued evolution of the EOP Information Technology Infrastructure.

Principle #4

Remote access to EOP systems shall be authenticated using two forms of authenticating identifiers: something you know, and something you possess.

Rationale:

Authentication devices are subject to being lost or stolen. The device must be unusable without the piece of information known only by the intended user, (e.g. Personal Identification Number).

Because the EOP is presumed to be a target of high interest, unique expiring identifiers that can only be known or accessed by an authorized EOP mobile user must govern remote access.

Principle #5

With each application reengineering, system replacement or upgrade, the EOP shall consistently evolve toward increased information sharing and commonality of documents and data across the enterprise where appropriate with agency missions.

Rationale:

Increased information sharing and commonality of data enables greater confidence in the data, economies of scale for the management of the information, and intuitive access to information used for decision-making processes.

Increased commonality of data implies that data created by one agency is reusable by others and that working agreements between the agencies enable data reuse.

Increased commonality of data enables "Data Warehousing" which can yield economies of scale for data management and accelerate decision-making processes by providing intuitive access to information.

Principle #6

Business Process Reengineering (BPR) shall be accomplished for stable processes judged to be inadequately supported by automation.

Rationale:

BPR produces streamlined business process definitions where non-value added steps have been eliminated.

Automation efforts produce the most benefit per cost when they are applied to streamlined processes.

BPR provides a validated process basis for accomplishing data modeling which is an essential factor for increasing the extent of information sharing across the EOP.

Because BPR is a taxing activity, only those processes within the EOP that are qualitatively evaluated as sound candidates should be selected for BPR. These activities will include determining which processes are stable, have the potential for a high payoff, and have management interest and commitment.

Principle #7

EOP information products and services are user-centric and customer-driven.

Rationale:

To be successful, information products and services must meet user requirements and enable effective decision making to increase productivity and efficiency. The architecture must support a diverse business environment and provide numerous technological opportunities and services. The wide range of users, their experience, and the purposes for which they employ technology to achieve business objectives requires that architecture, design, and support requirements be viewed from an appropriate perspective. Access to information in a user-friendly manner from many sources helps achieve this goal. Information products and services critical to business process reengineering, system development, and evolution must also be considered.

Information products and services can be made available from various locations, but should be available, as appropriate, to all users in an integrated, transparent, and seamless fashion.

EOP-wide connectivity for both internal and external users is required through high-speed communications networks. Support for this connectivity on multiple desktops will continue. Standards for these desktops must support the ability to customize the work

environment, but not compromise basic interoperability or capabilities to provide services.

A laptop user from any EOP organization will be able to access information or participate in workgroup activities from any geographical location. Architecturally designed, planned, and implemented access enables any user, regardless of experience level, authorized purpose, or role in EOP agencies, to have valid and defined support needs satisfied. The diversity of roles, expressed as categories of users, requires that support needs be transparently and seamlessly satisfied so that all users can be productive and efficient.

Principle #8

The EOP Information Technology Architecture is based on modular components.

Rationale:

Modular architecture supports organizational changes. It is resistant to obsolescence, since antiquated and inefficient modules can be replaced with minimal adverse impact and maximum benefits to the overall architecture. Use of modular components improves the ability of systems to adapt to changing requirements. Changes can be isolated to affected modules. For both hardware and software components, this adaptability extends the useful life of the business system and has a favorable impact on return-on-investment decisions.

Incorporating backup and concurrency designs and containing unpredictable failures to the component or immediate locale can also make modular architecture more reliable and operationally resilient. For example, failures in a voice network or desktop video capability will not be propagated to the data communications networks and their file servers. An integrated, multi-site business structure, such as EOP, must continue operations regardless of component failure, and users should be advised, preferably in advance, if system resources are unavailable.

Modularity provides risk reduction by avoiding or isolating custom-designed components. Acquisition strategies can be used for scalable and tested pilot projects, simulations, or prototype implementations before deploying a full-scale capability. Modularity also enhances the ability to implement architectural changes in phased segments to narrow project scope, permits demonstration of measurable net benefits as part of overall mission needs, and reduces the overall time between need identification and deployment.

Finally, modularity provides system designers with significant opportunities for aligning their systems with customer and management requirements for partitioning components and information assets within well-ordered structural designs. While shared resources are expected to be the rule, the use of modular components within EOP's enterprise

architecture will simplify the overall design and increase flexibility. Modular designs and implementations are now an Office of Management and Budget (OMB) requirement for any significant information management initiatives considered within the Capital Information Technology Investment planning process.

Principle #9

The EOP Information Technology Architecture is based on an open systems approach.

Rationale:

With an open systems approach, software applications and information can be migrated easily to a variety of interoperable computers. Vendor-neutral internal machine architectures provide long-term potential cost savings through enhanced competition in the marketplace. The EOP-wide architecture strongly advocates use of commonly available, vendor-neutral standards but does not mandate an implementation strategy or specific products. EOP organizations can select their own products and use unique standards as long as the information can be transferred effectively among organizations without additional conversion efforts. EOP will continue to encourage vendors to provide products based on open systems standards.

As computing environments become more portable, people's work becomes more adaptable to different computing environments, allowing resources, information, and software applications to become increasingly shared. When supplemented with open systems capabilities, the architecture can accommodate the inventory of legacy systems previously built on proprietary components. Short-term functionality, based on proprietary solutions, should be sacrificed only for long-term interoperability. The use of proprietary business solutions should be the exception.

Easy-to-use standard data formats and search and retrieval tools must be able to accommodate some older formats and media and adjust to meet emerging multimedia technologies.

Lifecycle costs can be reduced, although significant cost savings from implementing a standards based information architecture are achieved incrementally over a 5-year period.

While open systems standards are defined for the architecture, an open component is generally easier to integrate in an architectural framework. Proprietary components are considered major barriers to satisfying interoperability requirements because unnecessary, inefficient, or cumbersome translations add steps (e.g., to create or operate an interface) in information access and use. EOP standards and standards-compliant components within a well-structured architecture help preclude the need for inflexible workarounds and inefficient additional steps.

Principle #10

Security is designed into all architectural elements, balancing accessibility and ease of use with protection of data.

Rationale:

Security, at all levels, must be designed into architectural elements and plans from the beginning. Existing laws, acts, and regulations require safeguarding national security and sensitive data (mission essential, Privacy Act, proprietary, etc.). Existing information protection-related Directives, manuals, and guidelines apply and prescribe adherence approaches and best business practices.

Information sharing must be balanced against integrity, availability, and confidentiality considerations, privacy laws, and the proprietary aspects of certain data. Both internal and external users continue to require increased access to EOP information. EOP data, products, and services will continue to reside in an environment characterized by multiple levels of sensitivity.

To provide open access and maintain information protection, security must be implemented at the data level rather than the application level. This change in process requires a culture shift within the EOP.

An EOP-wide solution for secure access to multiple networks is necessary. The information architecture advocates and promotes uniform implementation of appropriate business-driven computer security practices EOP-wide, including contractor sites.

Principle #11

The information architecture incorporates a robust interface that optimizes the nature, efficiency, and effectiveness of the human operator.

Rationale:

The importance of human factor engineering is increased in a user-centric architecture. Human and computer interactions are interdisciplinary fields with roots in ergonomics, cognitive science, and human factors. The benefits for work process improvement are significant. Human factor engineering pays off in cost effectiveness, quality, and efficiency.

Deployment of productivity-enhancing systems (hardware and software) requires engineering of human and technological capabilities across all levels of the EOP architecture. The effectiveness of information delivery systems must support the full range of users, including the public. Successful workgroup collaboration, using

networked computers, for example, requires knowledge of the human and computer interaction issues and the conversion of that knowledge into easy-to-use capabilities.

Human and computer interactions are complex domains often requiring more than the use of a graphical user interface (GUI). The use of human and computer interaction knowledge in all aspects of system development will be stressed to information technology development stakeholders. Incorporating informed human and computer interaction knowledge into EOP systems development within architectural frameworks is strongly encouraged.

Principle #12

The EOP will have an information technology infrastructure that links offices, programs, facilities, and locations together seamlessly.

Rationale:

The information technology infrastructure is aimed at increasing interoperability and the use of standards to support sharing of resources such as data, information, applications, telecommunications and video infrastructures, and computers. Artificial barriers to accomplishing agency missions can result from the lack of a consistent, fully interoperable, and robust information technology infrastructure. The degree of interoperability is reflected in Figure A-1, Service Integration, which shows a seamless view of information presentation and applications capabilities that transparently tap local and remote resources. Interoperability is a well-defined corporate requirement within and across various business areas. Guidelines for the creation of seamless systems and the ways in which transparency can be engineered into system designs are provided in Appendix B, Minimal Design Characteristics.

Figure A-1, Service Integration, illustrates user-centric capabilities and views expanded to and through several backend technologies. While integration of these technologies is transparent to users, these technologies are critical to the virtual offices of the future. This figure also shows the relative complexity of these portions of the transparent infrastructures. Complexity can be reduced by using: common standards; protocols; middleware; and hardware components.

The infrastructure at sites throughout the EOP can be centrally coordinated and implemented in a decentralized manner. Coordination ensures those non-value-added, redundant efforts and implementation gaps are identified and addressed, especially for EOP-wide networks.

A seamless information technology infrastructure facilitates EOP-wide sharing of information and other resources. The information technology infrastructure may include common databases and applications with commonly available standards-based access mechanisms.

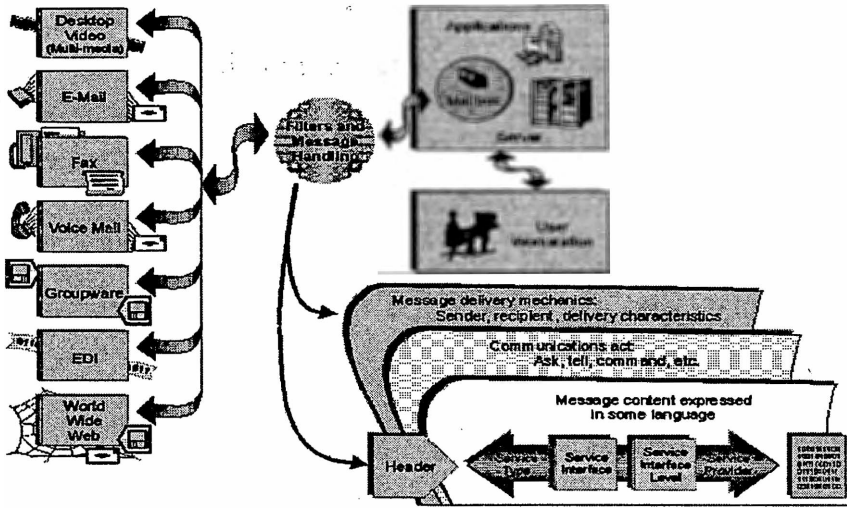


Figure A-1, Service Integration

Information technology infrastructure planning and implementation require active participation from all EOP organizations. Strong, architecturally based business cases addressing the OMB Capital Information Technology Investment planning criteria must be documented and presented.

In addition to improving overall interoperability, acquisition strategies may be employed to appropriately allocate risks between EOP and its contractors, effectively use competition, tie contract payments to accomplishments, and take maximum advantage of commercial technology. Acquisition strategies should also support core or priority mission functions, which must be performed by the Federal Government, or demonstrate that an alternative private sector or Government source can efficiently support those functions.

The EOP-wide network capability that allows the exchange of sensitive unclassified data is a major component of this infrastructure. Security policy issues must be managed at the enterprise level. Increasingly, the EOP infrastructure, especially wide area networks, will be replaced with services provided externally through contracts.

Appendix B

Minimal Design Characteristics

Purpose. This appendix describes design characteristics for business systems and EOP infrastructure information technology architectures. These characteristics provide an engineering basis for requirements determination, analyses of alternatives, design alternatives, and delivery of business benefits. In the description of each characteristic, essential behaviors are identified. These EOP architecture design characteristics are provided to guide the evolution of the future vision architecture. (The Information Technology Architecture Vision, can be found in the published Information Technology Architecture document.) This chapter also clarifies guidelines identifying conditions (and examples) when replication is acceptable and when redundancy should not be perpetuated.

Flexibility is a major goal of the EOP's future information architecture system, application, and infrastructure environments. Flexibility is advantageous as statutes, directives, missions, and revised or new business policies occur; business resource investments and expenditure levels fluctuate; strategic plans and relative priorities evolve; and redesigns of business operations occur. The EOP information technology infrastructure is an important means of positioning future capabilities to meet the changing needs of all EOP organizations. The transparent interoperation of connected infrastructures and business systems is essential for meeting the full range of information product and service delivery requirements EOP-wide.

The design of the EOP architecture should allow for ease of change in rapid response to business, customer, and evolving information technologies. The effectiveness of the EOP information architecture is tied to its ability to adapt in usage growth and contraction periods without delays in redesign, acquisition, or redevelopment of altered technology components and designs.

The characteristics of the architecture can be viewed from two perspectives, as shown in Figure B-1, Architecture Perspectives. The user and business areas perspective on the left is oriented toward satisfying needs of specific business units and customers. The technologies and infrastructures perspective on the right shows that business needs are satisfied for component systems in a cost-effective, responsive manner. A fully aligned architecture successfully integrates business solutions from both perspectives.

B.1. Business System and Application Design Characteristics

Designing business systems and corporate applications architectures with the following characteristics enhances the quality of architectural flexibility; (the characteristics are not prioritized and can be applied depending on the needs of each system). Flexibility results from the design characteristics being realized, with special emphasis on interoperability and EOP standards-compliant systems for all business

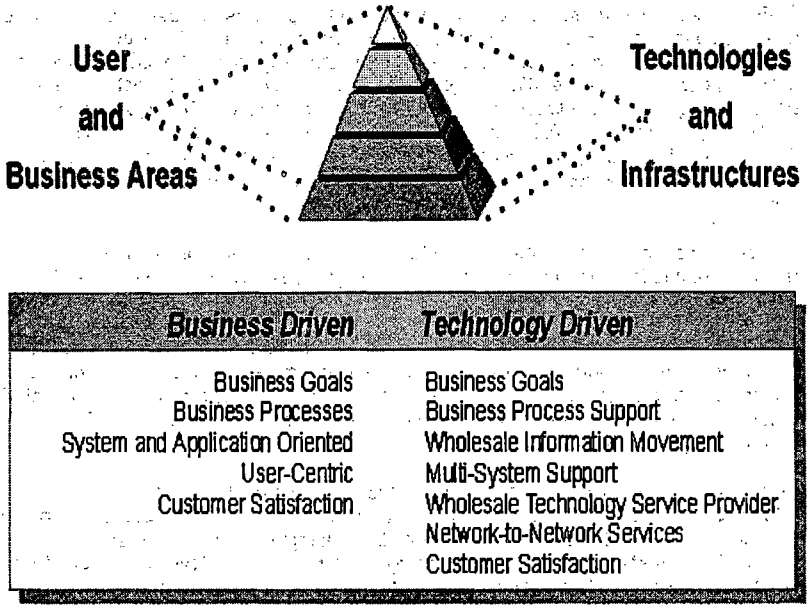


Figure B-1, Architecture Perspectives

areas, offices, applications, and subsystems. Priority can be included in the design characteristics to meet local agency business objectives; however, interoperability of EOP standards-compliant systems across business and technical boundaries made possible by the EOP infrastructure must be ensured under future configurations.

- **Maintainability** is the ease of keeping architectural components in good operating condition.
- **Modularity** is the ability to add, modify, and remove or redesign components of the physical architecture.
- **Scalability** is the ability to revise the capacity of the physical architecture (i.e., by the dimensions of transaction volume, data storage volume, concurrent users, system load types, or total users).

- **Adaptability** is the ease of changing information forms (e.g., data and text, graphics, imaging and animation, sound, voice, multimedia, and video) or functional characteristics (e.g., preparation, presentation, collection, display, transmission, storage, and processing).

- **Portability** is the ability to move applications across the entire business system and application architecture and change architecture capabilities transparently from one location to another. Portability is a design, product, and network performance-based architecture characteristic. The standards, platform characteristics, and configuration designs adopted at each site and among multiple interoperating sites influence the ease of portability. Also, some applications, typically commercial-off-the-shelf (COTS) application products and middleware, have greater portability than other similar products. Finally, the underlying telecommunication capabilities supporting the architecture enable the implementation or relocation of business system and application capabilities when and where needed.

- **Autonomy** is the ability of each part of the architecture to function independently and as part of the whole regardless of physical location or resource owner. This could include, for example, multiple users operating on the same data element without mutual interference.

- **Data Accessibility** is the ability to access decoupled data (i.e., data separated from the applications and proprietary operating systems) locally or remotely and use copies of data within accepted limits of age, accuracy, or precision. At a minimum, data accessibility can require standards-based tools for access. This ability enables information to be assembled on demand as compared to current time, place, subject, and owner arrangements.

- **Interoperability** is the ability to work cooperatively among multiple heterogeneous networks, processors, and databases. EOP and business area corporate systems should allow effortless exchange of information and services. Generally, the ability to interoperate is on a pass/fail level of performance with limited, if any, information about the cause of failure, including when and where it occurred.

- **Appliance Connectivity** is the ability for a wide variety of information appliances (e.g., desktop or portable platforms, personal digital assistants, fax machines, credit or smartcard devices, paging and other wireless devices, imaging devices, and printers) with a versatile set of graphical user interfaces (GUIs) to attach to and be disconnected from the business system, application, or infrastructure architecture.

- **Transparency** is the concealment of the physical separation of the user's capabilities and application so business systems, applications, and infrastructure

are perceived as functioning wholes, rather than as a collection of independent components. Transparency allows local and remote capabilities to be accessed using identical or similar access operations. In seamless architecture, applied technology provides transparent interoperability of all components to all users. Engineering for transparency across diverse architectural resources can be achieved using one or more of the design approaches listed below.

- **Distribution Transparency** is achieved by providing a unified interface to computing resources using the same names and operations regardless of physical location or resource ownership. Some replication of resources and components is required; however, this replication is not considered unnecessary redundancy or duplication.

- **Location Transparency** is achieved by providing consistent appearance and behavior independent of the location of stored data, processors, and other mechanisms.

- **Access Transparency** is provided by accessing local and remote objects and services using identical access operations from any authorized user in the architecture.

- **Failure Transparency** is provided by concealing faults and recovery activities from the user by performing system self-corrective actions without human intervention. When potential high-failure conditions are detected, the user is given as much prior notice as possible. For continuity of operations and needed reliability of service levels, duplication of architecture components and capabilities is not unnecessary redundancy or duplication.

- **Scaling Transparency** is provided by allowing performance characteristics to be maintained despite changes in system and application loads and resource mixes.

- **Replication Transparency** is achieved by ensuring that viewing and operating characteristics of copied data are consistent with the original data.

- **Migration Transparency** is achieved by allowing business and information entities, files, and services to change locations without disruption to authorized users. The ability to flexibly relocate assets and capabilities is enhanced by adopting common standards and domain-dependent global names for platforms servers, users, files, distribution lists, access control groups, networks, and system services throughout the architecture.

- **Concurrent Use Transparency** is provided by allowing multiple users to work in the same database without mutual interference.

- **Security** consists of preplanned, appropriate, integrated protection for data, information, and technology capabilities. This protection requires cooperative interoperability among systems, applications, and the EOP infrastructure. Security sometimes takes precedence or priority over other design considerations.

Careful selection of approaches, designs, and components results in a demonstrated project return on investment equal to or better than alternative uses of available public resources. Applications and systems demonstrating these characteristics are consistent with Federal and EOP architectures that integrate work processes and achieve Year 2000 compliance and required information flows.

B.2. Infrastructure Design Characteristics

The EOP's diverse business systems and applications users depend on the technology infrastructure to satisfy their information and communication needs.

Infrastructure is the underlying foundation or basic framework of a system or organization. Communications, telecommunications, computer processing, software and middleware, and telephone systems are examples of EOP infrastructure components. Specific strategic infrastructure capabilities include the EOP local area network, technology supported learning capabilities, national security communications systems, the EOP Intranet, and EOP access to the Internet.

The EOP business systems and applications use the EOP infrastructure to interchange information among EOP, public, and other Federal users. The EOP interoperability standards and protocols, are identified in Appendix D, Information Architecture References. Use of these common standards enables EOP and Federal information architectures to serve their intended purposes through their respective enterprise level infrastructures.

The EOP infrastructure is evolving as user requirements for capabilities and services are determined. The evolution of computing and information technology suggests that the architecture will concurrently support a great diversity of uses and users. For this to continue, the EOP architecture and infrastructure must be flexible, with many levels of functionality and capability, many applications and robust services that providers and users can select according to their needs and resources. The EOP business needs will evolve as new technology and business service offerings become available. The EOP computing resources and communications networks currently make up a complex information infrastructure. The EOP intends to evolve a useful, well-planned business system infrastructure that exhibits, in varying degrees, the following characteristics:

- **Cost effectiveness** - The infrastructure value must be consistent with cost and service considerations. While not strictly an architectural issue, cost

effectiveness is a fundamental requirement that will be reflected in the Capital Information Technology Investment planning process.

- **Flexibility** - The Vision infrastructure must evolve from current resources. The envisioned architecture can be brought about promptly and cost effectively by evolving today's infrastructure by adding new capabilities in an economically sound basis.

- **Standards** - The basic infrastructure elements and their interrelationships are clearly defined and documented. As increased interoperability and connectivity are accomplished, information management and its infrastructure will become increasingly stable with the support of the EOP standards.

- **Accessibility** - The EOP infrastructure is available to all authorized users. As a corollary, secured data and related supporting infrastructure components will be protected with appropriately limited access.

- **Scalability** - Common resources offer economies of scale for procurement and process scaling, minimized redundant efforts, and if appropriately organized, identification of competing innovative business and technology solutions. The EOP infrastructure must be scalable to support multiple corporate systems and technologies. Capacity and performance must grow flexibly as needs increase and systems are extended to thousands of simultaneous users each workday. Further, it should not be overly constrained by specific assumptions of applications or transmission loads, but will instead provide a flexible structure that can meet, or can evolve to meet, all EOP needs responsively and cost-effectively.

- **Ubiquity** - All potential users, regardless of geographical location or device, can readily take advantage of the capabilities and the information that the infrastructure provides. The use of a wide range of appliances permits access to unlimited information sources. Users must be able to change physical locations, terminal types, applications, or service providers while retaining key attributes (e.g., network identity). Users should experience no significant loss in capability beyond those imposed by the constraints of differing network and computational environments (e.g., bandwidth differences between wireless and optical fiber access). In addition, users, as required, should have wireless access to their information, as well as continuous access when mobile. The need for selected capabilities to be available cost-effectively from various locations or means will be supported by analyses and business case justifications.

- **Integrity** - The infrastructure must operate at such a high level of manageability and reliability that it will be noticeable only when it ceases to function effectively. It must provide high-dependability, high-integrity performance and sufficient integrity, resiliency, replication, and fault detection and isolation capabilities to

provide highly dependable operations despite the potential for equipment failures, natural disasters, acts of sabotage, periods of unusual emergency conditions, and high-volume demands. Users may require, and will have available to them, different levels of reliability in accessing and using the infrastructure.

- **Ease of use** - There should be logical and consistent (preferably intuitive) rules and procedures for EOP infrastructure use to serve all authorized users. The infrastructure must be easy-to-use, with intuitive and consistent GUIs and should provide a variety of capabilities supporting diverse user communities. Its internal complexities should be hidden from most users.

- **Interoperability** - The architecture, including its infrastructure, must promote increased interoperability and standards consistent with the EOP information architecture standards adoption and retirement process. The infrastructure must seamlessly link multiple EOP business areas and the public with other Governmental networks. Like the World Wide Web and the Internet, the EOP infrastructure will be based upon a concept of a network of networks interconnecting numerous public and private networks. Infrastructure users will be best served, if and when, these specific vision networks are linked providing seamless access to all available services.

- **High-Quality, High-Capability, Modern Services** - The infrastructure must enable and integrate mission-critical systems applications and services that combine audio, video, still image, and other data formats. It should support a full range of information types and user-selectable quality levels. For example, these could include delivery of audio from telephone-quality voice to compact disc-quality, or motion video from slow-scan through high definition formats. The EOP infrastructure should also be able to incorporate new technologies as they become available and permit prototyping of new services and capabilities.

Appendix C

ITMT Charter

Executive Office of the President
Information Technology Management Team

I. Purpose

This Charter defines the authority, membership, role and responsibilities of the Information Technology Management Team (ITMT) within the Executive Office of the President (EOP).

II. Statutory Requirements regarding Information Technology Planning

The Information Technology Management Reform Act of 1996 (ITMRA) requires executive agencies to develop a capital planning and investment control process for making technology, budget, financial and program management decisions. The Act expands upon the requirement, initially introduced by the Government Performance and Results Act (GPRA) that agency information technology (IT) investments be directly linked to and supportive of program objectives.

III. Authority and Mission of ITMT

During 1997, the EOP established the ITMT to coordinate and prioritize IT investments and to provide a critical link between IT and agency missions. The ITMT is composed of senior- level managers who will guarantee the successful EOP-wide integration of information technology. The ITMT will also ensure that the EOP's IT programs remains in compliance with the requirements of ITMRA, GPRA and other legislation, which addresses IT.

The goals of the ITMT are:

- Identify the functional requirements for information systems throughout the EOP.
- Ensure that adequate integrated computer systems meet current and anticipated EOP workload requirements.
- Enable an appropriate exchange of information technology among EOP agencies so that experiences and standards are effectively shared and communicated.
- Review and recommend funding for information technology initiatives common to all EOP agencies.
- Ensure a strong customer-service focus for information technology delivery.

IV. ITMT Executive Board

The ITMT Executive Board is composed of the following EOP officials:

- Director, Office of Administration, Chair
- Associate Director for Information Systems & Technology, Office of Administration Alternate Chair
- General Counsel, Office of Administration
- Assistant to the President for Management and Administration, White House Office
- Chief of Staff, Office of the Vice President
- Director, Domestic Policy Council
- Director, National Economic Council
- Chair, Council of Economic Advisers
- Chair, Council of Environmental Quality
- Chair, National Security Council
- Director, Office of Management and Budget
- Deputy Chief of Staff, Office of National Drug Control Policy
- Director, Office of Science and Technology Policy
- Assistant United States Trade Representative for Administration

Members of the Executive Board may designate alternates to represent their respective agencies at ITMT meetings.

V. ITMT Senior Technical and Advisory Board

ITMT Senior Technical and Advisory Board members include representatives from each EOP agency who support Executive Board members by coordinating, developing, and making recommendations on IT plans and budgets.

VI. Scope of ITMT Responsibilities

The ITMT will approve new information technology investments and evaluate existing projects and operational systems to create an EOP IT investment portfolio which best supports the EOP's missions and IT needs. The ITMT will use a standard set of criteria, proposed by the Office of Administration (OA) for approval by the ITMT, to assemble this portfolio and evaluate agency and EOP-wide IT initiatives. Criteria will include consideration of EOP or government-wide impact, visibility, cost, risk, architecture, and alternative options.

In the scope of ITMT activities, information technology investment encompasses information technology and information resources (e.g., hardware, software, IT services, information or application system design, development and maintenance)

regardless of whether such work is performed by government employees or contractors.

VII. Agency Responsibilities

A primary role of the ITMT is to establish two-way communication channels. Although many issues considered by the ITMT will be recommendations developed by OA's Information Systems and Technology Division, it is critical that there be a method to ensure that ideas, suggestions, or concerns of EOP staff can be discussed and considered by the IT decision-making board. For this reason, each EOP agency will develop its own procedures to identify issues for review or consideration by the ITMT. These procedures will ensure that EOP staff have a mechanism available to highlight IT issues of concern to them.

VIII. Meetings and Communications

ITMT meetings will be held bimonthly, although more frequent meetings may be scheduled if necessary. The OA Deputy Director for Information Technology will prepare the meeting agendas, distribute minutes of all meetings, and perform other scheduling, correspondence and communications functions. Notice of meetings will be provided two weeks prior to meetings. ITMT Executive Board members may be represented by a designated alternate at ITMT meetings provided the alternate holds the authority to act on proposed decisions on behalf of his/her agency.

IX. Voting

The ITMT will make decisions, including revisions to this charter, by developing a consensus approach among EOP agencies. A quorum consisting of a majority of the members of the ITMT must be present before any such consensus may be reached. Each member will be asked to affirm his/her agency's consent to proposed decisions made by the ITMT.

X. Key Relationships

OA will maintain a close relationship with the existing groups and other appropriate organizations within and outside OA, and solicit their advice and counsel for selecting issues before the ITMT. Agency representatives are also responsible for identifying (and bringing to discussion) issues of concern to their agency's staff.

Appendix D

Information Architecture References

Purpose. This appendix list publications that were either used in the development of this document or referenced in the document.

1. Title 5, United States Code 552, The Freedom of Information Act (Public Law 89-487), as amended, which establishes the right of citizens to request information from Federal Agencies and establishes a framework of procedures to implement this right.

2. Title 5, United States Code 552a, Privacy Act of 1974 (Public Law 93-549), as amended, which establishes requirements for the collection, maintenance, and dissemination of personal information by Federal Agencies.

3. Title 5, United States Code, Section 306, Strategic Plans, establishes that no later than September 30, 1997, the head of each Agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities.

4. Title 3 1, United States Code, Chapter 11, The Budget and Fiscal, Budget, and Program Information.

5. Title 44, United States Code, Chapter 33, Disposal of Records, specifies the functions and responsibilities for managing Federal records and the procedures that must be followed to obtain approval for their disposition.

6. Title 44, United States Code, Section 3506, Federal Agency Responsibilities, establishes Agency responsibility for carrying out information management activities, complying with information policies, principles, standards, and guidelines prescribed by the Director, and designating a senior official to carry out the responsibilities of the Agency under this chapter (Chapter 35, Coordination of Federal Information Policy).

7. Public Law 104-104, Telecommunications Act of 1996, promotes competition and reduces regulation in order to secure lower prices and higher quality services for American telecommunications customers and encourages rapid deployment of new telecommunications technologies.

8. Public Law 104-106, Information Technology Management Reform Act (ITMRA) of 1995, authorizes military activities appropriations for fiscal year 1996 and effective August 8, 1996, rescinds the Federal Information Resources Management Regulations (FIRMR) and establishes the Chief Information Officer (CIO) functions.

9. Public Law 104-113, National Technology Transfer and Advancement Act of 1995 amends the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

10. Public Law 104-13, Paperwork Reduction Act of 1995, as amended, and its predecessor Public Law 96-5 11, Paperwork Reduction Act of 1980, establishes a broad mandate for Federal Agencies to perform information activities in an efficient, effective, and economical manner, and specifically recognizes the General Service Administration's role in the acquisition and management of computing resources.

11. Public Law 103-62, Government Performance and Results Act of 1993, requires agencies to develop strategic plans and performance measures. It starts with a series of pilot programs and allows waivers of regulations for some of the pilots.

12. Public Law 100-235, Computer Security Act of 1987, provides for a computer standards program within the National Institute of Standards and Technology (NIST) for Government0-wide security and for training in security matters of persons who are involved in the management, operation, and use of Federal computer systems and for establishing minimum acceptable security practices for protection of sensitive information.

13. National Performance Review (NPR) has a total of 384 recommendations, encompassing approximately 1,200 individual actions. To date, approximately 49 percent of NPR recommendations involve legislative action; 25 percent of all actions involve legislative activity.

14. National Security Decision Directive 42, dated 7-5-90, establishes initial objectives, policies, and organizational structures to guide the conduct of activities to secure national security systems from exploitation.

15. National Security Decision Directive 97 (unclassified version), National Security Telecommunications Policy, dated 8-3-83, establishes the policy for integrating the Nation's telecommunications resources essential to national survival.

16. Executive Order 12862, Setting Customer Service Standards, dated 9-11-93, requires that agencies serving the public define who their customers are and develop and post service standards that are the best in the business. They must benchmark standards, survey their customers, provide alternative choices, and provide means for redress. This is intended to change the current orientation of agency service delivery.

17. Executive Order 12861, Elimination of One-Half of Executive Branch Internal Regulations, dated 9-11-93, requires that agencies reduce half of their internal regulations within 3 years. This is intended to help streamline the headquarters bureaucracy and empower line managers to focus on results and customers, rather than mere compliance with rules.

18. Presidential Memorandum, Implementing Management Reform in the Executive Branch, dated 10-1-93, directs all agency heads to designate someone as chief operating officer and creates the President's Management Council comprised of

chief operating officers to help lead reinvention efforts across the government. This is intended to serve as the main nerve center for the culture change and overall reform implementation efforts.

19. Presidential Memorandum, Streamlining Procurement through Electronic Commerce, dated 10-26-93, encourages the exchange of procurement information, such as invoices, electronically between the Federal Government and private sector. It also provides small businesses with greater access to Federal procurement opportunities and simplifies access via standardized formats, using existing networks where possible.

20. Office of Management and Budget Memorandum, Funding Information Systems Investments, dated 10-25-96.

21. Office of Management and Budget Memorandum, Government Performance and Results Act, dated 10-8-93.

22. Office of Management and Budget Circular A-11, provides detailed instructions and guidance on the preparation and submission of agency budget requests and related material for the budget. Part 2 of the Circular provides specific instructions on the preparation and submission of agency strategic plans required by the Government Performance and Results Act of 1993.

23. Office of Management and Budget Circular A-130, Management of Federal Information Resources, dated 2-8-96, establishes policy for the management of Federal information resources.

Appendix E

Recommended Readings

Purpose. This appendix provides an annotated bibliography of selected texts and articles used in developing this document. These recommended readings provide forward-looking concepts and sound approaches that are useful for evolving legacy architectures and systems for EOP's Vision Architecture. The readings include recent texts and journal articles that provide concepts, approaches, and methodologies that are useful for the EOP's heterogeneous business and technology environments. The inclusion of the readings on this list does not imply that the texts, authors, or organizations are preferred or given precedence.

Vision and Alignment

Boar, Bernard H., Practical Steps for Aligning Information Technology With Business Strategies, ISBN 0-471-07637-6, John Wiley and Sons Inc., New York, NY, 1994. This reference describes the author's approach to examining strategic ways to achieve improved reach, range, and maneuverability for an architecture. The presentation is appropriate for medium to large offices and entire programs and business areas. Mr. Boar's presentations about the role of middleware, the measures of goodness for distributed processing, and the firm as an economy are particularly insightful. While his primary focus is on ways in which technology can increase competitiveness, technologists will find his discussions about issues of interest to Chief Information Officers in a Government and nonprofit environment. His emphasis on the role of middleware as a means of passing telecommunications service messages provides a basis for examining the intertwined issues of hybrid architectures containing serial (or concurrent) and parallel architectures; heterogeneous architectures consisting of object-oriented and traditional applications languages; and the integration of workflow and GroupWare in a widely geographically distributed collaborative business or scientific computing environment.

Boar, Bernard H., The Art of Strategic Planning For Information Technology, ISBN 0-471-59918-2, John Wiley and Sons Inc., New York, NY, 1993. This text is an extended presentation of strategic thinking in accordance with the principles of historic figures such as Sun Tzsu and others. It is particularly useful to those interested in evolving their technical understanding from an object's perspective to objectives and outcomes.

Darnton, Geoffery, and Giacoletto, Sergio, Information In The Enterprise - It Is More Than Technology, ISBN 1-55558-091-2, Digital Press, 1992. This text describes the authors' experience developing an information architecture for DEC's European operations over a 10-year period. It describes how they employed an incremental approach in which small strategic advances were made in an opportunistic manner and the nature of the resultant increases in flexibility and benefits.

Eccles, Robert G., and Nohria, Nitin, Beyond The Hype - Rediscovering The Essence of Management, ISBN 0-87584-331-X, Harvard Business School Press, 1992.

This reference presents useful case studies of executives developing and employing visions of their enterprises and explains why these visions must be slightly ambiguous and yet be compellingly stated. The ambiguity, required to exploit unanticipated opportunities and alter the plans being implemented, helps to explain why large-scale business and infrastructure systems must be designed for flexibility. This text also offers the reader a wide range of perspectives about the business subarchitecture, the motivations and intent of the executives in it, and the users of information. The section describing the critical components of a Vision and the implied measures of goodness are especially useful for new architecture initiatives.

Kouzes, Richard T.; Myers, James D.; and Wulf, William A., "Collaboratories: Doing Science On The Internet," IEEE Computer, August 1996, pages 40-46. This article, co-written by Myers of Pacific Northwest National Laboratory and Wulf, describes how state-of-the-art instrumentation for complex scientific investigations can bring geographically dispersed individuals from multiple institutions together for achieving scientific objectives. This project was performed for the Department of Energy. Like wall-less libraries, this view of ongoing information sharing is a good example of laboratories without walls. The guidance document assumes that boundary-less capabilities from applications, data, and technology subarchitectures can be extended to business subarchitecture needs, such as electronic commerce, technology assisted learning, desktop videoconferencing, and similar extensions of architecture furnished boundary eliminating capabilities.

Ramos, Lisandro R., "Case Study: Los Alamos National Laboratory, A Network Long Overdue," LAN Magazine, Volume 10, Number 9, September 1995, pages 149-153. This article describes the laboratory's use of CD-ROM networking technology to create a digital library without walls in support of high-performance computing and scientific collaboration. While the purpose of this operational capability is to obtain access to journals in science, engineering, physics, chemistry, business, mathematics, geology, medicine, and other online databases, it provides a visionary solution for other boundary-less business needs, such as electronic commerce and electronic collaboration.

Enterprise Architectures and Process Redesign

Bogan, Christopher E., and English, Michael J., Benchmarking For Best Practices Winning Through Innovative Adaptation, ISBN 0-07-006375-3, McGraw-Hill, New York, NY, 1994. The text provides approaches for identifying useful benchmarks, integrating them into normal business activities and motivating change through benchmarking and change management. The chapters describing benchmarking in the public sector and managing best practice knowledge are particularly relevant to Federal executives.

Cipolla, Emil T., "Data Warehousing Technologies: Data Warehouse Implementation Considerations," Enterprise Systems Journal, Volume 11, Number 8, June 1996, pages 22-28. This article presents a set of typical user characteristics and

the relative strengths of hardware and software platforms for consideration in data warehousing applications.

Cook, Melissa A., Building Enterprise Information Architectures - Engineering Information Systems, ISBN 0-13-440256-1, Prentice-Hall, Upper Saddle River, NJ, 1996. This text describes and applies the Zachman framework for enterprise architecture approaches and is useful for design and development activities requiring a schema for abstracting levels of system functionality for the several perspectives that must exist in every development team.

Curtice, Robert M., Strategic Value Analysis, ISBN 0-13-851452-6, Prentice-Hall, Englewood Cliffs, NJ, 1987. This reference, primarily treating the application and data subarchitectures, is useful for examining the strategic value of information and the associated strategic value meta- within an architecture of any size.

Dickinson, Brian, Risk-Free Business Re-Engineering, ISBN 0-9629276-2-7, LCI Press, Kings Beach, CA, 1996. This reference is particularly useful for conducting enterprise architecture efforts where the overall project scope is limited, well-defined, and requires business operations redesign and information architecture development. The descriptions of business events and stimuli and business responses and ways to separate interwoven processes from applications and data sets are particularly noteworthy. While the use of the term risk-free is not altogether appropriate, the suggested methodology does provide a way to demonstrate that the architecture is tied to the missions and objectives of the business subarchitecture. The author's principle of analysis and engineering precedes use of computer-aided engineering and software development tools is fully consistent with EOP objectives.

Grimshaw, Andrew; Wulf, William; and The Legion Team, "The Legion Vision of a Worldwide Virtual Computer," Association of Computing Machinery, Communications of the ACM, Volume 40, Number 1, January 1997. The work in this article was jointly funded by the National Science Foundation and the Department of Energy, Office of Energy Research program under a Sandia National Laboratories grant. This article describes a large-scale, multi-site, network-intensive architecture in which design objectives include parallel processing of massive amounts of data and concurrent support to over one million workstations. This article presents many design principles or variations contained in the Guidance document. This architecture, expected to further evolve as systems tools and system management techniques become more robust over the next 10 years, is of particular interest to those concerned with scientific computing.

Saiedian, Hossein, "An Invitation To Formal Methods," IEEE Compute , Volume 29, Number 4, February 1997, pages 16-30. This article describes several contributing presentations by Carnegie and Mellon, NASA Research Center, and SRI International authors, among others, in which the decision whether or not to use formal methods, formal methods already in use, criteria for when rigorous formal methods should be considered, and use of formal identification of the elements for a less rigorous or lightweight approach are presented.

Sowa, U., and Zachman, J.A., "Extending and Formalizing the Framework for Information Systems Architecture," IBM Systems Business Journal, Volume 3 1, Number 3, 1992. This article, the work upon which many others have advanced notions of what, how, where, who, and why in analyzing legacy systems and for developing new applications, is considered must reading for those dealing with architectural issues. The approach assumes that the business subarchitecture goals and needs have already been identified using systems analyses or business operations redesign techniques.

Spewak, Steven H., Enterprise Architecture Planning, ISBN 0-471-599859, John Wiley and Sons, Inc., New York, NY, 1992. This reference provides a detailed sequence of activities, objectives, deliverables, and considerations for conducting an enterprise architecture effort. It is particularly suited for large or complex activities; especially those in which business operations redesign activities have been completed.

Welch, Lonnie; Farr, William; and Uehara, Minoru, "Challenges in Metrics and Measurement for Computer-Based Systems," IEEE Computer, Volume 30, Number 1, January 1997, pages 88-89. This short article is useful for benchmarking several performance measures of computing systems.

White, Thomas, E., and Fischer, Layla, New Tools For New Times: The Workflow Paradigm, ISBN 0-9640233-0-X, Future Strategies, Inc., Alameda, CA, 1994. This edited collection of articles by other authors presents an action view of business process reengineering, workflow and groupware capabilities, and the emerging technologies to deliver efficient and user-friendly capabilities. Information from this text was used to assist in articulating the differences in workflows (a process view) and groupware (an application-oriented view) within an electronic commerce or collaborative computing setting in the Guidance document. The discussion of integrated (but not necessarily open-systems-compliant) products, such as Lotus Notes and the case study about George Mason University's experience are useful to system designers and process redesign teams.

The Corporation for National Research Initiatives (CNRI), in Reston, VA, sponsors the Cross Industry Working Team (XIWT) Home Page (http://www.cnri.reston.va.us). This industry group posts numerous useful white papers on National Information Infrastructure (NII). Several recent white papers addressed telecommunications infrastructure, electronic commerce, and numerous for conveying how emerging technology solutions might be applied to solve practical problems for consumers.

Architecture Design Principles

Bic, Lubomir F.; Fukuda, Munehiro; and Dillencourt, Michael B., "Distributed Computing Using Autonomous Objects," IEEE Compute , Volume 29, Number 8, August 1996, pages 55-61. This article describes the eight classes of distributed systems that

may use smart messages in which the functions of an application can be modified after the application has begun. Using the concept of autonomous objects to activate roving programs, invoke intelligent E-mail entities, activate intelligent browsers, and operate or control simulations, the authors provide a view of emerging capabilities in a wide area network environment. This concept could also enable computer processes to operate concurrently in either scientific or corporate systems applications. Architects using this concept would require their designs to be compatible with other designs, such as parallel processing, and non-object-oriented technology components, such as those expected to evolve within heterogeneous computing and business environments.

Blumenthal, Marjory, "Unpredictable Uncertainty: The Internet and the Information Structure," IEEE Compute , Volume 30, Number 1, January 1997, pages 50-56. This short article describes the anticipated change in Internet usage patterns, but it is more for its description of the substrata within information architecture model layers.

Boar, Bernard H., Implementing Client/Server Computing, ISBN 0-07-006215-3, McGraw Hill, New York, NY, 1992. This text established the author's basic tenets for his subsequent works. It is useful for developing measures of goodness by which client/server architecture designs can be described to the business subarchitecture process owners.

Boar, Bernard H., Cost-Effective Strategies for Client/Server Systems, ISBN 0-471-12846-5, John Wiley and Sons, New York, NY, 1996. This reference provides a more current description of the author's approach to strategic design and employment of large scale architectures.

Ganti, Narsim, and Brayman, William, The Transition of Legacy Systems to a Distributed Architecture, ISBN 0-471-06080-1, John H. Wiley and Sons, New York, NY, 1995. This user-oriented reference provides two essential concepts: the problem of abstraction levels, which Ganti and Brayman related to the Zachmanian framework and tailored a useful developer's variation as further articulated by Ms. Cook; and the ways that transparency in a user-centric architecture can be engineered in an application architecture or corporate system and achieve strategic information technology characteristics described by Boar and others.

Jones, Caper, "Strategies for Managing Requirements Creep," IEEE Compute , Volume 29, Number 6, June 1996, pages 92-94. This journal article describes an approach for isolating stimuli for requirement changes, relating changes to function point metrics, and how these changes can be managed to increase the rate of change deployment. The discussion outlines how the rate of creep can be measured and possibilities for either reducing the rate or increasing the pace of change.

Appendix F

Raines Rules

OMB Memo "Funding Information Systems Investments"

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON D.C. 20503
October 25, 1996

M-97-02

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Franklin D. Raines

SUBJECT: Funding Information Systems Investments

The Information Technology Management Reform Act (ITMRA) of 1995 (40 USC 1401 et. seq.) directs the Office of Management and Budget to establish clear and concise direction regarding investments in major information systems, and to enforce that direction through the budget process. Accordingly, the decision criteria set out below are established with respect to the evaluation of major information system investments proposed for funding in the FY 1998 President's budget.

The most effective long term investment strategy is guided by a multiyear plan. The plan is a road map for getting from "where we are today" to "where we want to be" achieving the strategic mission goals of the organization in the framework of the Government Performance and Results Act (GPRA). Thus the first four decision criteria relate specifically to capital planning. The fifth criterion establishes the critical link between planning and implementation information architecture which aligns technology with mission goals. Under the ITMRA, the Chief Information Officer is responsible for that architecture. The last three criteria establish risk management principles to assure a high level of confidence that the proposed investment will succeed.

Policy

Investments in major information systems proposed for funding in the President's budget should:

1. support core/priority mission functions that need to be performed by the Federal government;
2. be undertaken by the requesting agency because no alternative private sector or governmental source can efficiently support the function;
3. support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off the shelf technology;
4. demonstrate a projected return on the investment that is clearly equal to or better than alternative uses of available public resources. Return may include: improved mission performance in accordance with GPRA measures; reduced cost; increased quality, speed, or flexibility; and increased customer and employee satisfaction. Return should be adjusted for such risk factors as the project's technical complexity, the agency's management capacity, the likelihood of cost overruns, and the consequences of under or non performance.
5. be consistent with Federal, agency, and bureau information architectures which: integrate agency work processes and information flows with technology to achieve the agency's strategic goals; reflect the agency's technology vision and year 2000 compliance plan; and specify standards that enable information exchange and resource sharing, while retaining flexibility in the choice of suppliers and in the design of local work processes;
6. reduce risk by: avoiding or isolating custom designed components to minimize the potential adverse consequences on the overall project; using fully tested pilots, simulations, or prototype implementations before going to production; establishing clear measures and accountability for project progress; and, securing substantial involvement and buy in throughout the project from the program officials who will use the system;
7. be implemented in phased, successive chunks as narrow in scope and brief in duration as

practicable, each of which solves a specific part of an overall mission problem and delivers a measurable net benefit independent of future chunks; and,

8. employ an acquisition strategy that appropriately allocates risk between government and contractor, effectively uses competition, ties contract payments to accomplishments, and takes maximum advantage of commercial technology.

As a general presumption, OMB will recommend new or continued funding only for those major system investments that satisfy these criteria. Funding for those systems will be recommended on a phased basis. (For more information on phases, see the discussion of "economically and programmatically separable" modules, in OMB Circular A-II, Part 3, "Planning, Budgeting and Acquisition of Fixed Assets," July 1996.)

A "major information system" is a system that requires special management attention because of its importance to an agency mission; its high development operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property, or other resources. Large infrastructure investments (e.g., major purchases of personal computers or local area network improvements) should also be evaluated against these criteria.

OMB recognizes that many agencies are in the middle of ongoing projects initiated prior to enactment of the ITMRA, and may not be able immediately to satisfy the criteria. For those systems that do not satisfy the criteria, OMB will consider requests to use FY 1997 and 1998 funds to support the redesign of work processes, the evaluation of investment alternatives, the development of information architectures, and the use and evaluation of prototypes.

Action Requested

The policies in this memorandum apply to all agencies. The 28 major agencies listed in Section 3 of Executive Order No. 13011, "Federal Information Technology," should provide, by November 12, 1996, a statement listing the major information systems investments for which new or continued funding is requested in the agency's FY 1998 budget, and an evaluation of the extent to which each investment satisfies the decision criteria. For national security systems as defined in Section 10 of the Executive Order, only the list need be provided. OMB will work with the agencies to ensure that national security systems satisfy the criteria to the extent practicable.

Because OMB considers this information essential to agencies' long term success, OMB will use this information both in preparing the FY 1998 President's budget and, in conjunction with cost, schedule, and performance data, as apportionments are made. Agencies are encouraged to work with their OMB representative to arrive at a mutually satisfactory process, format, and timetable for providing the requested information.

Appendix G

Glossary

GLOSSARY

BPR	Business Process Reengineering
CASE	Computer Aided Software Engineering
CEA	Council of Economic Advisers
CEQ	Council on Environmental Quality
CIO	Chief Information Officer
CIP	Capital Investment Plan
COTS	Commercial Off-the-Shelf
EDI	Electronic Data Interchange
EOP	Executive Office of the President
FIRMR	Federal Information Resources Management Regulations
FY	Fiscal Year
GAO	Government Accounting Office
GOTS	Government Off-the-Shelf
GPRA	Government Performance and Results Act
GUI	Graphical User Interface
IEEE	Institute of Electrical and Electronic Engineers
IT	Information Technology
ITA	Information Technology Architecture
ITMRA	Information Technology Management Reform Act
ITMT	Information Technology Management Team
LAN	Local Area Network
NIST	National Institute of Standards and Technology

NPR	National Performance Review
NSC	National Security Council
OA	Office of Administration
OMB	Office of Management and Budget
ODBC	Open Data Base Connectivity
ONDCP	Office of National Drug Control Policy
OPD	Office of Policy Development
OSTP	Office of Science and Technology Policy
OVP	Office of the Vice President
SNS	Strategic Needs Statement
SWOT	Strategies, Weaknesses, Opportunities, Threats
USTR	United States Trade Representative
WHCA	White House Communications Agency
WHO	White House Office

EXHIBIT 2

Overview of EOP Five-Year Strategic Plan

1/10/99

Category	FY99	FY00	FY01	FY02	FY03	FY04
Data center infrastructure	$3,123	$5,287	$5,241	$3,373	$2,703	$4,693
Desktop software/hardware	3,323	-0-	875	2,325	450	450
System renovations	3,363	1,261	600	750	4,050	1,100
Strategic investments	2,133	1,724	2,080	4,205	3,195	3,660
IV&V/Strategic Planning	-0-	454	444	537	524	499
Overhead	257	80	80	80	80	80
Totals	$12,200	$8,806	$9,320	$11,270	$11,002	$10,482

Primary needs:

- Overhaul of the data center infrastructure during FY2000 to FY2003 (cabling/servers/ switches according to a plan which will reduce sudden crashes and allow proactive maintenance and routine monitoring).

- Central replacement of EOP common software every three years. Agencies should plan desktop PC replacements every four years.

- Renovation of EOP software applications on a four-year cycle in order to continually maintain an information technology architecture (larger mainframe systems have a longer life-cycle).

- An annual investment of at least $2 million to develop new functions such as an integrated help desk, network management center, roll-out and test equipment for software configuration simulations, video teleconferencing (in conference rooms and on desktops), electronic document management, telephone switch upgrades, and internet infrastructure.

Four cost categories:

- **Data center infrastructure** include the mainframe, server infrastructure, networking, and internet connectivity, as well as electrical power supply equipment and mainframe printers.

- **Desktop software and hardware** includes common software for EOP agencies as well as on-the-road travel equipment and desktop monitoring tools. Purchase of OA desktop computers and printers will not be included in the CIP after FY1999.

- **System renovations** include central EOP administrative systems (financial systems, procurement, etc.) as well as the cost to renovate systems used by EOP agencies.

- **Strategic investments** include costs for bringing new types of technologies into the EOP

[Clerk's Note: The original ADP Modernization Plan submitted to the Committee on February 26, 1998 indicated a five year cost (fiscal years 1999-2003) of $34,358,000. The revised estimate for this same period of time, including current estimates of $29,791,000 for Year 2000 compliance, is $70,189,000, with an additional $10,482,000 anticipated in fiscal year 2004.]

(such as help desk infrastructure, video teleconferencing, technology infusion research lab, electronic document management, and telephone switch upgrades).

EOP Capital Investment Plan
Year-by-Year Highlights

FY2000 $8,805,850

Implement:

- Second year of four-year overhaul of network infrastructure: servers ($400,000), cabling ($1,347,000), wire closet equipment ($848,000), and central switches ($918,000). Replacement of switches/network equipment requires $512,000 in contractor support.
- Additional modules for financial systems ($1,116,000).
- Network management control center ($714,000) to allow proactive network monitoring to avert server breakdowns (or other communications slowdowns).
- Roll-out and test equipment ($500,000) will allow us to create a laboratory to simulate data environments prior to roll-out of new systems.
- Internet upgrades ($715,000).

Plan:

- Uninterrupted power supply replacement ($100,000)
- Electronic document management pilot project ($125,000)
- Telephone switch upgrade requirements ($75,000)

FY2001 $9,319,800

Implement:

- Critical focus is replacing the uninterrupted power supply units in the data centers ($1,800,000). Current equipment was installed in 1981.
- Third year of four year overhaul of EOP network infrastructure (including $400,000 for servers and $2,150,000 for cabling).
- Telephone switch upgrade ($1,200,000).

Plan:

- Common software replacement recommendations ($50,000).
- Electronic document management pilot ($125,000)
- Desktop teleconferencing requirements ($100,000)

EOP Capital Investment Plan
Year-by-Year Highlights

FY2002 $11,269,650

Implement:

- Final year of network infrastructure overhaul (including $400,000 for servers, $2,022,000 for cable replacement).
- Common software replacement for EOP agencies ($1,500,000); we're recommending that EOP common software be replaced on a three-year life cycle.
- Electronic document management infrastructure ($2,000,000).
- Video teleconferencing in 12 conference rooms ($480,000).
- First stage of rollout of videoteleconferencing at EOP desktops (using either PCS or telephone sets). Estimated $400,000 for 650 EOP workstations at $600 apiece.

Plan:

- Financial management system replacement ($100,000)
- Procurement system replacement ($50,000)

FY2003 $11,001,900

Implement:

- Financial system replacement ($3,000,000). Assumes a 10-year life-cycle for the central accounting/financial system.
- Electronic document management implementation ($1,000,000).
- Second stage of rollout of videoteleconferencing at EOP desktops (using either PCS or telephone sets). Estimated $800,000 for 1350 EOP workstations at $600 apiece.

Plan:

- Enterprise server replacement ($250,000)
- Personnel/payroll system requirements ($100,000)
- Help desk replacement ($200,000)

FY2004 $10,482,150

Implement:

- Replacement of enterprise server ($1,250,000; assumes 5-year lifecycle).
- Replacement of help desk infrastructure ($1,420,000).
- Replacement of personnel/payroll system ($500,000).

Exhibit 3

In response to the Committee's Question Number 14, the attached tables show the number of Presidential and First Lady trips, the dates of each trip, the destination, designation (official, political, mixed or other) and total official cost. Official costs indicate the expenses paid from travel funds appropriated to the White House Office.

On official trips, cost represents the amount paid from the White House account. On mixed trips, the figure represents the total costs paid from the White House account. For political and other trips, cost represents expenses for individuals who accompanied the President or First Lady in an official capacity, e.g., communications facility support, clerical, logistical, administrative support and White House Travel Office staff.

On trips with more than one stop, the figure in the total cost column is a summation of all official costs for all stops on a trip.

The data provided in Attachment 2 relating to foreign trips is limited to the foreign segments of foreign trips that were paid for from travel funds appropriated to the White House Office; data related to the domestic segments of the foreign trips was previously reported in Attachment 1 and will not be repeated therein.

All information is as of February 28, 1999.

Attachment 1 - Response to the Committee's Questions for the Record for Fiscal Year 1997, which includes POTUS/FLOTUS Domestic Travel from 1/20/93 - 4/18/96
Attachment 2 - POTUS/FLOTUS Foreign Travel from 1/20/93 - 4/18/96
Attachment 3 - POTUS/FLOTUS Travel from 4/19/96 to 2/28/99

FY97 House QFR Response

March 1996

(5)

QUESTIONS FOR THE RECORD
EXECUTIVE OFFICE OF THE PRESIDENT

Submitted by the Committee
March 27, 1996

Official Travel

1. Question. Provide a full accounting of all Air Force One, and related Air Force fleet, travel the President and First Lady have taken within the United States since taking office. The accounting should include: the number of trips, the destination, and itinerary of each trip, whether and what parts of each trip were official, unofficial, or political; the cost of each trip; and from which official accounts these costs were met

Answer. The following tables show the number of trips; the date of each trip; the destination of each trip; as well as the designation (official, political, mixed or other), and the total cost of each trip paid from travel funds appropriated to the White House. Cost indicates the expenses paid from appropriated funds for White House travel. On official trips, it represents the cost paid from the White House account; on mixed trips this figure represents the total official costs paid from the White House account. For political and other trips, costs listed represent expenses for individuals who accompanied the President and the First Lady in an official capacity, e.g., communications facilities support, clerical, logistical, administrative support, and White House Travel Office staff. On trips with more than one stop, the figure in the total cost column is a summation of all official costs for all stops on a trip.

All information is as of April 10, 1996.

FAX TRANSMITTAL
To Carla
From Kathleen
Dept./Agency
Phone #
Fax #
NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

FY 1993 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
02/10	Detroit, MI	MIXED	$5,734.62
02/18-19	St. Louis, MO Chillicothe, OH Hyde Park, NY	100% OFFICIAL " "	$12,331.00
02/21-22	Santa Monica, CA San Jose, CA Seattle, WA	100% OFFICIAL " "	$96,481.74
03/01	New Brunswick, NJ	100% OFFICIAL	$5,849.95
03/12	Norfolk, VA	100% OFFICIAL	$729.50
03/19	Atlanta, GA	100% OFFICIAL	$8,830.25
03/21-22	Little Rock, AR	100% OFFICIAL	$606.00
03/28-30	Little Rock, AR	100% OFFICIAL	$1,061.50
04/01-02	Annapolis, MD Portland, OR	100% OFFICIAL "	$21,188.25
04/08-10	Little Rock, AR Scranton, PA	100% OFFICIAL "	$5,143.50
04/17	Pittsburgh, PA	100% OFFICIAL	$4,635.50
04/24-25	Jamestown, VA Boston, MA	100% POLITICAL 100% OFFICIAL	$5,501.84
04/30	New Orleans, LA	100% OFFICIAL	$8,700.21
05/10-11	Cleveland, OH Chicago, IL	100% OFFICIAL "	$20,704.26
05/12	New York, NY	MIXED	$3,984.27
05/15	New York, NY	100% OFFICIAL	$3,348.65
05/17-18	Los Alamos, NM San Diego, CA Los Angeles, CA	100% OFFICIAL " "	$22,749.53
05/22	Strathern, NH Manchester, NH	100% OFFICIAL "	$16,776.35
05/28	Philadelphia, PA	MIXED	$1,891.95
05/29	West Point, NY	100% OFFICIAL	$5,961.31
06/01	Milwaukee, WI	100% OFFICIAL	$5,426.10
06/19	Boston, MA Portland, ME	MIXED "	$3,864.25

FY 1993 TRAVEL OF THE PRESIDENT (con't)

Date:	Destination:	Designation:	Official Cost. (Gross Obligations)
07/04-05	Philadelphia, PA Davenport, IA San Francisco, CA	100% OFFICIAL " "	$81,383.72
07/11-14	Honolulu, HI Des Moines, IA	100% OFFICIAL "	
07/17-18	St. Louis, MO Little Rock, AR	100% OFFICIAL "	$6,809.49
07/23	Little Rock, AR	100% OFFICIAL	$1,474.50
07/26	Chicago, IL	MIXED	$5,514.48
08/08	Charleston, WV	100% OFFICIAL	$5,209.50
08/12-16	St. Louis, MO Denver, CO Oakland, CA Denver, CO Vail, CO Fayetteville, AR Beaver Creek, CO Tulsa, OK Springdale, AR	100% OFFICIAL " " MIXED 100% OFFICIAL " " " "	$73,058.44
08/18-29	Martha's Vineyard, MA	100% OFFICIAL	$27,233.59
09/03	Dover, DE	100% OFFICIAL	$1,088.68
09/05-06	Miami, FL	100% OFFICIAL	$19,838.30
09/09	Cleveland, OH	100% OFFICIAL	$5,489.50
09/10-11	Sunnyvale, CA Houston, TX	100% OFFICIAL "	$24,341.48
09/15	New Orleans, LA	100% OFFICIAL	$7,541.00
09/23-24	Tampa, FL	100% OFFICIAL	$13,286.65
09/26-27	New York, NY	MIXED	$1,458.25
	Presidential FY 93 Subtotal		$[illegible]

FY 1993 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligation)
02/11	Philadelphia, PA Harrisburg, PA	100% OFFICIAL	$2,679.36
03/04	New Orleans, LA Little Rock, AR	100% OFFICIAL	$2,719.86
03/12	Tampa, FL	100% OFFICIAL	$1,934.03
03/15	Des Moines, IA	100% OFFICIAL	$2,735.09
04/06	Austin, TX	100% OFFICIAL	$1,799.09
04/16-17	Lincoln, NE Billings, MT Great Falls, MT	100% OFFICIAL	$9,883.24
05/01	Ann Arbor, MI	100% OFFICIAL	$2,289.25
05/10	New York, NY	100% OFFICIAL	$3,186.75
05/11	Morgantown, WV	100% OFFICIAL	$2,028.50
05/17	Philadelphia, PA	100% OFFICIAL	$2,907.45
05/13	Chicago, IL	100% OFFICIAL	$1,555.22
06/18	Woodstock, VT	MIXED	$821.27
07/11-23	Honolulu, HI Santa Barbara, CA Little Rock, AR	100% OFFICIAL	$28,463.18
08/09	Orlando, FL	100% OFFICIAL	$2,553.65
09/17	Rochester, MN	100% OFFICIAL	$1,416.50
	First Lady FY 93 Subtotal:		$66,950.27
	FY 93 Total:		$500,816.56

FY 1994 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligation)
10/03-05	Sacramento, CA Los Angeles, CA San Francisco, CA	100% OFFICIAL MIXED 100% OFFICIAL	$30,586.35
10/08	New Brunswick, NJ	100% OFFICIAL	$3,718.29
10/09	New Haven, CT	100% OFFICIAL	$9,144.45
10/12	Chapel Hill, NC	100% OFFICIAL	$4,509.03
10/28-29	Baltimore, MD New York, NY Boston, MA	100% OFFICIAL MIXED 100% OFFICIAL	$12,743.63
11/03	Ambridge, PA	100% OFFICIAL	$5,039.07
11/04	Lexington, KY	100% OFFICIAL	$5,936.35
11/11	Martinsburg, WV	100% OFFICIAL	$628.13
11/13	Memphis, TN	100% OFFICIAL	$6,015.73
11/18-21	Seattle, WA San Francisco, CA Los Angeles, CA	MIXED 100% POLITICAL 100% OFFICIAL	$11,314.55
12/03-05	Albuquerque, NM Los Angeles, CA	MIXED	$11,673.02
12/13	Bryn Mawr, PA New York, NY	100% OFFICIAL 100% POLITICAL	$3,884.17
12/28-01/02	Little Rock, AR Fayetteville, AR Hilton Head, SC	100% OFFICIAL	$34,148.67
01/06-09	Hot Springs, AR	100% OFFICIAL	$3,733.60
01/19	Los Angeles, CA	100% OFFICIAL	$2,782.74
02/06-08	Houston, TX Shreveport, LA	MIXED 100% OFFICIAL	$23,816.47
02/12-13	Hot Springs, AR	100% OFFICIAL	$2,915.03
02/15	London, OH	100% OFFICIAL	$4,716.78
02/16	Edison, NJ	100% OFFICIAL	$6,606.47
02/24	Norwich, CT	100% OFFICIAL	$5,952.15
02/28	Chicago, IL Pittsburgh, PA	100% OFFICIAL	$11,163.55
03/10	New York, NY	100% OFFICIAL	$10,370.07

FY 1994 TRAVEL OF THE PRESIDENT (con't)

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
03/13-15	Detroit, MI Boston, MA Manchester, NH Fort Drum, NY	100% OFFICIAL MIXED 100% OFFICIAL	$22,750.83
03/20-21	Miami, FL	MIXED	$8,371.91
03/25	Ft. Bragg, NC	100% OFFICIAL	$784.70
03/25-04/02	Dallas, TX San Diego, CA Charlotte, NC	100% OFFICIAL	$42,164.53
04/04-05	Cleveland, OH Charlotte, NC	100% OFFICIAL	$24,810.79
04/06	Bowling Green, KY	100% OFFICIAL	$3,248.00
04/07-09	Topeka, KS Kansas City, MO Minneapolis, MN	100% OFFICIAL	$25,600.70
04/16-17	Williamsburg, VA Charlotte, NC	100% POLITICAL 100% OFFICIAL	$3,805.53
04/18	Milwaukee, WI	100% OFFICIAL	$6,172.27
04/27	Yorba Linda, CA	100% OFFICIAL	$10,258.60
05/03	Atlanta, GA	100% OFFICIAL	$7,271.53
05/09	New York, NY Providence, RI	100% OFFICIAL	$15,049.10
05/14	Indianapolis, IN	MIXED	$2,671.61
05/20-21	Los Angeles, CA Sacramento, CA	MIXED	$9,307.03
05/14	Kansas City, MO	100% OFFICIAL	$3,479.05
05/16-17	Chicago, IL	MIXED	$8,472.81
05/24	St. Louis, MO	MIXED	$3,453.76
05/27	New York, NY	100% POLITICAL	$810.50
07/13	Albany, GA	100% OFFICIAL	$5,830.50
07/15	Greensburg, PA Philadelphia, PA	100% OFFICIAL MIXED	$7,876.64
07/17-19	Miami, FL Portland, ME Boston, MA	100% OFFICIAL 100% POLITICAL 100% OFFICIAL	$24,968.47
07/23-24	Hot Springs, AR	100% OFFICIAL	$3,077.21

FY 1994 TRAVEL OF THE PRESIDENT (con't)

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
07/30	Independence, MO Cleveland, OH	100% OFFICIAL 100% POLITICAL	$2,651.66
08/01	Newark, NJ	MIXED	$1,880.80
08/08	Detroit, MI	100% POLITICAL	$0.00
08/12	Minneapolis, MN	100% OFFICIAL	$1,385.89
08/26-08/07	Martha's Vineyard, MA Bath, ME	90% OFFICIAL 10% POLITICAL	$11,145.84
09/09	New Orleans, LA	MIXED	$4,557.74
09/23-26	Chicago, IL Minneapolis, MN Kansas City, MO New York, NY	90% POLITICAL MIXED	$2,635.23
	Presidential FY 94 Subtotal		$408,033.25

FY 1994 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Hours, Obligations)
10/01	New York, NY	100% OFFICIAL	$0.00
10/02	Orlando, FL	100% POLITICAL	$0.00
10/08	Providence, RI	100% OFFICIAL	$2,587.54
10/12	Orlando, FL	100% OFFICIAL	$3,134.53
10/14	New York, NY	MIXED	$3,256.44
10/20	Cherry Hill, NJ Teaneck, NJ	MIXED	$2,857.39
10/21-22	Chicago, IL San Francisco, CA	MIXED 100% OFFICIAL	$8,006.85
10/29	Kansas City, MO	100% OFFICIAL	$946.39
10/30	Fairfield, NJ	100% POLITICAL	$0.00
11/04	Huntington, WV	100% OFFICIAL	$1,129.00
11/05	Niagara Falls, NY Ithaca, NY	100% OFFICIAL	$4,857.81
11/08-09	New York, NY	100% OFFICIAL	$6,238.59
11/12	Cleveland, OH Marietta, OH	100% OFFICIAL	$5,585.79
11/20	Orlando, FL	100% OFFICIAL	$3,454.23
11/22	Atlanta, GA	100% OFFICIAL	$3,907.65
12/03	Lebanon, NH Manchester, NH	100% OFFICIAL	$3,386.97
12/07	Boston, MA	100% OFFICIAL	$1,790.62
01/27-28	Los Angeles, CA Las Vegas, NV	100% OFFICIAL MIXED	$5,526.85
02/04	Philadelphia, PA	100% OFFICIAL	$3,699.89
02/07	Orono, ME Portland, ME	100% OFFICIAL	$5,939.81
02/16-19	Sioux Falls, SD Wausau, WI Milwaukee, WI Janesville, WI	100% OFFICIAL 100% POLITICAL MIXED 100% OFFICIAL	$7,522.49
02/28	New York, NY	MIXED	$849.83
03/14-15	Boulder, CO Denver, CO St. Louis, MO	100% OFFICIAL MIXED 100% OFFICIAL	$9,552.07

FY 1994 TRAVEL OF THE FIRST LADY (con't)

Date:	Destination:	Designation:	Official Cost: (Hours, Obligations)
04/04	Chicago, IL	MIXED	$2,719.26
04/05	Rochester, NY Syracuse, NY	100% OFFICIAL	$6,958.64
04/08	Muskogee, OK	100% OFFICIAL	$4,889.89
04/14	New York, NY	100% OFFICIAL	$2,878.78
04/26-27	San Francisco, CA Los Angeles, CA	100% OFFICIAL MIXED	$6,832.00
05/03	New York, NY	100% OFFICIAL	$6,241.80
05/15	Champaign, IL	100% OFFICIAL	$3,549.99
05/23-24	New York, NY	100% OFFICIAL	$3,753.99
05/11	San Antonio, TX Houston, TX	100% OFFICIAL 100% POLITICAL	$2,838.80
07/03	New Orleans, LA	100% OFFICIAL	$3,668.81
07/19	New York, NY	100% OFFICIAL	$3,699.80
07/22-23	Portland, OR Seattle, WA	MIXED	$3,388.39
07/31	Boston, MA	MIXED	$787.10
08/11	New York, NY	MIXED	$1,736.98
09/08-09	San Francisco, CA Sacramento, CA Santa Barbara, CA La Jolla, CA	100% POLITICAL	$208.00
08/18	Los Angeles, CA	100% POLITICAL	$1,900.00
08/20	Philadelphia, PA	100% POLITICAL	$0.00
08/23	Boston, MA	100% POLITICAL	$0.00
08/24-25	Groton, CT New York, NY	100% OFFICIAL	$5,708.00
	First Lady FY 94 Subtotal:		$140,697.35
	FY 94 Total:		$151,311.35

FY 1995 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/06	Norfolk, VA	100% OFFICIAL	$1,166.31
10/11	Detroit, MI	MIXED	$4,782.33
10/15	Bridgeport, CT Miami, FL	100% POLITICAL	$1,424.00
10/17	Albuquerque, NM	MIXED	$4,562.05
10/19-20	New York, NY Boston, MA	MIXED	$5,945.53
10/22-24	San Francisco, CA Seattle, WA Cleveland, OH Akron, OH	100% POLITICAL MIXED 100% POLITICAL	$7,437.46
10/31	Philadelphia, PA Pittsburgh, PA	100% POLITICAL	$388.00
11/01	Detroit, MI Cleveland, OH	100% POLITICAL	$705.00
11/02	Providence, RI	100% POLITICAL	$22.50
11/03-07	Albany, NY Des Moines, IA Duluth, MN Los Alamitos, CA Los Angeles, CA Anaheim, CA Oakland, CA San Francisco, CA Seattle, WA St. Paul, MN Flint, MI Wilmington, DE	100% POLITICAL 100% OFFICIAL 100% POLITICAL MIXED 100% POLITICAL	$11,868.42
11/11 11/15-20	Anchorage, AK Honolulu, HI	100% OFFICIAL 100% OFFICIAL	$37,033.73
12/08-10	Miami, FL	100% OFFICIAL	$0.00
12/31-01/01	Hilton Head, SC	100% OFFICIAL	$7,664.86
01/02-04	Little Rock, AR	100% OFFICIAL	$6,378.46
01/10	Galesburg, IL	100% OFFICIAL	$5,881.55
01/13	Cleveland, OH	100% OFFICIAL	$5,022.37
01/16-17	Denver, CO Los Angeles, CA Sacramento, CA	100% OFFICIAL	$29,178.12
01/25	Kutztown, PA	100% OFFICIAL	$5,592.21
01/31	Boston, MA	MIXED	$2,184.55

FY 1995 TRAVEL OF THE PRESIDENT (con't)

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
02/14-15	San Francisco, CA San Bernardino, CA Palm Springs, CA	100% OFFICIAL	$31,680.04
03/28-30	Atlanta, GA Tallahassee, FL Tampa, FL West Palm Beach, FL	100% OFFICIAL MIXED 100% OFFICIAL 100% POLITICAL	$47,798.60
03/31-04/04	Little Rock, AR	100% OFFICIAL	
04/07-09	Dallas, TX Sacramento, CA Los Angeles, CA	MIXED 100% POLITICAL MIXED	$11,712.11
04/12	Warm Springs, GA	100% OFFICIAL	$6,466.23
04/23-25	Oklahoma City, OK Minneapolis, MN Des Moines, IA Ames, IA	100% OFFICIAL	$44,129.27
04/30	New York, NY	100% OFFICIAL	$8,496.27
05/05	East Lansing, MI	100% OFFICIAL	$4,939.52
05/31-06/01	Colorado Springs, CO Billings, MT	100% OFFICIAL	$21,497.43
06/11	Lebanon, NH Boston, MA	100% OFFICIAL 100% POLITICAL	$9,027.43
06/22-26	Edison, NJ Somerset, NJ Little Rock, AR San Francisco, CA Portland, OR	100% POLITICAL 100% OFFICIAL	$22,429.14
06/29-07/01	Chicago, IL Miami, FL New Haven, CT	100% POLITICAL 100% OFFICIAL	$13,864.90
07/10	Nashville, TN	100% OFFICIAL	$3,497.15
07/31	Burlington, VT	100% OFFICIAL	$7,234.82
08/09	Charlotte, NC	100% OFFICIAL	$4,629.71
08/15-23 08-23 08/23-08/31	Jackson Hole, WY Washington, DC Jackson Hole, WY	100% OFFICIAL	$40,928.80
08/31-09/05	Honolulu, HI Monterey, CA Fresno, CA	100% OFFICIAL	$29,473.89
09/11	Carbondale, IL	100% OFFICIAL	$4,542.52

FY 1995 TRAVEL OF THE PRESIDENT (con't)

Date:	Destination:	Designation:	Official Cost: (Does Obligation)
09/19-22	Philadelphia, PA Jacksonville, FL Miami, FL " Denver, CO Pueblo, CO San Francisco, CA Los Angeles, CA San Diego, CA	100% POLITICAL 100% OFFICIAL 100% POLITICAL " " 100% OFFICIAL 100% POLITICAL " " 100% OFFICIAL	$29,493.07
09/24	Scranton, PA	100% OFFICIAL	$5,609.85
	Presidential FY 95 Subtotal:		$368,731.95

FY 1995 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Does Obligation)
10/01	St. Petersburg, FL Miami, FL	100% POLITICAL "	$0.00
10/07	Memphis, TN	100% OFFICIAL	$7,584.54
10/13	Portland, ME	100% POLITICAL	$0.00
10/24	Redding, CT Detroit, MI	100% POLITICAL "	$0.00
10/26-29	Los Angeles, CA San Francisco, CA Sacramento, CA	100% POLITICAL " "	$342.02
11/02	New York, NY	100% POLITICAL	$15.00
11/04-05	Springfield, MA Worcester, MA Hartford, CT	100% POLITICAL " "	$144.70
11/29-30	New York, NY	100% OFFICIAL	$4,055.51
12/02-03	Los Angeles, CA	MIXED	$1,597.65
01/22	West Palm Beach, FL	100% OFFICIAL	$3,958.89
01/26-27	San Diego, CA Palm Springs, CA	100% OFFICIAL "	$4,710.23
02/06	Miami, FL Sarasota, FL	100% OFFICIAL "	$5,855.16
02/10	New York, NY	100% OFFICIAL	$2,583.32
02/14-15	Cedar Rapids, IA Des Moines, IA Chicago, IL	100% OFFICIAL " "	$11,413.03
03/14	New York, NY	100% OFFICIAL	$3,282.29
03/23	New York, NY	100% OFFICIAL	$3,731.53
04/13	New York, NY	MIXED	$1,850.97
04/25	New York, NY	100% OFFICIAL	$4,077.89
05/02	Atlanta, GA	100% OFFICIAL	$4,379.05
05/16-18	Chicago, IL	MIXED	$1,869.95
05/18-19	New York, NY	100% OFFICIAL	$2,795.30
05/23	Boston, MA	100% POLITICAL	$3,776.89
05/26-27	Santa Fe, NM San Francisco, CA	100% OFFICIAL "	$9,009.62

FY 1996 TRAVEL OF THE FIRST LADY (con't)

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
06/01-02	New York, NY Mackinac Island, MI Gladstone, MI Escanaba, MI	100% OFFICIAL " " "	$6,209.21
06/04	Chicago, IL	POLITICAL & OTHER	$0.00
06/05	New York, NY	MIXED	$4,040.92
06/11	Minneapolis, MN	MIXED	$2,074.00
07/13	Minneapolis, MN	100% OFFICIAL	$3,228.00
07/26	Denver, CO	100% OFFICIAL	$3,640.43
09/17	Chicago, IL	100% OFFICIAL	$209.49
		First Lady FY 96 Subtotal:	$93,224.15
		FY 96 Total:	$542,048.01

FY 1996 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/04	Newark, NJ	100% OFFICIAL	$4,380.35
10/08	Martha's Vineyard, MA	100% OFFICIAL	$10,149.52
10/16-17	Hartford, CT Austin, TX Dallas, TX Los Angeles, CA San Antonio, TX Houston, TX	100% OFFICIAL " 100% POLITICAL 100% OFFICIAL " 100% POLITICAL	$42,846.58
10/20-21	Columbus, OH Des Moines, IA Cedar Rapids, IA	100% OFFICIAL 100% POLITICAL 100% OFFICIAL	$17,401.84
10/22-24	New York, NY Hyde Park, NY	100% OFFICIAL "	$8,431.94
12/10	Fayetteville, AR Little Rock, AR	100% OFFICIAL 100% POLITICAL	$5,686.26
12/31-01/01	Hilton Head, SC	100% OFFICIAL	$14,399.00
01/11-12	Nashville, TN	100% POLITICAL	$2,056.00
01/15	Atlanta, GA	100% OFFICIAL	$3,043.50
01/20	Houston, TX	100% OFFICIAL	$3,084.23
01/24	Louisville, KY	100% OFFICIAL	$3,564.25
02/02-03	New Hampshire	100% POLITICAL	$2,350.00
02/10-11	Iowa	100% POLITICAL	$1,643.00
02/11-16	Oregon Washington Idaho New Jersey New York Pennsylvania	100% OFFICIAL " " " 100% POLITICAL 100% OFFICIAL	$25,337.00
02/17	New Hampshire	100% POLITICAL	$37.50
02/23	Los Angeles, CA Seattle, WA	100% POLITICAL "	$4,393.00
03/04	Detroit, MI	100% POLITICAL	$70.00
03/06-09	California	100% POLITICAL	$1,000.00
03/11	New Jersey New York	100% OFFICIAL MIXED	$9,446.50
03/18	Louisiana	100% OFFICIAL	$24,528.00

FY 1996 TRAVEL OF THE PRESIDENT (con't)

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
03/23	Ohio	100% POLITICAL	$2,100.00
03/27	Pierson, NY	100% OFFICIAL	$7,200.00
04/05	Oklahoma City, OK	100% OFFICIAL	$9,212.00
04/06	Dover, DE	100% OFFICIAL	$340.00
	Presidential FY 96 Subtotal:		$115,945.61

FY 1996 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/01	Kingston, NY Hyde Park, NY Poughkeepsie, NY	100% POLITICAL 100% OFFICIAL	$2,335.00
10/25	New York, NY	100% OFFICIAL	$2,989.27
11/02	New York, NY	100% POLITICAL	$280.25
11/13	Boston, MA	100% POLITICAL	$0.00
11/27	New York, NY	100% OFFICIAL	$3,377.00
12/01	New Hampshire New York, NY Arkansas	100% POLITICAL OTHER	$1,266.40
01/15-21	Detroit, MI Chicago, IL New York, NY Boston, MA Providence, RI	POLITICAL & OTHER OTHER 100% POLITICAL	$390.00
01/25	New Hampshire	100% POLITICAL	$0.00
01/31	New York, NY	OTHER	$0.00
02/02-03	Iowa	100% POLITICAL	$0.00
02/07-09	Denver, CO Los Angeles, CA San Francisco, CA Dallas, TX	OTHER 100% OFFICIAL OTHER	$0.00
02/21	Lexington, KY Louisville, KY	OTHER OFFICIAL & OTHER	$0.00
02/22	Philadelphia, PA Manchester, NH	OFFICIAL & OTHER 100% OFFICIAL	$4,179.00
02/26	Philadelphia, PA	100% POLITICAL	$0.00
03/01	Duluth, MN Minneapolis, MN	100% OFFICIAL 100% POLITICAL	$0.00
03/05-06	Texas New York	100% POLITICAL	$0.00
03/11	Chicago, IL	100% POLITICAL	$0.00
03/19	New York, NY	100% OFFICIAL	$4,600.00
	First Lady FY 96 Subtotal:		$17,397.92
	FY 96 Total:		$133,343.53

Presidential and First Lady Foreign Travel

January 20,1993 through April 18,1996

NOTE:
To the extent that a foreign trip included a domestic leg, the domestic portions were previously reported in the FY97 QFR Response.

FY 1993 FOREIGN TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
4/03-4/04	Canada	Official	$0.00
7/04-7/14	Japan	Official	$0.00
	South Korea	Official	
	Presidential FY 93 Subtotal:		$0.00

FY 1993 FOREIGN TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
07/05-23	Japan	Official	
	South Korea	Official	
	First Lady FY 93 Subtotal:		$0.00
	FY 93 Total:		$0.00

FY 1994 FOREIGN TRAVEL OF
THE PRESIDENT and THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)

** No Presidential or First Lady foreign travel during fiscal year 1994

FY 1995 FOREIGN TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
11/11-20	Philippines	Official	$0.00
	Indonesia	Official	
03/28-04/05/	Haiti	Official	$0.00
	Presidential FY 95 Subtotal:		$0.00

FY 1995 FOREIGN TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)

**No First Lady foreign travel occurred during fiscal year 1995

FY 1996 FOREIGN TRAVEL OF THE PRESIDENT **

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
11/30/	Europe	Official	$526.50
12/14/	France	Official	$162.50
01/11-13	Bosnia-Herzegovin	Official	$1,841.50
	Hungary	Official	
	Croatia	Official	
03/12-14	Egypt	Official	$730.00
	Israel	Official	
04/15-21	Korea	Official	$0.00
	Japan	Official	
	Russia	Official	
	Presidential FY 96	Subtotal:	$3,260.50

** This list includes all Presidential FY1996 foreign travel, all of which occurred or commenced between October 1, 1995 through April 18, 1996.

FY 1996 FOREIGN TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)

**No First Lady foreign travel occurred during fiscal year 1996.

Presidential and First Lady Travel

April 19, 1996 through February 28, 1999

FY 1996 TRAVEL OF THE PRESIDENT **

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
04/26	Delaware	Political	$5,784.50
	Pennsylvania	Political	
04/29	Florida	Mixed	$2,920.82
05/07	New Jersey	Political	$180.00
05/10	Pennsylvania	Official	$5,287.10
05/17	Missouri	Mixed	$4,340.27
05/22-23	New London, CT	Official	$28,395.75
	Stamford, CT	Political	
	New York, NY	Official	
	Milwaukee, WI	Official	
05/30	Louisiana	Mixed	$6,597.79
06/04	Princeton, NJ	Official	$5,758.30
06/9-12	Nevada	Mixed	$32,302.49
	California	Mixed	
	New Mexico	Official	
	South Carolina	Official	
06/21-22	Illinois	Political	$2,502.82
	Texas	Political	
	Ohio	Mixed	
06/24	Tennessee	Official	$10,250.86
	New York	Political	
07/02	Chicago, IL	Political	$413.37
07/04	Patuxent, MD	Official	$2,095.00
	Youngstown, OH	Political	
07/10	North Carolina	Political	$2,920.50
07/19	Georgia	Official	$38,667.67
07/21-23	Colorado	Political	$8,250.40
	California	Political	

07/25	New York	Official	$7,085.38
	Georgia	Official	
07/28	Louisiana	Political	$120.00
08/7-17	California	Political	$51,317.35
	Wyoming	Official	
08/18-19	New York	Political	$3,817.21
	Tennessee	Political	
09/05-06	Tampa, FL	Political	$2,739.46
	Miami, FL	Political	
	Orlando, FL	Political	
	Panama City, FL	Political	
09/10-12	Missouri	Political	$5,251.41
	Colorado	Political	
	Arizona	Political	
	California	Political	
09/14	North Carolina	Official	$3,989.62
09/15	Iowa	Political	$30.00
09/16	Ohio	Political	$30.00
09/17-20	Michigan	Political	$8,971.98
	Illinois	Political	
	Arizona	Political	
	Washington	Political	
	Oregon	Political	
	South Dakota	Political	
09/24	New York	Official	$852.10
	New Jersey	Political	
09/25	Pennsylvania	Political	$120.00
09/27-28	Texas	Political	$3,172.60
	Rhode Island	Political	
	Massachusetts	Political	
	Presidential FY 96	Subtotal:	$244,164.75

**Continued from FY1997 QFR Response

FY 1996 TRAVEL OF THE FIRST LADY**

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
4/11-13	CA cities	Mixed	$4,955.54
04/22	New York	Political	$30.00
	Florida	Political	
04/24-25	Colorado	Official	$8,738.32
	Illinois	Official	
05/02-03	Florida	Other	$187.73
	Georgia	Other	
	Missouri	Other	
	Minnesota	Other	
05/10-11	Arkansas	Official	$8,607.01
05/17-18	Maine	Mixed	$3,159.97
	New Jersey	Official	
05/21-22	Colorado	Mixed	$170.00
05/29-30	New York	Political	$8,494.70
	California	Official	
06/07-08	Pennsylvania	Official	$8,212.76
	Texas	Political	
	Orlando, FL	Official	
	St. Petersburg, FL	Political	
06/10	New York	Mixed	$2,917.03
	Michigan	Political	
06/12	Ohio	Political	$4,203.45
	Illinois	Official	
06/14	Missouri	Official	$3,447.42
06/20	Massachusetts	Political	$0.00
07/31	Georgia	Official	$3,449.52
	Florida	Political	
08/02-03	Florida	Official	$6,081.00

08/04-06	Massachusetts	Other	$340.00
08/08	Princeton, NJ	Other	$0.00
	New Haven, CT	Other	
	Los Angeles, CA	Political	
08/25	West Virginia	Politicial	$185.00
	Illinois	Political	
09/05-06	Texas	Political	$185.00
09/10-12	Iowa	Political	$590.75
	Oregon	Political	
	California	Political	
09/17-18	Wisconsin	Political	$920.00
	Minneapolis	Political	
	Colorado	Political	
	Washington	Political	
09/24	Connecticutt	Political	$30.00
09/25	Ohio	Political	$30.00
09/26-27	California	Political	$0.00
09/30	Maine	Political	$557.50
	Florida	Political	
	First Lady FY 96	Subtotal:	$65,492.70
	FY 96	Total:	$309,657.45

** Continued from FY1997 QFR Response

FY 1997 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/03-07	Chautauqua, NY	Political	$7,422.38
	Hartford, CT	Political	
	Stamford, CT	Political	
	Manchester, NH	Political	
	Portland, ME	Political	
10/10	Knoxville, TN	Political	$120.00
	Dayton, OH	Political	
	Louisville, KY	Political	
10/12-17	Denver, CO	Political	$9,080.67
	Albuquerque, NM	Political	
	San Diego, CA	Political	
	Los Angeles, CA	Political	
10/20-23	Newark, NJ	Political	$7,730.93
	New York, NY	Political	
	Cleveland, OH	Political	
	Detroit, MI	Political	
	Miami, FL	Political	
	Daytona Beach, FL	Political	
10/21-24	Birmingham, AL	Political	$2,334.50
	Lake Charles, LA	Political	
	New Orleans, LA	Political	
	Atlanta, GA	Political	
	Macon, GA	Political	
10/27-29	Springfield, VA	Political	$3,893.86
	Nashville, TN	Political	
	Saint Louis, MO	Political	
	Minneapolis, MN	Political	
	Chicago, IL	Political	
	Columbus, OH	Political	
	Philadelphia, PA	Political	

10/30-11/06	Ypsilanti, MI	Political	$17,755.65
	Denver, CO	Political	
	Pheonix, AZ	Political	
	Las Vegas, NV	Political	
	Oakland, CA	Political	
	Santa Barbara, CA	Political	
	El Paso, TX	Political	
	Las Cruces, NM	Political	
	San Antonio, TX	Political	
	Little Rock, AR	Political	
	New Orleans, LA	Political	
	Tampa, FL	Political	
	Palm Beach, FL	Political	
	Union Township, NJ	Political	
	Springfield, MA	Political	
	Bangor, ME	Political	
	Manchester, NH	Political	
	Cleveland, OH	Political	
	Lexington, KY	Political	
	Cedar Rapids, IA	Political	
	Sioux Falls, SD	Political	
	Little Rock, AR	Political	
11/15-27	Oahu, HI	Official	$37,912.80
	Australia	Official	
	Philippines	Official	
	Thailand	Official	
	Anchorage, AK	Official	
12/07	Philadelphia, PA	Official	$4,133.18
12/23	Camp Lejune, NC	Official	$4,309.90
12/30-01/05	Hilton Head, SC	Official	$44,939.53
	St. Thomas, VI	Official	
01/22	Chicago, IL	Official	$5,944.88
2/5	Augusta, GA	Official	$6,784.65
02/10	Annapolis, MD	Official	$1,188.50
02/18-19	New York, NY	Mixed	$23,600.52
	Boston, MA	Official	
03/01-02	New York, NY	Official	$17,890.77
03/04	Arkadelphia, AR	Official	$5,753.64
	Little Rock, AR	Official	

03/06	Lansing, MI	Official	$4,845.05
03/13-14	Raleigh, NC	Official	$18,353.28
	Miami, FL	Political	
	Hobe Sound, FL	Official	
03/19-21	Helsinki, Finland	Official	$186.00
04/15	New York, NY	Mixed	$8,346.61
04/22	Grand Forks, ND	Official	$3,471.47
04/27-28	Philadelphia, PA	Official	$20,958.82
05/02	Baltimore, MD	Political	$37.04
05/05-05/11	Mexico	Official	$0.00
	Costa Rica	Official	
	Barbados	Official	
05/18	Baltimore, MD	Official	$5,595.00
05/22	Clarksburg, WV	Official	$6,421.69
05/26-29	France	Official	$0.00
	Netherlands	Official	
	England	Official	
05/31	West Point, NY	Official	$4,105.85
06/13-14	San Diego, CA	Official	$25,048.80
06/19-23	Denver, CO	Official	$20,384.86
	San Francisco, CA	Mixed	
	Los Angeles, CA	Mixed	
06/25-26	Nashville, TN	Official	$16,572.65
	Chicago, IL	Political	
	Hope, AR	Official	
	New York, NY	Official	
06/30	Boston, MA	Political	$4,277.64
	New York, NY	Political	
07/02	Baltimore, MD	Official	$0.00
07/05-12	Spain	Official	$0.00
	Poland	Official	
	Romania	Official	
	Denmark	Official	

07/17-18	Pittsburgh, PA	Official	$16,508.03
	Chicago, IL	Official	
	Harrison, AR	Official	
07/26-28	Lake Tahoe, NV	Official	$21,388.00
	Los Angeles, CA	Political	
	Las Vegas, NV	Official	
07/30	Fort A.P. Hill, VA	Official	$2,492.00
08/12	Saint Louis, MO	Mixed	$7,806.61
08/17-09/07	Block Island, RI	Official	$79,983.01
	Martha's Vineyard, MA	Official	
09/18-20	Palo Alto, CA	Official	$33,557.17
	San Francisco, CA	Mixed	
09/21-22	New York, NY	Official	$96.45
09/24-28	Pittsburgh, PA	Mixed	$55,743.74
	Little Rock, AR	Mixed	
	Houston, TX	Mixed	
	Hot Springs, AR	Official	
	Presidential FY 97 Subtotal:		$256,994.63

FY 1997 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/03	Wilmington, DE	Political	$30.00
	Philadelphia, PA	Political	
10/04	Lynn, MA	Political	$22.50
	Cambridge, MA	Political	
	Quincy, MA	Political	
10/05-06	New York, NY	Political	$0.00
	Chautauqua, NY	Political	
	Hartford, CT	Political	
10/08-09	Detroit, MI	Political	$93.92
	Orchard Lake, MI	Political	
	Flint, MI	Political	
	Chicago, IL	Political	
	Mount Vernon, IL	Political	
	Madison, WI	Political	
	Green Bay, WI	Political	
10/10	Wilkes-Barre, PA	Political	$15.00
	Erie, PA	Political	
10/14-17	Chicago, IL	Political	$1,049.16
	Lansing, MI	Political	
	Tucson, AZ	Political	
	Phoenix, AZ	Political	
	Albuquerque, NM	Political	
	San Diego, CA	Political	
	Santa Ana, CA	Political	
10/18	Nashua, NH	Political	$22.50
	New Haven, CT	Political	
10/19	Burlington, IA	Political	$22.50
	Council Bluffs, IA	Political	
	Des Moines, IA	Political	
10/22-24	Denver, CO	Political	$157.50
	Las Vegas, NV	Political	
	Columbia, MO	Political	
	Athens, OH	Political	
	Akron, OH	Political	

10/27-28	Philadelphia, PA	Political	$169.00
	Cherry Hill, NJ	Political	
	Bangor, ME	Political	
	Portland, ME	Political	
	Pawtucket, RI	Political	
	Stony Brook, NY	Political	
	New York, NY	Political	
10/30	Fort Lauderdale, FL	Political	$22.50
	Deerfield Beach, FL	Political	
	Tallahassee, FL	Political	
10/31	Cleveland, OH	Political	$22.50
	East Lansing, MI	Political	
	Springfield, IL	Political	
11/01-03	Kansas City, MO	Political	$344.47
	Brownsville, TX	Political	
	San Antonio, TX	Political	
	San Bernardino, CA	Political	
	San Diego, CA	Political	
	Corvallis, OR	Political	
	La Crosse, WI	Political	
12/02	Bolivia	Official	$0.00
01/22	New York, NY	Official	$2,026.74
01/28-29	New York, NY	Official	$6,541.81
02/18-19	Chicago, IL	Official	$13,041.31
	Kansas City, MO	Official	
02/26	New York, NY	Official	$0.00
03/11	Little Rock, AR	Official	$5,207.32
	Benton, AR	Official	
03/16-29	Africa	Official	$0.00
04/07	Tallahassee, FL	Mixed	$3,617.70
04/09	New York, NY	Official	$5,401.13
04/24-25	Louisville, KY	Mixed	$7,259.85
	Princeton, NJ	Official	
04/29	Philadelphia, PA	Official	$4,666.55
04/30	New York, NY	Mixed	$4,790.52

5/18	Los Angeles, CA	Mixed	$9,396.24
	San Francisco, CA	Political	
06/04	Providence, RI	Official	$3,389.00
06/10	Baltimore, MD	Official	$2,645.93
	Philadelphia, PA	Political	
06/12	Lake Lanier, GA	Official	$1,164.31
06/14	Athens, OH	Official	$4,559.10
06/18-23	Cleveland, OH	Political	$11,089.10
	Pikeville, KY	Official	
	Denver, CO	Official	
	Seattle, WA	Political	
	Phoenix, AZ	Political	
07/05-20	Spain	Official	$0.00
	Austria	Official	
	Portugal	Official	
08/08	Little Rock, AR	Official	$30.00
09/11-14	India	Official	$0.00
09/21-22	New York, NY	Mixed	$0.00
09/30-10/01	Miami, FL	Mixed	$8,584.67
	Quantico, VA	Official	
		Subtotal:	$1,604.58
		FY 97 Total:	$258,599.21

FY 1998 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/08	Newark, NJ	Mixed	$2,105.13
	Philadelphia, PA	Mixed	
10/12-19	Venezuela	Official	$0.00
	Brazil		
	Argentina		
10/27-28	Chicago, IL	Official	$19,066.80
10/31-11/02	West Palm Beach, FL	Mixed	$8,987.12
	Amelia Island, FL	Political	
	Staten Island, NY	Political	
	Middlesex County, NJ	Political	
	New York, New York	Mixed	
11/06	College Station, TX	Official	$4,622.99
11/14-17	Las Vegas, NV	Political	$21,359.00
	Sacramento, CA	Mixed	
	Los Angeles, CA	Mixed	
	Wichita, KS	Official	
	St. Louis, MO	Political	
11/22-26	Denver, CO	Political	$0.00
	Seattle, WA	Political	
	Vancouver, BC	Official	
12/03	Akron, OH	Official	$7,073.64
	Chicago, IL	Political	
12/09-11	New York, NY	Mixed	$25,826.88
	Miami, FL	Mixed	
12/21-22	Bosnia--Herzegovinia	Official	$0.00
12/30-01/04	Hilton Head, SC	Official	$50,577.43
	Virgin Islands	Official	
01/08-09	New York, NY	Political	$21,765.33
	McAllen, TX	Mixed	
	Brownsville, TX	Official	
	Houston, TX	Mixed	

01/15	New York, NY	Official	$7,188.26
01/28	Champaign-Urbana, IL	Official	$13,673.31
	Lacrosse, WI	Official	
02/03	Albuquerque, NM	Official	$10,843.70
02/10	Wintergreen, VA	Political	$90.00
02/13	Philadelphia, PA	Mixed	$4,436.82
02/19	West Orange, NJ	Political	$2,122.03
02/25-03/01	Kissimmee, FL	Official	$39,356.26
	San Francisco, CA	Mixed	
	Salt Lake City, Utah	Official	
	Los Angeles,CA	Political	
03/03	New York, NY	Official	$9,258.42
03/10	Westport, CT	Mixed	$3,844.16
	Cincinnati, OH	Political	
03/18	Las Vegas, NV	Official	$6,531.17
03/22-04/02	Africa	Official	$0.00
04/07-08	Kansas City, MO	Official	$18,376.76
	Chicago, IL	Mixed	
04/09	Carlton, KY	Official	$7,128.87
04/14-15	Houston, TX	Official	$12,478.68
	Pratt City, AL	Official	
4/15-19	Chile	Official	$0.00
04/22	Harper's Ferry, WV	Official	$710.08
04/28	New York, NY	Political	$30.00
05/01-04	Palo Alto, CA	Mixed	$19,753.58
	Los Angeles, CA	Mixed	
	Chicago, IL	Political	

05/08	Dover, DE	Official	$3,932.00
05/09	Williamsburg, VA	Political	$30.00
	Boston, MA	Political	
05/12-18	Germany	Official	$0.00
	England		
	Switzerland		
06/02	Houston, TX	Mixed	$11,979.06
	Dallas, TX	Political	
06/03	Cleveland, OH	Mixed	$450.00
06/05	Boston, MA	Official	$9,634.71
06/08	New York, NY	Mixed	$1,920.03
	Cranbury Park, CT	Political	
06/12-14	Monterey, CA	Official	$37,155.76
	San Francisco, CA	Political	
	Portland, OR	Mixed	
	Eugene, OR	Official	
	Los Angeles, CA	Political	
06/22	Nashville, TN	Official	$7,364.35
06/24-07/03	China	Official	$0.00
07/09	Atlanta, GA	Mixed	$10,118.65
	Daytona, FL	Official	
	Miami, FL	Political	
07/17	Little Rock, AR	Political	$13,427.73
	New Orleans, LA	Mixed	
07/25-27	Norfolk, VA	Official	$18,788.31
	Aspen, CO	Political	
	Albuquerque, NM	Mixed	
07/30	West Jefferson, NC	Official	$9,996.00
	Raleigh, NC	Political	
07/31-08/02	East Hampton, NY	Mixed	$7,118.76

08/10-11	Louisville, KY	Mixed	$17,516.02
	Chicago, IL	Political	
	San Francisco, CA	Mixed	
	Los Angeles, CA	Political	
08/18-30	Martha's Vineyard, MA	Official	$65,441.31
	Worcester, MA	Official	
08/31-09/05	Russia	Official	$0.00
	Ireland	Official	
09/09	Orlando, FL	Political	$290.00
	Miami, FL	Political	
09/14	New York, NY	Mixed	$4,849.94
09/17	Cincinnati, OH	Political	$319.66
	Boston, MA	Political	
09/20-23	New York, NY	Official	$3,649.74
9/25-27	Chicago, IL	Political	$5,671.00
	San Jose, CA	Political	
	Palo Alto, CA	Political	
	San Diego, CA	Political	
	Los Angeles, CA	Political	
	San Antonio, TX	Political	
	Houston, TX	Political	
	Presidential FY 98	Subtotal:	$546,859.45
			$546,859.45

FY 1998 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
09/30-10/01	Miami, FL	Mixed	$32.67
	Quantico, VA	Official	
10/20	New York, NY	Mixed	$2,403.66
10/22	Philadelphia, PA	Official	$3,379.75
10/27-28	Chicago, IL	Mixed	$4,154.12
10/30-11/02	Ireland	Official	$0.00
	England	Official	
11/21-26	Los Angeles, CA	Mixed	$8,516.87
	San Francisco, CA	Mixed	
12/9-11	Boston, MA	Mixed	$14,219.88
	New York, NY	Mixed	
01/26-27	New York, NY	Official	$11,368.26
01/28	Hartford, CT	Official	$4,368.62
01/30-02/03	Boston, MA	Political	$0.00
	Switzerland	Official	
02/19	Dallas, TX	Mixed	$1,825.29
	Fort Worth, TX	Political	
	Austin, TX	Political	
03/16	Houston, TX	Mixed	$2,298.86
	Atlanta, GA	Political	
04/14-15	New York, NY	Mixed	$8,039.99
04/27-29	Milwaukee, WI	Mixed	$9,211.75
	Chicago, IL	Official	
	Ann Arbor, MI	Official	
	Chicago, IL	Mixed	
04/30	New Haven, CT	Mixed	$2,108.75

05/01-03	Boston, MA	Mixed	$1,860.57
	Palo Alto, CA	Political	
05/07	Philadelphia, PA	Political	$30.00
05/11	New York, NY	Official	$3,216.69
05/11-18	France	Official	$0.00
	Switzerland	Official	
	England	Official	
05/25	San Francisco, CA	Mixed	$2,524.53
	Danville, CA	Official	
	Los Angeles, CA	Political	
06/02-03	Chicago, IL	Mixed	$2,662.82
06/04-05	Boston, MA	Mixed	$7,658.43
06/21	Albuquerque, NM	Mixed	$614.61
06/22	Nashville, TN	Official	$1,696.13
	Indianapolis, IN	Mixed	
07/09	Montpelier, VA	Official	$1,022.07
7/13-16	Ithaca, NY	Mixed	$515.68
07/20	Philadelphia, PA	Official	$1,564.37
	Drescher, PA	Official	
	Gladwyne, PA	Political	
07/27	Cincinnati, OH	Mixed	$2,092.83
	Cleveland, OH	Political	
08/12	Milwaukee, WI	Mixed	$3,638.22
09/20-22	New York, NY	Official	
09/23	New York, NY	Official	$11,389.59
09/24-26	Denver, CO	Political	$2,961.78
	Seattle, WA	Political	
	Portland, OR	Political	
	San Francisco, CA	Mixed	
	Palo Alto, CA	Official	

09/29-10/02	Puerto Rico	Official	$6,567.70
	Chile	Official	
	Uruguay	Official	
	First Lady FY 98	Subtotal:	$121,944.49
	FY 98	Total:	$668,803.94

FY 1999 TRAVEL OF THE PRESIDENT

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/02	Cleveland, OH	Political	$90.00
	Philadelphia, PA	Political	
10/12	New York, NY	Mixed	$3,969.58
10/16	Chicago, IL	Political	$193.61
10/24	Los Angeles, CA	Political	$3,503.05
	San Francisco, CA	Political	
10/29	Cape Canaveral, FL	Official	$9,711.72
	West Palm Beach, FL	Political	
10/30	New York, NY	Political	$0.00
11/06	Fayetteville, AR	Official	$13,831.76
11/18-23	Japan	Official	$0.00
	Korea	Official	
	Guam	Official	
12/03	Providence, RI	Official	$6.00
12/05	Wynne, AR	Official	$3,032.50
12/08	Nashville, TN	Official	$7,461.26
12/12-15	Israel	Official	$0.00
	Jerusalem	Official	
	Gaza City	Official	
	Bethlehem	Official	
12/30-01/01	Hilton Head, SC	Official	$24,278.60
01/08	Detroit, MI	Official	$9,241.00
01/15	New York, NY	Official	$16,119.00
01/20	Buffalo, NY	Official	$21,804.00
	Montgomery County, PA	Official	

01/24	Little Rock, AR	Official	$4,372.80
	Beebe, AR	Official	
01/26	St. Louis, MO	Official	$0.00
36193	New York	Mixed	$4,243.00
	Massachusetts	Mixed	
02/05	Georgia	Official	$5,786.00
02/07	Jordan	Official	$0.00
02/09	Virginia	Political	$0.00
02/14	Mexico	Official	$0.00
02/18	New Hampshire	Mixed	$18,340.00
02/25	California	Mixed	$62,280.00
	Arizona	Mixed	
	Utah	Official	

Presidential FY 99 Subtotal: $208,263.88

FY 1999 TRAVEL OF THE FIRST LADY

Date:	Destination:	Designation:	Official Cost: (Gross Obligations)
10/07	Westport, CT	Political	$22.50
10/08-09	Little Rock, AR	Mixed	$7,249.00
10/10-13	Bulgaria	Official	$0.00
	Czech Republic	Official	
10/16-17	Las Vegas, NV	Political	$260.00
	Sante Fe, NM	Political	
	Madison, WI	Political	
	Elmhurst, IL	Political	
10/18-20	New York, NY	Mixed	$7,662.21
	Boston, MA	Political	
	Providence, RI	Political	
10/22-23	Detroit, MI	Political	$5,301.07
	Chicago, IL	Mixed	
10/27	New York, NY	Political	$0.00
	Edison, NJ	Political	
10/29-31	Cape Canveral, FL	Official	$4,659.00
	Jacksonville, FL	Political	
	San Francisco, CA	Political	
	Los Angeles, CA	Mixed	
	Chicago, IL	Political	
	Minneapolis, MN	Political	
	Des Moines, IA	Political	
11/01	Allentown, PA	Political	$22.50
	Athens, OH	Political	
	Tampa, FL	Political	
11/02	New York, NY	Political	$0.00
11/16-22	Honduras	Official	$0.00
	El Salvador	Official	
	Guatemala	Official	
	Dominican Republic	Official	
	Haiti	Official	

12/01-03	New York, NY	Official	$29,041.72
12/05	Boston, MA	Official	$7,958.81
12/10-11	Los Angeles, CA	Official	$15,070.50
	San Francisco, CA	Official	
12/12-15	Israel	Official	$0.00
	Jerusalem	Official	
01/13	Chicago, IL	Official	$4,799.50
02/02	New York	Mixed	$3,076.00
02/06-09	Holland	Official	$0.00
	Jordan	Official	

First Lady FY 99	Subtotal:	$85,122.81
FY 99	Total:	$293,386.69

EXHIBIT 4

Executive Office of the President
EEO Statistical Summary for:
. CEA, NSC, OA, ORVP
As of: September 30, 1998

The statistical data provided herein is derived from a computer database containing information voluntarily provided by EOP employees. In accordance with OPM guidelines, if an employee does not provide any such information, personnel staff attempt to identify the race and national origin of the employee based on visual perception.

Executive Office of the President
EEO Statistical Summary for CEA, NSC, OA, ORVP
As of: September 30, 1998

SUPERVISORS

Race - Ethnicity	American Indian or Alaskan Native		Asian or Pacific Islander		Black (not of Hispanic Origin)		Hispanic		White (not of Hispanic Origin)		
Sex	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Pay Plan											Totals
EX										2	2
ES & SL									4	2	6
AD					1	1			1	1	4
EF & EH											0
GS 15						2	1		4	5	12
GS 14					2				2	3	7
GS 13							1		2	5	8
GS 12											0
GS 11					2						2
GS 10					1						1
GS 09			1								1
GS 08			1		2						3
GS 07											0
GS 06											0
GS 05											0
GS 04											0
WG 03											0
WG 04											0
WG 05											0
WG 06											0
TOTALS	0	0	2	0	8	3	2	0	13	18	46

NON SUPERVISORS

RNO Information	American Indian or Alaskan Native		Asian or Pacific Islander		Black (not of Hispanic Origin)		Hispanic		White (not of Hispanic Origin)		
Sex	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Pay Plan											Totals
EX											0
ES & SL											0
AD			1		1		1		6	7	16
EF & EH									1		1
GS 15									7		7
GS 14			1		2	3	1		12	11	30
GS 13					2	3			3	15	23
GS 12				1	3	4			5	20	33
GS 11			1		4	7			2	7	21
GS 10						3				2	5
GS 09					2	8			1	3	14
GS 08					1	1			1	3	6
GS 07					2	8			3	1	14
GS 06			2		5	2				3	12
GS 05					2			1	2		5
GS 04											0
GS 03											0
GS 02											0
WG 03											0
WG 04					1						1
WG 05					4						4
WG 06			1						1		2
WG 07											0
WG 08											0
TOTALS	0	0	5	1	29	39	2	1	44	72	194

EXHIBIT 4

Executive Office of the President
EEO Statistical Summary for:
CEA, NSC, OA, ORVP
As of: March 12, 1999

The statistical data provided herein is derived from a computer database containing information voluntarily provided by EOP employees. In accordance with OPM guidelines, if an employee does not provide any such information, personnel staff attempt to identify the race and national origin of the employee based on visual perception.

Executive Office of the President
EEO Statistical Summary for CEA, NSC, OA, ORVP
As of: March 12, 1999

SUPERVISORS

Race - Ethnicity	American Indian or Alaskan Native		Asian or Pacific Islander		Black (not of Hispanic Origin)		Hispanic		White (not of Hispanic Origin)		
Sex	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Pay Plan											Totals
EX										2	2
ES & SL									1	6	7
AD					1				2	2	6
EF & EH											0
GS 15						2	1		4	5	12
GS 14					1				2	2	5
GS 13									2	7	9
GS 12											0
GS 11					2						2
GS 10					1						1
GS 09			1							1	2
GS 08			1		2						3
GS 07						1					1
GS 06											0
GS 05											0
GS 04											0
WG 03											0
WG 04											0
WG 05											0
WG 06											0
TOTALS	0	0	2	0	7	3	1	0	11	25	49

NON SUPERVISORS

RNO Information	American Indian or Alaskan Native		Asian or Pacific Islander		Black (not of Hispanic Origin)		Hispanic		White (not of Hispanic Origin)		
Sex	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Pay Plan											Totals
EX											0
ES & SL											0
AD			1		2		1		7	5	16
EF & EH									1		1
GS 15									8	1	9
GS 14			1		1	3	1		12	9	27
GS 13					3	3			3	15	24
GS 12				1	3	5			5	19	33
GS 11			1		4	6			2	6	19
GS 10					2					2	4
GS 09					2	7			2	6	17
GS 08					1	2			1	2	6
GS 07				1	3	8			3	1	16
GS 06			2		5	2			1	2	12
GS 05					2			1	2	1	6
GS 04											0
GS 03											0
GS 02											0
WG 03											0
WG 04					1						1
WG 05					3						3
WG 06			1		1				1		3
WG 07											0
WG 08											0
TOTALS	0	0	6	2	33	36	2	1	48	69	197

EXHIBIT 4

Executive Office of the President
EEO Statistical Summary for WHO, OVP, OPD
As of: September 30, 1998

The statistical data provided herein is derived from a computer database containing information voluntarily provided by EOP employees. In accordance with OPM guidelines, if an employee does not provide any such information, personnel staff attempt to identify the race and national origin of the employee based on visual perception.

Executive Office of the President
EEO Statistical Summary for WHO, OVP, OPD
As of: September 30, 1998

Race - Ethnicity	American Indian or Alaskan Native		Asian or Pacific Islander		Black (not of Hispanic Origin)		Hispanic		White (not of Hispanic Origin)		
Sex	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Pay Plan											Totals
EX											0
ES & SL											0
AD		3	6	13	18	42	7	18	163	185	455
EF & EH											0
GS 15											0
GS 14											0
GS 13											0
GS 12											0
GS 11											0
GS 10											0
GS 09											0
GS 08											0
GS 07											0
GS 06											0
GS 05											0
GS 04											0
											0
WG 03											0
WG 04											0
WG 05											0
WG 06											0
WG 07											0
WG 08											0
TOTALS	0	3	6	13	18	42	7	18	163	185	455

EXHIBIT 4

Executive Office of the President
EEO Statistical Summary for WHO, OVP, OPD
As of: March 12, 1999

The statistical data provided herein is derived from a computer database containing information voluntarily provided by EOP employees. In accordance with OPM guidelines, if an employee does not provide any such information, personnel staff attempt to identify the race and national origin of the employee based on visual perception.

Executive Office of the President
EEO Statistical Summary for WHO, OVP, OPD
As of: March 12, 1999

Race - Ethnicity	American Indian or Alaskan Native		Asian or Pacific Islander		Black (not of Hispanic Origin)		Hispanic		White (not of Hispanic Origin)		
Sex	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Pay Plan											Totals
EX											0
ES & SL											0
AD		3	6	12	19	42	7	17	146	185	437
EF & EH											0
GS 15											0
GS 14											0
GS 13											0
GS 12											0
GS 11											0
GS 10											0
GS 09											0
GS 08											0
GS 07											0
GS 06											0
GS 05											0
GS 04											0
											0
WG 03											0
WG 04											0
WG 05											0
WG 06											0
WG 07											0
WG 08											0
TOTALS	0	3	6	12	19	42	7	17	146	185	437

EXHIBIT 5

Consolidated Non Y2K Project List

ADVANCED REVELATION SUPPORT

ARCHIVE OLD FINANCIAL SYSTEM

ARMS/NARA TAPE CONVERSION

CLERK'S SYSTEM REDEVELOPMENT

ELECTRONIC CERTIFICATION SYSTEM RENOVATION

EOP ADMINISTRATION TRANSITION PLANNING

GENERAL PURPOSE EOP INTERNET LIST SERVER

INTERNET SERVICE PROVIDER (ISP) PROCUREMENT

LEXIS/NEXIS ACCESS UPGRADE

OMB-FMS COMMUNICATIONS

OMB-LIS INTERNET APPLICATIONS

PALM PILOT INTEGRATION (NT 4.0)

REMOTE MAINTENANCE ACCESS TELECOMMUNICATIONS (RMATS)

SHIVA SERVER UPGRADE

USSS NAME LIST INTERFACE SUPPORT

LEGISLATIVE CLEARANCE PROJECT

EXHIBIT 6

ITMT Y2K MISSION CRITICAL SYSTEMS

System Name

Telephone Switches
Voice Mail
OA-WHCA Travel Sys
Enterprise Server
Network
RISC-6000
NT-Client
NT-Server
Novel Servers
OMB Systems Suite (9 Systems)
VAX
All-in-One (Contingency Plan)
IM Newswire
PS-2000 Client
WEB-Server
WHO-Electronic Funds Xfer Sys
Internet Audio Feed
Bloomberg Newswire
POTUS Mail Server
EOP Directory
Random Drug Test System
IM Systems (7 Systems)
Mainframe 3090
Production Control Group
Phone Book
Personnel & Pay Sys
IM- 7 Systems
ERS/PRISM
FAMIS
Megastream
WHO Travel Office
ARMS to Lotus Notes Interface
ARMS
RDS-MART
ONDCP Security System
EOP Security Tracking System
E-Mail Reconstruction System
WHISDM
C-TRACK
D-TRACK

SECLOG
Agency Casework & Contact System
RESUMIX
QUORUM
Optical Data Base
Cabinet Affairs Sys
Security Permiter
FIREWALL

EXHIBIT 7

Status of FY99 CIP Projects -- Data Center Infrastructure

Project Title	Status
Enterprise server	Key equipment components installed and operational; currently in transition to full production. Completion scheduled for mid-April, 1999.
Network service/internet connectivity	Request for proposals planned for later in FY99.
Network security perimeter	In planning stages (must be coordinated with Help Desk upgrades). Scheduled to be completed by September 30, 1999.
Digital signature	Action deferred until later in FY99.
Network infrastructure	Network improvements are underway and are scheduled to be completed by March 31, 1999. Currently developing cost estimates for replacement of cables.
Data center infrastructure	Replacement of power distribution equipment deferred until later in FY99.
Server infrastructure	Server replacements/upgrades underway throughout EOP complex. Expected to be completed by March 31, 1999.
Telephone system	Intuity voice mail Y2K project is proceeding and is scheduled to be completed by March 31, 1999.
Mainframe software	Project underway in coordination with OMB and is scheduled to be completed by March 31, 1999.

Status of FY99 CIP Projects -- Desktop Software/hardware

Project Title	Status
Desktop equipment	Personal computers (PC's) and printers will be installed during ongoing roll-out of common software. 95% of the PC's will be replaced by March 31, 1999.
Common software	Roll-out of NT4.0 software underway throughout EOP. This is scheduled to be completed by June 30, 1999.
Travel equipment	Laptop computers, printers, and other equipment are being rolled-out. Scheduled completion date is March 31, 1999.
Desktop/Software configuration management tools	Configuration management tools have been acquired.

Status of FY99 CIP Projects -- System Renovations

Project Title	Status
Financial systems	System renovation underway. Scheduled completion date is August 31, 1999. System will actually become fully operational during FY 2000 rollover on October 1, 1999.
Procurement system (PRISM)	System has been selected and should be installed by August 31, 1999.
Common EOP support systems	Remediation in progress.
OA systems	Remedation in progress.
White House systems	Planning underway for White House Operations systems remediation. Scheduled completion date September 30, 1999.
Other EOP agency systems	Remediations in progress.
Independent Validation and Verification (IV&V)	OMB IV&V is in progress and is scheduled to be completed by March 31, 1999; other IV&V work is currently being scheduled and will be conducted as soon as is practicably feasible.
Program support	Contingency planning and program management support underway. Business Contingency and Continuity Plans are scheduled to be completed by June 30, 1999 and fully tested by August 1999.

Status of FY99 CIP Projects -- Strategic Investments

Project Title	Status
Help Desk	Planning for replacement of help desk system nearing completion; procurement process is scheduled to begin by March 31, 1999.
Internet infrastructure	Internet hardware acquisitions are underway.
Pilot projects and study	Electronic document management projects under consideration.
Training support for new systems	Training for EOP customers in new common software load underway. The majority of training is is scheduled to occur by June 30, 1999.
Contractor space and support	Y2K contractors currently on board performing remediation. Some contractor support is expected to continue through January 1, 2000.

Executive Office of the President



Fiscal Year 2000
Congressional Budget Submission

- *Compensation of the President*
- *White House Office*
- *Special Assistance to the President*
- *Official Residence of the Vice President*
- *Office of Administration*
- *Office of Policy Development*
- *National Security Council*
- *Council of Economic Advisers*
- *Unanticipated Needs*

Executive Office of the President
Fiscal Year 2000
Congressional Budget Submission

Table of Contents

Compensation of the President
- Overview 3
- Appropriation Language/Program and Performance 4
- Summary Tables:
  - Program and Financing 5
  - Object Classification 6
  - Funding Request by Object Classification (Pie Chart) 7
  - Explanation of Changes by Object Class 8

White House Office
- Overview 11
- Appropriation Language/Program and Performance 14
- Summary Tables:
  - Program and Financing 15
  - Object Classification and Personnel Summary 16
  - Funding Request by Object Classification (Pie Chart) 17
  - Explanation of Changes by Object Class 18
- Mission Statement and Background 22

Special Assistance to the President
- Overview 25
- Appropriation Language/Program and Performance 27
- Summary Tables:
  - Program and Financing 28
  - Object Classification and Personnel Summary 29
  - Funding Request by Object Classification (Pie Chart) 30
  - Explanation of Changes by Object Class 31
- Mission Statement and Background 35

Official Residence of the Vice President
- Overview 39
- Appropriation Language/Program and Performance 41
- Summary Tables:
  - Program and Financing 42
  - Object Classification and Personnel Summary 43
  - Funding Request by Object Classification (Pie Chart) 44
  - Explanation of Changes by Object Class 45
- Mission Statement and Background 48

Office of Administration
Overview 51
Appropriation Language/Program and Performance 60
Summary Tables:
Program and Financing 61
Object Classification and Personnel Summary 62
Funding Request by Object Classification (Pie Chart) 63
Explanation of Changes by Object Class 64
Mission Statement and Background 70

Office of Policy Development
Overview 75
Appropriation Language/Program and Performance 78
Summary Tables:
Program and Financing 79
Object Classification and Personnel Summary 80
Funding Request by Object Classification (Pie Chart) 82
Explanation of Changes by Object Class 83
Mission Statement and Background 86

National Security Council
Overview 89
Appropriation Language/Program and Performance 92
Summary Tables:
Program and Financing 93
Object Classification and Personnel Summary 94
Funding Request by Object Classification (Pie Chart) 95
Explanation of Changes by Object Class 96
Mission Statement and Background 99

Council of Economic Advisers
Overview 103
Appropriation Language/Program and Performance 105
Summary Tables:
Program and Financing 106
Object Classification and Personnel Summary 107
Funding Request by Object Classification (Pie Chart) 108
Explanation of Changes by Object Class 109
Mission Statement and Background 113

Unanticipated Needs
Overview 117
Appropriation Language/Program and Performance 118
Summary Tables:
Program and Financing 119
Object Classification 120
Explanation of Changes by Object Class 121
Mission Statement and Background 122

Executive Office of the President

Compensation of the President

Fiscal Year 2000 Budget

Executive Office of the President
Compensation of the President

Overview

For fiscal year (FY) 2000, Compensation of the President requests an appropriation of $250,000. There is no change from the FY 1999 appropriation which has remained at this level since 1969.

This amount provides for the President's salary of $200,000 as well as an expense account of $50,000. The expense account is for official use as authorized by Title 3 of the United States Code and is not taxable to the President. The unused balance at the end of the fiscal year is returned to the Treasury.

A summary of the Compensation of the President's FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation (dollars in thousands)	$250	$250	$250
Full-time equivalents*	0	0	0

* The President's position is not counted as a full-time equivalent position.

Executive Office of the President
Compensation of the President

Appropriation Language

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31, United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

These funds provide for the compensation of the President and official expenses.

Executive Office of the President
Compensation of the President

Program and Financing
(dollars in thousands)

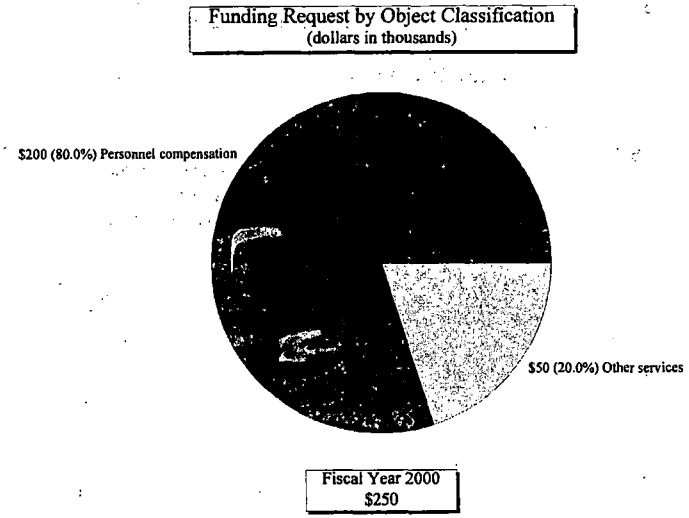
I.D. Code 11-0001-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Direct program	205	250	250
09.01	Reimbursable program	0	0	0
10.00	Total obligations	205	250	250
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	250	250	250
23.90	Total budgetary resources available for obligation	250	250	250
23.95	New obligations	(205)	(250)	(250)
23.98	Unobligated balance expiring	(45)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	250	250	250
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	0	0	0
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	0	0	0
68.15	Adjustments to receivables and unpaid, unfilled orders	0	0	0
68.90	Spending authority from offsetting collections (total)	0	0	0
70.00	Total new budget authority (gross)	250	250	250
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	0	67	0
72.95	From Federal sources: Receivables and unpaid, unfilled orders	0	0	0
72.99	Total unpaid obligations, start of year	0	67	0
73.10	Total new obligations	205	250	250
73.20	Total outlays (gross)	(138)	(317)	(250)
73.40	Adjustments in expired accounts	0	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	67	0	0
74.95	From Federal sources: Receivables and unpaid, unfilled orders	0	0	0
74.99	Total unpaid obligations, end of year	67	0	0
	Outlays (gross), detail:			
86.90	Outlays from new current authority	138	250	250
86.93	Outlays from current balances	0	67	0
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	138	317	250
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	0	0	0
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	0	0	0
88.96	Adjustments to receivables and unpaid, unfilled orders	0	0	0
	Net budget authority and outlays:			
89.00	Budget authority	250	250	250
90.00	Outlays	138	317	250

Executive Office of the President
Compensation of the President

Object Classification
(dollars in thousands)

I.D. Code 11-0001-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	200	200	200
11.9	Total personnel compensation	200	200	200
25.2	Other services	5	50	50
99.0	Subtotal, Direct obligations	205	250	250
99.9	Total obligations	205	250	250

Executive Office of the President
Compensation of the President



Executive Office of the President
Compensation of the President

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1)	
$200	$200	This provides for the salary of the President. No increase is requested.	$0
		Other services (25.2)	
$50	$50	This category funds the President's expense account, as authorized by 3 U.S.C. 102. It is used for official representation when the President is directly involved in official duties. No increase is requested.	$0
$250	$250	Total for all object classes	$0

Executive Office of the President



White House Office

Fiscal Year 2000 Budget

Executive Office of the President
White House Office

Overview

For fiscal year (FY) 2000, the White House Office (WHO) requests an appropriation of $52,444,000 and 400 full-time equivalents (FTE). This is an increase of $100,000 over the FY 1999 enacted level and no increase in FTE.

FY 1999 Realignment

The FY 1999 budget column was adjusted to more accurately reflect actual costs. Funds were moved from Personnel compensation and benefits, $804,000, and shifted to Communications, utilities and miscellaneous charges, $410,000; Other services, $111,000; and Equipment, $283,000. Most of the surplus in Personnel resulted from projected overtime costs coming in much lower than budgeted one year ago in the Other personnel compensation object class. Also, a higher attrition rate in FY 1999 created additional savings in the Full-time permanent and Benefits categories.

A reclassification of newswire costs requires additional funds in the Communications, utilities and miscellaneous charges category. In FY 1998, Congress required the White House Communications Agency (WHCA), a Department of Defense component, to transfer the funds and responsibility for non-telecommunications support services to the WHO. To better manage these resources in FY 1999, the WHO contracted directly for stenographic and newswire services on its own, rather than relying on WHCA for these services. As a result, these expenses are now classified in the Communications, utilities and miscellaneous charges category, which shows a net increase of $410,000. Funds for newswire services were originally budgeted in the Other services category because they were services provided by WHCA.

A net increase of $111,000 in the Other services category will pay for existing professional services contracts as well as software and hardware maintenance contracts. As a result of the increase in contracts for satellite communications, costs in this category are currently running one percent higher than projected.

Additional funding is needed in the Equipment object class to pay for upgrading the White House Internet Home Page. This upgrade to the "next generation" web site will address the rapidly growing demand for web site services and will enhance accessability, capacity, response time, and the accuracy of information being provided to the public. Also, the Executive Clerk's information system must be replaced because the current software is out-dated and no longer supported by the vendor. This new system is being developed as a custom application using industry standard development software. Additional funding will allow the WHO to continue the implementation and enhancement of this custom software. An increase to this object class of $283,000 will cover both of these much needed upgrades.

FY 2000 Request

The $100,000 net increase will partially cover inflationary costs in personnel compensation, benefits and office rent. This modest increase will be combined with savings from other object classes. The requested increase is consistent with Office of Management and Budget (OMB) pay guidance and General Services Administration (GSA) office rent rates. The small increase in the Personnel compensation and benefits categories provides partial funding for the 4.4% estimated pay and locality adjustment for GS equivalent staff. The Rental payments to GSA object class includes partial funding for a 2% rate increase anticipated in FY 2000.

Increases in these object classes are largely offset by decreases in Communications, utilities and miscellaneous charges and Printing and reproduction. The outright purchase of the telephone system in FY 1999 will result in FY 2000 savings. The Printing and reproduction object class is reduced to reflect actual expenses. All other object classes remain at their FY 1999 budgeted levels.

Executive Office of the President
White House Office

Overview (continued)
(dollars in thousands)

A summary of the White House Office's FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation	$51,199	$52,344	$52,444
Full-time equivalents	400	400	400

The increases/decreases requested for FY 2000 are as follows:

FY 1999 Enacted Level	$52,344
Personnel compensation	$440
Civilian personnel benefits	$110
Rental payments to GSA	$26
Subtotal	$52,920
Communications, utilities and misc. charges	($270)
Printing and reproduction	($100)
Other services	($106)
FY 2000 Request	$52,444

Executive Office of the President
White House Office

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President, [$52,344,000] *$52,444,000* [: *Provided*, That $10,100,000 of the funds appropriated shall be available for reimbursements to the White House Communications Agency]. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

These funds provide the President with staff assistance and provide administrative services for the direct support of the President.

Executive Office of the President
White House Office

Program and Financing
(dollars in thousands)

I.D. Code 11-0110-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Salaries and expenses	41,349	52,344	52,444
00.02	Non-telecommunications support	9,793	0	0
09.01	Reimbursable program	1,014	1,000	0
10.00	Total obligations	52,156	53,344	52,444
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	52,213	53,344	52,444
23.90	Total budgetary resources available for obligation	52,213	53,344	52,444
23.95	New obligations	(52,156)	(53,344)	(52,444)
23.98	Unobligated balance expiring	(57)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	51,199	52,344	52,444
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	316	1,743	0
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	684	(743)	0
68.15	Adjustments to receivables and unpaid, unfilled orders	14	0	0
68.90	Spending authority from offsetting collections (total)	1,014	1,000	0
70.00	Total new budget authority (gross)	52,213	53,344	52,444
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	8,270	13,275	18,331
72.95	From Federal sources: Receivables and unpaid, unfilled orders	59	743	0
72.99	Total unpaid obligations, start of year	8,329	14,018	18,331
73.10	Total new obligations	52,156	53,344	52,444
73.20	Total outlays (gross)	(46,019)	(49,031)	(51,014)
73.40	Adjustments in expired accounts	(448)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	13,275	18,331	19,761
74.95	From Federal sources: Receivables and unpaid, unfilled orders	743	0	0
74.99	Total unpaid obligations, end of year	14,018	18,331	19,761
	Outlays (gross), detail:			
86.90	Outlays from new current authority	42,127	42,809	42,891
86.93	Outlays from current balances	3,892	6,222	8,123
87.00	Total outlays (gross)	46,019	49,031	51,014
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	316	1,743	0
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	684	(743)	0
88.96	Adjustments to receivables and unpaid, unfilled orders	14	0	0
	Net budget authority and outlays:			
89.00	Budget authority	51,199	52,344	52,444
90.00	Outlays	45,703	47,288	51,014

Executive Office of the President
White House Office

Object Classification
(dollars in thousands)

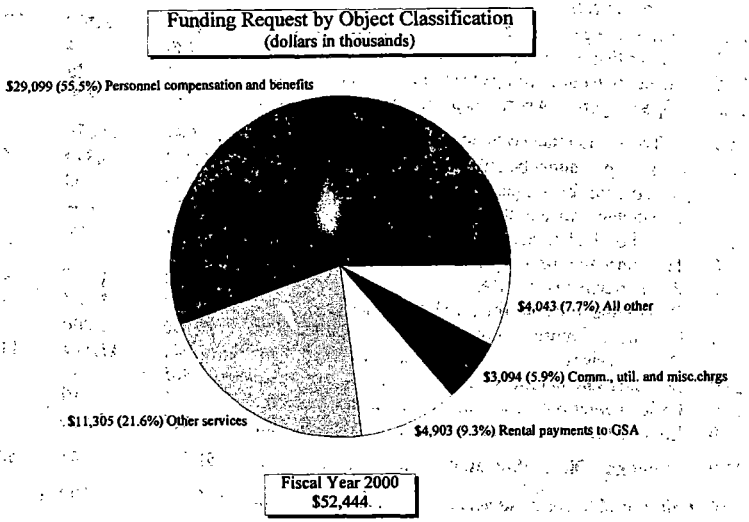
I.D. Code 11-0110-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	21,407	**22,200**	22,640
11.3	Other than full-time permanent	180	154	154
11.5	Other personnel compensation	55	**125**	125
11.8	Special personal services payments	345	400	400
11.9	Total personnel compensation	21,987	22,879	23,319
12.1	Civilian personnel benefits	5,322	**5,570**	5,680
13.0	Benefits for former personnel	100	100	100
21.0	Travel and transportation of persons	867	864	864
21.0	Travel of the President	81	100	100
22.0	Transportation of things	4	10	10
23.1	Rental payments to GSA	4,614	4,877	4,903
23.3	Communications, utilities and misc. charges	2,413	**3,364**	3,094
24.0	Printing and reproduction	796	1,000	900
25.2	Other services	12,041	**11,411**	11,305
26.0	Supplies and materials	585	650	650
26.0	Official entertainment	3	19	19
31.0	Equipment	2,329	**1,500**	1,500
99.0	Subtotal, Direct obligations	51,142	52,344	52,444
99.0	Reimbursable obligations	1,014	1,000	0
99.9	Total obligations	52,156	53,344	52,444

*** Bolded numbers indicate "realigned" amounts.**

Personnel Summary

I.D. Code 11-0110-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	391	400	400

Executive Office of the President
White House Office



Executive Office of the President
White House Office

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$22,879	$23,319		$440
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), and reimbursable detailees. This request funds salary expenses for 400 full-time equivalents.	
		This net increase will provide for the projected 4.4% general pay and locality adjustments effective January 1, 2000 per OMB guidance for GS equivalent employees. These funds will also partially cover promotions and within grade salary increases.	
		Civilian personnel benefits (12.1)	
$5,570	$5,680		$110
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, workers' compensation, and transportation subsidy.	
		The increase reflects anticipated benefit costs. Benefit rates are estimated based on the current ratio of benefits to salaries.	
		Benefits for former personnel (13.0)	
$100	$100		$0
		This category includes unemployment compensation and severance payments.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Travel and transportation of persons (21.0)	
$864	$864	Costs for official WHO travel, such as per diem, hotel, transportation, and auto rental, are covered in this category. No increase is requested in this object class.	$0
		Travel of the President (21.0)	
$100	$100	These funds provide for the official travel expenses of the President, or government staff accompanying the President as authorized by 3 U.S.C. 103. No increase is requested in this object class.	$0
		Transportation of things (22.0)	
$10	$10	The requested amount will fund commercial express delivery as well as freight and other shipping charges. No increase is requested in this object class.	$0
		Rental payments to GSA (23.1)	
$4,877	$4,903	Funding in this category provides space in the White House, the New and Old Executive Office Buildings, and the Jackson Place townhouses. Most of the 2% increase in GSA rates anticipated in FY 2000 can be absorbed within the existing budget.	$26
		Communications, utilities and misc charges (23.3)	
$3,364	$3,094	This object class funds the use of commercial, local, cellular, and long distance telephone service, GSA's FTS service, wire services, satellite subscriptions, and database	($270)

FY 1999 Estimate	FY 2000 Request		Net Change
		subscriptions. It also funds after hours utilities, postage, and other miscellaneous rental charges. The decrease results from savings realized by the outright purchase of telephone system in FY 1999.	
$1,000	$900	Printing and reproduction (24.0) These funds provide for government and commercial printing requirements. It includes funding for the 3.1% increase in GPO rates, which can be absorbed within the current budget level. The FY 2000 request aligns the budget to actual costs.	($100)
$11,411	$11,305	Other services (25.2) Included in this category are a wide range of commercial and government services including contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. The decrease in this object class will cover increases needed in other object classes.	($106)
$650	$650	Supplies and materials (26.0) This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications. No increase is requested in this object class.	$0

FY 1999 Estimate	FY 2000 Request		Net Change
		Official entertainment (26.0)	
$19	$19	This allowance for entertainment is used strictly for expenses for official representation by senior White House staff when the President is not directly involved. No increase is requested in this object class.	$0
		Equipment (31.0)	
$1,500	$1,500	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment. No increase is requested in this object class.	$0
$52,344	$52,444	Total for all object classes	$100

Executive Office of the President
White House Office

Mission Statement and Background

The White House Office provides advisory and administrative support directly to the President. This requires a full-range of professional, managerial, and support staff.

The professional staff provides advice and counsel to the President in his role as Chief Executive on a wide variety of issues including national security, domestic and economic policy. The professional staff also brings expertise on relations with Congress, selection of candidates for presidential appointments, and relations with cabinet departments, other executive branch agencies, and state and local governments. WHO staff also serves as the President's representative before the media and as the central point of contact for scheduling and correspondence. In accordance with the provisions of 3 U.S.C. §105, the WHO supports and assists the activities of the First Lady.

Executive Office of the President



Special Assistance to the President

Fiscal Year 2000 Budget

Executive Office of the President
Special Assistance to the President

Overview

For fiscal year (FY) 2000, Special Assistance to the President requests an appropriation of $3,617,000 and 22 full-time equivalents (FTE). This is an increase of $105,000 or 3% in appropriation and no increase in FTE.

The request for personnel compensation represents a 4.4% increase over the FY 1999 appropriated level, and is consistent with the general pay and locality increase for GS employees under guidance from the Office of Management and Budget (OMB). Benefits will increase commensurate with the pay raise.

Although most inflationary increases in the non-personnel object classes have been absorbed within the FY 1999 levels, increases in Rental payments to GSA, Other services, and Supplies and materials are required to continue the current level of support. These non-personnel increases will cover the rising GSA rental rates, higher costs of maintenance on automated data processing (ADP) hardware, copiers, faxes and other office equipment, and cost increases in office supplies and subscriptions.

The budget for FY 2000 requests the funds necessary to maintain the current level of service to the Vice President in support of his official responsibilities. It represents a continued commitment to control costs with minimal increases to the non-pay categories and strict adherence to the government-wide pay guidance from OMB in developing the personnel estimates.

Executive Office of the President
Special Assistance to the President

Overview (continued)
(dollars in thousands)

A summary of Special Assistance to the President's FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation	$3,378	$3,512	$3,617
Full-time equivalents	21	22	22

The increases/decreases requested for FY 2000 are as follows:

FY 1999 Enacted Level	$3,512
Personnel compensation and benefits	$73
Civilian personnel benefits	$17
Rental payments to GSA	$13
Other services	$1
Supplies and materials	$1
FY 2000 Request	$3,617

Executive Office of the President
Special Assistance to the President

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; [$3,512,000] *$3,617,000. (Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

These funds are to be used by the Vice President to carry out responsibilities assigned him by the President and by various statutes.

Executive Office of the President
Special Assistance to the President

Program and Financing
(dollars in thousands)

I.D. Code 11-1454-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Direct program	3,297	3,512	3,617
09.01	Reimbursable program	378	350	350
10.00	Total obligations	3,675	3,862	3,967
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	3,756	3,862	3,967
23.90	Total budgetary resources available for obligation	3,756	3,862	3,967
23.95	New obligations	(3,675)	(3,862)	(3,967)
23.98	Unobligated balance expiring	(81)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	3,378	3,512	3,617
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	352	350	350
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	43	0	0
68.15	Adjustments to receivables and unpaid, unfilled orders	(17)	0	0
68.90	Spending authority from offsetting collections (total)	378	350	350
70.00	Total new budget authority (gross)	3,756	3,862	3,967
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	875	704	784
72.95	From Federal sources: Receivables and unpaid, unfilled orders	36	79	79
72.99	Total unpaid obligations, start of year	911	783	863
73.10	Total new obligations	3,675	3,862	3,967
73.20	Total outlays (gross)	(3,665)	(3,782)	(3,910)
73.40	Adjustments in expired accounts	(138)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	704	784	841
74.95	From Federal sources: Receivables and unpaid, unfilled orders	79	79	79
74.99	Total unpaid obligations, end of year	783	863	920
	Outlays (gross), detail:			
86.90	Outlays from new current authority	3,269	3,134	3,228
86.93	Outlays from current balances	396	648	682
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	3,665	3,782	3,910
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	352	350	350
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	43	0	0
88.96	Adjustments to receivables and unpaid, unfilled orders	(17)	0	0
	Net budget authority and outlays:			
89.00	Budget authority	3,378	3,512	3,617
90.00	Outlays	3,313	3,432	3,560

Executive Office of the President
Special Assistance to the President

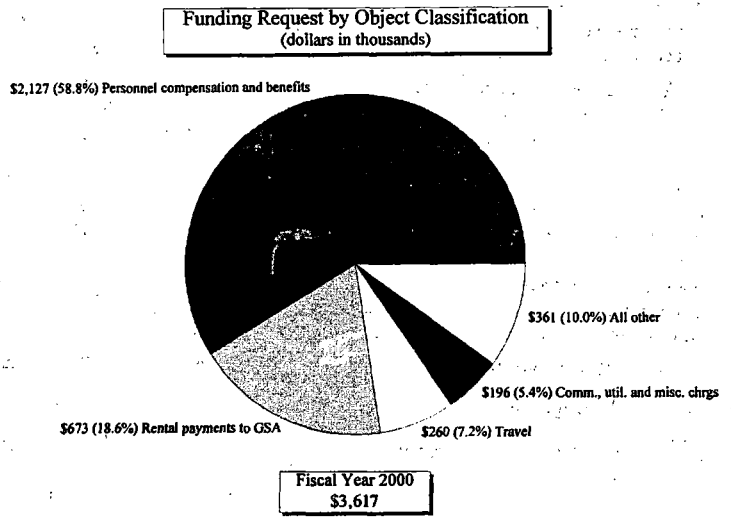
Object Classification
(dollars in thousands)

I.D. Code 11-1454-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,569	1,596	1,666
11.8	Special personal services payments	70	55	58
11.9	Total personnel compensation	1,639	1,651	1,724
12.1	Civilian personnel benefits	346	386	403
21.0	Travel and transportation of persons	189	260	260
22.0	Transportation of things	3	1	1
23.1	Rental payments to GSA	619	660	673
23.3	Communications, utilities and misc. charges	165	196	196
24.0	Printing and reproduction	25	11	11
25.2	Other services	83	43	44
26.0	Supplies and materials	55	62	63
31.0	Equipment	59	131	131
91.0	Unvouchered	114	111	111
99.0	Subtotal, Direct obligations	3,297	3,512	3,617
99.0	Reimbursable obligations	378	350	350
99.9	Total obligations	3,675	3,862	3,967

Personnel Summary

I.D. Code 11-1454-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	20	22	22

Executive Office of the President
Special Assistance to the President



Executive Office of the President
Special Assistance to the President

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$1,651	$1,724		$73
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay, and reimbursable detailees. This request funds salary expenses for 22 full-time equivalents.	
		The increase will provide for promotions and is consistent with the OMB guidance of a 4.4% general pay and locality increase for GS employees, effective January 1, 2000.	
		Civilian personnel benefits (12.1)	
$386	$403		$17
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, and workers' compensation.	
		The increase reflects anticipated benefit costs commensurate with the general pay and locality increase. Benefit rates are estimated based on the current ratio of benefits to full-time salaries.	
		Travel and transportation of persons (21.0)	
$260	$260		$0
		Costs of official travel such as per diem, hotel, transportation, auto rental, and local transportation are covered in this category. This line item is combined with the unvouchered category to provide the total resources available to the Vice President and his staff for travel.	

FY 1999 Estimate	FY 2000 Request		Net Change
		No increase is requested in this object class.	
		Transportation of things (22.0)	
$1	$1		$0
		The requested amount will fund commercial express delivery as well as freight and other shipping charges.	
		No increase is requested in this object class.	
		Rental payments to GSA (23.1)	
$660	$673		$13
		Funding in this category provides office space in the Old Executive Office Building.	
		This request reflects the 2% increase in GSA rates anticipated in FY 2000.	
		Communications, utilities and misc charges (23.3)	
$196	$196		$0
		This object class funds the use of commercial, local, cellular, and long distance telephone service, GSA's FTS service, wire services, satellite subscriptions, and database subscriptions. It also funds after hours utilities, postage, and other miscellaneous rental charges.	
		No increase is requested in this object class. Increases in telephone service and other office equipment lease costs are offset by anticipated savings realized from the outright purchase of the telephone system in FY 1999.	
		Printing and reproduction (24.0)	
$11	$11		$0
		These funds provide for government and commercial printing requirements.	
		No increase is requested in this object class.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Other services (25.2)	
$43	$44	Included in this category are a wide range of commercial and government services including contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. This increase covers the cost growth in maintenance of ADP hardware, copier, fax and other office equipment.	$1
		Supplies and materials (26.0)	
$62	$63	This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications. The requested increase will provide adequate funding for office supplies and cover subscription rate increases.	$1
		Equipment (31.0)	
$131	$131	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment. No increase is requested in this object class.	$0
		Unvouchered (91.0)	
$111	$111	These funds provide for the official travel of the Vice President and travel costs of government staff while in accompaniment of the Vice President. This category is combined with the Travel and transportation of persons category to provide total resources available to the Vice President and his staff for travel.	$0

FY 1999 Estimate	FY 2000 Request		Net Change
		No increase is requested in this object class.	
$3,512	$3,617	Total for all object classes	$105

Executive Office of the President
Special Assistance to the President

Mission Statement and Background

The Special Assistance to the President (Office of the Vice President) account was established on September 26, 1970 to enable the Vice President to provide continuing assistance to the President. This assistance includes specially assigned functions by the President.

Among the Vice President's executive functions are the following:

A. Member of the President's Cabinet, acting as chairman when the President is absent;

B. Member of the National Security Council;

C. Ex-Officio member of all Cabinet Councils; and

D. Member of the Board of Regents of the Smithsonian Institution.

The objective of the Office of the Vice President is to advise, assist, and support the Vice President efficiently and effectively in the areas of domestic policy, national security affairs, counsel, administration, press, scheduling, and advance. Assistance is also provided for the spouse of the Vice President.

Executive Office of the President



Official Residence of the Vice President

Fiscal Year 2000 Budget

Executive Office of the President
Official Residence of the Vice President

Overview

For fiscal year (FY) 2000, the Official Residence of the Vice President requests an appropriation of $345,000 and one full-time equivalent (FTE). This is an increase of $11,000 or 3.3% in appropriation and no increase in FTE.

This request will provide adequate funding for the salary and benefits cost of one staff person who serves as the residence manager. This individual has the primary responsibility for oversight of the residence and liaison with the Vice President's family. The budget estimate reflects the funds needed to cover the costs of a promotion as well as the anticipated 4.4% general pay and locality adjustment.

The travel request has been reduced to reflect only local transportation needs since current duties at the residence do not require travel outside the DC metropolitan area. This reduction partially offsets the increases in the compensation categories and aligns the budget estimate with actual costs.

The residence has been able to absorb costs in other categories. Increases in the Navy interagency agreement for utilities, repair and maintenance contracts, and commercial supplies have been absorbed through service reductions and anticipated savings realized from the outright purchase of the telephone system in FY 1999.

The FY 2000 request will enable the residence staff to continue the current level of support to the Vice President and his family. This budget requests additional resources for pay increases while holding most non-pay categories flat.

Executive Office of the President
Official Residence of the Vice President

Overview (continued)
(dollars in thousands)

A summary of the Official Residence of the Vice Preisdent's FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation	$334	$334	$345
Full-time equivalents	1	1	1

The increases/decreases requested for FY 2000 are as follows:

FY 1999 Enacted Level	$334
Personnel compensation	$11
Civilian personnel benefits	$2
Subtotal	$347
Travel and transportation of persons	($2)
FY 2000 Request	$345

Executive Office of the President
Official Residence of the Vice President

Appropriation Language

OPERATING EXPENSES

For the care, operation, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, the hire of passenger motor vehicles, and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate; [$334,000] *$345,000: Provided,* That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

These funds provide for the care and operation of the Vice President's official residence.

Executive Office of the President
Official Residence of the Vice President

Program and Financing
(dollars in thousands)

I.D. Code 11-1454-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Direct program	303	334	345
09.01	Reimbursable program	0	0	0
10.00	Total obligations	303	334	345
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	334	334	345
23.90	Total budgetary resources available for obligation	334	334	345
23.95	New obligations	(303)	(334)	(345)
23.98	Unobligated balance expiring	31	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	334	334	345
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	0	0	0
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	1	0	0
68.15	Adjustments to receivables and unpaid, unfilled orders	(1)	0	0
68.90	Spending authority from offsetting collections (total)	0	0	0
70.00	Total new budget authority (gross)	334	334	345
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	74	86	106
72.95	From Federal sources: Receivables and unpaid, unfilled orders	4	5	5
72.99	Total unpaid obligations, start of year	78	91	111
73.10	Total new obligations	303	334	345
73.20	Total outlays (gross)	(281)	(314)	(336)
73.40	Adjustments in expired accounts	(9)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	86	106	115
74.95	From Federal sources: Receivables and unpaid, unfilled orders	5	5	5
74.99	Total unpaid obligations, end of year	91	111	120
	Outlays (gross), detail:			
86.90	Outlays from new current authority	236	258	267
86.93	Outlays from current balances	45	56	69
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	281	314	336
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	0	0	0
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	1	0	0
88.96	Adjustments to receivables and unpaid, unfilled orders	(1)	0	0
	Net budget authority and outlays:			
89.00	Budget authority	334	334	345
90.00	Outlays	281	314	336

Executive Office of the President
Official Residence of the Vice President

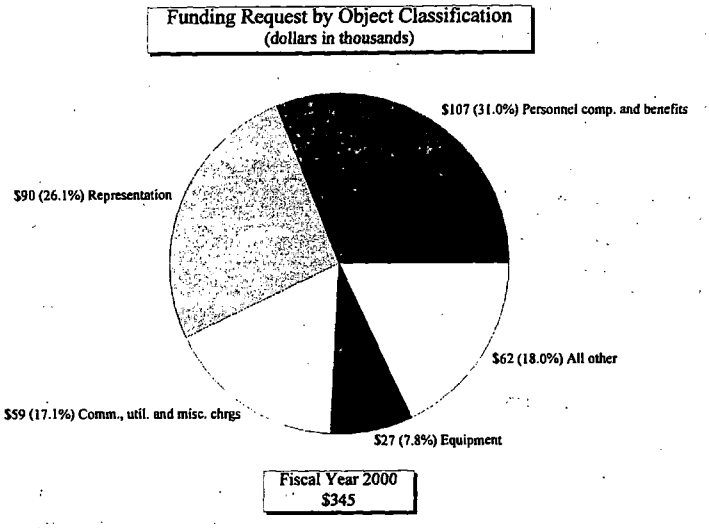
Object Classification
(dollars in thousands)

I.D. Code 11-1454-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	73	74	85
11.9	Total personnel compensation	73	74	85
12.1	Civilian personnel benefits	19	20	22
21.0	Travel and transportation of persons	0	3	1
22.0	Transportation of things	1	1	1
23.3	Communications, utilities and misc. charges	58	59	59
24.0	Printing and reproduction	2	10	10
25.2	Other services	23	25	25
26.0	Supplies and materials	39	25	25
31.0	Equipment	29	27	27
91.0	Representation	59	90	90
99.0	Subtotal, Direct obligations	303	334	345
99.0	Reimbursable obligations	0	0	0
99.9	Total obligations	303	334	345

Personnel Summary

I.D. Code 11-1454-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	1	1	1

Executive Office of the President
Official Residence of the Vice President



Executive Office of the President
Official Residence of the Vice President

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$74	$85		$11
		The Personnel compensation category funds the salary of one GS equivalent employee. This individual has primary responsibility for oversight of the residence and liaison with the Vice President's family.	
		The increase will provide for a promotion and the projected 4.4% general pay and locality adjustments effective January 1, 2000 per OMB guidance for the GS equivalent employee.	
		Civilian personnel benefits (12.1)	
$20	$22		$2
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, and health and life insurance.	
		The increase reflects anticipated benefit costs. The request is based on the current percentage of benefits against salary costs.	
		Travel and transportation of persons (21.0)	
$3	$1		($2)
		The cost of local transportation and travel of residence staff is funded by this line item.	
		Duties of the Residence staff have not required travel out of the Washington DC metro area. This reduction provides sufficient funds for local transportation costs and aligns the	

FY 1999 Estimate	FY 2000 Request		Net Change
		budget with actual costs.	
		Transportation of things (22.0)	
$1	$1		$0
		The requested amount will fund commercial express delivery as well as freight and other shipping charges.	
		No increase is requested in this object class.	
		Communications, utilities and misc charges (23.3)	
$59	$59		$0
		This object class funds the use of commercial, local, cellular, and long distance telephone service, GSA's FTS service, wire services, satellite subscriptions, and database subscriptions. It also funds after hours utilities, postage, and other miscellaneous rental charges.	
		No increase is requested in this object class. Increases in the Navy interagency agreement for utilities are offset by savings realized from the outright purchase of the telephone system in FY 1999.	
		Printing and reproduction (24.0)	
$10	$10		$0
		These funds provide for government and commercial printing requirements.	
		No increase is requested in this object class.	
		Other services (25.2)	
$25	$25		$0
		Included in this category are a wide range of commercial and government services including contractual services, commercial repairs, maintenance of equipment, training and professional services contracts.	

FY 1999 Estimate	FY 2000 Request		Net Change
		No increase is requested in this object class.	
		Supplies and materials (26.0)	
$25	$25	This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications.	$0
		No increase is requested in this object class.	
		Equipment (31.0)	
$27	$27	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment.	$0
		No increase is requested in this object class.	
		Representation (91.0)	
$90	$90	The line item for official representation expenses provides for catering and equipment rental, foodstuffs, and beverages consumed at official events. Expenditures for representation are unvouchered.	$0
		No increase is requested in this object class.	
$334	$345	Total for all object classes	$11

Executive Office of the President
Official Residence of the Vice President

Mission Statement and Background

The Official Residence of the Vice President account was established by Public Law 93-346, as amended by Public Law 93-552, on July 12, 1974. The residence is located on the grounds of the Naval Observatory in the District of Columbia and serves as a facility for official and ceremonial functions, as well as a home for the Vice President and Second Family.

Funds appropriated to this account are for the care and operation of the residence equipment, furnishings, dining facilities, and services as required to perform and discharge the Vice President's duties, functions and obligations.

Executive Office of the President



Office of Administration

Fiscal Year 2000 Budget

Executive Office of the President
Office of Administration

Overview

For fiscal year (FY) 2000, the Office of Administration (OA) requests an appropriation of $39,198,000 and 192 full-time equivalents (FTE). This is a net decrease of $1,352,000 or 3.3% in appropriation from the enacted FY 1999 level. The FTE of 192 remains unchanged.

OA funding is split between two major components: Salaries & Expenses (S&E) and the Capital Investment Plan (CIP). The S&E element requests a $2,042,000 or 7.2% increase in budget authority which is necessary to maintain the current level of central administrative services OA performs for the other Executive Office of the President (EOP) agencies. The increase in S&E is offset by a $3,394,000 or 27.8% decrease in the CIP from the FY 1999 level. Virtually all of the FY 1999 CIP provides funding for Y2K remediation. These are one time investments that will not occur again in FY 2000. Rather, the FY 2000 request contains funding for information technology (IT) infrastructure upgrades that were deferred in FY 1999. The CIP request will provide adequate funding to continue the process of modernizing the antiquated IT infrastructure at the EOP complex as outlined in the Information Technology Architecture (ITA) plan approved by Congress in FY 1998.

Salaries and Expenses (S&E) - $30,392,000
The S&E segment of the appropriation supports the core services the Office of Administration provides to the President and EOP agencies. These resources fund the salaries, office space, supplies, computer equipment, journal subscriptions, and other essentials required on a daily basis to provide quality service to the EOP.

This request includes an increase of $769,000 for personnel compensation and benefits. These funds are necessary to provide for the compensation costs of the 192 authorized positions. Included in this estimate are the salary and benefit costs for the projected 4.4% general pay and locality increase for GS employees per OMB guidance, promotions, and within grade increases.

Also included are mandatory cost increases associated with the facility contract, personnel and payroll systems, GSA rent, library subscriptions, and contracts for excessing automated data processing and general office equipment. Despite some savings realized from the outright purchase of the telephone system in FY 1999, the anticipated cost reduction for US Kids, and other adjustments to current operations, the requested increase is necessary to continue current services. Without these additional funds, the quality and level of service provided to the President and EOP agencies will deteriorate.

Funds of $491,000 are requested to provide for the maintenance of systems purchased or upgraded as part of the FY 1999 Y2K effort and infrastructure upgrades planned for FY 2000. The CIP provides funds for purchasing new technology as well as upgrading and replacing

current systems in order to meet user demands. Although some savings are anticipated from the cancellation of maintenance on equipment no longer in use, additional funds are necessary for the proper maintenance and operation of the more technically sophisticated equipment installed during the CIP renovations. Once installed, the resources available in the S&E must be adequate to maintain and operate all of this new equipment.

In addition, $423,000 has been included for several other vital requirements. Under the CIP, the internet pipeline and servers are being upgraded to meet current user demands. The greater capability has required a higher level of service from the internet service provider. As a result, $161,000 has been requested to support the additional bandwidth. Also included is $262,000 necessary to upgrade the White House Publications Server to meet user demand. The Publications Server provides the American public and others direct access via the Internet (WWW and E-mail) to over 13,000 White House documents such as speeches, remarks, press releases, and press briefings. As of February 1999, this server supports over 16,000 direct E-mail subscribers (growing at 100 subscribers per day) and receives approximately 50,000 Web hits a day. This electronic service replaces the paper operation and reaches more of the general public while generating cost savings in printing and postage.

A request of $99,000 has been included to develop the first continuity of operations plan (COOP) for the OA Information Systems and Technology Division. The COOP project was outlined in Appendix E of the EOP ITA, submitted to Congress February 20, 1998. These funds will allow for the development of an Emergency Action Plan, Backup Plan, and Recovery Plan, and enables the EOP to continue the daily performance of business functions with a shorter interruption in processing. Also, additional resources have been requested to cover technical support for the EOP financial system. This system is undergoing Y2K remediation and capability upgrades, and these resources will be used to provide support as the new system is implemented.

Capital Investment Plan (CIP) - $8,806,000

The FY 2000 CIP request represents infrastructure investments outlined in the ITA essential to modernize the EOP environment and to meet the needs of the President, his staff, and the growing technological demands of the American people. Our ITA promotes significant performance upgrades to EOP systems. This request represents the implementation of the ITA modernization strategy and has 7 basic components: network infrastructure, internet infrastructure, financial system upgrade, roll-out and test equipment, mainframe printers, ITA initiatives, and planning for FY 2001 projects. A description and cost estimate for each component is outlined below.

Network Infrastructure - $4,739,000

The majority of the components that make up the EOP network infrastructure are antiquated and difficult to maintain. Most of the EOP network components are more than five years old. It is increasingly difficult to locate spare parts for these components and in some cases the equipment

is no longer supported by the manufacturer. These factors are driving up maintenance costs and degrading the ability to exchange data with external agencies. This request supports the essential process of upgrading this infrastructure and keeping it updated with a two year life-cycle replacement strategy.

These funds would provide resources to:

- Increase network capacity (wire closet equipment, switches, and cables) to carry increased workloads due to rapid growth in size and complexity of data transmissions.
- Add server capacity and redundancy to reduce server crashes and overloads.
- Provide diagnostic tools to allow help desk/operations staff to solve network problems quickly and proactively monitor network activities to eliminate inefficiencies.

Cost	Need
$848,000	**Wire closet equipment**: 81 physical communications devices (OEOB/West Wing/East Wing/NEOB/Jackson Place) at $9,522 each, plus 10% for spares. This is 73% of EOP equipment and completes the two-year revamping of EOP wire closets. Wire closet equipment should be replaced on 4-year cycle thereafter.
918,000	**Central switches**: 13 ethernet central distribution switches ($64,210 each plus 10%). This represents 87% of central switches and completes a two-year revamping project. Switch equipment should be replaced on 4-year cycle thereafter.
512,000	**Four contract staff** to conduct wire closet/central switch installations ($80,000 per contractor plus 60% contract overhead).
1,347,000	**Cable replacement** to cat-7 wire from cat-3. This represents 24% of EOP during FY 2000 (3% will be relaid during FY 1999); cables replaced thereafter on 5-year life-cycle.
400,000	**Server replacements**: install 16 larger servers throughout EOP, and to replace 8 per year (a 2-year life cycle). Average server cost assumed to be $50,000.
714,000	**Network management control center** (equipment replaced on 3-year life cycle): These funds will provide network monitoring and diagnosis software, consoles for network operations staff, switch equipment, room configuration costs, large network display monitor, and installation costs.
$4,739,000	**Total Network Infrastructure**

Internet Infrastructure - $715,000
There are three essential components of the internet infrastructure: (a) sufficient bandwidth to convey all the incoming traffic; (b) a security perimeter which allows the traffic to be processed; and (c) a hardware infrastructure adequate to do the work. Because these components are interdependent, they must be upgraded concurrently.

The capacity of the telephone line linking the EOP to the internet is insufficient to meet current user demands. During FY 1998, the EOP was restricted to two 6-megabyte lines even though the business need was for two 10-MB lines. Three negative outcomes resulted:

- During FY 1998, a month-long test showed that only 40% of attempts to reach the White House succeeded. In other words, 60% of persons who attempted to connect to the White House were unable to do so. During the month-long test, the failure rate varied between 50% and 80%, with the average rate for the month at 60%.
- EOP staff who use the internet for business purposes receive very slow service.
- EOP staff are inhibited from developing new web-related services.

The EOP requires equipment and line service commensurate with its anticipated traffic. For FY 2000, this means an additional $350,000 investment for one 12-MB line and two 45-MB lines. Along with security and hardware upgrades, this should provide a 5%-10% failure rate (during quiet or normal times, the failure rate is on the low end; during peak times when public interest is focused on the White House, the failure rate is on the higher end).

One FY 2000 goal is to provide a new service: extranet applications. Under this function, offsite computers would process data through the EOP's internet while protected by the security perimeter.

Cost	Need
$350,000	**Increased bandwidth** (telephone pipeline) for line service commensurate with the EOP's business need: an additional line investment of $350,000 to install one 12-MB line and two 45-MB lines.
130,000	**Security perimeter** to maintain secure internet, intranet, and extranet applications. Includes $45,000 for software. Five-year life cycle.
235,000	**Internet hardware** to run applications. This equipment will have scalable modules which can be upgraded. Plans are to acquire three new web servers ($55K each) and acquire $70K in software. Five-year life cycle.
$715,000	**Total Internet Infrastructure**

Financial System Upgrade: $1,116,000
This request provides resources to upgrade and improve the capability of the EOP financial system; which will enhance managerial and analysis tools and assist in funds management. The additional functionality will also provide cost savings due to reduced printing and staff hours required to develop funds analysis.

- Report distribution software would make reports available on-line, thereby making the reports more timely. This would also reduce the costs for printing, paper, and distribution of the reports. The goal is to improve functionality and increase efficiency. This system is projected to reduce overall printing of accounting reports by 80% by the end of FY 2001.
- Budget formulation package would allow agencies to assemble historical data in a way that helps build future budgets.
- Travel Manager/Federal FAMIS integration would automate travel forms processing, thereby simplifying administrative tasks.
- Executive information system would allow different EOP entities to summarize accounting/budgetary information in a useful format.

Cost	Need
$209,000	**Report distribution software** to enable on-line report distribution reports on-line to 100 administrators.
323,000	**Budget formulation software** to facilitate budget development by 56 EOP fund managers.
169,000	**Travel manager** (100 users) follow-up phase to fully automate the electronic functionality of Travel Manager forms processing.
415,000	**Executive information system** (100 EOP users) to allow each agency or division to tailor its own online reports.
$1,116,000	**Total Financial System Upgrade**

Roll-out and Test Equipment: $500,000
In response to user demand, EOP systems have become more complex and sophisticated. Installation of these new systems has become difficult and requires a testing period to ensure there are no unforseen implementation problems. Without the proper testing environment, installations have resulted in unanticipated complications, a diversion of technical staff, system downtime, and substantially higher costs. This plan ... purchase $500,000 of equipment during FY 2000 to create a testing environment for critical systems to eliminate such difficulties and

reduce costs. This will allow for an effective test of new hardware and software before implementation. This equipment will be replaced on an 18 month cycle in order to maintain an up-to-date testing facility for software and hardware configurations before roll-out.

Cost	Need
$50,000	Mail server.
85,000	2 applications servers ($42,500 each).
40,000	12 up-to-date PCS ($3,333 each)
60,000	Network switch.
40,000	Communications equipment.
100,000	Internet redundancy gateway/firewall/server.
125,000	Special-purpose web/video server ($35K video server, $55K web server, $35K software).
$500,000	**Total Roll-out and Test Equipment**

Mainframe Printers: $500,000
The three existing mainframe printers were installed during FY 1994. With a recommended 4-year life cycle for printers, the mainframe printers which will be six years old in FY 2000 must be replaced.

The EOP data center's printing capacity is sized to meet overnight printing needs during OMB's heaviest budget season (December-January): 76,000 budget impressions and 25,000 other impressions (10 cartons of paper duplexed). Thus, the need for overnight printing capacity is 101,000 impressions. Printing begins at 12:30 AM and must be completed by 7:30 AM to be ready for 8:00 AM pickup.

The current capacity is 276 impressions/minute with three 92-impression/minute printers. Assuming 10% downtime for paper changes and setup, this allows overnight printing of 104,000 impressions (10 cartons duplexed). If only one printer breaks down, the capacity is reduced to 69,552 impressions. On average, the EOP experiences one printer failure approximately every ten days.

A total of five printers with a combined capacity of 300 impressions/minute are necessary to maintain the minimum printing capacity. Five printers rather than three reduces the current vulnerability to printer failure.

The following table compares the present and proposed printer configurations for a 7-hour period at 90% of capacity:

	FY 1999 Print Capacity	FY 2000 Proposed Capacity
Number of Printers	3	5
Printing speed of each printer	92	60
Printer impressions/hour	276	300
Impressions "overnight"	104,328	113,400
Cartons of paper, duplex	10.4	11.3
Impressions with one machine out	69,552	90,720
Cartons duplexed with one machine out	6.9	9.1

Cost	Need
$345,000	Five mainframe printers with 60 impression/minute capacity.
19,000	Controller.
75,000	Large stackers.
15,000	Memory.
46,000	Miscellaneous installation-related costs.
$500,000	**Total Mainframe Printers**

Information Technology Architecture (ITA) Initiatives: $1,061,000
The initiatives described below are fully outlined in the ITA submitted in February, 1998 and approved by Congress. These funds are necessary for the implementation of an infrastructure architecture adequate to support the President, his staff, and the growing technological demands of the American public.

Cost	Need
$454,000	**Strategic Planning and Independent Validation and Verification** to ensure that plans are consistent with annual information technology architecture updates, and to maintain focus on comprehensive life-cycle costs for equipment and systems. Strategic planning and routine plan validation should ensure consideration of all relevant factors such as customer needs and the planned system effect on the entire ITA. IV&V/strategic planning is calculated as a 5% "surcharge" in the CIP.
125,000	**Electronic document management** pilot project. This is a project identified in the 2/20/98 EOP Information Technology Architecture. Five-year plan envisions full-scale implementation of electronic document management in FY 2002 and FY 2003.

100,000	**Reliable information exchange** (ITA project) to provide an electronic alternative to labor-intensive faxing between the EOP and outside agencies.
100,000	**M204 software maintenance**; systems previously slated for retirement will be retained (unidentified in Feb 20, 1998 ITA)
80,000	**Overhead/contractor space** to support ITA projects.
75,000	**Videoteleconferencing pilot project** for 12 EOP desktops. Large-scale EOP desktop teleconferencing anticipated for FY 2002. This is an ITA project.
50,000	**Secure remote access study** (ITA project) to allow secure access for employees who work at home, staff at remote office locations, or staff in travel status who use remote access. Full implementation anticipated for FY 2001.
45,000	**Fee-for-service analysis** (ITA project) to identify current OA activities that are candidates for outsourcing, develop a methodology to prioritize/select the opportunities, and identify a cost-sharing approach for common OA services provided to all agencies.
32,000	**Digital signature** to facilitate electronic submission/approval of forms (ITA project).
$1,061,000	**Total ITA Initiatives**

Planning for FY 2001 Projects: $175,000

This request provides the resources to study critical equipment needs that have been identified as current system vulnerabilities. These studies will allow for analysis of the operational needs and risks, as well as provide a foundation for implementation of any upgrades.

Cost	Need
$100,000	**Replacement strategy for FY 2001 uninterrupted power supply (UPS).** The data center has five UPS units installed in May 1981. Replacement is anticipated in FY 2001 for nearly $2 million. Eventually, UPS equipment should have a 10-year life-cycle.
75,000	**Telephone switch upgrade study** to prepare for FY 2001 $1,200,000 switch upgrade.
$175,000	**Total Planning for FY 2001 Projects**

Executive Office of the President
Office of Administration

Overview (continued)
(dollars in thousands)

A summary of the Office of Administration's FY 2000 budget request is shown below:

Appropriation	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Salaries and Expenses	$26,883	$28,350	$30,392
Capital Investment Plan	2,000	12,200	8,806
Total	$28,883	$40,550	$39,198
Full-time equivalents	192	192	192

The net increases requested for FY 2000 are as follows:

FY 1999 Salaries and Expenses Enacted Level	$28,350
Increases/Decreases	
Personnel compensation and benefits	$769
CIP recurring costs	491
Facility contract increase	227
White House publications server upgrade	262
Internet communications	161
Technology continuity of operations plan	99
Personnel and payroll system increase	40
GSA rent increase	45
Library subscription increase	36
Financial system technical support	11
Excessing services increase	7
Operational cost increases and other adjustments	(106)
FY 2000 Request - Salaries and Expenses	$30,392
Capital Investment Plan	
Network infrastructure	$4,739
Internet infrastructure	715
Financial system upgrade	1,116
Roll-out and test equipment	500
Mainframe printers	500
ITA initiatives	1,061
Planning for FY 2001 projects	175
FY 2000 Request - Captial Investment Plan	$8,806
FY 2000 Total Request	$39,198

1. Excludes pending $7,666 supplemental request from Unanticipated Needs, Information Technology Systems and Related Expenses. This request was submitted to Congress on February 4, 1999.

Executive Office of the President
Office of Administration

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles [$28,350,000] *$39,198,000, of which $8,806,000 shall remain available until expended for a capital investment plan which provides for the continued modernization of the information technology infrastructure. (Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

The Office of Administration's mission is to provide high-quality, cost-effective, administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

The Office of Administration receives reimbursements for information management support and general office services.

Executive Office of the President
Office of Administration

Program and Financing
(dollars in thousands)

I.D. Code 11-0038-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
	Direct Program:			
00.01	Office of the Director	1,699	950	741
00.02	General Counsel	0	311	419
00.03	Equal Employment Opportunity	0	130	176
00.04	Security	0	364	488
00.05	Human Resource Management	2,300	2,222	2,347
00.06	Financial Management	1,545	1,681	1,778
00.07	General Services	4,011	4,160	4,369
00.08	Facilities Management	646	654	646
00.09	Information Systems & Technology	14,587	15,778	17,307
00.10	Library & Research Services	2,053	2,100	2,121
00.11	Capital Investment Plan	1,785	12,415	8,806
01.00	Direct Program Subtotal	28,626	40,765	39,198
09.00	Reimbursable program	5,359	5,644	5,644
10.00	Total obligations	33,985	46,409	44,842
	Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year	0	215	0
22.00	New budget authority (gross)	34,242	46,194	44,842
23.90	Total budgetary resources available for obligation	34,242	46,409	44,842
23.95	New obligations	(33,985)	(46,409)	(44,842)
23.98	Unobligated balance expiring	(42)	0	0
24.40	Unobligated balance available, end of year	215	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	28,883	28,350	39,198
42.00	Transferred from other accounts	0	12,200	
43.00	Appropriation (total)	28,883	40,550	39,198
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	5,435	5,644	5,644
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	(80)	0	0
68.15	Adjustments to receivables and unpaid, unfilled orders	4	0	0
68.90	Spending authority from offsetting collections (total)	5,359	5,644	5,644
70.00	Total new budget authority (gross)	34,242	46,194	44,842
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	5,841	9,809	15,076
72.95	From Federal sources: Receivables and unpaid, unfilled orders	203	123	123
72.99	Total unpaid obligations, start of year	6,044	9,932	15,199
73.10	Total new obligations	33,985	46,409	44,842
73.20	Total outlays (gross)	(29,610)	(41,142)	(43,538)
73.40	Adjustments in expired accounts	(487)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	9,809	15,076	16,380
74.95	From Federal sources: Receivables and unpaid, unfilled orders	123	123	123
74.99	Total unpaid obligations, end of year	9,932	15,199	16,503
	Outlays (gross), detail:			
86.90	Outlays from new current authority	25,457	28,641	27,686
86.93	Outlays from current balances	4,153	12,501	15,852
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	29,610	41,142	43,538
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	5,435	5,644	5,644
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	(80)	0	0
88.96	Adjustments to receivables and unpaid, unfilled orders	4	0	0
	Net budget authority and outlays:			
89.00	Budget authority	28,883	40,550	39,198
90.00	Outlays	24,175	35,498	37,894

Executive Office of the President
Office of Administration
Salaries and Expenses Only

Object Classification
(dollars in thousands)

I.D. Code 11-0038-0-1-802		FY 1998 Actual	FY 1999 Estimate [1]	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	9,113	9,837	10,473
11.3	Other than full-time permanent	205	237	194
11.5	Other personnel compensation	154	170	118
11.8	Special personal services payments	85	115	86
11.9	Total personnel compensation	9,557	10,359	10,871
12.1	Civilian personnel benefits	1,998	2,072	2,329
13.0	Benefits for former personnel	1	5	5
21.0	Travel and transportation of persons	32	37	40
22.0	Transportation of things	28	34	41
23.1	Rental payments to GSA	2,788	3,030	2,955
23.3	Communications, utilities and misc. charges	496	894	1,372
24.0	Printing and reproduction	400	439	441
25.2	Other services	11,539	14,858	14,184
26.0	Supplies and materials	831	1,011	1,386
31.0	Equipment	956	7,811 [2]	5,574
99.0	Subtotal, Direct obligations	28,626	40,550	39,198
99.0	Reimbursable obligations	5,359	5,644	5,644
99.9	Total obligations	33,985	46,194	44,842

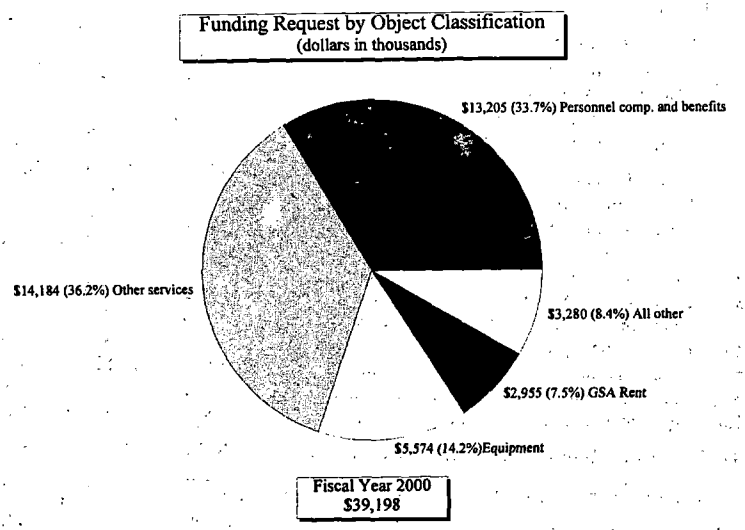
1. FY99 estimate excludes $7,666 supplemental request from Unanticipated Needs, Information Technology Systems and Related Expenses submitted to Congress on February 4, 1999.

2. Excludes $215 in FY98 carryforward funds.

Personnel Summary

I.D. Code 11-0038-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	173	192	192

Executive Office of the President
Office of Administration



Executive Office of the President
Office of Administration

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$10,359	**$10,871**		**$512**
		The Personnel compensation category provides for 192 positions and includes funding for all salaries, terminal leave payments, premium pay (including overtime), and reimbursable detailees.	
		Salaries & Expenses (S&E): $512 The increase will provide for the projected 4.4% general pay and locality adjustments effective January 1, 2000 per OMB guidance for GS employees, promotions, and within grade increases.	
		Civilian personnel benefits (12.1)	
$2,072	**$2,329**		**$257**
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, workers' compensation, and metro subsidy.	
		S&E: $257 Benefit rates are estimated based on the current ratio of benefits to full-time salaries with adjustments for promotions, within grade increases and the 4.4% general pay and locality increase per OMB guidance.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Benefits for former personnel (13.0)	
$5	$5		$0
		This category includes unemployment compensation and severance payments.	
		S&E: $0	
		No increase is requested in this object class.	
		Travel and transportation of persons (21.0)	
$37	$40		$3
		This category provides funds in support of training activities, local transportation, and travel to the personnel and payroll system services sites.	
		S&E: $3	
		The additional funds will cover the increase in travel costs associated with moving the personnel and payroll service sites to new locations at Austin, TX and Pensacola, FL.	
		Transportation of things (22.0)	
$34	$41		$7
		The requested amount will fund commercial express delivery, contract cost for excessing services, as well as freight and other shipping charges.	
		S&E: $7	
		The increase reflects the rising cost of excessing contracts maintained by the Office of Administration for use by the entire Executive Office of the President. The increase is due to higher rates and will maintain the current level of service provided to the EOP agencies.	
		Rental payments to GSA (23.1)	
$3,030	$2,955		($75)
		Funding in this category provides office space in the New and Old Executive Office Buildings, the Remote Delivery Site (located in the Anacostia Naval Station) and the US	

FY 1999 Estimate	FY 2000 Request		Net Change
		Kids child care center located at 1425 New York Avenue.	
$2,830	*$2,875*	*S&E: $45* This request includes the 2% increase in rates charged by GSA offset by the anticipated participation of the Department of Justice (DOJ) in the US Kids day care program. The addition of DOJ to US Kids will lower the cost to the current participating agencies, such as OA.	
$200	*$80*	*Capital Investment Plan (CIP): ($120)* This decrease is an adjustment for space vacated by contractors once the Y2K renovations have been completed. The current request of $80 will provide office space for contractors implementing the CIP.	
		Communications, utilities and misc charges (23.3)	
$894	**$1,372**	This object class funds the use of commercial, local, cellular, and long distance telephone service, GSA's FTS service, wire services, satellite subscriptions, internet service provider fees, and database subscriptions. It also funds software leases, after hours utilities, and postage. Renovation of the current infrastructure will provide the EOP with the necessary additional internet bandwidth to adequately support the current user demand.	**$478**
$729	*$1,022*	*S&E: $293* The majority of this increase will provide funding for internet service required by the upgraded infrastructure. The remainder reflects the cost growth in subscription rates for on-line database services.	

FY 1999 Estimate	FY 2000 Request		Net Change
$165	*$350*	*CIP: $185* The $350 requested will continue the EOP infrastructure upgrades, allowing for the installation of one 12-MB and two 45-MB telephone lines necessary to meet current user demand.	
		Printing and reproduction (24.0)	
$439	**$441**	These funds provide for government and commercial printing requirements. It includes funding for the 3.1% increase in GPO rates.	**$2**
		S&E: $2 The mandatory cost increases in this object class are almost entirely offset by operational efficiencies achieved by moving paper intensive programs to the internet.	
		Other services (25.2)	
$14,858	**$14,184**	Included in this category are a wide range of commercial and government services including contractual services, commercial repairs, maintenance of equipment, training, and professional services contracts.	**($674)**
$10,685	*$11,289*	*S&E: $604* This estimate reflects the cost increases for the EOP facility contract, $227, the IT continuity of operations plan, $99, the personnel and payroll systems, $37, maintenance contracts, $32 and savings realized from the outright purchase of the telephone system in FY 1999 and other operational efficiencies ($282). Also included are the costs for maintaining the Y2K renovations implemented during FY 1999 and the infrastructure upgrades planned in FY 2000 as part of the Capital Investment Plan, $491.	

FY 1999 Estimate	FY 2000 Request		Net Change
$4,173	*$2,895*	*CIP: ($1,278)* The requested level will provide adequate support to continue the CIP infrastructure upgrade effort. The $2,895 estimate includes installation of network infrastructure: wire closet equipment, central switches, replacement cable and servers, and network management control center components, $1,455; internet infrastructure: internet hardware and network security perimeter equipment, $30; financial system, $386; ITA initiatives: independent verification and validation, electronic document management, M204 software maintenance, videoteleconferencing pilot project, secure remote access study and fee for service analysis, $849; and planning for FY 2001 projects: replacement strategy for uninterrupted power supply, and telephone switch upgrade study, $175.	
		Supplies and materials (26.0)	
$1,011	**$1,386**	This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications.	**$375**
$871	*$907*	*S&E: $36* This increase will cover anticipated inflationary increases in subscription rates, allowing OA library services to continue providing current journals and reference materials in support of the President and all EOP agencies.	
$140	*$479*	*CIP: $339* This increase reflects the continuation of the Capital Investment Plan. The $479 requested will provide the ADP supplies necessary to complete the two year renovation network infrastructure: replacement cable and servers, wire closet equipment, and central switches, $404, as well as the financial system upgrade, $75.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Equipment (31.0)	
$7,811	**$5,574**		**($2,237)**
		This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment.	
$289	*$572*	*S&E: $283* These additional funds are necessary to upgrade the White House Publications Server and cover technical support for the EOP financial system.	
$7,522	*$5,002*	*CIP: ($2,520)* This decrease reflects the level of equipment purchases required to execute the third year of the CIP. The current CIP request of $5,002 provides sufficient resources to continue the EOP infrastructure upgrades started in FY 1998. These funds will be used to purchase components for the network infrastructure: wire closet equipment, central switches, cable and server replacements, and equipment for the network control center, $2,880; internet infrastructure: internet hardware and security perimeter equipment, $335; financial system upgrade, $655; roll-out and test equipment, $500; mainframe printers, $500; ITA initiatives: reliable information exchange and digital signature, $132.	
$40,550	**$39,198**	**Total for all object classes**	**($1,352)**

Executive Office of the President
Office of Administration

Mission Statement and Background

The Office of Administration (OA) was created by Reorganization Plan No. 1 of 1977 and formally established by Executive Order 12028, on December 12, 1977. OA provides a full array of customer-based administrative services to all entities in the EOP, including direct support services to the President. Specifically, OA provides facilities and financial management services; general administrative services support; human resources management; information management and technical support; library and records management services; equal employment opportunity services; security support and legal services. OA is comprised of the following:

Facilities Management Division (FAC). The FAC manages space use, rent allocation, repairs and renovations in the White House complex, and is the principal liaison between EOP entities and GSA. The Preservation Office oversees the restoration of the Old Executive Office Building to preserve its historical and architectural integrity. It also directs and manages the OEOB Tour Program, the receipt of gifts, and loans of materials and furnishings.

Financial Management Division (FMD). The FMD provides all EOP entities with a full range of financial services, including budget formulation, execution and analysis, centralized accounting support and coordinated internal controls reporting. FMD also serves as the custodian of the official financial records of the EOP. FMD's travel unit reviews all EOP travel vouchers in accordance with GSA regulations and provides travel advisory assistance to all employees.

General Services Division (GSD). The GSD provides a variety of common administrative services including interoffice mail delivery, messenger service throughout the EOP complex, and deliveries throughout the metropolitan area. The Publishing Branch prepares documents and visual aids, oversees the operation of two large-scale duplicating shops, and assists the EOP entities in preparing and designing publications. The Procurement Branch negotiates contracts and procures goods and services on behalf of EOP entities. The Property and Supply Management Branch provides office supplies to meet the needs of the EOP clients. This branch also maintains an off-site warehouse and security screening facility known as the RDS. The GSD also coordinates equipment repair, property disposal and other miscellaneous services requested by our EOP clients.

Human Resources Management Division (HRM). The HRM provides the EOP entities with a full range of human resource management services: payroll processing, recruitment and placement as well as internal staffing, employee benefits counseling and enrollment, general employee and management advisory services, employee development and training, position management, automated human resource management systems and support, and management of the EOP Drug Free Workplace Program.

Information Systems and Technology Division (IS&T). The IS&T division is the primary office within the EOP that is responsible for leading and implementing the EOP IT vision and initiatives. IS&T oversees the Information Technology Architecture and ensures adherence to the Information Technology Architecture Implementation Plan which incorporates industry best practices and guidelines from other federal agencies. IS&T develops and maintains application systems to support EOP-specific mission needs where commercial solutions are not available. IS&T is also one of the key customer support/services divisions that crosses boundaries with all of the agencies within the EOP. The IS&T Division also manages the information and communications infrastructure of the EOP. This consists of supporting the operation and maintenance of the telephone system, computer network, electronic mail systems, and standard desktop computer systems. IS&T also operates and maintains the EOP Data Center (24 hours a day 7 days a week) which includes mainframe computer systems and other systems that provide the EOP with administrative and mission critical services such as: financial management; procurement; human resources; records management; and systems to produce the President's budget.

Library and Research Services Division (LRS). The LRS provides reference and research materials and services in support of the EOP. The three libraries maintain a permanent collection of 67,000 print volumes, 739,000 microfiche sheets, 7,900 microfilm rolls, more than 1,000 journal and newspaper subscriptions, as well as on-line database, Internet, and CD-ROM resources.

Equal Employment Opportunity (EEO). The EEO offers programs to promote diversity and prevent discrimination in the workplace. EOP entities can receive a variety of services, including: dispute resolution, employee counseling, complaint investigation and training services for EEO and Civil Rights issues.

Security (SEC). The SEC manages personnel, computer and information security for the EOP complex. This includes directing the background investigation process, briefing employees on requirements and guidelines for classified material, coordinating internet and technology safeguards, overseeing access to the EOP complex and pre-screening candidates for employment based on security guidelines.

General Counsel (GC). The GC functions as counsel to the Office of Administration, and provides legal advice in a wide range of substantive areas including general administrative law, ethics, federal procurement, employment, legal aspects of budgetary and congressional matters, and federal record keeping and information disclosure. GC also advises other EOP components in areas related to OA's administrative support mission, particularly in cases where EOP components do not have counsel with expertise in government agency law. In addition, GC manages ongoing litigation and provides litigation support to the Justice Department for EOP cases in areas that are consistent with OA's mission or uniquely within OA's expertise.

Office of the Director. The Office of the Director oversees and manages the agency's resources, ensuring that priorities are addressed and objectives are met to fulfill OA's customer oriented mission.

Executive Office of the President



Office of Policy Development

Fiscal Year 2000 Budget

Executive Office of the President
Office of Policy Development

Overview

For fiscal year (FY) 2000, the Office of Policy Development requests an appropriation of $4,032,000 and 31 full-time equivalents (FTE). This request reflects no increase from the FY 1999 enacted level, and no increase in FTE.

This budget request provides funds for two entities: the National Economic Council (NEC) $2,456,000; and the Domestic Policy Council (DPC) $1,576,000. Unless otherwise specified, funds for these entities are shown in the aggregate.

FY 1999 Realignment

To more accurately reflect estimated costs in the current year, the FY 1999 budget column has been realigned. This realignment redistributes $44,000 from Special personal services into the Rental payments to GSA object class, $10,000; and Communications, utilities and miscellaneous charges, $34,000. The increase in GSA rent would cover the cost of additional office space, which was not included in the original GSA FY 1999 estimate. The increase to Communications, utilities and miscellaneous charges would cover increased FY 1999 costs of database subscription services and a new service providing real-time economic data. OPD projects a surplus in the Special personal services object class due to many long-term detailees returning to their agencies mid-year.

FY 2000 Request

Though this request represents no funding increase over FY 1999, OPD has made adjustments between object classes to best represent projected costs.

The Special personal services object class is historically difficult to project because of the provision in OPD's authorizing language, P.L. 95-570, that allows the agency to employee detailees for 180 days within a fiscal year before compensation is required. Dependent on the length of the details, the cost to OPD can fluctuate dramatically year-to-year. The increase to this object class will align the budget more closely with the average costs in this category, and assumes the agency will hire its authorized number of detailees, and that they will remain for the full fiscal year.

The Rental payments to GSA object class has been increased to cover the 2% rate increase anticipated in FY 2000. Communications, utilities and miscellaneous charges was increased to cover inflation. These increases were offset by decreases in Other than full-time, Civilian personnel benefits, and Travel and transportation of persons. OPD does not anticipate hiring

part-time employees in FY 2000, allowing savings in this object class, and commensurate savings in personnel benefits. The decrease in the travel object class aligns the budget with projected staff travel plans in FY 2000.

This budget reflects the agency's best efforts to find economies and absorb inflationary increases to present a fiscally conservative FY 2000 budget submission.

Executive Office of the President
Office of Policy Development

Overview (continued)
(dollars in thousands)

A summary of the Office of Policy Development's FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation	$3,983	$4,032	$4,032
Full-time equivalents	31	31	31

The increases/decreases requested for FY 2000 are as follows:

FY 1999 Enacted Level	$4,032
Special personal services payments	$32
Rental payments to GSA	$11
Communications, utilities and miscellaneous charges	$5
Subtotal	$4,080
Other than full-time permanent	($30)
Civilian personnel benefits	($8)
Travel and transportation of persons	($10)
FY 2000 Request	$4,032

Executive Office of the President
Office of Policy Development

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107; $4,032,000. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

Executive Office of the President
Office of Policy Development

Program and Financing
(dollars in thousands)

I.D. Code 11-2200-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Direct program	3,904	4,032	4,032
09.01	Reimbursable program	131	100	100
10.00	Total obligations	4,035	4,132	4,132
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	4,114	4,132	4,132
23.90	Total budgetary resources available for obligation	4,114	4,132	4,132
23.95	New obligations	(4,035)	(4,132)	(4,132)
23.98	Unobligated balance expiring	(79)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	3,983	4,032	4,032
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	137	456	100
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	352	(356)	0
68.15	Adjustments to receivables and unpaid, unfilled orders	(358)	0	0
68.90	Spending authority from offsetting collections (total)	131	100	100
70.00	Total new budget authority (gross)	4,114	4,132	4,132
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	1,023	1,347	2,059
72.95	From Federal sources: Receivables and unpaid, unfilled orders	4	356	0
72.99	Total unpaid obligations, start of year	1,027	1,703	2,059
73.10	Total new obligations	4,035	4,132	4,132
73.20	Total outlays (gross)	(3,575)	(3,776)	(4,080)
73.40	Adjustments in expired accounts	(139)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	1,347	2,059	2,111
74.95	From Federal sources: Receivables and unpaid, unfilled orders	356	0	0
74.99	Total unpaid obligations, end of year	1,703	2,059	2,111
	Outlays (gross), detail:			
86.90	Outlays from new current authority	3,131	3,099	0
86.93	Outlays from current balances	444	676	0
87.00	Total outlays (gross)	3,575	3,775	0
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	137	456	100
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	352	(356)	0
88.96	Adjustments to receivables and unpaid, unfilled orders	(358)	0	0
	Net budget authority and outlays:			
89.00	Budget authority	3,983	4,032	4,032
90.00	Outlays	3,438	3,320	3,980

Executive Office of the President
Office of Policy Development

Object Classification
(dollars in thousands)

I.D. Code 11-2200-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,905	2,136	2,136
11.3	Other than full-time permanent	53	30	0
11.8	Special personal services payments	245	**182**	214
11.9	Total personnel compensation	2,203	2,348	2,350
12.1	Civilian personnel benefits	475	542	534
13.0	Benefits for former personnel	3	0	0
21.0	Travel and transportation of persons	74	120	110
23.1	Rental payments to GSA	541	**557**	568
23.3	Communications, utilities and misc. charges	91	**215**	220
24.0	Printing and reproduction	14	20	20
25.2	Other services	161	35	35
26.0	Supplies and materials	76	85	85
31.0	Equipment	265	110	110
99.0	Subtotal, Direct obligations	3,903	4,032	4,032
99.0	Reimbursable obligations	131	100	100
99.9	Total obligations	4,034	4,132	4,132

*** Bolded numbers indicate "realigned" amounts.**

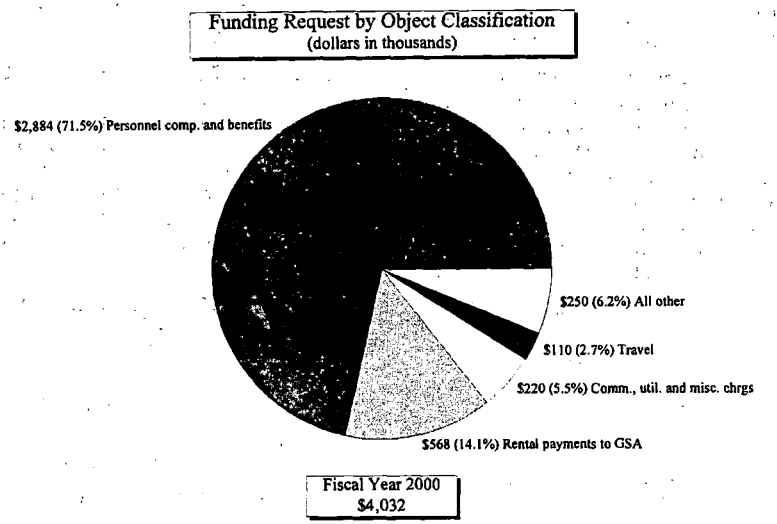
Personnel Summary

I.D. Code 11-2200-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	28	31	31

Object Classification
for the National Economic Council (NEC)
and the Domestic Policy Council (DPC)
(dollars in thousands)

		NEC	DPC	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,402	734	2,136
11.8	Special personal services payments	69	145	214
11.9	Total personnel compensation	1,471	879	2,350
12.1	Civilian personnel benefits	350	184	534
21.0	Travel and transportation of persons	80	30	110
23.1	Rental payments to GSA	289	279	568
23.3	Communications, utilities and misc. charges	135	85	220
24.0	Printing and reproduction	10	10	20
25.2	Other services	18	17	35
26.0	Supplies and materials	48	37	85
31.0	Equipment	55	55	110
99.9	Total obligations	2,456	1,576	4,032

Executive Office of the President
Office of Policy Development



Executive Office of the President
Office of Policy Development

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$2,348	$2,350		$2
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), and reimbursable detailees. This request funds salary expenses for 31 full-time equivalents (FTE).	
		The increase represents the net of a $32 increase to Special personal services payments and a decrease of ($30) in the Other than full-time permanent budget.	
		Civilian personnel benefits (12.1)	
$542	$534		($8)
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, workers' compensation, and metro subsidy.	
		The increase reflects anticipated benefit costs. Benefit rates are estimated based on the current ratio of benefits to full-time salaries.	
		Travel and transportation of persons (21.0)	
$120	$110		($10)
		This object class provides funding for accommodations, airfare, and other travel related costs for the staff. The decrease in OPD's Travel request reflects alignment with actual costs of staff travel.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Rental payments to GSA (23.1)	
$557	$568		$11
		Funding in this category provides for office space in the Old Executive Office Building.	
		This request reflects the 2% increase in GSA rates anticipated in FY 2000.	
		Communications, utilities and misc charges (23.3)	
$215	$220		$5
		This object class funds the use of commercial, local, cellular, and long distance telephone service, GSA's FTS service, wire services, and database subscriptions. It also funds after hours utilities, postage, and other miscellaneous rental charges.	
		This increase is the result of the projected rate and usage increases in on-line database subscriptions netted against savings realized from the outright purchase of the telephone system in FY 1999.	
		Printing and reproduction (24.0)	
$20	$20		$0
		These funds provide for government and commercial printing requirements. This funding level will cover the 3.1% increase in GPO rates.	
		No increase is requested in this object class.	
		Other services (25.2)	
$35	$35		$0
		Included in this category are a wide range of commercial and government services including contractual services, commercial repairs, maintenance of equipment, training and professional services contracts.	
		No increase is requested in this object class.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Supplies and materials (26.0)	
$85	$85	This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications. This funding level is sufficient to cover subscription rate increases, anticipated in FY 2000.	$0
		Equipment (31.0)	
$110	$110	This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment. This funding level is sufficient to cover OPD's equipment and furniture replacement needs.	$0
$4,032	$4,032	Total for all object classes	$0

Executive Office of the President
Office of Policy Development

Mission Statement and Background

The Office of Policy Development (OPD) is composed of two policy groups: the Domestic Policy Council and the National Economic Council. These two groups are responsible for advising and assisting the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other policy development and implementation initiatives as directed by the President.

The two policy groups are responsible for ensuring coordination in the development and implementation of executive branch policy. Both serve as a forum in which policy advice to the President can be considered and refined. The policy process is managed in a way that allows issues particular to each group to be included in policy deliberations being led elsewhere in the Executive Office of the President or in executive branch departments or agencies.

The Domestic Policy Council was established on August 16, 1993 by Executive Order 12859.

The principal functions of the Domestic Policy Council are to:

- coordinate the policy-making process with respect to domestic issues;
- coordinate domestic policy advice to the President;
- ensure that domestic policy decisions and programs are consistent with the President's stated goals, and ensure that those goals are being effectively pursued; and,
- monitor implementation of the President's domestic policy goals.

The National Economic Council was established on January 25, 1993 by Executive Order 12835.

The principal functions of the National Economic Council are to:

- coordinate the economic policy-making process with respect to the domestic and international economic issues;
- coordinate economic policy advice to the President;
- ensure that the economic policy decisions and programs are consistent with the President's stated goals, and ensure that those goals are being effectively pursued; and,
- monitor implementation of the President's economic policy goals.

Executive Office of the President



National Security Council

Fiscal Year 2000 Budget

Executive Office of the President
National Security Council

Overview

For fiscal year (FY) 2000, the National Security Council (NSC) requests an appropriation of $6,997,000 and authorization of 60 full-time equivalents (FTE). This represents a net increase of $191,000, or 2.8%, in appropriation over the FY 1999 level. The number of FTE remains unchanged.

This budget request provides funds for two entities: NSC $6,489,000 and the President's Foreign Intelligence Advisory Board (PFIAB) $508,000. Unless otherwise specified, funds for both entities are listed in the aggregate.

FY 1999 Reprogrammed Funds

Early in FY 1999, NSC identified a need to reprogram funds within their appropriated amount of $6,806,000. Monies were shifted from various categories to fund projects that were not foreseeable at the time the budget was developed two years ago. In November 1998, NSC sent a reprogramming letter to the House and Senate subcommittees informing them of the reprogramming. The committee had no objections to the reprogrammed changes. Therefore, this budget submission includes such approved realigned amounts outlined in the "Object Classification" schedule on page 94.

FY 2000 Request

A majority of the increase requested for FY 2000 is within the Personnel compensation and benefits categories. The net change in the Personnel categories is the result of an increase for the Full-time permanent category and a decrease for Special personal services payments (detailees). NSC anticipates filling two full-time positions in place of reimbursable detailee positions in the next fiscal year. The remaining increase in the Personnel compensation and benefits categories represents partial funding for the 4.4% government-wide pay raise effective January 1, 2000, which is in accordance with OMB guidance. Funding in the category also represents an increase for benefits, which are based on a composite of current and future average benefits rates.

There were changes in various non-personnel object classes. The Rental payments to GSA category includes a 2% increase in rates anticipated in FY 2000. NSC's office space will remain the same as in FY 1999. A decrease of $20,000 is requested in the Travel line, which results from a decline in PFIAB's travel requirements in FY 2000. An increase in the Supplies line is offset by a decrease in the Equipment line. NSC is able to realign these funds because of one-time, non-recurring equipment purchases in FY 1999.

No additional funding is requested for the remaining categories: Communications, utilities and miscellaneous charges, Printing and Other services. Anticipated cost increases will be absorbed within existing levels.

Executive Office of the President
National Security Council

Overview (continued)
(dollars in thousands)

A summary of the National Security Council's FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation	$6,648	$6,806	$6,997
Full-time equivalents	60	60	60

The increases/decreases requested for FY 2000 are as follows:

FY 1999 Enacted Level	$6,806
Personnel compensation	$88
Civilian personnel benefits	$101
Rental payments to GSA	$23
Supplies and materials	$10
Subtotal	$7,028
Travel	($20)
Equipment	($11)
FY 2000 Request	$6,997

Executive Office of the President
National Security Council

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, [$6,806,000] *$6,997,000. (Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

The National Security Council advises the President on the integration of domestic, foreign, and military policies relating to national security.

Executive Office of the President
National Security Council

Program and Financing
(dollars in thousands)

I.D. Code 11-2000-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Policy and operations coordination	6,248	6,300	6,489
00.02	President's intelligence advisory boards	344	506	508
09.01	Reimbursable program	432	350	350
10.00	Total obligations	7,024	7,156	7,347
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	7,080	7,156	7,347
23.95	New obligations	(7,024)	(7,156)	(7,347)
23.98	Unobligated balance expiring	(56)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	6,648	6,806	6,997
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	151	652	350
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	251	(302)	0
68.15	Adjustments to receivables and unpaid, unfilled orders	30	0	0
68.90	Spending authority from offsetting collections (total)	432	350	350
70.00	Total new budget authority (gross)	7,080	7,156	7,347
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	1,286	1,040	1,341
72.95	From Federal sources: Receivables and unpaid, unfilled orders	201	452	150
72.99	Total unpaid obligations, start of year	1,487	1,492	1,491
73.10	Total new obligations	7,024	7,156	7,347
73.20	Total outlays (gross)	(6,891)	(7,157)	(7,597)
73.40	Adjustments in expired accounts	(128)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	1,040	1,341	1,091
74.95	From Federal sources: Receivables and unpaid, unfilled orders	452	150	150
74.99	Total unpaid obligations, end of year	1,492	1,491	1,241
	Outlays (gross), detail:			
86.90	Outlays from new current authority	6,027	6,193	6,367
86.93	Outlays from current balances	864	964	1,230
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	6,891	7,157	7,597
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	151	652	350
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	251	(302)	0
88.96	Adjustments to receivables and unpaid, unfilled orders	30	0	0
	Net budget authority and outlays:			
89.00	Budget authority	6,648	6,806	6,997
90.00	Outlays	6,740	6,505	7,247

Executive Office of the President
National Security Council

Object Classification
(dollars in thousands)

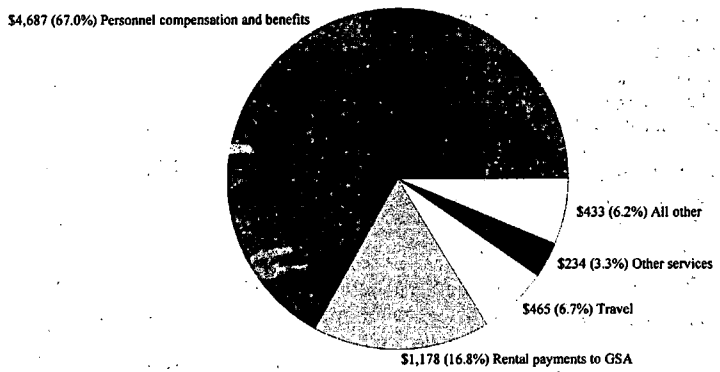
I.D. Code 11-2000-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	2,444	2,732	3,082
11.3	Other than full-time permanent	44	0	0
11.5	Other personnel compensation	273	230	230
11.8	Special personal services payments	873	962	700
11.9	Total personnel compensation	3,634	3,924	4,012
12.1	Civilian personnel benefits	559	574	675
21.0	Travel and transportation of persons	463	485	465
23.1	Rental payments to GSA	1,120	1,155	1,178
23.3	Communications, utilities and misc. charges	190	199	199
24.0	Printing and reproduction	20	16	16
25.2	Other services	175	234	234
26.0	Supplies and materials	165	113	123
31.0	Equipment	266	106	95
99.0	Subtotal, Direct obligations	6,592	6,806	6,997
99.0	Reimbursable obligations	432	350	350
99.9	Total obligations	7,024	7,156	7,347

Personnel Summary

I.D. Code 11-2000-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	42	60	60

Executive Office of the President
National Security Council

Funding Request by Object Classification
(dollars in thousands)



Fiscal Year 2000
$6,997

Executive Office of the President
National Security Council

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$3,924	$4,012		$88
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), and reimbursable detailees.	
		The increase will provide partial funding to cover the projected 4.4% general pay and locality adjustments effective January 1, 2000 per OMB guidance for GS employees. These funds will also cover promotions and within-grade salary increases.	
		Civilian personnel benefits (12.1)	
$574	$675		$101
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance, and workers' compensation.	
		The increase reflects anticipated benefit costs. This request is based on the average current and future benefits as a percentage of salary costs.	
		Travel and transportation of persons (21.0)	
$485	$465		($20)
		This line item covers the cost of trips made by NSC staff members on behalf of the President in carrying out the Administration's foreign policy agenda. It also covers the travel requirements of PFIAB.	

FY 1999 Estimate	FY 2000 Request		Net Change
		The decrease in this category results from fewer projected trips planned in FY 2000 than FY 1999.	
		Rental payments to GSA (23.1)	
$1,155	$1,178		$23
		Funding in this category provides office space in the Old Executive Office Building.	
		This request reflects the 2% increase in GSA rates anticipated in FY 2000.	
		Communications, utilities and misc charges (23.3)	
$199	$199		$0
		This object class funds the use of commercial, local, and long distance telephone service, GSA's FTS service, wire services, and database subscriptions. It also funds after hours utilities, postage, and other miscellaneous rental charges.	
		No increase is requested in this object class. Increases in database subscriptions are offset by anticipated savings realized from the outright purchase of the telephone system in FY 1999.	
		Printing and reproduction (24.0)	
$16	$16		$0
		These funds provide for government and commercial printing requirements. It includes funding for the 3.1% increase in GPO rates, which can be absorbed in the current budget level.	
		No increase is requested in this object class.	
		Other services (25.2)	
$234	$234		$0
		Included in this category are a wide range of commercial	

FY 1999 Estimate	FY 2000 Request		Net Change
		and government services including contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. No increase is requested in this object class.	
$113	$123	Supplies and materials (26.0) This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications. The additional funds requested in this category will cover PFIAB's increased costs for office supplies, and will realign it to actual costs incurred in this fiscal year.	$10
$106	$95	Equipment (31.0) This line item funds information technology hardware and software, customized software programming, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment. The reduction in this line item results from a one-time purchase of equipment in FY 1999. This decrease will also help to offset necessary increases in other object classes.	($11)
$6,806	$6,997	Total for all object classes	$191

Executive Office of the President
National Security Council

Mission Statement and Background

The National Security Council (NSC) was established by the National Security Act of 1947, 50 U.S.C. section 401 et seq. By Reorganization Plan Number 4, effective August 20, 1949, the Council was placed in the Executive Office of the President.

NSC advises and assists the President in integrating all aspects of national security policy as it affects the United States -- domestic, foreign, military, intelligence, economic. The President has expanded the role of the National Security Council to include issues of democracy, nonproliferation and the global environment. Working in conjunction with the National Economic Council, NSC is also responsible for developing the administration's approach to international economic issues.

Statutory council members are: the President, the Vice President, the Secretary of State, and the Secretary of Defense. In addition, the President has decided that the Secretary of the Treasury, the US Representative to the United Nations, the Assistant to the President for National Security Affairs, the Assistant to the President for Economic Policy, the Chief of Staff to the President and the Director of the Office of National Drug Control Policy are to be included in the NSC. The Chairman, Joint Chiefs of Staff, and the Director of Central Intelligence are statutory advisors.

The NSC staff, the element funded by this budget request, is headed by the Executive Secretary, and provides day-to-day support for the President, his Assistant for National Security Affairs and two Deputies to the Assistant for National Security Affairs. The NSC staff seeks to ensure that national security information provided to the President is responsive to his needs and is properly coordinated among the agencies and within the Executive Office of the President. The staff prepares policy presentations and arranges meetings for the President and the Council on national security matters.

The NSC staff is organized with regional and functional offices, headed by senior directors who report directly to the National Security Advisor. The staff facilitates, coordinates, and monitors the review, development, and implementation of national security decisions under the guidance of the President and the National Security Advisor. Through the Executive Secretary, NSC reviews presidential options with concerned agencies to ensure that decision choices are presented to the President in a timely manner with all relevant views represented. NSC monitors implementation of decisions to ensure compliance and execution. NSC provides guidance, review, and policy direction pursuant to E.O. 12333. NSC seeks to ensure intergovernmental consensus whenever possible and acts as honest broker in the presidential decision making process.

The National Security Council budget also provides funding for the President's Foreign Intelligence Advisory Board. The President's Foreign Intelligence Advisory Board has the authority to continually review the performance of all agencies of the Federal government that are engaged in the collection, evaluation, or production of intelligence or the execution of intelligence policy.

Executive Office of the President



Council of Economic Advisers

Fiscal Year 2000 Budget

Executive Office of the President
Council of Economic Advisers

Overview

For fiscal year (FY) 2000, the Council of Economic Advisers (CEA) requests an appropriation of $3,840,000 and authorization of 35 full-time equivalents (FTE). This represents a 4.7% increase in appropriation and no increase in FTE over the FY 1999 enacted levels.

The major portion, or $106,000, of this increase is for Personnel compensation. Part of these funds will cover the 4.4% government-wide locality and pay adjustments effective January 1, 2000 in accordance with OMB's guidance. Also included in this category are funds for within grade step increases, promotions and terminal leave payments.

A $20,000 increase in travel will allow CEA to fulfill its role in representing the U.S. and defending U.S. economic policy at international meetings and forums, such as the Organization of Economic Cooperation and Development (OECD). The OECD serves as a forum where criticisms of macroeconomic, trade and structural policies of member (high-income industrial) countries can be raised and debated. The CEA chairman serves as the chairman of the OECD's Economic Policy Committee and organizes the defense for the annual examination of the United States. In the past OECD travel was funded by the Department of State. However, this funding is no longer available and now must be provided by CEA.

Rental payments to GSA includes a 2% increase in rates anticipated in FY 2000. CEA's office space will remain the same as in FY 1999.

An increase of $12,000 is requested in Printing and reproduction costs associated with producing the annual Economic Report of the President and monthly Economic Indicators. This modest increase will provide adequate funding to offset the 3.1% increase in the Government Printing Office's (GPO) rates. There is no plan to increase the quantity of reports to be printed.

CEA requests a $27,000 increase for Supplies and materials. For the past several fiscal years, CEA has absorbed inflationary increases and reduced requirements in this category in an effort to cover mandatory increases in other areas. The requested increase will bring the FY 2000 funding level up to the current requirement and cover cost increases for subscriptions to economic journals, newsletters and reports, printing supplies, and other miscellaneous office products.

Funding for Civilian personnel benefits, Transportation of things, Communications, utilities and miscellaneous charges, Other services, and Equipment remains unchanged. CEA will absorb any mandatory or inflationary increases within the existing funding level of these categories.

The requested increases will provide adequate funding for CEA to continue to support the President by producing quality economic reports, analyses and advice.

Executive Office of the President
Council of Economic Advisers

Overview (continued)
(dollars in thousands)

A summary of the Council of Economic Advisers' FY 2000 budget request is shown below:

	FY 1998 Enacted	FY 1999 Enacted	FY 2000 Request
Appropriation	$3,542	$3,666	$3,840
Full-time equivalents	35	35	35

The increases/decreases requested for FY 2000 are as follows:

FY 1999 Enacted Level	$3,666
Personnel compensation	$106
Travel and transportation of persons	$20
Rental payments to GSA	$9
Printing and reproduction	$12
Supplies and materials	$27
FY 2000 Request	$3,840

Executive Office of the President
Council of Economic Advisers

Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), [$3,666,000] *$3,840,000. (Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Program and Performance

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

Executive Office of the President
Council of Economic Advisers

Program and Financing
(dollars in thousands)

I.D. Code 11-1900-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Direct program	3,528	3,666	3,840
09.01	Reimbursable program	37	0	0
10.00	Total obligations	3,565	3,666	3,840
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	3,579	3,666	3,840
23.90	Total budgetary resources available for obligation	3,579	3,666	3,840
23.95	New obligations	(3,565)	(3,666)	(3,840)
23.98	Unobligated balance expiring	(14)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	3,542	3,666	3,840
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	9	32	0
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	31	(32)	0
68.15	Adjustments to receivables and unpaid, unfilled orders	(3)	0	0
68.90	Spending authority from offsetting collections (total)	37	0	0
70.00	Total new budget authority (gross)	3,579	3,666	3,840
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	561	705	821
72.95	From Federal sources: Receivables and unpaid, unfilled orders	1	32	0
72.99	Total unpaid obligations, start of year	562	737	821
73.10	Total new obligations	3,565	3,666	3,840
73.20	Total outlays (gross)	(3,380)	(3,582)	(3,806)
73.40	Adjustments in expired accounts	(11)	0	0
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	705	821	855
74.95	From Federal sources: Receivables and unpaid, unfilled orders	32	0	0
74.99	Total unpaid obligations, end of year	737	821	855
	Outlays (gross), detail:			
86.90	Outlays from new current authority	3,013	3,125	3,273
86.93	Outlays from current balances	367	457	533
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	3,380	3,582	3,806
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	9	32	0
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	31	(32)	0
88.96	Adjustments to receivables and unpaid, unfilled orders	(3)	0	0
	Net budget authority and outlays:			
89.00	Budget authority	3,542	3,666	3,840
90.00	Outlays	3,371	3,550	3,806

Executive Office of the President
Council of Economic Advisers

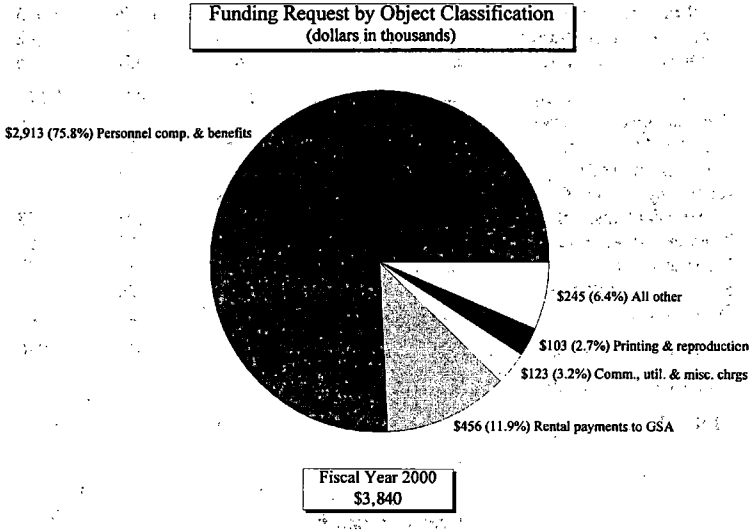
Object Classification
(dollars in thousands)

I.D. Code 11-1900-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,734	1,854	1,935
11.5	Other personnel compensation	101	62	62
11.8	Special personal services payments	432	491	516
11.9	Total personnel compensation	2,267	2,407	2,513
12.1	Civilian personnel benefits	364	400	400
21.0	Travel and transportation of persons	66	72	92
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	434	447	456
23.3	Communications, utilities and misc. charges	60	123	123
24.0	Printing and reproduction	94	91	103
25.2	Other services	88	37	37
26.0	Supplies and materials	54	36	63
31.0	Equipment	100	52	52
99.0	Subtotal, Direct obligations	3,528	3,666	3,840
99.0	Reimbursable obligations	37	0	0
99.9	Total obligations	3,565	3,666	3,840

Personnel Summary

I.D. Code 11-1900-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Total compensable workyears:			
1001	Full-time equivalent employment	28	35	35

Executive Office of the President
Council of Economic Advisers



Executive Office of the President
Council of Economic Advisers

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Personnel compensation (11.1, 11.3, 11.5, 11.8)	
$2,407	$2,513		$106
		The Personnel compensation category provides funding for all salaries, terminal leave payments, premium pay (including overtime), and reimbursable detailees. This request funds salary expenses for 35 full-time positions.	
		The increase will provide for the projected 4.4% general pay and locality adjustments effective January 1, 2000 per OMB guidance for GS employees, as well as promotions and within grade salary increases.	
		In an effort to attract and retain top-quality professional economists, this increase will also provide for a modest salary increase for reimbursable detailees and employees working under the Intergovernmental Personnel Act (IPA).	
		Civilian personnel benefits (12.1)	
$400	$400		$0
		Funding in this category provides for benefit costs associated with employees, including the government's share of the Federal Employee Retirement System, the Civil Service Retirement System, Social Security (FICA/OASDI), Medicare, Thrift Savings Plan, health and life insurance.	
		Sufficient funds exist in the base to cover anticipated increases due to pay raises and salary increases.	
		Travel and transportation of persons (21.0)	
$72	$92		$20
		This category will fund Council members' and staff travel	

FY 1999 Estimate	FY 2000 Request		Net Change
		expenses (including per diem, hotel, and transportation) to attend policy committee meetings and to represent the U.S. as official delegates at international meetings and forums, including the Asia-Pacific Economic Cooperation and the Organization for Economic Cooperation and Development (OECD). The OECD is the principle forum among high-income industrial countries to raise and debate criticisms of macroeconomic, trade, and structural policies. CEA organizes the defense at the annual examination of the United States, and the CEA Chairman serves as the Chairman of the OECD's Economic Policy Committee. Historically, the Department of State funded OECD travel costs. However this support is no longer available. This increase is required for CEA to continue its important role in representing and defending the United States at this international forum.	
		Transportation of things (22.0)	
$1	$1		$0
		The requested amount will fund commercial express delivery as well as freight and other shipping charges. No increase is requested in this object class.	
		Rental payments to GSA (23.1)	
$447	$456		$9
		Funding in this category provides office space in the Old Executive Office Building. This request reflects the 2% increase in GSA rates anticipated in FY 2000. The amount of space required is unchanged.	

FY 1999 Estimate	FY 2000 Request		Net Change
		Communications, utilities and misc charges (23.3)	
$123	$123	This object class funds the use of commercial, local, cellular, and long distance telephone service, GSA's FTS service, wire services, satellite subscriptions, and database subscriptions. It also funds after hours utilities, postage, database and on-line subscriptions services, and other miscellaneous rental charges. No increase is requested in this object class. Increases in telephone service costs and database subscriptions are offset by anticipated savings realized from the outright purchase of the telephone system in FY 1999.	$0
		Printing and reproduction (24.0)	
$91	$103	These funds provide for printing of the annual Economic Report of the President, the monthly Economic Indicators, and for other necessary printing and reproduction expenses. This increase is necessary to cover current printing requirements as well as to provide for the Government Printing Office (GPO) estimated rate increase of 3.1%. To develop the FY 2000 request, CEA used actual expenses as a baseline and then applied the rate increase estimated by GPO.	$12
		Other services (25.2)	
$37	$37	Included in this category are a wide range of commercial and government services including contractual services, commercial repairs, maintenance of equipment, training and professional services contracts. No increase is requested in this object class.	$0

FY 1999 Estimate	FY 2000 Request		Net Change
		Supplies and materials (26.0)	
$36	$63		$27
		This category provides funding to purchase general office supplies, ADP supplies, newspaper and magazine subscriptions, and government publications.	
		This increase is necessary to align the funding to the true need, particularly to cover cost increases for subscriptions to economic journals, newsletters, and daily economic reports; printing and reproduction supplies; and other miscellaneous office products.	
		Equipment (31.0)	
$52	$52		$0
		This line item funds information technology hardware and software, peripheral equipment (e.g., printers and communications devices), and general office furniture and equipment.	
		The $52 requested will continue to fund a regular replacement program for computer hardware and software. It will also fund telecommunications equipment, copier and facsimile replacement, and other miscellaneous furniture and fixtures.	
		No increase is requested in this object class.	
$3,666	$3,840	Total for all object classes	$174

Executive Office of the President
Council of Economic Advisers

Mission Statement and Background

The responsibilities of the Council are established in the Employment Act of 1946 and include the following:

1. To gather and analyze timely information concerning current and prospective economic developments and report regularly to the President on the relationship of these developments to the achievement of maximum employment, production, and purchasing power as prescribed in the act.

2. To assist and advise the President in the preparation of the Economic Report.

3. To appraise and report to the President on the extent to which the various programs and activities of the Federal Government contribute to the execution of the purposes of the act.

4. To develop and recommend to the President national economic policies to foster and promote competitive enterprise, to avoid economic fluctuations, and to maintain maximum employment, production, and purchasing power.

5. To study, report, and recommend on Federal economic policy and legislation as the President may request.

In carrying out these duties, the Council consults regularly with other government agencies and departments, as well as Congress, and representatives of business, labor, consumers, agriculture, State and local governments, and the economics profession. In addition, Council Members and staff frequently serve on Cabinet Council working groups in a wide variety of fields.

Included in the Council's staff is a statistical unit responsible for the monthly publication of the Economic Indicators and the preparation of the statistical material in the annual Economic Report of the President, as well as for providing continuous assistance to the Council and professional staff.

Executive Office of the President



Unanticipated Needs

Fiscal Year 2000 Budget

Executive Office of the President
Unanticipated Needs

Overview

For fiscal year (FY) 2000, Unanticipated Needs requests an appropriation of $1,000,000. As in the past, these funds would be used only when the President determines that an unanticipated national priority requires funding, which would otherwise not be available from regular existing accounts, nor available in a timely fashion through the supplemental budget process.

A summary of Unanticipated Needs' FY 2000 budget request is shown below:

	FY 1998 Enacted[1]	FY 1999 Enacted[2]	FY 2000 Request[3]
Appropriation (dollars in thousands)	$1,000	$31,000	$1,000
Full-time equivalents	0	0	0

[1] FY 1998 funding was provided in the VA/HUD and Independent Agencies Appropriations Act, P.L. 105-65.

[2] FY 1999 enacted level was included in the Omnibus Appropriations Act, P.L. 105-277. This enacted level includes a one-time payment of $30 million to the American Red Cross for disaster relief.

[3] FY 2000 request will be included in the Treasury, Postal, and General Government Agencies Appropriations bill.

Executive Office of the President
Unanticipated Needs

Appropriation Language

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year *as authorized by 3 U.S.C. 108*; $1,000,000. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

[For an additional amount for "Unanticipated Needs", $30,000,000, to remain available until expended, only for a grant to the American Red Cross for reimbursement of disaster relief, recovery expenditures, and emergency services: *Provided,* That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.] *(Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, Division B, Title IV, chapter 3.)*

Program and Performance

These funds will enable the President to meet unanticipated needs in the furtherance of the national interest, security, or defense.

Executive Office of the President
Unanticipated Needs

Program and Financing
(dollars in thousands)

I.D. Code 11-0037-0-1-802		FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
	Obligations by program activity:			
00.01	Payment to the Red Cross	0	30,000	1,000
00.02	Direct Program Activity	0	1,000	0
10.00	Total obligations	0	31,000	1,000
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	1,000	31,000	1,000
23.90	Total budgetary resources available for obligation	1,000	31,000	1,000
23.95	New obligations	0	(31,000)	(1,000)
23.98	Unobligated balance expiring	(1,000)	0	0
	New budgetary authority (gross), detail:			
40.00	Current authority: Appropriation (definite)	1,000	1,000	1,000
40.15	Current authority: Appropriation (emergecy)	0	30,000	0
	Permanent authority: Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	0	0	0
	From Federal sources:			
68.10	Change in receivables and unpaid, unfilled orders	0	0	0
68.15	Adjustments to receivables and unpaid, unfilled orders	0	0	0
68.90	Spending authority from offsetting collections (total)	0	0	0
70.00	Total new budget authority (gross)	1,000	31,000	1,000
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance, start of year	0	0	0
72.95	From Federal sources: Receivables and unpaid, unfilled orders	0	0	0
72.99	Total unpaid obligations, start of year	0	0	0
73.10	Total new obligations	0	31,000	1,000
73.20	Total outlays (gross)	0	(31,000)	(1,000)
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	0	0	0
74.95	From Federal sources: Receivables and unpaid, unfilled orders	0	0	0
74.99	Total unpaid obligations, end of year	0	0	0
	Outlays (gross), detail:			
86.90	Outlays from new current authority	0	31,000	1,000
86.93	Outlays from current balances	0	0	0
86.97	Outlays from new permanent authority	0	0	0
87.00	Total outlays (gross)	0	31,000	1,000
	Offsets:			
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	0	0	0
	Against gross budget authority only:			
	From Federal sources:			
88.95	Change in receivables and unpaid, unfilled orders	0	0	0
88.96	Adjustments to receivables and unpaid, unfilled orders	0	0	0
	Net budget authority and outlays:			
89.00	Budget authority	1,000	31,000	1,000
90.00	Outlays	0	31,000	1,000

Executive Office of the President
Unanticipated Needs

Object Classification
(dollars in thousands)

I.D. Code 11-0037-0-1-802	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
Direct obligations:			
41.0 Grants, subsidies, and contributions	0	30,000	0
92.0 Undistributed	1,000	1,000	1,000
99.9 Total obligations	1,000	31,000	1,000

Executive Office of the President
Unanticipated Needs

Explanation of Changes by Object Class
(dollars in thousands)

FY 1999 Estimate	FY 2000 Request		Net Change
		Grants, subsidies, and contributions (41.0)	
$30,000	$0		($30,000)
		Funding in FY 1999 provided a one-time grant to the American Red Cross for reimbursement of disaster relief, recovery expenditures, and emergency services.	
		No grant funds are requested in this category for FY 2000.	
		Undistributed (92.0)	
$1,000	$1,000		$0
		The Undistributed object class is used for intragovernmental transfers that move resources between accounts. This contingency account enables the President to meet unanticipated needs in the furtherance of the national interest, security, or defense.	
		No increase is requested for this object class.	
$31,000	$1,000	Total for all object classes	($30,000)

Executive Office of the President
Unanticipated Needs

Mission Statement and Background

In 1940, Congress recognized the need for the President of the United States to have limited funds available to meet unplanned and unbudgeted contingencies for national interest, security, or defense purposes. The original account title, "Emergency fund for the President," was changed to "Unanticipated Needs" in 1975.

This account has been used to fund a wide range of national priorities including the President's Commission on Privatization, National Space Council, and the White House Office Conference for a Drug Free America. The last transfer from the Unanticipated Needs account was made in FY 1994 to the J.F.K. Assassination Records Review Board ($250,000).

Expenditures from this account may be authorized only by the President. The Director of the Office of Management and Budget provides the necessary controls to assure that only unforeseen priorities are financed and that funding from other sources is not available. Prior use of these funds has occurred within strict internal controls and reporting standards.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
FY 2000 Appropriation Language

Operating Expenses

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; $9,260,000 to be expended and accounted for as provided by 3 U.S.C. 105, 109, 110, and 112-114. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

Reimbursable Expenses

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: *Provided*, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: *Provided further*, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: *Provided further*, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payment shall be credited to this account and remain available until expended: *Provided further*, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit $25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: *Provided further*, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expenses under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: *Provided further*, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: *Provided further*, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting further the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such amount that has been reimbursed as of the date of the report: *Provided further*, That the Executive Residence shall maintain a system for the tracking of expenses related to reimbursable events with the executive residence that includes a standard for the classification of any such expenses as political or non political: *Provided further*, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code. *(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)*

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Justification for Appropriation, Fiscal Year 2000
(in thousands of dollars)

Activity:	1998 ACTUAL	1999 ESTIMATE	2000 ESTIMATE	INCREASE DECREASE
Operating Expenses				
Operating Expenses	8,045	8,691	9,260	+569
Full-Time Permanent Positions (FTE)	89	91	91	-0-

Authorization: 3 U.S. Code 105, 109-110, 112-114

Objective: To provide for the care, maintenance, repair, alteration, refurnishing, improvement, air conditioning, heating and lighting (including electric power and fixtures) of the Executive Residence at the White House, and Official and Ceremonial functions of the President.

Program: The Executive Residence staff provides for the operation of the Executive Residence. A staff of 36 domestic employees accomplishes general housekeeping, prepares and serves meals, greets visitors, and provides services as required in support of official and ceremonial functions. A staff of 33 tradespersons, including plumbers, carpenters, painters on a single shift, electricians on a double shift, and operating engineers on a 24-hour basis, maintain and make repairs, minor modifications, and improvements to the 132 rooms and the mechanical systems and provides support for official and ceremonial functions.

A staff of 12 specialized employees provides services necessary to the operation of the White House and official and ceremonial functions. This staff includes 4 florists, 4 curators and 4 calligraphers.

An administrative staff consists of the Chief Usher, 4 Assistant Ushers, 1 Executive Grounds Superintendent, 1 Operating Accounting, 1 Accounting Technician, 1 Computer Network Engineer and 1 Administrative Officer. The staff is charged with management and administrative functions of the Executive Residence. This requires coordination with the Executive Office of the President, the National Park Service, the Military, the United States Secret Service, the General Services Administration and other agencies.

During larger events, the Executive Residence staff is assisted by contracted personnel under personal services contract agreements ("Services by Agreement") to provide additional help as required for official and ceremonial functions.

Executive Residence at the White House - Fiscal Year 2000
Current Accomplishments

The White House is maintained as a home for the President and his family and serves as a facility for Official and Ceremonial functions. Several projects are underway and progress has been made in the past year.

Exterior Window Project - In FY-1990, $800,000 was appropriated for replacement of the exterior windows at the Executive Residence. This project entails replacement of both the window glass and the wood window components that were last restored during the 1948-52 Truman Renovation of the White House. Historically accurate window glass has been delivered and is authentic to the original glass in quality, color, optical clarity, and method of manufacturing. Working in conjunction with a Secret Service project, actual window replacement is taking place.

Kitchen Renovation - In FY-1991, $500,000 was appropriated for renovation of the White House kitchens. Work on the staff and pastry kitchens has been completed and these two facilities are fully operational. The remaining work to be completed on the main kitchen has begun. The work is being accomplished as the schedule permits.

Public Tours - The White House is open for public tours Tuesday through Saturday each week in addition to some national holidays, the evening Candlelight Tours at Christmas, the Easter Monday Egg Roll, and Garden Tours. During 1998, an average of 4,008 visitors toured the White House during each of the 235 open days. Other special public events at the White House for 1998 include: Spring Garden Tours, 2 days (April 4 & 5) with 20,205 visitors; Fall Garden Tours, 2 days (October 10 & 11) with 17,185 visitors; the Easter Egg Roll which was held on April 13 was attended by 30,000 visitors; and the Candlelight Tours, held for 3 nights, December 28 through the 30th, brought in a total of 21,551 visitors.

End of Year Spending - As directed by the House of Representatives Subcommittee on the Treasury, Postal Service, and General Government Appropriations, the Executive Residence at the White House, in cooperation with the National Park Service's Finance Office, will ensure that necessary procedures are in place to review end-of-year spending. The Executive Residence routinely conducts a rigorous review of year-end spending to insure that funds are obligated only for necessary items.

Executive Residence at the White House
Major Budget Considerations --- Agency Request - Fiscal Year 2000

The proposed program at the Executive Residence in FY 1999 accommodates the following fixed-cost increases:

1. Administration policy calls for a 4.4 percent pay raise effective January 1, 2000. Funding is required to meet this need . . . . . +$207,621

2. Funding is required for personnel step increases and merit pay raises based on job performance and personnel evaluations . . . . . +$68,241

3. Funding is requested for annualization of the 1999 pay raise at 3.68 percent . . . . . +$53,335

4. Funding is required for annualization of the FY-99 step increases and merit pay raises $88,248

To offset a portion of these fixed-cost increases:

1. . . . . -$3,524

Funding for the following projected increases is requested:

1. Funding is requested for a modest increase in utilities, contract services and supplies and materials $155,000

TOTAL $568,921

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
Total*

SF–300
02/01/99

IDENTIFICATION CODE 11–0210–0–8–802	1998 actual	1999 estimate	2000 estimate
Obligations by program activity:			
00.01 Direct Program	8,232	8,741	9,360
01.01 Reimbursable Program	3,320	3,416	3,515
10.00 Total Obligations	11,552	12,157	12,875
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	366	179	124
22.00 New budget authority (gross)	11,360	12,107	12,775
22.30 Unobligated balance expiring (–)	0	0	0
23.90 Total budgetary resources available for obligation	11,726	12,281	12,899
23.95 New obligations (–)	(11,552)	(12,157)	(12,875)
24.40 Unobligated balance available, end of year	179	124	24
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	8,045	8,691	9,260
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	2,814	3,416	3,515
70.00 Total New Budget Authority (gross)	10,859	12,107	12,775
Change in unpaid obligations			
Unpaid obligations, start of year			
72.40 Obligated balance: SOY	225	1,207	1,378
73.10 New obligations	11,552	12,157	12,875
73.20 Total outlays (gross)(–)	(10,611)	(11,986)	(12,659)
73.40 Adjustments in expired accounts	0	0	
Unpaid obligations, end of year			
74.40 Obligated balance: Appropriation	1,207	1,378	1,594
Outlays (gross), detail			
86.90 Outlays from new current authority	8,086	8,517	9,075
86.93 Outlays from current balances	155	53	69
86.97 Outlays from new permanent authority	2,370	3,416	3,515
87.00 Outlays (gross)	10,611	11,986	12,659
Offsets			
Against gross budget authority and outlays			
Offsetting collections (cash) from			
88.00 Federal Sources	861	975	995
88.40 Non–Federal Sources	1,953	2,441	2,520
88.90 Total, offsetting collections (cash)	2,814	3,416	3,515
89.00 Budget authority (net)	8,045	8,691	9,260
90.00 Outlays (net)	8,241	8,570	9,144

* Does not include account 11–0109–0–X–802, White House Repair and Restoration

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
Total

SF–300 02/01/99 IDENTIFICATION CODE 11–0210–0–8–802	1998 actual	1999 estimate	2000 estimate
Direct Obligations:			
Personnel Compensation:			
11.1 Full–time Permanent	4,492	5,217	5,436
11.5 Other personnel compenstion	691	1,466	1,552
11.9 Total Personnel Compensation	5,183	6,683	6,988
Other:			
12.1 Civilian Personnel Benefits	931	1,006	1,115
13.4 Benefits for former personnel	0	0	0
21.0 Travel and trans.–persons	13	11	12
22.0 Travel and trans.–things	0	0	0
23.2 Communications, utilities, rent	101	356	378
24.0 Printing and reproduction	0	0	0
25.2 Other Services	588	284	307
26.0 Supplies and materials	1,385	411	469
31.0 Equipment	31	50	55
99.0 Subtotal, Direct Obigations	8,232	8,801	9,324
Reimbursable Obligations:			
11.5 Other personnel compensation	481	495	509
21.0 Travel and Trans.–persons	0	0	0
22.0 Travel and trans.–things	0	0	0
23.2 Communications, utilities, rent	128	132	136
24.0 Printing and reproduction	0	0	0
25.2 Other Services	873	898	924
26.0 Supplies and materials	1,838	1,891	1,946
31.0 Equipment	0	0	0
99.0 Subtotal Reimbursable Obligations	3,320	3,416	3,515
99.9 Total Obligations	11,552	12,217	12,839
Total compensable workyears:			
Full–time equivalent employment	84	91	91
Full–time equivalent of overtime and holiday hours	16	17	17
Reimbursable Program:			
Full–time equivalent employment	––	––	––
Full–time equivalent of overtime and holiday hours	3	3	3

SF–300
02/01/99

EXECUTIVE RESIDENCE AT THE WHITE HOUSE Operating Expenses – Only			
IDENTIFICATION CODE 11–0210–0–8–802	1998 actual	1999 estimate	2000 estimate
Obligations by program activity:			
00.01 Direct Program	8,040	8,691	9,260
01.01 Reimbursable Program	3,320	3,416	3,515
10.00 Total Obligations	11,360	12,107	12,775
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	0	0	0
22.00 New budget authority (gross)	11,360	12,107	12,775
22.30 Unobligated balance expiring (–)	0	0	0
23.90 Total budgetary resources available for obligation	11,360	12,107	12,775
23.95 New obligations (–)	(11,360)	(12,107)	(12,775)
24.40 Unobligated balance available, end of year	5	0	0
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	8,045	8,691	9,260
40.80 Reduction pursuant to	0	0	0
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	2,814	3,416	3,515
70.00 Total New Budget Authority (gross)	10,859	12,107	12,775
Change in unpaid obligations			
Unpaid obligations, start of year			
72.40 Obligated balance: SOY	225	1,157	1,323
73.10 New obligations	11,360	12,107	12,775
73.20 Total outlays (gross)(–)	(10,469)	(11,941)	(12,595)
73.40 Adjustments in expired accounts	0	0	0
Unpaid obligations, end of year			
74.40 Obligated balance: EOY	1,157	1,323	1,503
Outlays (gross), detail			
86.90 Outlays from new current authority	8,086	8,517	9,075
86.93 Outlays from current balances	13	8	5
86.97 Outlays from new permanent authority	2,370	3,416	3,515
86.98 Outlays from permanent balances	0	0	0
87.00 Outlays (gross)	10,469	11,941	12,595
Offsetts			
Against gross budget authority and outlays			
Offsetting Collections (cash) from			
88.00 Federal Sources	861	975	995
88.40 Non–Federal Sources	1,953	2,441	2,520
88.90 Total, offsetting collections (cash)	2,814	3,416	3,515
89.00 Budget authority (net)	**8,045**	**8,691**	**9,260**
90.00 Outlays (net)	**8,099**	**8,525**	**9,080**

SF–300
02/01/99

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
Operating Expenses – Only

IDENTIFICATION CODE 11–0210–0–8–802	1998 actual	1999 estimate	2000 estimate
Direct Obligations:			
Personnel Compensation:			
11.1 Full–time Permanent	4,492	5,217	5,436
11.5 Other personnel compenstion	691	1,466	1,552
11.9 Total Personnel Compensation	5,183	6,683	6,988
Other:			
12.1 Civilian Personnel Benefits	931	1,006	1,115
13.4 Benefits for former personnel	0	0	0
21.0 Travel and trans.–persons	13	11	12
22.0 Travel and trans.–things	0	0	0
23.2 Communications, utilities, rent	101	356	378
24.0 Printing and reproduction	0	0	0
25.2 Other Services	396	174	243
26.0 Supplies and materials	1,385	411	469
31.0 Equipment	31	50	55
99.0 Subtotal, Direct Obigations	8,040	8,691	9,260
Reimbursable Obligations:			
11.5 Other personnel compensation	481	495	509
21.0 Travel and Trans.–persons	0	0	0
22.0 Travel and trans.–things	0	0	0
23.2 Communications, utilities, rent	128	132	136
24.0 Printing and reproduction	0	0	0
25.2 Other Services	873	898	924
26.0 Supplies and materials	1,838	1,891	1,946
31.0 Equipment	0	0	0
99.0 Subtotal Reimbursable Obligations	3,320	3,416	3,515
99.9 Total Obligations	11,360	12,107	12,775
Total compensable workyears:			
Full–time equivalent employment	84	91	91
Full–time equivalent of overtime and holiday hours	16	17	17
Reimbursable Program:			
Full–time equivalent employment	--	--	--
Full–time equivalent of overtime and holiday hours	3	3	3

SF-300
02/01/99

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
Multi-Year Projects

IDENTIFICATION CODE 11-0210-0-8-802	1998 actual	1999 estimate	2000 estimate
Obligations by program activity:			
00.01 Direct Program	192	50	100
01.01 Reimbursable Program	0	0	0
10.00 Total Obligations	192	50	100
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	366	174	124
22.00 New budget authority (gross)	0	0	0
22.30 Unobligated balance expiring (-)	0	0	0
23.90 Total budgetary resources available for obligation	366	174	124
23.95 New obligations (-)	(192)	(50)	(100)
24.40 Unobligated balance available, end of year	174	124	24
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	0	0	0
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	0	0	0
70.00 Total New Budget Authority (gross)	**0**	0	0
Change in unpaid obligations			
Unpaid obligations, start of year			
72.40 Obligated balance: SOY	0	50	55
73.10 New obligations	192	50	100
73.20 Total outlays (gross)(-)	(142)	(45)	(64)
73.40 Adjustments in expired accounts	0	0	0
Unpaid obligations, end of year			
74.40 Obligated balance: EOY	50	55	91
Outlays (gross), detail			
86.90 Outlays from new current authority	0	0	0
86.93 Outlays from current balances	142	45	64
86.97 Outlays from new permanent authority	0	0	0
86.98 Outlays from permanent balances	0	0	0
87.00 Outlays (gross)	142	45	64
Offsetts			
Against gross budget authority and outlays			
Offsetting Collections (cash) from			
88.00 Federal Sources	0	0	0
88.40 Non-Federal Sources	0	0	0
88.90 Total, offsetting collections (cash)	0	0	0
88.95 Change in orders on hand from all sources	0	0	0
89.00 Budget authority (net)	**0**	**0**	**0**
90.00 Outlays (net)	**142**	**45**	**64**

SF–300
02/01/99

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
Multi–Year Projects

IDENTIFICATION CODE 11–0210–0–8–802	1998 actual	1999 estimate	2000 estimate
Direct Obligations:			
25.2 Other Services	192	50	100
26.0 Supplies and Materials	0	0	0
99.0 Total, Direct Obligations	192	50	100

SF–300
02/01/99

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
White House Repair and Restoration

IDENTIFICATION CODE 11–0109–0–X–802	1998 actual	1999 estimate	2000 estimate
Obligations by program activity:			
00.01 Direct Program	326	180	722
01.01 Reimbursable Program	0	0	0
10.00 Total Obligations	326	180	722
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	525	399	219
22.00 New budget authority (gross)	200	0	810
22.30 Unobligated balance expiring (–)	0	0	0
23.90 Total budgetary resources available for obligation	725	399	1,029
23.95 New obligations (–)	(326)	(180)	(722)
24.40 Unobligated balance available, end of year	399	219	307
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	200	0	810
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	0	0	0
70.00 Total New Budget Authority (gross)	200	0	810
Change in unpaid obligations			
Unpaid obligations, start of year			
72.40 Obligated balance: SOY	846	(1)	3
73.10 New obligations	326	180	722
73.20 Total outlays (gross)(–)	(1,173)	(176)	(463)
73.40 Adjustments in expired accounts	0	0	0
Unpaid obligations, end of year			
74.40 Obligated balance: EOY	(1)	3	262
Outlays (gross), detail			
86.90 Outlays from new current authority	73	0	373
86.93 Outlays from current balances	1,100	176	90
86.97 Outlays from new permanent authority	0	0	0
86.98 Outlays from permanent balances	0	0	0
87.00 Outlays (gross)	1,173	176	463
Offsetts			
Against gross budget authority and outlays			
Offsetting Collections (cash) from			
88.00 Federal Sources	0	0	0
88.40 Non–Federal Sources	0	0	0
88.90 Total, offsetting collections (cash)	0	0	0
88.95 Change in orders on hand from all sources	0	0	0
89.00 Budget authority (net)	200	0	810
90.00 Outlays (net)	1,173	176	463

SF–300
02/01/99

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
White House Repair and Restoration

IDENTIFICATION CODE 11–0109–0–X–802	1998 actual	1999 estimate	2000 estimate
Direct Obligations:			
25.2 Other Services	326	180	657
26.0 Supplies and Materials	0	0	65
99.0 Total, Direct Obligations	326	180	722

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
White House Repair and Restoration
FY 2000 Appropriation Language

For the repair, alteration, and improvement of the Executive Residence at the White House, $810,000, to remain available until expended for 7 projects for required maintenance, safety and health issues, and continued preventative maintenance.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

White House Repair and Restoration

Justification for Appropriation, Fiscal Year 2000
(in thousands of dollars)

Activity:	1998 Actual	1999 Estimate	2000 Estimate	Increase Decrease
White House Repair and Restoration	200,000	-0-	810,000	+810,000

Authorization: 3 U.S. Code 105, 109-110, 112-114

Objective: To provide for the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in FY 1996 to program and track expenditures for capital improvement projects at the Executive Residence at the White House.

Requested Repair/Restoration Program Increases: The replacement of the roof on the Executive Residence is currently complete except for a few punchlist items. This project has replaced the major roof structure, the north portico roof, and the solarium roof.

Design and planning for the new laundry, which will replace an old transformer vault, is proceeding. Upon completion and commencement of the full operation of the new transformer vault the actual modernization of the laundry will begin. Purchase and installation of two new ironers is requested in FY2000 in the amount of $40,000.

During the recent HVAC project and the re-roofing, which included the roof of the Solarium, considerable water damage was discovered in the two exterior walls of the Solarium. Existing insulation is well below current stands, and a vapor barrier is not present. Three of the existing windows have cracks, severely limiting the effectiveness of the insulated glass units; one window has no insulating glass at all - it is singly glazed. It should be noted that even with the improvements included in the HVAC project, the Residence is unable to consistently maintain desired temperatures during extended hot weather. A total of $90,000 is requested for these repairs.

The existing exterior freight elevators which give access to the basement, are leaking, unsafe and unusable, due to their age and exposure to the elements. This project will replace all of the rusted and corroded cab components, install new control systems, and make necessary waterproofing repairs to restore the elevators to service. A total of $75,000 is requested for these repairs.

Executive Residence at the White House
Fiscal Year 2000 - Requested Repair/Restoration Increases (cont.)

The existing waterproofing and tile surface at the Third Floor Promenade was installed in 1979 and is nearly identical in terms of construction as the East and West Terraces scheduled for replacement by GSA. The terraces, installed in 1980, are severely deteriorated with leaking problems in numerous locations. While this system has performed well due to diligent preventative maintenance, the expected life cycle for this installation is at an end. Visual inspection, as well as site specific experience, indicates that the only way to maintain the waterproofing integrity of this area is through complete replacement. It should be noted that any leaks in this area will result in damage to the ceiling of the private living quarters, and that this is the only roofing area remaining to be completed to ensure a weather-tight building envelope. A total of $200,000 is requested for these repairs.

The existing paint shop has not been renovated in over thirty years. While the recent HVAC project includes some new components for the paint shop, severe building and fire code deficiencies and lack of EPA regulation compliance still exist. Lighting is inadequate, and the spray booth requires complete replacement. The existing facility is not only antiquated, but is considered potentially unsafe and environmentally not up to current standards. A total of $50,000 is requested for survey and design and $245,000 for the actual renovation.

The existing purification system at the swimming pool is nearing the end of normal life expectancy, the chemicals required rapidly deteriorate the pool heaters - one of which now requires replacement. The new ozone based system is safer, environmentally more responsible by greatly reducing the quantity of chemicals required, more effective in killing bacteria, and is less expensive to operate than conventional chemical based treatments. The existing concrete deck along the west side of the pool continues to settle and pull away from the edge of the pool. The proposed repairs will involve the installation of deep pipe sections to solid footing material, the jacking or replacement of the damaged concrete, and the plumbing work necessary to repair the existing broken skimmer. A request of $25,000 is made to complete these repairs.

The existing paint on the exterior of the Executive Residence has been in place between four and fourteen years depending on the elevation. Due to the sixteen year long exterior stone restoration project, this will be the first time the entire building has been painted at one time since before 1980. Work will include the installation of staging/scoffolding, chemically washing the existing painted surfaces by hand, repair of any loose or missing caulking/mortar, the reglazing of all windows, and application of two finish coats of paint. A request of $85,000 is made to complete these repairs.

Executive Residence at the White House
Requested Repair/Restoration Increases - FY2000

1. Third Floor Solarium -- Replacement of out-dated deteriorated exterior aluminum wall panels with more historically and architecturally appropriate limestone, replacement of cracked and energy inefficient windows, installation of modern insulation material $90,000

2. Third Floor Promenade -- Replacement of waterproofing membrane, tile walking surface, and related work. Along with Solarium project this will complete the renovation of exterior building shell $200,000

3. Elevators - Rehab of the two Residence exterior freight elevators and related water-proofing $75,000

4. Paint Shop - Renovation of existing paint shop to correct code and EPA regulation deficiencies. Required work includes: new spray booth, explosion-proof lighting and other electrical devices. Improvements/replacement of fire protection, detection and suppression system, plumbing updates, installation of code compliant storage facilities $295,000

5. Swimming Pool - Re-plaster walls and bottom, purchase and installation of new ozone based purification system, one new pool heater, rehab or replacement of one section of pool deck and related skimmer and plumbing $25,000

6. Purchase and installation of two (2) new ironers for the laundry room $40,000

7. Clean, properly prepare, and paint the sandstone exterior of the Executive Residence. $85,000

SF–300
01/20/98

EXECUTIVE RESIDENCE AT THE WHITE HOUSE White House Repair and Restoration			
IDENTIFICATION CODE 11–0109–0–X–802	1998 actual	1999 estimate	2000 estimate
Obligations by program activity:			
00.01 Direct Program	326	180	722
01.01 Reimbursable Program	0	0	0
10.00 Total Obligations	326	180	722
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	525	399	219
22.00 New budget authority (gross)	200	0	810
22.30 Unobligated balance expiring (–)	0	0	0
23.90 Total budgetary resources available for obligation	725	399	1,029
23.95 New obligations (–)	(326)	(180)	(722)
24.40 Unobligated balance available, end of year	399	219	307
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	200	0	810
Permanent			
Spending authority from offsetting collections			
68.00 Offsetting Collections (cash)	0	0	0
70.00 Total New Budget Authority (gross)	**200**	**0**	**810**
Change in unpaid obligations			
Unpaid obligations, start of year			
72.40 Obligated balance: SOY	846	(1)	3
73.10 New obligations	326	180	722
73.20 Total outlays (gross)(–)	(1,173)	(176)	(463)
73.40 Adjustments in expired accounts	0	0	0
Unpaid obligations, end of year			
74.40 Obligated balance: EOY	(1)	3	262
Outlays (gross), detail			
86.90 Outlays from new current authority	73	0	373
86.93 Outlays from current balances	1,100	176	90
86.97 Outlays from new permanent authority	0	0	0
86.98 Outlays from permanent balances	0	0	0
87.00 Outlays (gross)	1,173	176	463
Offsetts			
Against gross budget authority and outlays			
Offsetting Collections (cash) from			
88.00 Federal Sources	0	0	0
88.40 Non–Federal Sources	0	0	0
88.90 Total, offsetting collections (cash)	0	0	0
88.95 Change in orders on hand from all sources	0	0	0
89.00 Budget authority (net)	**200**	**0**	**810**
90.00 Outlays (net)	**1,173**	**176**	**463**

SF-300
01/20/98

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
White House Repair and Restoration

IDENTIFICATION CODE 11-0109-0-X-802	1998 actual	1999 estimate	2000 estimate
Direct Obligations:			
25.2 Other Services	326	180	657
26.0 Supplies and Materials	0	0	65
99.0 Total, Direct Obligations	326	180	722

TUESDAY, MARCH 2, 1999.

OFFICE OF MANAGEMENT AND BUDGET

WITNESS

JACOB J. LEW, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

AFTERNOON SESSION

CHAIRMAN'S REMARKS

Mr. KOLBE. The subcommittee will come to order. This afternoon we are hearing from OMB. Mr. Director, I would like to welcome you this afternoon. This is the first time that you are appearing before this subcommittee in your capacity as Director of the Office of Management and Budget. It looks like we are going to have some votes here.

By now you probably have heard that I have expressed some concern about the President's proposed fiscal year 2000 funding levels for Treasury law enforcement. Unfortunately, you are faced with the dual responsibilities appearing before us today to justify your own fiscal year 2000 appropriation request, as well as proposed funding for other important programs that fall under this subcommittee's jurisdiction.

Director, I am going to get right to the point. I appreciate the fact that you are requesting a current services level budget for OMB for the coming year, requesting only inflationary adjustments for your operations, but this isn't news and is typical, I might add, for OMB.

I appreciate that OMB is trying to set a good example for other agencies by managing its resources efficiently. But I will be honest. Given some of the very shortsighted and even counterproductive proposals that are included in the President's budget for Treasury law enforcement, I am beginning to question OMB's performance, particularly as it relates to meeting your strategic goals.

First, the President's budget claims to be strong on law enforcement. I am confused. The President's budget says that it is strong on law enforcement. Additionally, OMB's performance plan states one of its top goals is to promote the enactment of legislation that is consistent with the President's program.

Given the proposed funding levels for Treasury law enforcement, I believe OMB has put forward a funding plan that jeopardizes drug interdiction, legitimate and illegal cargo and passenger processing, money laundering and financial crimes investigations. In my opinion, OMB has clearly not met its goal of promoting the President's agenda.

I have before us many charts which I would like to show you. The members of the committee have seen them, and, I suppose, some of the audience have also seen them. We see a very clear indication of the funding levels for Justice versus Treasury law enforcement agencies. You begin to see in 1994, as they diverge rather sharply, Justice goes up very rapidly, and Treasury law enforcement remains stable.

The next chart shows the same for law enforcement personnel. It is virtually flat in Treasury law enforcement numbers with a fairly rapid increase in Justice. I serve on Subcommittees on Com-

merce, Justice, State Appropriations. We acknowledge the need for the INS and the other law enforcement officers there, but I think we have some real concerns about why we are not seeing a commitment to increase Treasury. What is it about Treasury law enforcement is so unimportant?

The third chart compares the two principal border agencies; it looks even worse here. If you compare INS versus Customs, the two that have the joint responsibility for our interdiction of drugs on the border and for stopping illegal personnel along the border, INS spending has increased 134 percent from 1994 through to 2000 budget request and Customs has a reduction of 3 percent.

Similarly if you look at just those two agencies, in personnel, on the last chart, you also see here again an even more dramatic rise in INS and level, stable numbers of personnel in Customs.

Thank you very much, Clif.

What makes these numbers even worse, is that they assume the President's new proposed tax cut will be enacted by July of this year. Without that tax, the numbers are really decimating. Customs will have to lay off 4,959 people, which is a cut of 28 percent. I wonder if OMB has analyzed the probability that this legislation will be enacted into law. Certainly I wouldn't bet the jobs and livelihoods of almost 5,000 dedicated employees on this occurring.

Director, I am struggling to understand the rationale behind the President's proposal to fund current operations of the U.S. Customs service through a new tax. It would have been one thing if they proposed to fund new initiatives with a new tax; that would have been at least a believable tax and spend budget. But to threaten ongoing law enforcement efforts along our borders by proposing a new tax as a means of financing them is incomprehensible and even negligent.

I had this conversation with your predecessor during last year's cycle. We didn't get very good answers to that then, and I get tired of repeating myself, but apparently that conversation fell on deaf ears. It was also suggested by some that if this subcommittee was serious about Treasury law enforcement we would go to bat for these bureaus and secure additional resources for their operations.

Well, I am happy to report we did just that. Final appropriations for law enforcement efforts under this subcommittee's jurisdictions were $382 million above the President's request. We upped the ante in terms of the amount that was available. Quite frankly, with the proposed funding levels in the President's fiscal year 2000 budget for law enforcement, you haven't brought enough money to the table to even get in the game, much less being a credible player.

This subcommittee is clearly on its own with regards to Treasury law enforcement. We have no support from the Administration. There is no interest on the part of the Administration to address the systemic funding deficiencies that exist for Customs, the Secret Service and ATF. It is unfortunate that the Administration will not help carry the water to protect our borders and the jobs of our dedicated work force. I will certainly be interested in your comments on that during the course of this meeting.

Let me call on Mr. Hoyer for opening remarks. Then we have two votes, and we will be back for the remainder of the hearing.

REPRESENTATIVE HOYER'S OPENING REMARKS

Mr. HOYER. Thank you, Mr. Chairman. First let me recognize and welcome Mr. Lew as the Director of OMB. He of course has been the Deputy Director and prior to that has served in many very distinguished positions, including in this Congress working for our Speakers. I want to say that I think he is doing an extraordinarily good job, and we are lucky to have somebody who understands the Congress as well as he does at OMB.

Mr. Chairman, with respect to your remarks, I unfortunately don't have the analysis, but I share your concern, and Mr. Lew knows that. I share the concern about Treasury law enforcement, and at times the sort of knee jerk reaction that law enforcement is at Justice, when in fact 40 percent of Federal law enforcement is at Treasury. The charts and statistics which the chairman displays, and has on a number of occasions, concern all of us on this subcommittee.

Having said that, Mr. Chairman, the analysis I don't have is the total investment that this administration has made on fighting drugs, whether it is an INS officer or a Customs officer. I frankly cannot agree with you that this administration is not committed to law enforcement, to stopping drugs at our border, and to maintaining and enhancing our effort to fight drugs and illegal imports into this country. In fact, I think the statistics, when viewed as a whole as opposed to discretely comparing Justice and Treasury, will reflect that.

Now, as I have said before, you are on both subcommittees and obviously, therefore, have a call to address both issues in terms of what is needed by the Justice Department and what is needed by the Treasury Department in this subcommittee, and I am appreciative of the point that you make. It is a good point, and it is a point that I would hope OMB and the administration would look at more carefully. And I look forward to hearing Mr. Lew's response, because I am sure this concern does not come as a surprise to him.

On the other hand, I think it unfair to make this comparison, which is a bad comparison from our subcommittee's standpoint, as proving the point that this administration has not committed itself fully to the war on drugs. And, very frankly, Mr. Chairman, I will get those statistics cumulatively so that we know those. But I think that is frankly a fairer portrayal of this administration's efforts.

And, Mr. Lew, I look forward to your testimony and look forward to hearing particularly on this issue, because I don't want to make a mistake about this, I do share very much the chairman's concern, because Customs and ATF, Secret Service, IRS and other agencies within Treasury obviously have a very, very critical role in crime fighting at the Federal level, and we need to make sure that they are not only equal in terms of numbers, but also in terms, by the way—and I raise this issue, Mr. Chairman, you and I are both concerned about—as to having the ability to compete for qualified effective personnel by having sufficient SES spots and by having sufficient pay flexibilities so they can compete for technical personnel and not have their technical personnel stolen by other agencies who have a greater ability to enhance paying benefits.

Thank you, Mr. Chairman.

Mr. KOLBE. Thank you. The subcommittee will stand in temporary recess. We have two votes. As soon as the second one takes place, we will come back for your opening statement and questions.

[Recess.]

Mr. KOLBE. The committee will resume. Director Lew, you are welcome to go ahead with your opening statement. As always, the full statement will be placed in the record, if you want to summarize your statement.

TREASURY LAW ENFORCEMENT

Mr. LEW. Thank you, Mr. Chairman. If I might, with your indulgence, before I address the OMB budget, I would like to very briefly summarize. I thought maybe I could begin by responding generally to the very important questions that you posed with regard to Treasury law enforcement.

Mr. KOLBE. Certainly you may. I will have some specific questions on it as well.

Mr. LEW. Sure. I think that we begin by looking at the overall budget, as Congressman Hoyer suggested, and by any measure, we think our overall law enforcement budget is one that we can be very proud of over the period from '93 to '99. There may be differences in terms of allocation, but on just the aggregate basis, in 1993 total spending on crime was $14.6 billion, and in the 2000 budget it is $26.4 billion.

If one looks at the drug control funding, in 1993 it was $12.3 billion. In fiscal year 2000 it is $17.8 billion. Comparing '99 to fiscal year 2000, we think it is necessary to remove some of the emergencies that were enacted in '99 that were one-time purchases of equipment, and once one does that the budget proposes a $735 million increase over last year.

With regard to the allocation between Treasury and Justice, I think it is a very important policy question. That is one that frankly has come across at my office, not just as a money issue but as a policy issue, in terms of coordination and making sure we do the very best job we can as an overall government, in terms of putting our law enforcement resources to bear.

I have looked at the Treasury/Justice comparisons, and I guess I see a slightly different story than the charts that you were showing a moment ago. INS is clearly a special case, and I think it is necessary to look at law enforcement between Treasury and Justice without counting INS and then separately looking at INS. If you do look at it without INS, Treasury has grown from '93 to '99, 46 percent and Justice 53 percent. It is a little bit of a difference, but it is not the striking difference of 46 percent versus 80 percent.

Within the agencies, if you compare the FBI and the ATF, the FBI has grown less quickly than the ATF. ATF has grown 52 percent, FBI 48 percent. Customs is about the same as the FBI. The INS/Customs comparison is one that one really has to ask about the mission at the borders, who is doing what and are they doing it well together, and I don't think we have the absolute answer to that. It is an ongoing kind of a question.

But in 1993, if you looked at a border station, roughly 62 percent of the time it would be a Customs agent and 48 percent of the time,

[CLERK'S NOTE.—This was subsequently revised to "38 percent of the time".] it would be an INS agent. The policy goal in '93 was to bring that into parity so it would be roughly 50/50. The large increases in INS have been to add the personnel to bring the ratio to the 50/50 point. We are roughly there now, and I would expect as one looks out to the future that the growth rates would be much more consistent one to the other and the disparity would diminish.

OMB BUDGET FOR FISCAL YEAR 2000

Next I will turn, if I may, just briefly to my OMB testimony. I look forward to answering any questions that you have. We very much appreciate the support that this subcommittee has shown for law enforcement generally and for OMB when I address the OMB budget, and I hope that we can work together on these issues because I know we share the same basic goal, which is to do the very best we can in terms of law enforcement, in terms of drug control policy, in terms of protecting our borders. And we look forward to working with you on that.

If I may, Mr. Chairman, if I could just ask your indulgence, I will very briefly summarize my OMB testimony, and then be happy to answer any questions that the committee may have. It is a pleasure to be here this afternoon to discuss the President's fiscal year 2000 budget request for the Office of Management and Budget.

As I already mentioned, we very much appreciate the past cooperation between this committee and ourselves both in terms of funding and in terms of general management, where I think we have had a very good working relationship, and we look forward to continuing that. Our budget, as the chairman noted, is basically a freeze in the sense of keeping our manpower constant, our space constant. The only area where we have a little bit of growth is in the information technology area.

OMB plays a central role in our fiscal policy and in the management of our government. We continue to maintain a work force that focuses diligently on fiscal discipline and management. We are very proud of the contribution that we have made both to the Nation's economic health and fiscal well-being and to making sure that we have a government that does better than it used to at managing its resources and getting more done with less resources.

We believe that as the chief management and budget office of the executive branch, that OMB has a special obligation to adhere to budgetary discipline and to maximize the productivity of our resources. Over the past several years, there have been many increases in the workload of OMB. And I say this not by way of criticizing, many of the increased responsibilities are, we think, very important, and we worked with the Congress in designing them. But, nonetheless, they do increase the workload and the requirements on our staff. The fact that we are proposing a budget that maintains our staff at the current level of 518 FTEs we think is really a statement of fiscal discipline, because to do more with the same number of people requires efficiency and, unfortunately, long hours and very hard work by the OMB staff.

I will skip over the discussion of the specific items that go into length in my prepared testimony, but I just would note that the Government Performance and Results Act, the many responsibil-

ities we have with regard to the year 2000 compliance and the many other statutes are the kinds of burdens that OMB should be expected to perform, and we appreciate we have been given the resources in the past that have enabled us to do that.

If I could shift my attention just for a moment to information technology. As an agency that is very much data-intensive, keeping our computer systems current and maintaining them is of exceptional importance. We have in this year's budget requested money, $400,000, to allow us to upgrade and modernize our computers, particularly our desktop computers. There are many of them that are 5 years old and getting older. The technology has changed dramatically. We are trying to get on a 4–5 year replacement cycle so the machines are capable of doing the task that they are expected to do. With the software changing, that is getting harder and harder to do.

We have instituted a number of management measures designed to maximize our capacity as an organization to meet our additional responsibilities. We have an investment review board, a management committee and a workload subcommittee, which I am particularly proud of, because I think what it has enabled us to do is keep information flowing in both directions so that as we take on new responsibilities and work as hard as we can work, we don't waste as much time as we would if we didn't understand well the first time what is needed and how it needs to be done. We really improved communication, I think, in both directions at OMB, and it is reflected in the quality of the work environment and in terms of the quality of the work that we do.

In the interest of time, Mr. Chairman, I would like to conclude by saying that OMB is a fine organization that I am proud to be the Director of. It continues to provide outstanding work on a broad range of matters. We remain committed to producing the best possible work even as staff resources are stretched by new and important assignments.

I urge you and the committee to maintain our staffing level and to provide the up-to-date technology that are necessary for us to continue to do the work that we do. We have submitted to you the OMB performance plan in keeping with the Government Performance and Results Act, and we have carefully integrated the performance goals of that plan into the management of OMB and the President's budget.

This concludes my opening remarks. I would be delighted to answer any questions that you have.

[The statement of Mr. Lew follows:]

TESTIMONY OF

JACOB J. LEW

DIRECTOR

OFFICE OF MANAGEMENT AND BUDGET

BEFORE THE

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND

GENERAL GOVERNMENT

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

MARCH 2, 1999

Mr. Chairman, Representative Hoyer, Members of the Subcommittee, I am pleased to be here this afternoon to discuss the President's FY 2000 budget request for the Office of Management and Budget.

I will make a short statement and then I would be pleased to answer any questions that you have.

Overview

For FY 2000, the Office of Management and Budget (OMB) requests budget authority of $63,495,000. This request is an increase of $2,878,000 over the FY 1999 enacted level of $60,617,000. The requested OMB funding level will provide 518 full-time equivalent (FTE) positions for OMB, the same FTE level as 1999.

The Office of Management and Budget has played a central role in producing the first budget surplus in a generation. OMB continues its work to maintain the fiscal discipline that helped this country accomplish that goal, while maintaining critical investments for our nation's future. We are proud of this contribution to the nation's economic and fiscal health. Additionally, we are proud of the contributions OMB has made in making the government work better for the citizens we serve.

We also believe that this office, as the chief management and budget office of the executive branch, has a special obligation to adhere to budgetary discipline and to maximize the productivity of our resources.

OMB is committed to maintaining budgetary restraint, even though recent Congressional action has created numerous additional responsibilities and significantly added to the organization's workload. Even so, we propose to maintain the current staffing level, while requesting an important funding increase in our information technology infrastructure that will continue enabling staff to meet our additional responsibilities by building upon and enhancing the current level of productivity. I will speak in more detail about our information technology needs shortly.

Additional Responsibilities

First, I would like to address the scope of OMB's expanded workload. The 104th Congress and the 105th Congress have created numerous new and important responsibilities for us and has significantly increased the organization's workload. In the fall of 1998 alone, Congress enacted a dozen new requirements. The Government Performance and Results Act also has added to the existing workload of OMB. In addition, we are working to ensure that vital computer systems throughout the government will operate efficiently through the year 2000.

Government-wide implementation of the Government Performance and Results Act of 1993 (GPRA) is now in its third year and has created a steadily increasing workload for OMB. In FY 1997, the main OMB tasks were oversight of the development and submission of agency strategic plans to Congress and review of the initial set of agency annual performance plans. This initial set of annual plans was used to prepare the President's FY 1999 budget, and the government-wide performance plan that is now a key feature of the budget.

The scope of OMB's review and coordination effort on GPRA is already substantial and will grow further in 2000. GPRA related efforts require the active participation of virtually all program examiners, analysts, and managers in OMB. OMB will continue its work overseeing strategic plans, annual performance plans, and program performance reports from approximately 100 Cabinet Departments and independent agencies. OMB will continue to work with Congress to improve the usefulness of these plans and to ensure the plans meet GPRA requirements.

In FY 2000, OMB will begin reviewing the annual plans for the next year, and will work with agencies on preparing the agency annual program performance reports covering FY 1999. These performance reports, which are to be submitted to Congress and the President by March 31, 2000, are the first program performance reports to be completed under GPRA. In FY 2000, agencies are also required to prepare and submit their updated and revised strategic plans to OMB and Congress. Agencies are required to consult with Congress during plan preparation. OMB will oversee and, as appropriate, assist agencies as they develop these revised strategic plans.

OMB, along with the President's Y2K Conversion Council, is managing the preparation for the Federal government's computer conversion for the Year 2000. In 1997, 27 per cent of the Federal Government's mission-critical systems were Y2K compliant. At the end of 1998, more than double that number -- 61 percent -- met that standard. I am pleased to inform the Subcommittee that in a report to the Committee that will be forthcoming shortly, we now estimate that as of January 31, 1999, 79 percent of mission critical systems are Y2K compliant.

We have set the date of March 31, 1999 as the deadline for all mission-critical systems to be Y2K compliant. This year, with OMB oversight, agencies will focus primarily on testing their systems and their interactions with other systems, and will develop contingency and continuity of operations plans. This activity will continue through early FY 2000.

Examples of important new responsibilities for OMB designed by laws enacted by the 104th Congress and the 105th Congress include:

- **The Unfunded Mandates Reform Act of 1995:** Title II of this Act requires that -- before promulgating any proposed or final rule that may lead to annual spending by State, local and Tribal governments, or the private sector of over $100,000,000 -- each agency must conduct a cost benefit analysis and select the least costly, most cost-effective or least burdensome alternative. Also, each agency must seek State, local, and Tribal government input. OMB must issue guidelines to agencies, monitor compliance with Title II, and publish an annual report on agency compliance.

- **The Paperwork Reduction Act of 1995:** This Act requires that OMB review and approve (or disapprove) over 3,000 proposed agency collections of information each year. It explicitly added third-part disclosures to OMB's review. The Act also requires agencies to plan more carefully and explicitly for each new information collection, and OMB must ensure compliance with this requirement in reviewing each collection. Finally, the Act requires agencies to reduce information collection burdens by set percentages each year, and OMB must promulgate guidance and track agency compliance with these goals.

- **The Single Audit Amendment Act of 1996:** This Act requires OMB to provide guidance to implement the Act, which includes revising the single audit circular (OMB A-133) and annually updating the Compliance Supplement to help auditors perform audits under the Act. The Act also authorizes the OMB Director to review and approve pilot projects to test alternative methods of achieving the Act's purposes.

- **The Federal Financial Management Improvement Act of 1996 and The Government Management Reform Act of 1994:** Both of these Acts require that OMB continue to issue up to date financial reporting and associated audit requirements for Federal agencies, incorporating the provisions of Federal Accounting Standards. The Financial Management Improvement Act requires that OMB staff work with agency staff on a

remediation plan when an audit determines that agency financial systems do not comply with the Act. In addition, when an agency head disagrees with an auditor's finding, the OMB Director must review such determinations and provide a report to Congress.

- **The Clinger-Cohen Act of 1996:** This act requires that OMB develop government-wide policy and guidance to assist and oversee agencies in implementing the Act. OMB's responsibilities are to examine agency capital investment proposals for information technology, oversee the establishment and evaluate the effectiveness of agency Chief Information Officers, and oversee multi-agency and government-wide procurement programs for information technology.

- **Electronic Commerce (EC) Reporting (Section 850 of the FY 1998 Defense Authorization Act):** This Act requires OMB to develop a government-wide strategic plan for the use of EC in procurement and to submit annual reports to Congress on EC activity.

- **The Federal Activities Inventory Reform (FAIR) Act of 1998:** This Act requires Federal agencies to compile and submit annually to OMB lists of all commercial activities performed by Federal government sources for the agency. It also requires that the inventory include the name of a government employee responsible for the activity from whom additional information about the activity may be obtained. Accordingly, OMB is augmenting the inventory requirement of OMB Circular A-76 and its Handbook to conform to the FAIR Act. OMB, in consultation with the agencies, will review the lists each year prior to their transmission to Congress.

- **The Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1998** placed a dozen new responsibilities on OMB. Examples include:

  -- OMB has oversight responsibilities to ensure that agencies have sufficient resources to address year 2000 computer problems and that emergency funding is allocated to address emerging needs. The law permits emergency funds to be allocated for activities included in the FY 1999 budget that were not funded that year in the appropriations process, and for critical requirements that have been identified since the FY 1999 Budget was transmitted. As such, OMB must coordinate with agencies to determine that each agency has first used other potential funding sources and that agency requests demonstrate reliable, cost-effective conversion strategies;

  -- OMB is required to provide an expanded report on the costs and benefits of Federal regulation; and

-- OMB must prepare an annual report describing the total Federal expenditure of all official international travel during the previous fiscal year and the number of individuals in each agency who engaged in such travel. The report is submitted by the President to Congress.

Meeting our Growing Workload

In order to meet these additional responsibilities, we are coordinating and managing our staff with an eye toward maximizing productivity. The resources that we have requested will allow us to maintain our current staffing level and replace our oldest desktop computers. These systems are essential to this mission.

A substantial portion of OMB's desktop systems will be five years or older in FY 2000. The request for an additional $400,000 will allow OMB to execute our plan to retire older desktops, monitors, and printers on a four to five year cycle. OMB has found that older hardware is more expensive to maintain and is more prone to failures. Making sure that OMB employees have access to up-to-date technology on the desktop is part of an overall strategy for helping OMB staff keep pace with mounting workload requirements.

We have also instituted a number of management measures designed to maximize the capacity of the organization to meet its added responsibilities. These include the establishment of the Investment Review Board (consistent with the Information Technology and Management Reform Act) and the Management Committee, as well as its subgroup, the Workload Management Committee.

The OMB Management Committee, created by the comprehensive review "OMB 2000," is comprised largely of career staff and is designed to provide long-term continuity with regard to OMB management issues. Its subgroup, the Workload Management Committee, helps ensure that OMB is managing its limited resources in a way that enables the organization to operate most efficiently and effectively. With the Committee serving as a vehicle to solicit and evaluate employee input, management is able to shape its work assignments, advancing the organization's ability to meet its added responsibilities while continuing to meet our customary high standards and improving the quality of our work environment. We have found that improved communications in both directions increases our productivity and the quality of work produced.

The Investment Review Board (IRB) is an integral part of OMB's strategic plan to leverage information technology resources to help all OMB staff do their jobs. The IRB is composed of senior policy and career line executives from several parts of OMB. In the past year, the IRB has reviewed and made recommendations to the Director of OMB on overall funding requirements and IT funding requirements in OMB; established priorities for information technology spending requirements within OMB; charted and oversaw key information technology initiatives; and established the Integrated Process Team.

The Integrated Process Team is charged with defining the next generation of information technology in OMB, in order to improve staff productivity, reduce costs where appropriate, reduce cycle time needed to complete key processes such as the production of the President's Budget and clearance of legislative proposals, and identify potential new opportunities to enhance OMB's interactions with agencies, congressional offices and the public.

Conclusion

Mr. Chairman, OMB is a fine organization that continues to provide outstanding work. We remain committed to producing the best possible work, which is invaluable for both executive and legislative branch policy decisions, even as staff resources are stretched by new assignments. For this reason, I urge you to approve our request to maintain our staffing level and provide for up-to-date technology to help us meet the requirements of our mounting workload.

We have submitted to you the OMB Performance plan in keeping with the Government Performance and Results Act. We have carefully integrated the performance goals of that plan into the management of this organization, and into the President's budget.

Finally, I would like to say that it is the goal of this organization to maintain the fiscal discipline that brought us to a balanced budget, while continuing to invest in the future. I am proud, as are the more than 500 employees of the Office and Management and Budget, to be part of that mission.

Mr. Chairman, that concludes my statement. I would be happy to answer any of the Subcommittee's questions.

CUSTOMS AND IMMIGRATION AND NATURALIZATION SERVICE FUNCTIONS ON THE BORDER

Mr. KOLBE. Thank you. I am just noting the members as they come in here. We have a lot of members here this afternoon.

I will begin with questions. I appreciate the general comments you made about the view of law enforcement and that you have to look at it in the overall picture. And I appreciate that. But I did both look at that and the overall picture when we looked at all of Treasury versus all of Justice. And I guess what I am hearing from you is that you somehow have to take out INS from all of this as though somehow they had to be treated differently. If you look at all the other agencies, you would find that it was not that kind of a pattern.

Well, I am willing to take it out. But if you are going to take it out, I am also going to take Customs out and look at those two together. So let me just begin by asking, do you agree that those are the two agencies that have primary responsibility for our border both in interdiction of personnel, illegal personnel, and of illegal goods and drugs coming across the border.

Mr. LEW. And for maintaining the smooth flow of traffic across the border, absolutely.

Mr. KOLBE. And, conversely, something that I have said at every hearing, for maintaining the flow of that which is legal coming across the border?

Mr. LEW. I agree with you.

COMPARING TREASURY AND JUSTICE LAW ENFORCEMENT FUNDING LEVELS

Mr. KOLBE. I understand. You have done an informal study concerning Treasury law enforcement versus Justice law enforcement. Can you share any of those findings with us or do you know anything about that?

Mr. LEW. I am not sure what informal study you are referring to. I have been involved on a number of matters, I wouldn't call them a study, in areas where we looked.

Mr. KOLBE. Specifically concerning the funding level of the two.

Mr. LEW. In the preparation of this year's budget, I reviewed the numbers that I raised with you just a few moments ago. And, frankly, it is a concern of ours that we need to maintain the overall funding levels so that we are able to do the best job we can in law enforcement. And we do keep an eye on the agencies to make sure that we have each agency properly funded to do its share.

The competition between agencies is one that we try to keep from influencing the decisions as much as having the decisions driven by what the needs of the agencies are, because there is a kind of a competition where sometimes there is a request that is triggered by one, because the other made a request. We try to sort that through. You know, the increases that we have proposed in both Treasury and Justice are substantial.

I think that we, I am sure, will discuss some of the user fee funding proposals in the area of Treasury law enforcement, and I understand that is a cause of concern to the subcommittee. But when you look at the rate of growth that we have proposed in the overall

top line level, we think it is adequate to maintain the kind of presence on the border that Treasury needs to have and the kind of modern technology that they need to have to do their job.

I think the question of who is at the border is a very fair question to ask. There is not a magical formula that 50/50 is right or 62/38 was wrong, but we know that we don't need to have duplication between the two. Our job is to coordinate so that we are covering the border in all the places we need to cover with the manpower we need.

We tried to coordinate between Justice and Treasury. Frankly, they work better together than they used to, and it is not always easy but I think we made a lot of progress.

The reason the INS budget has grown, because INS was a less substantial presence at the border than was Customs in '93, and now they are roughly equal.

Mr. KOLBE. Well, I appreciate the comment that we made substantial progress. I agree we have made some. This subcommittee has worked on the idea of unified port control and we had some resistance I think from both sides, Treasury and Justice, on that. So I think there is tremendous resistance to that idea.

Mr. LEW. That may be an understatement.

Mr. KOLBE. Let me just go back to, nevertheless, the prior years. Last year we were told by OMB that, and I am quoting here, that OMB's goal is not to achieve parity between Justice and Treasury law enforcement, but rather analyze Treasury and Justice programs on their merits while ensuring that the resulting budget recommendations reflect Administration priorities.

Would it be safe to say at least then regarding Customs and INS that the priority is clearly INS. I think we would have to say that based on the budget.

Mr. LEW. I think there has been more of an increase in INS. I think if you look overall, I don't think it is fair to say that INS is a higher priority than Customs in terms of the jobs that they do. INS has a different mission than Customs, and we obviously have paid a lot of attention not only in the law enforcement side, but on the legal immigration side, to making sure that INS has the resources it needs to do its many jobs.

We have tried to make sure that we have full coverage but not double coverage by asking who is at the point of entry: is it an agent for the Customs Service, is it an agent for the INS? If we had decided that INS should replace Customs, perhaps it would be fair to agree that INS is a higher priority. But our objective was to reach some kind of equal balance where they were equally present and coordinated with each other.

And I think as you see our budgets in the future, we anticipate that the differences in the rates of growth will be much less dramatic now that they have reached that rough parity and we have also reached a better working relationship where I think the agencies are working better together at the borders. It is not perfect. I don't want to sit here and say all the management problems of 20 years have been fully addressed. But I think we have made progress and I think it has helped that we have reached rough parity in terms of personnel.

Were it to grow so INS started to be a majority and we had a reverse of the situation we had in '93, that is not our objective, it never has been. So I am just taking issue with saying that INS is a higher priority. Each has needed different funding levels in order to do their job, but they are equal priorities.

Mr. KOLBE. I have many, many more questions in this area and others, but my time is up.

Mr. Hoyer.

AGENCY PROGRESS IN UPGRADING COMPUTERS FOR THE Y2K DATE CHANGE

Mr. HOYER. Thank you, Mr. Chairman. I apologize for missing your opening statement. I was managing a bill on the floor with Bill Thomas. You have indicated that obviously March 31st is our objective for having our Y2K solved in the Federal Government. We know we talked to the White House earlier, they are not going to meet that. Your statement indicates that 61 percent of the agencies mission critical systems were compliant at the end of '98.

Would you estimate which agencies will not be compliant by your deadline of March 31st?

Mr. LEW. We have made a lot of progress in terms of reaching compliance., The precise list of agencies that are not compliant, I would be happy to look up for you, but we are hopeful that all the agencies will be compliant in a timely manner. We are moving to end-to-end testing throughout the government, and we are discovering some new problems as we go into the final stages of testing.

If you give me just one moment, I would be happy to look up which agencies in specific.

Mr. HOYER. I think we would like to have that.

Mr. LEW. I will submit that for the record.

Mr. HOYER. You don't have to necessarily recite them all now.

Mr. LEW. We would be happy to submit them to you.

Mr. HOYER. Get them for the record as soon as possible.

[The information follows:]

At this time, we anticipate that the agencies that will not be compliant by March 31, 1999 include:

	Percent of compliant mission critical systems
NASA	99
DOE	98
Commerce	97
HHS	95
DOJ	93
USDA	93
Treasury	93
DOD	88
State	85
DOT	85
AID	0

Mr. LEW. Obviously, the problem agencies are the ones we focused the most public attention on. We made a lot of progress. We made a lot of progress at HHS, at DOD, and we have had some problems arise in the late stages of testing, and we are grateful that Congress proposed the flexible funding they did in terms of the emergency fund.

STATUS OF Y2K EMERGENCY FUND

Mr. HOYER. What is the status of that emergency funding?

Mr. LEW. The emergency funding is being used so that we reserve some of it for the end of the year as we discover what the final needs are. Of the $2.25 billion that was available for nondefense agencies, we have allocated roughly $1.56 billion of it, reserving $570 million, [CLERK'S NOTE.—This was later changed to read $690 million.] so that as we move through the final part of the year and we discover new problems we have the resources to deal with them.

It has been enormously valuable to have those resources. As you know, the estimates of Y2K compliance several years ago were not as high as the actual costs. We are seeing this year that there are some new costs yet but we can manage within the costs that have been appropriated.

Mr. HOYER. IRS has asked for $250 million. I asked Commissioner Rossotti whether or not those funds won't be available till at the earliest October 1, whether he could use those funds earlier. His response was we can use them as early as we can get them. Is there any thought that that might be included either in the emergency allocation of your balance of $500-plus million or in the supplemental?

Mr. LEW. In response to your question on the reserve, I gave you the wrong number, the $570 million that I gave you was the number that we already allocated to Treasury. They did in their 2000 budget request the additional funding that you described.

When we reviewed it in December, that funding was for fiscal year 2000. And we took the view there, as in several other cases, that the '99 emergency appropriation was really for '99.

Mr. HOYER. Was that number sufficient?

Mr. LEW. The needs to have funds available in '99 is very important. Any month we lose in terms of putting funds into '99 problems, we don't get back that time. So we didn't want to use the '99 funds for 2000 expenses. If there are additional requests from Treasury for '99, we would review them, and we have been working very well with the departments. Almost all of the requests the departments have submitted have been good, solid requests and we have provided them and if they submit additional '99 requests, we will review them.

The concern we have is that we don't want to pay for the 2000 expenses first and then find 2 months from now when we do an end-to-end test on a mission critical system in an agency that we don't have the funds available to deal with the '99 problem because we won't have the resources available to deal with it. It would obviously be a relief to many agencies were we to fund 2000 expenses out of '99. We have been trying to be careful not to do that.

Mr. HOYER. I will talk to you about the caps later on. It might be helpful to that as well, he says as an aside. OMB performance plan, I am very interested in that. But I know my colleague is interested in that as well. And the A–110 amendment disclosing underlying research of great concern, but I know Mr. Price has extensive questions. So I will skip over that. My time is probably——

Mr. LEW. If I can just correct. When I told you it was 570 million reserve on Y2K, the real number is more like 750.

COURTHOUSE CONSTRUCTION FUNDING

Mr. HOYER. I thought it was closer a billion the way you described it.

The courthouse funding. I don't know whether you mentioned that in your—was it in the statement?

Mr. LEW. I believe that it was not in the statement. The statement was just on the OMB budget.

Mr. HOYER. Courthouse funding, why are you so hostile to the judiciary?

I ask that with tongue in cheek. The judiciary is convinced that they are. But we have this problem in the committee. You know last year you didn't fund courthouses, and to the chairman's credit and the credit frankly of this committee, we took the priority list. There was no politics in it. Nobody in the committee got a courthouse. I mean if they did it was because it was on the priority list and the chairman just followed the list irrespective of the political ramifications.

And we did so—and I agreed with the chairman on that. And we did so because clearly there are a lot of needs out there that need to be met. I know there are members on this subcommittee who are very concerned, as I look to my right in Los Angeles and Florida, Miami, and some others, and I am sure to the other side, some real concerns about this. And what we are forced to do in this committee is to try to find those resources, which just squeeze us more.

Mr. LEW. We understand the very tight situation in this subcommittee. It is not unique, but it is particularly tight in this subcommittee. And when we look at the courthouse budget, there is no hostility towards the courts. We have had debates with the courts over the years as to what the proper design standards were—whether we were doing it as expeditiously as possible. But those are issues that we should be able to work through. And in the end, if there is a need for a courthouse, we should buy the most efficient courthouse that is appropriate to the site and to the task.

For '91 through '99, we will have spent about $3.7 billion on building courthouses. It is not an area where we have been over the years spending lightly. Given the choices that we have had to make in putting very tight budgets together under the caps, we thought that this was not the area of highest priority, that we wanted to have the extra resources for things like law enforcement and other functions that were timely. And courthouses can be scheduled but law enforcement you have to do it when you have to do it.

On the other hand, we are concerned that courts need to be safe. There need to be enough of them so we can have an efficient administration of justice so that judges have rooms available when they need them. It has not been the most efficient management of resources over the years. I think it is better than it was. We have worked with them.

It hasn't always been an easy working relationship given the independence of the branches, but I certainly would hope to correct

any impression, whether in jest or not, that there is hostility between us and the judicial branch. We try——

FUNDING PROBLEMS IN THE BUDGET

Mr. HOYER. That wasn't just—Mr. Director, as you know, my concern is though, and the chairman has mentioned it, for instance, we are essentially a billion dollars late in this subcommittee, because of, I guess the chairman mentioned, I got back late, but the fees, the forfeiture fund that is $450 million in Treasury alone and Customs. This is a $500 million item, if we are going to do sort of the increment that we did last year on these.

So it really puts our committee in a very big bind. The chairman has a very difficult problem confronting it.

Mr. LEW. I think it does put the committee in a difficult bind, but we do have policy differences here as well. In the areas of the fees and the forfeiture funds, we think the proposals for it are solid. In case of the user fee, we have designed the user fee in Customs to try and address some of the concerns about earlier user fees, to tailor it much more directly towards the cost associated with providing services at the border. In the case of the forfeiture fund, we have designed the amount and the reliance on the funds so that it doesn't create a long-term reliance in excess of what we expect the availability of resources to be.

Mr. HOYER. The problem—if I can interject, Mr. Director, and you perhaps heard me ask this question, let me just finish this point—the problem, though, in anticipating forfeiture funds for operating costs, very frankly it puts an awful lot of pressure on law enforcement to forfeit those items necessary not for law enforcement but to fund their operations. And I think it is a problem that could bite us in the end.

Mr. LEW. Which is why we think it is important to do it in the right amount and not to over-rely on it. We don't think we did over-rely on it. If we did and we had the effect that you described, we would agree it was a problem. I think we have principle differences as to whether the user fees and the forfeiture funds are well designed. We think they are.

In the case of the courthouses, it is a decision on whether or not that is a high priority compared to other priorities. To some extent the box is as tight as the committee perceives the need for additional courthouses this year.

Mr. HOYER. On our side, I will let Mrs. Meek and Ms. Roybal-Allard discuss with you how important the projects are. Thank you, Mr. Chairman.

Mr. KOLBE. Thank you. Mrs. Emerson is next.

PAPERWORK REDUCTION ACT IMPLEMENTATION

Mrs. EMERSON. Thank you, Mr. Chairman. Thank you for being here today, Director Lew. My first question has to do with the Paperwork Reduction Act of 1995 and can you just give me an overview of how the process OMB uses, how that works in determining whether an agency's paperwork is too much, too little, et cetera.

Mr. LEW. The role of the agency is, I think, somewhat misunderstood by many. We don't get to approve or impose burdens on agencies. We work with the agencies. We review their submissions. We

ask them questions. But ultimately whether or not they reduce the paperwork burdens by 5 percent, as the target would call for, is a function of many things that we don't have direct control over.

In the last several years, for example, if you look at some new laws that were enacted in 1997 in the Balanced Budget Act, the tax provisions that were enacted, many of which we supported so I don't say this by way of criticism, imposed burdens, paperwork burdens that were new burdens that drove the total amount of paperwork up, which made it that much harder to hit the 5 percent reduction.

So our Office of Information and Regulatory Affairs works with the agencies. It does have the review authority under the Paperwork Reduction Act to try and make sure that forms are as simple as possible, but we don't have the ability by fiat to impose a paperwork reduction on a percentage basis.

Mrs. EMERSON. But you could in fact make a request to an agency. I bring that up because right here is a packet. This is what one home health care visit by a home health care agency for one patient, like if I came to visit Mike Forbes here, I would have to fill out all this paperwork just about him if I were a home health care agency. This is outrageous. It is 39 pages just for the first visit and another 39 pages. So is this something that I could request OMB to take a look at and analyze and then speak to the appropriate——

Mr. LEW. I would be happy to have our staff take a look at it. Not knowing that issue specifically, but knowing generally the area of HCFA and home health care, I suspect that the reason for the volume of paper is that we have collectively worked over the years to try and ensure that we pay for services that are properly provided but not pay for services that are improperly provided or not provided at all. And the result sometimes is more paper than we would like, but our desire to eliminate fraud and abuse, which I think we share, sometimes runs head-to-head with our desire to reduce paperwork and we have to balance the two.

And as I say, I am not familiar with that specific set of papers but I would suspect, just knowing the subject, that that is what we will find, that there are a lot of pieces of information there that are only important in cases where providers are doing things they shouldn't do. We try very hard not to have the burden be on all providers, but I understand the concern.

Mrs. EMERSON. So I will submit this for the record, Mr. Chairman. You can take it back, because I really feel very strongly about it, because just the time involved takes away from actual care if there is a certain amount of time that you can allocate for that.

PAPERWORK REQUIREMENTS ASSOCIATED WITH HOME HEALTH CARE

HHS published the OASIS proposed rules in March 1997 and the final rules on January 25, 1999. The form that will be used to collect the OASIS data is currently under review at OMB for final clearance. OASIS was developed in 1993 to implement section 1891(a) of the Social Security Act that requires, as part of the home health assessment, a survey of the quality of care and services furnished by home health agencies using a standardized, reproducible assessment instrument. OASIS was designed by doctors and clinicians to include key indicators of quality. HCFA also plans to use the OASIS data to construct the prospective payment system mandated by the Balanced Budget Act of 1997.

KYOTO PROTOCOL IMPLEMENTATION

Mrs. EMERSON. Let me ask another question that is totally unrelated to that. That has to do with the issue of global climate change. Has OMB taken any action or made any kind of proposal or programs that seek to implement the Kyoto Protocol on global warming?

Mr. LEW. No, the administration is not implementing the Kyoto Protocol in any way. We continue to do work in the area of climate change, as we did before Kyoto, and we continue to work on the policy area but not on implementation.

Mrs. EMERSON. Can I ask you to just send me a note or a letter actually saying that you are not implementing the Kyoto Protocol? Because in my ag appropriations committee meeting 20 minutes ago, they in fact used words "commitment to the Kyoto Protocol," "the administration's commitment," et cetera, et cetera. Realizing of course it has not been ratified by the Senate, I would appreciate it.

Mr. LEW. We are committed to the Kyoto Protocol. We will be doing work to seek its ratification, and there will be perhaps some confusion about our advocacy for the Kyoto Protocol, but there shouldn't be any doubt that we are not implementing it. We support it. We are going to advocate it, and we are simultaneously going to pursue climate change policies that are, you know, self-contained, without regard to the Kyoto Protocol. And if others try to draw the two together, we do our best to separate them because we see them as separate functions.

Mrs. EMERSON. Well, I would appreciate it if you would just give me a letter that basically says that you haven't taken any action or proposed any programs that seek to actually implement it. That would be very helpful.

[The information follows:]

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

:RAL COUNSEL

March 23, 1999

The Honorable Jo Ann Emerson
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Emerson:

Thank you for your letter to Jack Lew of March 4, 1999, following up on the request you made during the March 2, 1999 OMB budget hearing. You request a letter stating that OMB has not taken any action or proposed any programs seeking to implement the Kyoto Protocol.

As you requested, this is to advise you, on behalf of OMB, that OMB has not taken any action or proposed any programs seeking to implement the Kyoto Protocol. The programs for which we have sought budget increases are ones that have multiple benefits – such as industry competitiveness, consumer savings, and pollution reduction – in addition to their potential for greenhouse gas reductions. The Administration has long supported these programs. For instance, we have proposed increases in solar and renewable energy and energy conservation every year since 1993. We will continue to support those programs because of their multiple benefits, and we don't see them as tied in any way to the status of the Kyoto accord.

Sincerely,

Robert G. Damus
General Counsel

FEDERAL BUDGET SURPLUS ESTIMATES

And let me ask you just one more question, because this is very confusing and I just kind of want your personal opinion about this. This has to do with the budget surplus. The fact of the matter is, what exactly are we talking about? I mean, we are talking about a fiscal year 1999 budget surplus that is basically entirely due to what? About $127 billion surplus in Social Security Trust Funds?

Mr. LEW. In 1999 there is an off-budget surplus, not an on-budget surplus, so it would be entirely attributable to the off-budget sources which are mostly Social Security. This has been an area where there has obviously been a lot of debate over the last few weeks, and I hope there will be more debate over the coming months.

We don't think that it is correct to view the dollars in the surplus as being Social Security dollars per se. The trust funds keep the resources in the form of Treasury bonds and the dollars flow through to the unified surplus, and we have a unified budget and we budget on that basis. So the President has proposed a framework for Social Security reform and long-term fiscal discipline that would, over 15 years, invest back in Social Security 62 percent of the surplus, which over 15 years is roughly the amount of the surplus that is attributable to Social Security.

Mrs. EMERSON. But with his plan essentially we would be using general revenue funds in the future to finance Social Security; is that correct?

Mr. LEW. Yes.

Mrs. EMERSON. I just wanted to set the record straight, though, that technically we do not have this year a budget surplus due to any other reason other than FICA taxes?

Mr. LEW. We have a unified budget surplus but it is attributable to the Social Security receipts.

Mrs. EMERSON. Thank you.

Mr. KOLBE. Mr. Price is next.

Mr. PRICE. Thank you, Mr. Chairman.

REVISING CIRCULAR A–110 CONCERING FEDERALLY FUNDED RESEARCH DATA

Mr. Director, I would like to turn our attention to Circular A–110 concerning the availability of federally funded research data. Last year language affecting Circular A–110, the OMB document governing federally funded research grants, was included in the Treasury-Postal section of the Omnibus Appropriations Act, as you know. This provision directed OMB to revise the Circular to "ensure that all data produced under an award will be made available to the public through the procedures established under the Freedom of Information Act or FOIA".

In complying with the statute, OMB published a proposed revision to Circular A–110 in the Federal Register on February 4, and I believe the comment period lasts until April 5. In my view, this proposed revision would have a serious, wide-ranging and very negative impact on research and research institutions, and I am not alone in that view.

I have here a statement issued by the National Science Board, the governing body of the National Science Foundation, that very succinctly identifies the major problems this change would give rise to. I would at this point in the record insert this document, as well as letters from the National Science Foundation and the National Academy of Sciences opposing the proposed rule, Mr. Chairman, if we could include that in the record.

Mr. KOLBE. Yes, we will put that in the record.

[The information follows:]

NSB-99-24

NATIONAL SCIENCE BOARD

STATEMENT ON THE SHARING OF SCIENTIFIC RESEARCH DATA

ADOPTED AT THE 351ST MEETING
FEBRUARY 18, 1999

Recent legislation permits individuals to use the Freedom of Information Act (FOIA) to compel access to raw, partially processed research data. The premature release of raw research data disrupts the process of discovery; it:

- Creates a mechanism that allows research to be misinterpreted, or unfairly and inappropriately delayed or attacked;
- Interferes with the publication of researchers' work in peer reviewed journals through compulsory and premature disclosure of research data;
- Discourages participation of research subjects because of the legitimate fear that their responses might not ultimately be confidential;
- Undermines public-private cooperative research efforts by breaching the protections for participants' proprietary rights and information;
- Jeopardizes researchers' ability to obtain international patent protection for discoveries; and
- Imposes significant administrative and financial burdens on research institutions with no clear means of recouping such costs beyond drawing from research funds.

This country's science and technology research policies and partnerships have contributed to robust innovation, unprecedented increases in productivity, improvements in the quality of life, and understanding of our world. The conduct of the Nation's science and engineering enterprise requires publication of research results, as well as timely and wide sharing of data. Current sharing practices promote free and open exchange of research data in a context that supports the rapid creation of knowledge, widespread evaluation of research results, and the entry of highly talented individuals to research.

For all these reasons, the Board urges the repeal of the provision in recent legislation that relies upon FOIA to obtain premature access to research data.

The National Science Board, the governing board of the National Science Foundation, is charged with advising the President and Congress on science and engineering policy.

NATIONAL ACADEMY OF SCIENCES

2101 CONSTITUTION AVENUE, NW WASHINGTON, D C 20418

OFFICE OF THE PRESIDENT

January 26, 1999

The Honorable Jacob J. Lew
Director
Office of Management and Budget
Old Executive Office Building , Room 252
Washington, D.C. 20503

Dear Mr. Lew:

On behalf of the Council of the National Academy of Sciences, I am writing to you concerning the new legislation that directs you to amend OMB Circular A-110 "to require Federal awarding agencies to ensure that all data produced under an award will be made available to the public through the procedures established under the Freedom of Information Act...."

It has been clear since 1980, as a result of the U.S. Supreme Court's decision in *Forsham* v. *Harris*, 445 U.S: 169 (1980), that data generated by a privately controlled organization that has received grants from a federal agency are not "agency records" subject to public disclosure under the Freedom of Information Act (FOIA) if the data have not at any time been "obtained" by the agency, even if the agency has the unexercised right to obtain such data. However, as a result of the new legislation, you seemingly have been directed to ensure that now *all* data produced under *all* federal grants must be made available to the public through the procedures established under FOIA. This is an *enormous* change in federal policy regarding federally funded research. We are convinced that the new legislation will have serious, unintended consequences for the nation's research enterprise.

The federal support of scientific research is one of the nation's most important and enduring public policies. As we stand on the threshold of the 21st century, a moment of reflection on the past one hundred years will call to mind the tremendous impact of science and technology on the 20th century here in the United States and around the world. The continuing importance to this country of federally funded research in developing new knowledge that can lead to new products and services, new industries, new treatments for disease, new weapons for national defense, new means of communication, and so on, is widely accepted. It is from this vantage point that we address the new legislation and its implementation.

federal government.

While the Academy has issued a number of reports through the National Research Council supporting the concept of data sharing, the public disclosure of grantee research data under FOIA called for by the new legislation is not a carefully designed way of achieving data sharing in the public interest but rather a very bureaucratic, legalistic and expensive mechanism for disclosing research data to the public. The serious problems that the new legislation is likely to cause for federal grantee research include the following.

One of the most troublesome aspects of the application of FOIA to federal grantee research data is the possibility that FOIA may not allow a federal research grantee to publish the results of his or her research in scientific journals before the underlying research data must be made available to the public under FOIA. This problem results directly from the holding in *Burka* v. *U.S. Dep't. of Health and Human Services*, 87 F.3d 508, 521 (D.C. Cir. 1996), that research data could not be withheld under FOIA so that researchers could publish their results because there is no "established or well-settled practice of protecting research data in the realm of civil discovery on the grounds that disclosure would harm a researcher's publication prospects."

Publication of research results in peer-reviewed scientific journals is one of the most critical elements of the research process. It is the means by which new discoveries are communicated to others in the scientific community and to the public at large. Permitting the researcher who actually collected the data to be the first to analyze and publish conclusions concerning the data is an essential motivational aspect of research. Requiring public release of data prior to publication in scientific journals would seriously short-circuit the scientific research process that has been so effective in the United States. Moreover, it would severely disadvantage federally funded scientists while providing unreasonable advantages to their competitors, both in the United States and internationally. Premature release of research data before careful analysis of results, and without the independent scientific peer review that is part of the normal process of publication of scientific research, would also increase the risk of public disclosure of erroneous or misleading conclusions and confuse the public, which would not be in the public interest.

The application of FOIA to all federally funded research grantee data will also be greatly complicated by the fact that there are currently tens of thousands of federally funded research grantees engaged in tens of thousands of research projects. One cannot overemphasize the staggering volume, complexity, and variety of federal grantee research data being generated by astronomers, molecular biologists, atmospheric chemists, high energy physicists, geoscientists, clinical investigators, plant biologists, materials scientists and engineers, etc. The complexities of individual scientific fields are often so great that only scientists working in those fields will really understand the details of their particular field of research and the data being generated. The effective application of FOIA to data of such diversity and complexity will be very difficult, if not impossible, to achieve. It is certain to be very costly to both research institutions and the federal government.

This situation is further exacerbated by the fact that the term "data" in the new legislation is not defined. Under current agency regulations, the term "data" may not be limited to information resulting from original observations and measurements. The definition of "data" under some agency regulations is very broad, encompassing not only data in the conventional sense but all recorded information in all media including such items as computer programs, copyrightable works, and procedural manuals. Under an expansive definition of "data," drafts of research papers, for example, might be available to the public under FOIA even before the drafts are finalized and published, potentially confusing the public and unfairly penalizing the researcher. Important legal rights in certain kinds of "data" might be altered or impaired. Burdensome disputes and uncertainties over the scope of the term "data" and its application are inevitable.

It is also unclear whether the new legislation is retroactive. Is FOIA now suddenly to be made applicable to all *existing* federal grantee research data? And if not, how will "new" data be distinguished from "old" data in research projects that are currently ongoing?

The new legislation seemingly transforms all federal research grantee data into "agency records" for purposes of FOIA. But federal research grantees are generally not well-equipped by inclination, training or experience to deal with the legal and definitional subtleties of "data" and the bureaucratic responsibilities that go with being custodians of "agency records" nor with the very substantial financial and administrative burdens of doing so. The net result will be a major shift of valuable intellectual and financial resources away from scientific research and into disruptive paperwork production. Frequent FOIA requests for data by particular interest groups and individuals might even be used as an effective means to discourage certain research, attack ongoing research, or delay the publication of research results.

FOIA contains a number of exemptions from its public disclosure requirements which are designed to balance various legitimate interests in confidentiality of information with the public's right to know and are very important to making the statute work effectively. It is unclear, however, whether these exemptions will apply to federal grantee research data under the new legislation since the legislation refers only to "procedures established under [FOIA]" and not to FOIA itself and the FOIA exemptions. But even if the exemptions do apply, they are seriously inadequate for protecting the legitimate interests of federal research grantees.

For example, as noted above, FOIA may not allow a federal research grantee to publish the results of his or her research in scientific journals before the underlying research data must be made available to the public under FOIA. In addition, although FOIA protects certain trade secrets and commercial or financial information from public disclosure, this provision may have only limited application in the case of federally funded grantee research. See *Washington Research Project* v. *Dep't. of Health, Education and Welfare*, 504 F.2d 238, 244 (D.C. Cir. 1974), *cert. denied*, 421 U.S. 963 (1975) ("a noncommercial scientist's research design is not

literally a trade secret or item of commercial information, for it defies common sense to pretend that the scientist is engaged in trade or commerce"). Thus, legitimate interests of federal research grantees regarding the confidentiality of certain kinds of information may not be respected because these issues simply are not addressed by FOIA as presently written.

FOIA protects the confidentiality of personnel and medical files and similar files if the disclosure of such files would constitute a clearly unwarranted invasion of personal privacy. But regardless of whatever legal protection this may provide for the confidentiality of such information, individuals who now provide invaluable personal information for medical and other forms of federal grantee research may be disinclined to continue to do so in the future if such information will now be subject to even the *possibility* of public access under FOIA.

All of these factors underscore the serious limitations of FOIA as a mechanism for making federal grantee research data available to the public. We understand that the new legislation originated at least in part from concern that research data developed by federal grantees that are used as a basis for federal agency policies and regulations should be available to the public for analysis. But we also understand that the particular research data at the Harvard School of Public Health that generated much of the public controversy have now been made available to an independent group for a separate, independent re-analysis of the data. Thus, there are other mechanisms for addressing these problems without resort to FOIA.

A bill has been introduced in Congress to repeal the new legislation making FOIA applicable to federal grantee research data, and we hope that the Administration will support such repeal. In the meantime, to the extent that the application of FOIA to federal grantee research data under the existing legislation is addressed by OMB, we urge your thoughtful consideration of the issues set forth in this letter. We must not allow the entire federally-funded research establishment in the United States to be seriously burdened by compliance with new bureaucratic requirements that are intended to address a legislative concern that is irrelevant to the vast majority of federally funded research projects.

We urge your thoughtful consideration of these issues.

Sincerely,

Bruce Alberts
President

bcc: E.W. Colglazier, K. Fulton, J. Halpern, J. Jensen
M. Straf, S. Turner-Lowe, P. Uhlir, J. Wright

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230

nsf

OFFICE OF THE
DIRECTOR

February 22, 1999

Honorable Jacob J. Lew
Director
Office of Management & Budget
Old Executive Office Building, Room 252
Washington, DC 20503

Dear Mr. Lew:

I am writing in regard to recent proposed changes to OMB Circular A-110 concerning access to research data generated through federal assistance.

The National Science Foundation has long encouraged the broad dissemination of NSF-funded research data in support of the science and engineering enterprise. NSF' s current data access policy--which is clearly stated in a specific provision in our grants -- promotes free and open exchange by expecting researchers to promptly publish their findings and share their data and supporting materials with other researchers. This policy has been successful, and we expect it to continue.

I understand that P.L. 105-277 specifically directs OMB to apply the Freedom of Information Act (FOIA) procedures to data produced under federal awards for the purpose of improving dissemination of federally supported data. I appreciate your efforts to limit the scope of the proposed rule regarding the use of FOIA to "published research findings" and only for instances where data are used in "developing policy or rules." This language may help avoid untimely release of raw data by researchers as well as limit the proposed rule's application to specific studies.

I remain concerned, however, that the proposed revisions are unclear and open to different interpretations that could ultimately harm the research process. For example, it is unclear what constitutes "data" in the proposed rule. Also, the phrase "developing policy or rules" - while limiting the scope of the proposed rule - is ambiguous and needs clarification. I am also concerned about how the proposed rule would deal with legitimate privacy and confidentiality issues for research subjects.

Unfortunately, I believe that it will be very difficult to craft limitations that can overcome the underlying flaw of using FOIA procedures to achieve broader access to federal funded data. No matter how narrowly drawn, such a rule will likely harm the process of research in all fields by creating a complex web of expensive and bureaucratic requirements for individual grantees and their institutions. It also runs counter to the efforts of NSF and other science agencies to lessen paperwork burdens on our grantees through longstanding initiatives such as the Federal Demonstration Partnership (FDP) and the more recent implementation of NSF's FastLane system

Using FOIA in this manner also undercuts the successful, balanced and flexible approach to science and engineering data access adopted by NSF and other science agencies. These policies were expressly endorsed by the Senate Treasury Postal Appropriations Subcommittee as late as last July. That is why I believe we should work towards enactment of the bipartisan legislation, H.R. 88 sponsored by Representative George Brown to repeal the FOIA provision of P.L. 105-277. This would allow federal agencies to create more flexible and sound data access policies that meet the information needs of the 21st century.

I look forward to working with you and with the Congress in the upcoming months to help craft policies on access to federally-supported data which are fair and open and do not hinder the normal research process.

Sincerely,

Rita Colwell

Rita Colwell
Director

cc: Neal Lane, Director, OSTP

Mr. PRICE. Let me raise a couple of my specific concerns about the proposed legislation and ask you to comment on them. First, as I read it, OMB has drafted the revision so that it would apply only to data supporting published research findings. However, OMB has not defined what constitutes published research. That leaves open to interpretation when the data would have to be shared and at what point research findings would be considered published.

For example, researchers typically present papers giving a preliminary review of their findings at association conferences. They provide an abstract sometimes for the conference materials, so that participants have some sense of the scope and nature of their project. Would that abstract constitute published research?

Surely you would have to agree if a researcher must release data before he has had a chance to review it fully, his work is undercut and his ultimate work product is open to misinterpretation and attack even before it is written. So I would like to know how you are going to attempt to deal with the issue of defining published research.

Secondly, OMB states in the Federal Register notice that the intent of Congress was to apply the Circular and thereafter FOIA to all federally funded research "regardless of the level of funding or whether the award recipient is also using non-Federal funds." I think that was taken from a floor statement made by Senator Campbell, but I must tell you I have no earthly idea how that would work.

Applying the Circular to all research data that has been compiled with the help of even one dollar of Federal support would seem to expand the definition of a Federal agency to include any institution that receives grants under Circular A–110. That would give rise to a very strange situation, it seems to me. If we consider grantees to be Federal agencies for FOIA purposes, would we have to consider them Federal agencies for purposes of other statutes like the Privacy Act? And if we don't consider them Federal agencies, doesn't laying claim to their data constitute a kind of taking?

The situation is especially problematic for research that may lead to development of new medicine or technology. How do we address intellectual property rights if data must be released? Who will agree to participate in studies knowing that their responses may not be kept confidential? And what will be the fate of public-private partnerships?

The questions just go on and on. I can't imagine any private sector operation being willing to operate under these constraints.

Another key aspect we need to weigh is the potential cost of compliance. Who will bear those costs? In many lengthy health studies there are literally millions of records and thousands of pages of data collected. As I understand it, agencies currently do not actually receive FOIA reimbursements. The fees they assess actually go into the general fund.

Under your proposed revision, would the additional costs incurred by agencies in responding to FOIA inquiries be returned to the agencies or continue to go into the general fund? In addition, what will the grantees be able to seek reimbursement for? Can they include only the cost of copying and mailing the data, or

would the staff time used to delete confidential information and package the material be recoverable? What kind of cost estimates have you come up with, and is it possible we are in fact setting up an unfunded mandate for Federal grantees?

Let me just ask you to respond there and to the question of what constitutes published data and also these other questions about costs and compliance.

Mr. LEW. Congressman, as you know, the A–110 revision is not something that we generated on our own motion. It is in direct response to a provision that was enacted. We have tried in developing the revision to stick as closely as we can to the new law, which I would concur with you is not entirely clear in some cases, though I think there is a sort of common sense approach to terms like "publish" which we may need to work through more as we go through the process.

We drafted the revision, sticking to the text of the amendment that was enacted at the end of last year, and looking very closely at the various statements that were made, the explanatory statements that were made during the debate. The standard that data must be related to published findings comes directly from the statements that were made at that time.

I must say the technical details of where the line between published and not published falls is something that I would have to go back and consult with our experts on. I understand the concern you raise, a very real one, but the goal of the amendment was not to have it be intrusive on the research process. On the other side, there is a real concern about privacy and the Freedom of Information Act, and privacy protections are really as much to protect individuals as much as researchers.

I think we share the concern that in implementing this revision, we have to protect those privacy rights. It is both for the best interests of the citizens involved and for the purpose of the research. As I say, we have tried to stick closely to the law. To the extent that there is ambiguity that you have discovered in terms of reading the draft revision, we look forward to working with you and understanding better what the concern is and how we might respond.

Mr. PRICE. Does your understanding of the scope of the law include any kind of organization or project that has even a fraction of Federal funding? Are we bringing all of these kinds of organizations and projects under the statute?

Mr. LEW. The only reason I am hesitating, I don't know if there is a threshold. In your initial comments before your question, you suggested that even if there was some de minimis Federal funding commingled. I don't know that it would reach all the way to something that was not funded with Federal money but was an entity that received Federal funding. Certainly if it was a research project that was federally funded, that would be the clear case. If it is a research study produced by an organization that receives Federal money but for which Federal money was not directly used, that is something I am frankly not 100 percent sure of and I have to check.

Mr. PRICE. And we don't have a clear answer on the reimbursements—on what kinds of expenses incurred in gathering the data and making it available would be eligible for reimbursement.

Mr. LEW. I am told that agencies are permitted to charge a fee for the cost of the FOIA request, and that doesn't directly answer your question. These rules are out for comment now, and there is a 60-day period where we will be receiving comments and we will be going through these kinds of concerns as they come up.

To the extent that the fees that are permitted are not commensurate with the costs, that is something that I would hope we would learn in this comment period. But I think that is actually a question that has been resolved in the context of other FOIA matters. I am not sure why this would be different from the others.

Mr. PRICE. Well, I think you are going to get thousands of comments. I expect you have already. And I am concerned that the statutory language really doesn't give you the flexibility you need to deal with these comments and the problems they raise. I suspect repeal may be the only adequate solution to these problems.

I hope you will keep the Subcommittee apprised of the rulemaking process and the extent to which you determine that your agency is going to be in an untenable position under this rule, just as this revision I think would put our researchers in an untenable position.

Mr. LEW. We will do that, Congressman. This was not a change in law that we had sought. We worked with the Congress to try and make sure that it was as unburdensome as possible, so many provisions that were in the original proposal were removed. But with that said, we have our concerns, and we will work with you as we go through the comments on the revision.

Mr. PRICE. Thank you.

Thank you, Mr. Chairman.

Mr. KOLBE. The time of the gentleman has expired.

Mr. Sununu.

JUDICIARY REQUEST FOR COURTHOUSE CONSTRUCTION FUNDING

Mr. SUNUNU. Thank you, Mr. Chairman.

Mr. Lew, I would just ask you to briefly delve a little deeper into this issue of the Federal courts. You spoke about priority, that the Federal courts are not a high priority; but for point of clarification, I mean, it is not a priority at all. There is no funding for Federal courthouse construction or refurbishing in the budget at all, correct?

Mr. LEW. No new funding in our fiscal year 2000 budget, but as I stated, over the past number of years——

Mr. SUNUNU. What was the request by the Judiciary?

Mr. LEW. I would have to go back and check. It was a substantial number.

Mr. SUNUNU. Mr. Hoyer suggested it was in the neighborhood of $500 million. Is that approximately correct?

Mr. LEW. That actually is probably the amount that was on the recommended list. The request list was probably larger than that.

Mr. SUNUNU. And so the Judiciary makes a recommendation and then you alter that recommendation?

Mr. LEW. Well, this is a case—this is not a passthrough item so it is part of the GSA budget, not the court budget. As with all other GSA budget submissions, we view it and we make recommendations based on allocating scarce resources.

Mr. SUNUNU. You don't consider the courthouse construction budget to be part of the Judiciary budget?

Mr. LEW. It is not technically part of the Judiciary budget. The Judiciary has its own budget that it submits directly, which we do not change. It is submitted to the Congress directly.

Mr. SUNUNU. Would the members of the Judiciary agree that this is subject to the passthrough requirements?

Mr. LEW. I think the Judiciary is disappointed with the funding levels proposed in our budget.

Mr. SUNUNU. To say the least.

Mr. KOLBE. Would the gentleman yield?

Mr. SUNUNU. Certainly, Mr. Chairman.

Mr. KOLBE. Do you agree it should be a passthrough item? The Judiciary believes it should be a passthrough item.

Mr. LEW. I think it is actually problematic if this were to be a passthrough item. To the extent that we are operating in a world of caps, spending caps, it is necessary for all parts of the budget that are drawing on the limited resources to be balanced against each other. Even in the case of the passthrough budget I think there are questions that arise as to whether there is any discipline, enough discipline on that part of the process.

Mr. SUNUNU. I appreciate the fact that you may think that Judiciary isn't disciplined enough, but there is a statutory requirement that their budget be considered a passthrough. I mean, the law is the law.

Mr. LEW. This is not technically part of the Judiciary budget. It is part of the General Services Administration budget.

Mr. SUNUNU. So there is disagreement between OMB and the Judiciary whether or not the courthouse portion of their budget is part of the passthrough, but you are not suggesting that there is not a statutory requirement for passthrough on the Judiciary.

Mr. LEW. I am not aware that the Judiciary has asserted that the courthouse is now a passthrough. You asked me earlier whether they would like it to be a passthrough. I suspect they would like it to be a passthrough, but I don't think they are under the impression that it is now or should be interpreted under current law to be a passthrough.

Mr. SUNUNU. Are there any other agencies whose funding is considered to be or required under law to be a passthrough?

Mr. LEW. There are a number of other—the legislative branch is a passthrough as well. I mean, I could go get you a list of all the passthroughs. There aren't a lot of them. It is basically the separation of powers issue in terms of the legislative and judicial branch.

Mr. SUNUNU. If you could submit a list for the record, I would appreciate it.

Mr. LEW. There are small independent agencies that fall into that category, but the bulk of the dollars——

Mr. SUNUNU. Does the Consumer Product Safety Commission fall under that category?

Mr. LEW. I don't believe so. Federal Reserve Board is one I am aware of.

Mr. SUNUNU. If you could submit a list for the record, that would be helpful.

[The information follows:]

Budgetary Bypass Authority

In addition to the Legislative Branch, the Judicial Branch, the Federal Reserve Board, and the Postal Service, the following Executive Branch Agencies have budgetary bypass authority:

Advisory Council on Historic Preservation	16 USCA Sec. 470r, 470t(b)
Commodity Futures Trading Commission	7 USCA Sec. 4a (h)(1), (2)
Consumer Product Safety Commission	15 USCA Sec. 2076(k)(1), (2)
Federal Aviation Administration	49 USCA App. Sec. 2205(f)
Federal Election Commission	2 USCA Sec. 437d(d)(1), (2)
Federal Retirement Thrift Investment Board	5 U.S.C. 8472(i) and (j)
Surface Transportation Board	49 U.S.C. 703(g)
Merit Systems Protection Board	5 USCA Sec. 1205(j), (k)
National Transportation Safety Board	49 USCA App. Sec. 1903 (b)(7)
Railroad Retirement Board	45 USCA Sec. 231f (f)
Chemical Safety and Hazard Investigation Board	42 USCA Sec. 7412
Court of Appeals for Veterans Claims	38 U.S.C. Sec. 7282
International Trade Commission	19 USCA Sec. 2232
Legal Services Corporation	42 USCA Sec. 2996d(e) (2)
State Justice Institute	42 USC 10705(c)
United States Institute of Peace	22 USCA Sec. 4608(a)

Mr. KOLBE. Postal Service is a passthrough.

Mr. SUNUNU. And in all those areas you obviously obey the law?

Mr. LEW. We always obey the law.

IMPLEMENTING CLIMATE CHANGE PROGRAMS

Mr. SUNUNU. Excellent.

In your answer to Mrs. Emerson's question regarding climate change policy, I thought you were providing a good answer up until you got to the point where you stated, and I am quoting from my notes here, "We are going to pursue climate change policies that are self-contained to the protocol." Now up until that point you were suggesting you weren't going to implement any policies required by the Kyoto Protocol, and I am confused as to what you meant by that statement, "We are going to pursue policies that are self-contained to the protocol." If you are pursuing policies that are consistent with the protocol, it would seem to me by definition you are pursuing protocol implementation.

Mr. LEW. Let me try to be very clear, if I wasn't earlier. We are pursuing climate change policies which, independent of the protocol, have been our policies and continue to be our policies.

Mr. SUNUNU. To the extent that they bring you into compliance with the protocol, that would be a coincidence?

Mr. LEW. Correct. But there are many things that we have done. We have had energy conservation and technology programs for the past 20 years, all of which when they succeed have the effect of reducing emissions and coming closer to compliance. So we don't think the standard whether there is a result that is consistent with a protocol is the same as implementing the protocol.

We are not going to cease and desist from all activities regarding climate change. We have had climate change policies from way before the time of the protocol. We are very concerned. So that we don't have there be confusion, we understand there is a difference between implementing the protocol and pursuing other policies where the goals are consistent with the protocol but are not the protocol.

We need to have conversations like this if there are areas where there is any misunderstanding, but one would have to go back and repeal a number of programs in order to be able to make the statement that nothing we are doing would help us make progress in such a way that would be consistent with the protocol. That is different than implementing the protocol.

Mr. SUNUNU. I recognize the fact that this subcommittee doesn't have jurisdiction in this area, but I think you are going to find some very real disagreement in those committees and subcommittees that have jurisdiction in this area because it is a pretty tough sell to argue that, "Well, we are undertaking policy that will help us comply with the Kyoto Protocol, but the fact that it is bringing us into compliance with the Kyoto Protocol is completely coincidental, and we would have done this anyway even though the protocol wasn't there." I mean, that is just a comment, doesn't require you to respond, but I think it is a pretty tough sell to those who are concerned about the cost implications, and I would certainly include myself, and clearly Mrs. Emerson, in that lot.

Has my time expired, Mr. Chairman?

Mr. KOLBE. Your time has expired.

Mr. SUNUNU. Thank you very much.

Mr. KOLBE. Let me just note, although I would agree with you the courthouse is not a passthrough item, there are some judges who believe that they could make a legal case that it is. I don't think they have any intention of filing a lawsuit, though there have been some who have suggested it. Mr. Forbes is next but if you would permit me, the Ranking Member has to leave for a meeting with the Minority Leader, if you will allow him at least one question on his second round.

FEDERAL EMPLOYEE PAY COMPARABILITY ACT

Mr. HOYER. Thank you. Thank you, Mr. Forbes. I appreciate that. I have got a number of other questions, Mr. Lew, and I will submit those, but can you tell us, we included language about the pay setting formula. As you know, I have had discussions and I particularly but the committee as well, discussions with the—with OMB over the years under both administrations as to the appropriateness of the present formula. And if it is not appropriate, how do you modify it? Can you tell me what the status—will you get the report by May 31—May 1?

Mr. LEW. We have had a number of conversations over the years, Mr. Hoyer, and as you know we have been consulting widely with the Members of Congress, with interested parties both in organized labor and agencies. This is a very difficult issue. It is an issue we have wrestled with, and ultimately legislation has been enacted on a number of occasions to set a pay rate that reflected the current evaluation of what was the right thing and the best thing we could do at the time.

We have a real dilemma, given the total resources available, that were we to go to the pay rate that would be indicated by the standard, we would have a very large increase. It would be over 10 percent, and the cost in terms of agencies would be quite dramatic. The FTE reductions would be in the many thousands. It would draw resources away.

And also we think it would not reflect the current real need to meet the pay comparability requirements. We worked very hard this year to try and work on a policy that would fully compensate for the employment cost index plus a little bit to catch up a little bit of ground from the past. We think that looking forward, the path we have been on is one that gradually does restore some of the ground that was perceived to have been lost.

I think the problem is that the index isn't all that good, and it drives you in a direction that would have results that I don't think anyone would advocate in terms of the loss of Federal jobs or the amount of resources. On the other hand, I shouldn't say anyone.

Mr. HOYER. Certainly not me, right.

Mr. LEW. The challenge is to be fair because we do need——

Mr. HOYER. Mr. Director, with all due respect, and you are my friend and we have gone around on this, all that you have said is true. I am not standing on top of the Capitol saying we ought to have 17 percent, which is what I believe what it would require, maybe a little higher than that.

Mr. LEW. It depends on how one does the arithmetic.

Mr. HOYER. That is not the issue. The issue is, up until last year the administrations had the ruse of saying—I shouldn't call it a ruse—had the legitimate claim that because we had a deficit, however you compute that deficit, that the law gave the administration the opportunity not to follow the recommendations of the Pay Council's findings.

Last year, as you know, I made the point pretty strenuously. We say we have got a balanced budget, things are great, hooray for us, our administration looks good, we Democrats look good from our standpoint. My point was, "Okay, if we are saying that, then we no longer have this out under FPCA to say we can do less than the formula calls for."

I understand that you and your predecessors have said the formula overestimates the disparity. I may agree with that. What I don't agree with is not coming up with an alternative formula that we can agree on accurately reflects that, so this committee knows at least what the law would require and the administration and the Congress could agree on that number.

Then your point is well taken. We would have to make a subsequent decision, can we afford it, but at least we would know what the law tells us we should do. Very frankly, if we can't afford it, we ought to say to Federal employees and to American taxpayers honestly, "Hey, this is what we would do under the law but we can't afford it," so we don't amend the law. That is my point.

Mr. LEW. Your point is well taken. We will continue to work on it.

Mr. HOYER. Will we have a report by May 1?

Mr. LEW. I am being a little bit hesitant on that date on the report because I know over the last few years it has been a difficult area to conclude our analysis on a timely basis.

Mr. HOYER. It has been five years, Mr. Director.

Mr. LEW. I am hoping to do better than our past experience.

Mr. HOYER. I am not going to get an answer, Mr. Chairman, so I will leave.

Thank you, Mr. Director.

Mr. KOLBE. Mr. Forbes.

CONCERNS FROM THE RESEARCH COMMUNITY ON REVISIONS TO CIRCULAR A–110

Mr. FORBES. Thank you for being here. It is good to see you again, Director Lew. I would like to identify myself first of all with the sentiments and concerns expressed by Mr. Price. I think that there is really, in the research community there is great angst about the rescission and the need to comply with what Congress has requested last year in circular A–110.

In my own district we have got two fine research facilities, the State University of New York at Stony Brook and Brookhaven National Laboratory which are great participants, Stony Brook alone to the tune of about $111 million. And I think that there are well-placed concerns by the researchers, and in this case in my own facilities.

They mentioned to me their concern for protecting patients' confidentiality and safeguarding intellectual property and technology transfer rights, and the imposition of significant new unfunded ad-

ministrative and financial paperwork requirements, all not unfamiliar to you I know, director. I would just like to align myself with those who have a very keen concern for what this would do to our research institutions. I would hope that OMB, after the comment period is over, would be able to strike some kind of balance between what Congress has asked of you and what I think our research institutions rightly can absorb in any requirements.

Mr. LEW. I would offer you the same comments that I made to Congressman Price, that we look forward to working with you. We are concerned that the burden on universities. We have to keep it very much in mind, and the statute doesn't give us infinite flexibility, and we are trying to do the best we can. We need to see what the comment period produces and then evaluate it.

GAO REPORT ON MANAGEMENT OF THE Y2K PROBLEM

Mr. FORBES. Thank you. I appreciate that.

I have a question, actually a follow-up to your testimony, in which you on page 3 again acknowledged, of course, managing the preparation for the Federal Government's computer conversion for the year 2000, the now infamous Y2K conversion dilemma that we are working through as a Nation.

There was a draft, as you well know, a draft report by GAO not too long ago which strongly criticized OMB and the Conversion Council's management of the Y2K problem, citing weaknesses in leadership. One criticism leveled by GAO is that OMB has never required the agencies to adhere to specific steps in completing the five phases of year 2000 conversion work.

As a result, GAO went to the agencies and found widely varying interpretations amongst the different agencies of each phase of the process. One agency, and there are many concerns here across the government, I would say, but one agency that is of vital importance and of critical concern to all of us I know is that which handles Medicare and Medicaid, the Health Care Financing Administration.

GAO said in February and a report indicated that of 74 external systems that HCFA reported compliant with Y2K standards at the end of last year, 54 still fail to comply overall. And I know that the HCFA administrator has suggested that the discrepancies between her agency's counted Y2K compliance systems and GAO's is really due to what they term a lack of a paper trail. The lack of a paper trail comes right back to the question of oversight and leadership.

Director, if you could, enlighten me and the committee a little bit more about how we can make sure that our mounting concern about how HCFA will handle Y2K and the subsequent problems that could be experienced if we don't get our hands around it.

Mr. LEW. Congressman, if I could maybe answer the general question and then the specific one on HCFA, we have over the past several years, I think, gotten our hands around the Y2K problem and are working very effectively with the agencies. There is an effort, as you know, between the Y2K Council and OMB to coordinate very closely, and really to elevate the issue so that it is each department head's responsibility to manage the Y2K conversion and not to have it be a delegated responsibility. It is very clear that this is something that each agency head is being held accountable on.

We worked with each department, with their different needs. It is not a one-size-fits-all problem. HCFA has had enormous problems. In general we have made a lot of progress. The new upcoming Y2K report is going to show that we only have three agencies left in the tier one category, AID, Transportation, and HHS, but even within those three agencies there has been substantial progress. The fact that they haven't addressed all the problems doesn't mean they haven't made progress. DOD and Energy have made enough progress that they moved out of tier one. Overall we are now projecting 79 percent of mission critical systems to be compliant.

HCFA has been an enormous undertaking. The millions and millions of lines of code that had to be rewritten, the relationships between HCFA and the contractors who do the work directly, has been very complicated. We have made some extraordinary decisions to try and assist HCFA and give them the resources they need, and also to perhaps lessen some other requirements so that Y2K compliance could be their number one administrative priority.

I think they are going to finish the job. They are going to get it done. There is no doubt that it was a bigger problem than was originally understood, but we have now for several years known the size of the problem and been managing it, I think, effectively.

Mr. FORBES. Director, to the criticisms by the GAO, is there validity in the criticisms that they have leveled, that there hasn't been, if you will, the ability for specific steps to be laid out? I hear you saying that each director of each department is responsible, but where does the coordination come in for OMB if it really gets back to directors of these departments?

Mr. LEW. As you know, we have a Deputy Director for Management for whom Y2K compliance has been a major part of their work responsibility for several years. John Koskinen, the former head of management, former Deputy Director of Management, came back from a brief retirement to come back as the executive director of the Y2K Council. Ed DeSeve, who is the current deputy director, and he have been working very closely. I don't think it is fair to say there haven't been clear steps discussed with each of the agencies. I think that the concern we have is that in each case it is not the same five steps.

Mr. FORBES. Are you saying the GAO concerns are in fact not relevant?

Mr. LEW. We all had a lot of concerns about Y2K compliance, but it is a very, very difficult problem to tackle. I would disagree with the notion there hasn't been leadership. I would disagree with the notion that there hasn't been direction. I wouldn't disagree that it took us a while to figure out the extent of it and the costs involved in remediation, but that is several years ago and we have, I think, been working very effectively throughout the period to address the problem.

Mr. FORBES. I just want to make sure that I am clear on this. The concerns raised by GAO, is OMB working to address those concerns or have you dismissed those concerns?

Mr. LEW. OMB is working to solve the year 2000 problem. We work day-to-day with agencies to make sure that they are either going to be able to get their mission critical systems fixed by March

31, or if not, have a plan for getting there, so that well before the end of the year they reach the compliance stage. We are very optimistic that the fact that there are only three agencies left in the tier one category means that we have made an awful lot of progress.

Mr. FORBES. I appreciate it, director. I am just honestly trying to find out, have you given any relevance to the GAO concerns?

Mr. LEW. I have actually tried to be reflective in my answer that this has been a hard problem. It has been a problem that my predecessors wrestled with, that I have wrestled with. I don't concur with the conclusion, but we are very much concerned, not with the grade you get by one or another rating official or agency, but getting the job done. There has been no lack of leadership or concern, and I think we are on track to solving the problem.

Mr. FORBES. Thank you.

Mr. KOLBE. Mrs. Meek.

MANAGING INCREASED RESPONSIBILITIES AT OMB

Mrs. MEEK. Thank you, Mr. Chairman.

Thank you, Mr. Lew. My question will be short because of the time. I noted that in your fiscal year 2000 budget, your level of funding on FTEs will be the same level as '99. Yet when I go over your budget here, you have a lot of expanded opportunities, expanded programs, expanded responsibilities. You talk a lot about productivity, but you put most of your money in terms of hardware instead of in peopleware.

I am concerned that with the personnel that you have now, I noticed you are doing a lot of review. I know what it is like to do all these strategic planning kinds of things. They are a headache and then once they are done, they just wear staff down to nothing and then they have to go back and review them. It is really a quagmire. I have been out in that world for a long time, and I am just wondering how you are going to handle all of this.

Mr. LEW. I appreciate that question. I must say the wear and tear on OMB staff is of great concern to me. I have now been in OMB for over four years. I am not the typical political appointee who is sort of in and out without getting to really be part of the organization for a long time. These are people I work with, I know well, and I think there is a lot of wear and tear.

I distinguish between the hard work and the performance because I think the performance has been excellent. Were we to shrink in size, I think we are at the point where I would have to say we would have to remove some responsibilities, because you can't expect the same number of people to do more and more work without going beyond a point that I think would be unacceptable. I think with the FTEs we have now, we can manage the additional responsibilities.

We have tried to be more efficient in a number of important ways. If you can get the instructions right the first time so a project has to be done once instead of three times, that makes a big difference in terms of the quality of the workplace. We have put a lot of emphasis on those kinds of problems. I know I have put a lot of my own time into it. It is not perfect but I think we have made a lot of progress.

With regard to the increase, a fair amount of the increase that we have requested, $2,137,000, is for the increase in pay to maintain the FTE level at a constant level. I would have preferred to be able to say that we could have absorbed the pay raise as we have expected many other less labor-intensive agencies to do, but we are at a point if we were to shrink in our FTEs, I don't think we could do all the tasks that are expected of us.

I appreciate your question. I think it is a very well-placed question. I think it is your right to question, to ask the head of OMB and next year to ask it again, because I can't tell you with confidence that it will be the same a year from now.

Mrs. MEEK. Thank you, Mr. Chairman. I will submit my other questions for the record.

Mr. KOLBE. Thank you. Ms. Roybal-Allard.

PRESIDENT'S PROPOSAL TO REDUCE FEDERAL DEBT HELD BY THE PUBLIC

Ms. ROYBAL-ALLARD. Mr. Lew, let me add my name to the long list of Members who were extremely dismayed at the fact that there is not any money for courthouse construction, especially in light of the fact that I represent the downtown Los Angeles area. Los Angeles is first on the priority list because of the fact that it has met the criteria that requires us to have a new courthouse in the near future.

Let me just point out that as you become more successful in your law enforcement efforts, it creates greater demands for new courthouses, which is what we are seeing now. Also, according to GSA, the longer you delay, the more costly courthouses are going to be. The increase is about, according to GSA, about 3 to 4 percent annually. So I think those are also two important considerations. If you are going to be successful in dealing with crime, which we want to be, then the other end is we have to have the courthouses in order to prosecute those that have been arrested.

My question has to do with the President's proposal to commit approximately 60 percent of the projected unified budget surplus over the next 15 years to Social Security and 16 percent to Medicare. Needless to say, there have been mixed reviews of that proposal. Also, I believe that it has created some confusion, even among Members like myself. I would appreciate it if you could explain how the President's plan reduces the Federal debt, specifically the debt held by the public, and what the concrete benefits are that taxpayers and families can expect to see from reducing the publicly held debt?

Mr. LEW. The mechanics of how the debt held by the public is reduced is more what we don't do than what we do. We won't be rolling over debt at the same rate that we otherwise would. Instead of rolling over debt, we will be retiring debt. When we pay off debt, we won't issue new debt.

So last year, for example, we ran a unified budget surplus. We reduced the debt held by the public. It wasn't exactly in the amount of the surplus because there are some other transactions that go on in the financing, internal financing of programs, but it was roughly the amount of the surplus last year, $69 billion that

didn't need to be refinanced. So by not refinancing debt as it rolled over, we reduced the debt held by the public.

The benefits of reducing debt held by the public we think are many. The measure of whether or not the Federal Government is crowding out private capital is really what the debt held by the public is. When that number is going up, it means the Federal Government is out there in the private marketplace competing with private businesses and individuals who are trying to finance homes, and the less competition, the more access to capital the private sector has. It is good for the private economy. It is good for individual families. It is good for the economy.

In terms of getting our fiscal house in order, it is really much like a family that is planning to send their kids to college. If you look ahead, how you are going to pay the tuition bills, one of the things you know for sure is you don't want to have a lot of credit card bills and a lot of mortgage bills, because you are going to need to have the cash flow so you can pay for a little bit of college every month.

By writing down our debt, we are writing down the interest we are going to be paying next year and the year after, really forever. To put it in sort of the starkest terms, when we did our first budget in 1993 we looked at 2014, the end of the 15-year period we are now talking about, and we projected that net interest, interest paid on debt held by the public, would be 27 cents out of every dollar. Now the same analysis is 2 cents out of every dollar.

That just means that 25 cents out of every dollar is available for other purposes, and we think that that is enormously helpful to committees like this that are strapped for resources. We think it is enormously important in terms of the many demands on the Federal Government, and it means that we will be able to pay Social Security benefits in the future.

By making commitments to the trust fund, we are essentially committing, as one of your colleagues suggested, general revenue in the future. The way the general revenue commitment is made is we are putting bonds in the trust fund. The bonds will come due after 2032 and we will have the cash flow to pay those bonds back.

We are saying Social Security should have the first call on the fruits of our fiscal benefits, but that is only the case if we don't make other commitments, because if we run up the credit card bill again we won't have the money to pay back the bonds. We think it makes good sense for a family to manage affairs that way, and certainly makes good sense for the government to manage affairs that way.

Ms. ROYBAL-ALLARD. Thank you.

Mr. KOLBE. Thank you very much, Ms. Roybal-Allard.

Ms. Roybal-Allard's questions open a whole line of questioning. I would love to get into it, but I think I will leave that to the Budget Committee.

Mr. LEW. I look forward to any opportunity where we can discuss those issues.

Mr. KOLBE. I actually did have an opportunity en route to Tucson with the President last Thursday. I had some discussion with him about some of that.

Mr. LEW. I enjoyed our conversations in Albuquerque over the same.

TREASURY'S ROLE IN LAW ENFORCEMENT

Mr. KOLBE. In Albuquerque you and I did as well. I want to maybe take one more stab at, and I don't want to belabor the thing, what I see as the disparity between Treasury and Judiciary and law enforcement. I do want to ask a couple of more questions along these lines. Maybe it will give me some more confidence that we are getting the consideration that we need for Treasury.

What is your understanding of what Treasury's law enforcement role is in combating crimes—financial crimes, excuse me. Financial crimes specifically.

Mr. LEW. Well, clearly the various Treasury agencies, Secret Service in particular, have substantial responsibilities in terms of financial crimes. We turn to them both for direct enforcement and for expertise on how to design enforcement strategies. I am not sure I understand the question in terms of what you are looking for.

Mr. KOLBE. I am trying to get some understanding of whether there is much appreciation down at OMB of what the role of Treasury is in these financial crimes. For example, what agency has the primary responsibility for credit card fraud?

Mr. LEW. I believe it is the Treasury Department. I am not sure if it is Secret Service. I think it is Secret Service.

Mr. KOLBE. Identity fraud, Secret Service. West African Task Force fraud, Secret Service. Money laundering investigations is FinCEN and Secret Service and Customs. I guess I am just saying it seems to me the more we shortchange these agencies in these law enforcement areas, the more difficulty we have related to our efforts to interdict drugs. It just seems to me that it is a problem.

CUSTOMS USER FEE PROPOSAL

On Customs, the Customs budget is obviously very heavily weighted towards getting two significant tax increases, the passenger and the transfer taxes, or fees. I don't care what you call them. You made some reference to the fact that you thought they were well-designed fee, or tax increases. In that regard, was there careful consultation with the affected groups that would be subject to these fees?

Mr. LEW. I think probably, as in most cases, there could have been more consultation. We are certainly aware of the views of many of the affected parties.

Mr. KOLBE. Aware now.

Mr. LEW. We have had some history in this area over the last few years, so we have the benefit of sort of ongoing consultation. When I say it was well-designed, what I was referring to, it was designed to cover the costs associated with providing the services at the border.

One can design a fee so that it produces more revenue but that is disproportionate to the costs associated with the service. If there is to be a user fee, one tries to design it to mirror the costs as closely as possible. I have never run into a case—well, rarely run into a case, where the parties who pay the fees thought they were desir-

able. The only exception is when there is a real perception of imminent deterioration of services that are critical.

I must say the consultation, as I understand it, did produce a sense that we are at a cusp now where there is some sentiment in the affected community that in order to preserve essential services, extraordinary actions may need to be taken. I don't want to mischaracterize that or exaggerate it. I don't think we are going to see resounding endorsements of fees by the affected parties, but I think there are concerns amongst the affected industries that there is a real need to make the kinds of investments that we call for, and I hope that gives us the basis to work together to try and design a fee that could muster support and augment the resources available for the Customs Service.

Mr. KOLBE. You have had a few weeks at it. What is your realistic assessment of the likelihood of these being enacted?

Mr. LEW. I am an optimist. I think we have an uphill battle but we have an uphill battle that we would hope we could work together on, and if it isn't exactly the fee that we propose, perhaps there is some other version of it or an incremental version of it that would be helpful. It is not the first time we have proposed something that didn't succeed on the first go-around, and we have found that if you keep going at it, you can get the job done. We hope we can.

Mr. KOLBE. Thank you. But with all due respect, the problem is you don't have any backup as to how we are supposed to fund customs if it doesn't happen. What is the number of people that would have to be RIFed if Customs doesn't get this fee?

Mr. LEW. Well, I would have to check the number, but it is clearly——

Mr. KOLBE. It is 28 percent of personnel.

Mr. LEW. I wouldn't for a moment argue that the funding level for Customs without the fee is a desirable or acceptable level. I agree with you, if the fee is not adopted, we are going to have a challenge—you will have a challenge. We would hope we can work with you to try and help.

Mr. KOLBE. Who is going to have the challenge? We are going to have the challenge. You haven't given us anything to work with.

Mr. LEW. We think that the fees are appropriate policy and very much would help——

Mr. KOLBE. We know what is going on here. You know perfectly well that it is not going to happen, and then when we have to find the money from other areas you can say, oh, that subcommittee or that appropriations committee just took the money out of all these wonderful new programs we were trying to do and didn't fund those kinds of things. This game is being played every year with these kinds of tax.

But I think it ought to be clear that, what you have really suggested with this fee, knowing that that is not going to happen, is a reduction out of current operations. You are talking about a 28 percent reduction in Customs, and I think the impact of that on drug interdiction would be devastating. I can't imagine how we could possibly fund that.

Mr. LEW. In fairness, we are not proposing a 28 percent reduction. We are proposing a fee which we think is a legitimate fee. We

hope we can work with you on it. We understand it is difficult and we understand there are affected parties who are concerned, but we think it is a legitimate and fair proposal.

So I think our budget has to be viewed as a whole. We don't view it as a game. We view it as a very serious proposal that we would hope to work with you on. I can't say that it is going to be easy but, as I say, I am an optimist. I think we can make progress.

CUSTOMS AIR INTERDICTION PROGRAM

Mr. KOLBE. Let me turn to a more specific issue, and that has to do with Customs' air interdiction program. OMB has directed that the $1.3 million provided in the supplemental appropriation to cover current shortfalls on the P–3 aircrew only be used for overtime. Customs has told us already that its existing aircrews are flying the maximum number of hours allowed by FAA regulations. Under these conditions, why are you restricting the use of the fiscal year '99 funds to overtime, although it was clear that was not the intention of the committee?

Mr. LEW. If I can just check, I am not aware that that is what we have done.

Mr. KOLBE. It is what you are doing.

Mr. LEW. I just want to doublecheck because I think it is a misunderstanding of the way the apportionment was handled. There is an aircraft at issue which won't be on-line until 2001, I believe.

Mr. KOLBE. We are talking about current aircraft that are flying now.

Mr. LEW. I am not aware of this issue. Let me check on it.

Mr. KOLBE. You do need to check on it because Customs sat there last week——

Mr. LEW. I am aware of the issue regarding the new aircraft, and I know that is a case where the information hasn't yet come out.

Mr. KOLBE. New aircraft do come online during this coming fiscal year, 2000. The first will come online in the up coming fiscal year, for which you have no funds for training crews.

Mr. LEW. My understanding is that the funds will be available for training the crews when they are ready to come online. I can check the dates but, as I say, my understanding was the issue in terms of the aircraft has been, it hasn't been ready to proceed in terms of the quality of information we have.

Mr. KOLBE. So we are clear there is no funding in the fiscal year 2000 request, I don't expect you to understand every detail, but just to illustrate the problems we have, there is no funding in the fiscal year 2000 budget for recruiting and training aircrews. The first of these aircraft do come online at the end of fiscal year 2000.

Mr. LEW. If I could, Mr. Chairman, I will go back and check. That is my understanding of the schedule. My understanding of the schedule is the aircraft come online later, and the training would be provided to staff and fully—let me check. The principal issue is my understanding of the date for the aircraft coming online does not conform to yours. There is a right and a wrong answer. I will check.

EFFORTS TO ENHANCE PRODUCTIVITY AT OMB

Mr. KOLBE. I don't think there is any question about it. We have a schedule and we have done work with Customs on that. We know when delivery is supposed to take place for that aircraft. There is just nothing in the budget for them to train aircrews.

There was discussion here about the workload requirements, stretching limits of OMB, about your staff really, and that you have done well with limited resources. You did say that the new workload, in your justification terms, the new workload requirements are really stretching the limits of OMB staff.

Sometimes there is such a thing as being penny wise and pound foolish. I am certainly not one to urge Federal agencies to increase their budgets, but if your workload requirements are going up, your staffing is remaining static, what are your current plans to enhance productivity at OMB?

Mr. LEW. There are a number of different areas that we have tried to implement and improve productivity measures. One, as I mentioned, of course, is communication. The reason I start there is I think an information organization like OMB, the principal thing we can do to operate more efficiently is to communicate better internally and between ourselves and other organizations.

Secondly, computers, the frustration of an examiner who is working 10, 12 hours when their system crashes when they are trying to finish a project, is a very special kind of frustration. It is difficult, as I am sure your staff experiences it. We are trying to have our computer system such that it enhances the ability to produce work efficiently.

Many of the things that we are doing in an area like the GPRA implementation really should be integrated with the budget work that we do, and shouldn't be a totally separate kind of function. This year when we did our budget reviews we very much drew on the work that the staff were doing in the GPRA process to help us understand, agency-by-agency, program-by-program. So by integrating the work we do, we try to be more efficient.

We have committees at OMB that were set up under OMB 2000, a Management Committee with a Workload Subcommittee, Investment Resources Board. These are management tools that I think work quite well. They reflect both the career and the political staff judgment. They not only inform me, but I have to make decisions on internal management and I listen very carefully to what they have to say. I don't want to go overboard in terms of how much one can accomplish through efficiency. People work very long days and they work very hard and they produce very good work.

I think we have to be cautious when we predict what the future will look like. I know it wasn't an easy decision for us to recommend the funding level for OMB that we requested at a time, frankly, we made some very difficult choices with other agencies that were not given full cost-of-living adjustments.

In the best of all worlds we might seek an increase. I could certainly justify additional FTEs and use them well. At a time when we have balanced the budget and we are expecting fiscal restraint and good management throughout government, OMB has to set an example of living by the rules it is trying to impose. So we are try-

ing to balance that but not punish your work force at the same time.

I think we have struck a balance that works but I must say the year-round budget process has an enormous toll on an organization like OMB. We had a one-day break between concluding the omnibus negotiations and going into our full peak season. One day is not a long time between two very difficult processes.

People are encouraged to work at home in the sense that we have home computers that make it possible that people don't have to run in. If they have an hour of work to do, they don't have to spend two hours coming in on a weekend day. We have used the e-mail system to try and reduce the need for unnecessary meetings, but at the core it is a lot of work. People do very well. We hold ourselves to a very high standard of performance and will continue to do so.

Mr. KOLBE. Thank you.

Mr. Price, I have one more line of questioning, but I would be happy to yield to you if you would like because I certainly used more time on the second round here.

ANNOUNCING THE AVAILABILITY OF FEDERAL GRANTS

Mr. PRICE. Thank you. I have one brief question I would like to pursue in the area of the Notices of Funding Availability (NOFA) the way those are handled across the Federal Government and what OMB might do to make better public information available about Federal grants. I do think this is an area where OMB could be very helpful, and I would just like to explore briefly with you what the situation looks like to you now and what we might do to improve it. I think it is important that the Federal Government provide adequate public access to information about potential sources of funding, and that this information be clear and consistent across the entire Federal Government.

So I wonder how you would assess the situation at present. There is such a thing, of course, as the Catalog of Federal Domestic Assistance, but this document isn't always kept up to date in terms of actual funding availability, as I understand it, and therefore is of limited help in researching grant opportunities.

There doesn't seem to be a uniform method for notifying potential grant recipients about funding availability. Some agencies do public NOFAs in the Federal Register; others do not. Some put notices on their web sites and other publications; others do not. As a result, of course, Members of Congress get contacted by many organizations seeking assistance, and we sometimes find ourselves handicapped in being able to give clear and consistent information.

So it seems to me, based on the experience in part in our congressional offices, that we need to do a better job of giving everyone a shot at applying for Federal dollars and making sure the information is out there as to what is available. I would like for you to comment today and maybe comment at more length for the record, if you wish, about what OMB has done and is doing to try and make this NOFA process more effective and more consistent. Assuming there is some room for improvement here, are there efforts that you might undertake?

Mr. LEW. Congressman, as you know, there is not a standard government-wide practice on how to handle notices of funding availability. Many agencies do put out public notices, and do make the information generally available. I think that actually relates very much to the question the Chairman was asking a moment ago in terms of work load burdens. If one had unlimited resources, certainly one could have a more coordinated approach to the notice of funding availability.

But the project that you mentioned, the catalog of domestic assistance is a very, very time-consuming project. It is one that the agencies and OMB have juggled back and forth, over the years, responsibility for. And when I came to Washington in 1973, I found it an extraordinarily helpful tool as a young aide in a congressional office who didn't know very much about the structure of the Federal Government, so I personally sort of have always thought of it as one of the things that I learned a lot from.

With that said, you know, if we have to choose between the coordination of this information at a very high work load burden, against the other responsibilities that OMB has, the question is, is that the highest and best use and should we make additional resources available for that? At the moment I think I would have to have a little bit of caution in terms of offering that the OMB could do a lot more coordinating in this area, because it is quite labor-intensive.

On the other hand, it is something we are happy to look at and to see—in principle we certainly agree that there ought to be wide dissemination of this information, and with modern technology we should be able to do it rather efficiently. I would suspect that the answer really will lie more in how to work with the agencies, to help provide guidance for the agencies to do it more effectively and more directly and less in the area of coordination. But I would like to think a little bit more about it and perhaps get back to you.

Mr. PRICE. Well, I would appreciate that. I certainly agree with that last statement, that we are not talking about OMB doing this job. We are perhaps talking about a level of encouragement to agencies, a standardization of the way information is formatted and presented.

So I would appreciate the benefit of your reflections on this, because I think there is room for improvement here. And we, in our attempt to be helpful to our constituents and organizations and to local governments, often come up against the need for this.

Thank you.

Mr. KOLBE. Thank you, Mr. Price.

MEETING THE MARCH 31, 1999 DEADLINE FOR AGENCY Y2K COMPLIANCE

I would like to end by just going back to the topic that Mr. Forbes addressed, and that is Y2K: I have a couple of questions on the management and a couple on funding issues here. This is that critical month of March, the one that you, yourself, selected—when I say you, your agency selected—as being the month we should have 100 percent Federal mission critical systems being Y2K compliant.

Your January 31st report, as I understand it, estimates 79 percent of these systems are compliant. Do you think two months later at the end of March you are going to be at 100 percent?

Mr. LEW. We are certainly striving to be as close to 100 percent as possible. One of the reasons for choosing March 31st was we wanted to have a bit of a cushion after March 31st to do the final work.

I think we have made enormous progress. Seventy-nine percent is big progress over the month before. We expect big progress in the month that we are in. In all candor, I can't tell you I think we will be at 100 percent on March 31st, but I think we will be much closer than we would have been if we hadn't set a tough deadline and worked with the agencies in sticking to the task. And we will complete the work in a timely manner, so that we can avoid the kinds of problems that we are all worried about at the end of the year.

Mr. KOLBE. I would find it extraordinary if you reach 100 percent by this month. I heard rumors, and I admit I have absolutely no substantiation for this, that there has been some shaving away of systems designated as mission critical. I hope you can tell me that that is not being done in order to try to be sure you are at 100 percent compliant.

Mr. LEW. I think what is happening as we get to the testing stage is that we are reaching the point where it is not a projection of what the mission critical systems are, but we are doing the testing that determines what the mission critical systems are. And we have used a conservative approach in terms of anticipating what the mission critical systems were, so that we didn't assume you could find a way around a critical system and not have a problem.

But as you get to the testing phase and some of these—I am trying to get the right word—but some of these mechanisms around a mission critical system turn out to be effective, then you have a mission critical capacity, even though the mission critical system may or may not have been tested or may not have become compliant.

So the question is, can we perform the missions? And I think what you are finding is that some of the things are being removed because it turns out they weren't mission critical. You could get the mission done without them. I agree with you 100 percent we should not be in the business of defining away that problem. If there is a problem, we need to identify it, we need to address it.

I didn't mean to suggest that I thought we were going to be 100 percent. I was trying to be quite candid, saying we were going to get close, but I think we are going to have work to do between March 31st and December 31st. The good news, I think we will be able to get the job done. I think we have the resources to get the job done. We have the people working on it, making the progress they need to make.

We are so much farther along than we were two years ago, and I think so much farther along than many expected us to be, and I am much more comfortable sitting here discussing this than I would have been.

Mr. KOLBE. If I might, then, I am glad to hear you say that. If we are doing that well in the Federal role, how about the coordina-

tion with State and local governments, international, private sector?

Mr. LEW. We have been doing a great deal of outreach and coordination. Obviously we can't undertake the direct work of doing the Y2K compliance for State and local governments, the private sector and international, but we have tried to play a leadership role. Right now John Koskinen is either in Manila or coming back from Manila, where he led a group of international ministers responsible for Y2K activities to work through their problems, to understand what they need to do to finish the job.

We have worked closely with State and local governments. As you know, many of our Federal programs are administered through the States, and we have a very direct concern that if you take a program like the unemployment insurance program, the Federal Government could be Y2K compatible but if the States are not, then Federal benefits won't be delivered in a timely manner. We have given a lot of guidance.

What we have tried to do, in part, was to be humble about what we could do directly, and understand that the leadership role that we were playing and the leadership role that we were expecting agency heads to play was something that we had to convince governors and their cabinet secretaries was a similar need at the State level, at the local level. I think we have succeeded in helping disseminate an understanding of the problem and to provide technical support.

I think that there has been a great deal of public awareness because of the efforts that we have undertaken, and there has been a lot of technical support to help as well.

Mr. KOLBE. Are you developing contingency plans at this point?

Mr. LEW. We are indeed.

Mr. KOLBE. Or is there no need to because you think you are going to be so close to 100 percent?

Mr. LEW. I think it certainly is necessary to think in terms of contingency plans in areas where there are—you know, even if you hope to have 100 percent compliance, the risk of not having compliance is one that you can't take, and there is a range of activities. The Defense Department has been very active in this area; many of the things that they are doing have domestic applications as well.

The problem is not necessarily that there are contingency plans to take over the permanent functioning of agencies where there might be a failure, but how to get through the transition so that you solve the problem without an interruption. The agencies are aware of that. We are certainly mindful of the need to keep that in mind, as are the agencies.

Mr. KOLBE. Last year the committee directed that the Y2K czar, if we can call him that, should have Administration standing to directly access or in a sense take control of a system if he deemed that it was not going to meet the January 1st deadline. A, does the Director have that standing, and do you believe that there would be any systems that will be taken over in that sense?

Mr. LEW. I am not aware of any expectations of taking over any systems. As you know, agencies are required to develop contingency plans so that systems that have been behind their internal sched-

ule by more than two months have some contingency planning built in. I would be delighted to go back and check to see whether there is any expectation of system takeovers. I am not aware of any.

FUNDING FOR Y2K IN THE FISCAL YEAR 2000 BUDGET

Mr. KOLBE. Okay. Just a couple quick questions on funding. The President's fiscal year 2000 budget request has $641 million for Y2K, but according to documents the committee was given, we are told that wasn't the final figure, the final submission. Do you have that yet? Do we know what the figure is for fiscal year 2000 government-wide that we are talking about?

Mr. LEW. I think that is the correct number.

Mr. KOLBE. That is?

Mr. LEW. Yes, roughly. I mean, I have to go back and double-check, but I am not aware of any additional requests coming forward.

FY 2000 FUNDING REQUESTED FOR Y2K

Question. In the President's Budget, how much FY 2000 funding is requested for Y2K? How can the agencies use this funding to fix Y2K if it doesn't become available until October?

Answer. In OMB's 7th Quarterly Report on Y2K, issued on December 8th 1998, the estimate of obligations for Y2K-related activities in FY 2000 was $641 million. In the 8th Quarterly Report, issued on March 18, 1999, that estiamte was revised to $614 million, as some agencies have been accelerating activities. The estimates are based on obligations flowing from appropriations in FY 2000 and prior years. In terms of FY 2000 budget authority, $433.2 million has been specifically requested in the President's budget. These costs are primarily Y2K project office costs to manage and monitor the transition into 2000 and the completion of final contingency planning.

Mr. KOLBE. Can we assume agencies have been told to absorb that fiscal year 2000 request in their budgets?

Mr. LEW. Well, we worked through on an agency-by-agency basis where the definition of "absorb" is built into their 2000 requests. So if you think they should have had more activities and they don't have them, then it is absorbed. If we have the right level of activities, it is additional resources. So that is a little bit of a subjective question.

Mr. KOLBE. I guess what I am trying to get at, you are not anticipating, because I don't think it was the committee's intention, that the emergency appropriation be used in fiscal year 2000?

Mr. LEW. No. We have, as I commented earlier, we have managed the '99 emergency to deal with '99 expenditures, and we do not anticipate using it for fiscal year 2000, nor do we expect to be coming up requesting additional emergency funds for fiscal year 2000. We very much appreciate the flexible funding that was provided. It has given us the ability to manage this problem and I think as best as we can.

And it is giving agencies the resources they need in fiscal '99 to do the critical work. There will be some expenses in 2000 that are the sort of tail-end expenses that are built into the agency budgets. Hopefully that will make some of the funding issues in fiscal 2001 a little bit easier, so we don't have a repetition of that, but—I can't sit here and tell you with 100 percent certainty that when we do end-to-end testing over the next couple of weeks, we won't discover

some large problem that we don't know about now. But barring something that we haven't yet seen, we are not expecting additional research requirements.

ESTIMATES OF TOTAL FEDERAL COSTS FOR FIXING THE Y2K COMPUTER PROBLEM

Mr. KOLBE. That goes to my last question. Your last quarter report shows the total costs through fiscal year 2000 for Y2K to be $6.4 billion. Do you anticipate outyear costs?

Mr. LEW. Well, we have built into our 2000 budget the outyear costs we anticipate, obviously, after January 1st, 2000.

Mr. KOLBE. I am talking about 2001. Do you anticipate any costs for your agencies?

Mr. LEW. I am not aware of any substantial costs.

Mr. KOLBE. I have seen some private sector things, I forget who it was, one of the consulting firms that suggested that there would be some fairly substantial costs for private industry that would go on beyond 2000.

Mr. LEW. I think we are going to see—this is now speculation, more than it is reflection of knowledge. But just based on the conversations I have had on specific Y2K compliance plans, there is going to be a rethinking of some information technology requirements based on what people have learned in the course of Y2K compliance.

We are at a point in development of technology where major strides continue to be made, and I am sure that we are going to face information technology investment requirements that don't go away after the Y2K conversion. I think with regard to dealing with the specific issue of Y2K conversion, the funding of $6.4 billion, which is quite substantial, is what we understand the current estimate to be.

If there are any ongoing costs, we will come back and talk to you as we discover that, but I am not aware of it at the moment.

CLOSING REMARKS

Mr. KOLBE. Thank you very much. You have been very responsive. This has been a long hearing, and I appreciate your answers. We may have a few other minor questions to submit for the record, but that completes everything that we have for today, and we thank you very much——

Mr. LEW. Thank you, Mr. Chairman.

Mr. KOLBE [continuing]. For testifying.

Mr. LEW. We look forward to working with you.

Mr. KOLBE. Just for anybody in the audience that needs to know, tomorrow morning we will have ONDCP, the Office of National Drug Control Policy at 10 a.m., and in the afternoon the Postal Service at 2 o'clock. Thank you very much. This subcommittee stands adjourned.

QUESTIONS SUBMITTED BY THE COMMITTEE
OFFICE OF MANAGEMENT AND BUDGET

OMB MANAGEMENT OF Y2K AND CONTINGENCY PLANNING

QUESTION: Clearly, the Administration has failed to meet the March 1999 deadline to have 100 percent of federal mission critical systems Y2K compliant. We are now in the critical phases of developing contingency and continuity plans. The Committee directed you to take aggressive action in the oversight of contingency planning. The November 1998 Quarterly report does not give me reason to believe that OMB is taking aggressive action in this regard. Director, specifically what are your plans for ensuring that we have contingency plans in place for those mission critical systems that are in jeopardy of failure at the turn of the century?

ANSWER: OMB is taking strong steps to ensure the readiness of Federal systems and the critical programs and services they support. At this time, we expect that about 92 percent of the Federal government's mission critical systems will be ready by March 31, 1999. Agencies continue to report to OMB on those mission critical systems that are behind schedule and on their contingency plans for these systems. All this information is available in our quarterly reports. With the completion of the majority of remediation efforts, OMB has directed Federal agencies to place even greater emphasis on fixing and testing any remaining mission critical systems. OMB continues to monitor agencies that are behind on a monthly basis, while John Koskinen, Chair of the President's Council on Year 2000 Conversion, continues to meet with senior officials of those agencies most at risk. OMB plans to continue to work closely with agencies, using budget and management resources as appropriate, to ensure that there will be no disruption of Federal programs through the year 2000.

In addition to contingency plans for individual systems, agencies are developing business contingency and continuity plans to ensure that critical functions will operate.

QUESTION: Director, do you think the federal government should have a national contingency plan in place?

ANSWER: The subject of a national contingency plan is something that falls under the responsibility of Mr. John Koskinen, Chair of the President's Council on Year 2000 Conversion. I understand that the Council is working closely with sectors across the United States to assess the situation and is encouraging every critical industry to have its own national emergency response center. He is also working closely with FEMA and with State emergency preparedness programs to discuss appropriate readiness measures.

QUESTION: Last year the Committee directed that the Y2K Czar should have Administration standing to directly access and take control of any critical agency system that is in jeopardy of not meeting the January 1, 2000 deadline. Does the Y2K Czar have such standing? Do you anticipate having to exercise such measures at any agency? If so, when will you make this determination?

ANSWER: It is not clear that, absent specific legislative authority, the Assistant to the President on Year 2000 Conversion has the authority to override existing statutes that specify the management of specific programs. However, based on the latest quarterly report OMB has issued, it is clear that such authority will not be necessary. Almost 80% of all mission critical systems of the Federal government were year 2000 compliant as of January 31 and we expect that about 92% will meet our goal of completing their work by the end of March. At this time, agencies that are behind schedule are doing a good job of managing the problem and have specific benchmarks in place for completing remaining work in advance of the end of this year.

OMB WORKLOADS AND MANAGEMENT

QUESTION: Director, I appreciate that OMB believes that – and I quote from page 1 of your budget justification materials: "as chief management and budget office of the executive branch, we feel a special obligation to try and maximize the productivity of our resources." Once again, your budget request assumes only adjustments for inflation – everything is remaining constant. When was the last time that OMB requested a programmatic increase?

ANSWER: OMB's FY 1992 budget justification included a request for 23 new FTE.

QUESTION: Your justification materials state that "new workload requirements are stretching the limits of OMB staff." Sometimes there is such a thing as "penny wise and pound foolish." Given that your workload requirements are going up but your staffing levels are remaining static, what are your current plans to enhance productivity within OMB?

ANSWER: OMB has responded to this increased workload by expanding our utilization of technology, increasing the ratio of analysts to total staff, training, and improving internal communication through focus on workload management. For example, the FY 2000 budget request includes $400,000 to execute our plan to retire our oldest desktop systems on a four to five year cycle. In addition, divisions are required to develop and carry out a staff training and development plan. Supervisors are to ensure that training and development opportunities are available to all staff. To the extent feasible, staff are also provided the opportunity to participate in internal and external rotational assignments (or details) during the fiscal year. Finally, mentors are available to help staff maintain the high performance level and continue to improve performance where

possible. These efforts are part of an overall strategy to help OMB staff keep pace with mounting workload requirements.

We have also instituted a number of management measures designed to maximize the capacity of the organization to meet its added responsibilities. These include the establishment of the Investment Review Board (consistent with the Information Technology and Management Reform Act) and the Management Committee, as well as its subgroup, the Workload Management Committee.

The OMB Management Committee, created by the comprehensive review "OMB 2000," is comprised largely of career staff and is designed to provide long-term continuity with regard to OMB management issues. Its subgroup, the Workload Management Committee, helps ensure that OMB is managing its limited resources in a way that enables the organization to operate most efficiently and effectively. With the Committee serving as a vehicle to solicit and evaluate employee input, management is able to shape its work assignments, advancing the organization's ability to meet its added responsibilities while continuing to meet our customary high standards and improving the quality of our work environment. We have found that improved communications in both directions increases our productivity and the quality of work produced.

The Investment Review Board (IRB) is an integral part of OMB's strategic plan to leverage information technology resources to help all OMB staff do their jobs. The IRB is composed of senior policy and career line executives from several parts of OMB. In the past year, the IRB has reviewed and made recommendations to the Director of OMB on overall funding requirements and IT funding requirements in OMB; established priorities for information technology spending requirements within OMB; charted and oversaw key information technology initiatives; and established the Integrated Process Team.

The Integrated Process Team is charged with defining the next generation of information technology in OMB, in order to improve staff productivity, reduce costs where appropriate, reduce cycle time needed to complete key processes such as the production of the President's Budget and clearance of legislative proposals, and identify potential new opportunities to enhance OMB's interactions with agencies, congressional offices and the public.

QUESTION: Although information technology is critical to a productive work environment, it is not a substitute for a well trained and well managed staff. Are OMB examiners required to undergo any on-the-job training? What is OMB's policy regarding examiners going out into the field to see first hand some of the programs and activities they are responsible for overseeing?

ANSWER: OMB provides intensive two week on-the-job training sessions for new employees in the beginning of September. The training sessions teach staff about the federal budget process, policy analysis, and issues for the upcoming budget

cycle.

OMB analysts are strongly encouraged to make site visits to see first hand some of the programs and activities they are responsible for overseeing. The number of trips an employee makes in a given year will depend on the time demands on the employee and travel resource availability.

QUESTION: For the General Government and Finance Division, provide a summary of staff travel including dates of trips, total cost, location, and a brief explanation of the purpose of the trip, by branch for fiscal years 1995-1998.

ANSWER: The following information includes travel authorization prepared by OMB during the period in question (FY 1995 through 1998). Unfortunately, the travel authorizations only reflect travel outside the Washington, DC area. Professional staff also took a large number of trips in the Washington/Baltimore vicinity that were not captured by these records. For example, an informal survey of examiners in the Treasury branch elicited the following additional information not captured by travel authorization records during this period:

- -- One day trip to Seagram's Distillery in Maryland to review Bureau of Alcohol, Tobacco, and Firearms programs.
- -- One day trip to joint ATF/Customs canine training facility in Front Royal, Virginia.
- -- One day trip to ATF Tracing Center in West Virginia.
- -- Several one days trip to ATF Laboratory facilities in Rockville, Maryland.
- -- One day trip to Secret Service Training facility in Beltsville, Maryland.
- -- Several one day trips to the Financial Crimes Enforcement Network in Vienna, Virginia.
- -- One day trip to review Secret Service Simlab facility in Washington, D.C.
- -- One day trip to Customs facilities in Baltimore.
- -- One day trip to Customs data facility in Newington, Virginia.

FISCAL YEAR 1995 *

GENERAL GOVERNMENT AND FINANCE - ASSOCIATE DIRECTOR

Dates	Cost	Location	Purpose
3/12-3/12	$477.80	Atlanta, GA	Attend White House conference on aging
3/24-3/29	$813.50	New Orleans, LA	Attend the National Automated Clearing House Assoc. conference

HOUSING, TREASURY, AND FINANCE

Dates	Cost	Location	Purpose
12/12/94	$204.75	New York City	Gaining information to better prepare for handling DC's financial crisis
12/13/94	$162.25	Philadelphia, PA	Gaining information to better prepare for handling DC's financial crisis
1/11-1/12	$528.20	Atlanta, GA	Attend an EBT Advocates meeting
3/7-3/9	$253.95	New York City	Visit SBA district office and Colson Services in NYC
3/2-3/7	$0.00	Denver, CO	Speak at a government-wide seminar of federal managers on GPRA
3/21-3/24	$367.96	New York City	Observe law enforcement programs -- Customs and AFT
3/24/95	$228.20	New York City	Observe law enforcement programs -- Customs and AFT
3/23/95	$354.00	Newark, NJ	Observe the airport in Newark (Customs operations)
4/11/95	$0.00	Baltimore, MD	Meet with Exec. Dir. of Neighborhood Reinvestment Corp. and local NHS staff
4/23-4/26	$545.38	Dallas, TX	Attend a conference on economic development in a new era
5/2-5/5	$1,043.79	New Orleans	Attend a conference on small business lending
4/17-4/18	$513.50	San Diego, CA	Examine southwest borders with Customs
4/18-4/19	$601.30	El Paso, TX	Visit Customs and other border agencies to review SW border operations
4/25-4/26	$508.09	Brunswick, GA	Observe the law enforcement training at Glynco-Brunswick
5/2/95	$351.40	Oklahoma City, OK	Observe the Oklahoma City bombing site
7/6-7/9	$768.02	San Diego, CA	Make presentation on Housing needs
5/4/95	$22.50	Berryville, VA	Visit FEMA's Mt. Weather Emergency Assistance Center
5/9-5/11	$507.45	Baton Rouge, LA	Observe FEMA's "Response 95" training and preparation exercise
5/15-5/19	$678.50	Scottsdale, AZ	Attend a homeownership: the first generation conference/visit local Indian housing auth.
5/3/95	$69.50	Baltimore, MD	View the Customs program in Baltimore
6/21/95	$169.00	Philadelphia, PA	Visit the Mint operations
6/21/95	$152.70	Philadelphia, PA	Visit the Mint operations
6/25-6/27	$708.15	Austin, TX/Nashville, TN	Examine tax administration systems
6/13-6/14	$39.00	Baltimore, MD	Attend a training session on financial management
7/24-7/26	$60.00	Berkeley Springs, WV	Attend SES candidate development seminar
7/17/95	$63.82	Philadephia, PA	Gaining information to better prepare for handling DC's financial crisis
7/20-7/24	$289.13	Chicago, IL	Visit Financial Management Service regional center slated for closure
8/7-8/18	$234.00	Denver, CO	Executive development seminar
9/25/95	$146.20	Philadelphia, PA	Examine IRS processing center functions and operations

TRANSPORTATION, COMMERCE, JUSTICE, AND SERVICES

Dates	Cost	Location	Purpose
10/12-10/13	$428.77	Chicago, IL	Attend regional drug conference
11/16-11/17	$339.26	Boston, MA	Attend conference on highways
1/13-1/18	$1,055.60	Los Angeles, CA	Review Northridge earthquake recovery efforts and assess EDA grants
3/5-3/17	$523.55	Charlottesville, VA	Participate in a conference for government contract attorneys
4/3-4/15	$340.00	Denver, CO	Attend executive development seminar
4/20/95	$54.50	Baltimore, MD	Tour Baltimore's freight and passenger transportation facilities
3/5-3/8	$518.55	Philadelphia, PA	Attend public hearing on Amtrak route restructuring, visit rail facilities, see specific projects
5/1-5/5	$725.48	Los Angeles, CA	Review highway congestion pricing projects and traffic management projects
5/11-5/12	$166.50	Charlottesville, VA	Participate and speak at DOC conference
5/11-5/12	$115.98	Charlottesville, VA	Attend DOC budget conference
5/16-5/19	$791.90	Columbia, SC	Attend NIST and NOAA briefing and visit facilities
5/17-5/18	$92.00	Clarksburg, WV	Site visit to FBI fingerprint facility
5/17-5/20	$466.50	Ann Arbor,MI/Toledo, OH	Training - attendance at Bar Association training
7/10-7/14	$1,004.12	Houston, TX	Visit FBI/DEA activities; attend DARE conference
7/11-7/14	$572.10	Oklahoma City/San Diego	Review Marshal's Air operations, INS operations, and border crossings infrastructure
6/21-6/29	$899.34	Chicago/Springfield, IL	Review GSA's major construction/repair projects. Review current agency space requirements
7/25-7/28	$1,100.43	Lexington, KY/Memphis, TN	Visit federal office buildings new construction and repair/alterations
8/13-8/18	$1,250.82	El Paso, TX/Denver, CO	Site visit to Justice field programs and GSA's public building program
7/27-7/28	$838.49	Chicago, IL	Review operations of the Minority Business Development Administration's Mega center
7/18-7/21	$799.44	Kentucky/PA/WV/MD	Visit with ARC project directors. Tour Appalachian regional commiission funded projects
6/29/95	$41.40	Berryville, VA	Department of Justice/FEMA conference on emergency preparedness
7/24-7/26	$66.00	Berkeley Springs, WV	Attend SES candidate development seminar
7/16-7/18	$473.00	Altantic City, NJ	Visit FAA technical center
8/14-8/16	$362.05	Seattle, WA	Visit FAA facilities
8/13-8/14	$374.10	New York City	Meet with the Center for Substance Abuse Addiction/Partnership for a Drug Free America
9/5-9/8	$514.00	San Diego, CA	Visit INS detention and border operations
9/10-9/13	$1,157.04	Pittsburgh/Oklahoma City	Site visits to FAA facilities
9/21-9/23	$420.75	Providence, RI/Groton, CT	Site visit to Coast Guard facilities
9/5-9/6	$0.00	Oakland, CA	Observe FAA Oceanic program and site visits to FAA facilities

* In some instances, organizations other than OMB paid for either all or a portion of a trip.

GENERAL GOVERNMENT AND FINANCE - ASSOCIATE DIRECTOR

No travel

HOUSING, TREASURY, AND FINANCE

Dates	Cost	Location	Purpose
10/5/95	$9.00	Baltimore, MD	Program orientation on Customs' commercial operations and port facilities
11/8/95	$142.00	Philadelphia, PA	Site visit to FMS operations
3/11-3/17	$748.01	New York	Conference on disaster preparedness
3/20-3/23	$465.36	Philadelphia, PA	Attend conference with CDFI Institute
4/1-6/8	$597.00	San Francisco, CA	Participate in an OMB/agency exch. program in HUD's regional office in SFO
4/11/96	$0.00	Baltimore, MD	Tour the Baltimore Neighborhood Housing Services, Inc.
4/11/96	$166.00	Baltimore, MD	Tour the Baltimore Neighborhood Housing Services, Inc.
4/30-5/3	$644.60	Chicago, IL	Attend the Federal Reserve Bank of Chicago conference
4/21-4/22	$513.50	Cincinatti, OH	Observe the IRS Service Center
4/21-4/22	$504.60	Cincinatti, OH	Observe the IRS Service Center
4/21-4/30	$1,167.63	Phoenix, AZ	Tour HUD Native American housing
4/13/96	$56.12	Hunt Valley, MD	Form design team to develop a city-wide youth investment/violence prevention strategy
5/15-5/17	$592.86	Orlando, FL	Attend conference - NADCO 1996 annual meeting
5/19-5/24	$1,038.45	El Paso/Tuscson/San Ysidor	Visit three major SW border locations with Justice, Treasury, and ONDCP
5/14-5/15	$457.72	Atlanta, GA	Attend the worlds leading card and security technology conference
5/19-5/22	$727.87	Portland, OR	Gov't. Finance Officers Association's 90th annual conference
6/26/96	$336.00	New York Airport	Site visit of the Securities and Exchange Commission in New York
6/26/96	$219.90	New York Airport	Site visit of the Securities and Exchange Commission in New York
8/5-8/16	$86.80	Lancaster, PA	Attend Management Development Seminar
7/25/96	$0.00	Buffalo, NY	Visit to Customs site
9/29-10/2	$1,188.00	Cleveland, OH	Attend annual conference on community planning and development

TRANSPORTATION, COMMERCE, JUSTICE, AND SERVICES

Dates	Cost	Location	Purpose
12/14-12/15	$309.40	Beauford, NC	Visit/brief - NMFS southeast regional fisheries lab
1/18/96	$238.03	Columbus, OH	Learn about natural gas pipeline industry
2/20-2/23	$268.74	Lancaster, PA	PMI orientation conference
2/20-2/23	$288.38	Lancaster, PA	PMI orientation conference
2/20-2/23	$267.99	Lancaster, PA	PMI orientation conference
3/5/96	$89.06	Boulder, CO	Visit the National Telecommunications and Information Admin. ITS labs
3/14/96	$43.80	Easton, MD	Attend NOAA senior management conference
3/18-3/29	$136.89	Lancaster, PA	Executive development seminar
3/25/96	$110.00	Philadelphia, PA	Learn about high speed rail proposal for the Northeast Corridor

4/14-4/16	$519.80	St. Louis, MO	Attend the 1996 NIST Modernization Forum National Conference
4/16-4/20	$841.55	Miami, FL	Visit and briefing on Florida Keys Marine Sanctuary
4/22-5/3	$98.16	Lancaster, PA	Attend Management Development Seminar
4/22-5/3	$182.00	Lancaster, PA	Attend Management Development Seminar
7/15-7/17	$612.50	Oklahoma City, OK	Acquaint new FAA - operations examiner with the field operations of the FAA
6/15-6/22	$0.00	Italy	Participate in one week study tour of industrial districts and small business networks
5/19-5/24	$931.47	Dallas/El Paso/Phoenix/San Diego	Visit southwest border ports of entry with Treasury branch staff
7/8-7/10	$827.48	Kansas City/Fort Worth	Review GSA field activities
6/2-6/6	$796.75	Denver, CO	Site visit to several criminal justice projects funded by the Office of Justice Programs
5/28-5/30	$687.80	San Jose, CA	EDA Seattle regional annual conf.; meet with grant recipients and flood coordinators
7/13-7/21	$674.27	New York City	Meet with US Attorney and other Dept. of Justice officials
7/16/96	$66.52	Baltimore, MD	Attend briefing on FHWA regional programs
8/18-8/19	$251.46	Harrisburg, PA	Attend briefing on emergency relief program and FHWA divsion office
7/29-8/2	$819.00	Oklahoma City, OK/Ft. Worth, TX	Site visit to review Monroney Aeronautical Center
8/19-8/22	$184.50	Lancaster, PA	Attend Presidential Management Intern program
8/23-8/25	$1,013.00	San Francisco, CA	Visit NII grantees to evaluate the effectiveness of the program
8/29/96	$32.66	Baltimore, MD	Conduct visit to the International Trade Administration's US Export Assistance Center
7/15-7/19	$702.97	St. Louis/Springfield/Chicago	Meet with FTA regional officials and visit large, medium, and small transit operations
7/16-7/18	$655.34	New York City	conduct site visits for program evaluation of the TIIAP grant recipients of NTIA
7/16/96	$68.52	Baltimore, MD	Attend briefing on FHWA regional and divisional programs
8/19-8/22	$181.20	Lancaster, PA	Attend Presidential Management Intern program
8/27-8/29	$440.10	Philadelphia, PA	Visit GSA regional office
8/20-8/21	$386.70	New York City	Visit GSA regional office
9/20-9/21	$428.55	New York City	Attend science and technology conference at Columbia University
8/13/96	$15.00	Baltimore, MD	Conduct visit to the International Trade Administration's US Export Assistance Center
8/15/96	$511.00	Atlanta, GA	Observe new security equipment at Hartsfield International Airport
8/27-8/28	$117.00	Clarksburg, WV	Visit to FBI Fingerprint facilities
9/9-9/11	$593.00	New York City	Visit HIDTA adolescent treatment facility
9/20/96	$143.00	Charlottesville, VA	Meet with small urbanized area transit operator in Charlottesville
9/25-9/29	$1,208.76	San Diego, CA	Site visit to the National Steel and Shipbuilding Company
9/23-9/25	$672.00	Miami, FL	DEA site visit and briefings
9/25-9/26	$335.00	Chicago, IL	Visit projects in the 1998 GSA budget request
9/25-9/26	$577.00	Charleston, SC	Visit Charleston's INS training center

* In some instances, organizations other than OMB paid for either all or a portion of a trip.

GENERAL GOVERNMENT AND FINANCE - ASSOCIATE DIRECTOR

No travel

HOUSING, TREASURY, AND FINANCE

Dates	Cost	Location	Purpose
10/23-10/24	$575.27	Boston, MA	Attend homeless conference
10/22/96	$282.90	New York City	Attend conference which is rating agencies on portfolio valuation
11/22/96	$146.20	Philadelphia, PA	View FMS and Mint activities
3/27/97	$117.80	Philadelphia, PA	Visit HUD's regional office and review TEAPOTS system pilot
4/7-4/9	$741.20	Glynco and Atlanta	Visit FLETC and ATF facility in Atlanta
4/23-4/25	$565.27	Detroit, MI	Ovserve US Customs operations
4/24/97	$527.50	Detroit, MI	Ovserve US Customs operations
4/2-4/25	$682.80	Detroit, MI	Ovserve US Customs operations
6/18-6/20	$667.45	Irvine, CA	Attend 4th annual congress on Natural Hazard loss Reduction
6/10-6/11	$103.50	Emmettsburg, MD	Speak at a conference
7/14-7/15	$527.25	New York City	Visit New York Customs operations
7/14-7/15	$472.00	New York City	Visit New York Customs operations
7/28/97	$569.00	Parkersburg, WV	Visit and tour the Bureau of Public Debt facilities
5/30-6/1	$271.97	Fredricksburg, VA	Improve communications and leadership skills
8/4/97	$0.00	Richmond, VA	Tour Richmond housing authority
8/4/97	$0.00	Richmond, VA	Tour Richmond housing authority
8/4/97	$71.30	Richmond, VA	Tour Richmond housing authority
9/7-9/13	$1,356.06	San Francisco, CA	Attend a Section 8 training series
8/9-8/15	$934.00	Philadelphia, PA	Accompany HUD staff on verification of Phila. housing authorities
8/13-8/14	$0.00	Charleston, SC	Tour the FLETC border patrol training facility
9/26-9/28	$298.00	New York City	Visit the Stock Exchange
9/22-9/23	$0.00	Glynco, GA	Visit FLETC Glynco, GA training facilities

TRANSPORTATION, COMMERCE, JUSTICE, AND SERVICES

Dates	Cost	Location	Purpose
1/8-1/10	$495.22	Oklahoma City, OK/Alexandria, LA	Accompany GSA aircraft management staff on a site visit
3/23-3/30	$932.79	San Diego, CA	Justice and GSA site visit
2/19/97	$22.00	Calverton, NY	Visit the National Transportation Safety Board's facility
4/1/97	$0.00	Baltimore, MD	Visit Coast Guard facility and observe marine safety inspection
4/17-4/20	$861.91	Los Angeles/Albuquerque	Review Alameda Corridor/freight rail of Burlington Northern service/FRA safety programs
4/8-4/11	$727.10	Miami, FL/San Juan, PR	Examine the CG's drug interdiction operations
4/22-4/25	$1,017.46	Chicago/Louisville	Visit Census Bureau field offices and data storage facilities
4/20-4/23	$810.88	Dalla/Ft. Worth	Review GSA Southwest regional offices

5/4-5/7	$735.89	Seattle, WA	Visit EDA's Seattle regional office/review programs/ projects assoc. with Northwest timber
4/27-5/4	$1,414.03	Los Angeles/SFO/Portland/Seattle	Visit public building services (GSA)
5/14-5/18	$716.41	Denver/Salt Lake City	Investigate potential needs for Olympic funding;review status of FAA display modernization
4/24-4/25	$23.75	Coco Beach, FL	Visit launch facility
4/30-5/1	$179.84	Johnstown, PA	Examine National Drug Intelligence Center
5/11-5/23	$275.32	Lancaster, PA	Attend Management Development Seminar
5/7-5/9	$0.00	Boise, Idaho	Attend briefing on Dept. of Interior aviation
5/6-5/8	$586.84	Los Angeles/San Francisco	Visit contractor satellite production facility
5/12-5/13	$46.50	Easton, MD	Speak at the Dept. of Commerce's conference on planning and budgeting
5/20-5/24	$737.21	Portland/Lewiston/Pasco/SFO	Visit NOAA programs in the Pacific Northwest
5/12-5/13	$54.71	Easton, MD	Attend the Dept. of Commerce's conference on planning and budgeting
5/13/97	$0.00	Easton, MD	Attend the Dept. of Commerce's conference on planning and budgeting
5/14/97	$144.29	Trenton, NJ	Visit Polar Satellite production facilities
5/14/97	$143.74	Trenton, NJ	Visit Polar Satellite production facilities
5/29-5/30	$0.00	Groton, CT/New London	Review operations at the Coast Guard Research and Development Center
8/6-8/11	$1,082.89	San Diego, CA	See demonstration of the Automated highway system
6/8-6/14	$1,150.32	El Paso/Brownsville/Laredo/Dallas	Review Southwest border enforcement technology
6/8-6/10	$688.10	Kansas City, MO	Review Bannister road operations and review proposed NARA operating caves
6/19-6/20	$198.00	Philadelphia/NYC/Providence	Attend briefing on AMTRAK's high speed rail program
6/22-6/26	$922.39	Houston/El Paso	Visit Houston's DEA's office and El Paso's Intellegence Center
7/1/97	$204.54	New York City	Receive briefing from Drug Free America Partnership and the Ad Council
8/18-8/21	$922.79	Chicago, IL	Attend conference on counter-drug technology assessment
8/10-8/15	$0.00	Los Angeles, CA	Attend annual GSA travel conference
8/13-8/14	$0.00	Charleston, SC	Visit the border patrol training facility with Treasury branch staff
9/15-9/19	$0.00	Republic of Panama	Review plans for Canal transition; learn about Canal operations
8/26-9/1	$466.04	San Francisco/Sacramento	Review mass transit programs
8/20-8/22	$0.00	Denver, CO	Visit the NIST laboratories
8/28-8/29	$0.00	Detroit, MI	Visit Detroit's manufacturing extension center
9/13-9/17	$0.00	Boulder/Denver	Visit the NOAA Environmental Research Laboratories
9/14-9/16	$0.00	Boston, MA	Attend the regional director/assistant regional Census Mgt. conference

* In some instances, organizations other than OMB paid for either all or a portion of a trip.

GENERAL GOVERNMENT AND FINANCE - ASSOCIATE DIRECTOR

Dates	Cost	Location	Purpose
5/27-5/29	$238.00	Chicago, IL	Meet with the President and other officials of the Chicago Transit Authority
8/1-8/8	$1,017.91	San Francisco, CA	Meet with California housing officials regarding homelessness

HOUSING, TREASURY, AND FINANCE

Dates	Cost	Location	Purpose
12/10-12/12	$618.39	San Antonio, TX	Attend conference on Electronic Commerce
1/28-1/30	$367.54	Potomac, MD	Leadership development
2/12-2/16	$251.00	Denver. CO	Visit the Denve PHA Homeownership Center
5/5-5/8	$726.96	Chicago, IL	Learn about payment systems, banking, technology, deposit, and Federal Reserve issues
5/4-5/5	$476.68	Glynco, GA	Visit FLETC training facility to review development of facility
5/13-5/15	$704.17	Naples, FL	Attend an industrial conference on SBA business loan issues
5/10-5/12	$687.77	Boston, MA	Tour Boston Housing Authority
5/10-5/13	$973.00	Boston, MA	Tour Boston Housing Authority
5/27-5/28	$694.00	Chicago, IL	Discuss commodities market issues with CFTC regional staff
5/27-5/28	$694.00	Chicago, IL	Discuss commodities market issues with CFTC regional staff
5/21/98	$98.60	Ocean City, MD	Attend Maryland Assoc. of Housing and Redevelopment agencies conference
6/4-6/5	$738.58	St. Louis, MO	SAS Commissioners' meeting on electronic transfer benefit
6/7-6/12	$1,472.00	Dallas/Ft. Worth	Observe operations of Customs and coordination efforts between Customs and INS
8/10-8/13	$50.00	Anchorage, AK	Travel with the National American Indian Housing Council to tour Alaskan Native Housing
8/4-8/5	$624.92	Atlanta, GA	Tour Hope VI developments
8/30-9/2	$836.10	Nashville, TN	Attend "Section 8 summit conference" sponsored by HUD
8/19-8/20	$542.00	San Bernardino, CA	Tour neighborhood housing services
8/19-8/20	$442.00	San Bernardino, CA	Tour neighborhood housing services

TRANSPORTATION, COMMERCE, JUSTICE, AND SERVICES

Dates	Cost	Location	Purpose
1/19/98	$71.00	Ottawa, Canada	Learn about the financing of the Canadian Air Traffic Control System (from taxes to user fees)
2/8-2/9	$657.25	Ottawa, Canada	Attend meeting on Coast Guard user fees
3/3-3/5	$734.88	Orlando, FL	Attend Manufacturing Extension center Directors' conference
3/22-3/27	$1,209.91	Atlanta, GA	Attend the FTS 2000 users forum and visit regional operations
4/6-4/7	$0.00	Orlando, FL	Participate on a travel/trans. panel at the 4th annual gov't. financial manager's conference
4/17-4/19	$578.00	East Grand Forks, ND	Review flood repair/progress
4/21-4/22	$0.00	Jeffersonville, IN	Attend the Decennial Census dress rehearsal
4/26-4/27	$678.94	St. Louis, MO	Visit DEA sites
4/26-4/27	$694.94	St. Louis, MO	Visit DEA sites
4/28-4/29	$125.00	Lancaster, PA	Speak at the Commerce budget conference

5/4-5/5	$443.21	Glynco, GA	Review FLETC training facilities and capabilities with Treasury branch staff
5/11-5/15	$516.20	New Orleans/Brownsville/San Diego	Review Coast Guard border-related drug interdiction operations
5/31-6/3	$0.00	New Orleans, LA	Attend annual conference of the Assoc. of corporate travel executives
5/18/98	$92.00	New York City	Briefing on construction plans for railroad tunnel in New York
5/18/98	$0.00	BWI/Dulles Airports	Learn about airport security and FAA's role in airport security, testing, and oversight
6/7-6/12	$1,572.00	Laredo, TX/San Diego, CA	Border management review with Treasury branch staff
6/7-6/10	$1,196.53	Sacramento, CA/Columbia, SC	Observe Bureau of the Census dress rehearsal sites
7/13-7/14	$0.00	Rochester, WI	Meet with staff of Runsheimer International to review preliminary per diem survey results
7/19-7/23	$0.00	Scottsdale, AZ	Speak at a GSA FEDFLEET Conference
6/25/98	$558.00	Atlanta, GA	Visit a US Export Assistance Center
8/15-9/6	$637.56	San Diego/Los Angeles	Visit border stations in San Diego/discuss LA courthouse project with the courts and GSA
7/30-7/31	$599.37	Miami, FL	Review Coast Guard Drug Interdiction program
8/5-8/7	$575.08	Boston/Portland/Concord	Visit and observe the functioning Federal Courts
9/1-9/6	$377.00	New York City	Learn about transit issues in the New York metropolitan area
8/30-9/2	$993.77	Seattle, WA	Review air traffic control systems and visit Boeing aircraft production facilities
8/26-8/27	$428.62	New York City	Visit Merchant Marine Academy
9/10/98	$107.00	James River, VA	Visit an RRF site in James River and examine the situation with ships to be scrapped
8/21-8/26	$838.84	Kansas City, MO	Review operations of GSA's Heartland regional offices
9/15-9/16	$558.19	Tampa, FL	Visit to DEA sites
9/16-9/18	$370.00	Lewisburg, PA	Visit prison sites
9/17-9/18	$0.00	Annapolis, MD/Norfolk, VA	Visit and travel on the NOAA vessel Ferrel
8/30-9/4	$1,255.98	Seattle, WA/Los Angeles, CA	Seattle police on Local Law Enforcement Block Grant/Byrne grant funding/LA officials on Arrestee Drug Abuse

* In some instances, organizations other than OMB paid for either all or a portion of a trip.

GOVERNMENT-WIDE COST OF YEAR 2000

QUESTION: Am I correct to assume that agencies have been required to absorb the fiscal year 2000 request? In other words, OMB assumed that agencies would fund these costs through their regular appropriations as opposed to making funds available from the emergency supplemental provided in fiscal year 1999? What is the rationale behind the decision to not use the emergency fund?

ANSWER: Funds dispersed from The Information Technology System and Related Expenses Fund (Y2K Fund) are being used to cover unanticipated needs. Many fiscal year 2000 Y2K related activities were identified and requested as part of the agency budget submissions. Activities that were unanticipated and systems that have since fallen behind schedule, are being funded through the Y2K Fund.

QUESTION: Your most recent Quarterly Report shows the total federal cost of Y2K through fiscal year 2000 at $6.4 billion. Are there additional anticipated outyear costs? Are personnel costs included in this estimate? Were they included in your original $2.3 billion estimate? What is the TOTAL federal cost of Y2K readiness?

ANSWER: The original $2.3 billion estimate was based on figures provided by agencies in Section 42 of their A-11 submissions. OMB has always stated that as agencies complete assessment, remediation, testing and validation of their mission critical systems additional costs may be revealed.

In addition to fixing Federal systems, Y2K related personnel and outreach costs are reflected in the total Federal cost of Y2K. Our latest estimate is $6.8 billion.

In the most recent Quarterly Report, DOD is projecting $1.92 million in fiscal year 2001 costs. No other agencies are reporting costs beyond fiscal year 2000.

QUESTION: Are there adequate personnel engaged on the Y2K issue for the Federal Government?

ANSWER: As of data received February 12, 79 percent of mission critical systems were compliant. We expect that, by March 31, about 92 percent of mission critical systems will be ready. With the majority of remediation work done, personnel can focus on remaining systems as well as on testing and contingency planning. Based on the significant progress of the Y2K effort by the Federal government, OMB believes that there are adequate numbers of personnel involved in the effort.

QUESTION: It appears that a number of agencies are now relying on contractors to solve their Y2K problems. How many agencies are utilizing independent contractors?

ANSWER: While virtually all Federal agencies rely on contractors in some capacity, the extent to which agencies rely on contractors is mixed. For example, agencies that have traditionally relied on internal technical personnel may tend to rely on those same personnel, diverting them from other projects. As these individuals are most familiar with how systems work, they are the ones best able to assist in evaluation, validation, repair, replacement, or implementation of systems. Agencies that have traditionally outsourced their technical work will probably continue to do so, as private contractors are most appropriate to do the work. Finally, many agencies are relying on contractors -- to lesser and greater extent -- to assist agencies in conducting testing, to verify that work has been done, and to help develop business continuity plans.

GLOBAL INFORMATION EXCHANGE PARTNERS

QUESTION: A number of recent information technology publications have reported that the majority of the private sector business community will not make the Y2K deadline. What are your concerns as they relate to the Federal government's connection with the private sector?

ANSWER: Our information has indicated that the readiness of the private sector business community varies greatly, depending on industry sector, size of the company, and other factors. In response, each Federal agency is working closely with data exchange partners, banks, vendors, contractors, partners in service delivery, and others to ensure that there is no weak link in the chain. Federal agencies are also developing business continuity and contingency plans in close cooperation with these partners to ensure that, in the event of a failure at some point, whether within a Federal system or due to an external problem, key programs and services that affect the public will continue to operate.

QUESTION: How will these same questions articulate to international government and private sector systems that exchange data with us? Where are these systems in relation to our Y2K conversion time line?

ANSWER: All Federal agencies have made the conversion of data exchanges a top priority. The majority of such exchanges are with State governments, with only a small percentage consisting of exchanges with the private and international sectors. Private sector exchanges are principally with banking and financial institutions, which are in excellent shape, while exchanges with international organizations number very few and are also in good condition. As part of their business continuity and contingency planning, all agencies are working with their partners, whether domestic or international, public or private, to ensure that the programs they provide will be able to operate on January 1, 2000.

In addition, an International Y2K Cooperation Center has recently been established to help other countries to prepare for the year 2000 conversion, while the President's Council on Year 2000 Conversion continues to reach out to the

private sector to encourage readiness.

QUESTION: What is your position on the use of the fiscal year 1999 emergency appropriation for the remediation of computer systems of foreign, state, or local governments or the private sector?

ANSWER: As directed by The Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1998, funds must be allocated to fix federal systems and related expenses. No funds will be used to directly remediate the systems of foreign governments or the private sector other than in the form of technical assistance. Nor are funds being used to directly remediate state and local government systems unless those systems are for Federally funded, state run programs.

DISPARITY OF TREASURY LAW ENFORCEMENT RESOURCES

QUESTION: The charts that I referred to earlier show a disturbing pattern. Although Treasury Law Enforcement personnel represents 25 percent of the total federal law enforcement community, their funding when compared to Justice tells an entirely different story.

It is my understanding that OMB may have done an informal study concerning the funding of Treasury Law Enforcement vs. Justice Law Enforcement. Would you care to share this report's findings with the Committee?

ANSWER: In developing the budget, OMB analyzed the funding of Treasury law enforcement and Justice law enforcement programs. The Administration's budget allows each agency to carry out its respective missions and reflects Administration priorities. From 1993 to 1999, discretionary budget authority for Treasury law enforcement bureaus (ATF, Secret Service, Customs, FinCEN, FLETC) increased 46 percent compared to 80 percent for Justice law enforcement (FBI, DEA, INS Enforcement). Much of the difference between the two agencies results from the extraordinary growth (157 percent) of INS during this period. Excluding INS, we find that the law enforcement bureaus in Treasury and Justice are actually growing at roughly the same rate (46 percent vs. 53 percent respectively). In the case of ATF, the growth from 1993 to 1999 is actually greater (52 percent) than the growth at FBI (48 percent).

The disproportionate increase in INS enforcement spending was due to two factors -- 1) between 1993 and 1999, the number of Border Patrol agents increased by 123 percent. 2) in 1993, INS provided fewer primary processing resources at land border ports of entry than did Customs. Since then, the Congress has provided extra funds to INS to address this imbalance.

Law Enforcement Spending - Discretionary Budget Authority ($ millions), by Bureau

Bureau	FY 1993	FY 1999	%incr
ATF	372	565	52%
Customs	1474	2130	45%
Secret Service	481	715	49%
FLETC, Fincen	85	135	59%
Total Treasury	**2412**	**3545**	**47%**
FBI	2019	2984	48%
DEA	742	1240	67%
INS Enfcmnt	978	2512	157%
Total DOJ L/E	**3739**	**6736**	**80%**
DOJ w/o INS	**2761**	**4224**	**53%**

QUESTION: Based on Justice Department budget trend data, adjusting for inflation, funding for the Department of Justice law enforcement has grown by 68 percent since 1994; for the Department of Treasury, funding has grown by 8 percent. Director, no matter how you want to look at the picture, there is an enormous disparity between Justice and Treasury funding levels. Last year, the Committee was told that:

"OMB's goal is not to achieve parity between Justice and Treasury law enforcement, but rather analyze Treasury and Justice programs on their merits, while ensuring that the resulting budget recommendations reflect Administration priorities."

Clearly the funding trends would indicate that the Administration does not place much of a priority on Treasury law enforcement. Some would argue that the Congress has the final say in the matter since we appropriate the money but, Director, as you know, the Administration sets the tone. Would you care to elaborate on the Administration's position regarding the merits of Treasury law enforcement?

ANSWER: The Administration fully recognizes and appreciates the Department of Treasury's unique and highly specialized role in the overall law enforcement world. Each year, the President's budget attempts to balance the unique needs of Treasury and Justice in the context of the Administration's overall budget priorities. In FY 2000, the Budget, provides program levels that are 5 percent above the current services baseline for Treasury and Justice law enforcement alike.

QUESTION: Last year Director Raines indicated that Treasury agencies were **nominally** involved in law enforcement. Do you share this view?

ANSWER: Director Raines answer in last year's hearing clearly recognized the special role played by various Justice and Treasury law enforcement bureaus. Director Raines' use of the term nominal referred to the fact that many of these bureaus, both Justice and Treasury, are less "general, all purpose law enforcement" agencies, and more bureaus with "a very specialized function."

CUSTOMS AIR INTERDICTION PROGRAM

QUESTION: Director, I have very serious concerns about OMB's apportionment restrictions on the fiscal year 1999 drug supplemental for the Customs Service. First, OMB has directed that the $1.3 million provided to cover current shortfalls in the P-3 aircrew be used only for overtime. Second, I am concerned that OMB has delayed the availability of funds to support crews needed to fly the 6 new P-3s. Finally, I am concerned that OMB has directed that funds for Citation aircrews be used only for overtime.

Customs indicates that it's existing air crews are flying the maximum number of hours allowed by FAA regulations. Under these conditions, why is OMB restricting the use of FY 1999 supplemental funds to overtime costs only?

ANSWER: The initial OMB apportionment of the emergency drug supplemental in November 1998 restricted the use of funds provided for personnel support to overtime. On March 15, however, we received data from Customs supporting the reapportionment of the funds to allow for the immediate hiring of new personnel for existing P-3 and Citation aircraft.

The new P-3s funded in the emergency supplemental are scheduled for delivery in FY 2001 and FY 2002, with the first P-3 becoming operational in October 2000 (see table below). Customs has informed us that they require a nine month lead time to adequately train new pilots, and will need to begin hiring aircrews in January 2000 to support the first new P-3. The hiring of subsequent aircrews will also be based on this nine month training schedule. To ensure that pilots are available for the new P-3s as soon as they become operational, OMB has reapportioned the FY 1999 emergency supplemental to allow Customs to hire aircrew based on the nine month schedule.

New P-3 Delivery Schedule:
FY 2001
– October 2000, P-3 Airborne Early Warning (AEW)
– December 2000, P-3 AEW
– May 2001, P-3 Interceptor/Tracker (Slick).
– September 2001, P-3 Slick

FY 2002
– November 2001, P-3 Slick
– April 2002, P-3 Slick

QUESTION: I am concerned that Customs needs resources in FY 2000 to operate and support the aviation assets that were paid in FY 1999. While two new planes will be delivered in FY 2000 and six more in FY 2001, not only is OMB denying the use of the supplemental to hire new crews, there is no funding in the President's fiscal year 2000 budget to recruit and train air crews.

Considering that it takes nearly 18 months to train a new air crew, why is there no funding in this budget to meet those requirements? Are we running the risk that we will have new planes sitting on the ground without trained crews to operate them?

ANSWER: Customs has recently informed us that only nine months are required to train new pilots. Based on this assumption, Customs will need to begin hiring aircrew for the new P-3s by January 2000. The hiring of new aircrews will be staggered over FY 2000 and FY 2001 to accommodate the new P-3 delivery schedule and to minimize the impact of taking experienced pilots "off line" to train the new aircrews. This staggered hiring schedule will ensure that trained aircrew are available to fly the new P-3s as soon as they become operational.

QUESTION: Without a program to train new pilots and crews, who will fly the planes that will be delivered in FY 2000?

ANSWER: As mentioned above, the first new P-3 will not be operational until the start of FY 2001. The latest reapportionment accommodates Customs' required nine month lead time for new pilots and ensures that Customs will have air crews in place to fly the new P-3s as they become operational.

FEDERAL PAY

QUESTION: The President's budget assumes a 4.4 percent federal pay adjustment, effective January 1, 2000. By agency, provide the total cost of this adjustment for fiscal year 2000, including government wide totals. Provide the same information assuming an adjustment of 4.8 percent.

ANSWER: The estimated government wide cost in FY 2000 of the 4.4% pay raise is $3,597 million for civilians and $1,826 million for military personnel. A 4.8% raise would cost $3,924 million for civilians and $1,992 million for military personnel.

A table showing estimated costs by department and agency follows.

Estimated FY 2000 Costs of Alternative Pay Raises

(dollars in millions)

Department/Agency	FY 2000 Budget 4.4% Pay Raise	4.8% Pay Raise
Agriculture	158	173
Commerce	123	134
Defense, Civilians	1,331	1,452
Education	11	12
Energy	40	44
Health and Human Services	134	147
Housing and Urban Development	24	26
Interior	121	132
Justice	275	300
Labor	38	42
State	66	72
Transportation	180	196
Treasury	291	318
Veterans Affairs	346	378
Corps of Engineers	41	45
Environmental Protection Agency	49	53
Executive Office of the President	4	4
Federal Deposit Insurance Corporation	20	22
Federal Emergency Management Agency	7	8
General Services Administration	27	30
International Assistance Programs	11	12
National Aeronautics and Space Agency	48	52
National Science Foundation	3	3
Office of Personnel Management	5	6
Small Business Administration	7	8
Social Security Administration	119	130
Tennessee Valley Authority	31	33
All Other Agencies	87	92
Total Civilian Pay Raise	**3,597**	**3,924**
Total Military Pay Raise	**1,828**	**1,994**

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE MICHAEL P. FORBES

QUESTION: Director Lew, as you know, I am very concerned about the Health Care Financing Administration's (HCFA) Y2K readiness. The General Accounting Office (GAO) has been very critical of HCFA's Y2K compliance efforts. GAO has also been critical of OMB's oversight and leadership on the Y2K issue. What is OMB doing to respond and address GAO's criticisms?

ANSWER: Congressman Forbes, I am glad that you asked about the GAO testimony of February 24, 1999. In that testimony, GAO suggests that HCFA's progress on achieving Y2K compliance is overstated with regards to HCFA's external mission-critical systems, based on a report by HCFA's Independent Verification and Validation (IV&V) contractor. OMB reviewed the IV&V report and concluded that 54 of HCFA's 78 external mission-critical systems had achieved qualified Y2K compliance. OMB believes that the Y2K management structure at HCFA is well positioned to ensure that all mission-critical systems will be Y2K compliant before the year 2000 date change.

As of the reporting period ending January 31, 1999, HCFA had achieved 100 percent compliance for its internal systems, and qualified compliance for 54 of 78 external systems (69 percent). The qualifications are based on HCFA's analysis of the self-certification provided by each external system maintainer. HCFA's IV&V contractor found that 17 systems were Y2K compliant with minor qualifications. The remaining 37 systems had qualifications indicating the need for additional work, although all 37 systems are expected to be fully compliant by March 31, 1999. HCFA is requiring recertification of Y2K compliance without qualification after the final code modification this summer.

As an additional safeguard, HCFA is developing contingency plans in case some mission critical systems fail in 2000. HCFA has completed two initial draft plans and will have its Business Continuity and Contingency Plan completed in April of 1999. However, one contingency is difficult to plan for – the withdrawal of Medicare contractors from the Medicare program as late as June 1999, forcing HCFA to transfer workload to another contractor with little margin for error to deal with unanticipated problems. Given HCFA's lack of competitive contracting flexibility, the Administration strongly urges Congress to pass contracting reform legislation, transmitted in May 1998, as soon as possible to ensure that HCFA is able to contract with any qualified entity in the case of a claims processing system failure.

QUESTION: Given HCFA's important role as manager of the Medicare system, what is OMB doing to increase oversight over HCFA's Y2K compliance efforts to ensure no disruptions in payments to health providers and beneficiaries?

ANSWER: OMB has tracked the Health Care Financing Administration through monthly and quarterly progress reports and maintained close oversight of HCFA's Y2K efforts. We have met regularly with HCFA to discuss their progress, and we have worked with HCFA to obtain needed personnel flexibility allowing the agency to rehire retired federal employees to work on legacy systems. We have also provided $205 million from the Y2K Emergency Fund to facilitate remediation, testing, validation, and contingency planning for mission critical systems.

HCFA has made significant progress on renovating the internal and external systems on which the Medicare program depends. While OMB remains concerned that some Medicare contractors will not achieve full implementation by March 31, 1999, the Y2K management structure at HCFA is well-positioned to ensure that all mission-critical systems will be Y2K compliant before the new millennium. OMB will continue to maintain close oversight of HCFA's efforts throughout the remainder of 1999.

The Medicare program is complex, and its continued operation in the new millennium involves a number of non-federal entities. Therefore, we are working with HCFA to develop business continuity and contingency plans to deal with unforeseen failures. HCFA has completed two initial draft plans and will have its Business Continuity and Contingency Plan completed in April of 1999.

QUESTIONS FOR THE RECORD SUBMITTED
BY REPRESENTATIVE ANNE M. NORTHUP

OFFICE OF FEDERAL PROCUREMENT POLICY

QUESTION: In mid-February, the Daily Labor Report quoted AFL-CIO President John Sweeney saying that he was confident that the "blacklisting" regulations – which would make ineligible federal contractors "with less than satisfactory labor relations with their employees and/or their unions" from doing business with the federal government – would be resurrected soon.

In fact, another AFL-CIO official told a reporter that these revised contracting regulations would be appearing in the Federal Register within the next several weeks.

Last year, Ed DeSeve was asked about this issue during a hearing in an Education and the Workforce Committee hearing, and I am aware that Members have contacted you several times requesting to be kept informed on this issue.

Since the Office of Federal Procurement Policy has been in charge of writing these proposed regulations and recent reports have suggested impending action, could you please give me a status on these proposed regulations?

ANSWER: An approach to ensuring labor responsibility through the Federal Procurement system is being developed. This approach would require the OFPP to task the Federal Acquisition Regulation Council to prepare and obtain public comment on a proposed Federal Acquisition Regulation amendment, emphasizing contractor responsibility in compliance with all Federal laws. Prior to proceeding with the proposal, interested Congressional members will be advised.

QUESTION: What assurance can you provide that only those companies with a real history of problems will be "blacklisted" rather than just "blacklisting" non-union companies?

ANSWER: The proposal, if approved, will not result in anyone being "blacklisted." The proposal would merely clarify existing contractor "responsibility" criteria. The rule would specify that a contractor's compliance with **all** Federal laws is one factor a contracting officer should consider when determining responsibility. The reason for the proposed rule is that the Government should not take the inherent business risk of dealing with a documented law-breaker.

QUESTION: Would union companies with labor problems also be on the list?

ANSWER: We are not planning on developing a list. As OMB's Deputy Director for Management testified last year, the proposal would clarify that the Government

examines a business firm's record of compliance with all Federal laws -- not just labor laws.

QUESTION: On what authority would the Labor cabinet have to refuse to allow executive branch to contract with companies based on the subject analysis?

ANSWER: We assume from the question that you are referring to the authority of the Department of Labor (DOL) to take action to determine that a particular contractor is not "responsible" for the purposes of being awarded a Federal contract. We have no plans to repose any special authority in DOL with respect to the proposed rule. Of course, the contracting officer might rely on DOL for advice as to whether a particular business firm has complied with laws that are within the purview and jurisdiction of DOL. However, this would be the case with respect to any Federal agency having jurisdiction and expertise over a particular issue.

DATA ACCESS

QUESTION: Last session, the Committee, Congress and the President signed P.L. 105-277, the FY 1999 Omnibus Appropriations Act, that included language providing for OMB Data Access. The provision provides the ability for the public to access federal awarding agencies, through a FOIA request, to ensure that data produced under award will be made available to the public. In the February 4, 1999 proposed revision to Circular A-110, OMB provided that published data that is used by the federal government is developing policy or rules would be subject to public disclosure under FOIA.

You have set a deadline for comments on the proposed revision to OMB Circular A-110, as required by Public Law 105-277 on April 5, 1999. In your estimation, has enough time been allotted to consider each affected party's concerns?

ANSWER: At this time, we believe the comment period is sufficient. It is only half way through the comment period and it is expected that the heavy volume of incoming comments will continue until the comment period closes on April 5, 1999.

QUESTION: What specific exemptions from disclosure will be made under FOIA procedures? Who within the agencies will be responsible for these determinations?

ANSWER: The Freedom of Information Act contains nine statutory exemptions that cover such areas as personal and medical records, proprietary data, and national security data. FOIA staff at each Federal agency would follow their existing FOIA policies in determining the applicability of the exemptions.

QUESTION: The 1999 Omnibus Appropriations bill also calls for a petitioning process whereby outside groups can dispute conclusions from data disseminated by federal agencies. What is the initial framework for implementing this provision?

ANSWER: This provision was part of the language in House Report 105-592 that accompanied the Act. It called for OMB rules to allow persons "to petition for correction of information which does not comply with" data quality guidance. This provision raises a number issues, and relates to several of our existing responsibilities under the Paperwork Reduction Act and OMB Circular A-130. OMB is in the process of examining implementation of the provision and determining the most appropriate course of action.

Y2K COMPLIANCE

QUESTION: OMB has set the date of March 31, 1999 as the deadline for mission-critical systems to be Y2K compliant. What percentage of agencies do you anticipate to be non-compliant for mission-critical operations? What efforts will be made to bring these agencies up to speed?

ANSWER: OMB is taking strong steps to ensure the readiness of Federal systems and the critical programs and services they support. Almost 80% of all mission critical systems of the Federal government were year 2000 compliant as of January 31, and we expect that 92% will meet our goal of completing their work by the end of March. At this time, out of the 24 major agencies reporting to OMB, 5 agencies are now fully compliant, while an additional 8 eight agencies report that they are very close to completing their work on mission critical systems. However, there are eight Tier Two agencies who are making progress, but about which OMB has concerns. Overall, 77 percent of mission critical systems in Tier Two agencies were compliant as of information received February 12. Finally, three agencies, the U.S. Agency for International Development, the Department of Health and Human Services, and the Department of Transportation, continue to be rated in Tier One. Overall, 63 percent of mission critical systems in these agencies were compliant as of information received February 12.

At this time, agencies that are behind schedule are doing a good job of managing the problem. They have specific benchmarks in place for completing remaining work in advance of the end of this year. Agencies continue to report to OMB on those mission critical systems that are behind schedule and on their contingency plans for these systems. All this information is available in our quarterly reports. With the completion of the majority of remediation efforts, OMB has directed Federal agencies to place even greater emphasis on fixing and testing any remaining mission critical systems. OMB continues to monitor agencies that are behind on a monthly basis, while John Koskinen, Chair of the President's Year 2000 Conversion Council, continues to meet with senior officials of those agencies most at risk. OMB plans to continue to work closely with agencies, using budget and management resources as appropriate, to ensure that there will be no disruption of Federal programs through the year 2000.

In addition to contingency plans for individual systems, agencies are developing business continuity and contingency plans to ensure that critical functions will

operate.

OFFICE OF REGULATORY AFFAIRS

QUESTION: The 1980 Paperwork Reduction Act and Information Management Resources Act stresses the importance of government-wide information policy. What policies does OMB have in place to facilitate the use of electronic formats?

ANSWER: OMB Circular No. A-130 (61 F.R. 6428, February 20, 1996), which implements the Paperwork Reduction Act, provides specific guidance to agencies regarding the use of electronic formats for both collecting information and disseminating information electronically. It details the situations in which electronic formats are likely to be most appropriate, and provides guidance on security requirements to be considered in accordance with the Computer Security Act.

In addition, the Congress recently enacted legislation, supported by the Administration, intended to remove barriers to the ability of citizens to interact with the Federal government electronically in the *Government Paperwork Elimination Act*. The OMB guidance required by the Act was published in proposed form in the Federal Register on March 5, 1999, with a comment period (120 days) during which OMB will be engaging in outreach efforts to educate Federal, state/local, and private sector stakeholders on the guidance, and to solicit constructive input.

QUESTION: What, if any, savings are expected to be achieved?

ANSWER: Two points are clear. First, the use of electronic formats for the dissemination of government information, particularly over the Internet utilizing the World Wide Web, has vastly increased the quantity and quality of government information available to the public. OIRA's upcoming annual report to Congress under the Paperwork Reduction Act details agency action in this area. Second, as the Government Paperwork Elimination Act recognizes, the increasing use of electronic methods of interacting with the government, including applications like electronic tax filings, electronic regulatory reporting, and electronic grants applications, hold great promise to decrease burden on the public and improve the efficiency of government service delivery. However, a monetary quantification of these expected benefits is not yet possible.

GOVERNMENT PERFORMANCE AND RESULTS ACT

QUESTION: The Results Act of 1993 was intended to encourage greater efficiency, effectiveness, and accountability in federal spending. In this act, agencies are required to develop and submit to Congress annual performance plans and reports. September 1997 submissions indicated that some general problems were a lack of coordination between shared missions and goals and inadequacies in indicators for measuring performance.

Accepting that criticism, what internal policies or practices has OMB put in place since then to improve coordination and performance measurement?

ANSWER: The September 1997 submission to Congress of agency strategic plans, followed by successive submissions of agency annual performance plans in February 1998 and February 1999 show steady progress on the part of the agencies in identifying both cross-cutting programs and the agencies participating in such programs.

OMB chose to prepare the government-wide performance plan, which the Results Act requires to be part of the President's budget, on a budget function basis. By using budget functions as the basic structure for the government-wide plan, related programs and their performance goals can be presented in a cohesive, integrated way.

OMB has also expanded its use of agency performance information when reviewing agency budget requests, and has intensively reviewed the agency annual performance plans for FY 1999 and 2000 prior to their being sent to Congress. These OMB efforts have contributed to significantly improving the quality of these plans as sent to Congress.

QUESTIONS SUBMITTED FOR THE RECORD BY REPRESENTATIVE JO ANN EMERSON

DATA ACCESS (A-110)

QUESTION: Last year, as part of the Omnibus Appropriations bill, legislation was enacted which directed OMB to amend Circular A-110 to require that data produced under federal grant awards be made available to the public under the Freedom of Information Act. What is the status of the revision of the A-110 circular?

ANSWER: On February 4, 1999, OMB published a Notice of Proposed Revision in the *Federal Register*, as required by Public Law 105-277. The proposed revision includes a 60 comment period which ends April 5, 1999. Since we are only half way through the comment period it is too early to accurately estimate the time it will take to review the comments, consult with Congress and other interested parties, and finalize the revision.

QUESTION: Will you be able to meet the deadline laid out in the statute? Will the data access provisions be finished in FY 99?

ANSWER: The comment period on the proposed revision is open until April 5, 1999. OMB has received a very heavy response from the public, including serious concerns about the effect of the proposed revision. Since we are still only half way through the comment period it is too early to accurately estimate the time it will take to review the comments, consult with Congress and other interested parties, and finalize the revision.

QUESTION: The enabling legislation on data access also requires individual agencies to develop their own regulations that conform with those issued by OMB. Will OMB instruct the agencies to begin drafting these regulations based upon OMB's proposed regulations?

ANSWER: This provision was part of the language in House Report 105-592 that accompanied the Act. It called for OMB rules to allow persons "to petition for correction of information which does not comply with" data quality guidance. This provision raises a number of issues, and relates to several of our existing responsibilities under the Paperwork Reduction Act and OMB Circular A-130. OMB is in the process of examining implementation of the provision and determining the most appropriate course of action.

BUDGET SURPLUS/SOCIAL SECURITY

QUESTION: We're all hearing about a budget surplus this year. But what are we actually talking about? Isn't it true that the $107 billion surplus in FY 1999 is entirely due to the $127 billion surplus in the Social Security trust fund? And isn't it also true

that when you don't include Social Security in the budget calculation you find that we are actually running a deficit of $19 billion?

ANSWER: The Federal budget is used for multiple purposes, and so it is natural that it has been reported in different ways. However, for the purpose of assessing the impact of the budget on the economy as a whole, the only meaningful perspective is to include all of the Federal Government's operations. And from that perspective, the Federal budget will be soundly in surplus in FY 1999 – according to the projections you cite, by $107 billion (OMB's estimate is slightly lower). In other words, after the Federal Government meets all of its obligations in FY 1999 – including Social Security, and all other programs – it will have $107 billion left over. When you exclude Social Security from the calculation, the projection you cite would show a deficit for the remainder of the budget at $19 billion (again, OMB's projection is slightly less optimistic). If that projection were to prove true, it would be the lowest deficit for the non-Social Security budget in 26 years, and the eighth consecutive year of improvement – down from $340 billion in 1992, and $30 billion in 1998.

QUESTION: Now the Administration proposes dedicating 62 percent of the budget surpluses to the Social Security trust fund. Since a real budget surplus – not including Social Security – is not projected until FY 2001, doesn't the Administration's budget actually end up spending part of the Social Security surplus on proposed new government programs in the year 2000?

ANSWER: Again, after the Federal Government meets all of its obligations in FY 1999 – including Social Security, and all other programs – it will have $107 billion left over. The question will be what the Federal Government should do with that surplus. The President believes that the surplus should be used for the future – that we should meet the commitments we already have, before we make any new and additional commitments. In particular, he believes that we should meet our commitments to safeguard Social Security and Medicare, by depositing a part of the surplus in their trust funds; and retire a part of the Federal debt that we would otherwise leave to our children. Under the President's plan, Social Security would receive even more than it would under the current law; and so we believe that it would not be accurate to suggest that the President's plan would spend any part of the Social Security surplus on new programs.

QUESTION: Again, under the Administration's proposal, when true balanced budgets are realized in FY 2001 and beyond, for the first time in the history of the Social Security system general revenue funds will be used to finance its operations. From a budgetary standpoint, what problems could arise under this scenario?

ANSWER: The President's proposal would contribute 62 percent of the budget surplus over 15 years to sustain Social Security through the transition period of the retirement of the baby boom generation. In the most important respect, the President's program is no different than the bipartisan and now widely hailed Social Security

agreement of 1983. Like the 1983 compromise, the President's plan would add to the Social Security trust fund, with the presumption that the trust fund would be reimbursed in the future with funds from general revenue. So when general revenue funds are in fact used to finance Social Security's operations (according to current estimates, beginning in 2013), the funds arising from the President's program, those arising from the 1983 Social Security Act, and those arising from the routine payment of interest from the general fund to the trust fund will be indistinguishable from one another. Therefore, we do not believe that the President's program introduces any new problems to the Social Security system.

YEAR Y2K

QUESTION: What preparations are being made in case agencies are not fully prepared for the Y2K problem?

ANSWER: In addition to contingency plans for individual systems, agencies are developing business continuity and contingency plans to ensure that critical functions will operate. OMB will oversee this effort.

PAPERWORK REDUCTION

QUESTION: Has there been any studies done regarding the impact of the Paperwork Reduction Act on farmers and small businesses?

ANSWER: To the best of our knowledge, no recent studies of the impact of the Paperwork Reduction Act on farmers and small businesses have been performed. As part of its ongoing efforts to reduce paperwork burden on farmers, USDA conducted an initial assessment of the paperwork burden placed on customers of the Farm Service Agency, the Natural Resource and Conservation Service, the Rural Housing Service, the Rural Business Service, and the Risk Management Agency beginning in 1997. The Department continues to evaluate methods for reducing burden on farmers.

QUESTION: How many regulations have been reviewed thus far under the Paperwork Reduction Act? How many have been eliminated?

ANSWER: Given the reference to farmers and small business in the previous questions, we assume that this question refers to USDA. The Paperwork Reduction Act of 1995 requires each Federal Agency to seek and obtain OMB approval of information collections. (In some cases, these information collections requests are regulations; in many others they are not.) Between October 1, 1995 and March 17, 1999, we reviewed 561 information collection requests submitted by USDA. During PRA review, OMB worked with the Department to improve these collections to minimize burden and maximize their practical utility.

QUESTION: What is the status of the 5% mandated across the board paperwork reduction?

ANSWER: We are currently working with agencies to draft the FY 1999 Information Collection Budget. We will be able to document a number of specific agency initiatives to reduce paperwork burden. The Information Collection Budget will be submitted to this Committee and the Government Reform Committee shortly.

QUESTION: Can you tell me specifically how many regulations have been removed within the Department of Agriculture?

ANSWER: The Department of Agriculture has made substantial efforts to reform its regulatory system, reducing overlap and streamlining regulatory programs. We have no specific estimate of the number of Departmental regulations that may have been consolidated, reformed, streamlined, or removed.

UNAUTHORIZED PROGRAMS/KYOTO PROTOCOL

QUESTION: Has OMB staff been provided with any formal guidance related to the Kyoto Protocol? If so, please provide copies of these communications for the record.

ANSWER: OMB staff have not been provided with any formal guidance related to the Kyoto Protocol. However, relevant staff are aware from Administration policy statements and their participation in the testimony clearance process that the Administration's policy is that the Kyoto Protocol will not be implemented until the Senate gives advice and consent to its ratification.

QUESTION: Has OMB staff provided any formal guidance related to the Kyoto Protocol to departments and agencies for the FY 2000 budget submittals? If so, please provide copies of these communications for the record.

ANSWER: OMB has not provided any formal guidance related to the Kyoto Protocol to departments and agencies. As with OMB staff, agencies and departments are aware from Administration policy statements and cleared testimony that the Administration's policy is that the Kyoto Protocol will not be implemented until the Senate gives its advice and consent to ratification.

QUESTION: Has OMB staff had any discussions with any organizations about the credit of early actions legislation introduced in the Senate in the 105th Congress? If so, please provide documentation regarding who was involved in these discussions.

ANSWER: OMB staff have had informal discussions within the Administration about the legislation, but did not have any discussions with outside organizations on the topic. Consequently, we have no documentation to provide.

QUESTION: Has OMB developed any analysis regarding the credit for early action legislation introduced in the Senate in the 105th Congress? If so, please provide this documentation, including a list of any recipients of this documentation.

ANSWER: OMB has not developed any analysis regarding the "credit for early action" legislation introduced in the 105th Congress.

QUESTION: The U.S.D.A. has been asked on numerous occasions for its analysis of the potential impact of the Kyoto Protocol including a letter to Vice President Gore by 14 members of the Senate Agriculture Committee and a letter to President Clinton by Senator Daschle. Is OMB aware of whether this analysis has been completed and transmitted to Congress? If not, why not? If so, what were your comments to U.S.D.A.?

ANSWER: OMB is aware that USDA has not completed the referenced report. OMB has not provided comments on the report. OMB understands that the report should be ready for its review in the near future.

QUESTION: In October, 1998, the Energy Information Administration completed a detailed analysis of the range of impacts of the Kyoto Protocol entitled, "What Does the Kyoto Protocol Mean to U.S. Energy Markets and the U.S. Economy?" Has OMB examined this analysis to look at the possible range of impacts on U.S. energy use and supply? If so, what did you conclude in terms of priorities for the budget?

ANSWER: OMB staff have read the report, but since none of our climate-change budget initiatives are tied to the implementation of the Kyoto Protocol, we did not use the report to determine budget priorities. The Administration's priorities are based on concepts of prudent, "no regrets" actions to reduce emissions of greenhouse gases. A major factor is R&D to reduce the cost of energy-efficient technologies in all sectors of the economy. Increasing the affordability of more efficient appliances, buildings, and vehicles is one of -- if not *the* -- least expensive ways to reduce carbon emissions. (The Energy Information Administration (EIA) report notes that market penetration of the most efficient consumer technologies is strongly dependent on price.) Some of the Administration's on-going initiatives are also supported by the EIA study. For instance, the study notes that vehicles will bear the brunt of non-electric reductions in carbon emissions. This would lead one to support the Administration's Partnership for a New Generation of Vehicles (PNGV), which began in 1994. When PNGV is complete, we will have affordable vehicles with only one-third or less the carbon emissions of today's cars, which will go a long way toward mitigating any economic impact in that sector. Other R&D priorities in energy efficiency and renewable energy were set with a similar view toward obtaining general economic benefits while laying the groundwork for cost-effective responses to climate change should the Kyoto Protocol be ratified.

QUESTION: A recent study using the DRI model competed by the Sparks Companies for the American Farm Bureau, the American Corn Growers Association, National Cattlemen's Beef Association, United Fresh Fruit and Vegetable Association, and Nation Grange, indicates major impacts on the agricultural community. Among

the effects predicted as a result of the Kyoto Protocol are fewer small family farms, productions cost up by $16.2 billion (8.8%), lower demand for agricultural products, a 50% decline in farm income and higher food costs with a substantial impact on low income U.S. households. Have you seen this study? If so, how does this analysis compare with any Administration analysis?

ANSWER: No, OMB has not received the Sparks report until now. However, the Department of Agriculture will consider the report's findings and assumptions in its own study.

Attached as provided by the Subcommittee is the Sparks Companies study.

The Kyoto Protocol

An Assault on an American Institution

The family farm is an American institution. More than any other industry, U.S. agriculture defines us as a people and as a Nation. In the past, American farmers have coped with drought and disease, falling prices, and shrinking profits. Now, the family farm faces a new threat – the Kyoto Protocol – that will bring unexpected hardship to many should it be enacted as official U.S. policy.

From the wheat farmers on the Great Plains to fruit and vegetable producers in California, Florida, and across the South, America's farmers produce the bounty that feeds the U.S. and the world.

Not only does agriculture play a key role in feeding the people of the world, it contributes significantly to the U.S. economy. Agriculture and related food distribution account for nearly $1 trillion in total sales or 13 percent of the total U.S. gross domestic product (GDP). Agriculture in the U.S. is a vital domestic industry, providing jobs to 23 million American workers or 17% of the total labor force. Exports of agricultural products also help to balance our trade with other nations, with nearly $54 billion in total sales abroad.

Recent technological investments have made the U.S. agriculture industry the most advanced in the world. However, farming remains an energy intensive industry. Diesel, gasoline, electricity, and other forms of energy are required to produce the crops and livestock that feed the world. As a result, the agricultural sector is extremely vulnerable to changes in energy costs.

In addition, U.S. agriculture has invested heavily to insure that it is competitive in foreign markets – the single most important area of growth for U.S. farms. Not only has the industry cut costs to compete, but the federal government has realigned policies to end price supports and other interventions that reduce competitiveness. Consequently, in 1998, agricultural exports could reach nearly $54 billion and contribute more than $18 billion to our balance of trade. If the Kyoto Protocol is implemented, U.S. agricultural exports could be reduced by $3.6 billion – a loss in the range of 6-7% of total exports.

The Kyoto Protocol

In December 1997, over 180 nations met in Kyoto, Japan, to finalize negotiations on a legally binding international treaty aimed at lowering greenhouse gas emissions. The new treaty – called the UN Kyoto Protocol – requires a handful of nations, including the United States, to reduce their greenhouse gas emissions to specific levels by the years 2008-2012. While each country accepted a different level of emission reductions, on average the agreement seeks to reduce total world greenhouse gas emissions to 5% below 1990 levels during this period.

For its part, the United States agreed to reduce its emissions to 7% below 1990 levels by this timeframe. Additional emission reductions will be required in the second budget period (2013-2018), and the level of reductions required in that timeframe will be the subject of future international negotiations.

Key aspects of the Protocol include:

- The agreement covers six gases (CO_2, methane, nitrous oxide, HFCs, PFCs, and SF_6).
- Countries with emerging economies such as China, India, Mexico, and South Korea, exempted themselves from the Protocol.
- The definition of sinks (objects that clean, or remove emissions, from the atmosphere) was limited to include only forestry activities. Agricultural crops and other vegetation are not considered sinks by the Kyoto Protocol.
- Enforcement measures of the Protocol by the United Nations were left undefined and will be the subject of future international negotiations.

Economic Costs of Kyoto

In defending the Kyoto Protocol, the Administration claims this change in national energy policy will not adversely impact the agriculture industry. In contrast, several studies conducted by leading economic forecasting firms and the Energy Information Administration (the federal government's own energy forecasting agency) provide starkly different predictions. Using analysis developed by Standard & Poor's Data Resource International (DRI), this study shows that implementation of the Kyoto Protocol will mean, by 2010:

- **Fewer small, family farms.** Higher energy costs, together with the reduced domestic and export demand could lead to a severe decline in agricultural investment, and a sharp increase in farm consolidations. The number of small farms likely would decline much more rapidly than under business-as-usual conditions.
- **Higher production costs.** Production costs could increase by up to $16.2 billion (8.8%) and would be difficult for agriculture to pass on to consumers. These higher production costs include a $13 billion increase in manufactured input (fuel, fertilizer, and chemicals) expenditures, a $1.6 billion increase in farm origin (feed, livestock, and seed) inputs, and a $1.9 billion increase in general operating expenses.

- **Lower demand for agricultural products.** Weaker demand for agricultural products results both from the 1.6% decline in GDP and 2.4% decrease in consumers' disposable income. U.S. farmers would be forced to compete with producers in developing countries who do not face emission constraints. These changes could reduce sales by $5 billion at the farm level.

- **Reduced farm income.** As a result of reduced agricultural revenues and increased production costs, net farm income could be reduced $21.5 billion from 1998 levels to $24 billion – more than a 50% decline.

- **Increased marketing costs.** Costs of processing, storing, transporting and handling commodities and food products would increase. The wider marketing spreads could boost consumers' food expenditures nearly $18 billion.

- **Higher food costs.** The increase in food marketing costs would be small for the average U.S. consumer who spends 11.9% of disposable income on food. However, 37% of U.S. households have less than $20,000 in after-tax income and spend from 21.2% to more than 100% of their after-tax income on food. In these families, infants and children would experience the greatest impact to their diets.

- **Higher food program costs.** For example, USDA spends more than $39 billion for six food assistance programs, including the Food Stamp and Child Nutrition Programs. For these programs alone, emission controls from the Protocol could add 500,000 persons to Food Stamp rolls and increase program costs up to 5% annually.

Conclusion

The Kyoto Protocol is a flawed treaty that will have a dramatically negative impact on the U.S. agriculture industry. The family farm, an American institution, will be put at risk for a treaty that exempts other competitor nations from the same types of energy restrictions and higher costs that American farmers will be forced to endure.

For More Information

American Farm Bureau Federation
(202) 484-3600

American Corn Growers Association
(202) 452-9422

National Cattlemen's Beef Association
(202) 347-0228

National Grange
(202) 628-3507

United Fresh Fruit & Vegetable Association
(703) 836-3410

QUESTION: Has OMB factored into the FY2000 budget and programs the 1998 recommendations of the National Research Council regarding science priorities? If so, please provide the document that describes the issues raised by the National Research Council and the detailed plan to respond to these issues. If not, please provide this analysis by March 15, including the funding requirements.

ANSWER: In 1998, the National Research Council's Board on Sustainable Development produced a report entitled "Global Environmental Change: Research Pathways for the Next Decade." This report was commissioned by, and is addressed to, the U.S. Global Change Research Program (USGCRP), which was authorized by Congress in the Global Change Research Act of 1990. Over the past decade, the USGCRP has supported a comprehensive program of scientific research, and the "Pathways" report reaffirms the past significance and achievements of the USGCRP. The USGCRP has focused its efforts on addressing important scientific questions, which may be important in understanding the ramifications of implementing the Kyoto Protocol, but which do not in themselves implement the Protocol.

The "Pathways" report states that the USGCRP should be based on a sound scientific strategy, focusing on key unanswered scientific questions. The report includes a large number of important scientific questions and "research imperatives", but does not set priorities among those questions. Therefore, the USGCRP has used the "Pathways" report to influence the definition of near-term challenges for the USGCRP, and will use the report as input for developing a long-term research strategy for the program, which is now underway.

"Our Changing Planet," the annual budget supplement produced by the USGCRP, contains the plan to respond to the issues raised by the report in FY 2000. A copy of "Our Changing Planet" is attached.

QUESTION: Has the Administration developed a program to address this issue, including installation of land based CO2 monitoring stations? If so, what funds are budgeted?

ANSWER: Understanding how carbon cycles through the Earth system is critically important in understanding climate change. Agencies such as the National Science Foundation have been supporting research on various aspects of the carbon cycle for decades. In FY 2000, the U.S. Global Change Research Program (USGCRP) will establish a new Carbon Cycle Initiative, with focus in FY 2000 on determining the location, magnitude, and cause of climate sinks in North America.

Several agencies have initiated a focused field research program over North America to locate, quantify and understand land sinks for CO2. This new program will include a coordinated field campaign of aircraft sampling at several locations around the continent, stationary continuous sampling from tall transmission towers at a few specific sites, and an expansion of the network of local scale CO2 flux towers (AmeriFlux). These measurements will be analyzed with atmospheric transport models and results of process studies to gain a clearer picture of the size and nature of carbon sinks over North America, how and why they change over time, and how they might best be managed.

QUESTION: Has the Administration had any discussions with Canadian authorities to address this as a joint scientific effort? If so, what are the plans?

ANSWER: The US/GCRP has a long history of collaboration with the Canadian scientific research efforts in global change, including the climate issue. We have Canadian scientists on many of our scientific planning teams and vice versa, join implementation efforts for field programs, modeling and GCM development, etc. Our joint efforts have been substantial and have continued over many years. Because of the productivity of those efforts, the Administration plans to continue such joint US-Canadian cooperation in global change research. Examples of these cooperative efforts include:

- Joint cooperative studies of paleoenvironment and paleoclimate studies, including field programs within the Ocean Drilling Program to understand climate change over the past 10,000 years. The results of that effort have contributed importantly to understanding some of the finer scale variabilities in the climate system.

- Cooperative research on composition and chemistry of the atmosphere, including direct attention to air quality issues in North America (Canada, U.S. and Mexico) is carried out under the auspices of the North American Research Strategy for Trospheric Ozone (NARSTO), a public/private, multi-national partnership. Field campaigns designed to study regional (i.e., finer scale) research on air quality issues are organized under the NARSTO umbrella.

NARSTO has also produced assessments of air quality research developments.

- Canadian and U.S. researchers are closely allied in several areas of environmental measurements. Studies to identify the long-term variability of UV radiation through networks in Canada and in the U.S. are linked through joint siting of several instruments. Canada also plays a significant role in the multi-national network for the detection of stratospheric change.

- Canadian and U.S. scientists interact in several space measurement programs for Earth observations. Canada is providing the "Measurement of Pollution in the Tropics (MOPITT) instrument on the TERRA platform of the Earth Observing System scheduled for launch in the summer of 1999. The U.S. has agreed to support algorithm development for the Canadian Atmospheric Composition Experiment (ACE) instrument to be launch on the Canadian Scisat. There is also continued U.S./Canadian cooperation in RADARSAT -- a critical system to U.S. science programs.

- Discussions are under way between USGCRP scientists and a new Canadian research program on "Biosphere Implication of Carbon Dioxide in Canada (BIOCAP)." U.S. scientist/agency representatives are participating in the Canadian Carbon Budget Initiative Workshop, and have explained the initiative in the U.S. FY 2000 budget. Scientists are exploring opportunities for collaborative research on CO2 measurements, field experiments and modeling of terrestrial carbon sequestration.

- The Boreal Ecosystems Atmosphere Study (BOREAS) is a large-scale international investigation involving scientists from the U.S. and Canada. The National Aeronautics and Space Administration (NASA) , National Oceanic and Atmospheric Administration (NOAA), National Science Foundation (NSF), and Environmental Protection Agency (EPA) participate from the U.S. side. The goal of the program is to improve our understanding of the boreal forests -- how they interact with the atmosphere, how much CO2 they can store, and how climate change will affect them. BOREAS includes use of satellite data to monitor the forests, and has improved computer simulation and weather models so scientists can anticipate the effects of global change. Field campaigns occurred in 1994 and 1996, and scientists continue to publish results from the activity.

QUESTION: How does OMB confirm that agencies are conducting their climate programs consistent with their charters? For example, what is the role of the U.S.D.A vs. E.P.A?

ANSWER: Agencies generally do not have charters, but they do have a set of statutory authorities. OMB staff use their general knowledge of agency statutory authority during their review of agency budgets, regulations, and programs. When OMB

staff believe that there is some question as to whether an agency has the necessary statutory authority to carry out a proposed activity, they will consult the General Counsel's offices at both OMB and the affected agency. If sufficient statutory authority is not available, the activity will either not be undertaken or legislative authority will be requested from the Congress. To the extent that agency statutory authorities overlap, either OMB staff or a crosscutting interagency task force will try to coordinate agency activities to ensure that they are complementary and not duplicative.

USDA's role in the Climate Change Technology Initiative is to fund research and demonstration projects aimed at optimizing forest, farmland, and rangeland carbon sinks as well as lowering greenhouse gas emissions from agriculture and forestry, and reducing their vulnerability to climate change. In the Climate Change Research Program, USDA focuses its research on understanding terrestrial systems and the effects of global change on food, fiber, and forestry production in agricultural, forest, and range ecosystems, and examines how agricultural and forest activities can contribute to a reduction in greenhouse gases.

On the other hand, EPA's role in the Climate Change Technology Initiative is to work in partnership with business and other sectors to deliver multiple benefits -- from cleaner air to lower energy bills -- by working to overcome widely acknowledged barriers to energy efficiency, such as lack of clear, reliable information on technology opportunities. EPA also participates in the Partnership for a New Generation of Vehicles by working to help develop an attractive, affordable car that meets all applicable safety and environmental standards and gets up to three times the fuel efficiency of today's cars. In the Climate Change Research Program, EPA's emphasis is on understanding the potential consequences of climate variability and change on human health, ecosystems, and socioeconomic systems in the U.S., as well as assessing potential opportunities to adapt to climate change.

QUESTION: How does OMB evaluate the priorities on climate science research between USDA, DOE, NASA, NOAA, and EPA? Why is EPA, a regulatory agency, so heavily involved in research and "outreach" at the expense of other Departments?

ANSWER: OMB evaluates the budgets of each agency through a series of reviews within OMB. In addition, OMB holds a budget hearing on the U.S. Global Change Research Program (USGCRP), which is an interagency program managed by the Subcommittee on Global Change Research of the Committee on Environment and Natural Resources (CENR), a component of the National Science and Technology Council. The agencies within the USGCRP, including the U.S. Department of Agriculture, the Department of Energy, the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, and the Environmental Protection Agency, as well as the National Science Foundation, the National Institutes of Health, the Department of Interior, and the Smithsonian Institution. The agencies coordinate their activities within the areas of climate

change research, and work to make their programs complimentary while avoiding duplication.

While EPA is a regulatory agency, all of its major statutes include research authorizations. In fact, the agency's Office of Research and Development is headed by a Senate confirmed Assistant Administrator who testifies before Congress about her $535 million FY 2000 budget request. Several other EPA offices conduct much smaller levels of activity that also can be categorized as research. EPA's statutes also include authority and, in some cases, mandates to conduct education, outreach, and citizen right-to-know programs. For almost a decade, EPA has been conducting "outreach" to promote a series of highly successful and widely applauded voluntary measures to reduce pollution and limit greenhouse gas emissions. These include the pioneering 33/50 toxic emission reduction program, Wastewise, Green Lights, and the Energy Star programs. Many of these programs such as Green Lights and the Energy Star programs have multiple benefits because, by reducing energy usage, emissions of both greenhouse gases and traditional air pollutants such as NOx, SOx, and particulates are also reduced.

QUESTION: What were agency requests for FY 1999 funds in the climate science and technology development? For FY 2000 funds?

ANSWER: Attached are tables showing the agency requests for climate change related activities in the FY 1999 and FY 2000 President's Budgets. The table for FY 2000 includes several additional climate change related programs for which we either did not compile data in the FY 1999 process or which are new in FY 2000 (i.e. the Clean Air Partnership Fund).

Domestic and International Spending on Climate Change

(Discretionary budget authority and tax incentives; in millions of dollars)

	1997 Actual	1998 Estimate	1999 Proposed	Increase 1998 to 1999
Climate Change Technology Initiative (CCTI)				
Energy	657	729	1,060	331
Environmental Protection Agency	86	90	205	115
Housing and Urban Development	---	---	10	10
Commerce	---	---	7	7
Agriculture	---	---	10	10
Subtotal -- CCTI Spending	743	819	1,292	473
Tax Incentives	---	---	421	421
Subtotal -- CCTI Spending & Tax Incentives	743	819	1,713	894
Global Change Research Program (GCRP)				
Health and Human Services	4	4	5	1
National Aeronautics and Space Administration	1,369	1,417	1,372	-45
Energy	109	108	113	5
National Science Foundation	166	167	187	20
Agriculture	57	58	59	1
Commerce	62	62	71	9
Interior	29	29	29	0
Environmental Protection Agency	14	15	21	6
Smithsonian	7	7	7	0
Tennessee Valley Authority	1	---	---	0
Subtotal GCRP	1,818	1,867	1,864	(3)
Subtotal -- Domestic (CCTI + GCRP)	**2,561**	**2,686**	**3,577**	**891**
International - Direct Climate Change Programs				
Agency for International Development				
-- Grant Assistance	147	150	150	0
-- Loan Guarantees (non-add)	---	---	(100) 1/	100
State	3	5	8 2/	3
International - Climate Change Related Program				
Treasury -- Global Environment Facility (GEF)	13	18	114 2/	96
Subtotal -- International	**163**	**173**	**372**	**199**
Total -- Domestic & International	**2,724**	**2,859**	**3,949**	**1,090**

Notes:

1/ USAID will use its new credit authority to make up to $100 million in guaranteed loans for climate change-related projects.

2/ Represents 38 percent of the total US annual contribution. FY 1999 includes $193 million for payments in arrears.

3/ Includes funds for the climate change secretariat and Intergovernmental Panel on Climate Change (IPCC). Does not include salaries and expenses related to international negotiations.

Detailed Accounting of Federal Climate Change Expenditures

Programs and Tax Policies Related to Climate Change
By Appropriation Account/Line Item
(Discretionary budget authority and tax incentives; in millions of dollars)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Proposed	Change 1999-2000
Programs and Tax Policies Directly Related to Global Climate Change				
Climate Change Technology Initiative (CCTI)				
Department of Energy (DOE)				
Energy Supply	272	336	404	+68
Solar and Renewable Energy R&D	(272)	(336)	(399)	(+63)
Nuclear Energy	(---)	(0)	(5)	(+5)
Energy Conservation R&D	457	526	647	+121
Fossil Energy R&D	---	24	37	+13
Science (Basic Science)	---	14	33	+19
Energy Information Administration	---	3	3	0
Subtotal -- DOE	729	902	1,124	+222
Environmental Protection Agency (EPA)				
Environmental Programs and Management	73	72	162	+90
Science and Technology	17	37	54	+17
Subtotal -- EPA	90	109	216	+107
Department of Agriculture (USDA)				
Agricultural Research Service	---	0	7	+7
Natural Resources Conservation Service				
Conservation Operations	---	---	3	+3
Forest Service				
Forest and Rangeland Research	---	0	6	+6
Subtotal -- USDA	---	0	16	+16
Department of Housing & Urban Development (HUD)				
Research and Technology (PATH)	---	10	10	0
Department of Commerce (DOC)				
National Institute of Standards and Technology (NIST)				
Scientific and Technical Research and Services	---	0	2	+2
Subtotal -- CCTI Spending Programs	819	1,021	1,368	+347
Revenue Effect of Tax Incentives 1/	---	0	383	+383

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Proposed	Change 1999-2000
Programs and Tax Policies Directly Related to Global Climate Change (cont'd)				
U.S. Global Change Research Program (USGCRP)				
Department of Health and Human Services (HHS)				
National Institutes of Health (NIH)				
National Institute of Environmental Health Sciences	4	4	5	+1
National Eye Institute	9	10	11	+1
National Cancer Institute	21	25	25	0
National Institute of Arthritis & Musculoskeletal & Skin Diseases	*	*	*	*
Subtotal -- HHS/NIH 2/	35	40	40	0
National Aeronautics and Space Administration				
Science, Aeronautics, and Technology	1,210	1,177	1,219	+42
Department of Energy				
Science (Biological & Environmental Research)	106	114	125	+11
National Science Foundation				
Research and Related Activities	167	182	187	+5
Department of Agriculture (USDA)				
Agricultural Research Service	27	26	34	+8
Cooperative State Research, Education, & Extension Services				
Research and Education	7	10	16	+6
Economic Research Service	1	1	2	+1
Natural Resources Conservation Service				
Conservation Operations	1	2	14	+12
Forest Service				
Forest and Rangeland Research	17	17	23	+6
Subtotal -- USDA 3/	53	55	89	+34
Department of Commerce				
National Oceanic and Atmospheric Administration				
Operations, Research, and Facilities	60	63	70	+7
Department of the Interior				
U.S. Geological Survey				
Surveys, Investigations, and Research	26	27	27	0
Environmental Protection Agency				
Science and Technology	13	17	23	+6
Smithsonian Institution				
Salaries and Expenses	7	7	7	0
Subtotal -- USGCRP 4/	1,677	1,682	1,787	+105

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Proposed	Change 1999-2000
Programs and Tax Policies Directly Related to Global Climate Change (cont'd)				
International Assistance				
Agency for International Development (AID)				
Sustainable Development Assistance	163	150	150	0
Development Credit Authority (subsidy budget authority)	---	0	5	+5
Subtotal -- AID	163	150	155	+5
Department of State				
International Assistance Programs				
International Organizations and Programs	5	7	8	+1
Subtotal -- International Assistance	168	157	163	+6
Other Climate Change-Related Programs				
Environmental Protection Agency				
State and Tribal Assistance Grants				
Clean Air Partnership Fund	---	---	200	+200
Department of Energy				
Energy Conservation R&D				
Weatherization & State Energy Grants	155	166	191	+25
Fossil Energy R&D				
Coal -- efficient combustion & utilization	105	123	122	-1
Fossil Energy R&D				
Natural gas -- efficient combustion & utilization 5/	91	98	87	-11
Nuclear Energy R&D				
Nuclear Energy Research Initiative (NERI)	0	19	25	+6
Subtotal -- DOE	351	406	425	+19
Department of the Treasury				
International Development Assistance, Multilateral Assistance, Contributions to the International Bank for Reconstruction & Development -- Global Environment Facility 6/	18	75	56	-19
Partnership for a New Generation of Vehicles (PNGV) – non-CCTI funding				
Department of Commerce				
Under Secretary for Technology/Office of Technology Policy				
Salaries and Expenses	1	1	1	0
National Institute of Standards and Technology				
Scientific and Technical Research and Services	6	6	6	0
Industrial Technology Services	22	18	5	-13
Subtotal – DOC	29	25	12	-13

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Proposed	Change 1999-2000
National Science Foundation				
Research and Related Activities	47	49	51	+2
Department of Transportation				
National Highway Traffic and Safety Administration				
Operations and Research	5	3	4	+1
Subtotal -- Other Climate Change-Related Programs	450	558	748	+190
Total -- All Programs and Tax Policies	3,114	3,418	4,449	+1,031

Note:

* less than $500,000

1/ First year of a proposed five-year, $3.6 billion package of tax incentives.

2/ Total will not add due to rounding.

3/ USDA funding for FY 1999 and FY 2000 has been revised since publication of the President's FY 2000 Budget (Table 7-3, Page 112, Budget Volume).

4/ Total will not add due to rounding.

5/ Funding for natural gas includes turbines, emerging processing technology, and fuel cells

6/ The total FY 2000 request for the Global Environment Facility (GEF) is $143 million. Approximately 38.8% of total GEF funding from all sources supports climate-related projects. The U.S. does not allocate funds by project type. FY 1999 funding can only be use for arrears.

QUESTION: Why doesn't the U.S.D.A have a more substantial budget to address carbon sinks and sequestration science and technology?

ANSWER: The FY 2000 Budget for USDA includes a substantial increase in this area. It includes $16 million for USDA's share of the Climate Change Technology Initiative (CCTI), an increase of $16 million from the amount provided in FY 1999. Included within that total are funds for biomass for energy, agricultural industry practices, and carbon sequestration.

Within the total USDA climate change budget request of $105 million ($50 million greater than FY 1999), the Forest Service, the Agricultural Research Service, and the Natural Resources Conservation Service will launch new R&D and demonstration projects to optimize farmland, rangeland, and forest carbon sinks. $10 million would be spent as part of a multi-agency initiative to study the carbon cycle initiative, and $14 million is proposed for a soil carbon inventory.

QUESTION: Has OMB developed any plans to accelerate programs on National Forest lands that will restore forests with the most carbon sink intensive species? If so, what are these plans and are they fully funded? If not, please develop this plan and provide the required funding estimate by March 15.

ANSWER: The FY 2000 President's Budget includes a $6 million increase (+35 percent) over FY 1999 spending for the Forest Service's Global Change Research Program. This will bring program spending to $23 million for FY 2000. The FY 2000 Budget also includes $6 million for the Forest Service share of the Climate Change Technology Initiative (CCTI -no funds were appropriated for this in FY 1999). Increases in biomass of U.S. forest lands over the last 40 years have added 281 million metric tons of carbon, enough to offset 25 percent of U.S. emissions for that period, and account for a significant portion of the missing carbon in evaluating the global cycle. These Forest Service CCTI funds will contribute to better understanding of the carbon cycle, including ecosytem-scale experiments involving carbon dioxide and other environmental factors across a wide range of different major forest types in the U.S. The CCTI complements the Global Change Research by analyzing and testing different specific technologies or management practices to enhance carbon sequestration through different bio-storage options.

QUESTION: Has the OMB proposed any incentives for the timber industry to assist in this program? If so, can these programs be accelerated?

ANSWER: The Administration has proposed increased funding for sustainable forestry and tree planting to encourage more productive use of forests. In particular, the Administration's Lands Legacy Initiative will provide communities and States with the resources and opportunity to enhance and protect forest resources. For example, the Lands Legacy Initiative includes the Smart Growth Partnership,

which, at $10 million will provide subsidized loans to communities so that they may encourage environmentally beneficial private businesses (tree farms, timber, wetland banks) to develop and maintain more and better green spaces. Another $5 million was proposed for the Stewardship Incentives Program ($0 million was appropriated in FY 1999), which provides cost-share funding for land owners to enable them to better manage their forests in a productive and sustainable fashion. The budget requests $50 million (up from $7 million in 1999 enacted) for the Forest Legacy Program, which protects private working forests from real estate development and other uses that would diminish the lands' capacity to sequester carbon.

QUESTION: Has OMB developed any plans for increasing the vegetation on federally owned lands? If so, what are these plans and are they fully funded? If not, please develop this plan and provide the required funding estimate by March 15th.

ANSWER: The FY 2000 Budget provides significant funding increases that would enhance vegetation and restore ecosystem conditions in the National Forest System. For example, a new program proposed for $15 million in FY 2000, the Forest Ecosystem Restoration and Improvement Program, will enhance forest health by removing small diameter material to allow increased opportunities for larger trees to develop. In addition, the Forest Service's Wildlife and Fish Management Program, which restores and enhances habitat conditions, is proposed to increase by $23 million to $124 million, while the Rangeland Management Program, which restores rangeland vegetation, would increase by $8 million over FY 1999 to $65 million.

QUESTION: Has the OMB proposed any incentives for the cattle industry to assist in this program? If so, can these programs be accelerated?

ANSWER: No, OMB has not proposed any incentives for the cattle industry.

QUESTION: Has OMB provided any guidance for the performance measures to be used to evaluate the effectiveness of government programs as it relates to private sector involvement to leverage federal programs?

ANSWER: OMB has not provided any such guidance. As a general matter, OMB does not prescribe that agencies include a specific performance measure in their annual performance plans. However, where a measure, such as private sector leverage, would cover a key aspect of a particular program, OMB would suggest to an agency that its annual performance plan include this measure. Several agency plans for FY 2000 include measures of private sector leverage.

QUESTION: What is the protocol for the funding of various Executive Orders when there is no legislative authority to do so?

ANSWER: Executive orders are not issued unless there is statutory authority for issuance and

for agency compliance. Generally, Executive orders are of two types – those in which the President carries out statutory authority given directly to the President to administer a statute, and those in which the President uses his managerial authority over the Executive Branch to direct subordinates. In the former case, agency compliance occurs under statutory authority for the programs in question and agency appropriations are properly used to carry out that program. In the latter case, agencies carry out Presidential directives using their salaries and expense appropriation, which is properly chargeable with costs necessary to carry out agency activities. Those activities properly and lawfully include supervision by the President.

QUESTION: How can you justify funding these unauthorized programs, while at the same time, under funding Congressionally mandated programs?

ANSWER: As stated above, Congress provides salary and expense money to administer the agency and its programs. In the case of managerial Executive orders referred to in the previous answer, salary and expense accounts are properly charged. In the case of Executive orders that carry out a statutory mandate, the result is the same, since the orders directly carry out a statute. In both cases, the agency action is authorized, and agency funds may properly be used.

QUESTIONS SUBMITTED FOR THE RECORD
BY REPRESENTATIVE JOHN E. PETERSON

QUESTION: Recently the GAO issued an update to the High-Risk Series. Many of the areas of concern raised throughout the series and in the update focus on poor financial management throughout the agencies and departments. What is OMB doing to address and assist in these financial management shortcomings?

ANSWER: OMB is actively working with the agencies to improve Federal financial management by implementing the financial systems and financial audit requirements in recent legislation, including the Federal Financial Management Improvement Act, Chief Financial Officer's Act (CFO), and Government Management and Reform Act (GMRA). We are focusing our efforts on ensuring that meaningful, accurate financial information is available to empower program managers and outside stakeholders.

In the most recent President's Budget, OMB established Priority Management Objectives (PMO) which clearly establish priorities for improving financial management. Agency-specific efforts financial priorities include: modernizing student aid delivery, resolving disputes over Indian trust funds, and implementing HUD and IRS reforms (which include fixes to agency information and financial systems). Three PMOs address government-wide financial improvements:

Improve financial management operations--includes efforts to establish Federal accounting and audit standards, as well as preparing financial statements for 24 CFO agencies designated in the GMRA. The President has issued a directive requiring agencies to address outstanding obstacles to obtaining clean opinions. OMB is working with the agencies to address these problems as an Administration priority. In the Major Management Challenges and Program Risks report of the Performance and Accountability Series, GAO says, "There has been progress with *all* 24 CFO Act agencies preparing financial statements beginning in 1996. Eleven received clean opinions in 1997, up from 6 in 1996." We will continue to work with the agencies to build on this progress.

Better manage financial portfolios--includes strategies to enhance Federal credit management, including access to customers, portfolio management and oversight as well as debt collection initiatives.

Use results to improve program management--in addition to reflecting our efforts to improve program management, includes our work in the area of Budgeting for Results which will develop mechanisms to display all the resources used by Federal programs in a way that allows the costs to be systematically compared with the benefits provided.

In addition, OMB provides leadership, direction, and staff support to the efforts of the CFO Council, in pursuing the initiatives defined in the Federal Financial

Management 5-Year Plan. OMB collaborates with GAO, the Department of Treasury, the Joint Financial Management Improvement Program (JFMIP), State and local government officials, as well as other agencies and financial institutions in the pursuit of this agenda. This year's budget proposes the establishment of a consolidated mechanism for funding Government-wide financial and information technology initiatives. This mechanism will minimize the administrative burden on and encourage more effective project planning by the CFOC and the CIOC, as well as continue the important work of the JFMIP in the development of financial systems requirements and the certification of commercial systems against those requirements.

QUESTION: To what extent does OMB agree with the GAO report and how do you rate the departments and agencies on overall management and also on fiscal management?

ANSWER: The GAO report is a compilation of their audit work during past years. For the most part agencies have concurred in the GAO findings and are pursuing corrective action on specific recommendations. We were pleased to see that virtually all the major topics which the GAO cites as Management Challenges or of High Risk are areas which the Administration was already targeting for special attention. We have compared both reports by major topic area to the Administration's Priority Management Objectives and find that we are in substantial agreement on the areas which need high-level attention.

We do not formally rate departments and agencies on either fiscal or overall management. We have encouraged and supported assessments by third parties. The recent work done by the Maxwell School of Public Administration with Government Executive Magazine is an example highlighting best practices and encourage a learning environment which seeks to improve performance. We actively use the various program and administrative councils and working groups to share solutions or best practices and to collaborate on common problems.

QUESTION: I ask that OMB provide a 15 year employment history by department and agency for the record.

ANSWER: The attached table shows FTE levels in executive branch agencies from FY 1984-1998.

FTE Levels in Executive Branch Agencies, FY 1984-1998

(Excluding Postal)

	1984	1985	1986	1987	1988	1989	1990	1991
Department of Agriculture	108,598	106,658	102,997	102,579	106,552	109,567	110,755	110,316
Department of Commerce	32,305	32,790	32,321	31,916	35,080	40,150	87,756	38,988
Department of Defense--Military	1,011,532	1,036,870	1,041,352	1,031,317	1,024,581	1,023,085	1,021,163	969,059
Department of Education	5,025	4,876	4,526	4,412	4,516	4,424	4,596	4,630
Department of Energy	16,708	16,257	16,193	16,116	16,258	16,535	16,815	17,790
Department of Health and Human Services/SSA	136,969	132,501	128,105	122,656	118,734	117,495	117,817	121,121
Department of Housing and Urban Development	12,437	12,101	11,720	12,282	12,971	13,212	13,264	13,601
Department of the Interior	73,245	72,166	70,657	69,662	70,336	71,372	71,233	72,346
Department of Justice	58,244	60,852	63,307	65,703	70,939	76,402	79,082	84,073
Department of Labor	18,577	18,176	17,931	17,674	18,178	18,444	18,050	17,720
Department of State/USIA	32,306	33,360	34,242	34,573	34,278	34,247	34,231	33,635
Department of Transportation	61,130	61,044	60,375	60,310	61,330	63,197	64,863	66,010
Department of the Treasury	123,155	127,442	130,845	138,353	153,063	154,432	155,931	160,192
Department of Veterans Affairs	218,545	221,292	220,642	221,020	214,433	212,231	214,040	217,665
Other agencies								
Agency for International Development	5,115	4,969	4,675	4,569	4,582	4,597	4,526	4,347
Corps of Engineers	28,681	28,681	28,511	28,199	28,267	27,934	28,259	27,241
Environmental Protection Agency	11,412	12,459	12,931	13,488	14,389	14,088	15,155	16,323
General Services Administration	25,572	25,254	22,745	19,882	18,807	19,246	19,447	19,704
National Aeronautics and Space Administration	22,080	21,991	21,660	22,001	22,326	23,054	23,829	24,149
Office of Personnel Management	5,710	5,666	5,306	5,108	5,386	5,655	5,702	5,762
Panama Canal Commission	8,137	8,215	8,336	8,433	8,625	8,682	8,293	8,551
Small Business Administration	4,238	4,177	4,054	4,048	4,105	4,005	5,316	4,887
Tennessee Valley Authority	31,952	31,098	27,613	28,297	29,265	23,056	23,716	22,273
All other small agencies	44,855	43,080	43,097	43,537	45,039	45,688	46,694	53,555
Subtotal, Defense	1,011,532	1,036,870	1,041,352	1,031,317	1,024,581	1,023,085	1,021,163	969,059
Subtotal, Non-Defense	1,084,996	1,085,105	1,072,789	1,074,818	1,097,459	1,107,713	1,169,370	1,144,879
Total	2,096,528	2,121,975	2,114,141	2,106,135	2,122,040	2,130,798	2,190,533	2,113,938

FTE levels between 1981-1991 excluded students in stay-in-school, Summer aid, and other programs.

FTE Levels in Executive Branch Agencies, FY 1984-1998

(Excluding Postal)

	1992	1993	1994	1995	1996	1997	1998
Department of Agriculture	113,400	114,420	109,830	103,848	100,710	98,457	96,410
Department of Commerce	35,200	36,090	36,000	35,347	33,757	32,565	35,743
Department of Defense--Military	972,900	931,756	868,292	821,739	778,942	745,750	707,242
Department of Education	4,900	4,874	4,772	4,816	4,655	4,479	4,508
Department of Energy	19,700	20,325	19,838	19,657	19,126	17,339	16,274
Department of Health and Human Services/SSA	128,800	130,952	127,376	123,984	121,191	122,788	121,918
Department of Housing and Urban Development	14,100	13,300	13,071	12,110	11,401	10,966	9,846
Department of the Interior	75,300	78,079	76,283	72,012	66,706	65,740	66,501
Department of Justice	91,700	95,367	95,343	97,869	103,838	110,976	117,313
Department of Labor	19,700	18,004	17,528	16,815	16,009	15,872	16,251
Department of State/USIA	33,800	34,168	33,529	31,805	30,166	29,193	26,419
Department of Transportation	69,900	69,132	66,380	63,171	62,443	62,499	63,368
Department of the Treasury	162,800	161,057	157,345	157,481	151,058	145,481	142,123
Department of Veterans Affairs	229,000	234,196	233,062	228,487	221,856	211,507	207,066
Other agencies							
Agency for International Development	4,400	4,069	3,874	3,618	3,351	2,843	2,661
Corps of Engineers	27,400	28,446	27,869	27,661	27,053	26,048	24,752
Environmental Protection Agency	17,400	17,887	17,584	17,508	17,207	17,016	17,739
General Services Administration	22,800	20,232	19,475	16,978	15,717	14,505	14,113
National Aeronautics and Space Administration	24,500	24,888	23,873	22,355	21,128	20,070	19,109
Office of Personnel Management	5,900	5,879	5,307	4,219	3,390	2,821	2,772
Panama Canal Commission	8,600	8,459	8,535	8,819	9,011	9,499	9,633
Small Business Administration	4,000	5,599	6,344	5,668	4,749	4,532	4,379
Tennessee Valley Authority	20,000	17,288	18,621	16,616	16,025	14,932	14,415
All other small agencies	63,100	64,366	62,608	57,597	52,226	48,817	49,659
Subtotal, Defense	972,900	931,756	868,292	821,739	778,942	745,750	707,242
Subtotal, Non-Defense	1,196,400	1,207,077	1,184,447	1,148,441	1,112,773	1,088,945	1,082,972
Total	2,169,300	2,138,833	2,052,739	1,970,180	1,891,715	1,834,695	1,790,214

FTE levels between 1981-1991 excluded students in stay-in-school, Summer aid, and other programs.

QUESTIONS SUBMITTED FOR THE RECORD
BY REPRESENTATIVE JOHN E. SUNUNU

CIRCULAR A-110

QUESTION: The Omnibus Supplemental Appropriations Act of FY 1999 included a provision instructing you to amend OMB Circular A-110, requiring Federal awarding agencies to make all research data available to the public through the Freedom of Information Act (FOIA). On February 4, 1999, your office published in the Federal Register a proposed revision to A-110 to implement Public Law 105-277. When would you expect to finalize the proposed revision?

ANSWER: The comment period on the proposed revision is open until April 5, 1999. OMB has received a very heavy response from the public, including serious concerns about the effect of the proposed revision. Since we are only half way through the comment period it is too early to accurately estimate the time it will take to review the comments, consult with Congress and other interested parties, and finalize the revision.

QUESTION: According to the draft revision, your office is proposing to narrow the applicability of the new law from "all" Federally funded research data to just "research data used to support a Federal policy or rule." Why did you narrow the applicability of the provision? Would the proposed revision cover risk assessments or surveys that may not be used to support a specific policy or rule? If not, would you explain why they have been excluded?

ANSWER: OMB's proposed revision relied upon the statements of Senators Campbell, Lott, and Shelby, who spoke on the Senate floor in support of the provision directing OMB to revise the Circular. In particular, Senator Lott stated that the provision will, "provide the public with access to federally funded research data" that is "used by the Federal Government in developing policy and rules." Activity undertaken by a grantee that does not support published research findings that were used by the Federal Government in developing policy or rules would not be subject to the proposed revision.

QUESTION: I am concerned that the public will not be able to access data in time to review it before a rule is finalized. When in the rulemaking would Agencies be required to identify studies that will be used to shape policy for purposes of this provision? Will that allow sufficient time for individuals to access information through FOIA and review in order to comment on the proposed policy?

ANSWER: The proposed revision does not address this question. Public comments will provide a better understanding of when it is or is not possible for an agency to identify the use of a particular study in a policymaking process.

QUESTIONS SUBMITTED FOR THE RECORD BY REPRESENTATIVE CARRIE P. MEEK

EFFECTIVENESS OF OMB IMPLEMENTATION OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT

QUESTION: How do you rate the effectiveness of the OMB's implementation of the Government Performance and Results Act (GPRA)? Are you satisfied with the quality of the strategic plans and annual performance plans that the agencies are submitting? Do these plans meet GPRA requirements? Please describe the principal areas where improvement is necessary?

ANSWER: OMB's effort to secure a successful implementation of GPRA has been extensive, and is ongoing. Nearly every office within OMB is engaged, to some degree, in working with agencies as they prepare the plans and reports required by this law. We believe the agencies have made great progress in producing plans that have proven useful, and that OMB's efforts have significantly helped toward this end. Agencies have made considerable progress and are producing quality plans.

The experience of other countries is that five or more years may elapse before performance management practices such as those envisioned by GPRA take full effect. OMB expects the revised and updated strategic plans, which agencies will be submitting to Congress by September 2000, will be significantly improved over the initial strategic plans. The FY 2000 annual performance plans were, on the whole, markedly better than the FY 1999 counterparts, and OMB expects further improvement in the FY 20001 annual plans

OMB expects that further improvements will largely fall in three areas: better alignment of resources with goals; more specific identification of means and strategies that will be used in achieving goals; and a further refinement of the goals themselves.

OFFICE OF FEDERAL PROCUREMENT POLICY

QUESTION: At pages 3-4 of your FY 2000 budget, you note that the Administrator of the Office of Federal Procurement Policy is authorized to waive certain regulations in order to conduct up to six tests of alternative and innovative procurement procedures in FY 1999 and FY 2000. Have any of the test projects been identified? If so, please describe the projects, the alternative procurement procedures to be employed, and what you are looking to test.

ANSWER: The Office of Federal Procurement Policy (OFPP) has reviewed a number of test proposals and has approved one to be conducted by the Nuclear Regulatory Commission (NRC). The NRC will buy administrative services using their test procedures. Briefly, the test entails a streamlined process for identifying the most competitive sources, followed by a proposed development effort involving the

three most promising sources. NRC's test further involves an intense negotiation process where efforts to reach agreement are prioritized based on the strength of the offeror's proposal. The test plan is expected to be published in the Federal Register on March 22, 1999. Since the law requires the test plan to be published nine months before the test begins, we expect the test plan to start by January 2000.

SUFFICIENT FUNDS TO ADDRESS Y2K ISSUES

QUESTION: Do you believe that the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1998 (P.L. 105-277) and the regular FY 19999 appropriations provide the agencies with sufficient funds to address the Y2K issue?

ANSWER: In addition to the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1998 (PL. 105-277) and the regular FY 1999 appropriations, agencies will be required to use FY 2000 appropriations to meet all Y2K costs.

STANDARD FORM WHEN REPORTING EMPLOYMENT DATA AND CONTRACT AWARDS TO MINORITIES

QUESTION: Is there a standard format that the OMB requires the agencies to use when reporting employment data and contract awards to African Americans, Hispanics, other minorities and women? What steps can OMB require the agencies to take in reporting this type of information so that the agencies' progress (or lack of progress) in meeting equal opportunity goals can be more easily determined?

ANSWER: Under its legislative authority to issue standards for the classification of data, OMB initially issued standards for Federal data on race and ethnicity in 1977. On October 30, 1997, OMB issued revised standards entitled, "Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity," based on findings from a comprehensive review that included participation by affected Federal agencies and the public. The current standards provide a minimum set of categories that all Federal agencies are required to use for reporting purposes, including statistical reporting, general program administrative and grant reporting, and civil rights and other compliance reporting. The minimum categories for reporting data on race are: American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; and White. The standards have two categories for data on ethnicity: "Hispanic or Latino" and "Not Hispanic or Latino." The revised standards were effective immediately for all new and revised reporting requirements; agencies must adopt the revisions for all existing reporting requirements no later than January 1, 2003.

STATISTICAL PROFILE OF OMB EMPLOYEES AND MANAGEMENT

QUESTION: For FY 1998 and FY 1999, please provide a statistical profile of your employees and management personnel broken down by race, sex, and pay grade. How many African Americans, Hispanics, other minorities and women are employed by OMB?

ANSWER: The attached charts provide demographic information by grade level for the OMB work force at the end of FY 1998 and FY 1999 year-to-date. The following chart compares the total number and percentages of African Americans, Hispanics, other minorities and women in FY 1998 and FY 1999.

Fiscal Year/ Total Staff	Native American	Asian Americans	African Americans	Hispanics	Women
FY 1998 (494)	1 (.2%)	26 (5.3%)	95 (19.2%)	8 (1.6%)	254 (51.4%)
FY 1999 (476)	1 (.2%)	24 (5.0%)	88 (18.5%)	8 (1.7%)	238 (50.0%)

FY1998 OMB Work Force by Gender, Race/Ethnicity, and Grade*

	Males					Females				
	Native American	Asian American	African American	Hispanic	White	Native American	Asian American	African American	Hispanic	White
GS-5	-	-	-	-	-	-	-	1	-	-
GS-7	-	-	-	-	1	-	-	4	-	-
GS-8	-	-	1	-	-	-	-	29	-	1
GS-9	-	3	1	-	7	-	2	18	1	7
GS-10	-	-	-	-	1	-	-	5	-	10
GS-11	-	-	2	-	17	-	2	9	-	13
GS-12	-	2	1	2	13	-	6	6	1	19
GS-13	-	1	2	-	12	-	2	4	-	23
GS-14	-	1	2	-	24	-	1	3	1	28
GS-15	-	1	3	1	87	-	4	2	1	36
SES	-	-	2	-	51	1	1	-	1	10
PAS	-	-	-	-	2	-	-	-	-	2
Total	0	8	14	3	215	1	18	81	5	149

* As of 9/3/98. Total staff = 494

FY1999 OMB Work Force by Gender, Race/Ethnicity, and Grade*

	Males					Females				
	Native American	Asian American	African American	Hispanic	White	Native American	Asian American	African American	Hispanic	White
GS-6	-	-	-	-	-	-	-	1	-	-
GS-7	-	-	-	-	1	-	-	4	-	-
GS-8	-	-	-	-	-	-	-	25	-	1
GS-9	-	2	1	-	5	-	2	20	-	10
GS-10	-	-	-	-	1	-	-	6	-	9
GS-11	-	-	1	-	14	-	2	8	1	16
GS-12	-	1	2	1	16	-	4	3	2	12
GS-13	-	2	2	-	12	-	3	1	-	25
GS-14	-	1	1	1	23	-	1	4	1	21
GS-15	-	1	4	1	86	1	4	3	-	34
SES	-	-	2	-	55	-	1	-	1	10
PAS	-	-	-	-	2	-	-	-	-	2
Totals	0	7	13	3	215	1	17	75	5	140

* As of 2/27/99. Total staff = 476

STATISTICAL PROFILE OF VENDORS RECEIVING AWARDS

QUESTION: Please provide a profile broken down by race, sex, and company size of the vendors who are receiving contracts from the OMB. Please include aggregate dollar amount of such awards, along with an aggregate dollar amount of all contracts awarded by the OMB to third parties.

ANSWER: Total EOP Contract Awards for FY98 (the latest complete data): $34.5 Million
Small Business: $17.8 Million
Small Disadvantaged Business: $7.9 Million
Small Woman-Owned Business: $6 Million

As of March 17, 1999 the EOP has awarded a total of $6.2 million in Y2K contracts with $3.4 million going to small businesses, $1.9 million to minority businesses, and $72K to woman owned businesses.

SUCCESS IN PROMOTING AND RECRUITING MINORITIES

QUESTION: Please detail OMB's efforts to recruit African Americans, Hispanics, other minorities and women to its workforce and as vendors. How do you rate the success of your promotion and recruitment programs for such prospective employees and vendors?

ANSWER: In 1998, there were 60 minority examiners/analysts compared to 45 in 1996 -- a 33.3% change from 1996 and a 71.4% change from 35 in 1994. These increases reflect the progress OMB is making towards increasing the representation of minorities to levels similar to the Federal work force as stated in its 1999 performance plan. Through increased recruitment and retention of minority examiners/analysts, OMB's has increased its minority representation from 11.1% in 1994 to 13.6% (+2.5%) in 1996 to 17.9% in 1998 (+4.3%).

In 1998, there were 153 female examiners/analysts compared to 149 in 1996 -- a 2.7% change and a 19.5% change from 128 females in 1994. OMB exceeds the Federal work force statistics with regard to women -- 45.7% compared to 42.2%, respectively. OMB has increased its female representation from 41.2% in 1994 to 45.0% (+3.8%) in 1996 to 45.7% in 1998 (+0.7%).

OMB has increased its efforts to ensure that a broad applicant pool applies for all positions. We have worked with our racial/ethnic minority staff members to identify strategies to attract minorities into our work force. As a result, we have expanded the number of professional organizations and schools we send vacancy notices. We actively use the Internet to send/receive E-mails about and advertise employment opportunities to groups and individuals.

With regard to procurement, we are continuing to strengthen the role of our Office of Small and Disadvantaged Business Utilization. We are utilizing the Small Business Administration's Pro-Net, Department of the Treasury and other agency small business listings, and personal contacts by our small business and procurement staff to expand our knowledge of qualified, small, disadvantaged and woman-owned business sources that are capable of providing high quality goods and services at competitive prices.

In FY 1998, the EOP recorded its highest achievements in small business awards with small businesses receiving 51.8% of total dollars, small disadvantaged businesses receiving 23.1% of total dollars, and small woman-owned businesses receiving 17.6% of total dollars awarded. This year, total awards (including Y2K) are expected to exceed $44 Million. Our goals for FY99 are well above last year's goals.

DESKTOP REPLACEMENT CYCLE

QUESTION: Is the 4-5 year replacement program for desktop systems that you describe in your budget sufficient to allow the agency to do its job effectively?

ANSWER: The four to five year replacement program for desktop systems is minimally sufficient to allow OMB to do its job effectively under current conditions. If OMB's workload becomes heavier, or if the nature of the workload changes to any significant degree, then we will need to take another look at the replacement plan. A major change in technology could also mean that we will need to re-evaluate the plan.

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE DAVID PRICE

PROPOSED REVISION OF CIRCULAR A-110

QUESTION: Under the proposed revision to OMB Circular-110, (as required by Public Law 105-277), how would "published research findings" be defined?

ANSWER: The public comments OMB is receiving on the proposed revision include a great deal of specific suggestions for possible definitions of "published research findings." These suggestions will be considered in the development of final revisions to the Circular.

QUESTION: Does the proposed revision identify a threshold for federal support, or would it apply to all federally-funded research regardless of the level of federal funding?

ANSWER: The requirements of Circular A-110 are applicable to all hospitals, institutions of higher education, and other non-profit organizations that receive Federal grants. The Circular is applicable regardless of the level of funding of a project, or if there is additional funding from a non-Federal source.

QUESTION: How does OMB assess the impact of the proposed revision on intellectual property rights and technology transfer?

ANSWER: The public comments OMB is receiving on the proposed revision include a great deal of discussion on this point. OMB looks forward to reviewing the public comments for further study.

QUESTION: What does OMB estimate the potential cost of compliance will be for grantees and agencies? In what instances would OMB permit reimbursement to grantees, and how would those costs be determined?

ANSWER: OMB has not been able to estimate an overall cost of implementation of the proposed revision. The statute authorizes recovery of costs through a user fee, so we anticipate a rough correlation between costs to the agency (including reimbursing grantees for their costs) and the receipts from fees that will be charged. However, these fees will go to the Treasury, not individual agencies. So the cost to a particular agency (see below) will not be covered by any receipts.

QUESTION: Would compliance reimbursements be directed to agencies or into the General Fund, as FOIA fee reimbursements now are handled?

ANSWER: Under the Miscellaneous Receipts statute (31 U.S.C. 3302), fees collected under the proposed revision would be deposited in the General Fund of the Treasury, as FOIA fee reimbursements are handled, and would not be available to Federal

agencies as compensation for new administrative activity.

QUESTION: What kind of impact does OMB anticipate this revision would have on confidentiality?

ANSWER: The public comments OMB is receiving on the proposed revision include a great deal of discussion on this point. OMB looks forward to reviewing the public comment for further study.

QUESTION: What kind of legal liability implications does OMB anticipate this revision would have – both for the federal government and the grantee?

ANSWER: As the public comments received so far indicate, the proposed revision has implications for the Federal Government and its grantees in a number of areas. At this point, OMB does not have a firm sense of the nature and extent of any legal liabilities that the Federal Government and its grantees could incur as a result of the proposed revisions. We look forward to receiving comments that address this issue.

QUESTION: Does OMB perceive any flexibility in the statutory language requiring revision of Circular A-110 or would anything short of the proposed revision require repeal or some other legislative fix?

ANSWER: The statutory language does not appear to provide any "flexibility" since it directs OMB to amend the Circular.

QUESTION ON NOTICE OF FUNDING AVAILABILITY

QUESTION: What agency or agencies currently bear responsibility for updating the Catalog of Federal Domestic Assistance? What is the procedure for updating this document? When was the Catalog last updated, and when do you anticipate that it will next be updated?

ANSWER: OMB Circular A-89, Federal Domestic Assistance Program Information, establishes the Catalog of Federal Domestic Assistance (CFDA) as the source for information about all Federal financial assistance programs. The CFDA is maintained by the General Services Administration on behalf of OMB, and is updated twice a year. The last revision was in December of 1998; the next revision will be in June of 1999.

QUESTION: Does OMB have any Circulars or other regulations governing publication or announcement of Notices of Funding Availabilities (NOFAs)? Has OMB examined the feasibility of a uniform government-wide NOFA announcement strategy? What recommendations would OMB make for the more effective and uniform dissemination of NOFAs?

ANSWER: No, OMB does not have any Circulars governing publication or announcement of NOFAs. OMB supports current efforts of the Federal Demonstration Partnership, an initiative composed of Federal agencies and their partners in the academic community, who are working to create a uniform format for announcing funding opportunities across Federal agencies. OMB also supports the Interagency Electronic Grants Committee and its "Federal Commons" initiative, an Internet site where potential grantees will be able to access information about all Federal grant programs, as well as transmit application and reporting documents.

OUR CHANGING PLANET

THE U.S. GLOBAL CHANGE RESEARCH PROGRAM

The Nation's Research Investments
to Understand the Complexity of Global Environmental Change



FY2000 Implementation Plan and Budget Overview

Perspectives for the USGCRP for the Decade Ahead
Preparing the Agenda for the 21st Century

A Report by the Subcommittee on Global Change Research,
Committee on Environment and Natural Resources
of the National Science and Technology Council

A Supplement to the President's Fiscal Year 2000 Budget

ADVANCE PUBLICATION COPY

OUR CHANGING PLANET

THE U.S. GLOBAL CHANGE RESEARCH PROGRAM

The Nation's Research Investments
To Understand the Complexity of Global Environmental Change

FY 2000 Implementation Plan and Budget Overview

Perspectives for the USGCRP for the Decade Ahead
Preparing the Agenda for the 21st Century

A Report by the Subcommittee on Global Change Research,
Committee on Environment and Natural Resources
of the National Science and Technology Council

A Supplement to the President's Fiscal Year 2000 Budget

About the National Science and Technology Council

President Clinton established the National Science and Technology Council (NSTC) by Executive Order on November 23, 1993. This cabinet-level council is the principal means for the President to coordinate science, space, and technology policies across the Federal Government. The NSTC acts as a "virtual" agency for science and technology to coordinate the diverse parts of the Federal research and development enterprise. The NSTC is chaired by the President. Membership consists of the Vice President, the Assistant to the President for Science and Technology, Cabinet Secretaries and Agency Heads with significant science and technology responsibilities, and other senior White House officials.

An important objective of the NSTC is the establishment of clear national goals for Federal science and technology investments in areas ranging from information technology and health research, to improving transportation systems and strengthening fundamental research. The Council prepares research and development strategies that are coordinated across Federal agencies to form an investment package that is aimed at accomplishing multiple national goals.

To obtain additional information regarding the NSTC, contact the NSTC Executive Secretariat at 202-456-6100 (voice).

About the Committee on Environment and Natural Resources

The Committee on Environment and Natural Resources (CENR) is one of nine committees under the NSTC, and is charged with improving coordination among Federal agencies involved in environmental and natural resources research and development, establishing a strong link between science and policy, and developing a Federal environment and natural resources research and development strategy that responds to national and international issues.

To obtain additional information about the CENR, contact the CENR Executive Secretary at 202-482-5917 (voice).

About the Office of Science and Technology Policy

The Office of Science and Technology Policy (OSTP) was established by the National Science and Technology Policy, Organization, and Priorities Act of 1976. OSTP's responsibilities include advising the President on policy formulation and budget development on all questions in which science and technology are important elements; articulating the President's science and technology policies and programs; and fostering strong partnerships among Federal, State, and local governments, and the scientific communities in industry and academia.

To obtain additional information regarding the OSTP, contact the OSTP Administrative Office at 202-456-6004 (voice).

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

Members of Congress:

I am pleased to forward a copy of *Our Changing Planet: The FY 2000 U.S. Global Change Research Program*. This annual report was prepared under the auspices of the President's National Science and Technology Council (NSTC).

The first edition of *Our Changing Planet* was transmitted to Congress as a supplement to the FY 1990 budget. Over the last decade, this program has brought about a fundamental improvement in our knowledge of global-scale environmental change. We have a much better understanding of the causes and consequences of ozone depletion, land cover change, patterns of climate variability (such as the El Niño/Southern Oscillation phenomena in the tropical Pacific ocean), and the longer-term climate change that stands as one of our greatest environmental challenges as we enter the 21st century.

These research successes have led to a series of new investigations of climate change, ecological impacts, atmospheric chemistry, human dimensions of change, the global water cycle, and, most prominently, the global carbon cycle. A focused initiative in carbon cycle science, highlighted in the FY 2000 budget, is designed to provide the information needed for more effective management of carbon held in U.S. agricultural and forest lands. It will also examine the opportunities for enhancing carbon uptake, which holds promise of reducing greenhouse gas emissions while providing environmental and economic benefits in the years ahead. The application of science to creating useful information for decision makers in the public and private sector is an increasingly important aspect of the USGCRP. The program is in the midst of its first National Assessment of the potential consequences of climate change for the United States. Nineteen workshops have been held around the country, and analyses of the impacts of climate change on our Nation's agriculture, forests, water resources, coastal areas, and human health are underway. A National Assessment Report, scheduled for publication in early 2000, will bring together regional and sectoral analyses to create a national picture, identify adaptation and resource management options, and define further research needs.

The USGCRP has been strongly backed by each Administration and Congress since its inception. The FY 2000 Budget Request demonstrates President Clinton's continuing commitment to supporting the research that provides the knowledge we need to preserve environmental quality for future generations. The Administration looks forward to working with you as we carry on this bipartisan tradition of support for sound science.

I commend all the public and private sector participants in this program, and particularly the members of the Subcommittee on Global Change Research who manage this effort for the participating agencies, for their contributions to this important research endeavor.

Neal Lane

Neal Lane
Director

COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

D. James Baker, Co-Chair
National Oceanic and Atmospheric Administration

Rosina Bierbaum, Co-Chair
White House Office of Science and Technology Policy

Ghassem Asrar
National Aeronautics and Space Administration

Joseph Bordogna
National Science Foundation

Roland Droitsch
Department of Labor

Delores Etter
Department of Defense

Terrance Flannery
Central Intelligence Agency

George Frampton
Council on Environmental Quality

Len Hirsch
Smithsonian Institution

Elwood Holstein
Office of Management and Budget

Kathryn Jackson
Tennessee Valley Authority

Eileen Kennedy
Department of Agriculture

Melinda Kimble
Department of State

Martha Krebs
Department of Energy

John Lieber
Department of Transportation

Norine Noonan
Environmental Protection Agency

Kenneth Olden
Department of Health and Human Services

Mark Schaefer
Department of the Interior

Craig Wingo
Federal Emergency Management Agency

Samuel Williamson
Office of the Federal Coordinator for Meteorology

Subcommittees

Air Quality
Martha Krebs (DOE), Chair
Dan Albritton (NOAA), Vice Chair
Bob Perciasepe (EPA), Vice Chair

Ecological Systems
Mark Schaefer (DOI), Chair
Mary Clutter (NSF), Vice Chair
Don Scavia (NOAA), Vice Chair

Global Change
Robert W. Corell (NSF), Chair
Ghassem Asrar (NASA), Vice Chair
Michael Dombeck (USDA), Vice Chair

Natural Disaster Reduction
William Hooke (NOAA), Chair
John Filson (USGS), Vice Chair
Craig Wingo (FEMA), Vice Chair

Toxics and Risk
Norine Noonan (EPA), Chair
Bob Foster (DOD), Vice Chair
Kenneth Olden (HHS), Vice Chair

SUBCOMMITTEE ON GLOBAL CHANGE RESEARCH

Robert W. Corell, Chair
National Science Foundation

Margot Anderson
Department of Agriculture

Ghassem Asrar
National Aeronautics and Space Administration

Mary Gant
Department of Health and Human Services/
National Institute of Environmental Health Sciences

Richard Greenfield
National Science Foundation

Abraham Haspel
Department of Energy

J. Michael Hall
Department of Commerce/
National Oceanic and Atmospheric Administration

Patrick Neale
Smithsonian Institution

Aristides A. Patrinos
Department of Energy

Daniel A. Reifsnyder
Department of State

Fred Saalfeld
Department of Defense

Mark Schaefer
Department of the Interior

Michael Slimak
Environmental Protection Agency

Executive Office and Other Liaisons

Rosina Bierbaum
Office of Science and Technology Policy

Peter Backlund
Office of Science and Technology Policy

Steven Isakowitz
Office of Management and Budget

Sarah G. Horrigan
Office of Management and Budget

David Sandalow
Council on Environmental Quality

Table of Contents

Page

1 Executive Summary

3 A Vision and Perspective for the Decade Ahead
- Setting the Stage for Global Change Research in the 21st Century
- Projections to the Year 2010

9 Changing Vision for the Research Agenda for the 21st Century
- Creating a New Partnership Between Science and Public Policy
- The First Decade of Research Focused on Understanding the Components and Modeling at the Global Scale
- Critical Unanswered Questions and Societally Relevant Issues Remain
- Goal and Objectives for the USGCRP in the Decade Ahead

13 Implementing the USGCRP in FY 2000

A. Program Elements

13 Understanding the Earth's Climate System
15 Biology and Biogeochemistry of Ecosystems
17 Composition and Chemistry of the Atmosphere
19 Paleoenvironment/Paleoclimate
21 Human Dimensions of Global Change
23 The Global Water Cycle
25 B. Carbon Cycle Science: An FY 2000 Initiative

Boxes

30 1. Summary of Key USGCRP Accomplishments in 1998
33 2. Observation, Monitoring, and Data Management
38 3. Earth System Modeling and Simulation
40 4. Global Environmental Change Information Service
41 5. International Connections
43 6. Assessment of Global Environmental Issues

Appendices

45 A. The Proposed USGCRP Budget for FY 2000
49 B. The FY 1998-2000 USGCRP Budgets by Agency and Program
71 C. USGCRP Organization and Management
73 D. New 1998 Global Change Related Data Products
76 E. Contact Information

Executive Summary

The U.S. Global Change Research Program (USGCRP) stands at the threshold of a major transition. Over the next several years, in addition to continuing to improve our understanding of the Earth's environment and how it is changing, the program will greatly advance our knowledge about the implications of such change for society. The research successes of the last decade have laid the foundation for a global environmental change information service that will allow global change research results to be applied more effectively to national needs.

Since its establishment a decade ago, the USGCRP has supported a comprehensive program of scientific research on the multiple issues presented by climatic and other changes in the Earth system. USGCRP-supported research has produced substantial increases in knowledge, predictive understanding, and documented evidence of global environmental change, including major scientific advances in the understanding of stratospheric ozone depletion, the El Niño-Southern Oscillation phenomenon, global climate change, tropical deforestation, and other issues.

These interlinked problems of global environmental change present long-term challenges at local and regional scales as well. Science has much to contribute to the management of these challenges. In the next decade, the USGCRP will focus on understanding the Earth system as a whole, on the dynamics of environmental change, and on connecting that knowledge to societal needs, including the provision of information on regional implications of change. A series of five broad objectives are guiding the program as it pursues these goals:

1. Determine the origins, rates, and likely future course of natural and anthropogenic changes.
2. Increase understanding of the combined effects of multiple stresses on ecosystems.
3. Understand and model global environmental change and its processes on finer spatial scales and across a wide range of timescales.
4. Address the potential for surprises and abrupt changes in the global environment.
5. Understand and assess the impacts of global environmental change and their consequences for the United States.

Organization of the Program

A recent National Research Council report, *Global Environmental Change: Research Pathways for the Next Decade*, which was commissioned by the USGCRP, has influenced the definition of the near-term research challenges identified in this report, and is important input to developing a new long-term research strategy for the USGCRP, which will be completed in FY 2000.

To respond to the scientific challenges described in the Pathways report, the USGCRP will be organized and managed as a series of closely-linked Program Elements. This FY 2000 Implementation Plan and Budget Overview contains detailed descriptions of a series of research challenges and FY 2000 objectives for each Program Element.

USGCRP Program Elements

USGCRP Program Elements include:

1. Understanding the Earth's Climate System, with a focus on improving our understanding of the climate system as a whole, rather than focusing on its individual components, and thus improving our ability to predict climate change and variability.
2. Biology and Biogeochemistry of Ecosystems, with a focus on improving understanding of the relationship between a changing biosphere and a changing climate and the impacts of global change on managed and natural ecosystems.
3. Composition and Chemistry of the Atmosphere, with a focus on improving our understanding of the global-scale impacts of natural and human processes on the chemical composition of the atmosphere and determining the effect of such changes on air quality and human health.
4. Paleoenvironment and Paleoclimate, with a focus on providing a quantitative understanding of the envelope of natural environmental variability, on timescales from centuries to millennia, within which the effects of human activities on the planet's biosphere, geosphere, and atmosphere can be assessed.
5. Human Dimensions of Global Change, with a focus on explaining how humans intervene in the Earth system and are themselves affected by the interactions between natural and social processes.
6. The Global Water Cycle, with a focus on improving our understanding of the movement of water through the land, atmosphere, and ocean, and on how global change may increase or decrease regional water availability.

Finally, Carbon Cycle Science is receiving heightened emphasis within the USGCRP. The need to understand how carbon cycles through the Earth system is critically important to the ability to predict future climate change. The USGCRP is establishing a Carbon Cycle Science Initiative, with significant new investments proposed in the FY 2000 budget. This effort will provide critical scientific information on the fate of carbon dioxide in the environment, the sources and sinks of carbon dioxide on continental and regional scales, and how sinks might change naturally over time or be enhanced by agricultural or forestry practices. A new level of interagency coordination is being put in place to pursue this important objective. The program will be guided in this task by a science plan that has been drafted with extensive participation by many of the leading scientists in this field.

U.S. Global Change Research Program
FY 2000 Implementation Plan and Budget Overview

A Vision and Perspective for the Decade Ahead

Setting the Stage for Global Change Research in the 21st Century

The U.S. Global Change Research Program stands at the threshold of a major transition. Over the next several years, in addition to continuing to improve our understanding of the Earth's environment and how it is changing, the program will advance greatly our understanding of the implications of such change for society. The research successes of the last decade have laid the foundation for establishment of a global environmental change information service that will allow global change research results to be applied more effectively to national needs.

In the early 1980s, when climate research began in earnest on a global scale, the problem of understanding the entire Earth system seemed in many ways intractable. Climate system behavior, excepting a few well-known features such as the ice ages and the annual march of the seasons, seemed chaotic. Accurate prediction of the future course of change thus appeared very unlikely. Although it was apparent that scientific research was required to increase understanding of a set of newly identified global-scale environmental changes, it was by no means clear where progress was most likely to be achieved.

In response to this challenge, the establishment of the U.S. Global Change Research Program led to a comprehensive program of support for research across a broad range of Earth system science issues. The result has been a remarkable change in perspective. Scientists discovered the ozone hole, in part through routine surveillance; determined its spatial extent, temporal behavior, and chemical origins; and showed it was caused by human activities. Observations demonstrated a long-term, statistically significant decline in ozone amounts over most of the Earth's lower atmosphere, much of which is attributable to changes in atmospheric chemistry associated with human activities. A rapid increase in scientific understanding supported a global consensus on steps to ameliorate the problem. Ongoing research and monitoring have shown that the emissions controls on chlorofluorocarbons (CFCs) and related molecules implemented under the Montreal Protocol on Substances That Deplete the Ozone Layer have begun to have an effect, as the concentration of chlorine-containing source gases at the Earth's surface has begun to decrease. Field experiments, long-term global observations, and computational modeling all played key roles in advancing our scientific understanding of ozone depletion.

As these events took place, another group of scientists began to pursue studies of El Niño, leading to equally remarkable scientific developments. These studies have shown beyond any doubt that the El Niño-Southern Oscillation process, in which the actions of the ocean and the atmosphere are closely coupled, has some degree of predictability in its behavior. The scientific community, working in the context of the USGCRP, successfully predicted the onset of the 1997-1998 El Niño and some of the resulting climate anomalies around the world. Societies made limited but significant advance preparations; in some

cases economic consequences were minimized and loss of lives and property was reduced.

Coincident with these and other research successes, a large fraction of the research community was achieving an even more visible and significant result. USGCRP-supported observations and analyses played a prominent role in demonstrating that emissions of carbon dioxide and other trace gases resulting from human activities are changing the composition of the atmosphere. Projections indicate that the changes over the next century will increase atmospheric concentrations of greenhouse gases to levels not seen in tens of millions of years—periods when the climate was substantially different than today. Observations suggest that the human-induced changes in atmospheric composition are already starting to change the climate. Careful measurements of surface temperatures around the world indicate that the global average temperature has risen substantially in the latter half of this century, compared both to observed temperatures since the 19th century and to estimated temepratures reconstructed from tree rings and other evidence back as far as a thousand years. Substantial improvements in climate models have been achieved and these models project increases over the next century in global average temperatures of from 2° to 7° F, as well as shifts in precipitation and a significant acceleration in the rate of sea-level rise.

Observations and monitoring from space of changing land cover, along with the production and distribution of global land cover data, are providing an important foundation for efforts to make land use more sustainable. For example, satellite observations supported by the USGCRP in coordination with international projects have documented and quantified changes in tropical and subtropical land cover, such as the loss of tropical forest in Brazil. Changes in land cover and land use are occurring around the world at an increasingly rapid rate, driven largely by human activities. Research has documented that changes in land cover such as the conversion of forest to pasture in the tropics, and changes in land use such as increases in fertilizer applications to cropland worldwide, are contributing to changes in atmospheric composition and may also contribute to climate change on both regional and global scales.

The real significance of all these scientific developments is seen most clearly when they are taken together. Several major environmental processes are now understood and there is some degree of predictability in their behaviors. A deeper appreciation of how the Earth's oceans, atmosphere, and land surface function together as a dynamic system is being gained. Over the next decade, the causes and consequences of an entire suite of interacting large-scale environmental changes will be better understood. The future course of such changes, and the limitations of prediction, will become clearer. Scientific knowledge will improve the preservation and enhancement of environmental quality and the management of environmental change.

Achieving this vision requires new science findings and better assessment and interpretation of scientific information. The full spectrum of public and private-sector decisionmakers also need routine, reliable, and readily understood scientific insight.

Projections to the Year 2010

The United States and other nations face an emerging group of environmental problems that are relatively new to public and private-sector institutions. The global

reach of such problems means that collective actions are necessary. Yet the interlinked issues of climate change, loss of biodiversity, and land-use and land-cover changes are not only global issues; they present long-term challenges at local and regional scales as well.

Science has much to contribute to the management of these issues. Longstanding climate-related problems (e.g., droughts, floods, reduced agricultural production, and pest infestations) now can be anticipated to some extent. Better understanding of the complexity of changes on planet Earth, such as temperature and precipitation patterns, creates opportunities to reduce exposure and enhance resiliency in socioeconomic systems.

Estimating in advance the magnitude of these problems or the value of opportunities to respond is extremely difficult. One thing is already clear, however—current economic measurements alone do not suffice to explain or judge the severity of such problems. The importance of some issues far outstrips any purely economic measurement. Some representative examples:

- **Societal Costs and Impacts of the El Niño:** In any given year, the effects of weather and climate result in societal costs. Climate anomalies of the past two years, most directly related to El Niño, have accounted for worldwide impacts exceeding $30 billion. Inclusion of impacts related to the recent flooding in China, which is believed to be partially attributable to the 1997-98 El Niño, could push these direct losses to $60 billion. This most recent El Niño also claimed 21,000 lives, displaced 4.5 million people, and affected 82 million acres of land through severe flood, drought, and fire. Costs from the El Niño in terms of slowed development and lost opportunities have yet to be measured, but surely involve economic losses even higher than the direct costs. Early estimates of the value of preparedness in areas such as California and Peru suggest that perhaps one-half of the likely cost in the absence of any advance warning was avoided in 1997-98. These limited successes were based on experimental predictions that can be further improved. When regional summer climate perturbations are better understood and projected, the severe impacts of events like 1998's multi-billion-dollar U.S. drought or the tenfold-more-expensive floods in China might be ameliorated—any reduction in their impacts would be a noteworthy improvement. The knowledge of how to avert disaster through forecasting, make advance preparations, and use early warning systems effectively now appear to be within reach scientifically.
- **Patterns of Change in the Frequencies of Hurricanes:** Over the next decade, it will likely become known whether the recent epoch (nearly 30 years) of infrequent hurricane landfalls along the East Coast of the United States—during which time we have greatly increased our vulnerability by building in coastal regions—has been supplanted by a return to conditions similar to those of the 1930s, 1940s, and 1950s. In that event, it is much more likely that the long-feared "category 4" (132-155 mph, such as the unnamed 1947 storm that hit southeast Florida and Louisiana) or "category 5" hurricane (156+ mph, such as the 1935 Florida Keys storm) will make landfall in a densely populated area by 2010. The losses to the insurance industry from such an event, or the cumulative impact of more frequent category 2 and 3 events, could render privately funded insurance unavailable, perhaps even

bankrupting a large portion of the industry. Studies of a category 4 hurricane that passed through Florida and Alabama in 1926 indicate that the same hurricane today would cause an estimated $77 billion in damage. The economic and societal value of supplying constantly improving information that could enable the industry to remain viable is still unknown. This value could be substantial; that the industry itself is investing in some research on this subject indicates its high level of concern. Such information will allow U.S. Government decisionmakers to assess more reliably whether or not to become the default insurer. Some, but not much, of the needed information is available now. Again, much more relevant information is believed to be within reach scientifically with a sufficient research effort.

- **Issues of Fresh Water Availability:** Social scientists commonly identify limited availability of fresh water, a resource many of us take for granted in the United States, as potentially one of the most pervasive crises of the coming century. Setting aside the question of whether certain countries may have gone to war over water by 2010, how will things look politically and economically in the American West? Tension between states and localities will have reached acute levels if the climate system continues to exacerbate problems such as the diminished Colorado River runoff. (The Ogallala Aquifer in the Texas High Plains offers an example of affected populations already having to adjust to changes in the water balance.) Is the West's water supply sufficient to meet future needs? In the fastest growing areas of the West the demand for water for all uses already exceeds supply. What, then, will a knowledge of nature's tendency to sustain or hinder development in the West ultimately be worth? Insights provided by studies of the historical impacts of climate on water and agricultural resources, and emerging from current research efforts, indicate that this problem could prove to be extremely costly. For example, under current conditions, it is estimated that droughts cost, on the average, $6 billion to $8 billion annually within the United States. Thus, advances in current understanding of these and recent multi-billion-dollar droughts (such as the 1987-1992 events in the West and the 1995-1996 event in Texas) may lead to improvements worth up to a billion dollars annually.
- **Influences of Sources and Sinks for Carbon on the Earth's Climate:** By 2010, scientists throughout the world will be producing regional maps of large carbon sources and sinks. In all likelihood, managed terrestrial ecosystems (e.g., replanted forests) will have been shown to be an important multi-decadal sink. By 2010, the United States may well have been confirmed and shown conclusively to possess such a sink and to have the capacity to augment it, again subject to major social forces pro and con. The gradual realization by governments of the full implications of these regional maps of carbon sources and sinks cannot help but alter the terms of the debate about emission controls. If the scientific effort is integrated across ocean, land, and air and managed effectively, it can demonstrate to the world that an adequate monitoring effort is feasible and that regional mitigation and sequestration can be made a serious part of the international negotiations. This invaluable information seems well within reach of the research effort which is already organizing to do the job.
- **The Influence of Climate Change on the Salmon Fishery:** In the United States, renewal licensing of major dams constructed decades ago has become a serious issue,

in part because of the ecological consequences of their presence. The USGCRP has helped to clarify the relationship of climate-related regional variations in salmon productivity on timescales of a few decades to overall observed decline in the Columbia River and other Pacific Northwest river ecosystems. Many other insights about the coupling of the Earth's major ecological systems to climate variability and change will result from the proposed research effort. The availability and timeliness of these insights will rest very much on the kind of research program assembled. This program can provide relevant information not only about the freshwater resource on which the dams and the fish depend, but a far more complete picture of the true natural background against which the effects of the dams can be judged.

- **Changes in Air Quality:** The combination of population growth and industrialization of developing countries, notably in South and East Asia, is leading to dramatically reduced air quality in these regions on a large spatial scale. Plumes of polluted air are being transported out into previously unpolluted regions and at some times reach the coastal regions of the United States (in particular the West Coast), affecting the background concentrations of ozone and other species important for air quality in some regions. New satellite instruments for measuring tropospheric ozone will show clearly the spatial extent of these plumes and their day-to-day variation. Governments in these developing countries will begin to realize that they must take steps to control local pollution, including reduction of fossil fuel combustion, switching to less polluting fuels (e.g., from high-sulfur coal to petroleum products containing less sulfur), and importing of emissions control technologies. Such steps offer the potential to reduce greenhouse gas emissions and emissions of air pollutants at the same time. Results obtained from the USGCRP on global tropospheric chemistry will allow U.S. policymakers to understand better the sources of polluted air and the regional and global impact of these emissions and their changes.
- **Changes in Ozone Concentrations in the Atmosphere:** The Montreal Protocol will continue to lead to reductions in concentrations of some ozone-destroying gases in the atmosphere in the early part of the 21st century. Many of the "quick fixes" called for under the Protocol (e.g., reduction of methyl chloroform) already will have taken place, and halogen concentrations will have begun to decrease very slowly, based on the natural lifetimes for CFCs, which are more than 100 years for some compounds. Monitoring by the USGCRP of surface-level concentrations of CFCs, their replacements, and related halogenated hydrocarbons is helping to assess international compliance with the Protocol, and may help provide information on the regional distribution of emissions of any regulated compounds. The response of the ozone layer to these reduced levels of CFCs and related compounds is studied routinely by USGCRP agencies with a combination of ground-, balloon-, and space-based instruments. These measurements and associated modeling efforts will continue to help demonstrate whether the "replenishment" of the ozone layer is occurring, as is expected, as anthropogenically amplified stratospheric chlorine levels decrease—or, alternatively, whether other processes (such as stratospheric cooling associated with increased greenhouse gas concentrations or increasing levels of stratospheric bromine) are interfering with the expected recovery by creating conditions under which lower amounts of chlorine can still deplete stratospheric ozone.

The economic value of the understanding gained through the USGCRP cannot be accurately calculated, both because of limitations in current economic methodology and lack of accurate data. It is clear, however, that the total value is significant (on the order of tens of billions of dollars annually). Part of the USGCRP research plan is to improve the ability to document the economic values of USGCRP research and applications, and thus to be able to include such estimates as an input in the research planning process.

Changing Vision for the Research Agenda for the 21st Century

Creating a New Partnership between Science and Public Policy

The growing relevance of Earth system science to policy concerns was central to the establishment of the USGCRP as a Presidential Initiative in 1988. In 1990 Congress passed *The Global Change Research Act,* which called for:

> *"...the development and coordination of a comprehensive and integrated United States research program which will assist the Nation and the world to understand, assess, predict, and respond to human-induced and natural processes of global change;" and*
> *"...increasing the overall effectiveness and productivity of Federal global change research efforts."*

Other nations similarly increased their emphasis on research designed to address these issues. Further, international research programs were established to provide a venue for coordinating the scientific research. Thousands of projects have been established, and many thousands of scientists have committed their professional careers to addressing this new challenge to human understanding. A new era of scientific collaboration was established as Earth system science matured as a field of knowledge during the 1990s.

The First Decade of Research Focused on Understanding the Components of the Earth system and Modeling at the Global Scale

The first decade of global change research, including the USGCRP, was necessarily a broad attack on the multiple problems presented by climatic and other changes in the Earth system. Problems such as a potential human influence on the stratospheric ozone layer, the perplexing issue of the timing and magnitude of greenhouse warming, the degree of predictability in El Niño events, and the coupling of ecological systems to climate on the one hand and to human land-use practices on the other all demanded scientific attention. The need for greater understanding led to the creation of a range of individual projects, each focused on a seemingly quite distinct problem.

This strategy of addressing tractable parts of the Earth system was complemented by research that addressed broad global-scale Earth system processes, characteristics, and change, and sought to integrate those across the whole planet. This approach produced substantial increases in knowledge, predictive understanding, and documented evidence of changes on the global scale, including major scientific advances in the understanding of stratospheric ozone depletion, the El Niño-Southern Oscillation phenomenon, global climate change, tropical deforestation, and other issues. However, this initial strategy, more often than not, emphasized scientific understanding at spatial or temporal scales that were either of limited significance to societal interests or of limited relevance to assessing socioeconomic impacts.

Critical Unanswered Questions and Societally Relevant Issues Remain

By the end of the 1990s it was becoming much clearer how many component parts of the Earth system are interrelated. This improved understanding of the systemic nature of the environment has resulted in the identification of a set of intriguing—and socially-relevant—scientific questions: Could global warming be influencing the timing and duration of El Niño events? Have human land-use practices, known to be a factor in carbon cycling, been influencing managed and natural ecosystems sufficiently to create large-scale, transient carbon sinks? How can the large, global-scale, but very rapid changes in the paleoclimate record be explained?

Global Environmental Change: Research Pathways for the Next Decade, a major report recently issued by the National Research Council of the National Academy of Sciences, concludes, in its review of the USGCRP:

> During the past decade, the USGCRP has realized an impressive array of scientific accomplishments. Progress has been made in understanding the loss of stratospheric ozone, and amendments and adjustments to the Montreal Protocol have benefited from research flowing from the USGCRP. Ice cores have provided evidence of past changes in the Earth's environment, and human-induced environmental changes have been documented. There is a much better understanding, including the development of large-scale models, of the important roles of terrestrial and marine ecosystems in the overall carbon cycle, including knowledge of how such systems might shift under a changing climate. The success in providing predictive, useful information about El Niño-Southern Oscillation (ENSO) phenomena is a signifcant step in providing scientific information for natural resource management and for improving human welfare, and it offers encouragement that the broader issues of climate variability and human-induced climate change can also be successfully attacked.
>
> The inherent challenges in achieving the central purposes of the USGCRP, however, will be ongoing; to ensure our well-being for the foreseeable future, it is essential to meet these challenges. They also set a difficult agenda for science....Fortunately, with 10 years of experience of successes and setbacks, we are in a far better position to meet the scientific challenges in the coming decade.

The National Research Council report, which was commissioned by the USGCRP, outlines the central issues that should characterize global environmental research in the coming decade:

> We do not understand the climate system well enough to clarify the causes and likelihood of rapid or abrupt climate changes. What does the record from the past reveal *in detail* about environmental changes? What will be the patterns and modes of human-forced climate changes? What will be the impacts of multiple stresses upon systems; in other words, what are the effects on terrestrial ecosystems of changes in the chemistry of the atmosphere, changes in the patterns and intensities of land use, and changes in temperature and rainfall patterns? How will the chemistry of the atmosphere be affected by continuing patterns of human-induced forcing, and how will climate variability and change affect these changes? What is the geographical distribution of the sources and sinks of greenhouse gases, and how

might they change? How will institutions respond to climate and other environmental changes? These are the types of scientific unknowns that require clarification if we are to make sound policy decisions; they are also the questions that must be answered if we are to have a sound foundation for mitigation science.

Questions such as these require a new level of intellectual and program integration in the international global environment research effort, including the USGCRP.

Goals and Objectives for the USGCRP in the Decade Ahead

In the next decade the USGCRP will focus on understanding the Earth system as a whole, on the dynamics of environmental change, and on connecting that knowledge to societal needs. Our Nation's investment in global environmental change research is heavily driven by our need to understand the societal implications of change, because environmental changes will influence the trends and patterns of social and economic development in the United States and around the world. The research and assessment activities of the USGCRP will address, to the maximum extent possible, the needs for relevant scientific understanding and predictive skill across a range of global environmental change issues.

To provide an integrative perspective and overall direction to the program, the USGCRP will be guided by a comprehensive Overall Goal:

- **Observe, understand, predict, and assess the critical natural and human-induced dynamic states and trends of the Earth's global environmental system across a wide range of time and spatial scales;**
- **Address those uncertainties and gaps in scientific knowledge central to the Nation's global environmental change policy interests; and**
- **Deliver timely information and data products essential to informed decision-making that protects the environment, enhances socioeconomic development, and ensures a sustainable future for the Nation and the world.**

To achieve this goal and to guide the Federal investments in global environmental change research, a series of **Research and Program Objectives** will guide the program.

Objective 1 – Determine the Origins, Rates, and Likely Future Course of Natural and Anthropogenic Changes: The USGCRP should continue to refine our understanding of both natural and human-induced changes in the Earth's environment and project future changes.

Objective 2 – Increase Understanding of the Combined Effects of Multiple Stresses on Ecosystems: Numerous environmental stresses are influencing the dynamics of the Earth's major ecosystems. The consequences of stresses, individually and in concert, need to be better understood.

Objective 3 – Understand and Model Global Environmental Change and its Processes on Finer Spatial Scales and Across a Wide Range of Timescales: Climate change manifests itself on a regional scale, and the magnitude of change and impacts varies by region. Providing decisionmakers with the information they need

requires research and modeling of global environmental change on much finer spatial scales and across a wider range of timescales than is being done today.

Objective 4 – Address the Potential for Surprises and Abrupt Changes in the Global Environment: Historically the planet has experienced wide ranges of environmental and climate conditions, from ice ages to tropical-like climates in the polar regions, with dramatic changes in patterns of temperature and precipitation. The transitions between these various conditions are not always smooth and gradual, but rather can be abrupt and very rapid. Climate change resulting from greenhouse gas emissions poses the potential for abrupt change. USGCRP research, particularly in the modeling programs, must increasingly account for these potential surprises that may result from nonlinear behavior and abrupt changes in the Earth system.

Objective 5 – Understand and Assess the Impacts of Global Environmental Change and Their Consequences for the United States: The USGCRP should continue its involvement in and sponsorship of regional and national-scale assessment activities, as well as the international assessments of global issues such as climate, ozone, biodiversity, forests, and so forth. Such assessments are essential for making scientific information useful for decisionmakers. The scientific questions derived from assessing how climate change affects the environment and natural resources and how these impacts lead to societal consequences are very important for the continued development of the research and programmatic agenda of the USGCRP.

The real significance of these objectives is seen most clearly when they are taken together. Several major Earth subsystems work are relatively well understood, and there is some degree of predictability in their behaviors. Researchers are poised to take a giant step toward a whole-system understanding of the Earth's environment and application of this understanding to societal needs.

A Broad Measure of Success: The broad suite of program elements within the USGCRP is now being modified in ways that should enable the program to achieve its objectives. This process, although it is not yet complete, has guided the creation of this implementation plan. Among the most pressing tasks ahead is the completion of a revised long-term research plan, which will more thoroughly map out the course of the USGCRP for the next decade and provide the context for annual implementation plans. The USGCRP will produce such a long-term research plan and seek endorsement of the plan by the National Academy of Sciences before the end of FY 2000.

Implementation of the USGCRP in FY 2000

To pursue effectively the goals and objectives described above, we have organized the USGCRP as a series of closely-linked program elements. We discuss these program elements in more detail in the sections below. The recommendations contained in the recent National Research Council report, *Global Environmental Change: Research Pathways for the Next Decade*, have significantly influenced the key issues and near-term focus areas.

Significantly enhanced interagency collaboration will be featured in the implementation of the USGCRP. By FY 2000, joint announcements of opportunity will be issued in the area of climate research in which representative agencies: 1) share overarching research goals; 2) participate in one collaborative merit-review process; 3) coordinate funding support; and 4) convene regular interagency workshops to document progress and propose changes in the integrated climate research agenda, with workshop outputs to be reflected in future budget requests. Such joint funding arrangements follow successful joint announcements in areas such as terrestrial ecosystems and paleoclimate research. In the development of new programs, such as carbon cycle research, agencies are collaborating in seeking scientific guidance in common from a single scientific advisory panel. In this way, programs are integrated at their inception.

Program Elements

Understanding the Earth's Climate System

The Earth's climate system is an important influence on the social and economic well-being of our societies, affecting water resources, ecosystems, and temperature patterns that enable—and in some cases restrain—a diverse array of activities. Fluctuations in climate occur naturally over time scales ranging from seasons to centuries and beyond. There is emerging evidence that humans may be influencing the climate by increasing the concentration of greenhouse gases in the atmosphere.

As evidenced by the 1997-1998 El Niño-Southern Oscillation event, climatic variations can seriously disrupt the world's socioeconomic activity, resulting in the loss of human lives and billions of dollars worldwide. However, these same fluctuations in climate can provide opportunities in some areas by, for example, bringing increased rainfall to a semi-arid region, resulting in an increase in agricultural productivity. The key to mitigating the damage and taking advantage of the opportunities presented by climate variability lies in large part in achieving a predictive understanding of the climate system as a whole, including its multiple modes of variability across timescales and its interaction with human systems. Unraveling the complexities of the climate system offers opportunities to make optimal use of this knowledge in the pursuit of economic development and social benefits in the coming century.

Throughout the past decade of climate research, the USGCRP has focused on understanding and predicting the variability within the Earth's various subsystems. This approach has enabled predictions of the behavior of individual subsystems, such as the El Niño-Southern Oscillation (ENSO), with some degree of confidence and has also

revealed the many linkages among these subsystems (for example, the connection between ENSO and the Atlantic Ocean). Future success in climate prediction depends on tapping the current wealth of knowledge to develop an integrated understanding of the climate system as a whole, rather than focusing on its individual components.

This holistic approach will be advanced through unprecedented levels of interagency collaboration in a combination of modeling, observations, and process studies that will be conducted within the framework of the international Program on Climate Variability and Predictability (CLIVAR). The program's emphasis on both intellectual and interagency integration will lead to an improved predictive understanding of the climate system across virtually all timescales.

Key research challenges include:

- **ENSO:** Maintaining and improving the capability to make El Niño-Southern Oscillation predictions.
- **Global Monsoon:** Defining global seasonal to interannual variability, especially that affecting the global monsoon system, and understanding the extent to which it is predictable.
- **Land Surface Exchanges:** Understanding the roles of land-surface energy and water exchanges and their correct representation in models for seasonal to interannual prediction.
- **Downscaling:** Improving the ability to interpret the effects of large-scale climate variability on a local scale.
- **Impacts on Weather:** Understanding how seasonal to interannual climate variability is manifested in storms, floods, and other extreme weather events.
- **Natural Climate Patterns:**
  —Improving knowledge of decadal to century-scale natural climate patterns, including their distributions in time and space.
  —Improving the optimal characterization of climate patterns, their mechanistic controls, and feedbacks.
  —Improving knowledge of the sensitivities of climate patterns to changes in forcing, including their interactions with, and responses to, anthropogenic forcing.
- **Climate System Components:** Addressing those issues whose resolution will most efficiently and significantly advance our understanding of decadal to century-scale climate variability for specific components of the climate system.
- **Anthropogenic Perturbations:** Improving understanding of the long-term responses of the climate system to the anthropogenic addition of radiatively active constituents to the atmosphere, and devising methods of detecting anthropogenic influences against the background of natural climate variability.

Focus for FY 2000:

- The USGCRP will develop and publish a summary that synthesizes the state of knowledge of the relationship between El Niño cycles and longer-term anthropogenic climate change. This summary will provide input to the international assessment of climate change being conducted by the Intergovernmental Panel on Climate Change for its Third Assessment Report, to be completed in 2001.
- The USGCRP will develop improved El Niño/La Niña forecasts based on models that

incorporate other important multiple-time scale phenomena, particularly: 1) the longer-term anthropogenic component of the climate system; 2) the decadal variability within the ENSO cycle; and 3) the influence of subseasonal phenomena such as the Madden- Julian Oscillation on the development of ENSO events. Forecasts will improve both in terms of accuracy and in terms of regional specificity.

- The USGCRP will produce a Land Data Assimilation System that incorporates both atmospheric and land surface data (e.g., soil moisture), to provide analyzed fields for future climate studies. The program will develop at least one land surface module that contains a full suite of cold season processes (e.g., snow distribution, snow melt, and frozen ground) and will integrate it into operational models to improve the land surface exchange component of seasonal to interannual prediction.
- The USGCRP will analyze and model how climate variability associated with the ENSO phenomenon is manifested in localized extreme weather events, such as storms and floods.
- The USGCRP will document quantitative and qualitative savings/gains resulting from the use of integrated regional weather and climate forecasts.

Biology and Biogeochemistry of Ecosystems

USGCRP agencies are continuing efforts to build a strong interagency focus on global change impacts on managed and natural ecosystems, and to understand the relationship between a changing biosphere and a changing climate. The primary goal of the ecosystems program element is to provide a stronger scientific basis for understanding, predicting, and responding to the consequences of global environmental changes, of both natural and human origin, in terrestrial, aquatic, coastal, and marine ecosystems. Also under study is how these changes affect ecosystems' ability to provide goods and services and support sustained use. USGCRP ecosystems research activities will be closely coordinated with the research that is being undertaken by the CENR Subcommittee on Ecological Systems, including the newly emerging efforts under the Administration's Integrated Science for Ecosystem Challenges (ISEC) initiative. Cooperation in the development and implementation of USGCRP and ISEC research strategies is particularly important for investigating the effects of multiple stresses on U.S. ecosystems, which is a priority for each.

The biosphere consists of diverse ecosystems that vary widely in complexity and productivity, in the extent to which they are managed, and in their value to society. Ecosystems directly provide forage, timber, fish, food, and fiber, as well as other services such as water cycling, climate regulation, recreational opportunities, and wildlife habitat. The proper functioning of ecosystems and sustained use of natural resources may be threatened by a number of global environmental changes. Some of the stresses or disturbances that have the greatest immediate potential to affect ecosystems adversely and alter their capability to support humanity include: changing land use and land cover; direct effects of rising CO_2; changes in global nitrogen cycles; and species invasions. Moreover, subjecting ecosystems to one or more of these stresses simultaneously may have a significant negative impact on ecosystem function.

Key research challenges include:

1. **Changing Land Use and Land Cover:** Greater understanding is needed of the relationships among land cover, land use, climate, and weather, particularly how changing land use and land cover affect local and regional climate, and how changing temperatures, altered patterns and amounts of precipitation, and increased variability in weather affect major terrestrial and marine ecosystems. The effects of changes in land use on land cover, ecosystem services, hydrologic cycles, species distribution, biodiversity, and human social and economic systems also need study.
2. **Multiple Stresses in Ecosystems:** Ecosystems subjected to more than one stress—either simultaneously or sequentially—may respond in ways qualitatively different from that which would be expected from an examination of single stresses. The dynamics of multiple stresses, and the possibility of, and indicators for, "threshold" responses in ecosystems that lead to sudden and dramatic change in ecosystem structure and function, must be better understood. Improvements also are needed in the capability to observe and develop a predictive understanding of effects of multiple, interacting environmental changes, such as combined effects of elevated CO_2 and reduced availability of water in terrestrial ecosystems.
3. **Changes in the Global Nitrogen Cycle.** Humans have significantly impacted the global nitrogen cycle, doubling the rate at which atmospheric nitrogen (which most organisms cannot use directly) is converted into a nutrient form that can be used by many organisms. These amounts of nitrogen in terrestrial ecosystems can affect the productivity of plants and cause shifts in the types of species present in the ecosystems, and may also, in some cases, stimulate carbon storage.

While key challenges can be readily described, the ecosystems program does not easily lend itself to the development and implementation of a focused strategy for research on ecosystem impacts. In addition, limited resources constrain the number and diversity of important ecosystems that can be analyzed; data bases from representative ecosystems are often lacking, yet crucial to modeling and predicting ecosystem responses to multiple global environmental changes; and experimental facilities for investigating the combined effects of multiple factors on intact ecosystems need to be strengthened.

Focus in FY 2000:

- The USGCRP will continue developing and publishing inventories and models of terrestrial ecosystems that will be used to better predict how ecosystems are affected by multiple environmental stressors.
- The USGCRP will document land-use and land-cover change in regions where rapid change could potentially alter the sensitivities/vulnerabilities of the region to climate change.
- The USGCRP will examine how climate change, vegetation management practices, and disturbance affect the spread of exotic plants and the regeneration of native plants at high elevations.
- The USGCRP will understand the influence of changing precipitation and nutrient cycling patterns on species regeneration and composition, and the resulting consequences for forest growth, decomposition processes, carbon sequestration, and sustainability.

- The USGCRP will develop and apply, using tools of molecular biology, gene probes for key enzymes linking the carbon and nitrogen cycles in marine microbes.
- The USGCRP will develop methods that assess the invasiveness of nonindigenous species by combining the science of landscape ecology with the principles of risk assessment. The program will use these methods to identify those areas in the U.S. that may be vulnerable to nonindigenous species invasion due to climate change and variability.
- Using ecosystem-scale experiments involving increased CO_2 and other environmental factors, the USGCRP will determine how atmospheric change and potential climatic change may affect forest productivity, forest health, and species distributions.

Composition and Chemistry of the Atmosphere

A combination of human and natural processes can affect the chemical composition of the global atmosphere. These changes can have important implications for life on Earth, including such factors as biologically damaging ultraviolet (UV) radiation, radiative forcing of the Earth/atmosphere system (which in turn affects climate), and the global composition of the atmosphere, which can affect air quality in regions. Human activity that can affect atmospheric composition on a global scale includes the use of chlorofluorocarbons and other halogenated hydrocarbons, fossil fuel combustion and the associated release of air pollutants, and changes in agricultural practices that affect the concentration of gases such as nitrous oxide and methane, as well as that of smoke. Changes in climate driven largely by increases in greenhouse gases can also be expected to affect atmospheric chemistry in complex ways that are difficult to predict. Natural processes affecting global atmospheric composition include volcanic eruptions, variations in solar radiation, and normal weather. Particular questions addressed by this element of USGCRP include:

- How are global ozone levels and surface UV fluxes changing, and how are they likely to change in the future, given expected changes in both human industrial activity and the underlying climate in which ozone chemistry takes place?
- What changes may take place in the concentrations of ozone, aerosols, and other chemically and radiatively active atmospheric constituents that may contribute to climate change, and what changes may take place in the background concentrations of trace gases that affect regional atmospheric chemistry?
- How will global changes in surface UV flux and surface-level concentrations of ozone and other gases and particulate matter affect human health and the productivity of ecosystems?

Current USGCRP activity in these areas builds on the accomplishments of previous research. For example, significant reductions in the total amount of stratospheric ozone over most of the Earth have been demonstrated over the past 20 years. A combination of airborne-, ground-, balloon-, and space-based instruments have all shown that industrially-produced chlorine- and bromine-containing chemical species contribute significantly to the observed ozone depletion. Observations have shown that the surface concentrations of several of the compounds regulated under the Montreal Protocol on Substances that Deplete the Ozone Layer have been reduced significantly, while those of

the longer-lived chlorofluorocarbons have essentially reached a maximum and will soon begin to decline. It is expected that maximum levels of stratospheric chlorine will be reached around the turn of the century. The stratosphere should be most susceptible to ozone depletion at that time; recovery of the ozone layer could, in principle, begin shortly thereafter. It is possible, however, that global climate change (which is projected to cool the stratosphere as the lower atmosphere warms), or a large volcanic eruption, could delay the projected recovery.

Key research challenges include:

1. **Stratospheric Ozone and UV Radiation:** Defining and predicting trends in the intensity of ultraviolet exposure the Earth receives by documenting the distribution of stratospheric ozone and surface UV flux, the chemical species that control the destruction of ozone, and the meteorological variables that define the physical environment of the stratosphere; and describing the coupling between chemistry, dynamics, and radiation in the stratosphere and upper troposphere.
2. **Photochemical Oxidants:** Defining the global processes that control ozone precursor species, tropospheric ozone, and the oxidizing capacity of the global atmosphere; and developing better understanding of what determines the ability of the atmosphere to cleanse itself of pollutants, both now and in the coming decades.
3. **Atmospheric Modeling:** Improving atmospheric models to better represent the trace gas and aerosol composition of the global atmosphere, as well as its transport properties, and predicting the atmosphere's response to future levels of pollutants and to changes in climate at both global and regional scales.
4. **Atmospheric Aerosols and Radiation:** Documenting the chemical and physical properties of aerosols; and elucidating the chemical, microphysical, and transport processes that determine their size, concentration, and chemical characteristics.
5. **Toxics and Nutrients:** Documenting the rates of chemical exchange between the global atmosphere and ecosystems; and elucidating the extent to which interactions between the atmosphere and biosphere are influenced by changing concentrations and depositions of harmful and beneficial compounds.
6. **Clouds:** Documenting the role of clouds in the partitioning of trace gases in the global atmosphere between different chemical forms and in their removal from the atmosphere, as well as their contribution to surface deposition.

The USGCRP work in several of these areas, notably photochemical oxidants and toxics and nutrients, will be carried out in close collaboration with the more regionally focused work on air pollution, acid deposition, and airborne toxics carried out through other Federal research programs organized under the auspices of the Air Quality Research Subcommittee of the Committee on Environment and Natural Resources.

Focus for FY 2000:

- The USGCRP will examine the chemistry of the stratosphere at high northern latitudes in winter, to determine the potential for an Arctic ozone hole. The study will use combined balloon and airborne measurements together with observations from an instrument currently planned for launch in late 1999 aboard a Russian satellite.

- The USGCRP will carry out significant modeling work in support of the Intergovernmental Panel on Climate Change (IPCC) Third Assessment Report, to be completed in 2001. These modeling efforts will help to simulate prior evolution of atmospheric trace constituents and aerosol composition and to forecast its future evolution. The output from these model runs will be used by climate modeling groups in their simulations of the future climate.
- The USGCRP will examine the atmospheric chemistry over Southern Africa using a combination of ground-based, airborne, and satellite-based measurements. This will help establish the influence of land-cover and land-use change on regional atmospheric composition, and the role of trace gases and aerosols in atmospheric warming.
- The USGCRP will increase knowledge of the distribution of ozone in the troposphere and southern sub-tropics using an enhanced network of balloon-based measurements. The data should provide a unique capability for the validation of tropical ozone columns derived from satellite data.
- The USGCRP will have obtained the first full year of global carbon monoxide vertical profiles. These data, obtained by an instrument scheduled for launch in mid-1999 as part of the Earth Observing System, should provide a significantly improved picture of carbon monoxide distributions. When analyzed together with data on smoke and aerosols obtained from other EOS instruments, these measurements should lead to new insights about the role of biomass burning and industrial emissions in global pollution.
- The USGCRP will have obtained surface UV flux data from the fully-implemented USGCRP ground-based UV monitoring network. These data, making use of some 60 instruments at some 50 locations, will be provided to researchers investigating biological response to ultraviolet radiation. UV flux data for other regions of the earth will be available from satellite-based techniques.
- The USGCRP will provide extended and updated data sets on the global methane budget, using a combination of long-term surface-based measurements showing unexplained interannual variations in growth rate and newly-obtained total column methane observations made from a space-based instrument launched in 1999 as part of the Earth Observing System.
- The USGCRP will carry out detailed studies of new data on the distribution and composition of aerosols in the global troposphere, based on a combination of ground-, ship- , airborne- , and space-based data; and the program will integrate these data into global numerical models designed to simulate aerosol formation, transport, and interaction with surrounding meteorology.

Paleoenvironment/Paleoclimate

The Earth's climate and environmental history has been long, amazingly complex, and marked by enormous changes. The challenge to this element of the USGCRP is to provide a quantitative understanding of the Earth's past environment and to define the envelope of natural environmental variability within which the effects of human activities on the planet's biosphere, geosphere, and atmosphere can be assessed.

Paleoenvironmental records are derived from a wide variety of natural archives, such as: lake and ocean sediments, tree rings, wind-blown deposits, coral, and ice cores, as well as historical documents. Chemical, isotopic, and ecological analyses of these records have demonstrated that the natural climate system has varied locally and globally over a far greater range than can be inferred from relatively short-term instrumental records. In most locations, instrumental records might provide 100 years of climate data, whereas an ice core might provide an annual climate record of 10,000 to 30,000 years. Understanding the natural environmental changes of our planet on long timescales (years to millennia) provides the context for understanding today's climate dynamics and for elucidating the impacts of natural versus anthropogenic influences. Reconstructing the historical climate record offers an enhanced understanding of the mechanisms controlling the Earth's climate system and, together with insight obtained from numerical modeling exercises, anticipates how the planet might respond to future environmental perturbations.

Key research challenges include:

1. **Global Climate and Earth's Environment:** Documenting how the global climate and Earth's environment have changed in the past and determining the factors that caused these changes; exploring how this knowledge can be applied to understand future climate and environmental change; and establishing the natural (baseline) environment prior to human intervention.
2. **The Natural Limits of Global Environmental Variability:** Exploring the natural limits and variability of our global environment and determining how changes in the boundary conditions of the environment are manifested.
3. **Forcing Factors:** Documenting the important forcing factors that have controlled past climate and examining how these forcing factors interact and have varied in significance over time; and investigating the causes of the rapid climate change events and rapid transitions in climate state observed in the paleo record and evaluating the potential for environmental "surprises" in the near- and long-term future.

Focus for FY 2000:

- The USGCRP will have completed the first global synthesis of paleoclimate within the context of global change research. This synthesis will be fashioned within the time frame of the last 100,000 years. The international research community will focus on establishing and understanding the temporal and spatial range of natural climate variability during the period prior to significant anthropogenic impact, and initiate the use of the paleorecord for improving the predictive ability of climate and environmental system models.
- The international paleoenvironmental data system, the World Data Center for Paleoclimate (Boulder, CO), will be in place and functioning. This will serve as the global data coordination, access, and archive point for the international research community and will include easy-access links to specialized national, regional and project databases.
- The USGCRP will have established a global network long-term paleoclimate records from corals, tree rings, ice cores, and other sources (some of which are up to 1,000

years long), and will develop statistical methodologies to link these disparate sources of climate data.

- Researchers will focus on calibrating the relatively short instrumental climate record to paleoclimate proxies, in order to assess climate change over decadal to centennial timescales.
- The USGCRP will have evaluated the hypothesis that the Arctic is one of the most sensitive regions for climate and environmental change, has undergone large changes over the last 1000 years, and, in magnitude and extent, is currently undergoing an unprecedented warming. Further, the program will have begun the development and evaluation of coupled atmospheric/oceanic/sea-ice climate models and high-resolution regional models to advance our understanding of the dynamic Arctic environment and its climatic linkages to the lower latitudes.
- The USGCRP will have a much clearer understanding of natural climatic variability within quasi-stable climatic states (i.e., glacial and interglacial times). Although climatic variation occurs within all periods, research will focus on establishing the predictability of abrupt and extreme climatic events and their spatial and environmental impact.
- Research will focus on characterizing the history of the warm pool in the tropical Pacific Ocean over the last 200-300 years. Researchers will establish the history of significant changes in surface temperature and/or areal extent of this water mass under varying climatic states. This information will be essential for understanding global climate dynamics and testing models under different boundary conditions.
- Paleoenvironmental research will initiate a special emphasis on the closely interlinked relationship between human societal evolution and climatic and environmental change, with special emphasis on the last 500,000 years. Researchers will aim for a clearer understanding of both the impact of a changing environment on human development (migration, adaptation) and human impact on the environment (burning, megafauna and vegetation change).
- The USGCRP will have a much clearer understanding of climate-induced vegetation and ecosystem change over the last 20,000 years, particularly in North America. This knowledge will allow us to improve estimates of future climate-induced vegetation and ecosystem change, as well as possible biophysical and biogeochemical feedbacks to the climate.

Human Dimensions of Global Change

For almost a decade the USGCRP has invested in research on the human dimensions of global change because it is essential to the program's ability to realize its central goals of understanding the planet and the implications of social and environmental change. This research has helped explain how humans drive important interventions in the Earth system, are affected by the interactions between natural and social processes, and are part of the solution. The USGCRP looks to the Human Dimensions Program to study response options in the face of change—what can we anticipate, how should we handle uncertainty, how might we better prepare?

The challenge of the next decade is to more meaningfully embed Human Dimensions research questions within the other elements of the USGCRP. Humans are a part of the climate system, the drivers of land cover change, increasingly significant contributors to the chemical composition of the atmosphere, and utterly dependent upon the global water cycle. But a separate focus on Human Dimensions is also required, both to capture the socially driven aspects of environmental change and to shape our understanding of the context within which we experience the impacts of natural system fluctuations.

Key research challenges include:

1. **Determining the human sensitivities to the consequences of global environmental change** for key life support systems (such as water, health, energy, natural ecosystems, and agriculture), including the economic and social dynamics of these systems.
2. **Determining a scientific foundation for analyzing the potential human responses to global change,** their effectiveness and cost, and the range of response options.
3. **Understanding the underlying social processes or driving forces behind the human relationship to the global environment,** such as human attitudes and behavior, population dynamics, institutions, and economic and technological transformations.
4. **Understanding the major human causes of change in the global environment,** and how they vary over time, across space, and between economic sectors and social groups.

Focus for FY 2000:

- The USGCRP will demonstrate the importance of assessments research to the analysis of options for coping with the risks posed by climate variability and change. Regional-scale investigations will serve as a means for studying global to local influences in an integrated framework, understanding human and ecosystem vulnerability, developing innovative methods for assessing regional consequences, and integrating global change research.
- The USGCRP will develop integrated assessment models that include representation of greenhouse gases other than CO_2, carbon dioxide sinks, and carbon leakage (moving carbon emissions from countries with stringent controls to countries with little or no control).
- The USGCRP will provide improved information and analysis supporting efforts to foresee disaster and identify opportunities associated with climate through joint sponsorship of new research in Human Vulnerability to Climate Risk and Environmental Surprise.
- The USGCRP will issue a joint announcement in Human Activity and Changes in Land Use, to support research on the social, economic, and cultural processes associated with land-use change and on how land-use changes affect ecosystems and biogeochemical cycles, including the modeling of sinks.
- The USGCRP will improve our capability to model the relationship of heat-related mortality and illnesses due to anticipated increases in the intensity and duration of heat waves.

The Global Water Cycle

The movement of water through the land, atmosphere, and ocean is termed the global water cycle. The water cycle is intimately tied to the climate of the planet through processes including latent heat exchange and the radiative effects of water vapor. Similarly, climate influences the water resources of the planet through changes in evaporation and precipitation. In examining these processes, long-distance atmospheric transport of water, along with evaporation and precipitation, are the principal inputs in hydrological process and water-resource models. The study of the global water cycle is the unifying theme that can bridge the gap in the spatial-scale spectrum between atmospheric and hydrological sciences. This issue is in its first year and will be implemented through coordinated U.S. and international programs. Planning is underway to develop joint interagency programs in the U.S. and coordination with international programs [e.g., the Global Energy and Water Cycle Experiment (GEWEX), the Program on Climate Variability and Predictability (CLIVAR), Biological Aspects of the Hydrologic Cycle (BAHC), and potentially a more fully coordinated international Hydrology and Water Cycle Program].

The primary goal of this research is a greater understanding of the seasonal, annual, and interannual mean state and variability of water and energy cycles at continental-to-global scales, and thus a greater understanding of the interactions among the terrestrial, atmospheric, and oceanic hydrosphere in the Earth's climate system.

This understanding will be achieved through a combination of observations, modeling, and analysis at a range of spatial and temporal scales, and will provide the foundations for understanding the relationship between weather (the manifestation of fast atmospheric hydrologic processes) and climate (the long-term statistical measures of these hydrological processes.) The research program aims at furthering our understanding of these relationships—especially the relationship between the physical representation of fast hydrologic processes and climatic statistics; the relative roles of land, atmosphere, and ocean hydrologic processes in weather and climate at continental-to-global scales, from daily to interannual timescales; and a determination of how these relationships and roles vary globally and seasonally. Such advances should lead to improved inferences about the occurrence of severe weather events, such as floods and drought, that directly affect property and human safety, and permit the downscaling of hydrological variables (precipitation, surface meteorology, etc.) that can lead to improved water and environmental management.

An important element of the research program is a quantitative assessment of the improved understanding for weather prediction and for water and environmental management. In addition, advances in understanding the relationships between hydrologic processes and climate will lead directly to better inferences regarding climate change and its subsequent hydrologic impacts at regional-to-global scales. Improving this understanding is hampered by the complexity of the nonlinear hydrologic processes, and in the heterogeneity related to both process forcings and process parameters that exists at all spatial and temporal scales. Understanding is also hampered by a lack of consistent, systematic observations, making it difficult to develop and test new theories and hypotheses regarding the global water cycle.

Key research challenges include:

1. **Land Surface Interactions:** Developing a better understanding of the coupling of land surface hydrologic processes to atmospheric processes over a range of spatial and temporal scales; the role of the land surface in climate variability and climatic extremes; and the role of the land surface in climate change and terrestrial productivity.
2. **Atmospheric Processes:** Developing a better understanding of the role of clouds and their influence in the coupling of the atmospheric water and energy cycles, and of the vertical transport and mixing of water vapor on scales ranging from the local boundary layer to regional weather systems.

Focus for FY 2000:

- The USGCRP will demonstrate skill in predicting changes in water resources and soil moisture on timescales up to seasonal and annual as an integral part of the climate system. As a first step, the program will quantify evaporation, precipitation, and other hydrological processes as required to improve prediction of regional precipitation over periods of one to several months
- The USGCRP will demonstrate the ability to determine radiative fluxes and diabatic heating within the atmosphere and at the surface with the precision needed to predict transient climate variations and to understand natural and anthropogenically-forced climate trends.
- The USGCRP will combine Tropical Rainfall Measuring Mission (TRMM) measurements with rainfall measurements from other sources to set a benchmark for rainfall in the tropics. We will obtain maps of the diurnal cycle of precipitation (which cannot be obtained from sun-synchronous sensors). The insight gained from this exercise will be used to reprocess 10 years of SSM/I data for climate record. This 10-year data set and ongoing TRMM measurements will be used to validate climate models as well as demonstrate the impact of rainfall in assimilation and weather forecast schemes.
- The USGCRP will establish a climatologically valid database of 60 months of rainfall data from various ground validation radar sites. The program will achieve 10% agreement among the various TRMM-related sensors for zonally averaged monthly rainfall accumulations. This will establish our confidence in how well tropical rainfall, a central component of the global water cycle, can be measured from space.
- The USGCRP will complete cloud model simulations of major storm systems in the Brazilian Amazon and at the Kwajalein atoll oceanic site for the purpose of testing latent heating estimates from TRMM.
- The USGCRP will assess the accuracy of remote and in-situ humidity measurements, and improve understanding of the climate consequences of water vapor radiation feedback. The program will conduct a field experiment at the DOE radiation testbed facility in Oklahoma, under joint NASA and DOE sponsorship.
- The USGCRP will conduct data comparison workshops, establish validation sites, and expand and improve global water vapor data sets toward the goal of quantifying and understanding the role of water vapor in meteorological, hydrological, and climatological processes.

- The USGCRP will examine linkages between land-atmosphere processes, their relationship to anthropogenic and other emissions, and the consequences of their deposition to the functioning of the biogeophysical and biogeochemical systems of southern Africa. This initiative is being built around a number of ongoing activities supported by the U.S., the international community, and African nations in the southern African region.

Carbon Cycle Science: An FY 2000 Initiative

Rising atmospheric carbon dioxide concentration and its potential impact on future climate is an issue of global economic and political significance. The need to understand how carbon cycles through the Earth system is therefore critically important to our ability to predict any future climate change. Recent policy debates have demonstrated the need for a comprehensive, unbiased scientific understanding of sources and sinks of carbon dioxide on continental and regional scales, and how sinks might change naturally over time or be enhanced by human activities. The National Research Council's report, *Global Environmental Change: Research Pathways for the Next Decade*, specifically emphasizes the need for a comprehensive carbon cycle research strategy.

The USGCRP is answering this call by establishing the Carbon Cycle Science Initiative. USDA, DOE, DOI, NASA, NSF, DOC/NOAA, and the Smithsonian will take part in this initiative. The new program is poised to provide critical unbiased scientific information on the fate of carbon dioxide in the environment to contribute to the ongoing public dialogue. The program will:

- take advantage of ongoing breakthrough advances in innovative scientific techniques to measure, monitor, observe, and model the carbon cycle, making it possible to examine the carbon cycle comprehensively as an integrated system;
- provide the scientific foundation for estimating the capacity of land ecosystems and the ocean to sequester and store carbon dioxide released as a result of human activities;
- integrate modeling, observational, and process research to identify and quantify regional- to global-scale sources and sinks for carbon dioxide and other greenhouse gases;
- seek to understand how these sources and sinks will function in the future and provide this essential information for future climate predictions; and
- evaluate potential management strategies for enhancing carbon sequestration in the environment and in capture and disposal strategies.

Achieving these objectives will provide information to policymakers and assist with the planning of future climate research activities. It will also provide valuable information to land and forest managers in the public and private sectors, and contribute to the natural resource management missions of agencies such as USDA and DOI.

Full implementation of the new program will require a significant investment of resources and a new level of interagency coordination to ensure integration. Implementation of this program will be closely coordinated with international programs

(e.g., the International Geosphere-Biosphere Programme and the World Climate Research Programme) to ensure a comprehensive international research strategy.

Background

Carbon dioxide is exchanged naturally between three active reservoirs: the atmosphere, the ocean, and land ecosystems. Human activity has increased the amount of carbon dioxide now being exchanged between these reservoirs. Carbon dioxide is initially added to the atmosphere as a product of combustion of fossil fuel and as emissions from conversion of forested land to agriculture. About half of what is added remains in the atmosphere, and the rest is taken up by the other two reservoirs—the ocean and land and freshwater ecosystems. Uptake of carbon dioxide by these reservoirs is commonly referred to as a "sink." While we can measure the concentration of carbon dioxide in the atmosphere quite accurately, measurements of storage of carbon in the ocean and land ecosystems are still considerably uncertain.

For the past decade or more, independent approaches and innovative tools have greatly increased our understanding of how carbon dioxide is transported and stored in the Earth system. Most past research has tended to focus, appropriately, on each component of the carbon cycle separately. However, the carbon system is fundamentally integrated, and understanding of each component is now reaching the point where answers are available for how the carbon cycle operates as an integrated whole. This information is essential for use in designing and optimizing any potential carbon mitigation strategies envisioned in the next two decades.

The storage reservoir, or sink, for carbon that we know the least about is the land ecosystem. Estimates from atmospheric and oceanic data and models have predicted that the terrestrial sink is larger in the Northern Hemisphere than in the Southern Hemisphere. Recent studies have attempted to refine the location of the Northern Hemisphere sink to a continental-scale region. While there is considerable debate about the magnitude and location of the terrestrial sink, there is strong evidence that it may be very significant.

The ocean provides a long-term sink for carbon dioxide as a result of physical and biological processes that are largely independent of human control. However, humans may have inadvertently both created and destroyed terrestrial carbon sinks in the past from their manipulation of the land surface for settlement, food and energy production, and water management, for example. Climate also likely influences the magnitude of both the terrestrial and the oceanic sink. We have now reached a state of knowledge in the carbon cycle research arena where we can begin to tackle these questions and provide unbiased, scientific information to society about the location, magnitude, and cause of carbon sinks.

Program Goal

The overarching goal of the Carbon Cycle Science Program (CCS) is to answer the following fundamental questions:

1. What has happened to the carbon dioxide that has already been emitted by human activities (anthropogenic carbon dioxide)?

2. What will be the future atmospheric carbon dioxide concentration resulting from past and future emissions?

FY 2000 Program Highlights

The major focus of the initiative in FY 2000 will be on determining the location, magnitude, and cause of carbon sinks in North America, and how North America compares to other key regions, such as South America. Estimates of the Northern Hemisphere sink range widely; a program of integrated observations, process research, and modeling will narrow this range and provide a more accurate estimate of the North American terrestrial sink and its variability. The strategy will be to combine appropriate research approaches from the atmosphere, oceanic, terrestrial, and human dimensions aspects of the carbon cycle, providing information on various temporal and spatial scales, necessary to providing an accurate picture of the current state of the terrestrial carbon sink over North America.

To accomplish these objectives, carbon cycle science research activities will include:

- Atmospheric and oceanographic sampling field campaigns over the continent and adjacent ocean basins, combined with atmospheric transport models to develop more robust estimates of the continental and subcontinental-scale magnitude and location of the sink (includes DOE, NOAA, and NSF).
- Local-scale experiments conducted in various regions that will begin to identify the mechanisms involved in the operation of carbon sinks on land, the quantities of carbon assimilated by ecosystems, and how quantities might change or be enhanced in the future (includes DOE, NSF, Smithsonian, and USDA).
- Evaluation of information from past and current land-use changes, both from remotely-sensed and historical records, to assess how human activity has affected carbon storage on land (includes NSF, NASA, USDA, NOAA, DOI, and DOE).
- Enhanced long-term monitoring of the atmosphere, ocean, forests, agricultural lands, and rangelands, using improved inventory techniques and new remote sensing, to determine long-term changes in carbon stocks (includes USDA, NASA, NOAA, DOE, and DOI).
- Evaluation of potential management strategies for maximizing carbon storage, including evaluation of the variability, sustainability, lifetime, and related uncertainties of different managed sequestration approaches (includes USDA and DOE).
- Integration of new observations and understanding of carbon cycle processes in regional and global carbon system models to improve projections of future atmospheric concentrations of carbon dioxide and other greenhouse gases (includes DOE, NOAA, NSF, NASA, DOI, USDA, and Smithsonian).

Understanding from each of these areas will be synthesized to represent our current state of knowledge of the carbon system, as well as incorporated into carbon system models, to provide a best estimate of how carbon sources and sinks may change in the future. This integrated approach will be the most efficient and effective way to

understand the carbon sink and to provide the most accurate information on the current state of the sink over North America.

Carbon Cycle Science Initiative
FY 2000 Budget by Agency
(Dollars in Millions)

7.0	DOC/NOAA
14.8	DOE
3.4	DOI
81.1	NASA Space-Based Observations
37.5	NASA Scientific Research
13.1	NSF
0.3	Smithsonian
31.5	USDA
188.7	Total

Achieving this task will require new technologies for measuring the atmosphere-land-ocean carbon system. In addition, the existing observational networks and monitoring programs will be maintained and enhanced, especially observations of undersampled aspects of the global CO_2 cycle, such as spatial distributions in the atmosphere, ocean temporal variations, changes of net ecosystem production (e.g., carbon gain), soil carbon transformations, and land use/vegetation changes in the tropics. Large-scale observations will be tested with locally-derived process models and hypotheses about spatial and temporal variability of CO_2 exchange among the major Earth system reservoirs. Models to predict carbon sources and sinks and their interannual/decadal variability (ocean and land) will be refined, incorporating the most important mechanisms and providing predictions with enhanced credibility.

Carbon cycle science has a unique opportunity. Exciting techniques and a new threshold of understanding have paved the way for the next stage of carbon cycle science in the United States: developing an integrated, whole system predictive capability for the carbon system. The ultimate goal is to provide integrated estimates of carbon sources and sinks, with a focus in FY 2000 on implementing activities to determine the magnitude, location, and cause of the North American terrestrial sink. The knowledge base will then be available to provide input on how sinks might be enhanced and how they might change in the future—information of critical importance to potential decisions to manage the carbon system.

In FY 2000, activities in the Carbon Cycle Science program will provide the following results:

- A state-of-the-science report assessing the magnitude, location, and cause of the North American terrestrial sink from available data, and a research strategy for addressing uncertainties in the terrestrial sink estimates that are not reconcilable with current data;

- Implementation of integrated observation, research, and modeling activities to provide more accurate information on the location, magnitude, and cause of the North American terrestrial sink based on these identified uncertainties;
- A synthesis of global ocean carbon dioxide data, enabling the design of a research strategy for monitoring changes and identifying variability in the oceanic sink;
- Improved parameterization of key processes controlling carbon storage, such as air-sea gas exchange, a major uncertainty in ocean sink estimates;
- An improved, long-term, integrated monitoring strategy for carbon measurements in the atmosphere, ocean, and land ecosystems.

Box 1: Summary of Key USGCRP Accomplishments in 1998

National Assessment: The U.S. National Assessment on the Potential Consequences of Climate Variability and Change was initiated in 1997 to define potential vulnerabilities and coping strategies for the United States in the context of future climate variability and change. The USGCRP coordinates the assessment, which involves geographical regions, socioeconomic and natural resource sectors, and a national synthesis. The Global Change Research Act of 1990 requires an assessment, and it has been used to emphasize broad stakeholder participation that extends beyond the research community.

In early 1998, the USGCRP appointed a National Assessment Synthesis Team, with members broadly representing the public and private sectors, to provide intellectual leadership to the National Assessment and to manage the overall synthesis of regional and sectoral information. Twelve additional regional scoping workshops took place in 1998, bringing the total number held in 1997-1998 to 19. Many of the regions initiated their analyses of key issues and preparation of reports in a common format, and continued stakeholder engagement. In addition, the Synthesis Team selected five sectors — agriculture, coastal areas and marine resources, forests, human health, and water resources—for assessment. For each sector, the Synthesis Team appointed a team that is conducting an assessment of key issues and vulnerabilities, with reports to be published in a common format.

El Niño-Southern Oscillation (ENSO) forecasting: Substantial improvements in the field of short-term climate prediction and the application of these developing capabilities to problems of social and economic consequence continued in 1998. Over the last year, USGCRP-supported scientists developed new products and methodologies based on insights generated by the 1997-1998 ENSO event, including climate information tailored for regions such as the Pacific Northwest and California, and the implementation of a series of regional Climate Outlook Fora throughout the world. In addition, scientists anticipated the current La Niña conditions in mid-1998.

Global temperature record: Based on observations of global average surface temperature, scientists from both NASA's Goddard Institute of Space Studies and NOAA's National Climatic Data Center found that 1998 was, by a good margin, the warmest year on record since widespread instrumental measurements began in the 1860s. The record warming also showed up in the microwave satellite temperature record of tropospheric temperatures compiled by NASA's Marshall Space Flight Center. This continues the recent pattern of very warm conditions during the 1980s and 1990s.

Warmest period in at least 1000 years: Paleoclimatic reconstructions of pre-instrumental temperatures in the Northern Hemisphere indicate that the late 20th century is the warmest period in at least the last 1000 years. While the Medieval Warm Period in Europe was somewhat warmer for that region, that warming, unlike the current one, did not affect the entire hemisphere. These reconstructions also show that the cold period of the 16th to 18th centuries that is often labeled the Little Ice Age was also mainly a regional climatic cooling covering the North Atlantic region and did not involve the whole Northern Hemisphere. The key implication of these findings is that the very warm, hemispheric conditions during the latter part of the 20th century are even less likely than previously believed to be due to a natural fluctuation and are more likely to be significantly affected by anthropogenic influences.

North America carbon sink: Analyses of the gradients and fluxes of carbon dioxide concentrations over North America during a recent five-year period indicate that the forests, soils, and sediments of North America may be sequestering surprisingly large amounts of carbon, thereby somewhat limiting the rise being caused by the increasing use of fossil fuels. While the regrowth of forests in the Northeast may be one contributor to the uptake (and so may become limited as forests mature), other processes, such as changes in land use and agricultural practices, also may be contributing to the uptake. Although a number of studies suggest that North America is a carbon sink, the findings on the size of the sink vary. Further research is needed to better understand the location and mechanisms of sources and sinks and to narrow the uncertainty of the estimates.

Greenhouse gas increase and ozone depletion: The rise in the atmospheric concentration of greenhouse gases that causes warming at the surface tends to cause cooling in the lower stratosphere, and may affect the propagation of waves and transport of trace substances from the troposphere to the stratosphere. Any cooling of the stratosphere is likely to enhance ozone depletion, potentially delaying the recovery of the ozone layer that is expected due to the reduction in stratospheric halogen concentrations resulting from emission reductions associated with the Montreal Protocol on Substances that Deplete the Ozone Layer.

Assessment of Ozone Depletion: USGCRP results were prominent in the Scientific Assessment of Ozone Depletion, released in June by the United Nations Environmental Programme and the World Meteorological Organization. The total combined abundance of ozone-depleting compounds in the lower atmosphere peaked in about 1994 and is now slowly declining. In the stratosphere, combined abundance of chlorine is expected to peak before the year 2000, but direct evidence for the recovery of the ozone layer still lies well into the future. Detailed analysis has provided conclusive evidence of statistically significant reductions of ozone over northern mid-latitudes for the time period 1980-1996. This depletion is largest in the lower and upper stratosphere (~7.5%/decade) and smallest in the middle stratosphere (~2%/decade near 30 km).

Long-range transport of air pollution: Data from ground- and space-based instruments have shown clear evidence for long-range transport of pollutants over relatively unpolluted areas. In some cases, plumes of polluted air originally from South and East Asia have been shown to reach the West Coast of the United States; transport of mineral desert dust from Africa to the southeastern U.S. and of smoke and ash from Mexican forest fires into the northeastern U.S. also has been demonstrated.

Ocean analysis: The Joint Global Ocean Flux Studies (JGOFS) program, in cooperation with the World Ocean Circulation Experiment (WOCE), has logged a decade of observations of the surface waters at two mid-ocean subtropical sites off Hawaii and Bermuda. The suite of data gathered on ocean climate, nutrient cycling, biological production, ecological community composition, particulate sedimentation, and carbon dioxide from ships and moored buoys is unique in the history of oceanography. These data are providing invaluable insights into the biocomplexity of the central ocean. Time series observations have shown that nitrogen fixation plays a major role in supporting new production. A comparison of the two sites indicates very different nutrient and primary production dynamics.

Tropical Rainfall Measuring Mission (TRMM): One year after its successful launch, TRMM has proven to be valuable for both scientific research and development of

new weather forecasting capabilities. The scientific understanding resulting from this mission will greatly enhance our knowledge of how storms and hurricanes form and dissipate.

Radarsat: The U.S.-Canadian Radarsat provided the first detailed radar map of Antarctica. Nearly 70 percent of the Earth's fresh water is contained in the Antarctic region, and changes in this reservoir directly influence world sea levels and climate.

Fire monitoring: In an effort to improve the monitoring of the fires in Central America and Mexico, the NASA Earth Science Enterprise worked with NOAA to develop a new Internet site to provide information to study fires. Other fires worldwide have been monitored, including those in Indonesia and Russia, and the results are available via the Internet.

SeaWiFS: One year after its successful launch, the Sea-viewing Wide Field-of-view Sensor (SeaWiFS) is providing important data on coastal upwelling in the U.S. Northwest, Argentina, and South Africa. Upwelling fosters dramatic plankton blooms, a critical food source for fish. These SeaWiFS data are used to understand the role of oceans in removing carbon dioxide from the atmosphere, and the ocean's productivity. The spacecraft is also providing valuable images of the land.

Box 2: Observation, Monitoring, and Data Management

Achieving the goals of the USGCRP program elements requires, in many cases, the documentation of change and the existence of long-term data records. The USGCRP agencies, through space-based and ground-based activities, provide many of the required long-term observations. The program also directs particular attention to the development and implementation of research observing systems to address new requirements arising from improved scientific understanding and from operational resource managers and policy imperatives.

Space-based systems have the unique advantage of obtaining global spatial coverage, particularly over the vast expanses of the oceans, sparsely populated land areas (deserts, mountains, forests, and polar regions), and the mid- and upper troposphere and stratosphere. They provide unique measurements of the Earth's radiation budget; solar output; vegetation cover; atmospheric ozone; stratospheric water vapor and aerosols; greenhouse gas distributions; sea level and ocean state; ocean surface state, level, and winds; weather; and tropical precipitation, among others.

But satellite observations alone are not sufficient; they require in-situ measurements for calibration and validation. In-situ observations are required for the measurement of parameters that cannot be estimated from space platforms (e.g., biodiversity, groundwater, carbon sequestration at the root zone, and subsurface ocean parameters). They also provide long time series of observations required for the detection and diagnosis of global change, such as surface temperature, precipitation and water resources, weather and other natural hazards, the emission or discharge of pollutants, and the impacts of multiple stresses on the environment due to human and natural causes.

To meet the need for the documentation of global changes on a long-term basis, the USGCRP integrates observations from both research and operational systems, such as NOAA's operational weather satellites and surface-based stations. The latter are essential for the USGCRP but are not included within the USGCRP programs or budget presentation.

Following are some of the specific observation and monitoring activities that support the various program elements.

<u>Understanding the Earth's Climate System</u>

- Data collection from the EOS-AM satellite will provide observations of cloud structure, water vapor distribution, aerosol particles, trace gases, and terrestrial and ocean properties. These data are required for improved monitoring and modeling of air-land and air-sea interaction and of the exchanges of carbon, energy, and water.
- Launch of JASON-1 will provide altimetry measurements for ocean circulation and sea-level change required for the monitoring and prediction of El Niño events.
- Launch of ACRIMSAT will provide accurate data to monitor solar irradiance, and for studies of solar-terrestrial/atmosphere interaction.
- Launch of the Seawinds satellite will provide more accurate measurements of ocean surface winds and wind stress required to run ocean models for El Niño prediction. The data are also required to improve weather forecasting.
- Further development of a Climate Reference Network, consisting of several hundred stations from the network of 7000 sites that measure temperature and precipitation

daily, will provide stable measurements of climate change with the requisite continuity over the instrumental record.
- Deployment of a pilot climate monitoring array in the tropical Atlantic, including moorings, surface drifting buoys, and autonomous profiling floats, will complement similar platforms in the tropical Pacific and expand the global domain of ocean surface and subsurface observations. Similar deployments will be carried out in the North Pacific and the Indian ocean.
- A third Atmospheric Radiation Measurement Station in the western Pacific will provide data on the effects of clouds on the Earth's radiative energy balance, a major source of uncertainty in climate models.

Biology and Biogeochemistry of Ecosystems
- Launch of the Vegetation Canopy Lidar (VCL) satellite will provide detailed measurements of the vertical structure of the vegetation canopy. These data are required to improve the mapping and categorization of vegetation/biosphere, the monitoring of change, and the parameterization in models of atmosphere-land surface processes involving the exchange of heat, momentum, moisture, and gases. The data will also contribute to distinguishing between deforestation and reforestation.
- Data from the Moderate Resolution Imaging Spectroradiometer (MODIS) instrument on the EOS-AM satellite will provide measurements of land and ocean surface temperatures, chlorophyll fluorescence, and land surface vegetation—key elements of land and ocean biology and ecosystems.
- Ongoing data collection from the Landsat satellites will provide continued monitoring and mapping of land surface characteristics, vegetation, soils, and minerals.
- The addition of several coastal sites to the existing Long-Term Ecological Research (LTER) network will provide data on the response of a broader distribution of ecosystems to short- and long-term climate changes, as well as data on the response to other stresses.

Composition and Chemistry of the Atmosphere
- Continued development of the EOS Chemistry satellite, scheduled for launch in December 2002, will provide: three-dimensional profiles on a global scale of all infrared active trace gas species from the surface to the lower stratosphere and measurements of greenhouse gas concentrations, tropospheric ozone, acid rain precursors, and gas exchange leading to stratospheric ozone depletion. Data will also be obtained on water vapor, aerosols, atmospheric temperature, polar stratospheric clouds, and cloud tops.
- Continued measurements of surface concentrations of ozone/UV radiation, and of CFCs and their replacement compounds, halons, and other chemicals regulated under the Montreal Protocol and its amendments, will be made by NOAA's Climate Monitoring and Diagnostics Laboratory network (a part of the ground-based Advanced Global Atmospheric Gas Experiment).
- Launch of the Total Ozone Mapping Spectrometer (TOMS) will lead to continued measurements of atmospheric ozone.
- Completion of the deployment of ultraviolet radiation spectrophotometers will provide data from a UV monitoring network at 14 national parks and 8 urban sites.

Paleoenvironment/Paleoclimate

- Improved technology to delineate more accurately the timing of pre-historical climatic events will provide data on the temporal and spatial character of natural climate variability and abrupt climate changes during the period prior to significant anthropogenic impact.
- Establishment of a global network of centuries-long paleoclimatic time series will help create links to sedimentological, paleobiological, and geochemical data.
- Continued extraction of paleoenvironmental data from North America will provide a clearer evaluation of climate-induced vegetation and ecosystem change over the last 20,000 years.

Human Dimensions of Climate Change

- Data from the ongoing Landsat program will provide monitoring and categorization data on land cover and land use, urban expansion, and agricultural practices.
- Integration of climate data with human health statistics will provide information on the occurrence and spread of vector-borne diseases, heat-related mortality, and vulnerabilities of social systems to climate variability and global change processes.
- Measures of the health effects of CFC replacement chemicals (HCFCs and halogenated hydrocarbons) and UV radiation will provide information to decisionmakers.
- LTER sites, which continue to provide information on the response of ecosystems to changes due to climate and other multiple stresses, will assist in distinguishing between direct and indirect human-induced impacts.

The Global Water Cycle

- Continued measurements from rainfall radar on board the Tropical Rainfall Measuring Mission (TRMM) satellite, together with surface radars and rainfall stations, will provide a benchmark for rainfall in the tropics. The data will be used to develop a rainfall climatology, validate climate models, and demonstrate the impact of rainfall in assimilation and weather forecast schemes. These data will provide key information for the improved understanding, monitoring, and modeling of the global water cycle, and assessment of water resources.
- The North American Rain Gauge Network will provide detailed information on the regional and local impact of El Niño and climate change on rainfall, water supply, and water resources.
- Data collection from the EOS-AM satellite will provide data on clouds and on the exchanges of water and energy between the atmosphere, land, and oceans. These data will also contribute to improved parameterizations in models of water/moisture transports and budgets, improved weather forecasting, and the prediction of the impacts of climate change on water resources.

Carbon Cycle Science

- The operation of 25 AmeriFlux sites, representing major ecosystem types in North and Central America (including forests, croplands, grasslands, rangelands, and tundra), will provide data for comparative (across ecosystem types) assessments of

atmosphere/terrestrial-biosphere exchanges of energy and water, net sequestration of carbon dioxide, and the effects of environmental factors (including climate variations) on the net exchange of carbon and the role of biophysical processes controlling this exchange

- Landsat, MODIS, and VCL, along with the Advanced Very High-Resolution Radiometer (AVHRR) will provide improved global measurements of vegetation cover and changes, key components in the carbon budget and carbon cycle of the Earth system. Ocean color data from MODIS will include global ocean productivity maps at weekly time intervals for assimilation into carbon cycle models.
- Continued data collection from SeaWifs will provide global and more accurate measures of ocean biology and land surface vegetation, which are key elements in the global carbon cycle.

Data and information management from these activities are critical to the success of the USGCRP, supporting not only scientists but also a broader range of users including teachers and educators, land use managers, and the public at large. Information on the availability of data sets will be widely disseminated through the Global Change Data and Information System (GCDIS). In FY 2000, the system will provide the following data products to the broad range of users:

- Integrated global data sets from both research and operational space- and ground-based platforms supporting all the research programs of the USGCRP.
- El Niño monitoring and prediction information.
- Warning of natural hazards.
- The analysis and assessment of:
- ozone depletion and associated chemistry;
- greenhouse gas concentrations;
- global and regional land and ocean surface temperature;
- global tropical precipitation;
- global vegetation cover;
- global ocean productivity;
- global and regional carbon sources and sinks;
- global and regional ecosystems;
- natural climate changes of the past;
- global and regional water resources;
- solar-climate relations; and
- global change and vector borne diseases.

Over the longer term, USGCRP agencies are exploring ways to maintain the long-term data records necessary for documenting and understanding global change. NASA, NOAA, and DOD, the partners in the National Polar-orbiting Operational Environmental Satellite System (NPOESS), are exploring ways to extend the long-term measurements of key global change parameters beyond the EOS AM-1 and PM-1 time frame to provide a bridge into the post-2008 NPOESS era. Internationally, the United States participates with other nations in the Committee on Earth Observation Satellites, which has called for developing an Integrated Global Observing Strategy (IGOS) to link space and in-situ observations in a common strategic framework. The United States also participates in the

international coordination of the Global Climate Observing System (GCOS), the Global Ocean Observing System (GOOS), and the Global Terrestrial Observing System (GTOS). The broader objective of IGOS is to develop a comprehensive strategy for integrated space-based and in-situ observations to monitor the interactive Earth system holistically, addressing the needs of scientific research and those of the broad community of users involved in operational resource management, international assessments, and policy development.

Box 3: Earth System Modeling and Simulation

Computer simulation models are the primary tools by which knowledge of the workings of the Earth System can be integrated, and the results of these models are, in many ways, one of the major payoffs of the USGCRP. Only through Earth system models can we, for example, predict future climate variability and change, including the possible effects of human activities on the global climate system. The long-term objective of Earth system modeling and simulation is to create and apply models that provide credible predictions (including levels of certainty and uncertainty) of changes and variations in climate on regional-to-global scales, along with useful projections of potential environmental and societal consequences. Gaining scientific understanding and predictive capability for variability and change in our planet's environment requires the study of the dynamic interactions among the major components of the Earth system, including the oceans, atmosphere, land surface, and sea ice.

Over the past several years, a number of internal and external analyses have identified significant problems with the U.S. climate modeling effort. The most recent of these is a study by the National Research Council, *Capability of U.S. Climate Modeling to Support Climate Change Assessment Activities*, which states that while the U.S. community is "a world leader in intermediate and smaller climate modeling efforts, it has been less prominent in producing high-end climate modeling results, which have been featured in recent international assessments of the impact of climate change." In the modeling community, the U.S. has been falling behind many other nations in its ability to perform long-term climate simulations. Modeling centers in Australia, Canada, England, Germany, and elsewhere have computational abilities that far exceed those of U.S. centers. The U.S. is now relying heavily on these foreign modeling centers in producing scenarios of how climate will evolve in the future. The NRC report went on to state that

> . . .insufficient human and computational resources are being devoted to high-end, computer intensive, comprehensive modeling, perhaps, in part, because of the absence of a nationally coordinated modeling strategy. . .In order to optimally use existing scientific capabilities, adequate resources, including greatly improved supercomputing capabilities, need to be provided to the climate modeling community. The reliance of the United States upon other countries for high-end climate modeling must be redressed.

The USGCRP agencies are working to provide short-term relief to the current computing capacity shortfall in the Nation's leading climate modeling centers. However, incremental changes to current capability and program structure will not be adequate to the long-term task. A more substantial response to this need is underway.

With DOE and NSF taking the lead, the USGCRP has been developing a long-range, Accelerated Climate Prediction Initiative (ACPI). The ACPI takes an integrated view of the improvements required to accelerate progress in climate simulation and projection of climate change. Interrelated activities in model development and evaluation, simulations, and projections, and analysis and assessment will be addressed by concurrent improvements in the models themselves, data availability and usefulness, computer speed and memory, collaboration and data management capabilities, and widespread

institutional interaction. The USGCRP agencies will develop a more integrated modeling strategy, including improved program integration and development of overall USGCRP climate modeling priorities that are closely linked to overall USGCRP climate system research objectives.

Major steps forward in large-scale U.S. climate modeling will require major increases in computational resources and a coupling of increased computational capability with increased scientific knowledge of climatological phenomena. Indeed, the specifically articulated goals of the ACPI are to: (1) accelerate progress in general circulation model development and application; (2) reduce substantially the uncertainties in model-based projections of global environmental change on the full range of relevant timescales; and (3) increase the availability and usability of global change projections to the broader environmental research and environmental assessment communities.

It is estimated that these goals will require, from the hardware side, horizontal model resolutions of 30 km in the atmosphere, 1 km of the land surface, and 5-10 km in the ocean. These needs, added to the requirements of multiple ensemble runs for statistical confidence, dictate the imperative for teraflop (trillions of operations per second) computational capability.

To achieve this enhancement of the Nation's climate modeling capabilities, many of the USGCRP agencies are participating in the Administration's Information Technology for the 21st Century initiative. The information technology focus for the USGCRP is on developing computational tools that will support climate modeling using the teraflop-scale computational resources created and made available through the overall Information Technology Initiative. This will be a key aspect of implementing the integrated strategy that is being developed through the ACPI.

In FY2000, USGCRP Earth system modeling and simulation activities will include:

- Providing improved modeling capability to support national and international assessments, including the 2002 WMO/UNEP Ozone Assessment and the 2001 and 2005 climate change assessments of the Intergovernmental Panel on Climate Change.
- Improving the ability to simulate regional patterns of natural climate variability and climate change, including improved predictions of climate change resulting from various potential greenhouse gas emission scenarios, through increasing the regional geographic resolution of models and incorporating more realistic representations of land-surface/atmosphere interactions and biogeochemical cycling.
- Providing to impacts and consequences researchers data sets of statistics for the probability of occurrence of extreme weather events (frequencies and magnitudes), under both natural climate variability and climate change scenarios, through analysis of ensembles of climate simulation runs to produce the statistics, means, and extremes of the predictions.

Box 4: Global Environmental Change Information Service

During the last decade, USGCRP-supported research has increased the world's scientific knowledge of global environmental change. Research supported by the USGCRP is laying the foundation for a viable, fully functioning U.S. Global Environmental Change Information Service supported by a multidisciplinary scientific research community. This service would assist society by providing information on how a changing global environment (i.e., physical, biological, and human systems) affects regions within the United States.

For example, in the last five years, USGCRP-supported research has assisted in the production and distribution of rainfall and temperature forecasts on timescales ranging from three to five days up to seasonal and interannual timescales. The challenge for the next decade is to expand global environmental change information to all timescales—days, seasonal, interannual, decadal, centennial, and millennial forecasts—and to include information on climate, ecosystems, carbon, water, and so forth.

The U.S. Global Environmental Change Information Service will integrate research, assessment, and prediction activities with the more traditional distribution of scientific information to provide:

1. Interface between producers of scientific information and decisionmakers/clients (e.g., Federal agencies, national security offices at the State Department, the intelligence community, the National Security Council, state and local governments, and the public) to ensure useful information is developed and distributed for the benefit of all.
2. Creation of environmental change information products for use by decisionmakers in affected sectors, including agriculture, human health, water resources, and energy.
3. Integration of currently existing elements of an environmental information service, including: national assessment programs; global change management applications and information activities; global change data and information activities; and the Global Change Research Information Office (GCRIO).

Box 5: International Connections

USGCRP scientists coordinate many of their programs with those of their counterparts in other countries to aggregate the scientific and financial resources needed for the study of global processes on a cohesive and comprehensive basis. This coordination is achieved through a series of global and regional programs. Some of the most important of these at present are:

World Climate Research Programme. The purpose of the WCRP is to develop the fundamental scientific understanding of the climate system and climate processes that is needed in order to determine the extent to which climate can be predicted, and the extent of human influence on climate. The U.S. Climate Variability and Predictability Program and Global Energy and Water Cycle Experiment are coordinated through WCRP.

International Geosphere-Biosphere Programme. The goal of the IGBP is to describe and understand the interactive physical, chemical, and biological processes that regulate the total Earth system, the unique environment that this system provides for life, the changes that are occurring in this system, and the manner in which these changes are influenced by human actions. U.S. programs coordinated through IGBP include the Joint Global Ocean Flux Study, the Global Ocean Ecosystem Dynamics project, and the Past Global Changes project.

International Human Dimensions Programme on Global Environmental Change. How humans interact with the environment, how individuals and societies can mitigate or adapt to environmental change, and how policy responses to such changes influence economic and social conditions are at the center of research on the human dimensions of global environmental change within the IHDP. Key IHDP programs underway address Land Use and Land Cover Change and the Institutional Dimensions of Global Environmental Change.

The Intergovernmental Panel on Climate Change was established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) to assess the available scientific, technical, and socioeconomic information in the field of climate change. The U.S. scientific community participates extensively in IPCC assessments, and the U.S. hosts the Technical Support Unit for IPCC Working Group II on Impacts, Adaptation, and Vulnerability.

The Inter-American Institute for Global Change Research is an intergovernmental organization with U.S. participation dedicated to global change research, to augmenting the scientific capacity of the the Americas, and to providing information in a useful and timely manner to policymakers. The primary objectives of the IAI are to encourage comparative research and focused global change research important to the region as a whole and beyond the scope of individual national programs.

The International Research Institute for Climate Prediction issues seasonal to interannual climate forecasts based on global and regional coupled ocean/atmosphere models. The IRI disseminates this forecast guidance to nations and groups vulnerable to such climate variability phenomena as El Niño and La Niña so that they might prepare for and respond to impacts on climate-sensitive sectors such as agriculture, health, and water resources. The IRI is a USGCRP initiative led by NOAA and housed at the

Columbia University/Lamont-Doherty Earth Observatory and the University of California, San Diego/Scripps Institution of Oceanography. The IRI is forging international partnerships for multilateral sponsorship and management of its programs.

The Integrated Global Observing Strategy Partnership brings together a wide range of international, intergovernmental, and nongovernmental organizations to develop a global observing strategy to meet the needs of global change research and of operational science programs. Key partners include the WCRP, IGBP, and potentially the IHDP; the WMO/UNEP, Intergovernmental Oceanographic Commission, and the Food and Agriculture Organization; the International Group of Funding Agencies for Global Change Research (IGFA) and the Committee on Earth Observation Satellites; and the International Council of Scientific Unions.

Development of Two New Integrated International Programs. The USGCRP, beginning in FY 1999, will work with the WCRP, IGBP, IHDP, IGFA, and individual international partners to develop integrated modeling, observational, and process research programs and activities to: (1) identify and quantify regional- to global-scale sources and sinks for carbon dioxide and other greenhouse gases and understand how these sources and sinks will function in the future; and (2) identify and quantify regional- to global-scale atmospheric transport and precipitation of water (which control the principal input of hydrological process and water-resource models) and study the global water cycle as a unifying theme that can bridge the gap in the spatial-scale spectrum between atmospheric and hydrological sciences. The latter effort will be coordinated nationally through planning underway to develop joint interagency programs and internationally through international programs that address water cycle research (e.g., the Climate Variability and Predictability Program, the Global Energy and Water Cycle Experiment, and the Biospheric Aspects of the Hydrological Cycle program). Both of the above-cited new international efforts are critical to development of climate databases and the prediction systems that utilize them.

Box 6: Assessment of Global Environmental Issues

Assessments and their related research play an integrative role across the USGCRP programmatic areas. They assemble and synthesize scientific results, increasing communication between scientists, the scientific communities, and the public and private sectors of our Nation, and identify gaps in knowledge, helping to incorporate user needs into the research agenda. Assessments are increasingly being viewed as an important vehicle for disseminating information to public policy and decisionmaking communities. The assessments of specific global environmental change issues, and related research, are designed to obtain the best possible understanding of such matters as:

1. How global environment change is the result of natural and/or human events.
2. How these changes potentially lead to consequences for societies and nations in such areas as food and agricultural production, water resources, human health, communities, or critical natural systems such as forests, grasslands, and fisheries.
3. How environmental, ecological, and resource changes will affect society and how, in turn, society will affect these systems.

The USGCRP participates in both international and national assessments.

International: The U.S. participates in a number of international assessments of the impacts and consequences of global environmental change, such as the Intergovernmental Panel on Climate Change (IPCC) assessments and the scientific assessments of ozone depletion, biodiversity, forests, and desertification. The USGCRP facilitates U.S. scientific participation in most of these assessments. The third IPCC assessment, scheduled to be completed early in FY 2001, will be a major international focus for the USGCRP well into the year 2000. USGCRP research programs and USGCRP-supported scientists provide scientific and technical input to these assessments. For example, a U.S. scientist serves as co-chair of the IPCC Working Group II on Impacts, Adaptation, and Vulnerability. Further, the USGCRP provides the venue, resources, and scientific and technical personnel to support this international Working Group. Most importantly, a substantial number of U.S. scientists will serve as lead authors, co-authors, contributors, and reviewers for the many chapters of the Third Assessment Report. The U.S. Government's scientific and technical review of the products of this international assessment process are coordinated by the USGCRP, and in so doing, the program invites input from a wide variety of sources, including many nongovernmental organizations and entities. While other international assessments will command some U.S. participation and resources, the IPCC Third Assessment Report will be the major effort well into FY 2000.

National: What are the risks and opportunities for the United States—its people, its environment, and its economy—associated with climate variability and climate change? This and related questions are being addressed in a National Assessment of the Consequences of Climate Change for the United States being conducted by the USGCRP, as mandated by the Global Change Research Act of 1990. This assessment involves a broad spectrum of stakeholders in the Nation from government, business, academia, and

other interested parties. This first national assessment includes a set of regional assessments (20 regions throughout the U.S.), assessments of the consequences of climate change on five important societal and economic sectors of our nation (water resources and availability, agriculture and food production, human health, forests, and coastal areas), and a synthesis that draws together the regional and sectoral assessments in a summary for policymakers. The National Assessment will be completed and documented early in FY 2000.

Assessment-related research, while a new component of the USGCRP still in its early stage, has the potential to link research results to the needs identified by the assessment process, and focuses on users' needs (e.g., applications of El Niño predictions to societal needs in such areas as agriculture, forest management, water resources, public health, etc.). During coming years, this type of research will likely be an increasingly important part of the USGCRP. Applications-oriented research efforts are being developed by several agencies and will be integrated into the ongoing USGCRP efforts in FY 2000 and beyond.

APPENDIX A

The Proposed USGCRP Budget for FY 2000

The proposed FY 2000 USGCRP budget totals $1.786 billion, a 6.1% increase above the FY 1999 budget level. As outlined in this edition of *Our Changing Planet*, the USGCRP budget supports scientific research on key global change issues, including Understanding the Earth's Climate System, the Biology and Biogeochemistry of Ecosystems, the Composition and Chemistry of the Atmsophere, Paleoenvironment/Paleoclimate, the Human Dimensions of Global Change, the Global Water Cycle, and Carbon Cycle Science.

The figure and tables in Appendix A provide the following:

- USGCRP budget for FY 1998–FY 2000 by department and agency
- USGCRP budget for FY 1998–FY 2000 by budget function
- USGCRP budget for FY 2000 by program element

The table below showing the USGCRP budget for FY 1998–FY 2000 by department and agency presents the USGCRP budget in two broad components: Scientific Research and Space-Based Observation Programs. This distinction is intended to make clearer the portion of the USGCRP budget that supports scientific research by individual investigators and small groups, as compared with the portion that supports NASA's Earth Science program components relating directly to space missions—particularly the Earth Observing System series of satellites and data information systems, which provide data in support of research activities. It is important to recognize that the national system of operational environmental satellites and ground-based networks, while vital to the collection of atmospheric and ocean-surface data for global change research, is not included in the USGCRP budget.

Of the total USGCRP FY 2000 budget request, 54% supports Space-Based Observation Programs while 46% supports Scientific Research. The FY 2000 request for $829 million for Scientific Research is an 11.0 % increase above the FY 1999 budget level. The $958 million request for Space-Based Observation Programs is a 2.2% increase above the FY 1999 budget level.

FY 1998 - 2000 U.S. Global Change Research Program Budget by Agency (Dollars in Millions)

AGENCY	FY98	FY99	FY00
Scientific Research			
Department of Agriculture (USDA)*	53	55	89
Department of Commerce (DOC/NOAA)	60	63	70
Department of Energy (DOE)	106	114	125
Department of Health and Human Services (HHS/NIH)	35	40	40
Department of the Interior (DOI)	26	27	27
Environmental Protection Agency (EPA)	13	17	23
National Aeronautics and Space Administration (NASA)	212	240	261
National Science Foundation (NSF)	167	182	187
Smithsonian Institution (SI)	7	7	7
Scientific Research Subtotal	679	745	829
Space-Based Observation Programs			
National Aeronautics and Space Administration (NASA)	998	937	958
U.S. Global Change Research Program Total	1,677	1,682	1,787

*USDA budget for USGCRP revised from FY 2000 President's Budget (see Chapter 7. Promoting Research, p.112)

FY 1998 - 2000 U.S. Global Change Research Program
Budget by Budget Function (Dollars in Millions)

Budget Function	Budget Function Number	FY 1998	FY1999	FY 2000 Request
TOTAL		1,677	1,682	1,787
General Science, Space & Technology	250			
National Aeronautics and Space Administration (NASA)		1210	1177	1219
National Science Foundation (NSF)		167	182	187
Energy	270			
Department of Energy (DOE)		106	114	125
Natural Resources & Environment				
Department of Commerce (DOC/NOAA)	300	60	63	70
Department of the Interior (DOI)		26	27	27
Environmental Protection Agency (EPA)		13	17	23
Department of Agriculture (USDA/FS & NRCS)		18	18	37
Agriculture				
Department of Agriculture (USDA/ARS, ERS & CSREES)	350	35	37	52
Smithsonian Institution (SI)	503	7	7	7
Health				
Department of Health and Human Services (HHS/NIH)	550	35	40	40

FY 2000 U.S. Global Change Research Program by Program Element
(Dollars in Millions)

Program Element	DOC NOAA	DOE	DOI	EPA	HHS	NASA Observ.	NASA Science	NSF	SI	USDA	Element Total
Understanding the Earth's Climate System	41.3	70.4	6.7	0.0	0.0	348.0	56.1	83.7	0.4	0.0	606.6
Composition & Chemistry of the Atmosphere	8.8	15.6	0.0	0.0	0.0	240.3	74.3	18.7	0.3	16.2	374.2
Global Water Cycle	5.0	4.0	0.0	0.0	0.0	207.8	65.2	9.7	0.0	0.0	291.7
Carbon Cycle Science	7.0	14.8	3.4	0.0	0.0	81.1	37.5	13.1	0.3	31.5	188.7
Biology and Biochemistry of Ecosystems	0.0	12.0	12.7	3.0	0.0	81.0	27.6	29.0	3.8	41.1	210.2
Human Dimensions of Global Change	5.2	4.8	0.0	20.0	40.2	0.0	0.0	14.0	0.6	0.0	84.8
Paleoenvironment/Paleoclimate	2.4	0.0	0.0	0.0	0.0	0.0	0.0	19.3	1.6	0.0	23.3
Agency Total	69.7	121.6	22.8	23.0	40.2	958.2	260.7	187.5	7.0	88.8	1,779.5

DOC/NOAA Department of Commerce/National Oceanic and Atmospheric Administration
DOE Department of Energy
DOI Department of the Interior
EPA Environmental Protection Agency
HHS Department of Health and Human Services
NASA Observ. National Aeronautics and Space Administration Space-Based Observations
NASA Science National Aeronautics and Space Administration Scientific Research
NSF National Science Foundation
SI Smithsonian Institution
USDA Department of Agriculture

Notes:
DOE $3.2m classified as Small Business Innovative Research not included
DOI $4.4 m classified as Data Management not included.

APPENDIX B
The FY 1998-2000 USGCRP Budget by Agency and Program

Appendix B includes budgets for programs designated by participating agencies for inclusion in the USGCRP. The budget pages for individual agencies that follow include a listing of these programs, as well as a general description of each agency's "Areas of Global Change Research." For each agency, a "FY 2000 Program Highlights" section briefly outlines some of the key USGCRP-related activities proposed for the coming year. In addition, the agencies conduct a broad range of "Related Research," as indicated, funding for which is not included as part of the USGCRP budget because the research is conducted primarily for other purposes.

The resources allocated to specific programs within agencies as reflected in these tables for FY 1999 appropriated funds and the FY 2000 budget request are estimates only, and are subject to change based on decisions on scientific and programmatic priorities among USGCRP agencies and their advisory bodies and on the input of the national and international scientific communities.

Each agency budget also includes a "Mapping of Budget Request to Appropriations Legislation." The entry for each department or agency points to the location (or locations) in the various Appropriations bills (and, in some cases, Appropriations Committee reports) of funding for USGCRP activities. Note that it is common for global change research to be funded within Appropriations accounts that also include funding for other activities, so that Appropriations bills and committee reports do not necessarily designate funding specifically for global change research. Thus, the actual funding level for global change research activities must be determined, in part, by decisions within agencies about how to allocate appropriated funds. It should also be noted that global change research activities are funded by several different Appropriations bills. Thus, the relationship between the USGCRP budget and the Appropriations process is complex and not easily summarized.

Department of Agriculture

USDA	Program Title	FY98	FY99 Estimate	FY00 Request
ARS	Agriculture and Rangeland Global Change	12.1	11.3	19.3
ARS	Methyl Bromide Research	14.6	14.6	14.6
CSREES	Improved Response Models	6.4	8.6	14.6
CSREES	UV-B Monitoring Network	1.0	1.0	1.6
ERS	Economic Incentives Carbon Sequestration	0.0	0.0	0.7
ERS	Economics of Global Change and Agriculture	0.8	0.8	0.8
FS	Forest Global Change	16.9	16.9	22.9
NRCS	Soil Carbon Studies	1.2	1.5	13.5
USDA	USGCRP National Assessments of Climate Change Impacts	0.0	0.0	0.8
	USDA Total	**53.0**	**54.7**	
	President's Request			**88.8**

*USDA budget for USGCRP revised from FY 2000 President's Budget (see Chapter 7. Promoting Research, p.112)

ARS Agricultural Research Service
CSREES Cooperative State Research, Education, and Extension Service
ERS Economic Research Service
FS Forest Service
NRCS Natural Resources Conservation Service

Areas of Global Change Research. USDA-sponsored research focuses on understanding terrestrial systems and the effects of global change (including water balance, atmospheric deposition, vegetative quality, and UV-B radiation) on food, fiber, and forestry production in agricultural, forest, and range ecosystems, and examines how agricultural and forestry activities can contribute to a reduction in greenhouse gases. USDA research provides policymakers and agricultural producers with useful scientific information. Research areas include: interactions between terrestrial ecosystems and the atmosphere; methane generation and nitrous oxide release; soil properties, including moisture, erosion, organic matter, nutrient fluxes, and microbes; the relationship of global change to forest and range fires, insects, and plant pathogens; global change and agricultural management systems; and the contributions of agricultural sources of methyl bromide to stratospheric ozone depletion, and possible alternatives and substitutes for this fumigant.

In FY 2000, USDA will increase its carbon cycle research program. As part of the interagency Carbon Cycle Science Program, USDA will collaborate with other Federal agencies to conduct research to better understand how agricultural practices affect the net carbon balance and develop methods that will assist farmers, ranchers, and forest landowners to increase carbon sequestration. Special emphasis will be given to measurement of the effects of management and conservation practices on carbon storage in cropland and grazing lands. Basic research will define the mechanism by which soil carbon is lost to the atmosphere or transferred to stable carbon pools. USDA will also identify and quantify carbon sources, sinks, and fluxes for all U.S. forest land, including marginal agricultural land and other potential conversion land-use types. USDA will expand and digitize its cooperative soil survey data bases that provides information necessary to assess the impact of policies directed at increasing the terrestrial carbon stock. Additional research will be directed at estimating the economic feasibility of carbon sequestration strategies.

FY 2000 Program Highlights. ARS will continue to focus on four broad research areas: 1) experimental determinations of the direct effects of rising atmospheric CO_2 levels, increasing temperatures, and their interaction with the physiology and performance of crop plants and with ecosystem processes that control productivity of grazing lands; 2) carbon and nitrogen cycling and fluxes between the terrestrial surface and the atmosphere, including sequestration of carbon in soils and vegetation; 3) changes in hydrological processes associated with climate change that may affect water quality, efficiency of use by crops, and availability for industry, urban use, and irrigated agriculture; and 4) the development of simulation models with required inputs for predicting responses of crops, watersheds, and managed ecosystems to global change.

CSREES will continue to support the USDA UV-B Monitoring Network. Information from this research network is combined with satellite-based measurements to provide an accurate climatological UV-B irradiance database. This database documents long-term trends and supports research on plant effects on the factors controlling UV-B irradiance; radiation transfer model development; and assessment of the potential for damage to ecosystems. Global Change research in CREES's National Research Initiative (NRI) Competitive Grants Program aims to increase understanding of the possible impacts of global environmental change on the sustainability of agriculture and forestry. Research projects are supported that will reduce uncertainty regarding the effects of possible changes in temperature and precipitation patterns, rising CO_2 levels, and altered radiation on crop productivity, natural resources, hydrological processes, and water availability. The NRI Programs that solicit global change research are: 1) Plant Responses to the Environment; 2) Ecosystems Science; 3) Soils and Soil Biology; and 4) the NSF/DOE/NASA/USDA/NOAA Joint Program on Terrestrial Ecology and Global change (TECO).

ERS will continue its analysis of the agricultural links to biodiversity, land-use change, and the ability to satisfy increased demands for agricultural goods and services while minimizing damage to the world's natural resources. Research also will assess the potential farm sector impacts of changing weather variability and farmer adaptation to changing environmental conditions. In FY 2000, ERS will initiate a new research program to assess the economic feasibility of various climate change mitigation efforts in U.S. agriculture, focusing on the economic potential for domestic carbon sequestration and control of trace gases in agriculture, the use of economic incentives to encourage carbon sequestration on agricultural lands, and the potential to target existing USDA conservation programs toward promoting greenhouse gas mitigation activities in the farm sector.

FS global change research focuses on determining how atmospheric changes and potential climatic change may affect forest productivity, forest health, and species distributions. Ecosystem-scale experiments involving increased CO_2 and other environmental factors have begun at several sites representing major U.S. forest types. As the uncertainty in model predictions is reduced, analysts are describing likely socioeconomic effects of global change on forests in the various regions of the United States. For example, the Mapped Atmosphere-Plant-Soil System simulates ecosystem distribution and function under current and potential future climates. Forest and grassland ecosystems are major factors in understanding and enhancing global and regional carbon cycles. In FY 2000 the Forest Service will enhance its long-term research on forest and grassland carbon cycles, with particular emphasis on the soil component. This enhanced carbon research effort will result in better information for use by forest resource managers to improve carbon cycle management on their lands.

NRCS will collect data necessary to build validated, verified baseline soil carbon inventories and assess policy-driven impacts on soil carbon stocks at national, regional, and field-level scales. NRCS goals include establishing baseline soil carbon levels under various covers/management systems; developing a "use-dependent" soil carbon database integrated with national soils databases; collecting soil carbon data on a sample-based inventory frame for national and regional level inventory estimation; and testing the use of models and field collection of soil carbon data. In conjunction with ARS, NRCS will test soil carbon prediction/planning tools.

Related Research. In addition to focused USGCRP research, the USDA sponsors research contributing to the assessment of global change effects on the agricultural food and fiber production systems and the forest and forest ecosystems of the United States and worldwide. Programs include long-term studies addressing the structure, function, and management of forest and grassland ecosystems; research in applied sciences, including soils, climate, food and fiber crops, pest management, forest fish

and wildlife, and social sciences; implementation of ecosystem management on the national forests and grasslands; and human interaction with natural resources.

Mapping of Budget Request to Appropriations Legislation. In the Agriculture Appropriations Bill, USGCRP activities are funded under Title I-Agricultural Programs, within the Agricultural Research Service (ARS), Cooperative State Research, Education, and Extension Service (CSREES) Research and Education Activities, and Economic Research Service (ERS) accounts; and under Title II-Conservation Programs, within the Natural Resources Conservation Service (NRCS) Conservation Operations account. In the Interior and Related Agencies Appropriations Bill, USDA USGCRP activities are funded in the USDA Forest Service (FS) section under Title II-Related Agencies, within the FS Forest Research account.

Department of Commerce/ National Oceanic and Atmospheric Administration

DOC	Program Title	FY98	FY99	FY00 Request
NOAA	Aerosols Project	1.1	1.1	1.1
NOAA	Applications of Regional Forecasts	2.9	3.5	3.5
NOAA	Atmospheric Chemistry Project	6.5	6.6	7.0
NOAA	Carbon Cycle Science	3.9	3.9	7.0
NOAA	Climate Change Data and Detection	4.6	4.6	4.8
NOAA	Climate Dynamics and Experimental Prediction	14.4	16.5	17.0
NOAA	Climate Variability (CLIVAR)	16.8	17.0	19.5
NOAA	Economics and Human Dimensions of Climate Fluctuations	1.7	1.7	1.7
NOAA	Global Energy and Water Cycle Experiment (GEWEX)	5.0	5.0	5.0
NOAA	Health of the Atmosphere*	0.8	0.8	0.8
NOAA	Paleoclimatology	2.3	2.3	2.3
	DOC TOTAL	**60.0**	**63.0**	
	President's Request			**69.7**

* Not formally part of the NOAA Climate and Global Change Program; funding transferred to the NOAA Health of the Atmosphere Program.

Areas of Global Change Research. NOAA's global change efforts are designed to provide a predictive understanding of the climate system and its modes of variability, and to advance the application of this information in climate-sensitive sectors through a suite of process research, observations and modeling, and application and assessment activities. Specifically, NOAA's research program includes ongoing efforts in operational in situ and satellite observations with an emphasis on oceanic and atmospheric dynamics, circulation, and chemistry; understanding and predicting ocean-land-atmosphere interactions, the global hydrological cycle, and the role of global transfers of carbon dioxide among the atmosphere, ocean and terrestrial biosphere in climate change; improvements in climate modeling, prediction, and information management capabilities; the projection and assessment of variability across multiple timescales; the study of the relationship between the natural climate system and society and the development of methodologies for applying climate information to real problems of social and economic consequences; and archiving, management, and dissemination of data and information useful for global change research.

FY 2000 Program Highlights. In FY 2000, NOAA will continue to advance understanding of 1) whole-system dynamics and modes of climate variability, for example the El Niño Southern Oscillation (ENSO) and the Northern Atlantic Oscillation (NAO); and 2) the application of information generated by this research to decision-making processes in climate-sensitive regions and sectors, such as agriculture, water management, hydropower, human health, and transportation infrastructure. FY 2000 program highlights include the following:

- Improving regional-scale modeling and the prediction of seasonal to interannual variability over North America.
- Increasing understanding of the role of the Atlantic Ocean in climate changes, with an initial focus on the relationship between tropical Atlantic variability and the North Atlantic Oscillation.
- Continuing the advancement of a sustained Atlantic observing system to support CLIVAR research.

- Advancing the improvement of models and modeling systems for seasonal to interannual climate prediction and the ability to provide regional-scale forecasts and predicted probabilities of extreme.
- Developing a comprehensive understanding of the effects of land surface forcing on climate during the full annual cycle and the effects of orography on precipitation and water supply in the western and central parts of the Missouri River Basin, and concluding several demonstration projects with water resources agencies in the eastern part of the Mississippi River Basin.
- Advancing detailed studies of past climate variability on seasonal to centennial time scales using century to millennia-long paleoenvironmental proxy records in order to improve the current understanding of seasonal to interannual.
- Increasing our understanding of the global transfers of CO_2 between the atmosphere, ocean, and terrestrial biosphere, thereby helping to constrain predictions of the uptake of anthropogenically-released CO_2 within these reservoirs; the initial focus will be on the sinks of carbon in the North American continental region.
- Supporting focused data set development and research activities contributing to the IPCC Third Assessment Report and the U.S. National Climate Assessment, and providing support for World Climate Research Program and International Geosphere-Biosphere Program objectives; and working with Global Climate Observing Systems and others to prevent degradation of long-term data sets.
- Advancing efforts to reduce uncertainties in the understanding of direct radiative forcing by tropospheric aerosols through an integrated program focused on targeted, in-situ measurements of aerosols chemical, physical, and radiative properties, integrated with model analyses of the distributions and radiative forcing of key aerosol types.
- Characterizing the "ozone-friendliness" of substitutes for ozone-depleting gases, developing methods for the detection of the recovery of the ozone layer, assessing new airborne measurement methods for key chemicals species like nitric acid (the "missing sink"?), characterizing the regional variance of tropospheric ozone and its role in the heat budget, and quantifying the absorption of radiation in clouds by lightning-produced chemical species in selected locations.
- Advancing our understanding of societal vulnerability and current coping mechanisms related to climate variability on seasonal up to decadal timescales (including climate extremes and surprises), and the potential use of climate information for planning purposes.
- Advancing existing efforts to foster the application of forecast information in climate-sensitive regions and sectors such as agriculture, water management, energy, human health, and transportation infrastructure through 1) continuing the process of integrating basic science and human dimension program outputs into regional assessments efforts; 2) developing one or two new projects; and 3) exploring opportunities for scientific and programmatic learning within the context of these pilots.

Related Research. In addition to focused USGCRP research, related NOAA activities include advance short-term weather forecasting and warning services; marine ecosystem research; prediction and observation systems in support of weather and seasonal to interannual climate forecasts; facilitating the dissemination of global change information; and strengthening facets of environmental technology.

Mapping of Budget Request to Appropriations Legislation: In the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, NOAA activities are funded under Title II–Department of Commerce and Related Agencies, within the NOAA Operations, Research, and accounts. In Appropriations Committee reports, funding for NOAA's USGCRP activities is included as part of the Climate and Global Change budget within Oceanic and Atmospheric Research.

Department of Defense

Areas of Global Change Research. The Department of Defense does not support dedicated global change research, but continues a history of participation in the USGCRP through sponsored research that concurrently satisfies National Security requirements and stated goals of the USGCRP. A non-inclusive summary of related Defense research that highlights collaborative opportunities with other agencies is described below.

FY 2000 Program Highlights. Defense research associated with the USGCRP keys on data collection and research to enhance seasonal to interannual prediction. Under the aegis of the Navy-led, multi-agency, National Oceanographic Partnership Program (NOPP), several data collection efforts are underway and/or planned: an Ocean Drifting Buoy Program with NSF, DOE, and NOAA partners will continue; several projects based on a FY 1999 NOPP solicitation for (1) Data Assimilation and Modeling and (2) High Resolution Ocean Measurement technology will be in place; and a NOPP-sponsored report on National Ocean Observation needs will be available pursuant to a FY 1999 Congressional request.

DOD investments in new and novel sensors include the third generation Polar Ozone and Aerosol Measurement (POAM III) sensor system aboard the SPOT satellite, which is providing high-resolution stratospheric ozone measurements to complement data from NOAA and NASA satellite sensors (TOMS/SBUV). WINDSAT, a passive, polarimetric, radiometer designed for high-resolution measurement of ocean waves is sponsored by DOD and NOAA and scheduled for a 2002 launch. High-resolution hyperspectral space-borne sensors are scheduled for launch in the 2000-2002 timeframe.

The Defense Modeling and Simulation Office (DMSO) World Wide Web site http://mel.dmso.mil provides access to a variety of environmental and geospatial data and models. The multiagency MEDEA group will continue to bridge the national security and civil community for access to classified environmental data.

In the high latitudes, reduction and analyses of data from the Surface Heat Budget of the Arctic (SHEBA) project will continue to provide insights into mass and energy balances between the atmosphere, ocean, and Arctic ice pack. Data analysis from the final scheduled SCICEX cruise in CY 1999 on a specifically configured Navy nuclear submarine will include detailed studies of bathymetric, gravimetric, and oceanographic measurements under the Arctic ice canopy. Work on the Nation's only operational Arctic sea ice model, the Navy's Polar Ice Prediction System model (PIPS 3.0), will focus on developing a more robust ocean circulation module and improved ice morphology to more accurately represent the complex dynamic regime in the high Arctic. A new U.S.-Russia program, the Arctic Climate Observations using Underwater Sound (ACOUS), is an acoustic thermometry investigation along specific mode paths. ACOUS will provide near-continuous temperature profiles along transects in the Arctic ocean—information vital for thermodynamic investigations. This unique Navy program is included in the framework of the Gore-Primakov Joint Commission on Economic and Technological Cooperation.

Navy and NSF-sponsored researchers will partner with colleagues from Korea and Japan in a Sea of Japan Physical Oceanography science program in 2000. The DOD Marine Boundary Layer research in air-sea gas transfer mechanisms is closely coordinated with related NSF and DOE carbon cycle research.

The Navy Ocean Modeling Program (NOMP) continues work on nested high-spatial-resolution, coupled air-sea-terrestrial regional models. Current versions are demonstrating 9-km resolution operating on UNIX and PC host machines.

All data and research results are routinely made available to the civil science community.

Related Research and Infrastructure. DOD-sponsored research and supporting infrastructure, not describe above, also contributes to observing, understanding, and predicting environmental processes related to global change. Associated programs include: theoretical studies and observations of solar phenomena; monitoring and modeling of unique features in the middle and upper atmosphere; terrestrial and marine environmental quality research, and energy conservation measures. DOD's continued investments in environmental infrastructure, such as the university Oceanographic Research Fleet, the Cold Regions Research and Engineering Laboratory, and the various services' globally-operational oceanographic and meteorological support structures, will continue to provide data and services of benefit to USGCRP efforts.

Department of Energy

DOE		FY98	FY99	FY00 Request
BER	Atmospheric Chemistry & Carbon Cycle	20.7	27.1	26.1
BER	Climate & Hydrology	63.1	64.1	74.4
BER	Ecological Processes	13.1	12.3	12.0
BER	Human Interactions	8.9	7.5	9.1
BER	Small Business Innovative Research/ Technology Transfer	0.0	3.0	3.2
	DOE Total	**105.8**	**114.0**	
	President's Request	110.1	113.2	**124.8**

BER Biological and Environmental Research Program

Areas of Global Change Research. Research by DOE's Office of Biological and Environmental Research addresses the effects of energy production and use on the global Earth system primarily through studies of climate response. It includes research in climate modeling, atmospheric chemistry and transport, atmospheric properties and processes affecting the Earth's radiant energy balance, sources and sinks of energy-related greenhouse gases (primarily CO_2), consequences of atmospheric and climatic changes on vegetation and ecosystems, critical data needs for global change research and for early detection of climatic change, support of scientifically based assessments of environmental and economic consequences of climate change, and funding for education and training of scientists and researchers in global change.

FY 2000 Program Highlights. The DOE Biological and Environmental Research (BER) program utilizes the unique multidisciplinary facilities of the DOE National Laboratories and supports research and infrastructure at these Laboratories, universities, and other research institutions. With the other USGCRP agencies, a new focus in FY 2000 is the Accelerated Climate Prediction Initiative (ACPI), which will integrate the frontiers of computational science and climate science to accelerate progress in climate simulation model development and application; to substantially reduce the uncertainties in decade-to-century model-based projections of climate change; and to increase the availability and utility of climate change projections to the broader climate change research and assessment communities. Additional new resources are requested by DOE for new research to advance understanding of the global carbon cycle, particularly how natural processes control the exchange of carbon between the atmosphere and terrestrial and marine ecosystems. In support of the USGCRP, the BER program includes activities in the following four key areas:

1) Climate and Hydrology: The Atmospheric Radiation Measurement (ARM) program focuses on the improvement of parameters for climate prediction. In FY 2000, ARM will deploy the third research station in the Tropical Western Pacific and continue activities at the Southern Great Plains and on the North Slope of Alaska. The Unmanned Aerial Vehicle program will complete additional experiments and data analysis to resolve the excess absorption uncertainty.

In FY 2000, the Program on Climate Model Diagnosis and Intercomparison (PCMDI) will focus on phase 2 of the international Coupled Model Intercomparison Project, and the Computer Hardware, Advanced Mathematics and Model Physics (CHAMMP) program will provide results of the first set of new Parallel Climate Model climate simulations. The ACPI will focus on the analysis and downscaling of GCMs for regional studies, on multi-institutional model development research for long time simulation at regional resolution, and improved predictability and parameterization of GCMs.

2) Atmospheric Chemistry and Carbon Cycle: In FY 2000, new resources will be invested in new carbon cycling research that will seek to reduce the uncertainties in the estimated net exchange of anthropogenic carbon dioxide between the atmosphere and terrestrial and ocean systems and to explore the biophysical processes controlling the net exchange. In FY 2000, the Terrestrial Carbon Processes (TCP) will focus on regional-scale calibration of calculated net primary productivity using NASA satellite-derived estimates. With the Program on Ecosystem Research (PER) and the National Institute for Global

Environmental Change (NIGEC), the AmeriFlux CO_2 measurement network will analyze model-derived estimates and experimental results.

In FY 2000, Environmental Meteorology research will focus on vertical transport and mixing and on studies of the transitions between stable and convective conditions. The Atmospheric Chemistry program will focus on aerosols and research in support of NARSTO.

In FY 2000, BER and NOAA will enter the final phase of joint activities to synthesize data from the ocean carbon dioxide surveys. The Biological Investigations - Ocean Margins Program (BI-OMP) will be recompeted, focusing on linkages between carbon and nitrogen cycles in marine microbes and on developing collaborative partnerships between institutions with strong traditions in marine biology with those with emerging capabilities.

3) Ecological Processes: In FY 2000, PER, TCP, and the NIGEC programs will continue to support experimental and modeling studies to assess the consequences of human-induced climate changes and of increases in atmospheric CO_2 and tropospheric ozone on major terrestrial ecosystems and resources. The research includes Free-Air Carbon Dioxide Exchange (FACE) experiments to examine responses of terrestrial vegetation and ecosystems to elevated concentrations of atmospheric CO_2 and will include approaches for conducting multi-factor experiments on intact ecosystems. PER will continue Throughfall Displacement Experiment studies on hardwood forest ecosystems.

4) Human Dimensions: The Integrated Assessment program analyzes the entire climate change system, from emissions through impacts. The program supports the analysis of benefits and costs as well as presents the results of the USGCRP to the policy process. FY 2000 will focus on supply curves for gases other than carbon dioxide and on the development of supply curves for land use and carbon sinks.

The three components of the Global Change Education Program are: (1) the Summer Undergraduate Research Experience, involving students at the end of their sophomore or junior years and including mentored research experience at national laboratories; (2) the Graduate Research Environmental Fellowships; and (3) a continued partnership in the multi-agency Significant Opportunities in Atmospheric Research and Science (SOARS) undergraduate and graduate program.

The Carbon Dioxide Information Analysis Center (CDIAC), a component of the U.S. Global Change Data and Information System (GCDIS), provides access to current global-change information and quality-assured and fully documented numeric data, technical publications, newsletters, and research summaries. FY 2000 will focus on management of data from the FACE experiments, NARSTO, and AmeriFlux.

The National Institute for Global Environmental Change (NIGEC) supports research at universities and in FY 2000 will emphasize research at AmeriFlux sites and on implementing scientifically-based assessments of the consequences of climate change.

Related Research. DOE plays a major role in the President's Climate Change Action Plan to reduce greenhouse gas emissions through changes in energy supply and improvements in energy efficiency and conservation. Building on global change research, activities in carbon management are part of the Climate Change Technology Initiative.

Mapping of Budget Request to Appropriations Legislation. In the Energy and Water Development Appropriations Bill, DOE USGCRP activities are funded under Title III, Department of Energy, within the Energy Supply, Research, and Development Activities account. In Appropriations Committee reports, funding for DOE's USGCRP programs is included within the Biological and Environmental Research account.

Department of Health and Human Services
National Institutes of Health

HHS	Program Title	FY98 Actual	FY99 Estimate	FY00 Request
NIEHS	Human Health Effects of Exposure to UV Radiation & CFC Replacement Chemicals	4.2	4.4	4.5
NEI	Health Effects of UV Radiation	9.3	10.4	10.7
NCI	Health Effects of UV Radiation	21.4	24.6	24.7
NIAMS	Health Effects of UV Radiation	0.3	0.3	0.3
	HHS Total	**35.2**	**39.7**	
	President's Request			**40.2**

NCI National Cancer Institute
NEI National Eye Institute
NIAMS National Institute of Arthritis and Musculoskeletal and Skin Diseases
NIEHS National Institute of Environmental Health Sciences

Areas of Global Change Research. Four NIH institutes support research on the health effects of UV and near UV radiation: the National Institute of Environmental Health Sciences (NIEHS), National Eye Institute (NEI), National Cancer Institute (NCI), and National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS). Their principal objectives include an increased understanding of the effects of UV and near UV radiation exposure on target organs (e.g., eyes, skin, immune system) and of the molecular changes that lead to these effects, and the development of strategies to prevent the initiation or promotion of disease before it is clinically defined. In addition, NIEHS supports research on the health effects of CFC replacement chemicals, including studies on the metabolism and toxicity of HCFCs and halogenated hydrocarbons.

FY 2000 Program Highlights. The NIEHS program supports grants and intramural projects that investigate the effects of UV exposure on the immune system, aging process, sensitive tissues such as the retina and skin, and methods to reduce these harmful effects. Other projects involve the comparison of mutagenic potential in bacteria of UV and near UV radiation at levels found in natural sunlight and at levels anticipated with a 15 percent depletion of stratospheric ozone. Several projects supported by NIEHS are investigating molecular changes in DNA that lead to aberrations and mutations in human tissue, rodents, fruit flies, and bacteria. In addition, these studies are investigating the variety of ways these organisms repair damage to DNA resulting from UV exposure. Other studies include research on the photobiological mechanisms involved in aging caused by chronic UV damage, antimalarial drugs to determine whether the cutaneous and ocular side effects associated with their use are light-induced, and the photochemistry of all light-absorbing components of the eye to determine whether long-term exposure to light contributes to the deterioration of clarity of the lens and functioning of the retina.

A major NEI initiative is underway to determine how and why eye cataract develops and to search for ways to prevent or slow the progression of cataract, an age-related eye disease that affects 17-20 million people globally. Since UVB radiation has been implicated as a specific risk factor in cataract, this project is investigating its role in cataract development. Another important area of NEI research is the understanding of certain enzymatic and nonenzymatic detoxification systems in the eye and how they combat damage from UVB radiation. The goal of this effort is to identify drugs that might have therapeutic or preventative applications. UVB radiation has been implicated in the production of singlet oxygen and other active species of oxygen by photodynamic action of the photosensitizers present in the normal eye. One of the long-term goals of NEI research is to define a molecular mechanism for the changes in the vitreous fluid and lens components (such as hyaluronic acid, collagen, and the crystallin proteins) and determine whether there is a link between photooxidation and certain eye diseases.

The NCI is supporting a wide range of studies to characterize the etiology, biology, immunology, and pathology of a variety of changes in the skin, including photoaging, non-melanoma skin cancers, and

melanoma caused by exposure to UV radiation. For example, the role of reactive oxygen molecules in development of melanoma is being studied, as well as evaluation of antioxidants such as beta-carotene to prevent deleterious effects. Other research is exploring UV-induced immunosuppression, which is critical to the development of UV-induced skin tumors, and the cellular and molecular basis for the genetic predisposition to UVB-induced skin cancer in people with Basal Cell Nevus Syndrome.

NIAMS supports basic and clinical research on the effect of UVA and UVB radiation on skin. This includes direct toxic effects, drug-induced photosensitivity, photoaging, effects on the skin's immune functions, mutagenesis, and carcinogenesis. The effect of UV on the skin's pigment-forming system and therapeutic uses of UV in the treatment of skin diseases are also topics of interest to NIAMS.

Related Research. In addition to research areas that are designated as part of the USGCRP, NIEHS conducts research related to other impacts of global change on human health, including the effects of environmental and occupational exposures to air pollution, agricultural chemicals, and materials used in technologies to mitigate or adapt to climate change. Exposures of special concern for FY 2000 include those that contribute to the greatly increased incidence of childhood asthma and that disrupt the normal functioning of the endocrine system. Renewed concern about emerging and reemerging infectious diseases has prompted increased attention to a variety of diseases whose incidence would be affected by environmental change. Other HHS agencies provide significant resources for research on the prevention of and treatment for water-, food- and vector-borne diseases, such as cholera, salmonella, encephalitis, malaria, dengue, and Lyme disease.

Mapping of Budget Request to Appropriations Legislation. In the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Bill, USGCRP activities are funded under the NIH section of Title II–Department of Health and Human Services.

Department of the Interior

DOI	Program Title	FY98	FY99	FY00 Request
USGS	Biogeochemical Cycling	2.5	2.5	2.5
USGS	Climate History	4.4	4.3	4.2
USGS	Hydroclimatology	2.5	2.5	2.5
USGS	Impacts on Terrestrial and Coastal Ecosystems	5.3	5.3	5.3
USGS	Land Surface Characterization	2.6	2.6	2.6
USGS	Mississippi Basin Carbon Project	1.6	1.6	1.6
USGS	Satellite Data Management and Dissemination	3.8	3.8	3.8
USGS	Terrestrial Earth Surface Processes	3.7	4.0	4.1
	DOI TOTAL	**26.4**	**26.6**	
	President's Request			**26.6**

USGS U.S. Gological Survey

Areas of Global Change Research. Research at the Department of the Interior's U.S. Geological Survey (USGS) contributes directly to the USGCRP's intellectual framework of a whole-system understanding of global change (i.e., the interrelationships among climate, ecological systems, and human behavior). The USGS examines terrestrial and marine processes and the natural history of global change, including the interactions between climate and the hydrologic system. The character of past and present environments and the geological, biological, hydrological, and geochemical processes involved in environmental change are documented. The USGS is an international source for ground-based and remotely sensed Earth science data, information, and applications, which contributes to assessments of the potential effects of global change on society.

FY 2000 Program Highlights. In FY 2000, the USGS will continue to support ongoing efforts across a broad area of global change research that includes a focus which increases emphasis on understanding the sensitivity of natural systems and impacts of climate change and variability, surficial processes, and other global change phenomena on the Nation's lands and environments at the regional scale. Specific goals of the program are: to improve the utility of global change research results to land management agencies; to emphasize monitoring the landscape and developing technical approaches to identifying and analyzing changes that will take advantage of a burgeoning archive of remotely sensed and in situ data; and to emphasize biogeographic regions and features particularly montane, coastal and inland wetland ecosystems. There is also an increasing emphasis on the carbon cycle, with integrated research and modeling of soil dynamics and carbon cycle processes. In direct support of USGCRP, the USGS includes activities in the following areas:

Biogeochemical Cycling - Research is developing an understanding of the exchanges of water, energy, and nutrients between the atmosphere and land surface. The processes that control the cycling and fate of carbon and other nutrients in soils, rivers, lakes, reservoirs, and estuarine systems are critical to understanding issues related to erosion, sediment transport, biogeochemical budgets, snowpack chemistry, surface hydrology, and climate response.

Climate History - Climate history research focuses on understanding the rates and magnitudes of decadal to millennial scale natural changes in climate and determining how those changes have affected the environment. These studies contribute to regional and global assessments of climatic change and help evaluate models of regional-scale response to past and likely future changes in global and regional conditions.

Hydroclimatology - This research is composed of three major activities: (1) studies to determine the relations between climatic conditions and regional hydrologic variability, including long-term patterns and trends in hydrologic extremes; (2) monitoring trends in the accumulation and dissipation of snow and ice

stored in selected U.S. benchmark glaciers; and (3) development of improved procedures for simulating hydrologic processes and conditions in global climate models.

Impacts on Terrestrial and Coastal Ecosystems, Coastal Wetlands, and Fish and Wildlife – This research determines the sensitivity and response of natural systems and ecological processes to multiple environmental factors, including existing climate and natural and anthropogenic impacts, at the local, landscape, regional, and continental level. It provides the scientific knowledge and technologies for conservation, rehabilitation, and management of sustainable ecosystems needed by land management agencies of the Federal and state governments.

Land Surface Characterization – This area includes research and development of techniques to monitor, analyze, describe, apply, and predict land use, land cover, and other surface characteristics data. Data sets are used to characterize and map the Earth's surface, model land surface processes, detect changes over time, and forecast the response of the land surface to changes in climate, environment, land use, and land cover.

Mississippi Basin Carbon Project - Studies are developing a quantitative understanding of the role of land-use change and associated erosion and sedimentation processes on carbon storage and nutrient cycles within the Mississippi Basin. Rates of organic carbon accumulation, erosion, and burial are used to develop whole-basin models of these dynamic relationships.

Satellite Data Management and Dissemination - The USGS continues to operate and enhance the capabilities of the EROS Data Center to serve as the National Satellite Land Remote Sensing Data Archive, by maintaining existing datasets, adding new data sets, and converting older data sets from deteriorating media to modern, stable media. The EROS Data Center also maintains and expands the Global Land Information System (GLIS) to provide information about and access to the Center's many land-related data sets.

Terrestrial Earth Surface Processes - Research examines the impact of climatic variability and change on earth surface processes, including vegetation change, soil and sediment dynamics and carbon sequestration. A detailed history of vegetation change in the Western U.S. and southern Alaska is being constructed. Data sets and techniques are being developed to forecast the effects of possible future regional- and global-scale vegetation changes. Alaska soil carbon and fire history studies will be expanded.

Related Research. DOI also sponsors contributing research programs addressing the collection, maintenance, analysis, and interpretation of short- and long-term land, water, biological, and other geological and biological processes and resources through dispersed observing networks; research in land use and land cover, including creation of maps and digital data products; and inventorying and monitoring of biological habitats, resources, and diversity.

Mapping of Budget Request to Appropriations Legislation. In the Interior and Related Agencies Appropriations Bill, DOI USGCRP activities are funded under Title I-Department of the Interior. Funding for U.S. Geological survey USGCRP programs is included within the USGS Survey, Investigations, and Research account.

Environmental Protection Agency

EPA	Program Title	FY98	FY99	FY00 Request
ORD	Assessment of Consequences of Climate Variability and Change	2.0	16.7	20.0
ORD	Biology amd Biogeochemistry of Ecosystems	0.0	0.0	3.0
ORD	Ecosystem Services	4.8	0.0	0.0
ORD	Indicators of Change	5.2	0.0	0.0
ORD	Regional Vulnerabilities	1.0	0.0	0.0
	EPA TOTAL	**13.0**	**16.7**	
	President's Request			**23.0**
ORD	Office of Research and Development			

Areas of Global Change Research. EPA's Global Change Research Program is currently undergoing a major redirection towards a more assessment-oriented program, with primary emphasis on understanding the potential consequences of climate variability and change on human health, ecosystems, and socioeconomic systems in the United States. The above table reflects the fundamental change in the program over the three-year period. Assessments will also be made of potential opportunities to adapt to climate change in order to reduce the risks, or take advantage of the opportunities, presented by climate variability and change. All of ORD's program in FY 1999 falls within the "Human Dimensions of Global Change" program element.

FY 2000 Program Highlights. The increase requested in FY 2000 will be added to the base program in order to conduct research and assessment activities that examine the potential effects of climate variability and change. Most of the program ($20.0 million) falls within the "Human Dimensions of Global Change" program and includes work in the following areas: (1) human health (including the mortality and morbidity effects of heat stress; effects of climate change on air and water quality and the consequent health effects; the potential spread of infectious diseases; the potential health consequences of extreme events such as hurricanes and coastal storm surges; and changes in nutrition due to effects on agriculture and food distribution); (2) air quality (including changes in concentrations of ozone and particulate matter), and the ability of urban areas to attain air quality standards; (3) water quantity and quality; and (4) the frequency, intensity, and socioeconomic impacts of extreme weather events (including floods, droughts and hurricanes). A portion ($3.0 million) of ORD's requested increase in FY 2000 will be applied to the "Biology and Biogeochemistry of Ecosystems" program element and includes research into the: (4) biology of ecosystems (particularly wildlife and biodiversity in both terrestrial and aquatic ecosystems, nonindigenous species, unique ecosystems, National Parks; and effects on ecosystem services of high societal value); and (2) the effect on coastal zones as a result of sea level rise.

All of these climate-induced changes will be assessed in the context of multiple stressors; that is, climate change will be viewed as one of many stressors, including non-climate-related stressors. For example, the synergistic effects of climate change and UV-B exposure on human health and ecosystems will be assessed. The research and assessment program will also increasingly focus on adaptation to climate change and climate variability.

As part of the USGCRP, the research and assessment program will make significant contributions to the ongoing U.S. National Assessment of the Potential Consequences of Climate Variability Change. EPA is sponsoring the Mid-Atlantic Regional Assessment, the Great Lakes Regional Assessment, the Gulf Coast Regional Assessment, and the Health Sector Assessment. These assessments will be conducted through a public-private partnership that actively engages researchers from the academic community, decision makers, resource managers, and other affected stakeholders in the assessment process. The first of several National Assessment Reports will be delivered to Congress in January 2000.

The research and assessment activities will also evaluate the potential co-control benefits of greenhouse gas mitigation policies (*i.e.*, the additional changes in criteria air and water pollutants that occur as greenhouse gas emissions are reduced), and the potential co-control benefits of policies to reduce criteria air pollutants (*i.e.*, the additional changes in greenhouse gases that occur as criteria air pollutant emissions are reduced). The resulting health and welfare effects of the changes in criteria air pollutants, water pollutants, and greenhouse gases will be assessed.

Related Research. In addition to the focused USGCRP research activities, EPA conducts contributing research to characterize and understand risks to ecosystems and to understand and predict ecosystems exposures, responses, and vulnerabilities to high-risk chemicals and non-chemical stressors at multiple scales of biological organization and geographic scales. Relevant research into the global nitrogen cycle, although not funded with USGCRP-based funds, will contribute to our understanding of the nitrogen cycle and the impact of global change on the process of nutrification.

Mapping of Budget request to Appropriation Legislation. In the Departments of Veterans Affairs and Housing and Urban development, and Independent Agencies Appropriations Bill, Environmental protection Agency USGCRP activities are funded under the EPA section of Title III - Independent Agencies, within the Science and Technology account.

National Aeronautics and Space Administration

NASA	Program Title	FY98	FY99	FY00 Request
ES	Atmospheric Chemical Modeling	6.5	6.5	6.5
ES	Atmospheric Dynamics & Remote Sensing	5.3	5.3	5.3
ES	Biological Oceanography	4.8	4.8	4.8
ES	Ecological Processes	16.4	16.4	16.4
ES	EOS Science	41.4	46.4	60.6
ES	Global Data Integration & Validation	3.8	3.8	3.8
ES	Global Modeling and Analysis Program	6.2	6.2	6.2
ES	GLOBE	5.0	5.0	5.0
ES	Interdisciplinary Research and Analysis	15.6	38.8	53.2
ES	Land Cover and Use Change	6.3	6.3	6.3
ES	Land Surface Hydrology	5.1	5.1	5.1
ES	Mission Analysis Program	40.0	42.1	32.7
ES	Ocean Color Data Purchase/Sea WIFS	2.5	2.5	2.6
ES	Pathfinder Science Studies	3.4	3.5	3.5
ES	Physical Oceanography & Ocean Modeling	7.5	7.5	7.5
ES	Polar Programs	6.5	5.5	5.5
ES	Radiation Science Program	9.7	7.7	7.7
ES	Stratospheric Chemistry	17.2	17.2	17.2
ES	Tropical Rainfall Measurment Science	0.4	0.0	0.0
ES	Tropospheric Chemistry	8.8	9.8	10.8
	NASA Global Change Science Program	212.4	240.4	260.7

NASA	Program Title	FY98	FY99	FY00 Request
ES	Advanced Geostationary Studies	3.0	0.0	0.0
ES	Earth Systems Science Pathfinder	22.8	62.2	75.2
ES	EOS Data and Information Systems (EOSDIS)	210.1	261.7	231.5
ES	EOS Flight Development	491.6	403.1	432.7
ES	EOS Special Spacecraft	96.7	120.8	150.0
ES	Information Systems	4.3	6.1	6.4
ES	LANDSAT	74.3	17.0	2.9
ES	Launch Services	39.4	4.2	0.0
ES	Lewis & Clark Land Imaging Spacecraft	1.4	0.1	0.0
ES	Mission Operations	47.0	56.3	54.6
ES	Total Ozone Mapping (TOMS)	6.0	4.9	4.9
ES	Tropical Rainfall Measurement TRMM	0.9	0.0	0.0
	NASA Global Change Hardware Development	997.5	936.4	958.2
	NASA Total	**1209.9**	**1176.8**	
	President's Request			**1218.9**

ES Earth Science

Areas of Global Change Research. NASA research efforts in global change involve space-based studies of the Earth as an integrated system, including research and satellite programs studying atmospheric chemistry and ozone; ocean surface winds and ocean biological productivity; tropical precipitation and the global hydrological cycle; the global carbon cycle and land surface vegetation and ecosystems; and solid Earth geophysics. The space-based activity complements ongoing ground-based research programs in the observation, understanding, and modeling of radiation, climate dynamics, and hydrology and water resources; ecosystem dynamics and biogeochemical cycles; atmospheric chemistry; solid Earth science; and the processing, archiving, retrieval, dissemination, and use of global change data. The focus is Earth system science, which involves interdisciplinary research and coupled modeling. Development of algorithms for retrieval of the information content of space-based, remotely-sensed observations is carried out as part of the flight mission.

FY 2000 Program Highlights. The overall goal of NASA's Earth Science Enterprise (ESE) is to understand the Earth system and the effects of natural and human-induced changes on the global environment. To preserve and improve the Earth's environment for future generations, policies and decisions worldwide should have the strongest possible scientific basis. The vantage point of space provides information that is obtainable in no other way about the Earth's land, atmosphere, ice, oceans, and biota, as well as the impact of humans on the Earth system.

The science and observations of ESE are becoming increasingly important as nations work to meet the demand for economic progress by a growing global population. In addition, remote sensing has the potential to improve dramatically crop and forest yield predictions, seasonal and interannual climate forecasts, urban planning, mineral exploration, and many other activities of socioeconomic importance. In concert with the global change research community, the ESE is utilizing the vantage point of space to lead the development of knowledge required to support the complex national and international policy decisions that lie ahead.

As was the case last year, this edition of *Our Changing Planet* divides the ESE budget into two main components: 1) scientific research, and 2) the budget associated with satellite, aircraft, and balloon measurements, operations, and data processing and distribution (including mission costs such as launch, flight, instrument and technology development, fabrication assembly, integration, and testing, as well as mission operation support).

Scientific Research. The scientific research component of the ESE budget is supported by an integrated science plan that relates research plans to space observations, and fully integrates the Earth Observing System (EOS) and non-EOS science. EOS is a program of multiple spacecraft and interdisciplinary science investigations, designed to provide a 15-year data set of key parameters needed in order to understand global climate change. The major themes of NASA's ESE Science Research Plan are consistent with the newly refined USGCRP Program Elements for FY 2000.

Against the backdrop of the overall ESE effort to better understand the state and health of the Earth's life-support systems, NASA's FY 2000 research will target specific research issues important to national and international environmental and economic security. Through increases in Interdisciplinary Research and Analysis funding and targeted augmentations in the Vegetation Canopy Lidar (VCL) and Sensor Intercomparison and Merger for Biological and Interdisciplinary Ocean Studies (SIMBIOS) components of the Mission Analysis Program, NASA will participate in the new interagency Carbon Cycle Science Program. New research will focus on exploiting data from new satellites (i.e., EOS AM-1, Landsat 7, VCL, EO-1) to document the role of land cover change, ecosystem disturbances, and interannual variability in terrestrial and marine ecosystem productivity in regional and global carbon dynamics. Another important priority is to provide an accurate assessment of the extent and health of the world's forests, grasslands, and agricultural resources.

In a time of rapid, and often unrecorded, land-use change, observations from space are the only source of objective information on the human use of land. A closely related priority is to improve understanding and prediction of seasonal to interannual climate variation. Reducing uncertainties in climate predictions out to a season or a year in advance can help improve dramatically the efficiency of water use for agriculture and hydropower, as well as improve contingency planning for energy demand and in other economic sectors.

In addition, the ESE natural hazards research priority emphasizes the use of remote-sensing observations for the characterization and mitigation of drought and flood impacts. There is increasing evidence that predictions of extreme weather events can be improved by understanding their links to

interannual climate phenomena, such as the El Niño events. The ESE Science Plan also calls for special attention to measuring and modeling the relative influence of forcing factors in long-term climate change, including clouds, aerosols, and greenhouse gases, in order to improve the understanding and prediction of climate on time scales of decades to centuries. A continuing priority area for ESE is to understand the causes and consequences of changes in atmospheric ozone. Research to resolve questions related to stratospheric ozone depletion continues to make great progress, and increased emphasis is now being focused on the changing composition of the lower atmosphere, which is especially sensitive to the unprecedented growth of pollutant emissions in East Asia and other rapidly developing regions.

Satellite, Aircraft, and Balloon Measurements, Operations and Data Processing and Distribution. The Earth Observing System is a program of multiple spacecraft (the AM, PM, and CHEM series, Landsat-7, and others) and interdisciplinary science investigations to provide a 15-year data set of key parameters needed to gain a fuller understanding of global climate change. The first EOS satellite launches begin in 1999, with Landsat-7, QuikSCAT, and AM-1.

Preceding EOS are a number of individual satellite and Shuttle-based missions which are helping to reveal the basic processes of atmospheric chemistry (Upper Atmosphere Research Satellite-UARS/1991), ozone distribution and depletion (Total Ozone Mapping Spectrometer-TOMS/1978, 1991, 1996, and 2000), ocean topography and circulation (TOPEX/Poseidon/1992), ocean winds (NASA Scatterometer-NSCAT/1996), and global tropical precipitation (Tropical Rainfall Measuring Mission-TRMM/1997), among others. These provide the scientific and technological foundation on which EOS builds. TRMM was launched in November 1997, and is now fully operational. It will provide important data on precipitation in the tropics that will help better understand the global hydrological cycle.

Continuing the deployment of EOS, FY 2000 will see the launch of the Active Cavity Radiometer Irradiance Monitor (ACRIM) mission, the SeaWinds scatterometer on Japan's ADEOS II mission, and the US/France Jason-1—a follow-on to the highly successful TOPEX/Poseidon mission. In addition, we will launch the New Millennium Program Earth Observer-1 technology demonstration mission, designed to make future Landsat-type missions possible at vastly reduced size and cost. The New Millennium Program (NMP) provides for the infusion of innovative new technologies into ESE, with an initial focus on the EOS follow-on missions, and will emphasize fast-track development and low-cost demonstration missions. These technologies, which will lead to the development of smaller and lighter-weight instruments, will reduce annual program expenditures in the post-FY 2000 time frame.

Complementing EOS will be a series of small, rapid-development Earth System Science Pathfinder (ESSP) missions to study emerging science questions and make innovative measurements in parallel with the systematic, long-term measurements begun with EOS. ESSP will feature low life-cycle costs, peer-reviewed science, and missions based on best science value. The first two ESSP missions-Vegetation Canopy Lidar (VCL) and Gravity Recovery and Climate Experiment (GRACE)-were selected and are scheduled for launch in 2000 and 2001, respectively. And late in the fiscal year, ESE will fly the Shuttle Radar Topography Mission to use interferometric synthetic aperature radar to produce the first widely available, nearly global, digital-elevation model.

ESE has adopted an evolutionary approach to fulfilling its mission and goals. Future missions needed to achieve continuity for systematic measurements, together with those in the exploratory mode of ESSP, will be implemented according to the "better/faster/cheaper" paradigm. ESE will use commercially available spacecraft in a "catalog" procurement mode to reduce the cost and development time required to prepare a mission for launch. Meanwhile, ESE will invest upfront in instrument technology development, and base its mission selection on both scientific need and technology readiness. In 1998, ESE developed a notional multi-mission scenario for the years 2003-2010, and in 1999 it will be reviewed by the National Academy of Sciences and discussed with prospective interagency and international partners. In FY 2000 the first mission solicitation(s) for EOS follow-on missions will be prepared.

Related Research. All NASA global change research is included in the USGCRP program.

Mapping of Budget Request to Appropriations Legislation. In the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, National Aeronautics and Space Administration USGCRP activities are funded under the NASA section of Title III–Independent Agencies, as part of the Science, Aeronautics, and Technology account. Within this account, Appropriations Committee reports specify funding for the Earth Science program.

National Science Foundation

NSF	Program Title	FY98	FY99	FY00 Request
	Antarctic Ecosystems	1.0	1.0	1.0
	Arctic System Science (ARCSS)	13.4	13.8	14.2
	Carbon Cycling	0.0	2.8	5.2
	Climate Modeling, Analysis & Prediction (CMAP)	12.0	13.0	13.4
	Climate Variability and Predictability (CLIVAR)	11.0	13.6	15.9
	Coastal Long-Term Ecological Research (cLTER/LMER)	2.1	3.2	3.2
	Earth System History	13.0	18.1	19.3
	Ecological Diversity	5.0	6.2	6.7
	Ecological Rates of Change (EROC)	3.2	3.2	3.2
	Geodata	1.8	2.7	2.8
	Global Ocean Ecosystems Dynamics (GLOBEC)	10.0	13.3	14.9
	Global Tropospheric Chemistry Program (GTCP)	12.8	13.9	14.3
	Greenhouse Gas Dynamics (GGD)	0.2	0.2	0.2
	Human Dimensions of Global Change	12.1	13.6	14.0
	Joint Global Ocean Flux Study	17.3	10.2	7.9
	Methods and Models for Integrated Assessment	3.4	3.4	3.4
	Ocean Observation, Data Assimilation, and Modeling (OODAM)	0.0	4.1	4.6
	Polar Ozone Depletion/UV Radiation Effects	4.2	4.2	4.2
	Regional Research Institutes	3.2	3.2	3.2
	Ridge Interdisciplinary Global Experiments (RIDGE)	3.3	3.3	3.3
	Sea Level Changes	5.8	6.2	6.4
	Solar Influences	6.8	7.2	7.4
	Water & Energy: Atmospheric, Vegetative & Earth Interactions	8.8	9.5	9.7
	World Ocean Circulation Experiment (WOCE)	16.8	11.8	9.1
	NSF Total	**167.2**	**181.7**	
	President's Request	167.2	187.4	**187.5**

Areas of Global Change Research. NSF global change research programs support research and related activities that advance fundamental understanding of dynamic physical, biological, and socioeconomic systems as well as interactions among those systems. In addition to research on Earth system processes and the consequences of changes in those systems, NSF programs facilitate data acquisition and data management activities necessary for basic research on global change, promote the enhancement of modeling designed to improve representations of Earth system interactions, and develop advanced analytic methods to facilitate fundamental research. NSF also supports fundamental research on the general processes used by governments and other organizations to identify and evaluate different types of policies for mitigation, adaptation, and other responses to changing global environmental conditions.

FY 2000 Program Highlights. During FY 2000, NSF will continue to support research and related activities across all of its global environmental programs. A significant share of the agency's efforts will focus on continuation of major international collaborative field programs. The World Ocean Circulation Experiment (WOCE) and Joint Global Ocean Flux Study (JGOFS) have entered the analysis and synthesis phase of data gathered during previous years. As with other major international field programs, WOCE and

JGOFS analyses and syntheses activities will be linked with data-assimilation and modeling activities. As WOCE and JGOFS complete the synthesis phase resources will be directed to other aspects of climate research (e.g. CLIVAR) and to carbon cycling studies.

The Ocean Observations, Data Assimilation, and Modeling Program (OODAM) will address the pressing need for the integration of products of the major global ocean field programs as they approach the end of their experimental observational phases. This activity will seek to develop global- and regional-scale coupled ocean predictive models. This will require, in turn, data assimilation research and identification of long-term observations necessary to support these activities. This activity will hopefully be expanded through the National Oceanographic Partnership Program.

NSF will continue to support the development, testing, and application of climate systems models and methods to improve model representations of related Earth system processes. In addition to continuing to develop and apply the community-use Climate System Model (CSM) at the National Center for Atmospheric Research (NCAR), NSF will continue to make available advanced computational facilities to a wide range of scientists for USGCRP-sponsored Earth system modeling. NSF also will maintain support for research on fundamental understandings of human contributions and responses to global change.

Related Research. In addition to focused global change research, NSF conducts contributing research on many topics, including laboratory and field studies of the atmosphere and the factors that affect it; the physical, chemical, and biological dynamics of ocean waters; the composition, structure, and history of ocean floors; geophysical, hydrological, geological, and geochemical processes operating at and below the Earth's surface; the generation, transport, and fate of chemicals in natural systems; global environmental history; and data management for scientific research and modeling.

Many NSF-sponsored research projects examine interactions that link ecosystems and human activities with other factors, of which climate variability and change are only one specific set. As a result, much of NSF's support for research that relates to the consequences of global change does not focus specifically on global change but falls into the "contributing research" category instead. For example, data-collection activities and field experiments at many of the nearly two dozen Long-Term Ecological Research (LTER) sites provide insights into the ways that different ecosystems respond to short- and longer term changes in climate, but they provide equally valuable perspectives on ecological responses to other kinds of environmental changes. In a similar way, NSF provides support for research projects that examine economic, cultural, and behavioral responses to different conditions that include, but are not restricted to, global environmental change. Especially noteworthy are studies of the ways that people and institutions anticipate and respond to risks, because risk assessment and risk management invariably entails making trade-offs among a large number of factors.

Mapping of Budget Request to Appropriations Legislation. In the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, National Science Foundation USGCRP activities are funded under the NSF section of Title III–Independent Agencies, within the NSF Research and Related Expenses account.

Smithsonian Institution

SI	Program Title	FY98	FY99	FY00 Request
NMNH/STRI				
	Long-Term Environmental Change	1.6	1.6	1.6
SAO/NASM/SERC				
	Monitoring Natural Environmental Change	1.2	1.2	1.2
NZP/NMNH/SERC				
	Biological Responses	4.2	4.2	4.2
	SI Total	**7.0**	**7.0**	
	President's Request	7.0	7.0	**7.0**

NASM National Air and Space Museum
NMNH National Museum of Natural History
NZP National Zoological Park
SAO Smithsonian Astrophysical Observatory
SERC Smithsonian Environmental Research Center
STRI Smithsonian Tropical Research Institute

Areas of Global Change Research. Within the Smithsonian Institution, research conducted at the Smithsonian Astrophysical Observatory (SAO), the National Air and Space Museum (NASM), the Smithsonian Environmental Research Center (SERC), National Museum of Natural History (NMNH), Smithsonian Tropical research Institute (STRI) and National Zoological Park (NZP) concentrates on monitoring indicators of natural and anthropogenic environmental change on daily to decadal timescales, and on longer term indicators present in the historical artifacts and records of the museums as well as in the geologic record at field sites. The primary thrust of the Smithsonian's work is to improve knowledge of the natural processes involved in global climate change, provide a long-term repository of climate-relevant research materials for present and future studies, and to bring this knowledge to various audiences, ranging from scholarly to lay public. The unique contribution of the Smithsonian Institution is a long-term perspective, e.g. undertaking investigations that may require extended study before producing useful results and committing to observations on long (i.e. decadal) timescales.

FY 2000 Program Highlights. At SAO studies will be performed on atmospheric composition, chemistry, and absorption/transmission of radiation. Remote sensing of stratospheric trace species that play an important role in ozone photochemical cycles will be undertaken using balloons, airplanes, and satellites. Solar activity and irradiance are being studied to better understand the climatic effects of solar variability. Ongoing global sea-level change is being estimated using space geodetic measurements.

Research at NASM emphasizes the use of remote-sensing data to improve theories of drought, sand mobility, soil stability, and climate change in the eastern Sahara.

Studies at NMNH and STRI focus on the paleoecology of climate change.

At SERC, measurements will be made of spectral UV-B in Maryland (25-year record), Hawaii, and other sites in the U.S. These studies will be coupled with the efforts of USGCRP agencies to provide long-term as well as spatially extensive records of UV-B exposure. Several parts of the SI programs will examine biological responses to global change and increase public understanding of global change issues. At SERC, research will be conducted on the responses of global ecosystems to increasing CO_2, exotic species introductions, and ozone depletion.

The Institute for Conservation Biology will provide a focus for cross-institutional activities in biodiversity education and research which will be performed at STRI, NMNH, and NZP. Tropical biodiversity research programs monitor global change effects through repeated sampling of flora and fauna in tropical forests, and identifying the physical and biological processes of growth and decline of species. Other studies on ecosystem response to increasing habitat fragmentation will be conducted at NZP.

The general public and research community will be informed of global change research at the Smithsonian via exhibits, such as the planned "Forces of Change" exhibit at NMNH, educational programs, and a global change information web page.

Related Research. Contributing activities include other research conducted by several units within the Smithsonian in a variety of habitats concerning natural and man-induced variations in species, populations-communities and ecosystems. These studies help clarify the relative importance of global change effects as one of several agents of ecological change. Studies of environmental change over long time periods are aided by the Institution's collections. Utilized by staff and researchers from other institutions, these materials provide raw data for evaluating changes in the physical and biological environment that occurred before human influences.

Mapping of Budget Request to Appropriations Legislation. In the Interior and Related Agencies Appropriations Bill, Smithsonian Institution USGCRP activities are funded in the SI section of Title II–Related Agencies, within the Salaries and Expenses account. Appropriations Committee reports specify funding for a Sciences line item component of this account, which includes USGCRP programs.

APPENDIX C
U.S. Global Change Research Program Organization and Management

The USGCRP Mandate

The USGCRP was established in 1989, and was included as a Presidential Initiative in the FY 1990 budget as a high-priority research effort, designed to:

1. Address key uncertainties about changes in the Earth system, both natural and human-induced
2. Monitor, understand, and predict global change
3. Provide a sound scientific basis for national and international decisionmaking on global change issues.[1]

Congress codified the USGCRP in the Global Change Research Act of 1990, in order to provide for:

> "...development and coordination of a comprehensive and integrated United States research program which will assist the Nation and the world to understand, assess, predict, and respond to human-induced and natural processes of global change."
> "...increasing the overall effectiveness and productivity of Federal global change research efforts."[2]

The Global Change Research Act defines global change as "changes in the global environment (including alterations in climate, land productivity, oceans or other water resources, atmospheric chemistry, and ecological systems) that may alter the capacity of the Earth to sustain life." This mandate for the USGCRP makes it clear that the program is to have a broad scope and consider the full set of issues dealing with actual and potential global environmental change. This approach recognizes the profound economic, social, and ecological implications of global changes and the need to maintain U.S. leadership in this area.

Since its inception, the USGCRP has been directed toward strengthening research on key scientific issues, and has fostered much improved insight into the processes and interactions of the Earth system. The results of research supported by the USGCRP play an important role in international scientific assessments, including assessments of climate change and stratospheric ozone depletion. The USGCRP research results provide the scientific information base that underpins consideration of possible response strategies, but the USGCRP does not recommend policies on global change issues, nor does it include support for research and development of energy technologies, for development of mitigation strategies, or for the Climate Change Action Plan.

Presidents Bush and Clinton, and Congress, have supported the USGCRP as a high priority in the national scientific research agenda.

Program Direction and Agency Research Contributions

The Subcommittee on Global Change Research (SGCR) of the Committee on Environment and Natural Resources (CENR), a component of the National Science and

Technology Council (NSTC), provides overall direction and executive oversight of the USGCRP. Within this framework, agencies manage and coordinate Federally supported scientific research on global change. In addition to USGCRP review of the overall set of agency research programs, each agency is responsible for the review of individual projects within its programs. These reviews are almost exclusively based on an external peer-review process, which is deemed an important means of ensuring continued program quality.

The Global Change Research Act specifies a minimum of 14 Federal agencies, as well as planning and oversight offices of the Executive Office of the President, to be represented in the oversight of global change research. The SGCR currently includes representation from the Departments of Agriculture, Commerce (National Oceanic and Atmospheric Administration), Defense, Energy, Health and Human Services (National Institute of Environmental Health Sciences), Interior (U.S. Geological Survey), and State; the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, and the Smithsonian Institution; and liaison representation from the Executive Office of the President (Office of Science and Technology Policy and Office of Management and Budget), the National Research Council, the Council on Environmental Quality, and the Office of the Federal Coordinator for Meteorology.

A few of the agencies participating in the USGCRP support research on a broad range of issues, while others have a more specialized focus. Programmatic contributions are closely matched to agency missions and areas of expertise.

Thus, for example, NASA leads the efforts in implementing and interpreting systematic and experimental global satellite observations of the Earth, as well as conducting multidisciplinary research aimed at understanding the physical, chemical, and biological proceses that control the state of the integrated Earth system and their susceptibility to change; NOAA leads efforts relating to its interests in improving predictions of atmospheric and oceanic behavior; DOE focuses on research to predict the behavior of the global climate system on decade to century timescales in response to changes in atmospheric composition, and to evaluate the contribution of energy-based emissions to climate change; NSF focuses on broadly based fundamental research to improve understanding of the Earth system; USDA focuses on the roles of and consequences for agriculture, food production, and forests of global-scale environmental change; NIH focuses on potential health-related impacts; DOI focuses on climate system history and impacts on water resources and public lands; EPA focuses on ecosystem and societal impacts of global change; DOD focuses on prediction of seasonal climate anomalies affecting its national security operations; and the Smithsonian Institution focuses on improving knowledge of the natural processes involved in global change.

Footnotes:
[1]Committee on Earth Sciences, U.S. Global Change Research Program. *Our Changing Planet: The FY 1990 Research Plan*, July 1989.
[2]Global Change Research Act of 1990, 15 USC 2921.

APPENDIX D
New 1998 Global Change Related Data Products

This appendix includes a representative listing of global change related research data products made available for the first time in 1998 by USGCRP agencies. In February 1999 a fuller listing of the agencies' data sets with authors, sources, and Web links for each will be on the Global Change Data and Information System Web page (http://www.gcdis.usgcrp.gov).

DOC/NOAA

- Auroral Activity, Hemispheric Power, and Energetic Particles from NOAA's POES Satellite
- Multistate Atmospheric Pollution from Power Production Study, Precipitation Chemistry Data
- Regional Atmospheric Modeling System Mid-Atlantic Output Archive
- Interannual Climate Prediction
- Circumpolar Active-Layer Permafrost System
- Global Land 1-km Base Elevation
- Geomagnetic Storm Sudden Commencements
- Geomagnetic Kn, Ks, and Km Activity Indices
- Geomagnetic Principal Magnetic Storms
- Ocean Profile Data Base
- Biological and Oceanographic Cruise Data (1948-1975).
- Fish Injury in the Hylebos Waterway of Commencement Bay, Washington.
- New Technologies for Coastal Mapping 1998

DOE

- Atmospheric Radiation Measurements from the Southern Great Plains
- Greenhouse Gases Database
- Emissions of Greenhouse Gases in the U.S. 1996
- Annual Energy Outlook
- Mitigating Greenhouse Gas Emissions
- Energy Use and Carbon Emissions: Some International Comparisons
- Energy Use and Carbon Emissions: Non-OECD Countries
- An Analysis of the Federal Energy Regulatory Commission's (FERC) Final Environmental Impact Statement for Electricity
- Update on Effects of Title IV of the Clean Air Act Amendments of 1990 on Electric Utilities
- Alternatives to Traditional Transportation Fuels 1994, Volume 2: Greenhouse Gases
- Describing Current and Potential Markets for Alternative-Fuel Vehicles
- Stratospheric Radionuclide and Trace Gas Databases
- Indian Ocean Surface Carbon Data Obtained During the World Ocean Circulation Experiment (WOCE)
- A Coastal Hazards Data Base for the U.S. West Coast
- Global and Hemispheric Temperature Anomalies
- Carbon Dioxide Emission Estimates from Fossil-Fuel Burning, Hydraulic Cement Production, and Gas Flaring for 1995
- Carbon-14 Surface Measurements from the Atlantic, Indian and Pacific Oceans 1965-1994
- Effects of CO_2 and Nitrogen Fertilization on Growth and Nutrient Content of Juvenile Ponderosa Pine
- Ice-Core Data from Antarctica
- Carbon Dioxide, Water, and Chemical Data Obtained in the South Pacific Ocean
- Annual Global Methane Emissions Estimates: 1860-1994

DOI/USGS

- 1995 Global Land 1-km Satellite AVHRR 10-day Vegetation Index Composites
- U.S. Digital Orthophoto Quads (computer-processed aerial photographs having map-like qualities)

- U.S. Digital Raster Graphics (scanned USGS topographic maps)
- Hydrology/Elevation Derivative Database (elevation, slope, aspect, drainage basins, streams, flow direction, flow accumulation, and compound topographic index) for North America, Europe, Africa, and Australasia
- Sediment Yield Simulation Data, Kansas Conservation Reserve Program
- Digital Snow Depth Maps of the Northern Great Plains (1989 and 1997)
- Borehole Temperature Logs from Arctic Alaska (pre-1989)
- Benchmark Glacier Mass-Balance Data, AK and WA (changes in glacier ice volume)
- Data for Devils Hole (NV) Core DH-11 (variations in temperature and other paleoclimatic parameters)
- Long-term Ecological Monitoring Program at Denali National Park and Preserve, AK
- Vegetation Mapping Program (Jewel Cave National Monument, SD; Mount Rushmore National Historic Site, SD; Devils Tower National Monument, WY)
- Forest Ecotone Shift (1935-1975), Bandelier National Monument, NM
- Wetland Data, San Francisco Bay, CA
- Manual of Acute Toxicity: Interpretation and Data Base for 410 Chemicals and 66 Species of Freshwater Animals
- Contaminant Exposure and Effects—Terrestrial Vertebrates
- Raptor Information System
- Bottomland Hardwood Breeding Bird Census Data—Eastern U.S.
- Waterfowl Habitat Data, Russell Lakes (CO) State Wildlife Management Area
- Home Range Data (1971-1991), Black Bear Test Area, MN

NASA

- Satellite Land 10-day Greenness Index
- Earth Observing System Land Validation Data
- Global Fire Monitoring Satellite Imagery
- Satellite Global Rain Forest Mapping
- Geostationary Satellite Global Infrared Composite of Earth
- Tropical Rainfall Measurements Mission (TRMM) Satellite Lightning Imaging Sensor Data
- Atmospheric Mixing Ratio and Aerosol Scattering Ratio
- Satellite Gridded Oceanic Rainfall
- TRMM Satellite Microwave Imager Hydrometeor Profiles
- TRMM Satellite Microwave Imager Earth Radiance
- Visible and Infrared TRMM Satellite Scanner Earth Radiance
- World Ocean Circulation Experiment Global Data Set (CD)
- Global Cloud Climatology Data Products, 1989-1993 (CD)
- High-Resolution Mean Sea Surface Height from Satellite Altimetry
- TRMM Monthly Averaged Rainfall Rates and Vertical structure
- TRMM Rain Occurrence and Rain Type
- NVAP Global Total Column and Layered Water Vapor, 1988-1994 (CD)
- Global Data Sets for Land-Atmosphere Models, 1987-1988 (CD)
- SeaWiFS Near-Daily Global Ocean Color Time Series – Ocean Surface Chlorophyll Distributions
- Web Site for Fire Monitoring by Satellite at <http://www.modarch.gsfc. gov/fire_atlas/fires.html>
- Historical Data Sets for Key Climate Variables for the Past 100 Years for the U.S. National Assessment on the Potential Consequences of Climate Variability and Change
- Airborne Measurements of Smoke Clouds from Biomass Burning in Brazil
- First High-Resolution Radar Mapping of Antarctica by Radarsat
- Coordinated Satellite, Aircraft and Surface Analysis of the Greenland Ice Sheet
- SHEBA Measurements of Clouds and Radiation in the Arctic
- AGAGE Measurements of Surface Concentrations of CFCs and their Replacement Compounds
- Airborne Measurements of Stratospheric Sulfate Aerosol Levels
- Satellite Data Analysis showing Time-Lag in the Response of Terrestrial Ecosystems to Climate Variability
- PEM Tropics-A Data on Tropical Atmospheric Chemistry
- Upper Tropospheric Water Vapor, Ozone, and Methane Data Set from UARS

- High Thin Cirrus Cloud Data Set from UARS/CLAES
- Lower Stratosphere Nitric Acid Data Set from UARS/MLS
- Data Assimilation Office Global Re-Analysis Products
- Atmospheric Water Vapor Data from the GPS Surface-Based Monitoring system
- Improved Monitoring of Small Variations in the Earth's Gravity field due to Weather and Climate-Related Air and Water Redistribution from Laser Tracking of Satellites
- POLARIS Airborne Campaign Data on Arctic Summertime Photochemistry of Ozone and Related Species
- TOMS Tropospheric Aerosol Index Global Data Set

Note: The primary archive for NASA Earth Science Enterprise data is the network of Distributed Active Archive Centers (DAAC), which can be reached through the ESE Homepage at: http://www.hq.nasa.gov/office/ese/.

NSF

- Global Scale Atmospheric Wave Model
- Daily Images of the Sun
- Global Atmospheric Reanalysis, 1996-1998
- Comprehensive Ocean Atmosphere Data Set, updates for the 1990s
- Climate Model Products for Assessment Studies, starting 1998
- High Resolution Ocean Climate Model - versions 4B and 4C
- Greenland Summit Ice Cores (CD-ROM)
- Into the Arctic (CD-ROM)
- Ecosystem Carbon Fluxes, Thaw Depth, Canopy Foliage Area, and Soil Temperatures, Toolik Lake, Alaska
- Eddy Flux Data, Methane Flux Data, Borehole Temperatures, and Thaw Depth, Alaska North Slope
- Thaw Depth Data, Alaska, 1995-1996
- Meteorological and Hydrographic Data, and Computed Thaw Depth, Kuparuk River Watershed
- Arctic Global Radiation Data Set
- Northwest Atlantic and Pacific Ocean Flux Data
- Paleoclimatology Program Data
- Chesapeake Bay Land Margin Ecosystem Research
- Columbia River Estaurine Turbidity
- East Pacific Rise Petrology Database
- Geophysical Indices, Hemispheric Power, Equatorward Auroral Boundary at Midnight, and Arecibo (Puerto Rico), Collm (Germany), Goose Bay (Canada), Hankasalmi (Norway), Jicamarca (Peru), Kapuskasing (Canada), Pykkvibaer (Iceland), Saskatoon (Canada), Sondrestrom (Greenland), Stokkseyri (Iceland), and EISCAT Radar Measurements as well as Lidar Measurements in the Coupling, Energetics and Dynamics of Atmospheric Regions Data Base.

USDA

- Alabama Cotton Data 1987-1988
- California Cotton Data 1984-1989
- Louisiana Yield Only Cotton Data 1987-1989
- Mississippi Cotton Data 1987-1989
- New Mexico Regional Variety Trials, Cotton Data, 1988-1990
- Tennessee Cotton Data 1989
- Texas Cotton Data 1987-1994
- Chesapeake Bay Pesticide Database
- An extensive series of genome databases, including those for forest trees, grains, cotton, rice, legumes, soybeans, and fungal pathogens.

APPENDIX E
Contact Information

U.S. Global Change Research Program Coordination Office
David Goodrich, Executive Director
400 Virginia Avenue, SW
Suite 750
Washington, DC 20024
202-488-8630 (voice)
202-488-8681 (fax)
goodrich@usgcrp.gov (e-mail)
http://www.usgcrp.gov/ (WWW)
http://www.gcdis.usgcrp.gov/ (WWW)

National Assessment Coordination Office
Michael MacCracken, Executive Director
400 Virginia Avenue, SW
Suite 750
Washington, DC 20024
202-488-8630 (voice)
202-488-8681 (fax)
mmaccrac@usgcrp.gov (e-mail)
http://www.usgcrp.gov/ (WWW)

Intergovernmental Panel on Climate Change U.S. Coordination Office
Neil Leary, Head
400 Virginia Avenue, SW
Suite 750
Washington, DC 20024
202-314-2225 (voice)
202-488-8678 (fax)
ipcc@usgcrp.gov (e-mail)
http://www.usgcrp.gov/ipcc (WWW)

For additional information on USGCRP activities, or to obtain a copy of this document, contact the Global Change Research Information Office (GCRIO) at either of the addresses below:

P.O. Box 1000
61 Route 9W
Palisades, New York 10964 USA
+(1)(914) 365-8930 (voice)
+(1)(914) 365-8922 (fax)
help@gcrio.org (e-mail)
http://www.gcrio.org/

1747 Pennsylvania Avenue, NW
Suite 200
Washington, DC 20006 USA
+(1)(202) 775-6606 (voice)
+(1)(202) 775-6622 (fax)
help@gcrio.org (e-mail)
http://www.gcrio.org/

Abstract

Our Changing Planet: The FY 2000 Global Change Research Program is a report to Congress supplementing the President's FY 2000 budget, pursuant to the Global Change Research Act of 1990. The report describes the U.S. Global Change Research Program (USGCRP); outlines a perspective for global change research in the decade ahead and the changing vision for the research agenda; presents an implementation plan for the USGCRP in FY 2000, with a discussion of each of the Program Elements; outlines a FY 2000 initiative in Carbon Cycle Science; summarizes key USGCRP accomplishments in 1998; and provides a detailed view of the FY 2000 USGCRP budget, including FY 2000 program components and program highlights by agency. Achieving the goals of this program will require continued strong support for the scientific research needed to improve understanding of how human activities are affecting the global environment, and of how natural and human-induced change is affecting society.

For Further Information

Environment Division
Office of Science and Technology Policy
Executive Office of the President
Washington, DC 20502
202-456-6202 (voice)
202-456-6025 (fax)
http://www.whitehouse.gov/WH/EOP/OSTP/html/OSTP_Home.html/ (WWW)
http://www.usgcrp.gov/ (WWW)

FISCAL YEAR 2000
BUDGET FOR THE
OFFICE OF MANAGEMENT AND BUDGET

EXECUTIVE OFFICE
OF THE PRESIDENT

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Table of Contents

I. Justification for FY 2000 Budget Request..... 1

II. Information Technology..... 12

III. Proposed Appropriation Language..... 15

IV. Summary Tables:
Salaries and Expenses/Program and Financing..... 16
Object Classification..... 17
Funding Request by Object Classification (Pie Chart).... 18
Cost Justification by Object Classification..... 19
Explanation and Justification of Changes by Object Class..... 21
Personnel Summary..... 22

V. OMB Responsibilities and Background..... 23

I. Justification for FY 2000 Budget Request

For FY 2000, the Office of Management and Budget (OMB) requests budget authority of $63,495,000. This request is an increase of $2,878,000 (+4.7 percent) over the FY 1999 enacted level of $60,617,000. The requested OMB funding level will provide 518 full-time equivalent (FTE) positions for OMB, the same FTE level as FY 1999.

The 104th Congress and the 105th Congress created numerous new workload responsibilities for OMB (including a dozen new requirements enacted in the fall of 1998). In addition, existing workload demands have grown under the Government Performance and Results Act. OMB has also continued its high level of activity to ensure that important computer systems will operate effectively through the year 2000 and beyond.

These new workload requirements are stretching the limits of OMB staff. However, as the chief management and budget office of the executive branch, we feel a special obligation to try to maximize the productivity of our resources. It is critical that OMB maintain its current staffing level and fund an increase in the information technology infrastructure. A more detailed discussion of the information technology request is provided in Section II.

Examples of workload requirements added to OMB in recent years follow:

- The Government Performance and Results Act (GPRA): Government-wide implementation of this Act is now in its third year and has created steadily increasing new workload for OMB. In FY 1997, the GPRA workload increased significantly. The main OMB tasks were oversight of the development and submission of agency strategic plans to Congress and review of the initial set of agency annual performance plans. This initial set of annual plans was used to prepare the President's FY 1999 Budget, and the government-wide performance plan that is now a key feature of the budget. The FY 2000 annual plans were sent to OMB in the Fall of 1998, and were again used in developing the President's FY 2000 budget and the government-wide performance plan.

  The scope of OMB's review and coordination effort on GPRA is already substantial, and will grow further in 2000. Approximately 100 Cabinet Departments and independent agencies prepare strategic plans, annual performance plans, and program performance reports. OMB will continue to

coordinate with Congress on improving the usefulness of these plans, and ensuring the plans meet GPRA requirements.

During FY 2000, OMB will begin reviewing the FY 2001 annual plans, and work with the agencies on preparing the agency annual program performance reports for FY 1999. The performance reports are to be submitted to Congress and the President not later than March 31, 2000. These will be the first program performance reports done under GPRA.

In FY 2000, agencies are required to prepare and submit a revised and updated strategic plan to Congress and OMB. Agencies are required to consult with Congress during plan development, as well as soliciting, in advance, the views of interested or potentially affected parties. OMB will oversee and, as appropriate, assist agencies as they develop these revised strategic plans.

- The Unfunded Mandates Reform Act of 1995: Title II of this Act requires that each agency, before promulgating any proposed or final rule that may result in expenditures in any year by State, local, and tribal governments, or by the private sector, of more than $100,000,000, is to conduct a detailed cost-benefit analysis and select the least costly, most cost-effective or least burdensome alternative. Also, each agency is to seek State, local, and tribal government input. OMB is to monitor agency compliance with Title II, provide CBO with periodic submissions of agency analytical statements for covered regulations, and publish an annual report on agency compliance with Title II.

- The Paperwork Reduction Act of 1995: Requires that OMB annually review and approve or disapprove over 3,000 proposed agency collections of information. The Act explicitly added third-party disclosures to OMB's review. The Act also requires agencies to plan more carefully and explicitly for each new information collection, compliance with which OMB has to assure as part of its review of each collection. Finally, the Act requires OMB to set government-wide goals for agencies to reduce information collection burden by set percentages each year. OMB must promulgate guidance and track agency compliance with these reduction goals.

- The Clinger-Cohen Act of 1996: Requires that OMB develop government-wide policy and guidance to assist and oversee agencies in implementing the Act. OMB must: (1) examine agency capital investment proposals for information technology; (2) oversee the establishment and evaluate the effectiveness of agency Chief Information Officers (CIOs);

and (3) oversee multi-agency and government-wide procurement programs for information technology. The Act directs OMB to report annually on the benefits of Federal information technology investments. As part of its oversight under the Act, OMB is directed by executive order to: coordinate the work of the Information Technology Resources Board to assist agencies in evaluating and improving major information technology systems investments; participate in the Government Information Technology Services Board to promote the effective use of information technology across agency lines in order to reduce costs and improve government effectiveness and customer service; and, chair and support the CIO Council. In order to carry out these responsibilities, OMB has issued several guidance documents to agencies since the Act's passage in late 1996. It has assisted the CIO Council in producing its first strategic plan, continued to support a variety of other interagency groups, and has evaluated single and multi-agency information system investment proposals using its budget oversight processes.

In this context, OMB is playing an integral role in the government-wide effort to address the year 2000 computer problem including staff support to the President's Y2K Conversion Council.

The acquisition workforce provisions of the Clinger-Cohen Act (Section 4307) included several additional Office of Federal Procurement Policy (OFPP) responsibilities. The Administrator of OFPP is required to: (1) consult with agency heads regarding their policies and procedures for effective management of the acquisition workforce; (2) ensure that the agency heads collect and maintain standardized information on the acquisition workforce; and (3) establish qualification requirements for several General Schedule series. In meeting OFPP's responsibilities, the Office has reviewed agency policies and procedures, published policy guidance, and worked with OPM in revising qualification standards for contracting positions. As the implementation becomes more complete, there will be a continuing need for substantial OFPP work in revising standards, updating policy guidance, and perhaps restructuring entirely the method for delivering training to the acquisition workforce.

Sections 5311 and 5312 of the Clinger-Cohen Act authorize the OFPP Administrator to conduct tests and pilots of two specific techniques, share-in-savings contracting and solutions based acquisition respectively. Section 5061 of the Federal Acquisition Streamlining Act authorizes the OFPP

Administrator to waive regulations (including those implementing certain statutory requirements) for up to six tests of alternative and innovative procurement procedures. In order to carry out these tests and pilots in FY 1999 and FY 2000, OFPP will need to work with agencies to identify promising candidates: evaluate proposed acquisition strategies, waiver requests and test plans; provide congressional notification; monitor and evaluate test results.

- The National Technology Transfer and Advancement Act of 1995: Under the National Technology Transfer Act Amendments of 1996 (P.L. 104-113), all Federal agencies are required to use voluntary consensus standards in their procurement and regulatory activities. If Federal agencies choose to use a government-unique standard in lieu of a voluntary consensus standard, a Federal agency may elect to use another standard if the head of each such agency or department transmits an explanation to OMB. Each year, beginning with FY 1997, OMB transmits to Congress and its committees a report summarizing all explanations received in the preceding year.

- The Federal Financial Management Improvement Act of 1996 (FFMIA) and The Government Management Reform Act of 1994 (GMRA): FFMIA and GMRA impose a continuing responsibility on OMB to issue up-to-date financial reporting and associated audit requirements for Federal agencies. These financial reporting requirements incorporate the provisions of Federal Accounting Standards. FFMIA requires that the Director of OMB work with Federal agencies on plans to remediate conditions that inhibit agencies from reporting information in accordance with Federal Accounting Standards and government-wide budgetary policies. FFMIA also requires that the Director review agency determinations and report to Congress in the event of a disagreement between the determinations and auditor findings with respect to compliance with Federal Accounting Standards and budgetary reporting policies. Finally, FFMIA requires the Director to report to Congress annually on implementation of the Act.

  OMB's Office of Federal Financial Management (OFFM) will continue to revise agency financial reporting and audit requirements annually and work with Federal agencies to assist them in their efforts to comply with Federal Accounting Standards and government-wide budgetary reporting policies. These efforts will include assisting agencies in the development of remediation plans for bringing systems into compliance with government-wide requirements. This will consume all of OFFM's technical resources and will require the use of outside specialists working under

contract with agencies.

- Single Audit Act Amendments of 1996 (SAA): The SAA establishes the audit requirements for Federal awards administered by States, local governments, and non-profit organizations. The SAA requires that OMB issue implementation guidance to ensure that the 25,000 entities subject to the Act and their auditors understand and comply with its requirements. The SAA also requires the Director to biennially reassess the dollar threshold over which a single audit is required. The SAA also authorizes the Director to consider alternative methods of achieving the its objectives and to approve pilot projects to test such alternatives.

  OMB must expand and maintain the government-wide implementation guidance called for by the SAA to ensure its continued utility. This guidance includes OMB Circular A-133, *Audits of States, Local Governments*, and Non-Profit Organizations, and the *Compliance Supplement for Single Audits*. OMB must also continue its efforts with the Census Bureau to develop and improve the government-wide data base to provide the information needed by agencies and Congress for monitoring Federal awards and to facilitate completion of the biennial assessment required by the SAA.

- Final Accounting of the Finances of Agencies Abolished Under Division G of the Omnibus Consolidated and Emergency Supplemental Appropriation Act, 1999 (P.L. 105-277): OMB is required to consult with Treasury and the President on a final accounting to be submitted by the President with respect to the finances and operations of the agencies abolished under the Foreign Affairs Reform and Restructuring Act.

- Division G, Foreign Affairs Reform and Restructuring Act of the Omnibus Consolidated and Emergency Supplemental Appropriation Act, 1999 (P.L. 105-277): President shall submit to Congress a report describing the total Federal expenditure of all official international travel during the previous fiscal year and the number of individuals in each agency who engage in such travel. The report is an annual report. OMB will prepare this report.

- Report to Congress Identifying Specific Paperwork Reduction Accomplishments -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): Requires that OMB submit a report by March 31, 1999, identifying paperwork burden reductions, constituting annual five percent reductions in paperwork expected in FY 1999 and

FY 2000. OMB will present this report in the FY 1999 Information Collection Budget which is now under development.

- Report to Congress Providing Guidance to Agencies on the Requirements of the Congressional Review Act -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): Requires that OMB submit a report by March 31, 1999, that issues guidance to agencies concerning the implementation of the Congressional Review Act. This guidance is now under development.

- Report to Congress Providing Guidance to Agencies concerning a Standard New Rule Reporting Form -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): Requires that OMB submit a report by March 31, 1999, that issues guidance to agencies on a standard new rule reporting form for agencies to use in sending their final rules to Congress and the GAO. OMB issued that guidance on January 12, 1999 (OMB Memorandum 99-07). OMB will issue this report to Congress after the guidance concerning this implementation of the Congressional Review Act has been issued.

- Y2K Funding Allocations -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): The law enables Federal agencies to request emergency funding to augment current Year 2000 conversion activities. Emergency funds are to be allocated both for activities that were included in the FY 1999 Budget but were not funded in the FY 1999 appropriations process, and for critical Year 2000 requirements that have been identified since the FY 1999 Budget was transmitted. OMB has oversight responsibilities ensuring that agencies have sufficient resources to address Year 2000 problems and that emergency funding remains available to address emerging needs. OMB must coordinate with the agencies to determine that each agency has first used other potential funding sources and that requests demonstrate reliable, cost-effective conversion strategies. In addition, OMB is required to prepare and submit reports to Congress on the proposed allocation and plan for each agency.

- Prepare and Submit an Accounting Statement and Report to Congress on the Costs and Benefits of Federal Rules and Paperwork -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): In the report, OMB is to estimate the total annual costs and benefits (including quantifiable and nonquantifiable effects) of Federal rules and paperwork, in the aggregate, by agency and

agency program, and by major rule. OMB is also to analyze the impacts of Federal regulation on State, local, and tribal government, small business, wages, and economic growth and to make recommendations for reform. The report must be subject to notice and comment by the public before it is submitted to Congress. In addition, OMB must issue guidelines to agencies to standardize measures of costs and benefits and the format of the accounting statements. The reports and the guidelines are to be subject to peer review before submission to Congress.

- Assessment of Federal Regulations and Policies on Families -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): This provision calls upon agencies to conduct an assessment of those proposed policies and regulations that may affect family well-being. OMB is to ensure that policies and regulations proposed by agencies are implemented consistent with this provision. OMB must compile, index, and submit to Congress, each year, the agency certifications of carrying out the assessments that agencies are to provide OMB.

- Government Paperwork Elimination Act -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): OMB, in consultation with Commerce and other appropriate bodies, shall develop procedures for the use and acceptance of electronic signatures by Federal agencies within 18 months of enactment, that:

    - are compatible with accepted standards;
    - do not inappropriately favor one industry or technology;
    - ensure an appropriate level of reliability;
    - provide for electronic acknowledgments;
    - allow multiple signature methods for large-volume filings.

  This will be accomplished through a notice and comment process.

  Within 5 years, agencies are to have electronic filing and electronic signature capabilities in place. OMB, in consultation with Commerce, is to perform an ongoing study of the use of electronic signatures for paperwork reduction and electronic commerce and report its results periodically. Electronic records submitted or maintained in accordance with OMB guidance will not be denied legal effect because they are in electronic form. Privacy of personal information is to be maintained.

- Purchase of American-Made Equipment and Products -- Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277): Requires agencies to the maximum extent practicable use funds from this Act to purchase American agricultural commodities. OMB is to prepare an annual report on compliance purchase of American made equipment and products.

- Electronic Commerce (EC) Reporting (Section 850 of the FY 1998 Defense Authorization Act): Requires the Administrator of OFPP to develop a government-wide strategic plan for the use of EC in procurement and to submit annual reports to Congress on EC activity. In FY 1998, OMB, under the auspices of the President's Management Council submitted a government-wide strategic plan to Congress -- covering both buying and paying activities -- and the first annual EC activity report. In late 1998, OMB issued guidance for the development of agency implementation plans focused on the building block activities and milestones set forth in the government-wide plan. OMB will evaluate agency plans and recent activities as part of its annual report to Congress in FY 1999. Evaluations will include a review for consistency with agency budget submissions, agency five-year financial management plans, agency information technology planning under the Clinger-Cohen Act, and strategic plans and performance plans submitted under the Government Performance and Results Act. Steps also will be taken to develop performance metrics to better evaluate the effectiveness of individual agency implementation and mechanisms to improve agency reporting on transactional activity as required by section 850. Throughout FY 1999 and FY 2000, OMB will need to continue to monitor EC activities and provide guidance as necessary to help ensure successful implementation.

- The Federal Activities Inventory Reform (FAIR) Act of 1998: The FAIR Act requires Federal agencies to compile and submit annually to OMB lists of all commercial activities performed by Federal government sources for the agency. It also requires that the inventory include the name of a government employee responsible for the activity from whom additional information about the activity may be obtained. Accordingly, OMB is augmenting the inventory requirement of OMB Circular A-76 and its Handbook to conform to the FAIR Act. OMB, in consultation with the agencies, will review the lists each year prior to their transmission to Congress. Based on efforts undertaken by OMB prior to enactment of the FAIR Act, OMB expects to see substantial increases in the size of agency inventories. OMB has been actively working

with the agencies in preparing an inventory of both commercial and inherently governmental activities, submitted to OMB in October 1998.

- The Small Business Reauthorization Act of 1997: The Small Business Reauthorization Act made significant changes to Federal small business programs. Among other things, the Act: extended indefinitely the Small Business Competitiveness Demonstration Program; established the new HUBZone Program and a phased-in HUBZone small business goal; increased the government-wide small business goal; and established provisions regarding the bundling of government contracts. As a result of these changes, OFPP experienced workload increases that will continue into FY 1999 and 2000. OFPP will need to work with agencies to revise the Federal Procurement Data System (FPDS) to collect contract bundling data. OFPP will finalize its directive on the Competitiveness Demonstration Program and reissue its policy letter on small business goals. The policy letter also will include guidance on the statutorily-mandated women-owned small business goal established by the Federal Acquisition Streamlining Act. OFPP will need to continue to work in FY 1999 and FY 2000 to ensure that the small business programs, as modified by the above statutory changes, are properly implemented.

The proposed FY 2000 OMB budget request will allow OMB to continue to meet the new workload requirements of the statutes mentioned above in addition to its many existing functions with the same number of FTE as in FY 1999. Such existing functions are listed in Section VI OMB Responsibilities and Background.

A summary of OMB's FY 2000 budget request is shown below.

The FY 2000 request will permit OMB to continue current operations. Of the $2,878,000 in increases, over 86 percent ($2,478,000) is for: (1) maintaining current FTE levels at anticipated pay levels; (2) rental payments to GSA for space; and (3) inflation and uncontrollable cost adjustments for telephones, printing, other services, supplies, subscriptions, and equipment. The remaining portion of the increase ($400,000) will fund an increase in information technology. The increase for information technology is vital in light of the continued increases in OMB's workload.

Budget Summary
(in thousands of dollars)

	1998 Actual	1999 Estimate	2000 Request
Appropriation	$57,440	$60,617	$63,495
Outlays	$56,198	$58,797	$62,612
FTEs	504	518	518

The increases/decreases requested for FY 2000 are as follows:

$60,617,000	FY 1999 enacted level
+2,137,000	Personnel cost increases necessary to maintain FTE levels at anticipated pay levels
+97,000	Rental payments to GSA for occupied space
+244,000	Inflation and uncontrollable cost increases for telephones, printing, other services, supplies, subscriptions, and equipment
+400,000	Information technology desktop, monitor, and printer replacements
$63,495,000	FY 2000 Request

Personnel Costs

An increase of $2,137,000 is requested in order to maintain OMB's FY 1999 FTE level of 518. This includes cost associated with the FY 1999 pay adjustment and the projected FY 2000 pay adjustment (in January 2000).

GSA Rental Payments

An increase of $97,000 is requested to maintain OMB's existing space at the new GSA rates. The GSA rate for OMB's current space is increasing from $32.72 per square foot to $33.28 per square foot.

Telephones, Printing, Other Services, Supplies, Subscriptions, and Equipment

The FY 2000 OMB budget includes inflation and uncontrollable cost increases of $244,000 for non-pay object classes. This increase will allow OMB to maintain a consistent level of support for telephone costs, printing, other services, supplies, subscriptions, and equipment.

Information Technology

OMB is requesting an additional $400,000 for desktop, monitor, and printer replacements. A more detailed discussion is included in Section II.

II. Information Technology

MAX Budget System Migration

For FY 1999, OMB requested and received $1.6 million to move the MAX Budget System mainframe applications from the Office of Administration's (OA) mainframe to a larger, modern Y2K compliant facility. This final step will complete OMB's Budget System Migration Project.

Last fall, OMB finalized a contract to move the MAX Budget System mainframe applications to a Secure Data Center (SDC) after a formal procurement involving a Government-Wide acquisition contract vehicle -- GSA's Data Center program. The move is currently taking place and will realize significant benefits for the MAX Budget System applications. The transfer to the new data center will be completed during FY 1999. OA will continue to support OMB by maintaining A-11 data input from agencies and overnight printing functions.

- The selected SDC contractor is a world-class data facility that will ensure a stable computer environment and a platform for future budget system enhancements.

- The SDC contract is performance based, with costs based on usage and a schedule of penalties for non-performance. Thus, the contractor's payments are directly affected by its performance. This is the first time such a performance based statement of work has been used under the Federal Computer Acquisition Center - Data Center program. The performance based nature of the contract will ensure sufficient computing capacity during peak budget preparation periods by making it the contractor's obligation to provide that capacity. This arrangement is also highly cost efficient as it enables the contractor to move computer equipment between its many business applications based on their varying peak processing cycles.

  In addition, the usage-based nature of the contract will facilitate implementation of future budget systems enhancements and new initiatives with only marginal facilities costs.

- The SDC is a Year 2000 compliant system that includes a "clock forward" test environment. Clock forward Year 2000 testing will begin by early March, 1999.

- Moving to the SDC allows the EOP's Office of Administration to concentrate more effectively on remaining computer applications.

The outyear annual funding requirements to maintain the MAX Budget System mainframe applications at the SDC are higher than the $1.2 million we originally estimated in last year's FY 1999 OMB Congressional budget justification. That estimate was based on the best information available from Federal data centers for a reimbursable arrangement. During FY 1998, OMB undertook a formal technical requirements study and decided to use a Government-wide acquisition contract vehicle that involved a competition between private providers. When we reassessed the porting costs on an A-76 full cost basis (i.e. including indirect costs for staff benefits, overhead costs, and lost tax revenues), and incorporated the results of the formal technical requirements study, we determined that the equivalent annual costs for a private provider would be $1.7 million. This full cost estimate was confirmed in the final bid and selection.

The FY 2000 budget request of $1.7 million represents an increase of $.1 million over the FY 1999 appropriated level and $.5 over the initial estimate provided in last year's FY 1999 Congressional budget justification.

Year 2000 Compliance

OMB plans to have assessed, remediated, and completed independent validation and verification (IV&V) testing of the individual components of all its mission critical systems by March 31, 1999. But, system-wide, end-to-end IV&V testing will not be completed by that date. And, some of the systems will not be put into production by that date. No OMB-owned systems will be in jeopardy of failing by January 1, 2000.

FY 2000 Information Technology Request for OMB

The FY 2000 OMB budget request includes $400,000 for replacement of our oldest desktops. A substantial portion of OMB's desktop systems will be five years old or older in FY 2000. These resources will allow OMB to execute our plan to retire older desktops, monitors, and printers on a four to five year cycle. OMB has found that older hardware is more expensive to maintain and is more prone to failures. Sustaining latest technology on the desktop is part of an overall strategy for helping OMB staff to keep pace with mounting workload requirements.

Investment Review Board

Consistent with the Information Technology and Management Reform Act (Clinger-Cohen), the Office of Management and Budget created the Investment Review Board (IRB). The creation of the IRB continues to be an integral part of OMB's strategic plan

objective to leverage information technology resources to help all OMB staff to do their jobs more efficiently and effectively. The IRB is composed of senior policy and career line executives from several parts of OMB. During the previous year, the IRB has been instrumental in:

- reviewing and making recommendations to the Director of OMB on overall funding requirements and IT funding requirements in OMB. The IRB completed a major comprehensive review of all major OMB systems and infrastructure to gain a baseline understanding of number and type of information resources available to OMB staff. The IRB is using these results to help set FY 1999 information technology spending priorities;

- establishing priorities for information technology spending requirements within OMB;

- charting and overseeing key information technology initiatives (such as the MAX Budget System porting and the common software initiative); and

- establishing the Integrated Process Team.

During 1998, on the recommendation of the IRB, the OMB Director authorized the creation of an Integrated Process Team (IPT) to define the next generation of information technology in OMB. By the Summer of 1999, the IPT will develop OMB's Strategic Information Technology Plan that will provide a clear indication of overall information technology strategic direction as well as a framework and architecture for OMB's long term technology development. This plan will be consistent with OMB's strategic plan and the EOP's information technology architecture.

The Strategic Information Technology Plan will provide a context and direction for improving OMB's existing technology activities as well as exploring the potential for new, proven information technologies to: (1) improve staff productivity; (2) reduce costs, where appropriate; (3) reduce cycle time needed to complete key processes such as the production of the President's Budget and clearance of legislative proposals; and (4) identify potential new opportunities to enhance OMB's interactions with agencies, Congressional Offices, and/or the public consistent with OMB's central governmental role. The Strategic Information Technology Plan will inform and guide the development of IT budget requests and resources prioritization decisions by OMB's IRB. The IRB, in turn, will make recommendations to the Director. OMB will consult with Congress about new information technology developments.

III. Proposed Appropriation Language

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, [$60,617,000] $63,495,000, of which not to exceed $5,000,000 shall be available to carry out the provisions of chapter 35 of title 44, United States Code.

IV. Summary Tables

Salaries and Expenses

Program and Financing (in thousands of dollars)

I.D. Code 11-0300-0-1-802		1998 Actual	1999 Estimate	2000 Request
	Obligations by program activity:			
	Direct Program:			
00.01	National security & international affairs	6,384	6,933	7,266
00.02	General government and finance	6,529	7,080	7,410
00.03	Natural resources, energy and science	7,622	7,996	8,382
00.04	Health/Personnel	5,374	5,889	6,160
00.05	Education, income maintenance, and labor*	3,520	3,729	3,913
00.06	Office of federal financial management	2,457	2,612	2,745
00.07	Information and regulatory affairs	5,155	5,361	5,625
00.08	Office of federal procurement policy	2,628	2,744	2,883
00.09	OMB-Wide offices**	17,741	18,273	19,111
	Total Direct Program	57,410	60,617	63,495
09.01	Reimbursable Program	42	300	
10.00	Total Obligations	57,452	60,917	63,495
	Budgetary resources available for obligation:			
22.00	New budget authority (gross)	57,482	60,917	63,495
23.95	Total new obligations	(57,452)	(60,917)	(63,495)
23.98	Unobligated balance expiring	(30)		
	New budget authority (gross), detail:			
	Current:			
40.00	Appropriation (definite)	57,440	60,617	63,495
	Permanent:			
	Spending auth. from offsetting collections:			
68.00	Offsetting Collections (cash)	10	422	
68.10	From Federal sources: Change in receivables	114	(122)	
68.15	From Federal sources: Adjustment to receivables	(82)		
68.90	Spending authority from offsetting collections	42	300	
70.00	Total new budget authority (gross)	57,482	60,917	63,495
	Change in unpaid obligations:			
	Unpaid obligations, start of year:			
72.40	Obligated balance	5,298	6,369	8,189
72.95	From Fed. sources: Receiv. & unpaid, unfilled orders	8	122	
72.99	Total unpaid obligations, start of year	5,306	6,491	8,189
73.10	Total new obligations	57,452	60,917	63,495
73.20	Total outlays (gross)	(56,208)	(59,219)	(62,612)
73.40	Adjustments in expired accounts	(59)		
	Unpaid obligations, end of year:			
74.40	Obligated balance	6,369		
74.95	From Fed. sources: Receiv. & unpaid, unfilled orders	122		
74.99	Total unpaid obligations, end of year	6,491	8,189	9,072
	Outlays (gross), detail:			
86.90	Outlays from new current authority	52,731	55,161	57,780
86.93	Outlays from current balances	3,477	4,058	4,831
87.00	Total outlays (gross)	56,208	59,219	62,611
	Offsets:			
	Against gross budget authority and outlays:			
	Offsetting collections (cash) from:			
88.00	Federal sources	10	422	
	Against gross budget authority only:			
88.95	From Fed. sources: Changes in receiv. & unpaid, unfill	114	-122	
88.96	From Fed. sources: Adj. to receiv. & unpaid, unfilled	-82		
	Net budget authority and outlays:			
89.00	Budget authority	57,440	60,617	63,495
90.00	Outlays	56,198	58,797	62,611

* The former Human resource division has been renamed Education, income maintenance, and labor.

** OMB-Wide Offices includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director (and associated support staff); Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; and the Budget Review Divisions.

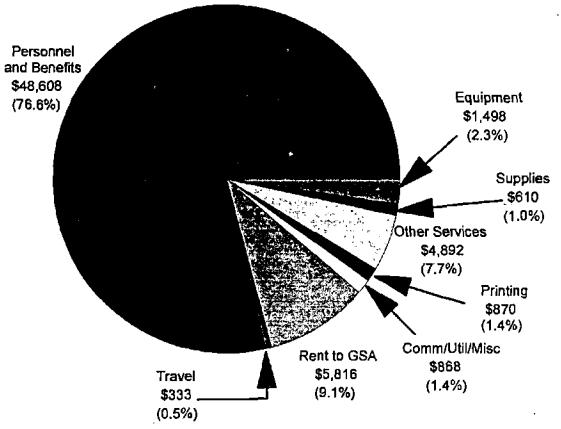
Object Classification (in thousands of dollars)

I.D. Code 11-0300-0-1-802		1998 Actual	1999 Estimate	2000 Request
	Direct Obligations:			
	Personnel Obligations:			
11.1	Full-time permanent	34,794	36,204	38,116
11.3	Other than full-time permanent	1,259	1,310	1,360
11.5	Other personnel compensation	1,148	1,210	1,260
11.8	Special personal service payments	25	250	125
11.9	Total personnel compensation	37,226	38,974	40,861
12.1	Civilian personnel benefits	7,180	7,497	7,747
21.0	Travel & transportation of persons	286	333	333
23.1	Rental payments to GSA	5,549	5,719	5,816
23.3	Communications, Utilities, and Misc	758	850	868
24.0	Printing and reproduction	670	783	870
25.2	Other Services	3,491	4,570	4,892
26.0	Supplies and materials	693	597	610
31.0	Equipment	1,557	1,294	1,498
99.0	Subtotal, direct obligations	57,410	60,617	63,495
99.0	Reimbursable program	42	300	
99.9	Total obligations	57,452	60,917	63,495

Executive Office of the President
Office of Management and Budget

FUNDING REQUEST BY OBJECT CLASSIFICATION

(In Thousands of Dollars)



FY 2000
$63,495

Cost Justification by Object Classification

PERSONNEL COMPENSATION (OBJECT CLASSIFICATION 11), $40,861,000

Summary of Personnel Costs
(in thousands of dollars)

	1998	1999	2000
Permanent personnel costs	$34,794	$36,154	$37,941
Nonpermanent personnel costs	1,259	1,310	1,360
Overtime & other personnel costs	1,173	1,510	1,560
Total personnel costs	$37,226	$38,974	$40,861

PERSONNEL BENEFITS (OBJECT CLASSIFICATION 12), $7,747,000

This request is for OMB's mandatory contributions to the Civil Service Retirement System, the Federal Employees Retirement System, the Social Security Retirement and Medicare programs, the Federal Employees Group Life Insurance program, and the Federal Employees Health Benefits program.

TRAVEL (OBJECT CLASSIFICATION 21), $333,000

This request is for travel funds for the examination of Executive branch activities outside Washington, D.C., and for other official business travel. The request is the same as FY 1999.

RENTAL PAYMENTS TO GSA (OBJECT CLASSIFICATION 23.1), $5,816,000

This request is for payments made to the General Services Administration (GSA) for rental of office space in the Old and New Executive Office Buildings. The rates used are those mandated by GSA for space currently occupied. Rates will increase from $32.72 per square foot to $33.28 per square foot, resulting in an increase of $97,000 from the FY 1999 funded level. No increase in space is assumed.

COMMUNICATIONS, UTILITIES, AND MISCELLANEOUS CHARGES (OBJECT CLASSIFICATION 23.3), $868,000

This object class includes the cost of local telephone service, the Federal Telecommunications Service (FTS), and international long distance costs. Also included in this estimate are the costs associated with (1) rental of duplicating equipment, (2) reimbursement to GSA for furnishing after-hours utilities, and (3) postage. The request reflects an increase of $18,000 from the FY 1999 level.

PRINTING AND REPRODUCTION (OBJECT CLASSIFICATION 24), $870,000

The request covers the cost of publishing in the Federal Register; work done by the Government Printing Office (GPO), primarily the printing of the President's Budget and related materials; and work performed by the Office of Administration's duplicating facilities. The request reflects an increase of $87,000 from the FY 1999 level.

OTHER SERVICES (OBJECT CLASSIFICATION 25.2), $4,892,000

The other services object class includes charges for: (1) ADP support for various computer information systems; (2) computer time-sharing; (3) OMB's share of maintaining an employee health program; (4) maintenance agreements and repairs to equipment; (5) training; (6) funding for the Federal Accounting Standards Advisory Board and the Joint Financial Management Improvement Program; (7) maintaining the MAX Budget System application at the Secure Data Center; and (8) other miscellaneous services. The request reflects an increase of $322,000 from the FY 1999 level.

SUPPLIES AND MATERIALS (OBJECT CLASSIFICATION 26), $610,000

The supplies and materials object class includes charges for the purchase of normal office and ADP supplies and additional work materials, such as legislative bills, reports, enacted bills, and periodicals. The request reflects an increase of $13,000 from the FY 1999 level.

EQUIPMENT (OBJECT CLASSIFICATION 31), $1,498,000

The equipment object class includes resources for office equipment, computer equipment, and furniture needs. The request reflects an increase of $204,000 from the FY 1999 level.

Explanation and Justification of Changes by Object Class over the FY 1999 Estimated Level
(in thousands of dollars)

FY 1999 Estimate	FY 2000 Request		Net Change
$46,471	$48,608	Personnel Compensation and Benefits Costs necessary to maintain 518 FTEs.	$2,137
$333	$333	Travel No increase for Travel.	$0
$5,719	$5,816	Rental Payments to GSA An additional $97,000 is requested for a mandated GSA rate increase. Office space rates are increasing from $32.72 per square foot to $33.28 per square foot.	$97
$850	$868	Communications, Utilities, & Misc. Inflation increase for Communications, Utilities, and Miscellaneous.	$18
$783	$870	Printing and Reproduction Uncontrollable cost increases associated with printing the President's Budget and related documents ($82,000) and inflation increase for other printing ($5,000).	$87
$4,570	$4,892	Other Services Uncontrollable cost increase associated with maintaining the MAX Budget System at the secure data center ($72,000), OMB's contribution to FASAB and JFMIP[1] ($33,000), inflation increases for training and maintenance agreements ($17,000); and an increase for information technology ($200,000).	$322
$597	$610	Supplies and Materials Inflation increase for Supplies and Materials.	$13
$1,294	$1,498	Equipment Inflation increase for Equipment ($4,000) and an increase for information technology ($200,000).	$204
$60,617	$63,495	Total All Object Classes	$2,878

[1] FASAB - Federal Accounting Standards Advisory Board.
JFMIP - Joint Financial Management Improvement Program.

Personnel Summary

I.D. Code 11-0300-0-1-802	1998 Actual	1999 Estimate	2000 Request
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment.....	504	518	518

Distribution by Program Activity of Full-time Equivalent Positions

Program Activity Structure	FY 1998 Actual FTEs	FY 1999 FTE Estimate	FY 2000 FTE Request
National security & international affairs....	55	58	58
General government and finance.....	64	67	67
Natural resources, energy and science.....	64	67	67
Health/Personnel.....	54	55	55
Education, income maintenance, and labor*....	32	36	36
Office of federal financial management.....	19	20	20
Information and regulatory affairs.....	46	47	47
Office of federal procurement policy.....	20	20	20
OMB-Wide offices**.....	150	148	148
Total Direct Program	504	518	518

* The former Human resource division has been renamed Education, income maintenance, and labor.

** OMB-Wide Offices includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director (and associated support staff); Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; and the Budget Review Divisions.

V. OMB Responsibilities and Background

OMB derives its basic authority from the Budget and Accounting Act of 1921, as amended. This Act, in providing the first comprehensive national budget system, gave the Bureau of the Budget the authority to assemble and correlate, as well as recommend changes to, the requests for appropriations of the several departments or establishments. The Bureau was further authorized to make detailed administrative studies that would help in securing greater economy and efficiency in the conduct of the public service.

In 1921, in response to a request by the Chairman of the House Appropriations Committee, President Harding instructed the Federal agencies to submit to him, through the Director of the Bureau of the Budget, all requests or recommendations for legislation that would require appropriations presently or in the future. This clearance procedure was later extended to all legislation.

OMB, which was created from the Bureau by Reorganization Plan No. 2 of 1970, also now provides the President with an institutional staff capability in executive management, particularly in program evaluation and coordination, management reform, regulatory analysis, and information and management systems.

The functions of OMB include the following:

- To advise the President on fiscal and economic policies for the Nation;
- To prepare the President's Budget and formulate the Federal government's fiscal program;
- To supervise and control the budgetary administration of the Executive branch;
- To examine the management and administrative systems of the Executive branch, and establish policies that will assure the efficient management and operation of the Federal government;
- To clear and coordinate departmental recommendations for proposed legislation and for Presidential action on bills passed by Congress;
- To assist in the coordination, clearance, and preparation of Executive Orders and proclamations;

- To keep the President advised of agencies' activities (proposed, initiated, and completed), and to coordinate interagency activities to assure that funds appropriated by the Congress are spent with minimum duplication;

- To implement initiatives on information policy, paperwork reduction, and regulatory reform;

- To establish policies and methods that reduce fraud waste, and abuse in Federal programs, including the provision of staff support to the President's Council on Integrity and Efficiency and the President's Council on Management Improvement;

- To establish and oversee the implementation of financial management policies and requirements for the Federal government as required by the Chief Financial Officers Act of 1990, the Federal Financial Management Improvement Act of 1996, the Government Management Reform Act of 1994, and the Single Audit Act of 1996;

- To provide overall direction of Government-wide procurement policies, regulations, and procedures for executive agencies and to promote economy, efficiency and effectiveness in the procurement of property and services by the executive branch as provided for in the Office of Federal Procurement Policy Act, as amended by the authorities and additional responsibilities set forth in the Federal Acquisition Streamlining Act of 1994, the Clinger-Cohen Act of 1996, and other recent legislation;

- To provide the President and Congress, pursuant to the Budget Enforcement Act of 1990, as amended by the Balanced Budget Act of 1997, with reports on each appropriations bill, on the deficit effect of mandatory spending and receipts legislation, and on the necessity for sequesters, and with updates on discretionary spending limits and consultations with the Budget and Appropriations Committees on scoring matters;

- To carry out the Unfunded Mandates Reform Act of 1995 (P.L. 104-4), which imposes new requirements for the review of regulations for impacts on government and private sector;

- To implement the Paperwork Reduction Act of 1995 (P.L. 104-13), containing expanded scope and requirements for the review of paperwork requirements that agencies impose on the public;

- To carry out the Information Technology Management Reform Act of 1996 (P.L. 104-106, Division E), which expands OMB authorities regarding the procurement and use by agencies of information technology;

- To implement the Contract with America Advancement Act of 1996 (P.L. 104-121) containing an amendment to the Regulatory Flexibility Act which expands the responsibilities of the Administrator of OMB's Office of Information and Regulatory Affairs (OIRA) with respect to Small Business Advocacy Review Panels;

- Under the Federal Activities Inventory Reform Act of 1998, OMB must review and publish agency lists of commercial activities and issue guidance to agencies on the competitive process;

- To implement the Government Performance and Results Act (GPRA) of 1993 (P.L. 103-62) by setting overall government policy on GPRA, coordinating with the agencies and Congress on improving the usefulness of strategic plans and annual performance plans, ensuring that all plans meet GPRA requirements, and issue guidance for government-wide implementation of the managerial accountability and flexibility provisions of GPRA; and

- To carry out Congressional Review of Agency Rulemaking (P.L. 104-121), under which OMB is required to determine whether rules are "major" and thus trigger certain reporting requirements and delays in effective date under Congressional review mechanism.

In FY 1999 appropriations action, OMB is required to:

- Identify 5% paperwork reductions across the government;

- Issue guidance on reliability and dissemination of information;

- Transfer Y2K funds to agencies as necessary;

- Provide an expanded Stevens Report on regulatory costs and benefits;

- Ensure agency compliance with new family assessment requirements;

- Revise Circular A-110 to ensure FOIA access to research data;

- Issue a standard form for agencies reporting under the

Congressional Review Act;

- Ensure that agencies comply with the Congressional Review Act;

- Under the Government Paperwork Elimination Act, OMB is required to develop standards for electronic signatures and ensure agencies take various steps with respect to the electronic storage and retrieval of information over the next five years;

- Final accounting of the finances of agencies abolished under Division G of the Omnibus Consolidated and Emergency Supplemental Appropriation Act requires OMB to consult with Treasury and the President on a final accounting to be submitted by the President with respect to the finances and operations of the agencies abolished under the Foreign Affairs Reform and Restructuring Act (FY 1999 Omnibus Appropriations Act);

- Foreign affairs reform and restructuring Act require OMB to prepare a report for Congress from the President that describes the total Federal expenditure of all official international travel during the previous fiscal year; the number of individuals in each agency who engage in such travel; and

- OMB is to prepare an annual report on the compliance purchase of American made equipment and products.

Organizational Responsibilities

The Resource Management Offices (RMOs), the Budget Review Division, the Legislative Reference Division, the Office of Federal Financial Management, the Office of Federal Procurement Policy, and the Office of Information and Regulatory Affairs play a pivotal role in developing and supporting the President's management, budget, and legislative agenda. These areas of OMB assist the President in the preparation of the Federal budget and in managing its execution in the departments and agencies. In helping formulate the President's spending plans, OMB examines the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies; recommends funding priorities; and provides policy options. The following are some illustrations of OMB work in the areas of budget and policy development, budget and policy enactment, and budget and policy implementation.

- Budget and policy development - Every year, RMOs are involved in the development of new program policies, from inception of policy options, analysis of options for inclusion in the

budget, the State of the Union address, etc. Each new program/policy requires close engagement of OMB staff and policy officials with White House staff and agency staffs.

- Budget and policy enactment - OMB staff work directly in support of Administration officials working with Congress to enact the President's budget and legislative program. OMB works to assure that proposed legislation, and agency testimony, reports, and policies are consistent with Administration policies, including the President's Budget. This responsibility frequently requires resolution of conflicting agency views on legislation.

- Budget and policy implementation - OMB staff monitor the implementation of all major programs and policies to identify and help resolve issues that arise in: development of initial regulations and program guidance; program management; data reporting and analysis; long range evaluation and research designs; implementation; and analysis to inform future policy making more effectively.

The following is a brief summary of the functions of each of the offices within OMB.

OMB-Wide Offices. Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's Office; the Deputy Director, the Deputy Director for Management, the Executive Associate Director (and associated support staff); Communications; General Counsel; Legislative Affairs; Economic Policy; Administration; the Legislative Reference Division; and the Budget Review Divisions.

Budget instructions and procedures are developed, review of agency estimates is coordinated, budget data systems are maintained, agency financial management plans are reviewed, the budget document is prepared, and scorekeeping is accomplished.

National Security and International Affairs; General Government and Finance; Natural Resources, Energy, and Science; Education, Income Maintenance, and Labor; and Health/Personnel. Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special studies aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

Financial Management. In conjunction with the Chief Financial Officers Council, OMB prepares the government-wide financial management status report and 5-year plan, monitors execution of the plan; provides policy guidance on preparation and audit of

financial statements, financial systems requirements, management controls, and cost accounting and audit requirements for the non-Federal grantee community.

Information and Regulatory Affairs. Agency proposals to implement or revise Federal regulations and information collection requirements are reviewed and coordinated. Information resources management and statistical policies and practices are analyzed, developed, coordinated, and maintained.

Procurement Policy. OMB/OFPP provides overall direction of Government-wide procurement policies, regulations, and procedures for executive agencies and promotes economy, efficiency and effectiveness in the procurement of property and services by the executive branch.

FISCAL YEAR 2000

ANNUAL PERFORMANCE PLAN FOR THE OFFICE OF MANAGEMENT AND BUDGET

EXECUTIVE OFFICE
OF THE PRESIDENT

February 12, 1999

OMB PERFORMANCE PLAN

The Government Performance and Results Act (GPRA) requires that each agency "prepare an annual performance plan covering each program activity set forth in the budget of such agency." This document contains the performance plan for the Office of Management and Budget (OMB) for fiscal year (FY) 2000.

INTRODUCTION

This plan is based on OMB's strategic plan, which was submitted to the Congress on September 30, 1997. That plan has a statement of mission and four general goals and 16 objectives related to OMB's major responsibilities. This performance plan follows that structure with performance goals and indicators that track those general goals and objectives.

The performance plan flows from the basic nature of OMB and its responsibility to help develop and carry out Presidential policies and programs. Meeting that responsibility requires OMB to provide both short-and long-range analysis and advice on a variety of subjects; develop government-wide policies; review agency budget, management, legislative, regulatory, financial, procurement and other proposals; and assure that all such proposals are consistent with relevant statutes and Presidential objectives.

The OMB performance plan addresses one of the statutory reporting requirements in GPRA. However, the fundamental purpose of GPRA is not the statutory reporting processes in the Act. It is to improve the performance of government programs. This requirement is basic to everything OMB does. It is, for example, the reason why OMB was reorganized during this Administration to integrate budget and management activities and to emphasize inter-agency issues.

The President's annual budget has always been a statement of the Administration's fiscal and programmatic goals for the coming year. Properly executed, GPRA should allow the budget to become an even more results-oriented document. At OMB Director's Review this year, key measures from agency plans were used in describing the effect of a proposed budget level.

The OMB strategic plan describes the various processes and authorities used by OMB:

- The entire budget process, with its instructions, hearings, reviews, budget drafting, and justifications drives the development and coordination of policy. OMB examines efficiency and effectiveness in order to improve programs; allocates resources in accord with Presidential priorities; and presents the President's program. The legislative and regulatory review processes likewise help to sharpen and coordinate policies. OMB has many authorities to require and define the budgetary, performance, accounting, and other information that agencies must develop, the

systems they use to keep and share it, and the analyses they should undertake.

- OMB has other authorities to improve the financial, procurement, grant, and other management functions of the Executive Branch. OMB staff is expected to provide leadership for and to be catalysts within interagency groups, including the President's Management Council, the Chief Financial Officers Council, the Budget Officers Advisory Council, the Chief Information Officers Council, the Procurement Executives Council, the Small Agency Council, and other professional and programmatic groups.

- OMB works cooperatively with the Congress and with congressional agencies such as the Congressional Budget Office and the General Accounting Office. OMB also works continuously with the agencies on a wide variety of policy development, budget, inter-agency, coordination and management issues. This contact occurs through formal Councils, informal working groups and individual meetings and conversations."

GPRA requires that agencies describe the means to be used to verify and validate the measured values of actual performance used in the performance plan. The OMB plan has been constructed to meet this requirement in recognition of OMB's unique role as a staff agency in the Executive Office of the President (EXOP). For most measures, the source of data subject to validation is inherent in the measure. For example, the performance plan reflects OMB's commitment to maintaining fiscal discipline. This can be verified in each succeeding year's budget. For other measures, internal administrative systems and procedures or periodic required reports will provide the information.

OMB has nine program activities in its budget --one each for its five Resource Management Offices (National Security and International Affairs; General Government and Finance; Natural Resources, Energy and Science; Health/Personnel; and Education, Income, Maintenance and Labor) and three statutory offices (Office of Federal Financial Management, Office of Information and Regulatory Affairs, and Office of Federal Procurement Policy) and one on OMB-wide offices (such as the General Counsel's office, the Budget Review divisions and the Legislative Reference Division). However, OMB's goals and objectives cut across all these offices and activities; there is not a one-to-one relationship between an office and a performance goal. In that regard, the OMB performance plan recognizes a number of priority objectives for agency-specific and inter-agency management initiatives cutting across OMB organizations that are reflected in the President's FY 2000 Budget.

While this plan is for FY 2000, some of the goals and indicators involve OMB activities that are not limited to any one year, some can change within the year if the President's policies change, and some of the policy issues that OMB will address in a particular year cannot be forecast in advance.

PLAN

This plan follows the structure of the OMB strategic plan. The strategic goals are taken from that plan. The OMB performance goals follow each strategic goal.

STRATEGIC GOAL 1

Recommend to the President spending, regulatory, tax, and other policies that fulfill the President's policy goals and promote sustainable economic growth.

FY 2000 Performance Goals

1. **The submission by the President of a budget for FY 2001 that maintains fiscal discipline and promotes the President's objectives.**

   To meet this goal, OMB will analyze and provide advice on the effects of proposed agency tax, appropriation, and mandatory spending policies; and suggest reforming or eliminating less effective programs and shifting resources or making policy changes to meet Presidential priorities within a framework that protects the surplus until social security is reformed.

2. **Translation of the President's appropriations and other budget proposals into legislation that is consistent to the maximum extent feasible with the Administration's fiscal policy, budgetary goals, and programmatic objectives.**

   This goal is achieved through (1) OMB support of a dialogue between Administration officials and the Congress; (2) promoting the enactment of legislation that is consistent with the President's program; and, (3) developing or clearing legislative proposals to implement budget policy.

3. **Ensure that the President's budget for FY 2001 is an accurate reflection of the President's priorities and policies; is submitted within the statutory deadline without significant numerical errors; and the President's proposals are accurately portrayed in the budget as part of a government-wide performance plan.**

   This first part of this goal is measured by whether the Budget accurately reflects the decisions reached by the President regarding his spending program for the fiscal year. The rest of the goal is measured by whether the Budget is delivered on time and

whether it contains significant errors. Every Budget reflects the Government-wide performance plan. The FY 2001 Budget will contain the Government-wide performance plan and will include sections that present the key elements of that plan in terms of fiscal performance, program performance, and management performance.

4. **Submit required budget reports to Congress within the statutorily specified time period.**

Performance indicators include:

- The Mid-Session Review, an annual updating of the budget estimates (31 USC 1106).
- Status of discretionary spending and mandatory spending and receipts required by 2 U.S.C. 904. (These are provided in the preview report published with the Budget and the August Sequestration Report).
- Reports on discretionary spending, direct spending and receipts legislation within seven days of enactment (2 U.S.C. 901).
- An end-of-session report on the status of the discretionary caps and Pay-As-You Go limits (2 U.S.C. 902).

5. **Administer the budget development process so that the President's policies determine Administration budget and policy proposals.**

Performance indicators include:

- Prior to the submission of agency budget requests to OMB in September, OMB advises Executive Branch agencies on: (1) discretionary spending targets; and (2) other guidance pertinent to agencies.
- Based on agencies budget submissions in September, and other analysis, OMB conducts hearings and other explorations with agencies on policy options for the budget and discusses these ideas with other Executive Office staff. OMB uses agency performance information, among other data, to inform these analysis.
- OMB organizes and directs the analytical process of sorting agency and other budget proposals into appropriate decision options for the President, taking into full account the views of the agencies and other EXOP staff.

- With the Council of Economic Advisers and Treasury, OMB will develop economic assumptions for use in development of the annual budget, distribute such assumptions to the agencies for their use in updating program estimates and policy analyses, and supply periodic updates as needed, as, for example, in the Mid-Session Review.

Examples of OMB recommendations and analysis in support of the President's programmatic economic goals:

1. Since fiscal year 1995, in the "Stewardship" chapter of the Analytical Perspectives volume of the budget, OMB has presented analyses of the long-range outlook for the Federal budget. We project the major outlay and revenue components of the budget, the budget surplus or deficit, and the debt held by the public, over a period of several decades - in the most recent budget, about 75 years. The projections are used to indicate whether current policies are sustainable under not just the best estimate of future economic conditions, but rather a range of possible outcomes. The long-range presentation has received high marks from other budget professionals, because it goes the extra mile to show the broadest possible range of alternative outcomes, with respect to both the economic variables and budget policy choices.

   The long-range projections have illustrated both the dangers of continued large budget deficits and the opportunities presented by a potential era of budget surpluses. The progression of improvement in these estimates from year to year has illustrated how the recent period of sound budget policies and strong economic performance in the short run has built a foundation for continuing budget stability in the long run. The extension of the budget projections beyond the statutorily required five years and well into the period of the retirement of the baby boom generation has helped to remind policy makers about the imperative of addressing the impending problem of population aging, including primarily social security, out beyond the usual budget horizon.

2. As included in the President's Budget (p. 267), one of DOJ's goals is to:"keep the overcrowding rate below 32 percent by expanding [the Bureau of Prisons] bed capacity and continuing to construct additional prisons within performance, schedule and budget targets".

   This measure ("overcrowding rate") was used by OMB to help in our decision making process for the 2000 budget. Overcrowding is defined as that point where population exceeds rated capacity. High levels of overcrowding make population management difficult and potentially dangerous. By looking at the projected population and the capacity at the Bureau of Prisons, we were able to determine what the overcrowding rate would be at different funding levels. In order to stay below 32 percent in FY 2000, it was determined that additional private contract beds would be needed.

   Estimated out year overcrowding rates were used to determine the level of funding needed in the construction budget. Since it takes three to four years to construct a new prison, funding provided in 2000 would not have an impact on the overcrowding rate until 2003-2004. Again, we looked at what the overcrowding rate would be at different funding levels. These scenarios where used to help us determine what level of funding would be appropriate for the Bureau of Prisons construction budget.

3. The FY 2000 President's Budget proposes $800 million in funding for EPA's Clean Water State Revolving Fund (CWSRF), $550 million lower than the FY 1999 enacted level. The proposed funding level, when combined with State matching and leveraging, will enable States to lend about $2 billion a year to communities for clean water projects. OMB's financial analysis of the fund allowed the Administration to conclude that it can meet its goal to provide enough Federal capitalization to the CWSRF at a lower funding level than what has historically been provided.

STRATEGIC GOAL 2

Provide management leadership to ensure the faithful execution of the enacted budget, programs, regulations and policies.

FY 2000 Performance Goals Regarding Government-wide Management:

1. **Continuously work with agencies to improve management practices throughout the government on an agency-specific and inter-agency basis.**

Performance indicators include:

- *Achievement of High Impact agency performance goals for FY 2000*: During the past year, agencies have developed more than 200 customer-oriented measures in 32 separate High Impact agencies. OMB worked with the National Partnership for Reinventing Government (formerly the National Performance Review) to develop these commitments and will help to assure that the FY 2000 segments of those goals are implemented.

- *Achievement of commitments for FY 2000 in Priority Management Objectives*: To focus on specific challenges, OMB has developed a list of Management Objectives that are both agency-specific and inter-agency. Twenty four Priority Management Objectives are listed in the President's FY 2000 Budget along with the specific performance commitments for achieving results in each of these areas. These 24 Priority Objectives range from meeting the year 2000 computer challenge to restructuring of the Internal Revenue Service. Throughout the year OMB will work with agencies to achieve the commitments that pertain to FY 2000.

- *Interagency Working Groups achievement of FY 2000 objectives*: A key strategy for improving management has been to energize and focus the work of interagency working groups such as the CIOC, PCIE, PMC, CFOC, POC, etc. Each of these groups has developed an agenda which includes initiatives and specific objectives. OMB will actively support these groups in achieving their FY 2000 objectives.

Example of OMB efforts to support government management improvement:

As part of OMB's on-going responsibility to oversee and improve the management of government programs, OMB has worked closely with the Education Department to help improve the management of its $40 billion student loan and other student aid programs. By 1997, it became apparent to OMB and to ED senior management that there were serious problems developing in this area that required a more intense level of engagement. With ED's Deputy Secretary, OMB established and co-chaired the Student Financial Aid Modernization Board, a multi-agency group tasked with identifying management problems and timely solutions in the delivery of student financial assistance. With OMB's help, the Board developed and implemented strategies to improve the Direct Loan program; employ performance-based contracting; upgrade information technology; and recruit a chief operating officer for the government's first ever performance based organization as authorized by the Higher Education Amendments of 1998.

2. Improve the performance of government programs by meeting the statutory requirements of GPRA.

Performance indicators include:

- Issue timely guidance to agencies on preparing and submitting fiscal year 2002 annual performance plans, including specifications for improving and enhancing these plans.
- Issue guidance to agencies on preparing and submitting the FY 1999 and 2000 reports on program performance.
- Review agency draft program performance plans for FY 2002 for format *and content.*
- Assure that a total of 19 of 24 CFO Act agencies prepare accountability reports for FY 1999, and prepare acceptable Accountability Reports for FY 2000. (Management accountability can be improved through the integration and streamlining of budget and management reports to provide more useful information to decision makers.)
- Assure that the program performance indicators and data are consistent with the best available information and the agencies' performance plan, and that they reflect accurately the requirements of authorization and appropriation law and the President's policies. To the extent necessary, work with agencies to improve areas of low performance during the current and succeeding years.

FY 2000 Performance Goals Regarding the Acquisition Process:

3. **Maximize the value received from Federal contracts** by converting all appropriate service contracts to Performance-Based Service Contracting methods to help agencies better define their requirement, achieve costs savings, and improve customer satisfaction; and by increasing agency use of commercial buying strategies to reduce acquisition lead time and administrative expense and maximize value.

   Performance indicators include:

   - 20 agencies will convert designated contracts to Performance Based Service Contracting methods to achieve an average 15% price reduction and 18% increase in customer satisfaction

   - 80% of all agency purchases at or below $2,500 will be made using commercial purchase cards to reduce acquisition lead time and administrative expense and to maximize the value received for products and services acquired.

4. **Inspire public trust in Federal acquisition** by developing and implementing a set of core agency acquisition system performance measures to enable governmentwide agency assessments of overall progress in improving the value received for the dollars spent. Agencies will use contractor performance systems to improve current contractor's performance and aid in selecting future contractors likely to achieve excellent performance.

   Performance indicators include:

   - Agencies will use a set of core acquisition system performance measures, currently being developed by the Procurement Executives Council, to enable government-wide and agency specific assessments of overall progress in improving the value received through contracts.

   - Agencies will use contractor past performance systems to increase satisfaction with contractor performance and ensure performance to contract requirements.

5. **Promote acquisition-related public policies** by ensuring a strong commitment to socio-economic programs while achieving acquisition reforms.

Performance indicators include:

- Government-wide statutory prime contracting and subcontracting goals for small, small disadvantaged, small women-owned, and HUB Zone businesses will be achieved.

- Participating agencies will use the pilot program to streamline procurement of services set-aside for small businesses to demonstrate a 5% increase in small business participation.

FY 2000 Performance Goals Regarding Financial Management:

6. **Assist 23 of the 24 agencies subject to the CFOs Act to obtain unqualified and timely audit opinions on their annual financial statements for FY 2000.**

Performance indicators include:

- Timely financial reporting and audit guidance.

- Unqualified audit opinions on the financial statements of 23 of the 24 CFO Act agencies.

7. **Provide agencies with a selection of Commercial off the shelf (COTS) accounting software applications and financial management tools, which have been tested and certified as being compliant with Federal financial management systems requirements, to replace antiquated and noncompliant systems.**

Performance indicators include:

- Revised systems requirements.

- Tested and certified COTS systems.

- Increased use of COTS applications.

8. **Facilitate the use of commercial services such as multi-purpose bank cards so that eight or more CFO Act agencies out source transaction processing across two or more business lines (e.g., travel, small purchase, intra-governmental transfers, telephone, etc.).**

Performance indicators include:

- Expand commercial applications to collect critical accounting data.

- All CFO Act agencies using commercial applications to process buy-sell transactions.

9. **Conduct 3 prototypes to demonstrate program improvements and enhanced financial management in major benefit delivery or credit program.**

Performance indicators include:

- Data warehouse for housing loan portfolio management.

- Increased use of electronic matching for error reduction and debt collection in benefit programs.

- Facilitate submission of student aid applications and establishment of other student assistance capabilities electronically.

10. **Work with the agencies and the General Accounting Office to obtain an unqualified and timely opinion on the financial statement of the U.S. Government.**

Performance indicators include:

- Unqualified opinion on the Government's Fiscal Year 2000 financial statements.

FY 2000 Performance Goals Regarding Information and Regulatory Affairs:

11. **Review significant agency regulations and their accompanying analyses.**

Performance indicators include:

- Working with agencies to assure that economically significant/major regulations are accompanied by appropriate analyses of benefits and costs that:

  - Evaluate, where possible, reasonable alternatives that include performance standards in lieu of command-and control regulations.

  - Support the tailoring of the regulation to solve well-defined problems.

- Developing a database of benefits and costs of economically significant / major regulations, using consistent assumptions and better estimating techniques, to refine agency estimates of incremental costs and benefits.

These indicators can be met when agencies submit timely and carefully developed draft rules and analyses. To accomplish this, OMB staff work as early as possible with agency staffs in the regulatory development process, and consult with them regarding the application of OMB's economic analysis guidelines for regulations. During regulatory reviews, OMB must coordinate other agency views and resolve disputes to reduce duplication and incompatibility among rules. As required by law, OMB will publish with the FY 2001 budget a report to Congress on the costs and benefits of Federal regulations.

12. Work with agencies to reduce paperwork burdens.

As required by law, OMB shall set a "Government wide goal for the reduction of information collection burdens by at least...5% percent during...FY 2000." In addition, OMB is required by the 1999 Omnibus Appropriations Act to submit to Congress by March 31, 1999, a report that "identifies specific paperwork reduction accomplishments expected, constituting five percent reductions in paperwork expected in fiscal year 1999 and fiscal year 2000." OMB also works with agencies to set goals for each agency that would reduce information collection burdens imposed on the public to the maximum extent practicable, and supports and encourages agency activities to meet these targets. OMB submits an annual report to Congress describing these goals and agency progress toward meeting them.

13. Oversee implementation of information (including information technology) policy.

Performance indicators include:

Working with agencies, the CIO Council, and others to:

- Ensure that no critical Federal programs fail as a result of the year 2000 computer problem by getting 100 percent of agency mission-critical systems to be year 2000 compliant.

- Begin to define an interoperable Federal information architecture by creating an interagency information sharing and collaboration pilot project.

- Educate agency personnel regarding computer security practices to protect government services by conducting a security best practices program.

- Evaluate agency capital planning and investment practices using CIO Council-developed criteria.

- Continue to identify ways to attract and retain highly qualified technology personnel.

- Implement provisions of the Government Paperwork Elimination Act.

14. **Work with agencies to strengthen the utility, quality, accessibility and cost-effectiveness of Federal statistics while maintaining users' confidence in their integrity and credibility.**

Performance Indicators include:

- Implementing the FY 2000 budget proposals: (1) to reduce the differential undercount for hard to enumerate populations in the 2000 Decennial census; (2) to provide a comprehensive, integrated, and internationally comparable statistical base for analysis of increasingly integrated world markets; (3) to modernize our basic industrial classification to reflect the structural and technological make up of our economy; (4) to improve the timeliness and accuracy of the CPI; and (5) to support production of consistent, accurate, and current demographic information to all States through the American Community Survey program.

- Promoting the enactment of the Statistical Confidentiality Act.

- Initiating implementation of the newly revised 1998 Standard Occupational Classification.

15. **Coordinate the interagency review and clearance of (a) agencies' legislative proposals, testimony, and views letters on legislation for submission to Congress, and (b) draft executive orders for submission to the President.**

Performance indicators include:

- Assure that the views of all concerned agencies are taken into account in the review process.

- Assure, through OMB analyses, recommendations, and decisions, that all

final public documents accurately and completely reflect Administration priorities and policies.

STRATEGIC GOAL 3

Assist the President by providing analysis and advice on critical longer-range demographic, fiscal and economic trends, and on other significant issues.

FY 2000 Performance Goals

1. **Prepare financial reports for the annual Budget and the Mid-Session Review.**

   Performance indicators include:

   - For the FY 2001 Budget and Mid-Session Review, OMB staff, working with the agencies, will prepare summary data and narrative explanations of economic conditions as they compare to the Administration's economic forecast, and the status of budget outlays, receipts, and the surplus, including information on each of the Executive Branch agencies.

   - For the FY 2001 Budget, OMB staff will prepare timely, comprehensive, and accurate assessments of the government's financial condition for the Analytical Perspectives volume of the President's Budget, including a balance sheet of assets and liabilities, information on Federal indebtedness and the financial condition of the trust funds, and other measures that convey information on the financial status of the Federal Government. Information on the Nation's wealth will be presented, including stocks of physical, education, and R&D capital, the Federal contribution to these stocks, and national economic and social indicators.

2. **Prepare long-term analyses that are timely, and that reflect sound judgment as to the size, likelihood, and meaning of events and the potential actions to be taken.**

   Performance indicators include:

   - Publish a budget forecast based on prudent economic assumptions (developed with other members of the "Troika" --Treasury and the Council of Economic Advisers) extending at least six years into the future for the FY 2001 Budget and Mid-Session Review.

- Publish in Analytical Perspectives an analysis of longer-range budget, economic, and demographic trends extending fifty years into the future that illuminates potential problems and policy issues.

- Provide timely, high-quality long-term projections and analyses throughout the year to OMB's principal customers: the President, senior White House officials, and OMB's policy leadership.

OMB staff analyze agency data, Congressional action and reports, and other actions and reports from outside government to stay abreast of developments and report on possible changes to the budget forecast, and economic and demographic trends as they affect Federal programs and the budget forecast and long-term projections.

3. **Prepare timely analyses of priority issues under short deadlines that are objective, accurate, and reflect sound judgment as to actions to be taken or in identifying the meaning of events.**

OMB analyzes program and policy issues on a year-around, daily basis. This can consist of high-priority, action-oriented analyses of specific budget and management proposals, reporting on the effects of legislative action, assessment of new research and evaluation data or program reports to determine the need for revised policies, or status reporting on significant economic or programmatic developments as they occur throughout the year. The analysis is most frequently initiated by OMB staff but is also done at the request of senior policy officials.

STRATEGIC GOAL 4

Improve OMB's means for accomplishing work, including development and use of its human resources and information systems.

FY 2000 Performance Goals:

1. **Make progress toward workforce representation levels with respect to gender, race, ethnicity, and disability that are similar to those of the Federal workforce.**

2. **Assure a high level of manager satisfaction with: (1) the quality of recruits and new hires; and (2) the retention of staff.**

3. **Make mentors available to all who seek them.**

   OMB is staffed by a highly motivated and highly skilled workforce that carries out its difficult and sensitive tasks effectively and efficiently. To sustain this level of performance and to continue to improve it where possible, OMB is broadening its recruiting activities, and has initiated a mentoring initiative. OMB also will institute an annual staff survey concerning satisfaction with the quality of recruits and new hires, with the retention of staff and with the operation of the mentoring program.

4. **Assure for all staff: (1) clearly stated performance expectations from their supervisors at the beginning of the rating period; and (2) at least one annual counseling meeting with the supervisor.**

5. **Have each division develop and carry out a staff training and development plan. Supervisors will ensure that training and development opportunities are available to all staff. In addition, division plans will be reviewed centrally.**

6. **Continue to assure that to the extent feasible interested staff are provided by supervisors with the opportunity to participate in internal or external rotational assignments (or details) during the fiscal year.**

7. **Maintain and improve the functionality of systems used to produce the President's Budget.**

   During FY 1999, OMB is carrying out the plan to move the MAX budget systems' mainframe applications to the Secure Data Center. Once completed, OMB will have a platform from which to build further enhancements to its Budget Systems. An effort is underway that will identify future systems improvements. During 2000, OMB will continue to manage this effort.

8. **Implement a strategic information resources management plan.**

9. **Implement Y2K fixes and assure smooth implementation.**

During FY 1999, OMB is ensuring that its systems are made compliant. OMB will work in partnership with the Office of Administration to ensure the continuity of OMB's mission critical operations. During FY 2000, OMB will continue to monitor this effort.

WEDNESDAY, MARCH 3, 1999.

OFFICE OF NATIONAL DRUG CONTROL POLICY

WITNESS

GENERAL BARRY R. McCAFFREY, DIRECTOR

Mr. KOLBE. The subcommittee on Treasury, Postal Service and General Government will come to order. General McCaffrey, welcome.

This morning we are very pleased to welcome General Barry McCaffrey, who is the Director of the Office of National Drug Control Policy, as he testifies this morning on the President's fiscal year 2000 budget request for his office, ONDCP.

General, as you know, and I think we probably concur, there are few things that matter more in the policy and political life of this country than our efforts to end drug abuse. It is a cancer that eats at our public institutions, threatens our families, harms our national health.

We are constantly reminded by this struggle against drugs that simply being a great and prosperous country is not enough. To defeat the constant and insidious corrosion of drugs, we have to have the strength of character, the will to act, and we have to be prepared to stay the course and foot what we all must acknowledge is a substantial bill to defeat this.

That is what we are here today to talk about. The cost of this challenge is daunting. The enormous Federal drug budget that you oversee, $17.8 billion is the fiscal year 2000 request is amazing also because we no longer question the need for such spending levels, and yet what a scale.This is equivalent to the entire military payroll of the Air Force and more than that of the Navy.

We have much to discuss today, so I want to proceed right away to your testimony and then to questions. However, I think we should point out that we continue to see some mixed stories on the drug war, and the question that people continually ask us is what are we getting for the $17.8 billion that we spend at the Federal level alone?

On the one hand, there appears to be a slowing or slight dip in the trend to youth drug use overall. However, marijuana use remains very high, and an alarming one-third of high school children engage in binge behavior of one sort or another. The children continue to experiment with drugs in unacceptable numbers.

The volume of traffic across our border, with little of it subject to inspection, continues to explode: 287 million people, four million trucks and rail cars, 86 million passenger cars cross our border with Mexico alone each year.

While we see increases in seizures and some reduction in production overseas, there is no indication that the volume of drugs enter-

56-420 99 - 18

ing our country is any lower than the more than 300 metric tons we estimate has been entering each year.

And then there are our prisons which are overflowing with drug offenders who, in many cases, are still abusing drugs even while they are incarcerated.

We see good news in eradication in Peru and Bolivia, but we need to sustain that success, and we look with concern at the growing supply of drugs coming from fragmented Columbia or, increasingly, from or through other countries in the region.

We know more about the neuro biology of addiction, but we still continue to have a chronic addict population of at least four million people. So, today, I look forward to our discussion with you, General, and particularly hearing about the progress we are making and better gauging the performance of our Federal efforts, of coordinating our efforts to eradicate, interdict and deter the supply of drugs into this country, of streamlining our investigative intelligence and other tools of law enforcement and making real lasting impact on the attitudes and behavior of our children and their families.

Before you begin, I want to ask Mr. Hoyer for his opening comments, and then we will go to your testimony, General.

Mr. HOYER. Thank you very much, Mr. Chairman. General, I want to welcome you again to our committee, as we oversee what, as the chairman has pointed out, is a very substantial sum of money, indeed. It is a sum of money that the American public dedicates to one of its most important objectives set forth the 1988 act, and subsequent acts, and the Reauthorization Act of last year; that is, of course, to substantially reduce the threat to health, the threat to safety, the threat to the futures of a lot of young people and the ruination of the lives of a lot of adults, both users and those whose users' behavior adversely affect.

One of the things that you and I discussed when you first came into my office at the time of your appointment was that I thought the American public needed to perceive ONDCP and the Director of ONDCP as operational, as you recall. And by that I meant not just as a bystander or coordinator, but as an agency of not only policy, but of operational effectiveness.

You will, in your testimony today, talk about the drug control strategy, its goals, and how we assess the attainment of those goals and the success of the expenditures which the chairman has talked about and you are here to testify about.

I believe that there is some good news. I have read your statement. Obviously, you have set forth some good news as it relates to cocaine use, crack cocaine. As the chairman says, marijuana continues to be readily available, but we do have some positive statistics, and that is the good news.

Not only do we have good news in terms of use, but in terms of availability some 500 metric tons in 1992 down to about 289 metric tons of cocaine entered this country in 1997. I guess it was 1992 to 1997 was the comparison. That obviously is a step in the right direction.

This committee has been concerned about the expenditures on Treasury law enforcement, and this committee's law enforcement

component, of which ONDCP is obviously a critical part, as it relates to justice law enforcement.

The Director of OMB correctly, in my opinion, Mr. Lew made the observation that their effort was to look at the overall picture, not necessarily by agency or by committee or by department, but the overall effort that was being made to determine whether the discrete parts of that effort were getting sufficient funding and whether that funding was being used effectively. Then look at the composite picture, the overall picture of where we are spending.

Obviously, what we look to you for, General—and you, in my opinion, are uniquely qualified to carry out this role—is to ensure that that $17.8 billion spent by a lot of different components of the Federal Government are, in fact, coordinated and are effective, and I look forward to your testimony today focused on those points.

Again, I want to reiterate how much I appreciate, I think this Congress appreciates, and I believe, to the extent they are knowledgeable, the American public appreciates your willingness to undertake this responsibility at the request of the President. You could have gone out and made five, ten, fifteen, twenty times the salary that we are paying you in the private sector based upon your experience and performance. You have chosen to continue your public service, and I think it is a testimony to you and a great benefit to our country, and I thank you again for that.

Thank you, Mr. Chairman.

Mr. KOLBE. Thank you.

General McCaffrey, we will hear your testimony. As always, of course, the full statement will be placed in the record, and if you would like to summarize it, that will give us more time to get to questions.

General MCCAFFREY. Thank you, Mr. Chairman, and also to Mr. Hoyer for your opening statements and, more importantly, for your leadership, your support, and your wisdom on this issue and the involvement of the members of your committee.

With your permission, I would not only enter into the record our written statement, which we put an enormous amount of effort into trying to pull together in one document and that we will put up on the Web today, but we have also pulled together with Dr. John Carnevale and Ms. Michelle Marx, who do all of our budgetary planning, a summary of the Drug Control budget.

With your permission, as in the past, I will respond directly to my own ONDCP sort of modest budget of just under a half-billion dollars. I would also welcome the opportunity to explain the larger nine appropriations bills that have drug-related funding in them. Those two documents, with your permission, I would offer for the record.

Mr. Chairman, let me also just briefly take note of some of the important people in our national drug strategy who are here in the room with us, and I am grateful for their support. Dr. Alan Moghul, representing NASADAD [Clerk's note: The National Associated of State Alcohol and Drug Abuse Directors]; Major General Retired Art Dean and Sue Thau of the Community Anti-Drug Coalition of America, CADCA, 4,000 anti-drug coalitions all across the Nation; and Dr. Linda Wolf Jones from Therapeutic Communities of America. My right arm in the media campaign is Partnership for

a Drug-Free America, and Mike Townsend was good enough to come down from New York, representing Jim Burke.

We have with us Jessica Hulsey, who, as you may know, is one of the board members of our Drug-Free Communities Advisory Board which Congress set up last year with your active involvement. Her story, by the way, is a very compelling one. A Princeton grad raised by two parents who were seriously involved in heroin and other drug addictions.

Don Murray is here from the National Associations of Counties. We have really benefitted from working with not only county leadership, but the Mayors and Governors Association.

Robbie Callaway is senior vice president of Boys and Girls Clubs of America. If there is one organization that I am most proud to be associated with in terms of drug prevention, it is the Boys and Girls Clubs.

Irene Gainer is here from what you know as TASC, Treatment Accountability for Safer Communities. This is a tremendous program to link criminal justice and drug treatment communities.

And finally, Stefanie Greenberg, vice president of the Ad Council is here. And the Ad Council, as you know, has very generously acted as quarterback for the nonpaid component of the media campaign and has, been very active in trying to pull together under Ruth Wooden's leadership, our support of educating America's children.

There is a lot of material to cover, and I am very interested in responding to your own questions and really listening to your own views. So, let me, if I may, give you a quick overview of some of the documents that are in front of the committee and which I would welcome the chance to respond to.

The most obvious one is the 1999 Strategy, but I would underscore that since the Congress, with unanimous support, reauthorized ONDCP last year in the omnibus bill, this Strategy is now on the table as a long-term document, and I owe you an annual report on how well we are going about achieving its strategic goals, [CLERK'S NOTE.—Agency clarifies: "ONDCP provides to Congress an annual report on our progress in achieving its strategic goals"], I will modify it as the environment changes.

But thanks to congressional action, this is now a five-year strategic concept, and I think we are successfully selling this around the country as the conceptual architecture to organize programs and budgets, and we are very proud of the work that has gone into that.

The second document, obviously, of importance to this committee, is a five-year budget summary of the National Drug Control Strategy. This last year, the first year we put this out, but it was collegial partnership with my 14 cabinet colleagues [CLERK'S NOTE.—Agency inserts "served as the foundation for producing last year's document."]. This year they did it because you put it in the law. We are required to give you a five-year budget plan. It is not a [CLERK'S NOTE.—Agency inserts "as of yet"] a very good document, but I will bet in another year or two of debate by Congress and the media and people who are aware of the issue we'll get the five-year budget projection to match our conceptual goals in the strategy. We are on the way.

The next document you should be aware of is something we are extremely proud of. And, again, Dr. John Carnevale has provided our governmental leadership on this. It is called the Performance Measures of Effectiveness. We have outlined 12 targets for a decade out. Where do we want to be in America on drug abuse in terms of its impact on our society?

Then we backed off and identified 85 subordinate variables that you have to effect if you are going to get to your ultimate goal. We are going to provide you with annual goals and annual accountability, and this is the first year we are giving you an update report.

We do not have databases for all of these 85 subordinate variables. We are going to have to build those very patiently and with some sense of humility as we do this. But this is the annual report card that I will give you on what we achieved with the money you gave us in the last year.

I might also add last year I did this. It was not quite as effective as the document you have now, but it was based on collegial support from my cabinet colleagues. This year they had to do it because you put it in the law last year. So, I am required now to give you Performance Measures of Effectiveness over time.

The next document is available through the normal mechanism for handling classified information. This is the second year we have done the National Drug Control Strategy Classified Annex. We classified it secret, NOFORN. What we tried to do is put down the President's strategic guidance to law enforcement, the intelligence community, and the defense community so that we have an agreed-upon guidance on how to organize what is primarily border and overseas activity. But there are also elements of law-enforcement-sensitive information in that document. That is very widely distributed now inside the Government. We are going to try and get people accustomed to explaining what they are doing in terms of that document.

Finally, Michelle Marx and Dr. Carnevale put together an outline of the ONDCP budget, my personal budget of under a half billion dollars. It outlines in tab form what we have requested that you support in the fiscal year 2000 budget.

A quick overview of that budget is that the salaries and operating expenses of ONDCP are $21.9 million. That is about a tenth of a percent of the Federal Drug Control budget. I say that because I am enormously proud of the impact of what is essentially a modest policy agency of 154 people, of whom 30 are detailees, has on this rather enormous Federal effort.

If you look at the larger budget that we have tabled, $17.8 billion, and go back to fiscal year 1996 or fiscal year 1996 to 2000, and look at what we have done, we have increased drug prevention funding by 55 percent. We have increased treatment funding by 25 percent. Research is up by more than a third. If you turn to the supply reduction side, domestic law enforcement is up by 24 percent, interdiction is up by 47 percent and our international programs, working with Peru, Ecuador, Thailand, et cetera, are up by 120 percent. I underscore that because there has been an awful lot of mischief with changing numbers.

What I want to do was just put on the table fiscal year 1996 and fiscal year 2000. Here is what we have tried to do during the budget period that I have affected. That is a total growth during that time frame of 32 percent in the Federal anti-drug programs over time.

I think we are steadily moving to put our money where the strategy said we would go. Now, if I can, Michele Manatt, who is my Legislative Affairs Director, has a series of charts that I will just comment on.

The strategic goals and their 31 objectives have to be the way in which local, State, and Federal governments and NGOs organize ourselves to deal with this problem. I think, increasingly, in the last three years, we are finding a growing acceptance of that. You cannot pick off a menu and say, I am going to be an international drug reduction guy. Or, I will be in prevention. You have to do all of it in some balanced, coherent manner and stay at it over time.

If there is any central component to this strategy, it argues that prevention and education of adolescent Americans to keep them off gateway drug-using behavior is really the highest value payoff we have. You have got to do it all.

Next chart. The budget, if you look at it again, fiscal year 1996 through 2000, last year there was an extremely generous .8 billion dollar supplemental. Some would argue it was inadequately thought out because it was rushed, but it is there. We are attempting to fund the tail-end costs of that $800 million package. But as you look at it, there has been a steady and, we think, largely sensible growth in this funding, and I just gave you the kind of percentage period.

The bottom line is that it [CLERK'S NOTE.—Agency refers to the budget] has gone up a billion dollars a year in the last few years while we have been trying to argue for rational drug policy.

Next viewgraph. I will not go into this. It is somewhat intimidating. I do think it is important for you and for us to use the same tools that the CEO of 3M or Avis or IBM would use. You have got to have measurements. There has got to be an output function. I cannot just talk about what you gave me. We have got to say what did we achieve? What was the purpose of this expenditure. That is the way that we designed the output function. Those are the 12 target outcomes. There are numbers on them. And to get there we said you have to effect 85 subordinate variables. I would be glad to respond to your own interests along this line.

Next. Here is the whole argument on prevention education. If you change youth attitudes, you change youth behavior, and there are a series of ways to change youth attitudes. If we look at it over time, you can see that drug attitudes among adolescents steadily worsened from about 1991 on and drug abuse went up from 1992 on. That went on until two years ago when Dr. Shalala, Donna Shalala and I, carefully lowered expectations.

However, we did announce that there was stabilization of drug abuse rates among kids two years ago. This year, we said it went down. And I do not want to overstate that, but I want to be unmistakable. If you look at that 12 to 17 population, almost across-the-board, with a couple of exceptions among 12th graders, all these lines of both attitudes and use, instead of going up, stabilized or

went down. In all three key categories, 8th graders, 10th graders, 12th graders, drug abuse went down slightly. These are not huge margins of change. And it was most dramatic among 8th graders, which is what you would expect. They are the youngest. They have just arrived into the arena in which they are seeing drug abuse.

What we do argue is this is not the light at the end of the tunnel, but this program, if kept up for a decade, we argue, will substantially lower the number of young adults who enter the workforce with a drug abuse problem.

Next viewgraph. A lot of this, of course, is monitoring the future data out at the University of Michigan. They have got pretty good data all of the way back to the sixties.

Having said that, perhaps we are starting to affect adolescent attitudes. And if you look at the impact of drugs on America, it is getting worse. America's addicts, 4.1 million are older, and sicker, and more dangerous. They are behind bars. They are in trouble. And so if you look at the age rate or crime rates or who is behind bars, almost any one of these social indicators of malignancy in America, one of the dominant variables is drug abuse, drug and alcohol abuse combined, and it has gone up, not down.

Next chart. Part of my budget is the High-Intensity Drug Trafficking Program. I am grateful for the support from Congress. I will raise a caution about the program. That it has gone from five HIDTA's when the program started—and Congressman Hoyer and others were part of starting this up—to current NIDTAs. I have got somewhere between three and nine serious additional candidates to get HIDTA status. It is not a lot of money as Federal programs go, but they are important dollars. You give a locality maybe $3 million up to $9 million. It pays for connecting infrastructure, training, communications, consultants. You glue together [CLERK'S NOTE.—Agency would amend "glue together" with "coordinate efforts of"] local, State, Federal prosecution and law enforcement.

The caution is—I will have a study done by this summer that shows by county in America, where drug abuse, by different ways of slicing it, is the worst. We have got to have a logic behind expanding this HIDTA program. And as we expand it, we have got to get more money into it, not just take the existing dollars and turn it into another Federal minor grant program. There has got to be a logic behind this because I think there is a big payoff, and I think law enforcement authorities around America are grateful for it.

Next viewgraph. Health impact of drug abuse. Again, older, sicker addicts, hospital emergency room entries, you name it, things have not gotten better. When I talk to the addicted in America, and that means the Talbott-Marsh Clinic in Atlanta, where I will sit in a room like this with 30 addicted physicians, a 45-year-old white female plastic surgeon in San Francisco or addicted airline pilots or if I go to the Hazelden Institute with 30 adolescent kids in a room, all paying $14,000 a month for drug treatment, the consequences of drug addiction are just abysmal. And it is not a problem of the minority, the inner city, the poor, the mentally ill—it is also that—but it is a problem that affects all socioeconomic classes in America.

Next chart. Some good news in supply reduction. We have actually, for those of you who have worked the coca producing regions, which I have, off and on for six or seven years, this is almost beyond belief. There has been a dramatic, unarguable major reduction in coca production in Peru. That was the number one [Clerk's note: agency would insert "coca-producing"] country on the face of the earth.

I credit some of this success to the U.S. Air Force, U.S. intelligence, the regional partners, a lot of it to the political will of the Fujimori administration, to the reintroduction of civil police into the Huallaga Valley to the general destruction of the Sendero Luminoso movement. You go over to the Bolivian side, where I never believed we would see a definitive reduction, and there is clearly a reduction in coca production in Bolivia. That was done in two years. And, again, although I think there has been a tremendous amount of work done by U.S. authorities, that was President Banzer, a young Vice President Quiroga, a group of technocrats and a changed way of going about confronting coca production.

Having said that, our problem ten years from now, when my daughter testifies while serving as the U.S. Drug Czar, may well not be heroin or cocaine. It may be methamphetamines, Rohypnal, PCP, MDMA, chemically manufactured drugs. So I think we ought to remind ourselves that it is not the type of drug, but drug behavior that we are trying to confront in a systematic way.

But this is good news. I cannot, unfortunately, add equally good news for heroin production which is such a giant growth industry around the world. It is hard to deal with. We may be consuming ten-plus metric tons of heroin a year. We think the world is producing easily just under 400 metric tons. So the supply grossly exceeds the demand for most of these illegal substances.

On that note, Mr. Chairman, let me again thank you for the opportunity to come down here to testify, and I look forward to responding to your own interests.

[The prepared statement referred to follows:]

Statement by General Barry R. McCaffrey,
Director, Office of National Drug Control Policy
Before the House Appropriations Committee,
Subcommittee on Treasury, Postal Service, and General Government
March 3, 1999

I. Introduction

All of us in the Office of National Drug Control Policy thank the Committee for the opportunity to testify today about the Office of National Drug Control Policy's (ONDCP) Fiscal year 2000 budget. Chairman Kolbe, Ranking Member Hoyer, distinguished members of the subcommittee, your interest in all aspects of drug control policy and your commitment to bipartisan support of a comprehensive response to the nation's drug abuse problem are much appreciated. We welcome this opportunity to review the FY2000 budget request for ONDCP. However, to provide a framework for understanding this budget, this testimony must begin with an overview of the *1999 National Drug Control Strategy* and an analysis of current drug trends.

II. Overview of the *1999 National Drug Control Strategy*

• The Requirement for a National Drug Control Strategy

The Office of National Drug Control Policy Reauthorization Act of 1998 required the President to submit to Congress by February 1999 a comprehensive National Drug Control Strategy for reducing drug abuse and the consequences of drug abuse in the United States by limiting the availability of and reducing the demand for illegal drugs. Specifically, the Act required that the strategy include:

- Comprehensive, research-based, long-range, quantifiable, goals for reducing drug abuse and the consequences of drug abuse in the United States.
- Annual, quantifiable, and measurable objectives and specific targets to accomplish long-term quantifiable goals that the Director determines may be achieved during each year of the period beginning on the date on which the National Drug Control Strategy is submitted.
- Five-year projections for program and budget priorities.
- A review of international, state, local, and private sector drug control activities to ensure that the United States pursues well-coordinated and effective drug control at all levels of government.

ONDCP has prepared the following documents in compliance with this Act:

- *The National Drug Control Strategy.*
- *Drug Control Budget: FY 2000.*
- *Performance Measures of Effectiveness: Implementation and Findings.*
- *Classified Annex.*

It was the sense of the Congress in this Act that substantial progress could be made toward achieving specific reductions in drug supply and demand by the year 2003 as well as during the intervening years. This *Strategy* sets in motion policies and programs designed to make progress toward these targets. It contains careful analysis of what is achievable by specified years. Specifically, it proposes a multi-year conceptual framework to reduce illegal drug use and availability by 50 percent. If this goal is achieved, just 3 percent of the household population aged twelve and over would use illegal drugs. This level would be the lowest recorded drug-use rate in American history. Drug-related health, economic, social, and criminal costs would also be reduced commensurately. The *Strategy* also presents a detailed performance measurement system that links goals, objectives, and mid- and long-term targets. As we succeed in reaching our targets, we will continue to achieve even further reductions insofar as resources and other developments allow.

• Annual Strategy Report

The ONDCP Reauthorization Act of 1998 also requires the President to submit to Congress each February a report on progress in implementing the *Strategy*. The *1999 Strategy* contains a detailed report (in Chapter II) on: progress in reducing drug use and availability in the United States; the consequences of drug abuse; and the effectiveness of prevention, treatment, enforcement, interdiction, and international programs. A summary of the report contained in the *Strategy* follows:

Overall Trends: In 1997, there were 13.9 million current users of any illicit drug in the total household population aged 12 and older, down from the peak year of 1979, when 25 million (or 14.1 percent of the population) abused illegal drugs. The 13.9 million number represents 6.4 percent of the total population and is statistically unchanged from 1996. 36 percent aged twelve and older have used an illegal drug in their lifetime. Of these, more than 90 percent used either marijuana or hashish and approximately 30 percent tried cocaine. There are an estimated 4 million chronic drug users in America: 3.6 million chronic cocaine users (primarily crack cocaine) and 810,000 chronic heroin users.

56 420 921

Juvenile Trends: Drug use among 12-17 year olds declined slightly in 1997 and 1998. Among 8th graders, past month use of illicit drugs declined from 12.9 percent to 12.1 percent. Among 10th graders, the percentage declined from 12.9 to 12.1. Among 12th graders, the decline was from 26.2 percent to 25.6 percent. These declines follow an earlier four-year trend or increasing drug use rates among 12-17 year olds. Between 1992 and 1996, past month illicit drug use had increased from 6.8 percent to 14.6 percent among 8th graders, increased from 11 percent to 23.2 percent among 10th graders, and increased from 14.4 percent to 24.6 percent among 12th graders. Use of inhalants declined among 8th graders from 5.6 percent in 1997 to 4.8 percent in 1998. In 1998 alcohol use decreased among 10th graders, and remained stable among 8th graders and 12th graders, albeit at unacceptably high levels. Past-month use of cigarettes slightly declined among 8th, 10th, and 12th graders from 1997 to 1998. We are concerned that every day more than 6,000 people aged eighteen or younger try their first cigarette, and more than 3,000 people aged eighteen or younger become daily smokers.

Drug Availability: In 1997, an estimated 289 metric tons (MTs) of cocaine were available in the U.S., the lowest amount since the 1980s and far below the peak of 529 MTs in 1992. 145 MTs of cocaine were seized enroute to the U.S. in 1998. Marijuana remains readily available. Information about heroin price and purity is imprecise. In 1998 the average retail price for a pure gram of heroin was approximately $1,799; the wholesale price was $318. These prices were significantly lower than in 1981, when the retail price per gram was estimated to be $3,115 and the wholesale price $1,194. The average purity for retail heroin in 1998 was 25 percent, much higher than 1991's average of 19 percent. Methamphetamine remains the most prevalent synthetic drug. Americans spent $57 billion on illegal drugs in 1995, down 37 percent since 1988.

Consequences of Drug Abuse: Drug-related deaths climbed throughout the 1990s but have leveled off at about 9,300. Drug-related medical emergencies remain near historic highs but remained statistically constant, with 514,347 episodes in 1996 and 527,058 in 1997. Illegal drugs cost our society approximately $110 billion each year.

Drugs and Crime: More than 60 percent of adult male arrestees tested positive for drugs in twenty major cities in 1997. Drug offenders account for 25 percent of the growth in the state prison population and 72 percent of the growth in the federal prison population since 1990.

Drugs and the Workplace: 6.7 million current illegal drug users were employed full-time in 1997. Another 1.6 million current users worked part-time. Drug abuse is twice as prevalent among the unemployed compared to those employed full-time. Drug users are less dependable than other workers and decrease workplace productivity. They are more likely to have taken an unexcused absence in the past month; 12.1 percent did so compared to 6.1 percent of drug-free workers. Illegal drug users get fired more frequently (4.6 percent were terminated within the past year compared to 1.4 percent of non-users). Drug users also switch jobs more frequently; 32.1 percent worked for three or more employers in the past year, compared to 17.9 percent of non-drug-using workers. One-quarter of drug users left a job voluntarily in the past year. This high turnover increases training and other productivity-related costs to American businesses.

- **Goals and objectives of the *1999 National Drug Control Strategy***

Goals. The *Strategy's* five goals are comprehensive in that they cover the three broad aspects of drug control: demand reduction, supply reduction, and adverse consequences of drug abuse and trafficking. In addition, these goals are national in that they state what we must collectively achieve; they are not markers for solely a federal effort. Finally, these goals are research-based, quantifiable, and long-range. The five goals and thirty-one objectives reflect the need for prevention and education to protect all Americans, especially children, from the perils of drugs; treatment to help the chemically dependent; law enforcement to bring traffickers and other drug offenders to justice; interdiction to reduce the flow of drugs into our nation; international cooperation to confront drug cultivation, production, trafficking, and use; and research to ensure policy is based on science.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco.

The Strategy focuses on youth for both moral and practical reasons. Children must be nurtured and protected from drug use and other forms of risky behavior to ensure that they grow up as healthy, productive members of society. As youngsters grow, they assimilate what they observe. Drug use is preventable. If children reach adulthood without using illegal drugs, alcohol, or tobacco, they are unlikely to develop a chemical-dependency problem. To this end, the Strategy fosters initiatives to educate children about the real dangers associated with drugs. ONDCP seeks to involve parents, coaches, mentors, teachers, clergy, and other role models in a broad prevention campaign. ONDCP encourages businesses, communities, schools, the entertainment industry, universities, and sports organizations to join these national anti-drug efforts.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

The negative social consequences of drug-related crime and violence mirror the tragedy that substance abuse wreaks on individuals. A large percentage of the twelve million property crimes committed each year are drug-related as is a significant proportion of nearly two million violent crimes. The nation's estimated 4 million chronic drug users contribute disproportionally to this problem. Drug-related crime can be reduced through community-oriented policing and other law-enforcement tactics, which have been demonstrated by police departments in New York and other cities where crime rates are plunging. Cooperation among federal, state, and local law-enforcement agencies also makes a difference. Operations targeting gangs, trafficking organizations, and violent drug dealers have contributed to declining violence associated with illegal drug markets. Equitable enforcement of fair laws is critical. We are a nation wedded to the prospect of equal justice for all. Punishment must be perceived as commensurate with the offense. Finally, the criminal justice system must do more than punish. It should use its coercive powers to break the cycle of drugs and crime. Treatment must be made available to the chemically dependent in our nation's prisons.

Goal 3: Reduce health and social costs to the public of illegal drug use.

Drug dependence is a chronic, relapsing disorder that exacts an enormous cost on individuals, families, businesses, communities, and nations. Addicted individuals frequently engage in self-destructive and criminal behavior. Treatment can help them end dependence on addictive drugs. Treatment programs, moreover, can reduce the consequences of addictive drug use on the rest of society. The ultimate goal of treatment is to enable a patient to become abstinent and to improve functioning through sustained recovery. On the way to that goal, reducing drug use, improving the addict's ability to function, and minimizing medical consequences are useful interim outcomes. Treatment options include therapeutic communities, behavioral treatment, medication (e.g., methadone, levo-alph-acetyl-methadol (LAAM), or naltrexone for heroin addiction), outpatient drug free programs, hospitalization, psychiatric programs, twelve-step recovery programs, and treatment that combines two or more of these options. Providing treatment for America's chronic drug users is both compassionate public policy and a sound investment. For example, the recent Drug Abuse Treatment Outcome Study (DATOS) found that outpatient methadone treatment reduced heroin use by 70 percent, cocaine use by 48 percent, and criminal activity by 57 percent, and increased employment by 24 percent. The same survey also revealed that long-term residential treatment achieved similar successes.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

The United States is obligated to protect its citizens from the threats posed by illegal drugs crossing our borders. Interdiction in the transit and arrival zones disrupts drug flow, increases risks to traffickers, drives them to less efficient routes and methods, and prevents significant quantities of drugs from reaching the United States. Interdiction operations also produce information that can be used by domestic law enforcement agencies against trafficking organizations. Each year, more than sixty-eight million passengers arrive in the United States aboard 830,000 commercial and private aircraft. Another eight million individuals arrive by sea, and a staggering 365 million people cross our land borders driving approximately 115 million vehicles. Ten million trucks and cargo containers and ninety thousand merchant and passenger ships also enter the United States annually, carrying some four hundred million metric tons of cargo. Amid this voluminous trade, drug traffickers seek to hide approximately three-hundred metric tons of cocaine, thirteen metric tons of heroin, vast quantities of marijuana, and smaller amounts of other illegal substances.

Goal 5: Break foreign and domestic drug sources of supply.

The rule of law, human rights, and democratic institutions are threatened by drug trafficking and consumption. International supply reduction programs not only reduce the volume of illegal drugs reaching our shores; they also attack international criminal organizations; strengthen democratic institutions, and honor our international drug-control commitments. The U.S. supply-reduction strategy seeks to: (1) eliminate illegal drug cultivation and production; (2) destroy drug-trafficking organizations; (3) interdict drug shipments; (4) encourage international cooperation; and (5) safeguard democracy and human rights. The United States continues to

focus international drug-control efforts on source countries. International drug-trafficking organizations and their production and trafficking infrastructures are most concentrated, detectable, and vulnerable to effective law-enforcement action in source countries. In addition, the cultivation of coca and opium poppy and production of cocaine and heroin are labor intensive. For these reasons, cultivation and processing are relatively easier to disrupt than other downstream aspects of the trade. The international drug control strategy seeks to bolster source country resources, capabilities, and political will to reduce cultivation, attack production, interdict drug shipments, and disrupt and dismantle trafficking organizations, including their command and control structure and financial underpinnings.[1]

Objectives. The *Strategy* also presents thirty-one objectives that are more narrowly focused than these five goals and stipulate the specific ways in which the goals will be attained. Under the prevention goal (Goal 1), for example, nine supporting objectives articulate the specific ways that illegal drug use and underage consumption of alcohol and tobacco products will be discouraged. Programmatic initiatives will be tied directly to one or more of these objectives. The national youth anti-drug media campaign, for example, supports objective 2 ("pursue a vigorous advertising and public communications program") and objective 7 ("create partnerships with the media, entertainment industry, and professional sports organizations") of Goal 1.

• The Supporting Performance Measures of Effectiveness (PME) System

Strategy links ends, ways, and means. Progress toward a strategy's goals and objectives must be constantly assessed in order to gauge success or failure and adjust the strategy accordingly. ONDCP has developed -- in conjunction with national drug-control program agencies, Congress, state and local officials, and private citizens with experience in demand and supply reduction -- a Performance Measurement of Effectiveness (PME) system to orient drug-control efforts. This system:

(1) assesses the effectiveness of the *Strategy;*

(2) provides information to the entire drug-control community on what needs to be done to refine policy and programmatic directions; and

(3) assists with drug program budget management.[2]

The PME system identifies ninety-seven performance targets, of which twelve indicate the impact of national drug-control activities on the *Strategy's* five overarching goals. The other eighty-five measure progress toward the *Strategy*'s thirty-one supporting objectives. These targets represent desired end-states for the years 2002 and 2007. They are "stretch targets" in that they require progress above that attained in previous years. This assessment is in keeping

[1] Additional information about international drug-control programs is contained in the *Classified Annex* to the *Strategy.*

[2] The overall performance system is described in detail in the companion volume to the *Strategy -- Performance Measures of Effectiveness: Implementation and Findings.*

with recommendations of the National Academy of Public Administration, the General Accounting Office, and other organizations advocating good government practices.

Progress toward each goal and objective will be gauged using existing research and new surveys. Monitoring the Future and the National Household Survey of Drug Abuse, for example, both estimate risk perception, rates of current use, age of initiation, and life-time use for alcohol, tobacco, and most illegal drugs. The Arrestee Drug Abuse Monitoring System (ADAM) and Drug Abuse Warning Network (DAWN) indirectly measure the consequences of drug abuse. The State Department's annual *International Narcotics Control Strategy Report* (INCSR) provides country-by-country assessments of initiatives and accomplishments. INCSR reviews statistics on drug cultivation, eradication, production, trafficking patterns, and seizure along with law-enforcement efforts including arrests and the destruction of drug laboratories. The Subcommittee on Data, Research, and Interagency Coordination will consider additional instruments and measurement processes required to address the demographics of chronic users, domestic cannabis cultivation, drug availability, and data shortfalls related to drug policy.

The relationship between goals, objectives, targets, and federal and non-federal resources will be reassessed and refined continuously to reflect the dynamic drug-abuse problem and progress in reducing its scope. Non-achievement of a target over a period of time will trigger an in-depth interagency program evaluation to identify problems and recommend corrective action. Such measures might include a range of options such as modifying programs, reinforcing them with more resources, or eliminating them altogether. This ongoing review process will also allow reinforcement of successful programs.

III. The Supporting Fiscal Year 2000 Federal Drug Control Budget

In total, drug control funding recommended for FY 2000 is **$17.8 billion**, an increase of **$735 million** (+4.3%) over FY 1999 regular appropriations of **$17.0 billion.** In addition to regular appropriations, federal drug control agencies received $844 million for emergency purposes in FY 1999. With this emergency funding, drug control appropriations total $17.9 billion in FY 1999. Spending that supports drug education, prevention and treatment programs increases by **$210.0 million** (+3.6%) in FY 2000 over FY 1999 regular appropriations. Spending that supports drug law enforcement efforts increases by **$524.8 million** (+4.7%) in FY 2000 over FY 1999 regular appropriations. Major increases in the budget submitted by the Administration follow:

1. Youth Prevention

- **School Coordinators: (Total $50 million, an increase of $15M).** These additional resources will expand the School Coordinator program, started in FY 1999. With this increase, total funding for this initiative will be $50 million in FY 2000. This program will support the hiring of drug prevention coordinators in nearly half of the middle schools across the country to help improve the quality and effectiveness of drug prevention programs.

- **National Youth Anti-Drug Media Campaign: (Total $195 million, an increase of $10M).** This additional funding brings the budget for ONDCP's Media Campaign to $195 million in FY 2000. With this money, ONDCP will continue its targeted, high impact, paid media campaign designed to change naive adolescent perceptions of the dangers and social approval of drugs.

- **Youth Tobacco Prevention: (Total $169 million, an increase of $61M).** The Centers for Disease Control and Prevention will receive an increase of $27.0 million in drug-related funds to extend state-based efforts to conduct comprehensive programs to reduce and prevent tobacco use. The Food and Drug Administration will receive an additional $34.0 million in drug-related funding in FY 2000 to expand implementation of its final rule intended to halt the supply of tobacco products to children.

2. Criminal Justice Programs

- **Drug Intervention Program: (New program – $100 million).** This initiative, funded through the Office of Justice Programs, will provide drug abuse assistance to state and local governments to develop and implement comprehensive systems for drug testing, drug treatment and graduated sanctions for offenders.

- **Drug Courts: (Total $50 million, an increase of $10M).** This program provides alternatives to incarceration through using the coercive power of the court to force abstinence and alter behavior with a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

3. Treatment

- **Treatment Capacity Expansion Grants: (Total $110 million, an increase of $55M).** This additional funding will help the Substance Abuse and Mental Health Services Administration (SAMHSA) expand the availability of drug treatment in areas of existing or emerging treatment need.

- **Substance Abuse Block Grant Program: (Total $1.615 billion, an increase of $30M** ($24.8 million drug-related)). This increase for SAMHSA's Substance Abuse Block Grant will provide funding to states for treatment and prevention services. This program is the backbone of federal efforts to reduce the gap between those who are actively seeking substance abuse treatment and the capacity of the public treatment system.

4. Law Enforcement & International Programs

- **Southwest border - INS: (Total $450.8 million, an increase of $50M** ($7.5 million drug-related)). INS will continue to deploy the Integrated Surveillance Information System (ISIS). ISIS, which incorporates infrared and color cameras with ground sensors, will aid Border Patrol enforcement efforts and drug interdiction along the Southwest border.

- **International Programs - State: (Total $265 million, an increase of $29M).** These new resources over FY 1999 (excluding emergency funding) are requested for the Bureau of International Narcotics and Law Enforcement Affairs (INL). This additional funding includes support for Andean countries, Mexico, and assistance to international organizations.

- **DEA Drug Intelligence: (Total spending for DEA is $1.469 billion. Spending on intelligence will increase by $22 million).** This funding will provide $13 million to accelerate implementation of DEA's FIREBIRD office automation system. FIREBIRD includes e-mail, uniform word processing and other forms of office automation that will provide DEA with more sophisticated electronic investigative records. Once fully deployed, FIREBIRD will allow DEA components located around the world to act as one cohesive unit through instantaneous access to critical law enforcement and intelligence information. In addition, $9 million will enhance DEA's Special Operations Division by providing critical support for Title III investigations aimed at dismantling drug trafficking organizations.

- **Forward Operating Locations – DoD: (New program – $70.6 million).** The drug control budget for the Department of Defense includes these additional resources in FY 2000 for restructuring SOUTHCOM's theater counterdrug architecture, which will include the development of three Forward Operating Locations (FOLs). These FOLs will support transit and source zone air operations in SOUTHCOM's area of responsibility.

IV. ONDCP's Coordinating Role

The Office of National Drug Control Policy's statutory responsibilities are established in the following laws and executive orders:

The Anti-Drug Abuse Act of 1988. A key provision of that Act was the establishment of ONDCP to set priorities, implement a national strategy, and certify federal drug-control budgets. The law specifies that the strategy must be comprehensive and research based, contain long-range goals and measurable objectives, and seek to reduce drug abuse, trafficking, and their consequences. Specifically, drug abuse is to be curbed by preventing youth from using illegal drugs, reducing the number of users, and decreasing drug availability.

The Violent Crime Control and Law Enforcement Act of 1994 extended ONDCP's mission to assessing budgets and resources related to the National Drug Control Strategy. It also established specific reporting requirements in the areas of drug use, availability, consequences, and treatment.

Executive Order No. 12880 (1993) and **Executive Orders Nos. 12992 and 13023 (1996)** assigned ONDCP responsibility within the executive branch for leading drug-control policy and developing an outcome-measurement system. The executive orders also chartered the President's Drug Policy Council and established the ONDCP Director as the President's chief spokesman for drug control.

The Office of National Drug Control Policy Reauthorization Act of 1998 expanded ONDCP's mandate and authorities and set forth additional reporting requirements and expectations, including:

(1) Development of a long-term national drug strategy.

(2) Implementation of a robust performance-measurement system.

(3) Commitment to a five-year national drug-control program budget.

(4) Permanent authority granted to the High Intensity Drug Trafficking Areas (HIDTA) Program, along with improvements in HIDTA management.

(5) Greater demand-reduction responsibilities given to the Counter-Drug Technology Assessment Center (CTAC).

(6) Statutory authority for the President's Council on Counter-Narcotics.

(7) Increased reporting to Congress on drug-control activities.

(8) Reorganization of ONDCP to allow more effective national leadership.

(9) Improved coordination among National Drug Control Program agencies.

(10) Establishment of a Parents Advisory Council on Drug Abuse.

V. ONDCP's FY 2000 Budget Request

- **Salaries and Expenses: $21.933 Million**

ONDCP's budget provides $21.933 million for salaries and expenses to support ONDCP's requested 158 Full Time Equivalents (FTEs) -- 128 full time employees and 30 detailees. This $21.933 million for salaries and expenses is the smallest programmatic component of the ONDCP budget. However, this funding is the linchpin for all the other programs funded through the ONDCP budget. Without a fully staffed and funded ONDCP, none of these other initiatives can be carried out.

ONDCP is an organization of committed professional men and women. The FY 2000 request for $21.933 million represents a $2.791 million increase over the enacted FY 1999 total of $19.142 million. Major expenses include:

- ✓ $9.768 million for compensation of 128 FTEs. This represents an increase of $822,000 over the FY 1999 enacted total of $8.946 million, to support pay raises, within grade increases, and 4 additional FTEs for two growing areas within ONDCP.

- ✓ $2.210 million for total personnel benefits.

- ✓ $5.845 million for guard services, professional services contracts, maintenance services, and related costs. Over the last year, we have taken prudent steps to increase the security of both our personnel and sensitive information within the office's purview.

- ✓ $2.202 million for rental payments to GSA.

- ✓ $754,000 for travel and transportation costs.

- ✓ $847,000 for communications, utilities, printing, reproduction, and related miscellaneous costs.

- ✓ $307,000 for equipment, supplies and materials, and representational allowance.

- **Educating America's Young People, Empowering Communities, and Advancing Our Understanding of America's Drug Problem: $225.3 Million for the Special Forfeiture Fund**

The National Youth Anti-Drug Media Campaign

The President requests $195,000,000 for the National Youth Anti-Drug Media Campaign. The anti-drug media campaign began in January 1998 in twelve test sites and was expanded nationwide in July. Once ads began to run in the twelve test sites, anti-drug awareness increased and requests for anti-drug publications increased by more than 300 percent. The campaign harnesses a diverse mix of television, video, radio, Internet, and other forms of new media to deliver anti-drug messages. Its objectives are "universal," aiming at all adolescents, parents, and primary caregivers. Messages and channels through which they are being delivered are tailored for specific regional, ethnic, cultural, gender, and age differences among members of the target audiences. Advertisements are being prepared in eleven different languages. Paid and public service advertising, news, public-affairs programming, and entertainment venues are being used in the media campaign.

So far, media outlets are matching paid advertisements with public-service time for advertisements and pro-bono programming content on more than a one-for-one basis. In the past year, we received $165 million in free public service announcement spots and $40 million in corporate contributions. Public-service advertising space generated by the paid campaign is being dedicated to messages that target underage drinking and smoking, as well as other messages related to the campaign's communications objectives. We have also developed partnerships with a broad range of community and civic groups, professional associations, government agencies, and corporations. The entertainment industry is also responding favorably. In 1998, thirty television programs focused on themes and messages supportive of the campaign. While the campaign's goal was to reach 90 percent of the target audience with four messages a week, by January 1999, 95 percent of the target audience was receiving seven anti-drug messages a week.

The outstanding results attained during the first year of this media campaign are a function of the outstanding support of the private sector. The firm *Porter-Novelli* developed our strategic communications plan. *Bates Advertising* and *Zenith Media* planned and bought ad time and space in the initial phases of the campaign. *Ogilvy and Mather* is ONDCP's long term contractor for ad planning and placement. *Fleishman-Hillard* is our contractor for non-advertising media (entertainment industry collaboration, Internet initiatives, partnerships with major organizations serving youth and parents, and public education and media outreach). The *Partnership for a Drug-Free America* continues to produce most of the ads for the paid

component of the campaign. The *Ad Council* serves as a clearing house for public service ads which are supported by campaign-generated ads. The *American Advertising Federation* and the National Association of State Alcohol and Drug Abuse Directors (NASADAD) form the core public service task force at the local level to ensure local and community organizations are supported by matching funds/air time. The support of most of the major television networks, the Disney Corporation, America Online, and other multimedia companies is indicative of the breadth of support this campaign has generated.

The Drug-Free Communities Program

The President requests $22,000,000 to continue the Drug-Free Communities Program. Government response is only a small part of the national effort to counter illegal drugs. Communities are significant partners for local, state and federal agencies working to reduce drug use, especially among young people and deserve continued support. This program provides grants, information, and other essential support to communities around the country as they organize to confront drug abuse. Thousands of communities around the country have formed coalitions that coordinate local reactions to the illegal drug problem. Coalitions typically include schools, businesses, law enforcement agencies, social service organizations, faith communities, medical groups, and youth groups, as well as county and local government. Community Anti-Drug Coalitions of America (CADCA) supports these organizations through technical assistance, leadership development, and information dissemination.

The Drug-Free Communities Act of 1997 provides vital support to communities. The program's genesis and growth has been fueled by an unprecedented level of bipartisan support. In FY 1998, $10 million in grants were provided to 92 coalitions in 46 states. ONDCP also conducted an initial training and technical assistance conference and a presidentially appointed Advisory Commission was established. In FY 1999, we project that support will be provided to the original 92 recipients and that an additional 119 communities will be awarded grants. This FY 2000 request will support the coalitions that received grants in FY 1998 and FY 1999 and will fund an additional 68 grants. A key feature of this program is ease of application and reporting requirements. Grants will be made to coalitions of representatives of youth, parents, businesses, the media, schools, youth organizations, law enforcement, religious or fraternal organizations, civic groups, health care professionals, state, local, or tribal government agencies, and other organizations. The requirement for participating communities to match funding will help ensure local initiatives, support, and accountability.

An Advisory Commission on Drug-Free Communities has been established to advise, consult with, and make recommendations to the ONDCP Director concerning activities carried out under the Program. In addition to providing outright support for coalitions, ONDCP and its partners -- OJJDP and CSAP -- are providing training and technical assistance to individuals and groups to enable them to start up coalitions in their communities.

Director's Discretion

The President requests $8,300,000 for the ONDCP Director's discretion to enhance drug control activities and address emerging drug threats. We believe that it is essential for the ONDCP Director to have discretionary funds with which to respond to unforeseen contingencies. We would be delighted to brief Congress on a regular basis concerning programs funded and accomplishments.

At least $3.3 million will be used to improve the Federal Drug Related Data Systems. This past February, ONDCP issued its first annual report on the Performance Measures of Effectiveness (PME) system for the National Drug Control Strategy. The PME is the first federal performance measurement system cutting across departments and agencies on a single area. It contains 97 performance targets for the 5 goals and 31 objectives of the Strategy. We have conducted a gap analysis to determine the number of targets for which data need to be developed. ONDCP's Subcommittee on Data, Research, and Interagency Coordination will review existing Federal data systems, within the context of the gap analysis, to determine what additions/modifications can be made to existing data systems to provide the measures for the PME system.

This funding request will provide support for agencies to modify or add to their existing data systems. Some projects targeted include: deriving annual estimates of the social costs of drug abuse; developing SAMHSA's National Treatment Outcome Monitoring Study; and developing estimates of drug availability. Funds will be transferred to agencies once a plan to redesign/modify/add to an existing data system has been submitted to and approved by ONDCP. Outyear funding is required to support ONDCP's continual data development projects. Agencies will be required to provide continuation funding in the out years through their own appropriations.

- **Strengthening Law Enforcement: $185.777 Million for the High Intensity Drug Trafficking Area Program**

High Intensity Drug Trafficking Areas (HIDTA) are regions with critical drug-trafficking problems that harmfully affect other areas of the United States. These locations are designated by the ONDCP Director in consultation with the Attorney General, the Secretary of the Treasury, heads of drug-control agencies, and governors. There are currently twenty-one HIDTAs. HIDTAs assess regional drug threats, design strategies to address the threats, develop integrated initiatives, and provide federal resources to implement these initiatives. HIDTAs strengthen America's drug-control efforts by forging partnerships among local, state, and federal law enforcement agencies; they facilitate cooperative investigations, intelligence sharing, and joint operations against trafficking organizations. In 1998, new HIDTAs were designated in central Florida (including Orlando and Tampa), North Texas, the Milwaukee metropolitan area, and the marijuana-growing regions of Kentucky, Tennessee, and West Virginia. HIDTAs have been established in the following locations:

Since January 1990, counties in 21 areas across the United States have been designated as HIDTAs:

1990
New York/New Jersey.
Los Angeles.
Miami.
Houston.
Southwest Border (which contains the five partnerships of the California Border, Arizona, New Mexico, West Texas, and South Texas).

1994
Baltimore/Washington, D.C.
Puerto Rico/U.S. Virgin Islands.

1995
Chicago
Atlanta
Philadelphia/Camden

1996
Rocky Mountain (Colorado, Utah, and Wyoming)
Gulf Coast (Alabama, Louisiana, and Mississippi)
Lake County (Lake County, Indiana).
Midwest (Iowa, Kansas, Missouri, Nebraska, and South Dakota), focused on methamphetamine.
Pacific NW (Washington Cascades.

1997
Southeast Michigan.
San Francisco Bay.

1998
Central Florida.
Kentucky/West Virginia/Tennessee.
Milwaukee.
North Texas.

This FY 2000 request for $185,777,000 for HIDTA is $1.8 million greater than the FY 1999 enacted HIDTA budget. The additional funding is required to retain independent auditors to perform financial and programmatic reviews of the HIDTAs. At least half of the resources will go to state and local participants to support more than 250 task forces and initiatives.

- **Deploying Advanced Technologies to Fight Drugs: $19 Million for the Counterdrug Technology Assessment Center**

The ONDCP Reauthorization Act of 1998 reestablished within ONDCP the Counter-Drug Technology Assessment Center (CTAC) to serve as the central counter-drug technology research and development organization of the United States Government. CTAC's responsibilities include:

(a) identify and define the short-, medium-, and long-term scientific and technological needs of Federal, State, and local drug supply reduction agencies, including:

(i) advanced surveillance, tracking, and radar imaging;
(ii) electronic support measures;
(iii) communications;
(iv) data fusion, advanced computer systems, and artificial intelligence; and
(v) chemical, biological, radiological (including neutron, electron, and graviton), and other means of detection;

(b) identify demand reduction basic and applied research needs and initiatives, in consultation with affected National Drug Control Program agencies, including:

(i) improving treatment through neuroscientific advances;
(ii) improving the transfer of biomedical research to the clinical setting; and
(iii) in consultation with the National Institute on Drug Abuse, and through interagency agreements or grants, examining addiction and rehabilitation research and the application of technology to expanding the effectiveness or availability of drug treatment;

(c) make a priority ranking of such needs identified in subparagraphs (A) and (B) according to fiscal and technological feasibility, as part of a National Counter-Drug Enforcement Research and Development Program;

(d) oversee and coordinate counter-drug technology initiatives with related activities of other Federal civilian and military departments;

(e) provide support to the development and implementation of the national drug control performance measurement system; and

(f) submit requests to Congress for the reprogramming or transfer of funds appropriated for counter-drug technology research and development.

CTAC is pursuing a comprehensive research and development (R&D) program in support of the long-term *National Drug Control Strategy*. This R & D program has three essential elements:

- Projects to support the development of federal law enforcement and drug abuse treatment technology.
- Technical assessments and operational test and evaluation of emerging drug detection and tactical counterdrug technology for field transition.
- A program to transfer federal counterdrug technology directly to state and local law enforcement organizations.

Supporting activities include a variety of regional one-day workshops, technical symposia, and ad hoc studies to promote the exchange of relevant information throughout the scientific and technical community. These outreach activities serve to reduce unnecessary duplication of effort and provide the mechanism for CTAC to oversee and coordinate counterdrug technology initiatives with related activities of other federal, civilian and military departments. This oversight and coordination effort extends to include developments in the industrial, academic and federal laboratory sectors, as well.

CTAC has organized its R&D program according to five technology categories or areas of work:

- Non-intrusive inspection technology development.
- Tactical technology development for federal agencies.
- Demand reduction technology.
- Technical assessments and operational test and evaluation of emerging technology.
- Transfer of federally developed technology directly to state and local law enforcement organizations.

National laboratories, private industry and academic institutions are the sources for the expertise needed for technology development efforts and have performed the research within the R&D Program. Standard and centralized test and evaluation activities performed under CTAC sponsorship are used by the law enforcement community to validate expected system performance in the field and assist in rapid transfer of successful technology to the end-users.

- **Expanding Our Understanding of the Problem: $1.2 Million for ONDCP-Coordinated Policy Research**

The President requests $1,200,000 for policy research in FY 2000, an increase of $100,000 over FY 1999. This increase is primarily to provide funding for evaluations to be conducted in support of ONDCP's Performance Measures of Effectiveness (PME) system. ONDCP conducts policy research to develop and assess drug policy, identify and detail changing trends in the supply of and demand for illegal drugs, monitor trends in drug use and identify emerging drug problems, assess program effectiveness, and improve the sources of data and information about the drug situation. The requested funds will support a wide range of policy research areas, such as:

- Drug-Flow Modeling. ONDCP is currently leading an interagency process to estimate the flow of drugs, from source country to distribution in the United States. The four drugs of interest are cocaine, heroin, marijuana, and methamphetamine. No single agency provides the data for the entire process, rather many agencies have key pieces. For example, the CIA's Crime and Narcotics Center provides data on potential cultivation, the Coast Guard and DOD provided data on events and seizures in the transit zone, and Customs provide data on seizures at ports of entry. We are working with the relevant agency staff to review their data, improve their estimates, and fit their data into the overall model. The resulting estimates will be used to measure progress in achieving several of the targets in the Performance Measures of Effectiveness system of the Strategy.

- Price of Illicit Drugs. This yearly project generates quarterly and annual illicit drug prices and purities for the United States and selected cities. Results of the project are used to monitor market trends and support other research projects related to the illicit drug market. Statistical models based on data from the DEA are used to estimate typical prices for standardized purchases of heroin, cocaine, and marijuana. The paper includes price trends for these standardized purchases over time.

- Deterrence Study. The purpose of this study is to develop a reliable functional relationship between the allocation and application of interdiction resources and the deterrence of illegal drug smuggling. The analysis is principally confined to deterrence associated with interdiction operations against all routes and modalities of illegal drug smuggling in the Source, Transit, and Arrival Zones. It addresses domestic U.S. disruption activities only to the extent that these activities affect interdiction operations or suggest changes in smuggling routes likely to alter the flow of drugs in the Source, Transit, and Arrival Zones. The first half of the study was supported with FY 1998 funds from ONDCP, the Coast Guard, and Customs.

- Gallup - Consultation with America Survey. This project is a follow up of a similar survey conducted by the Gallup Organization for ONDCP two years ago as part of ONDCP's Strategy consultation process. The survey asks respondents their attitudes and perceptions regarding a number of drug-related issues, including their perception of the importance of the problem relative to other national issues. The information obtained from the survey will be useful to the development of the National Drug Control Strategy and as a measurement source for several PME targets.

- Federal Grant Directory. The Directory produced every 2-3 years assists state and local governments, community coalitions, researchers, and others in identifying and applying for Federal grants by cataloging Federal programs that award drug-related grants. It also provides information on how to identify and contact private foundations that also may provide valuable resources in the field. The third edition of the Directory is currently being prepared.

- Pulse Check. This report, issued twice each year, provides details on current drug use and emerging trends based on qualitative information from the police, ethnographers, and epidemiologists working in the field, and providers of drug treatment services across the country. The report contains separate sections on marijuana, cocaine, and heroin markets and patterns of use.

- Technical Paper: What America's Users Spend on Illegal Drugs. The report is prepared once every two years and estimates the amount of drugs available in the United States and how much Americans spend to purchase them. The report focuses on the retail sales value of cocaine, heroin, marijuana, and other illegal drugs. It currently provides ONDCP's estimates of the size of the hardcore user population.

- **National Alliance for Model State Drug Laws - $1,000,000**

State drug laws play a critical role in the effort to reduce drug availability and use. In recognition of this fact, in 1988 Congress mandated the creation of a bipartisan, presidentially appointed commission to develop model state drug legislation. The resulting President's Commission on Model State Drug Laws developed forty-four exemplary drug laws. Since 1993, the Alliance for Model State Drug Laws has been holding workshops throughout the country to focus attention on state policies and laws concerning drugs. The adoption of the Model State Drug Laws, and the continued efforts of the Alliance, are important to national drug-control efforts.

The National Alliance for Model State Drug Laws (Alliance) encourages States to adopt and implement model laws, policies, and regulations to reduce drug use and its adverse consequences. The Alliance's success in promoting model laws among the States has prompted interest in assessing outcomes associated with such laws. The FY 2000 request funds the Alliances' administrative costs.

VI. Conclusion

The Office of National Drug Control Policy's budget request of $454.210 million is a modest component of the requested $17.8 billion federal drug control budget. However, the importance of this funding cannot be overstated. This support will provide ONDCP the resources necessary to ensure the successful implementation of the *1999 National Drug Control Strategy,* which will have broad reaching, positive impacts on this nation and its citizens.

All of us at ONDCP are proud of the growing partnership between the Executive and Legislative branches on drug control issues. This *Strategy* responds to long-standing congressional concerns over the adequacy of the federal response to the drug problem. It provides detailed long-term plans for addressing domestic and international trends in drug use, production, and trafficking. This *Strategy* is national in scope and purpose. The federal government cannot accomplish the objectives laid out in this *Strategy* without the support of the fifty states and four U.S. territories, as well as the thousands of city, county, and local governments threatened by illegal drugs. This *Strategy* also recognizes that it is only the federal government that can undertake international drug-control efforts, consequently, it also promotes vigorous international cooperation. Finally, the *Strategy* addresses congressional concerns over lack of accountability of drug-control programs by including specific benchmarks for a base year (1996) against which to measure progress and hard data results for 1997 and 1998 (where such data is available).

We look forward to working with committee members and, indeed, the entire Congress to ensure that the federal response to the nation's drug problem is comprehensive, appropriately resourced, and completely supportive of states, cities, counties, communities, families, and all citizens who share our commitment to confronting the cancer of drug abuse.

Mr. KOLBE. Thank you very much.

I understand Ms. Roybal-Allard has to leave for another event. Mr. Hoyer, if you have no objections, we will let her go first here with the line of questioning.

Ms. ROYBAL-ALLARD. Thank you, Mr. Chairman and Mr. Hoyer.

Mr. McCaffrey, a couple of weeks ago I was down in San Diego and met with various law enforcement agencies there; the INS, the DEA, and the FBI, Customs, and Border Patrol. I had the opportunity to fly over San Diego east towards the Inland Empire and get a good view of that area and learned some of the issues that are of great concern with regard to drug trafficking.

One of the key issues that was raised by the law enforcement officials and the agents, was the importance of the Government of Mexico and the importance of its cooperation with the United States in doing their part to stop the flow of illegal drugs.

Just recently, the President recertified Mexico. Given the recent criticism of Mexico and its efforts to stop drug trafficking, could you please explain why the President felt it was important to recertify Mexico and why you are supportive of this effort.

General MCCAFFREY. The certification process, particularly as it relates to Mexico, has been an interesting one to me because three years ago on 1 March [Clerk's note: agency inserts "1996"] I was sworn in at 9 o'clock in the morning. At 10:30 we had the certification press conference in the White House, and later the President asked me to head the U.S.-Mexico high-level contact group.

So for three years I have watched—and helped organize State, Defense, Treasury, Justice, CIA, DIA and other authorities to deal with the Mexican drug challenge. I say that sort of as a background—that I spent a good bit of my adult life off and on working with the Latin-America region. Although I do not pretend to be an expert, there is nowhere from Patagonia to the U.S.-Mexican border I haven't been, and I know all of their political, and military and intelligence leadership among the 34 nations.

On Mexico, let me also cite the law. The law that was passed essentially says that the President, on the recommendation of the Secretary of State, must decide two things with an allied country, with an identified major country that is a known drug-producing or transit or consuming Nation. Are they supporting the objectives of the 1988 Vienna Convention on Illegal Drugs, to which we are mostly signatories? That is number one.

Number two, are they working in partnership with the United States? It does not have to be in partnership, as long as we can certify that they are actually supporting the 1988 Vienna Convention.

It does not, in fact, require them to have achieved the objectives, but are they supporting them. And I say that not to make legal distinctions, but I think that is essentially the intent of the law. Are they a Myanmar, an Afghanistan, where there is literally collusion between Government and drug producers? And we got in the same situation with Colombia with President Samper. There was reason to believe he was complicit with drug forces.

When it came to Mexico, to be honest, my own view of it has been that with regard to the certification process, it has been very easy to reach a decision. We looked at President Zedillo and his

senior officers of Government, whether it is a foreign minister or Rosario Green or Minister Cervantes of Defense or Minister Gurria in Finance or across the board, Mr. Madrazo, the Attorney General. These are people who are committed, in our view, to protecting Mexico from what they term their number one national drug threat.

The problem with Mexico is, when they pull on the levers of authority, they are connected to institutions that are inadequate for their own purposes. And so, corruption and violence, the two tools of international drug crime, have been sufficient to intimidate in many cases or corrupt elements of the judicial branch of the law enforcement agencies, to a lesser extent, sometimes the military, the news media, the Congress, legislative branch. It has been a tremendous challenge to them.

Now, Dr. William Perry, one of my personal heroes and I, went to Mexico four and a half years ago and, against all of the advice of the U.S. Government. He was the first Secretary of Defense to set foot in Mexico. I was the first four-star general to ever set foot in Mexico.

We had a full hearing from all of their authorities. At the time, I would characterize our joint cooperation on things other than political and economic as zero, nothing, on no program could you say we had genuine cooperation.

Here it is four and a half years later, I would characterize it as a revolutionary change in attitude with real concrete, cooperative things going on. Mexico is very sensitive to their sovereignty issues, as you know, but our Coast Guard and Navy ships [Clerk's note: agency inserts "can now"] pull into their ports, with under 24-hours notice, and buy gas with a credit card. We fly through their airspace with permission. We have an 85-percent approval rate.

We are helping to train their military, their police, their judicial system. We have an active intelligence-sharing program. We have a series of sensitive programs of cooperation going on. So, in my view, the American people are better served by this cooperation than not, and I do believe they met the requirements of the certification law.

Ms. ROYBAL-ALLARD. My understanding is that the United States and Mexico also developed performance measures that are being adopted.

General MCCAFFREY. We did. We have been working on it for 18 months. It was interesting to me, that one of our major TV reporters dismissed this as just another piece of fluff. This is 18 months of hard work. U.S.-Mexico bi-national performance measures of effectiveness, we said, and we had to negotiate it, first inside our own Government, where it was somewhat harder than dealing with the Mexicans, and then we went to the Mexicans and tried to negotiate symmetrical balanced ways of holding friends accountable for achieving real results. That is it. It is not what you would want, but it is what we have got, and we are going to try and work with this over the coming years to get out of the finger-pointing exercise and to see if together we can move toward the future.

What we pledge: two years from now, we are going to be better off than we were two years ago.

Ms. ROYBAL-ALLARD. Mr. Chairman, I have other questions that I would like to submit for the record.

Mr. KOLBE. Of course, you may submit those questions, and of course if you return in time, we would be happy to get another round of questions.

Ms. ROYBAL-ALLARD. Thank you for your courtesy.

Mr. KOLBE. Thank you very much.

Let me begin my round of questioning. General McCaffrey, you have been talking about the media campaign and some questions there. This has been one of the initiatives that Congress has been very supportive of.

We have provided you I think, to date, with $380 million for the youth media campaign, and you are requesting $195 million for next year, which is the same, of course, as we had this last year. And you have funding at that level going through projected out through 2004. In other words, a total, if you take all of those next five years, a total of $1.35 billion in Federal spending. That is on top of the match, the private-sector match, both from the media outlets as well as the contributions that would be received from private sector. So it is a huge proposal far beyond anything that we had originally talked about or anticipated. Let me begin by just asking do we see this now as a continued indefinite part of a ten-year strategy?

General MCCAFFREY. Mr. Chairman, I have argued from the beginning that if you look at the total Federal drug budget over time it will go down, not up. But if you look at how we spend money, $17.8 billion, and go out a decade, you should not expect it to go up, but instead decrease because of the massive costs, law enforcement, prisons, health, et cetera, that occur from addiction.

The one aspect that probably ought to get tied to the demographics of the nation is the prevention education piece. So, yes, I would argue that over time, if it works and it is effective on prevention education, we ought to keep it up, and that would include this program.

I would also suggest to you that from the start, this wonderful man, Jim Burke, Partnership for a Drug-Free America and I always envisioned that this had to be a minimum of a five-year, substantial task and it had to be public-private partnership. You could not just do it with Federal dollars.

Our initial results, I think, were astonishing. We owe you another report. I gave you a Phase 1 report a few months back, but if we just look at the evolving national campaign, we told you we would go to four times a week, 90 percent market penetration. We are actually achieving about 93 percent and more than seven times a week when you throw in all components. So it is starting to work.

Mr. KOLBE. General, let me just correct one thing. You said you gave us a Phase 1 report. We have a draft. We have never received a final report on that.

General MCCAFFREY. Let me go find out if we are still characterizing that report as a draft. The Phase 1 analysis I believe is done. Now we have got a Phase 2 national campaign with the original material.

Mr. KOLBE. I have some questions along those lines.

General MCCAFFREY. We have a fairly extensive and well-thought-out evaluation program for this campaign done both by the Federal Government, led by NIDA and a contractor and by an advisory council. So, we will give you periodic explicit reports on what we think we are achieving.

Mr. KOLBE. Let me just then go right into that issue here. I will come back maybe to some general questions on that because that is one of the questions that we have is some of the controls that we have on this media campaign.

We did have some controls placed in the fiscal year 1999 funding, and one of those was an evaluation on Phase 1 and Phase 2.

My question really is, it is interesting that you are saying you think it is a final report. It was clearly, I think, labeled a draft report, and as I understand it, it is still being negotiated——

General MCCAFFREY. Phase 1 was the 12 test cities.

Mr. KOLBE. That is correct.

General MCCAFFREY. Right. But let me check——

Mr. KOLBE. That 12 test was completed last July or last June or so, and I think we have seen some drafts of that, but there has not been a final report on that, and my understanding is we were not going to obligate the funds for fiscal year 1999 until we had the draft report. Are you obligating funds for——

General MCCAFFREY. Absolutely. This program is up and moving.

Mr. KOLBE. Then I need to know from you, since there was a statutory restriction on that about not obligating those funds until we had the report in hand as to why you were not able to meet that—I mean, I am not trying to hamstring you, but there were reasons for having these evaluations, so that we would know before we proceeded what we were doing, whether we knew what we had there.

General MCCAFFREY. Yes.

Mr. KOLBE. And I guess what you are saying to me is you have moved right on ahead, and we really have——

General MCCAFFREY. Absolutely. What I owe you is, obviously, a better explanation, which we will get, on where we are and what we are doing. We are in compliance with the law. We are clearly obligating 1999 dollars, and I have not only a Phase 1 evaluation, but I have some pretty good data to give you on Phase 2. But I would strongly suggest we actually do know what we are doing.

Mr. KOLBE. And I appreciate that, but I think I need to just emphasize—again, I am not trying to get a technicality here, but if you are obligating 1999 funds, you are not in compliance with the law.

General MCCAFFREY. Well, we are clearly obligating 1999 funds. We are out in the marketplace. We have hired Ogilvy Mather which runs the paid advertising component. We have hired Fleishman-Hillard to do the public relations component. Porter-Novelli is providing critical oversight. A NIDA contractor is doing an evaluation. We are well launched. We are developing new ads. I have approved second Generation ads.

Mr. KOLBE. I would just remind you, then, since we did not meet that statutory obligation, there is a requirement that before 75 percent of the 1999 funds——

General MCCAFFREY. Mr. Chairman, apparently we did not substitute perhaps the one stamped draft with a final. Dr. Carnevale advises me we do have the bound final copy of the Phase 1 evaluation, and I will make sure that—we have obviously inadequately responded to your concerns, and we will get on with that.

Mr. KOLBE. General, it is not that it was a concern, it was just a requirement that you do so.

General MCCAFFREY. Right.

Mr. KOLBE. And you did not do it. There is a requirement that before you obligate more than 75 percent of the funds, the fiscal year 1999 funds, that we have to have a final Phase 2 report as well. Just so that you are aware of that, that we try to meet that requirement at least.

General MCCAFFREY. We will obviously comply with the law. You should not have any question in your mind, and I will respond.

Mr. KOLBE. Again, my issue is not whether or not you are meeting this particular deadline, and I will come back to this in my next round, but I think we have an obligation to know what we are finding out from these evaluations, and that is really what I think I wanted to talk to you about. But my time is up on this first round, so I will come back to it.

General MCCAFFREY. Mr. Chairman, I wonder if you would permit me, though, to say that by the end of the day there will not be a difference in views because I am going to respond to your own requirements. But it is extremely important that I be allowed to run the program. I will not be able to run it in tandem with congressional committees. So what I need to do is look at the law, get the appropriations and actually execute it. Then I can report how I am doing it.

But I, clearly, see no way, nor am I going to actually micro-manage the program. I have got a contract which is revocable with three firms now, and I am going to hold their feet to the fire. They have to recompete each year. So they know they have got to deal with me as if they are an advertising firm dealing with a CEO or they will not get any more money.

But you and your committee, I think, have to allow me to exercise authority and responsibility on running this program, and I will keep you scrupulously informed of how I am going about it, but I really do not want to share that executive responsibility with the Congress.

Mr. KOLBE. General, I am just a little disturbed by what I have just heard you say. I agree, our intention is not to try to micro-manage. Our intention is to try to give you the flexibility to do what you need to do. But you were quite aware of the provisions that we put into the law regarding these reports, and they are done for what I think is a very sound legislative and public purpose, and that is oversight.

We are spending a lot of money on this media campaign over the next four or five years. The public, the taxpayers have a right to know whether or not we are getting anything for our money, and that is really all we are at. We are not trying to put a straightjacket on you. We are not trying to micro-manage or to suggest that you have to micro-manage this, but I think these are reasonable reports. If they are not reasonable, you have an obligation to

let us know or, ultimately, you have an obligation to tell the President he has to veto the bill rather than let it be signed into law, put into law.

General MCCAFFREY. Well, let me go back and review it. I will come down, have a very direct response to your concerns. To be honest, I did not realize we were having a problem. I thought we were being responsive to the interests of your congressional staff and, clearly think we are in accordance with the law.

But I would also argue that, I hope that what we are doing is, we are given the annual appropriation of money and a law to comply with, and that we are not going to go by quarter telling me how to manage this because there is no way that either Ogilvy and Mather, a huge corporation that is laying stuff out over 18 months, nor I, can manage a program like that.

Mr. KOLBE. I exceeded my time.

Mr. Hoyer.

Mr. HOYER. Thank you, Mr. Chairman.

Following up on this issue that you have raised, General, it is my understanding that you consider the September submission to be the evaluation and results of Phase 1 of the campaign; is that correct or not?

General MCCAFFREY. Yes, I do, Mr. Hoyer.

Let me go back, though, and find out why you do not have something that you considered a final report. We may have been remiss in not providing you some document that gave you an indication we were complying.

Mr. HOYER. My point, General, is the legislation says nothing about a final report.

General MCCAFFREY. Yes.

Mr. HOYER. The legislation says you cannot spend the money until ONDCP has submitted the evaluation results of Phase 1 of the campaign to the Committee on Appropriations.

General MCCAFFREY. Right.

Mr. HOYER. My question to you is I think there may be simply, not necessarily a disagreement on substance, but a disagreement on the characterization of the September submission.

General MCCAFFREY. Yes. I think we have got a Phase 1 evaluation, right? And it is a pretty positive one, too. It was very encouraging to me.

Mr. HOYER. I will admit that I have not read that submission. But if, in fact, it is what we have asked for, the evaluation results of Phase 1, then it would seem to me that it would comply with this language, whether it is called an initial draft or final report.

General MCCAFFREY. Right. I am working on Phase 2 evaluation right now. I think we have done Phase 1. I think that is over here, and I think we are working on Phase 2 and have continuing good news to report to you.

Mr. HOYER. Well, I think we can clarify it. I presume you have complied with the law. Whether we like the law or not, we need to comply with it, obviously, and I know you agree with that.

Let me go on, and I will ask, first of all, a preliminary question. I am on the Labor and Health Committee, and we talked to the institute that deals with alcohol abuse and addiction.

Does ONDCP consider alcohol a gateway drug?

General MCCAFFREY. Well, what the strategy included, under Goal 1, was the use of alcohol and tobacco products by underage users as part of, essentially, gateway drug use and behavior. The answer is yes. There are pretty decent numbers out of Columbia University that show that. And, oh, by the way, we think they are linked.

When you look at a kid at risk, it is an adolescent smoking pot on weekends. That same adolescent, almost without question, is abusing alcohol, beer, and smoking cigarettes. So they are normally clustered behaviors. The more they do it, the earlier it is, the worse off statistically they are. This increases the likelihood of having a drug-using problem.

Mr. HOYER. General, in that context of the relationship between the abuse of alcohol and the subsequent or concurrent abuse of controlled dangerous substances, do you believe that your office has sufficient authority to include underage drinking in the media portion of your budget or do you think that is appropriate?

General MCCAFFREY. I think we took a moderate, balanced position. What we agreed, and I think what the law says is that on appropriated monies we are not to spend funds on either anti-alcohol or anti-tobacco ads, but on the media matching component we will.

So we have, and I have tried to explain this to MADD, Mothers Against Drunk Driving, and others, that they are now getting a tremendous access to the media, TV, radio, print media, on anti-use alcohol use because of the law that Congress passed. But I do not think we ought to spend the appropriated dollars [CLERK'S NOTE.—Agency would insert: "on anti-alcohol use advertising"] at this time.

We are going to get into a conflict on are we against alcohol per se, a legal drug, regardless of one's viewpoint or not. So I think the law is okay the way it is right now.

Mr. HOYER. Let me ask a second question. In your report, there are differences between some of the targets set by the act, the 1988 act, and those contained in the strategy. Let me give you an example. The act specifies reduction of illegal drug use by 3 percent by 2003, and you have substituted in the strategies the goal of 2007. Can you explain that? I do not know how endemic that is to other parts of the strategy. Can you comment on that?

General MCCAFFREY. We ended up with a confusing negotiation with the Speaker of the House and others, and Senator Hatch. We finally bought off on a compromise. The law is a bit confusing. Congress has required me to develop PME, to have annual goals, to submit them for Congress and to explain the extent to which I reach it or do not.

Then there is another piece of the law that says, and these are congressionally mandated objectives and that part of the law, in my reading, is binding on Congress, that if I am not reaching those mandated objectives, then you will use that to appropriate more funds to reach those objectives.

The reason I mention this is Mr. Mica, and his subcommittee, said, well, they sort of expected there would be two budgets that came down there. There would be the administration budget and a different congressional budget, and there cannot be two budgets. There is a budget. We believe this will achieve the stated performance measures of effectiveness, and then Congress can hold me ac-

countable for not having achieved what I believe to be unrealistic and unachievable congressionally mandated goals.

However, whether I believe that or not is irrelevant if Congress wants to shape a larger budget, with a faster wrap-up, for example. Let us say I think it is achievable, but I think it would take ten years. If Congress says, no, we want it done in four years, then presumably we would triple the size of the Coast Guard or something.

It is a bit confusing, but the PME are mandated by law, and I appreciate that, and I am submitting annual targets, and I am submitting an annual report to you on what I did.

Mr. HOYER. I asked if my time had expired, and he said it had, but his time had expired, also, so he is giving me equal time. I appreciate that.

With due respect to my colleagues, let me make that observation first. Obviously, it is relatively easy to set a goal in legislation. It is another matter to accomplish that goal and to put the resources necessary to accomplish that goal.

One of your colleagues, General Schwarzkopf, came back from the Persian Gulf, spoke to a joint session of Congress, and I will never forget what he said. He thanked the Congress and the American people for setting the goal, dedicating sufficient resources to accomplish that goal, and although he did not say it this way he meant, getting out of the way. [Laughter.]

Mr. HOYER. You have said that a little bit today. I understood that, and I think it is probably appropriate and that then we assess some point in time, annually, every two years, whatever, whether or not you are doing the job, and if you are not, then either we give you more resources or we get somebody else to do it.

Let me ask you, you have discussed this in response to the Chairman's question, but let me ask it again. You are quoted in February in a press release on the media campaign describing Phase 1 as, and I quote, "Strong initial success."

Now, you have referenced some percentages of how many people have heard in a week, seven hits in a week in terms of teenagers, through one media source or another, the billboards, the TV, the radio. Beyond that, do we have any indication of success or is it too early?

General MCCAFFREY. I have got a report, Mr. Hoyer, in your packet. So if I get slightly off on the numbers, we can correct the record later.

The Phase 1 report was pretty encouraging, but it was a pretty simple test. It was six months. It was 12 cities. There were 12 control cities, same demographics. We tried to pick control cities where there might be something unusual to learn; a lot of meth, a lot of pot, a lot of heroin, or something, and then we went out and said, one, do people see the ads? Are they believed credible? Do they cause some reaction?

And by the way, some of them did not work too well. One of the weak areas we thought was one of the toughest drug problems, which is pot use by adolescents. It is easy to be against methamphetamine abuse by a 26-year-old mother who works in a meatpacking plant and has a second job. So some of these ads were not all that good. But the PFA has got ten years experience. So we

came out of it, we did have some measures that were pretty favorable, and we sent them over here.

Then we went to Phase 2, which meant we did a national campaign, but again we were still using material that PDFA had developed over the years. If I remember, it was like 130 TV ads, 100-and-some-odd radio ads, some print material, not enough billboard, some shortcomings, and we went nationwide. Now we have got some feedback on that.

And, again, I need to be cautious with you and use numbers as opposed to anecdotes, but it has really been quite remarkable. One of the things we are doing is 10 percent of those ads have a telephone number on it. There are going to be more of them before we are done. But right now about 10 percent, and so you see the ad, and it says, "Call this number and do something. Call it and get a booklet 'How to Talk to Your Kids about Pot.' Call it and join your community coalition." That is a key one for Art Dean and CADCA.

And when we do that, the response is astonishing. So calls to community coalitions are going up. We need more of those telephone numbers in those ads. Calls to the drug clearinghouse have skyrocketed.

Now, the other thing we have got to do, Phase 3, which we are now into, is the message cannot be one primetime 30-second clip. It has got to be targeted at 102 different media concentrations, a separate substrategy for each one. And, oh, by the way, it has got to resonate with me, whoever I am; Native American reservations, Spanish. So by the end of next summer, I hope we are in 11 languages, and we are starting to get into substrategies that target Arizona or Maryland or Hawaii, and we are really getting some responses.

I would say the initial feedback we have got is that we are on track. But we have got an evaluation and, Mr. Chairman, I agree, we have two opposing factions who are arguing over what we are doing. And then we have got outside agencies, the Annenberg School of Journalism and others, who are watching what we are doing. And I will ensure that this committee gets access to that data as it develops.

You get the raw data, if you want to pour through that or you can let us analyze it and see what our conclusions are.

Mr. HOYER. Thank you, Mr. Chairman.

Mr. KOLBE. Mr. Peterson.

Mr. PETERSON. Thank you, Mr. Chairman.

General McCaffrey, I want to welcome you this morning and I want to share with you that I believe you have one of the most important jobs in America, because I do not think there is any issue facing America that is more important than stopping the explosion of drug use in this country, especially with our young people.

Is it accurate, the figures that I have, that we are 5 percent of the population and we are 50 percent of the demand for drugs? Those are the figures that I was given by some people.

General MCCAFFREY. I think it is worse than that. As 6 percent of the population are using drugs. That is 14 million Americans and then there is 4 million of them who consume ⅔ of all the drugs consumed in America.

So, I would say——

Mr. PETERSON. No, no, I meant in the world. We are 5 percent of the world's population and 50 percent of the drug use.

General MCCAFFREY. No, not even. I have been trying to get that out of the President's speeches, and out of common things, it is complete nonsense. I cannot imagine why we keep saying that. We have—the numbers, by the way, are almost impossible to find to disprove the allegation. The number I use is we use probably 3 percent of the world's heroin.

The UN Report says we consume 11 percent of the drugs in the world. I think that is nonsense. That is because we report our drug abuse figures and most nations do not.

If you want to talk about drug abuse, go to Pakistan. Three million or more people may be addicted to heroin in that tiny country. If you go to Western Europe, there is an argument—and, again, this data you should not compare data from different sources—but maybe they are using 30 metric tons of heroin a year to our 13 metric tons.

So, it bothers some of our hemisphere partners when I say this, but the drug problem in Rio is worse, in my judgment, than in Miami. The drug problem in Caracas is worse than in Detroit. Mexico, the drug problem is a fraction of ours, but it is getting worse and our's is getting better.

Now, I make those arguments not to evade our own responsibility but to tell people, look, this is your problem as well. Our problem is we have got too much money. If you look at the amount of money we spend on drugs, $57 billion, that dwarfs what is spent on drugs in Mexico or Malaysia or Pakistan.

Mr. PETERSON. But I notice in your chart of your priorities that stopping demand is your number one issue.

General MCCAFFREY. Absolutely.

Mr. PETERSON. Lessening demand.

General MCCAFFREY. Doing prevention as the principal strategy of demand reduction. So, if you wait until I am chronically addicted you have got a real expensive problem with me. If you get me to age 19 and minimize my exposure to drugs, it is a tremendous investment.

Mr. PETERSON. I was looking at the map of your high-intensity areas. I am not near one. I live in Northwestern Rural Pennsylvania, the most rural district east of the Mississippi, and I am probably 350 miles from Philadelphia which is the closest drug, high-intensity drug-trafficking area. But I am here to tell you that kids tell me it is available in every community, it is available in every school; even in the little wee towns with very small schools, very rural populations, drugs are there.

And sometimes even in a higher proportionate use than in some of the suburban/urban areas because if it becomes the "in" thing in a very small school, it becomes the "in" thing and you are sort of a nerd if you do not do something.

The school children—I try to interview every youngster that comes through my office and I ask them more questions I guess than they ask me—but they tell me that a third of their friends use drugs regularly from 8th grade on, and 75 percent occasionally.

Now, that is just almost a——

General MCCAFFREY. And 75 percent of what, Mr. Peterson?

Mr. PETERSON. Use it occasionally. You know, that have used or will use. I just find those numbers astounding and I press them pretty hard but in over my two-and-a-half years in Congress they have not changed. They just keep telling me those same figures, you know, a little bit different. Some will say 25 and 70; other ones will say 35 and 80, and, so, it averages about that.

So, it is there. It is everywhere. But I guess another one that I guess in your overall campaign some tell me that the cocaine today is 7 to 10 times more potent than it was a decade or two ago; is that true?

General MCCAFFREY. Cocaine has never been cheaper, available and of higher purity probably than ever. And part of that is, you know, the supply has been modestly reduced, the demand is down substantially among a number of casual users. So, just on Economics 101, you know, there is 650 metric tons available, let us say we are consuming under 300 metric tons, and the number of us who are trying it has gone casually from 6 million down to 1.7 million, there is more cocaine available. Now, they are peddling heroin along with the cocaine to get a new market.

Mr. PETERSON. Well, is it true that marijuana is, some of the marijuana today is 20 times more potent than it was back when the generation started using marijuana in this country in the 1960s?

General MCCAFFREY. We probably have over-stated that and it makes me nervous. Yes. There is 12 percent up to as high as 24 percent THC marijuana available. Canadian, hydroponically-grown marijuana, grown up in Vancouver and smuggled south is so high in THC that they are trading it a kilogram of pot for a kilogram of cocaine. So, that is at one extreme.

The actual, when you go to the DEA signature analysis, to be honest, most of the pot seized is still 6 to 12 percent THC. So, I think what is the case is that you can tell a 16-year-old son or daughter, if you find pot out in the street the chances are it could be ferociously high THC and also, oh, by the way, it may well be mixed with other drugs. It may have PCP mixed in with it or cocaine.

Mr. PETERSON. Okay. Well, I am also told that in Western Pennsylvania where I come from, I mean it grows very well and that we grow some of the—some of the very potent marijuana is grown right where we live. And, so, the local stuff is pretty potent.

But I guess, does our youth really know and do the parents? You know, I also find in schools that the kids are talking about they know friends who have parents who still do pot parties. And, so, there is drug use among parents.

Do parents know that the drugs their kids are using are so much more potent than what they started on? I think that is part our problem. We have more of an acceptance with a small minority of parents but there are parents out there who are still using drugs and kids know it.

But does the American public realize how much more potent drugs potentially are?

General MCCAFFREY. Well, I think probably not. You know, your point is an excellent one. You have got to not only educate young

people, you have to talk to their adult mentors, adult care-givers, et cetera, and you can do that. But part of this media campaign is aimed at—half of it is aimed at young people and the preponderance of that at middle school years. The other half is aimed at those who help youth form attitudes and you have to educate them. You have to say, look, you may have smoked marijuana in your life but your children, your employees, your work place needs to be drug-free.

We got to educate parents on that.

Mr. PETERSON. But should not everybody know that what is out there is so much more potent than it used to be and so consequently it is so much more dangerous? I mean should that not be part of your advertising campaign?

General MCCAFFREY. Sure. I think so. But, again, you know, even then I tell people that 72 million Americans, one out of three adults, have tried an illegal drug.

And most people walk away from exposure to pot, booze and cigarettes. The problem was a lot of people did not. So, we had 100,000 dead in the decade of the 1990s alone from drug use.

We are trying to drive out the words, recreational drug use, soft drug use, casual drug use. I think the most dangerous drug in America is a 12-year-old-to-16-year-old smoking pot on weekends. Because that kid, 15 percent of them I actually believe is probably the number, end up dependent upon drug use by the time they hit the end of high school.

That 15 percent is the problem that you and I will be dealing with 10 years from now.

Mr. PETERSON. I will take another round later.

Mr. KOLBE. Okay.

Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

General, welcome back to the Subcommittee. I would like to start out talking about the HIDTA network, and I do that because, as you no doubt know, North Carolina has submitted an application to your office. I know you have spoken personally to our governor, Jim Hunt, about this. And as you know, Congressman Coble and I have written in support of the designation as well.

Your budget references the huge increase in HIDTA designations since inception of the program in 1990—some 400 percent, from 5 to 21 HIDTAs—and you also express the concern that you are reaching a saturation point in terms of managing that program.

As a result, you have requested two additional FTEs for the HIDTA program, which would bring the total to four. Is that right? You also say that your office is "improving the methodology for determining those areas in the country with the greatest need for inclusion in the HIDTA program."

What is the direction of that methodological analysis? And to what extent are these improvements being driven by resource limitations?

General MCCAFFREY. Improvements in the——

Mr. PRICE. In the methodology for choosing these designated areas?

General MCCAFFREY. Well, we are working on a study which is long overdue and I trust will now be done by June, in which we

tried to go to tie data to county-level geographic subdivisions. And to look at all the available data bases so we can determine in some systematic way how would we describe drug abuse in America geographically.

Mr. PRICE. You are talking about county-level data as to drug use and drug abuse?

General MCCAFFREY. Drug arrests, drug use, drug smuggling. So, there is a series of attempts. We are going to overlay one after another onto——

Mr. PRICE. So, trafficking indicators as well as use indicators?

General MCCAFFREY. Use, arrest rates, and we will try and come up with some way of talking about comparative drug problems. And right now it is very difficult to do that.

One of the things we should not do is assume that the drug problem in New York City is worse than in rural Pennsylvania. It may not be. It is terrible in Arizona, Idaho, Hawaii, Southern California, and in Baltimore. But you really have to see it in subdivisions. There is no national drug problem, there are only local community drug epidemics.

Now, we need to make sure our resources go out to take that into account.

Mr. PRICE. One can readily see the need for more sophisticated indicators and using these criteria in allocating funds. However, you are talking here about the saturation point in terms of managing the program, and you seem to be looking for some limitations in this proliferation of HIDTAs.

Naturally we wonder what is driving that and to what extent it is a matter of resource limitations.

General MCCAFFREY. Mr. Price, the only thing I am concerned about is we not take $180 million and divide it among 21 and then 31 and then 41 areas. So, that we lose some sense of concept, of strategic purpose.

But I am supportive of the HIDTA program. I like what I see out there. They are modest dollars, $3 million, $9 million. You get into a community, Baltimore, New York, San Diego, Miami, the rural Midwest, and suddenly lots of things start happening.

I am not sure the money is as important as the concept. I am sort of open-ended in being receptive to new thinking, but I want to make sure we resource it and then I need to go hire an accounting firm to watch the expenditure of this money or we are going to get in trouble.

Like any good business, I have to take a percentage off the top and make sure I have auditors watching how these dollars are being spent. I have picked up some anomalies so far. ONDCP has a wonderful guy, Mr. Joseph Peters, a former Assistant U.S. Attorney in Philadelphia, helping me manage it. But I have got to watch how this money is spent or 5 years from now somebody is going to come back and tell you, we have some improprieties in the way we spent the money.

Mr. PRICE. Well, certainly, no one is going to dispute the need for good, careful management, and I think you are very convincing when you are talking about not wanting to dissipate these funds over an impossibly broad area.

At the same time, we want the areas that deserve and could benefit from the HIDTA designation to continue to be designated. We do not want to be bumping up against artificial limits in that regard. That is why I asked you the question about what extent this is resource-driven.

General MCCAFFREY. I do not see a limit. The law right now tells me that I am supposed to certify the requirement. There was a danger last year and we reversed it, and I had Congress giving me the money by designation based on who had access to political authority. That is essentially what started to happen.

I was not too concerned about it because I thought the designated areas that I was force-fed money tended to be ones that darned sure required a HIDTA. I had no problem with Dallas, Texas, with some of the other things that we did. It was a sensible move. But I do not want to just have this just be handing out, you know, political checks.

The money is being well spent in the field.

Mr. PRICE. Good.

I will wait for the next round for further questions.

Thank you.

Mr. KOLBE. Mr. Sununu.

Mr. SUNUNU. Thank you, Mr. Chairman.

In response to an earlier question about certification of Mexico you spoke I think clearly about the growth in the relationship and the positive aspects of the relationship. I want to address the issue, though, from really the other side, and ask where are your areas of concern?

How can the relationship be improved? Even though you may feel strongly about the appropriateness of certification, what areas have been lacking in that relationship with Mexico?

General MCCAFFREY. Well, you know, I have spent, as I am sure several of you have, a lot of my life living overseas working in the international community, personally living abroad and most of the rest of it here in the United States helping organize it. So, I have very few, very little blinders on when it comes to dealing with what is possible in the international community.

By the way, I also decry occasionally the creative hypocrisy of the United States, particularly on the drug issue, where it is our $57 billion and to some extent our guns going abroad that fuels an awful lot of the problem. You know, we do not use all the drugs, but our dollars do create tremendous corrosive damage on foreign governments.

Having said that, Mexico is trying to—my analogy is that Mexico is more akin to Poland after the end of communism than it is to anything else. They have gone from a one-party dictatorship to where they are trying to construct a multi-party democracy and an international open, NAFTA-driven market economy.

And in the process PRI has lost control of the lower house, half the State governors, the Mayor of Mexico City. They are approaching an election in two years. They have honest elections. They cannot get out of it now.

Mr. SUNUNU. I am sorry to interrupt but my time is limited and I appreciate all of that transition and I certainly appreciate again the positive aspects of the relationship that you described before.

As a member of this subcommittee I am trying to identify where the existing areas of weakness are so that we——

General MCCAFFREY. Law enforcement, and judicial system institutions are inadequate for the purposes of Mexican democracy.

Mr. SUNUNU. Is it a question of structure and organization and infrastructure in law enforcement or the judiciary or is it a problem with corruption?

General MCCAFFREY. It is a problem of corruption, violence, lack of training, and inadequate pay.

Mr. SUNUNU. Thank you.

General MCCAFFREY. Training institutions. It is just a terrible problem.

Mr. SUNUNU. Now, in a related area of the world where the United States is also involved, the Panama Canal will transition into the control of Panama this year. And my question is do you have any concerns or have you identified any issues with regard to that transition, either concerning control of the drug trafficking or activity within the Canal Zone or with regard to transportation and smuggling through the Canal itself?

General MCCAFFREY. I am extremely sad about the way this has come out. I have been working on this problem for five years, it is going the wrong way. It is unfortunate. We have worked this with good faith and goodwill. I am disappointed in Panamanian political leadership which I do not think stood up for the interests of the region or for bi-national cooperation or for the Panamanian people.

So, we are coming out lock, stock and barrel by December 31st, this coming year. The Howard Air Force Base closes 1 May. The runway will be shut down. We are going to encounter serious problems on maintaining counter-drug cooperation in the hemisphere because of it.

Depending on which figure I believe there may be substantial temporary reductions in our air interdiction and intelligence capability, which has been flying out of Howard with foreign officers aboard our aircraft, Peruvian, Brazilian, Venezuelan, Ecuadorian, Colombian, we are all co-located there.

So, we have a real problem, that is the reduction in the U.S. capability to base military, Customs, Coast Guard and DEA operations in support of regional partnerships.

I think the second problem is that Panama is directly threatened by their immediate neighbor, Colombia. They are directly threatened by these narco-guerilla forces that cross into Panama. There is a massive amount of drug smuggling going on through Panama right now. And their seizure rates are astonishing. It was over 11 tons last year.

They are also struggling to confront money laundering, but they are in trouble. And having us gone, I would argue, is not good for the Panamanian people.

But that is where we are.

Mr. SUNUNU. In your testimony and in the documentation you have provided us, you speak about a great number of different programs and speak in very positive terms about a number of those programs. During your tenure, though, what can you point to or what have you seen that has not worked? Where have our efforts, not necessarily been misguided, but been of very limited effective-

ness and efficiency and what are you doing in the budget request that you have presented to us, quite simply, to move away from those kinds of efforts and even away from specific programs?

General MCCAFFREY. There is a lot left to be done, Mr. Congressman. You know, it is hard to know where to start because I have a bunch of things that I owe you and the country here over the next couple of years.

There are a couple of them that are achievable. I am going to be disappointed if we do not pull them off. We need to better organize the Southwest border. I think this is a serious flaw. There are historical reasons, there are only good people involved in this. We have 15,000 Federal agents on the Southwest border, at 39 ports of entry. We are inappropriately organized in my view to handle this responsibility.

Someone needs to——

Mr. SUNUNU. Is that organization in a particular agency, through border control?

General MCCAFFREY. Well, there is no agency in charge. There are four departments of Government that play major roles on the border and no one is in charge at any port of entry or across the Southwest border of integrating those efforts.

And I think we are moving forward. We do have a study done. The Attorney General and the Director of the CIA and I completed an analysis of the intelligence system, and we are not done with organizing ourselves, but we now know who collects intelligence on drugs. And we know on what automation system, coms systems, who the users are and we have come up with a way to better it, so, law enforcement can be better supported by the best intelligence system in the world. That is part of the solution.

The other one is that we have in front of Congress in this budget a lot of money for non-intrusive inspection techniques and the chairman knows a lot about this. You cannot search 82 million cars and trucks and find kilograms of heroin welded in the wall of the trailer or the rail car. So, we are going to deploy this technology. We need to organize that appropriately and not at a low level but instead get a decent-sized program going.

So, the Southwest border is one threat we have not addressed adequately.

There are a couple of other ones that are easily achievable in the two years we have got left that I hope I can deliver. Methadone maintenance programs, we need to rationalize the way we give our drug treatment community access to certain new tools. And it has got to be based on science, medicine, and still have good DEA oversight. I owe Congress an answer on that.

I think we need to do better at managing drug prevention dollars. Our safe drug-free schools money I am 100 percent supportive of but I think I have got to find a way to have Congress change the law or get governors more forcefully involved so that fairly substantial programs, $640 million, so that we know the dollars, are being spent in accordance with NIDA-approved prevention guidelines and not on nonsense.

Mr. SUNUNU. And that point, one last question, final question. There are in your own budget, I counted, 46 different streams of

funding, agencies and programs. Is that too many? Is that too difficult to manage effectively?

And is the concern you have about the safe and drug-free school program symptomatic of that? Are there opportunities to consolidate or join some of these programs together or strengthen them in the way that you described so that is not so cumbersome?

General MCCAFFREY. Well, some of them do need to be integrated. And, Mr. Congressman, I think that is a good comment. Attorney General Reno and I are working and trying to make sure we rationalize HIDTA and OCDGTF. So there are some of these programs that need to have at least some nested relationship with one another.

I think we are actually doing pretty well on getting a coherent integration of these programs from the Federal Government now. We have got the documents. We own the document on the table. The President, the Vice President and the cabinet have supported our leadership. So, there is a table to come to.

The Congress gave me a lot of authority last year, so, I now can mandate cooperation on 5-year drug budgets, PMEs. I think we are getting a pretty sensible structure together now and there is a lot of goodwill to solve the problem.

Mr. SUNUNU. Thank you.

Mr. KOLBE. Thank you.

We will try to hold the second round of questioning as close to the allotted time as possible and I will begin.

I want to go back, and hope your answers will be short also, General McCaffrey.

I want to go back, you mentioned the Southwest border. Our 1999 appropriation mandates a study, requires a joint review and a plan submitted to the committee. What is the status of that study?

General MCCAFFREY. We have not gotten the interagency process to agree. I am trying to think which ones. There were three requirements for me to report in the Southwest border. Which ones, specifically?

Mr. KOLBE. This is the one that is to conduct a joint review with Treasury and the Attorney General to submit a plan.

General MCCAFFREY. We have conducted a review.

Mr. KOLBE. It is due next month.

So, you are not behind schedule on this. I am just trying to understand if we are on track with this.

General MCCAFFREY. It is likely that we will be before we are done with this. We have conducted such a review. We have a white paper. And we also have the intelligence review done and we have a paper on that. We are trying to get interagency agreement so that we can go to the President.

Mr. KOLBE. It is supposed to be designed to show how to improve coordination with the agencies along the border.

General MCCAFFREY. Right.

Mr. KOLBE. And that is obviously of critical importance to us. So, if there were any preliminary results you could share I was going to ask you to do so. But it sounds like——

General MCCAFFREY. The Attorney General, the Secretary of the Treasury, I, and Director Tenet are actively working to try and achieve a consensus to give to the President.

Mr. KOLBE. The President's budget has $50 million for new border surveillance technology for INS but no funding to either continue the Customs technology initiative for the Southwest border or its money-laundering efforts on the Southern tier. Can you give me some idea what kind of suggestions or requests you made in terms of the budget to the President and OMB for Customs in this area?

General MCCAFFREY. Mr. Chairman, I would be glad to outline the budget that I certified at agency level and then the budgets I certified at the department level before they went to OMB and show you what we were after. There is an argument that this tight budget has driven an inadequate understanding of the long-term payoffs of having a 5-year, adequately-funded coherent Customs and border patrol technology initiative on that border. We have got to get that done in the next year.

Mr. KOLBE. Well, you spoke about the technology and the value of that technology and we raised this whole question in a more general way yesterday, or I did, with Director Lew. But it seems to be a tremendous disparity between the direction we are going on INS and Customs. And if Customs is our number one agency at the border on the interdiction of drugs, to not have any of the funding for the technology—unless you are here to tell me that we do not have any good results on that technology, that it is not effective.

General MCCAFFREY. No. I think the technology is very promising. I would want us to be a little prudent as we do this. I do not think we are yet prepared to say what the 5-year program completely ought to look like but I share your concern about the Customs funding. And we are also going to have to watch how the Congress works on the Customs bill.

There is a $400 million user fee in that bill. So, if that is not found compelling by Congress then we have got to watch what we are doing on funding the Customs Service.

Mr. KOLBE. Okay.

General MCCAFFREY. There are a couple of problems there, Mr. Chairman, that deserve public debate. The other one is that last year there was a supplemental that gave a giant amount of aviation machinery to the Customs Service. So, the question is do we wish to go to 30 P–3B aircraft, both AWACS and slick version, the second biggest air reconnaissance force on the face of the earth, bigger than the Russian Air Force, and how do we man it, train it, operate it? What is the concept of operation? Where are we basing these aircraft? Do we know what we are doing?

And I would suspect, and some would argue that we do not. I told them go over and get a Rand Corporation, to hire a bunch of Air Force colonels and show me a concept on how they are going to use this unasked for machinery.

But we are going to end up with a real embarrassment in 3 to 5 years. If we want to do that, and I did not ask for that equipment, and we need to be able to explain to ourselves what we are going to do with it. That is one of the biggest Customs problems we are looking at.

Mr. KOLBE. Thank you.

Let me—I only have a minute or so left here—let me quickly go back, if I can, to the media campaign and ask some specific questions about how we are doing with the private sector match.

You are supposed to have a timetable plan to get 40 percent corporate sponsorship-level and up to 100 percent by 2002. I understand you have a contract with Porter Novelli that is working on that implementation plan. Is there a plan and is it being implemented?

General MCCAFFREY. Well, the immediate results, I remember the numbers, we got 107 percent media match. So, we are way over our goal already.

Mr. KOLBE. Is that combining both what the media, itself, and corporate sector?

General MCCAFFREY. In other words, we put this year's $129 million——

Mr. KOLBE. I mean the sellers. I mean an NBC giving you additional time? I think that is different than what the idea of the corporate sponsorships where you can get IBM to kick in some additional funds for this program.

General MCCAFFREY. Well, let me give you a written document that answers your question. But the media match we have achieved and exceeded our goals. And we do have a conservative method, it will withstand audit. I have been adamant as I have gotten these briefings, both on—Bates/Zenith in phase 2, and now we are with a new competed contract with Olgivey-Mather and Fleishman-Hillard. But in both cases we have used a conservative way of measuring what we give credit to in the media.

So, I think our results speak for themselves and we are getting the matching funds.

Mr. KOLBE. I think we are talking a little bit past each other because I am not talking about the match program, I am talking about the corporate.

General MCCAFFREY. Corporate-sponsorship.

Mr. KOLBE. Yes, correct. But we will try and come back to that.

Mr. Hoyer.

Mr. HOYER. Thank you.

General, I was interested in your comment about the need to better organize the Southwest border. I thought Mr. Sununu asked some excellent questions in terms of dealing with the budget, which is sometimes not what we do here. But I thought he asked some excellent questions.

Your response was, we need to better organize the Southwest border. My question to you is you have been in this post now for 4 years, sir?

General MCCAFFREY. No. A little over 3 years.

Mr. HOYER. One of my concerns has been as you know, we somewhat casually refer to your spot as the Drug Czar. If that is the case, you are probably the weakest Czar that ever existed because you really do not have authority to tell people to do things, it is more of a coordinative role. And we did raise your authority a little bit last time, so, you do have to sign-off on the budgets and that gives you some influence. But do you have sufficient authority to affect a better organization of the Southwest border or a better organization of our drug-fighting effort anywhere?

Everybody around this table has said we believe this is one of the critical problems confronting America. My concern has been, since 1988 to this date, that we have yet to give you sufficient authority to coalesce the various components that are spending the $17.8 billion so that it is as effective as we can make it.

General MCCAFFREY. Well, possibly not. My own view is that we seem to be making steady progress. There is an awful lot of goodwill by the Attorney General, Secretary of State, Secretary of Defense, et cetera. And the law enforcement guys cooperate extremely well. Customs, ATF, FBI, DEA, they have known each other, they like each other. I think we are moving ahead.

Having said that there are institutional budgetary, turf-conscious struggles that will obviate the logic of an argument if we are not careful. There are separate congressional committees between the Customs agency and the INS. And, so, we are going to have to have an open discussion of what we want to achieve.

I think they are moving, for example, in the Southwest border to implement second order improvements that are changing the world out there. We have made three years of steady progress. This is not STASA, where we argue about will we ever do something. The border patrol's manpower has gone up, technology is showing up, INTEL is getting better, Customs and INS now have a border management scheme at ports of entry that is better than it was before. So, you know, there is room for a belief that we are moving ahead.

I would like to see us leave office in two years and hand over this operation having achieved some more. I think there is a couple of more big deals we can achieve this coming year with the support of Congress.

Mr. HOYER. I do not accept the premise that you are leaving in two years—I just wanted to not let that slip on the table for free—whoever wins the Presidential election, because I think we need a continuity.

This is important enough an effort that it is taken you some time to just get familiar with the players. You were very familiar with the players in South America and Central America which was an incredible benefit to your taking this responsibility, but it takes time. As you know I am not a term limits fan and it takes time to figure out how you make it happen because it is not a simple as being, you know, the command that you once had where you could make things happen because it was a much more organized operation.

I have two additional questions. The Drug-Free Communities Act, you are $8 million short of the authorization. We already have a letter signed by 485 members of the Congress. That is a slight exaggeration. But everybody is for this, and it is a great program, you are $8 million short. Why are we $8 million short and how do we make that up?

General MCCAFFREY. Well, I welcome your——

Mr. HOYER. And is it worth the—I do not want to get you in hot water with the 485 members that have written to us—but this is a question similar to Mr. Sununu's, we have budget caps, we have got limited resources, should we put $8 million more in the Drug-Free Communities Act?

General MCCAFFREY. Well, it is a tremendously useful Act. And the caution I have, and I welcome the debate of whether additional funding is required. There certainly is a strong argument for the program. We have got another burst of anxiety going right now, and it was not just based on the $22 million, it was based on this program as designed by Congress. My read of the law and the funding, is that it was to be seed money to expand the number of community anti-drug coalitions.

So, we put out 93, if I remember correctly, grants last year. We are going to do a similar number this year. But it was not to be five years of guaranteed funding for each coalition. We were trying to expand the number of community coalitions.

I am a little bit worried about it. I said we will not grant you five years of funding. You do not win a grant and get it for five years at $100,000. If you need matching funds, I am going to try to get you off Federal dollars so I can give those Federal dollars to start up other community coalitions. And right now, there are probably a couple out of 300 coalitions that are pretty aggressive in seeking these dollars. I do not blame them. But I do not see this program as another HHS block-grant program for selected community coalitions.

I hope that we end up two years from now with a lot more coalitions in Arizona and in Maryland than we currently have.

Mr. HOYER. Well, we will be talking about that. I agree with you and I frankly think most of the members who have witnessed agree with the premise that you get people started up and then you wean them off. As a matter of fact, on the Republican side one of the criticisms of programs has been, in these grant programs, once you start them, you never end them.

General MCCAFFREY. Right.

Mr. HOYER. And what you are saying is you have to do that. Last question, Mr. Chairman.

As you know, I am an enthusiastic supporter of HIDTA and agree with you, 100 percent, it is not the dollars. The dollars are important. We ought not to dilute existing dollars so that we are giving smaller sums to existing HIDTAs so that we can fund new HIDTAs because that means they are relatively ineffective, the new and the old.

Having said that, the Southwest border, as you pointed out, we have had some significant success. As a result, however, the information that I am receiving—I have not read the INTEL, you are much more knowledgeable—is that the pressure on the Caribbean has increased, in particular, Puerto Rico as an entry point to the United States.

In that regard, I would like to have your response to an increased allocation of resources to the Puerto Rico HIDTA.

General MCCAFFREY. Well, I think we have put a lot of new resources into Puerto Rico/Virgin Islands, both the HIDTA, and the DEA has a number of agents there, and Coast Guard presence has gone way up, ATF, border patrol, some brilliant leadership by Governor Rossello down there and his associates.

Maybe more needs to be done. The——

Mr. HOYER. Excuse me——

General MCCAFFREY. As of yet, there actually has not been a major shift in the tonnage of drugs through the Caribbean versus Mexico, Eastern Pacific. Most drugs still go into either the Eastern Pacific, Western Caribbean, Central America, Mexico and up into the U.S.

A considerable amount of drugs do get targeted on Puerto Rico/Virgin Islands and because of some excellent work by the Coast Guard and the DEA, in particular, and that HIDTA, it went down and now they are going to Haiti/Dominican Republic, some to Jamaica. But that is about 15 percent of the total, so, we do need to watch Puerto Rico/Virgin Islands very carefully. They need our support.

Mr. HOYER. Before we get to do the markup, Mr. Chairman, we need to engage General McCaffrey about that because, again, the strength of HIDTA is not so much the money in it as the coordination it brings to the Coast Guard, the DEA, INS, FBI, and other law enforcement agencies, Mr. Chairman, I think we need to look at that because it is an area where we are seeing a growth in activity. And it is an area of opportunity for drug dealers. We need to cut it off.

Thank you.

Mr. KOLBE. Mr. Peterson.

Mr. PETERSON. Thank you, Mr. Chairman.

Kind of picking up where I left off, I bring a rural perspective to this issue because of the size of my district and being very rural. And I also have a State perspective having been in State government for 19 years.

And there, this was an issue I was always very involved in and I always looked at it as a three-legged stool, enforcement, interdiction and education and treatment. Now, I have become a believer that if there is the demand, they will get here somehow. I mean I am just not sure we will ever secure the borders.

So, I guess I think our efforts need to be more on curtailing demand and, of course, that is expanding education, making treatment available to everybody that we know has the problem and that has not always been the case.

But the issue I guess that I have moved towards, sort of reluctantly, at the State level we rewrote almost every law that had anything to do with catching drug pushers and we wrote all the laws. We gave very controversial power to some of those agencies that was debated heavily because we were giving them powers they normally do not have in our country and none of that has really stopped anything.

But I think, personally, the one thing that I have hope in is—you know, I think the military, you understand it, had a lot of success with testing and bringing down the number of people that were using drugs in the military.

I know there are States who have taken strong positions about testing all of the people that are in their prisons and they are having a very strong success there. Because so often we were dumping them back out after many years in prison with the same habit that put them there. And, so, if we do not know and cannot prove and cannot treat them, we are not going to solve that problem.

Corporate America is, I think, moving fast. I know the National Chamber is pushing hard urging companies, helping companies to drug-test their employees. If you want a good work force then they need to be drug-free.

I think it is time that we look at schools. Personally, there are some private schools that have been very creative and the one, I think, I heard of recently drug tests all of their students as they enter in September with hair tests which takes them through the summer. So, if they have had any activity in the summer they know it and then they have random testing throughout.

What are your thoughts on a program to provide the capacity for schools to have mandatory, random drug testing if they choose?

General MCCAFFREY. You know, Mr. Congressman, in a way it is a question I rush to avoid.

And the reason I say that is it comes up a lot. New Orleans has a very aggressive good district attorney down there that is pushing this. It is my own view that the work place has been a tremendous payoff. I totally agree with you. But when you go to a work place EAP, employee assistance program, they have sold it to the work force, they have decided we want to work in a drug-free environment. It is easy to sell if it is dangerous work or driving trucks or installing machinery, flying planes.

And once the employees buy into it, then they embrace it. That is the way we felt about it in the armed forces. You know, at my last official act down there, I was a Four Star General, the Command Sergeant Major and I took our drug test and then we went on TV to announce how proud we were to be part of a drug-free institution.

So, in schools, if the local authorities, if the parents and the school leadership finds there is a benefit and it is easy to explain that to the football team or the women's swim team where you say, we are relying on safety and competition for our school, then I think perhaps there is a tool.

I am a little bit apprehensive about having rivers of urine tested when the linkage to what are you doing right now to engage young people between 3 and 7 p.m. is more likely to be the problem. Do you have a sports program? Do you support the Boys and Girls Club? Is the YMCA active in your town? Are ministers engaging youth in their religious programs?

That is the bigger payoff than the drug testing.

Mr. PETERSON. I guess I do not see the relevance that athletes are something special. You know, some of our smartest kids are not athletes. Our future is not necessarily just athletes. I think every young——

General MCCAFFREY. Well, you can explain it, in other words, easier to the football team than to the chess club.

Mr. PETERSON. That does not make sense to me. I do not agree with that argument. I happen to think, personally, that every child in our school is of equal value whether they are an athlete or not. We put a lot of relevance on athleticism. I think we put too much.

But, I, personally, am convinced—and I have talked to a lot of young people about it and I brought it up at a lot of youth groups—if they had a reason not to smoke grass, they would not. But right

now in many schools you are a nerd if you do not smoke grass. You are just not one of the kids.

There are children in elementary schools who smoke grass before they puff on a cigarette. I mean that is scary. I mean it is not real common but it is happening. There are kids in middle school who smoke grass before they will smoke cigarettes.

General MCCAFFREY. Oh, it is very common.

Mr. PETERSON. But when you look at the 14- and 15- and 16-year-old crimes in this country I have had a number, I have a 15-year old boy who shot his 14-year old sister seven times. He had been a several-year marijuana user. And when his sister threatened him with exposing something he was going to do, he went and got his pistol and loaded it and shot her until it was empty. And it was in fine detail how he killed her over a period of 20 minutes and then tried to save her life when he called 911 and was sorry because he shot his sister. I think it was very related to his drug use over the last couple of years and going through those very difficult years.

I, personally, believe that we need to have available to schools, with parental consent, drug testing money where schools can do random testing if parents approve and make sure there is a deterrent. I mean there is no deterrent today from using grass, marijuana, it is epidemic because kids are not afraid of it. They do not think it is harmful.

They do not think it is any more harmful than cigarette smoking which they know has some health problems. But it is no worse and so many people do that.

I, personally, think that we have to figure out some way to give kids a reason to say, no. And if they know they are going to get caught smoking grass at 8th, 9th or 10th grade, they will never get the habit. And they will be a little older and a little wiser, because you are dealing—this is down into the middle schools, where kids just are not very wise, street-wise yet and they do not realize what they are doing to themselves and their lives.

They get a little older, a little more mature, a little more street-wise, and then they will have the courage to say, no.

I guess I, personally, would love to further discuss with you sometime some kind of programming that would—because I do not think we are going to stop this epidemic until there is a fear in a child's heart that he is going to get caught at that young age and he is going to be marked and he will not want to be. He will not want that in his record.

Now, the proposal I had would not be a crime in effect. You would notify the parent the first time. You would notify the parent and the school the second time. And then it would be utilized as the school and the parent would see fit. But it is like you can help them if you know.

General MCCAFFREY. Yes. Well, Mr. Congressman, I agree with the overwhelming majority of what you said, and the age group you are worried about. When you ask kids who are not smoking marijuana how come? The dominant reason is fear of what my parents will say or do if discovered.

Now, I might go about it from a different perspective though on the drug testing. I do believe in our country you have got to sell

these programs locally as opposed to imposing them nationally. The couple of times it has been tried it has been a real uproar. No good came out of it.

The football teams seem to be able to sell it. The NYPD, there are a lot of groups you can sell it to. But I am very sympathetic to your argument and I would like to hear more about it.

Mr. PETERSON. Thank you.

Mr. KOLBE. Mr. Price.

Mr. PRICE. General, I would like to follow-up on the line of questioning that Mr. Hoyer started with respect to under-age drinking, just for a moment.

As I understand it, you regard under-age drinking as a serious problem that often leads to various kinds of drug use. You indicated, as I heard you, that you were satisfied with the place of under-age drinking in the advertising campaign at present. As I understand it, it is not included in the ads that your office places on the air directly. It is included in some of the pro bono match ads.

General MCCAFFREY. And excellent work.

Mr. PRICE. My information is that of the 21 ads currently approved, only two of those involve under-age drinking, with one maybe involving drunken driving. Is that correct?

General MCCAFFREY. Let me go find out and I will submit it for the record. We went through this a few months ago. Mothers Against Drunk Driving were very concerned about it. And I think they probably had bad information but the person in the room who will know about this are the Advertising Council and my own people. So, I can give you an answer.

Mr. PRICE. Well, I would appreciate updated and correct information on this, and also some indication of how prominent the under-age drinking Ads are likely to be in pro bono advertising. Is it simply one option among many in terms of what the stations can choose to run? How many times are these ads being run? Are they really going to have the desired effect?

Assuming you believe that this, number one, is important, and, number two, ought to be a complementary effort to your own campaign, then I would like to know how you would assess the effectiveness of it, the centrality of it and the effectiveness in the context of this pro bono advertising.

General MCCAFFREY. One of the legitimate concerns, I might add, that we had was that the paid advertising would dry up the media's willingness to sustain these other PSAs. Thankfully that has not happened.

So, the Advertising Council has been very aggressive and I think we are still on track. There is a lot of access that has come along with this paid component.

Mr. PRICE. Well, I know when we discussed this a year ago that was your hope, and you clearly put a great deal of importance on those pro bono efforts to complement what you are doing. And I think it is clear in terms of the kind of penetration levels we want to achieve that it is important and must be encouraged.

In terms of your assessment of this campaign, to what extent does it involve testing the various creative ideas? I remember last year you showed us some ads that had been produced, and you

talked with great enthusiasm about the partnership you had with various creative concepts people, and presumably not all of those work equally well. There is a need for continuing innovation here.

To what extent does your assessment involve focus groups or whatever ways that you test the various creative concepts?

General MCCAFFREY. Well, of course, the first and most important filter is the Partnership For a Drug Free America actually works with 200-plus advertising agencies and develops a lot of this material. We give them written guidance on what we need and their ideas eventually have to get vetted through an evaluation responsibility that my people, SAMHSA, NIDA, CDC and other agencies of the Government participate and I serve as chair.

But they have a creative review committee that looks at this material before I ever see it. Then they bring it to me and we do put it through an evaluation component which includes things like focus groups. And by the way we are going to change it. Now, we have professionals doing it, Ogilvey-Mather. So, we are going to test their ideas, for example, not going to final form. It costs too much money. We are going to do the same thing that smart people in business do.

So, we will try and test it in story board form and then we test them when they have been out on the air and if they do not work we pull them. And we have pulled some of these ads. We have also found the holes. We do not have enough billboards, we do not have enough print media. We did not have enough anti-marijuana use, adolescent, younger kids ads.

And oh, by the way, it is not clear to me that Seinfeld is the way you go. Instead it may be Learning Channel, Fox Family TV, MTV, et cetera. So, we have got some very sophisticated people who will also place these products. And then evaluate, are they being seen, what is reaction to them, and are they starting to have second order effects? Does somebody call the number we put up there, yes or no. Those are measurable. Do they start to respond with other observable behavior. So, we will try and evaluate this very carefully.

Mr. PRICE. So, those partnerships continue and there is a continuing flow of new material?

General MCCAFFREY. Oh, absolutely. I just went to the second and third wave and some of this is absolutely spectacular what they are doing, what they are bringing in right now to show us.

We have got a lot of hard work, though. The next year is going to be a tough one. We need to be in 11 foreign languages and 102 different media markets and we have got to listen to our own feedback loops as we do it. But we have got the right people who are now engaged in this. This is not six people working for me. These are three of the most sophisticated companies in the nation and they are excited about what they are doing.

Mr. PRICE. Thank you.

Thank you, Mr. Chairman.

Mr. KOLBE. Thank you very much and General, thank you. The last comments you made I think and as well as some of the other questions we were trying to get into with the media campaign suggest to me that we really do need to have an oversight hearing that

really focuses on this media campaign and what has been done and what needs to be done.

General, yes, go ahead very quickly.

General MCCAFFREY. We do have a final phase one report and I think we have been remiss if we did not adequately explain that this is in print, it is out all over the country. And, you know, just reviewing the law, we did submit it. We have not yet obligated 75 percent of the 1999 phase two funds. We are in compliance now and we intend to stay in compliance.

Mr. KOLBE. Okay.

We will still have an oversight hearing because I think there are just a lot of questions about this media campaign and as you suggested we are going into a lot more spending on this and you said you have a hard year coming up in terms of getting this into the number of languages and stuff. And I think in terms of our budget considerations that it would be valuable for us to do so.

Mr. Hoyer.

Mr. HOYER. Mr. Chairman, I know you have to go. Let me make a comment. You have an incredible array of people that you introduced at the outset of this hearing who are making a great impact in so many different areas.

But I wanted to mention, in particular, that I am not objective because he is a very close friend of mine, but Robbie Calloway does extraordinary work and my experience has been as a parent that the peer group cohort is much more important than the parents. The parents are important. You have good values, set examples, and try to supervise properly.

But ultimately if you have boys and girls together saying this is bad and, as Mr. Peterson said, we ought to say, no, that will be the most powerful thing that we can do ultimately after we educate them as to why the reasons.

And, so, I want to say to Robbie Calloway, that he and thousands of people, hundreds of thousands of people around this country who make the Boys and Girls Club a haven and an educational force for productive, positive behavior is extraordinarily important.

Thank you, Mr. Chairman.

Mr. KOLBE. Thank you.

I know Mr. Forbes has some questions. I have a whole series of other questions and I think many members do which we will submit for the record.

General MCCAFFREY. Yes, sir.

Mr. KOLBE. The subcommittee will stand in recess until this afternoon, at 2 o'clock.

QUESTIONS FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

PRICE OF DRUGS/PURITY OF DRUGS

GENERAL, TABLE 29 IN THE NATIONAL DRUG CONTROL STRATEGY SHOWS PRICE AND PURITY OF COCAINE AND HEROIN FOR PURCHASES UNDER 1 GRAM AND BETWEEN 10-100 GRAMS. RETAIL (LESS THAN 1 "PURE GRAM") PRIES FELL ABOUT 6% FOR COCAINE AND 17% FOR HEROIN. PURITY DIDN'T CHANGE MUCH FOR HEROIN, BUT IT WENT UP ABOUT 9% FOR COCAINE. WHAT REMAINS STRIKING IS THE HIGH LEVEL OF PURITY OF BOTH DRUGS, COMPARED TO 1981; COCAINE WENT FROM 40% TO 71% IN PURITY, WHILE HEROIN ROCKETED FROM ABOUT 5% TO 25%.

1. WHILE WE CANNOT DRAW SIMPLE CONCLUSIONS ABOUT SUPPLY AND DEMAND FROM THIS INFORMATION, DOES IT SUGGEST SOMETHING ABOUT THE NATURE OF THE USER POPULATION? ARE THEY INCREASINGLY MADE UP OF CHRONIC, "HARDCORE" USERS?

2. GIVEN THE INCREASED PURITY FOUND IN SUCH DRUGS, DOES THIS REPRESENT AN EVEN GREATER DANGER TO NEW USERS IN TERMS OF GREATER ADDICTION POTENTIAL OR THE RISK OF OVERDOSE?

ANSWER:

1. **ONDCP agrees that simple conclusions about supply and demand cannot be drawn from the price/purity data. However, they do support findings from other studies that provide insight on the user populations. The majority (about two-thirds) of the cocaine available for use in the United States is consumed by about 25% of the user population --many of these individuals are chronic hardcore users. Research suggests that this population has remained fairly stable throughout the 1990s at about 800,000 hardcore heroin users and about 3.6 million hardcore cocaine users. These data suggest that if we are to make substantial progress in reducing drug use in America, this population must be targeted for interventions, primarily treatment. A first step toward this goal, however, is to obtain a more precise estimate of the size and characteristics of the hardcore drug using population. ONDCP is currently undertaking the second phase of a study to provide more accurate estimates of this population.**

2. **Research also suggests that we are seeing more initiates (first-time use) of cocaine and heroin. Data from the 1997 National Household Survey on Drug Abuse (NHSDA) indicate that the number of cocaine initiates increased from 480,000 in 1991 to 675,000 in 1996 (an increase of 41%); and the number of heroin initiates increased from 53,000 in 1991 to 171,000 in 1996 (an increase of 223%). Although NHSDA data on cocaine and heroin are less reliable than those for other drugs, and the data on initiation do not mean that all of these first-time users continued to use the drug, these numbers are cause for concern that a greater number of youth are trying these drugs. The higher purities do indeed pose a much greater risk of addiction potential and overdose –as we have seen with a number of recent heroin overdose deaths in Plano, Texas, Howard County, Maryland, and elsewhere.**

QUESTION FOR THE RECORD FROM CONGRESSMAN JIM KOLBE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

Issue: **Model State Drug Law Conferences**

QUESTION:

1. **I see that ONDCP decided this year to request funding to fund model state drug law conferences. Please provide a status report on this project, as well follow up activity relating to States where conferences have been held?**

ANSWER:

ONDCP have been pleased with the progress of the model state drug law project conducted by the National Alliance of Model State Drug Laws. Since the Congress began funding this initiative in FY 1996, the National Alliance has conducted conferences in the following states:

Georgia (June 28, 1996, with a follow up session on May 9, 1997)
Louisiana (August 20, 1996)
Utah (August 28, 1996)
Mississippi (November 19, 1996)
Nevada (November 22, 1996)
Iowa (January 23, 1997)
Oklahoma (March 27, 1997)
New Jersey (April 9, 1997)
Kansas (September 11, 1997)
Texas (October 17, 1997)
Hawaii (October 24, 1997)
North Carolina (November 13, 1997)
Arizona (December 8, 1997)
Virginia (November 19-20, 1998)

Among the outcomes of these conferences have been the following state actions:

Georgia - Enactment of legislation which provide a 2% unemployment tax discounts for employers which have certified drug-free workplace programs.

Enactment of legislation which allows the workers' compensation premium discount for drug-free workplace programs to apply to self-insured programs.

Louisiana - Drug court legislation was passed in 1997 providing treatment for drug-

dependent offenders.

Mississippi - Legislation passed providing a workers compensation premium discount for comprehensive drug-free workplace programs, and restricting youth access to tobacco.

Iowa - The state has enacted an economic remedies package proposed by the Attorney General's office. The package consists of the model forfeiture reform, money laundering, ongoing criminal conduct, and financial transaction reporting acts.

New Jersey - A portion of the state's formula grant funds has been set aside for implementation of model state drug laws.

Enacted a law designating housing projects, public parks and public buildings as drug-free school zones.

Kansas - Passed forfeiture amendments incorporating substantial portions of the model forfeiture reform act.

Hawaii - Adopted a modified version of the model nuisance abatement act.

North Carolina- Passed a version of the model expedited eviction act.

Arizona - The Attorney General's office proposed in 1998 a comprehensive chemical control act, which passed through both houses of the legislature, but did not reach final passage. The Attorney General has re-proposed a similar chemical control act in the 1999 legislative session.

In addition the National Alliance is developing into a legislative and policy and resource center for state and local policy makers and drug abuse professionals. Toward this end, the National Alliance plans:

- To maintain a legislative clearinghouse which provide information on the model law and supporting documents, and related state laws and bills.
- To educate state legislators, governors, and attorneys general and other about the purposed and application of the model laws, the multi-disciplinary partnerships built into the laws, and to tailor the model laws to address particular state problems and needs.
- To help define and measure the effectiveness of model laws and related statutory development and implementation.

ONDCP will continue to work closely with the National Alliance as it implements its agenda.

QUESTIONS FOR THE RECORD FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

ORGANIZATION OF ONDCP

QUESTION

1. **OF YOUR CEILING OF 124 FTE OF PERMANENT EMPLOYEES, HOW MANY ARE NOW IN PLACE?**

ANSWER

Of the authorized ceiling of 124 FTE, ONDCP currently has 107 permanent employees in place.

QUESTIONS FOR THE RECORD FROM THE HOUSE
APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

QUESTION

2. YOU WERE TO HAVE REACHED YOUR MAXIMUM FTE OF 124 IN FY 1998. IN FACT, YOU ONLY HAD 110 POSITIONS FILLED AT YEAR-END. GIVEN THE CHRONIC GAP BETWEEN YOUR CEILING AND POSITIONS FILLED, WHAT MAKES IT MORE LIKELY THAT ONDCP WILL FILL ALL ITS AUTHORIZED FTE POSITIONS THIS YEAR?

ANSWER

The ONDCP personnel selection process is still moving forward in an aggressive manner, consistent with Federal civil service laws and regulations, and in compliance with requisite security background checks, Executive Office of the President Drug-Free Workplace requirements, and the normal attrition of existing staff.

A total of 7 positions are committed and the administrative process ongoing for each candidates. Of the 10 positions that remain uncommitted: 4 announcements have closed within past 15 days and interviews are ongoing or pending; and 6 positions* remain to be posted/filled by end of fiscal year.

Note: *(1) Management Analyst to be posted by 4/2/99; (2) Correspondence & Information Control Assistant position recently established - anticipate vacancy announcement will be posted by 4/15/99; (3) Deputy Director for Demand Reduction candidates being interviewed; (4) Deputy Director for State & Local Affairs vacated position 3/1/99 – search ongoing to identify a replacement within next 30 days; (5) Assistant Director for Strategic Planning will vacate position 4/5/99 - search for replacement candidates has been initiated; (6) Scheduler position vacated position 3/26/99 – candidates identify for replacement and interviews being schedule.

QUESTIONS FOR THE RECORD FROM THE HOUSE
APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

3. HOW MANY ONDCP PERSONNEL ARE DEVOTED TO:

- PLANNING AND EXECUTION OF THE MEDIA CAMPAIGN?

  ANSWER: ONDCP has four full-time permanent employees devoted to the media campaign.

- MANAGEMENT AND ALLOCATION DECISIONS FOR THE HIDTA PROGRAM?

  ANSWER: ONDCP has two full-time permanent employees devoted to the HIDTA program.

- PLANNING AND IMPLEMENTATION OF THE DRUG-FREE COMMUNITIES ACT?

  ANSWER: ONDCP has two full-time permanent employees devoted to the Drug-Free Communities Act.

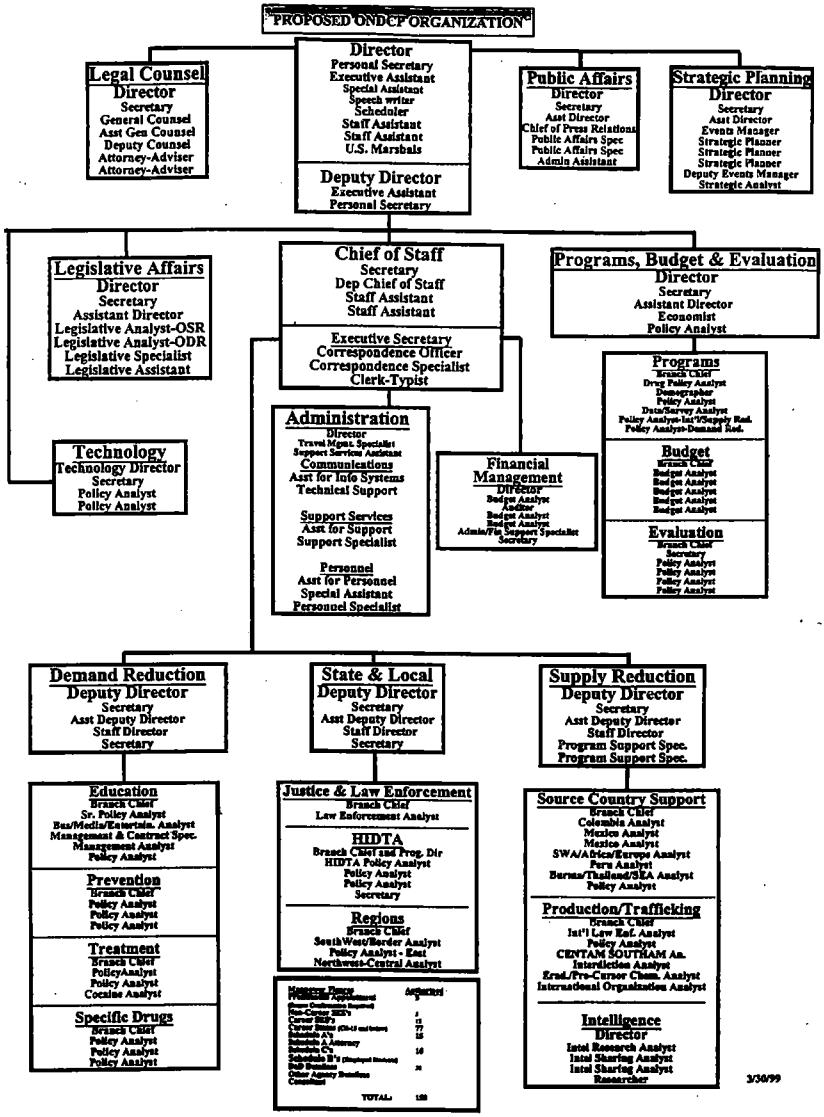
QUESTIONS FOR THE RECORD FROM THE HOUSE
APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL
GOVERNMENT

QUESTION

4. PLEASE PROVIDE THE COMMITTEE WITH AN ORGANIZATION CHART SHOWING THE PROPOSED STRUCTURE OF ONDCP WITH THE 128 FTE PLUS 30 DETAILEE POSITIONS

ANSWER

See Attached Proposed Organization Chart


PROPOSED ONDCP ORGANIZATION
Director
Personal Secretary
Executive Assistant
Special Assistant
Speech writer
Scheduler
Staff Assistant
Staff Assistant
U.S. Marshals
Deputy Director
Executive Assistant
Personal Secretary
Legal Counsel
Director
Secretary
General Counsel
Asst Gen Counsel
Deputy Counsel
Attorney-Adviser
Attorney-Adviser
Public Affairs
Director
Secretary
Asst Director
Chief of Press Relations
Public Affairs Spec
Public Affairs Spec
Admin Assistant
Strategic Planning
Director
Secretary
Asst Director
Events Manager
Strategic Planner
Strategic Planner
Strategic Planner
Deputy Events Manager
Strategic Analyst
Legislative Affairs
Director
Secretary
Assistant Director
Legislative Analyst-OSR
Legislative Analyst-ODR
Legislative Specialist
Legislative Assistant
Chief of Staff
Secretary
Dep Chief of Staff
Staff Assistant
Staff Assistant
Executive Secretary
Correspondence Officer
Correspondence Specialist
Clerk-Typist
Programs, Budget & Evaluation
Director
Secretary
Assistant Director
Economist
Policy Analyst
Technology
Technology Director
Secretary
Policy Analyst
Policy Analyst
Administration
Director
Travel Mgmt. Specialist
Support Services Assistant
Communications
Asst for Info Systems
Technical Support
Support Services
Asst for Support
Support Specialist
Personnel
Asst for Personnel
Special Assistant
Personnel Specialist
Financial Management
Director
Budget Analyst
Auditor
Budget Analyst
Budget Analyst
Admin/Fin Support Specialist
Secretary
Programs
Branch Chief
Drug Policy Analyst
Demographer
Policy Analyst
Data/Survey Analyst
Policy Analyst-Int'l/Supply Red.
Policy Analyst-Demand Red.
Budget
Branch Chief
Budget Analyst
Budget Analyst
Budget Analyst
Budget Analyst
Budget Analyst
Evaluation
Branch Chief
Secretary
Policy Analyst
Policy Analyst
Policy Analyst
Policy Analyst
Demand Reduction
Deputy Director
Secretary
Asst Deputy Director
Staff Director
Secretary
State & Local
Deputy Director
Secretary
Asst Deputy Director
Staff Director
Secretary
Supply Reduction
Deputy Director
Secretary
Asst Deputy Director
Staff Director
Program Support Spec.
Program Support Spec.
Education
Branch Chief
Sr. Policy Analyst
Bus/Media/Entertain. Analyst
Management & Contract Spec.
Management Analyst
Policy Analyst
Prevention
Branch Chief
Policy Analyst
Policy Analyst
Policy Analyst
Treatment
Branch Chief
PolicyAnalyst
Policy Analyst
Cocaine Analyst
Specific Drugs
Branch Chief
Policy Analyst
Policy Analyst
Policy Analyst
Justice & Law Enforcement
Branch Chief
Law Enforcement Analyst
HIDTA
Branch Chief and Prog. Dir
HIDTA Policy Analyst
Policy Analyst
Policy Analyst
Secretary
Regions
Branch Chief
South West/Border Analyst
Policy Analyst - East
Northwest-Central Analyst
Source Country Support
Branch Chief
Colombia Analyst
Mexico Analyst
SWA/Africa/Europe Analyst
Peru Analyst
Burma/Thailand/SEA Analyst
Policy Analyst
Production/Trafficking
Branch Chief
Int'l Law Enf. Analyst
Policy Analyst
CENTAM SOUTHAM An.
Interdiction Analyst
Ernt./Pre-Cursor Chem. Analyst
International Organization Analyst
Intelligence
Director
Intel Research Analyst
Intel Sharing Analyst
Intel Sharing Analyst
Researcher
3/30/99

QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

ISSUE: Counter-Drug Technology Assessment Center

Congress provided $13 million in each of fiscal years 1998 and 1999 for a Counterdrug Technology Assessment Center (CTAC) program to transfer technologies being developed under its auspices to state and local law enforcement agencies.

QUESTION 1: **1a). What is the status of that pilot program? 1b) When will the Committees receive the report required under the FY 1998 appropriation?**

ANSWER 1a: **State and local law enforcement interest in the pilot program has been totally positive. Since it started, 309 organizations in 41 states have received one or more of the 17 Federally developed technology projects available for transfer from the program. Transfers to state and local law enforcement started in May 1998, approximately seven months after the start of the program.**

ANSWER 1b: **The FY 98 appropriation conference language stated that an evaluation report on the pilot program is due 18 months after the completion of the first transfer. Eighteen months after the completion of the first transfer is October. Because the program is so successful, CTAC will brief you in the interim by the end of April, five months earlier than the October due date.**

QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

ISSUE: **We understand that this program has received an enthusiastic reception from state and local law enforcement agencies, as reflected in your planning levels for fiscal years 2001-2004 rising to $60 million a year. It is striking to see that you only requested $3 million for this program in FY 2000.**

QUESTION 2: **a) What is the current level of unmet demands for this program in FY 1999? 2b). What level of funding would be necessary to meet demand in fiscal year 2000?**

ANSWER 2a): **As of early March, the technology transfer program had applications for the 17 projects exceeding $60 million of which we had $26 million to attempt to fill these requests.**

ANSWER 2b): **State and local law enforcement officials become aware of the technology transfer program through the CTAC-sponsored one-day workshop outreach program. The technology transfer program's success can be measured by the enthusiastic response of state and local law enforcement officials to the technology demonstrated at these workshops. Several more workshops will be conducted during FY 99. Each workshop results in a flurry of thirty to fifty applications. The five workshops planned for this year could easily lead to requests for an additional $25 million beyond the backlog which exists now. These requests are for the 17 projects currently in the program. Based upon the comments from state and local law enforcement, we plan to include several new projects in the program which could lead to even more applications. Clearly state and local law enforcement organizations need the technology available from the technology transfer program.**

QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

ISSUE: CTAC funding for research and testing of non-intrusive technology is declining in your FY 2000 request, but stays about level through 2004 in your planning period.

QUESTION 3: 3a). Would you comment on the lack of any funding in the FY 2000 budget for any additional non-intrusive technology investments for the Customs Service? 3b). Do you think that such continued investments at this time are of lower priority than the proposed $50 million for the INS Integrated Surveillance Information System, for example?

ANSWER 3a): The US Customs Service has received strong Congressional support (FY 99, $133 million) for the installation of fixed location and mobile truck x-ray systems. These systems are the backbone of the USCS first generation non-intrusive commercial truck and conveyance inspection system along our Southwest border. Since its creation, CTAC has supported the R&D and test and evaluation needed to create this first generation system.

CTAC will now shift gears and search for emerging technologies that show promise for a second generation non-intrusive inspection system. CTAC will concentrate its investments in the area of neutron interrogation, --- candidate technologies for a second generation non-intrusive commercial truck and conveyance inspection system. The FY 2000 program will continue work on coded aperture, a second generation technique being investigated by a team at MIT.

ANSWER 3b): CTAC is, by statute the central point of contact for counterdrug law enforcement R&D and prototype development, not systems development. From CTAC's perspective, it is likely that the technology transfer program could benefit from technology developed to support either the INS or the USCS programs.

QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

ISSUE: Your request includes a 50% increase in demand reduction technology, much of it for improved neuro-imaging research equipment.

QUESTION 4: 4a). Is most of this funding strictly to support research at its earliest stages, or is there a potential for expanding the availability of such technologies around the country? 4b). What are the principal uses of such technology for diagnoses and treatment of addiction?

ANSWER 4a): Yes, the functional nuclear magnetic imaging, fNMI centers at Massachusetts General Hospital and McLean Hospital, Boston, Mass, the fNMI center jointly sponsored with Emery University and the advanced Positron Emission tomography (PET) Camera development project at University of Pennsylvania are truly excellent research facilities. These facilities have internationally ranked research teams who are conducting break through studies on the effects of drugs of abuse on the human brain. In that case, these are early stage research facilities which will lead the way for others around the Nation.

CTAC has two criteria for sponsoring the development of these centers. Criterion one is to ensure that these research teams have the most highly resolved brain images that technology can provide. The other is to attract students and postdoctoral researchers, who desire to study diseases of the brain, to concentrate on research on drugs of abuse. Neuro-imaging technology is an important research tool for studying all brain diseases (Parkinson's, Alzheimer's, etc.). To direct students toward research on the effects of drugs of abuse competes with the greater allure of studying other brain diseases. For this reason, when CTAC agrees to sponsor a center, it chooses the better teams in the Nation and stipulates that the facility should also train new researchers who will concentrate in studying the effects of drugs of abuse on the human brain. The ability to sponsor new centers to make this technology available around the country is limited by available funds. With sufficient financial support, CTAC could work with NIDA to find the teams which will continue to expand our national capability to use neuro imaging technology to study the effects of drugs of abuse on the human brain.

ANSWER 4b): Neuro-imaging technology, to date, has been used for improving our capability to conduct leading edge research on the effects of drugs of abuse within the brain, but has not advanced to the stage of using this tool for diagnoses. The results of the research studies can be used to support treatment of addiction. Ongoing studies of cravings, the effects of therapeutic drugs to cure over dose, etc. all can use PET and fNMI. For example, at the CTAC-sponsored PET facility at the NIDA Intermural Research Program Center in Baltimore, research scientists within two months of its opening, made the most highly resolved images of the nucleus accumbens yet seen.

QUESTION FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

GENERAL McCAFFREY, YOU HAVE REQUESTED $225,300,000 FOR THE SPECIAL FORFEITURE FUND. APART FROM ANOTHER $195 MILLION FOR THE YOUTH MEDIA CAMPAIGN, THIS INCLUDES $ 22 MILLION TO CARRY OUT THE DRUG-FREE COMMUNITIES ACT, $2 MILLION ABOVE LAST YEAR'S FUNDING LEVEL; $3.3 MILLION WOULD GO TO SUPPORT AGENCY EFFORTS TO MODIFY OR ADD TO THEIR DATA SYSTEMS USED TO PROVIDE PERFORMANCE MEASURES OF EFFECTIVENESS (PMEs); AND $5 MILLION IN DISCRETIONARY AUTHORITY FOR UNSPECIFIED DRUG CONTROL ACTIVITIES.

1. COULD YOU BE MORE SPECIFIC AS TO THE TYPES OF ACTIVITIES YOU ENVISION USING THE $5 MILLION? WERE THERE SPECIFIC ACTIVITIES THAT YOU REQUESTED FUNDING FOR FROM OMB FOR WHICH THIS DISCRETIONARY AMOUNT SERVES AS A SUBSTITUTE?

ANSWER

As part of the counterdrug intelligence architecture review process, ONDCP continues to lead an interagency effort that responds to the 1998 Treasury and General Government Appropriations Act. This Act directed ONDCP to submit to the appropriate congressional committees a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal government. The White House Task Force on the Coordination of Counterdrug Intelligence Centers and Activities completed its review of the drug community intelligence capabilities and requirements. As a follow-on, the ONDCP/Special Action Office is producing an interagency counterdrug intelligence action plan. The plan, which addresses shortfalls and program enhancements, is being prepared for Presidential signature and submission to Congress in 1999. When the plan is signed, agencies should begin implementation by developing or modifying programs to address identified requirements. The requested $5 million is intended to fund initial implementation of the counterdrug intelligence plan. If the plan is not signed, the $5 million will be used to enhance drug control activities and address emerging drug threats, at the discretion of the Director.

QUESTION FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

2a. THIS COMMITTEE PROVIDED $10 MILLION TO INITIATE FUNDING FOR THE DRUG FREE COMMUNITIES ACT IN 1998 AND $20 MILLION IN FY 1999.

- WHAT HAS BEEN DONE TO DATE WITH THE $10 MILLION PROVIDED BY THIS COMMITTEE FOR FY 1998, AND HOW DO YOU PLAN TO USE THE $20 MILLION IN 1999.

ANSWER

The Drug-Free Communities Act of 1997 provides vital support to communities. The program's genesis and growth has been fueled by an unprecedented level of bipartisan support. In FY 1998, $10 million in grants were provided to 92 coalitions in 46 states. ONDCP also conducted an initial training and technical assistance conference and a presidentially appointed Advisory Commission was established. In FY 1999, we project that support will be provided to the original 92 recipients and that and that an additional 119 communities will be awarded grants. The FY 2000 request of $22 million will support the coalitions that received grants in FY 1998 and FY 1999 and will fund an additional 68 grants.

QUESTION FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

2b. THIS COMMITTEE PROVIDED $10 MILLION TO INITIATE FUNDING FOR THE DRUG FREE COMMUNITIES ACT IN 1998 AND $20 MILLION IN FY 1999.

- THE AUTHORIZED LEVEL FOR THIS PROGRAM IS $30 MILLION. WAS THIS THE AMOUNT REQUESTED FROM OMB?

ANSWER

Yes, ONDCP requested the Drug Free Communities Act FY 2000 authorized level of $30 million from OMB.

QUESTIONS FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

SPECIAL FORFEITURE FUND -AND THE $5 MILLION "DISCRETIONARY"

3. THE $3.3 MILLION TO SUPPORT THE PME SYSTEM DEVELOPMENT IN AGENCIES, WHO ARE SUPPOSED TO BUDGET FOR THESE COSTS IN LATER FISCAL YEARS. COULD YOU PROVIDE THE COMMITTEE WITH A LIST OF AGENCIES INVOLVED, THE AMOUNTS YOU PROPOSE TO PROVIDE, AND A DESCRIPTION OF THE ITEM FUNDED.

ANSWER:

ONDCP's PME system contains 12 impact targets and 85 performance targets. The impact targets support the 5 goals of the Strategy and the performance targets support the 31 objectives. Of the 85 performance targets, 37 monitor the achievement of various milestones that do not require quantitative data systems to be tracked. Another 20 targets require the relevant agency to use administrative records to report on the progress of achieving the target. Of the remaining 28 targets, 8 can be tracked with existing data systems while the remaining 20 require data systems to be developed or modifications made to existing data systems. Agencies involved with these 20 targets include the Treasury Department, the Bureau of Justice Statistics, the Substance Abuse and Mental Health Services Administration, the National Institute on Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, the Department of Labor, the Centers for Disease Control and Prevention, the Department of Agriculture, the Crime and Narcotics Center, the Drug Enforcement Administration, Customs, Coast Guard, the Defense Intelligence Agency, and ONDCP. The data required include estimates of the flow of cocaine, heroin, marijuana, and methamphetamine to the United States; the size of the treatment gap; the number of community coalitions with a drug focus; drug-related violent crimes; money laundering costs; drug use among inmates; recidivism among drug offenders; drug abuse treatment availability to offenders; treatment effectiveness; drug involvement in infectious diseases; and measures of drug-free workplaces. ONDCP is currently working with these agencies to identify options and procedures for obtaining the required data. In a number of cases we have already obtained the cooperation of the agency involved to make modifications to existing data systems at no cost to ONDCP. For the majority of cases we have not yet identified the exact item to be funded nor the amount to be provided. We are working through ONDCP's Data Subcommittee to move forward with this process this year.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

DO YOU THINK THAT A MULTILATERAL APPROACH TO MONITORING AND SEEKING REMEDIES FOR DRUG PROBLEMS IS VIABLE?

ANSWER

ONDCP is very encouraged by the significant progress made by the Organization of American States Inter-American Commission on Drug Abuse Control (OAS/CICAD) in developing a Multilateral Evaluation Mechanism. In a series of meetings (in May, August, and October) the basic outlines of the evaluation system was designed. At last two meetings (Honduras in October 1998, Washington in January) 82 specific performance indicators were approved in principle, including ones requiring: comprehensive national strategies; laws to combat chemicals, money laundering and firearms; existence of central coordination antidrug agencies; maintenance of supply and demand statistics; existence of a broad array of prevention programs; creation of Financial Intelligence Units (FIUs); and, existence of mechanisms for management and distribution of assets seized and forfeited from drug traffickers.

The test of the MEM will come when member countries begin their mutual evaluation process. ONDCP expects that the MEM will begin operation prior to the Third Summit of the Americas in Ottawa, Canada in late 2000 or early 2001.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WHAT SOLUTION DO YOU PROPOSE FOR DEALING WITH PROBLEM OF "DIMINISHING RETURNS" THAT SEEMS TO ACCOMPANY CERTIFICATION?

ANSWER

Most major drug producing and transit countries recognize that it is in their own national interest to pursue an aggressive counter-drug campaign. The resentment and "diminishing returns" you have noted come when the U.S. is perceived to be doing less than its share against the drug threat but is nonetheless prepared to apply sanctions against foreign countries. The use of sanctions or the threat of sanctions needs to be evaluated carefully on a case by case basis to determine whether it is in U.S. interest to apply them. We may find that the President can more effectively gain cooperation from foreign drug producing or transit countries if he has greater flexibility in determining what actions to take, including the application of sanctions.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WHAT PROGRESS HAS BEEN MADE WITH THE (COUNTERDRUG) INTELLIGENCE ARCHITECTURE REVIEW PROCESS?

ANSWER

- During the fall of 1997, an interagency team was constituted as the White House Task Force on the Coordination of Counterdrug Intelligence Centers and Activities
  - Twelve full-time Task Force members were drawn from ONDCP, DCI, Justice, Treasury, Transportation and Defense
  - The Task Force was augmented during foreign travel by State Department personnel

- The Task Force conducted the most extensive and comprehensive review of the drug intelligence system ever completed
  - Visited 250 drug enforcement organizations, 10 countries, 19 states and Puerto Rico, 4 of 6 Regional Information Sharing System hubs, all 4 Joint Drug Intelligence Groups, 15 of 21 High Intensity Drug Trafficking Area offices
  - Submitted the Task Force report in July 1998 to ONDCP and the concerned Departments

- Since July 1998, ONDCP has been leading the interagency effort to turn the Task Force report into a presidential action plan --the General Counterdrug Intelligence Plan --which has the potential to significantly improve the drug intelligence system
  - The General Counterdrug Intelligence Plan should be submitted to the interagency for review by early summer of 1999, then will be submitted to the President for approval and transmittal to Congress

QUESTIONS FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

ONDCP INTERAGENCY PROJECTS, COORDINATION

2. WHAT IS THE STATUS OF DEVELOPMENT OF A RELIABLE MODEL OF TRAFFICKING FLOWS? ARE THE SCHEMATIC DIAGRAMS IN YOUR STRATEGY DOCUMENT REFLECTIVE OF MORE ROBUST MODELING ARISING FROM THIS INITIATIVE?

ANSWER:

In response to the requirements outlined in the National Drug Control Strategy's Performance Measures of Effectiveness (PMEs), a process has been established for developing a set of drug flow models. These models are at various stages of maturity, for each drug has a unique set of constraints to the modeling effort. The schematic diagrams in the Strategy are only reflective of the cocaine modeling effort. For heroin, the modeling effort begins at the U.S. border; the schematic is reflective of perceived flow based on law-enforcement seizures, cases, and intelligence -not a robust modeling effort.

For cocaine, a drug flow model is in development which builds on existing estimation processes such as CNC's potential cocaine production estimate and the Interagency Assessment of Cocaine Movement (IACM). Cocaine availability is currently estimated through a sequential reduction approach, beginning with coca cultivation, to potential production, to export from South America, subtracting transshipment losses, foreign consumption, and losses at the U.S. border, resulting in an estimate of cocaine available for U.S. distribution. The most significant information gap is an accurate estimation of the amount of cocaine consumed in foreign countries. A summary of these figures is available, tracking cocaine flow from 1992 through 1997.

For heroin, the most promising approach to modeling the flow of heroin into the United States is through the use of the Drug Enforcement Agency's Heroin Signature Program (HSP). The HSP determines the relative source-distribution of heroin entering the United States by chemical analysis of seized samples. With consumption-based estimates of US heroin availability, the amount of heroin entering the US from the various sources can be estimated. Law-enforcement agencies and the intelligence community are both working toward improving these estimates.

For modeling of marijuana availability, an approach similar to heroin modeling may be possible. A Cannabis Signature Program was developed in 1989 to determine the relative source-distribution of seizures in the US, including the fraction of domestically-cultivated marijuana. This program is being reviewed to consider updating new signature protocols and technology. One difference in marijuana data is that there are no standard units, such as a metric measure of pure drugs. The problem is that THC content is not recorded in US government data. This issue is currently being examined.

Modeling of methamphetamine availability in the United States is still in the conceptual stages of development. A flow model for methamphetamine is significant challenge largely due to the relative ease of manufacturing methamphetamine.

QUESTIONS FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

3. WHEN WILL THE PERFORMANCE MEASURES OF EFFECTIVENESS BE FULLY IMPLEMENTED FOR ALL MAJOR COUNTERDRUG AGENCIES, INCLUDING ACTIVITIES SUCH AS THE HIDTA PROGRAM THAT WORKS WITH STATE AND LOCAL GOVERNMENT?

ANSWER:

The implementation of the Performance Measures of Effectiveness (PME) System is well underway: the process should be completed next year. This year, we will continue to operate the Information Management System, collecting and analyzing data on the performance measures from various agencies. We will also continue the process of linking the budget and the PME System while formally incorporating state, local, and private sector input into the plans of action being developed for each target. The PME System includes drug control activities for all agencies but does not separate out the impact of any specific agency.

The system is a national, macro-level system that assesses the extent to which the 5 Goals and 31 Objectives of the Strategy are being met. Since the system constitutes an aggregate assessment of the entire drug control community, it does not separate out the effect of federal, state, local, private or international efforts. It does not, therefore, provide targets for or provide a report card on any individual federal or non-federal agency (the Annual GPRA Progress Reports submitted by each agency represent such information.)

Thus the HIDTA program, administered by ONDCP, is described in ONDCP's own GPRA Plans. Performance targets and progress towards these targets have been reported in ONDCP's FY 1999 and FY 2000 Performance Plans. Since the HIDTA Program constitutes the only program contributing to Goal 2, Objective 1, its targets are also included in the PME System (most Objectives have more than one contributory program.)

QUESTIONS FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

ONDCP INTERAGENCY PROJECTS, COORDINATION

4. THIS COMMITTEE FUNDED WORK TO COMPLETE THE CHRONIC USERS STUDY, ALTHOUGH IT WAS NOT THE LEVEL OF FUNDING THAT YOU HAD SOUGHT. WHAT IS THE STATUS OF THAT STUDY, AND WILL ADDITIONAL FUNDING BE REQUIRED TO PRODUCE A RELIABLE SET OF NATIONAL AND REGIONAL ESTIMATES OF SUCH USER POPULATIONS?

ANSWER:

ONDCP has entered into an interagency agreement with the National Institute of Justice (NIJ) to conduct a study to determine the feasibility of using NIJ's Arrestee Drug Abuse Monitoring (ADAM) system as a research platform for our hardcore user study. By using the ADAM sampling frame for the hardcore user study --rather than developing our own independent sampling frame --we will be able to leverage the funds appropriated by the Committee to produce accurate and reliable national estimates of the hardcore using population.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ANNE NORTHUP
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

You have requested essentially the same level of funding as in FY 1999, with an additional $1.8 million to provide independent audits of the HIDTA program, and you have requested two new FTEs in your S&E request for this program. These are in part a result of the GAO review of the HIDTA program last year.

1. You have not requested any earmarking of this funding. Given the usual difficulty in reducing the level HIDTA assistance afforded to any current HIDTA, how do you suggest the allocation of funding be made?

Answer

Recommend Congress allocate funding based on President's budget proposals. Funds should be allocated based on three factors: The nature and severity of regional drug problems and their effects on other areas of the country; the annual budget requests submitted by each HIDTA; and the performance of each individual HIDTA. The factors will be reviewed throughout the year by the HIDTA Program staff as well as site visits by internal reviewers and self-assessments by the individual HIDTAs.

By focusing on the three factors cited above, the ONDCP Director can anticipate shifts in drug trafficking patterns and react accordingly. Decisions to fund existing HIDTAs, establish new HIDTAs, and to fund new HIDTA initiatives would be based on the changes in regional and national drug problems.

ONDCP proposes that HIDTAs be level funded the first year with future years' funding based on drug threats and HIDTA's performance. ONDCP is undertaking the following efforts to establish a performance-based allocation system and to verify the HIDTA's performance:

1. Internal performance reviews. ONDCP reviews of each HIDTA's compliance with program guidance and fiscal accountability.
2. Annual Reports. Each HIDTA will report annually to ONDCP detailing its progress toward achieving PME and GPRA performance targets.
3. External evaluations.
4. Financial audits.

The HIDTA Program currently has an internal financial and programmatic review program that is in the process of being updated and improved. The scope of the review is being expanded.

We plan to complete an internal review of a minimum of six HIDTAs by the end of Calendar Year 1999.

The ONDCP has requested funds for an external audit of the HIDTA Program for FY2000. An external audit will complement and verify our internal reviews. The primary focus of the external audit will be on the detailed financial management/control of the funds allocated the individual HIDTAs. This information augmented by our internal programmatic review will ensure the HIDTAs are in compliance with all approved program and financial guidelines.

Each individual HIDTA will also be evaluated by ONDCP's *Performance Measures of Effectiveness*. The HIDTAs will be evaluated by three PMEs in seven performance areas. In addition to the *Performance Measures of Effectiveness* system, ONDCP complies with the Government Performance and Results Act (GPRA) with the establishment of the ONDCP *FY 1997-2002 Strategy Plan* and annual performance reports. The *FY 2000 Annual Performance Plan* accompanies ONDCP's budget request for FY 2000. The FY 2000 Annual Performance Plan outlines HIDTA performance targets which correlate to the PME targets mentioned above.

The three HIDTA specific PMEs are as follows:

1. HIDTA Development--Each HIDTA will improve the scope and efficiency of the HIDTA Program by the progressive adoption of the National HIDTA Developmental Standards at the rate of at least 10 percent per annum, with HIDTAs in compliance with 90 percent of the standards by 2007.

Status: The target was revised to shift the focus from merely adopting the developmental standards to compliance with them. Each HIDTA will report the total number of standards that it has achieved at the end of each calendar year. Mature HIDTAs are expected to reach higher levels of achievement than new HIDTAs. Each HIDTA will report this information annually to ONDCP.

2. Drug trafficking organizations in HIDTAs--By 2002, increase the proportion of drug trafficking organizations disrupted or dismantled as identified in HIDTA threat assessments by 15 percent above the proportion in the 1997 base year. By 2007, increase the proportion disrupted or dismantled to 30 percent above the base year ratio.

Status: The ONDCP HIDTA Director will develop a consolidated list of drug trafficking organizations targeted by each HIDTA. The HIDTA target will be prepared prior to the beginning of each calendar year. The ONDCP will track the number of targeted organizations disrupted or dismantled. Each HIDTA will report this information annually to the ONDCP in the annual HIDTA report.

3. Drug-related violent crime in HIDTAs--By 2002, reduce by 20 percent the rate of drug related homicides, robberies, rapes, and assaults in HIDTAs as compared to the 1996 base year. By 2007, reduce specified drug-related crimes in HIDTAs by 40 percent.

Status: The 1997 Uniform Crime Reports noted a 7 percent decrease from 1996 to 1997 in the number of drug-related murders. (The overall murder rate declined 7.3 percent during the same time period.) The data source for other types of drug related crimes will be determined by the ONDCP headed Subcommittee on Data, Research, and Interagency Coordination.

The FY 2000 Annual Performance Plan targets are:

5. Each HIDTA will meet at least one additional step of the HIDTA Developmental Standards in at least one category.
6. Each HIDTA will disrupt, dismantle, or render ineffective 5 percent of the targeted drug trafficking organizations identified in its threat assessment.
7. Each HIDTA will contribute to a 5 percent reduction in specified crimes (homicides, robberies, assaults, and crimes against property).

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

Question

You have requested essentially the same level of funding as in FY 1999, with an additional $1.8 million to provide independent audits of the HIDTA program, and you have requested two new FTEs in your S&E request for this program. These are in part a result of the GAO review of the HIDTA program last year.

2. How many States or localities are seeking designation as a new or expanded HIDTA at this time? How much would it take to fund those programs?

Answer

Nine areas (Central Arizona, East Texas, Eastern California, Hawaii, New England, North Carolina, Northern Ohio, Oklahoma, and Oregon) have formally expressed an interest in being included in the HIDTA Program. It is estimated that a minimum of $1.0 million is needed the first year to establish the basic HIDTA infrastructure of hiring administrative staff, securing space for the co-location of investigative task forces, and for acquiring and installing equipment for an investigative support center. Once the infrastructure is in place, it is estimated that an individual HIDTA requires a minimum of $2.5 million in the second year to begin making progress towards the stated initiatives of the new HIDTA. Future year funding is dependent on the identified regional drug threat, the strategy proposed to counter the threat, and to accomplish the stated objectives, outputs, and outcomes of the individual HIDTAs.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

Question

You have requested essentially the same level of funding as in FY 1999, with an additional $1.8 million to provide independent audits of the HIDTA program, and you have requested two new FTEs in your S&E request for this program. These are in part a result of the GAO review of the HIDTA program last year.

3. Is there anything this Committee could do that would ensure that you could apply some objective performance standards to this allocation process?

Answer

Yes. The Committee could provide ONDCP with more flexibility to allocate and/or re-allocate funds to the individual HIDTAs. This flexibility would allow ONDCP to plan and react better to the changing drug trafficking patterns and allow ONDCP to encourage each HIDTA to improve its effectiveness with performance-based funding. To this end it would be necessary that additional FTEs be provided to the ONDCP for augmentation of the HIDTA staff to provide the oversight and evaluation capabilities necessary to implement a performance-based funding system

QUESTION FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

ADDITIONAL FUNDING WAS PROVIDED VIA REPROGRAMMING FOR PERSONAL SECURITY FOR THE DIRECTOR IN FY 1998 AND FY 1999. WHAT IS THE LEVEL OF FUNDING ASSOCIATED WITH THIS PROTECTIVE ACTIVITY IN FY 1999 AND PROJECTED FOR FY 2000?

ANSWER

We are projecting that $1.1 million will be required in both FY 1999 and FY 2000 for the protection of the Director.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

Question

ONDCP's own reporting describes methamphetamine as affecting a relatively small percentage of the population. The depiction of its spread across the country from West to East is alarming. This Committee continues to hear from Members and citizens around the country who are seeking special assistance to address this growth.

1. What recommendations do you have for improving resources and coordination of efforts aimed at stopping the continued spread of methamphetamine production and trafficking?

Answer

The *National Drug Control Strategy*, using the 1997 National Household Survey on Drug Abuse (NHSDA), reports that an estimated 2.5 percent of the population had ever tried methamphetamine. Although this appears to be a small percentage of the population, it was still an increase from the previously reported figures (5.3 million in 1997 vs. the the 1994 estimate of 1.8 million). Use of crystal meth ("ice") by America's youth rose in 1998 to 5.7 percent. Part of the answer is already in place. Through some of our HIDTAs funding has been provided for methamphetamine operations. In FY 1998, through special appropriation, $8.8 million was provided to certain HIDTAs specifically for the immediate methamphetamine threat, occurring largely in the Southwest and Midwest. This year several of the HIDTAs have proposed methamphetamine initiatives to continue operations against this particular threat. We should continue to support the efforts of state and local law enforcement in meeting the dangers present with meth. Coordinated multi-agency task forces continue to be a key part of any solution. In areas where a HIDTA is not present, we need to foment multi-agency cooperation for meth operations as resources are limited. Through the various federal agencies with drug control responsibilities, we must continue to fund programs aimed at reducing the number of existing labs and the organizations distributing the meth. It cannot be done in isolation by a single law enforcement agency. State and local agencies will continue to bear the brunt of the effort. The California Bureau of Narcotics Enforcement (CBNE) has an excellent program in place and can be a starting point for developing a regional, or even national, model.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

Question

ONDCP's own reporting describes methamphetamine as affecting a relatively small percentage of the population. The depiction of its spread across the country from West to East is alarming. This Committee continues to hear from Members and citizens around the country who are seeking special assistance to address this growth.

2. Has any assessment been made of the cost of cleaning up and mounting investigations of methamphetamine cases? How does it compare, in terms of numbers of cases and users, with the cost of investigating other drug offenses?

Answer

The Drug Enforcement Administration (DEA), the Environmental Protection Agency (EPA), and at least one State agency [California Bureau of Narcotics Enforcement (CBNE)] have kept statistics and made assessments on clean-up costs of methamphetamine cases. A national assessment using data from all of the states with methamphetamine problems has yet been undertaken. Of the information currently available the cost of clean-up, and for mounting investigations, is clearly much higher for meth than for other drug offenses. The EPA has expended approximately $170,000 for meth lab clean-up. Although this appears to be a small amount, they have indicated their involvement comes from lab clean-up with costs in excess of $25,000. Additionally the EPA reimburses state and local governments for some of their expenses in clan lab clean-up. In the last two years seventeen applications have been received by the EPA for reimbursement for a total of $27,000. The availability of this program was not generally known until recently. As such, ten of the seventeen applications were submitted within the last three months. This is significant as it shows a growing trend of number of applications submitted. EPA estimates a cost for state and local governments of $5,000 to $10,000 per clean-up depending on the size of the lab and precursor chemicals. The burden of costs for clean-up has clearly been on the shoulders of state and local government. In the past EPA's Super Fund has limited the total amount available for reimbursements to .01 percent of the total amount of the fund. In practical terms this equates to approximately from $1.4M - $1.5M. While no upper limits have been set for reimbursements, all applications will be reviewed with the total amount of the super fund kept in mind.

However, as a point of reference, in FY 1998 DEA alone expended $6M in the clean-up of over 1,900 labs on a national level. These are labs for which DEA was the primary responder and principle planner for the case.

This $6M includes all of the chemical labs DEA has responded to with 95 percent or more of these being methamphetamine cases. DEA indicate their funds coming from two primary sources; asset forfeiture and the COPS program. Operational costs for mounting meth cases are not currently available. However, it is safe to say they are man-hour intensive and have additional problems not normally associated with other cases. Meth cases are extremely dangerous because of the chemicals and methods used to prepare it. There are serious health risks with law enforcement agents responding to a case in which meth is the drug involved. There is no less a risk when planning and mounting a meth case. The difference is that with planning the agents can go to the site prepared with the appropriate equipment and thereby reducing the level of risk. Equipment such as special vehicles, special protective suits, and first respondent training add to the costs of meth operations.

The CBNE have been very aggressive in their response to meth cases. They report a continuous increase in meth lab seizures since they started keeping statistics in 1990. In 1998 the BNE seized 1006 labs in California alone compared to the 1556 labs DEA had reported seized during the same period. CBNE have generally resourced their lab seizures and only just recently have started submitting applications for reimbursement from EPA.

As you can see, the problem is a growing one and much of the resourcing is done at the state and local level. Meth operations are more costly than other drug offenses and will likely remain so. A comparison in terms of number of cases and users with the cost of other drugs has not been done. Such a study would likely be better accomplished by researchers rather than law enforcement agencies (LEA's). Although trends are part of the evaluation of all LEA's, the type study required to compare and determine resources would require too many research hours.

QUESTIONS FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

DRUG USE PATTERNS

1. IN YOUR TESTIMONY YOU POINT TO IMPROVING TRENDS IN THE USE OF DRUGS BY YOUTH AND THEIR ATTITUDES TO DRUG USE. BUT THERE ARE MANY DISTURBING REPORTS THAT SEEM TO BE A VARIANCE WITH THIS SENTIMENT. DATA FROM THE MONITORING THE FUTURE AND NATIONAL HOUSEHOLD SURVEY ON DRUG ABUSE ILLUSTRATES CONTINUED HIGH MARIJUANA USE BY ALL AGE CATEGORIES; INCREASING ALCOHOL USE, INCLUDING EVIDENCE THAT A THIRD OF HIGH SCHOOL STUDENTS ARE BINGE DRINKERS (5+ DRINKS A WEEK); AND FRIGHTENING SIGNS OF INHALANT ABUSE THAT MAY NOT BE CAPTURED IN THESE NUMBERS. VERY SIGNIFICANTLY, THE DATA SHOW STEEP INCREASES IN INITIATION RATES FOR MARIJUANA, COCAINE, AND ESPECIALLY HEROIN. WHAT IS YOUR CANDID ASSESSMENT OF THE PATTERNS THAT WE ARE SEEING HERE?

2. ONDCP REFERS TO REDUCTIONS IN USE OF DRUGS OVER THE PERIOD 1985 TO THE PRESENT. HOWEVER, THE TRENDS SEEM TO HAVE BEEN EITHER FLAT OR WORSENING SINCE THE EARLY 1990'S. THERE DO NOT SEEM TO BE ANY ROBUST CHANGES FOR THE BETTER IN THE LAST DECADE.

   - DOES THIS REFLECT AN UNCHANGING CORE OF CHRONIC USERS, AND A CONTINUED INFLUX OF NEW YOUNG USERS?
   - DOES THE INCREASE IN PURITY AND REDUCTION IN PRICE OF DRUGS THREATEN TO REVERSE ANY GAINS, HOWEVER SUBTLE?

ANSWER:

1. ONDCP agrees that current levels of marijuana use among youth are unacceptably high. Data from the Monitoring the Future study show that 22.8 percent of 12th graders, 18.7 percent of 10th graders, and 9.7 percent of 8th

graders are current users of marijuana. However, the encouraging news is that these rates are a break in the trend of increasing use that has been observed since 1991 --for 8th and 12th graders the rates remained level from 1996; for 10th graders there was a statistically significant decrease. ONDCP also is very concerned with the increases in initiation rates of illicit drugs, which call for increased prevention efforts. In the absence of effective and widespread prevention efforts, such as ONDCP's National Youth Anti-Drug Media Campaign, these initiates will progress to regular drug use and raise the rates, that for the first time in several years, are showing signs of reversing.

2. Data from the National Household Survey (NHSDA) show that the peak prevalence of current (past 30-day) use of any illicit drugs among the U.S. population 12 and above was 14.1 percent in 1979; this prevalence decreased to 12.1 percent in 1985, and to 7.7 percent in 1988. Since then the prevalence has remained fairly stable at around 6 percent --in 1997 it was 6.4 percent, a 55 percent reduction since 1979. While for the overall population, we remain at or near the lowest levels of drug use ever recorded by the NHSDA, we have seen disturbing increases among youth. The NHSDA is not a good source of data on the chronic hardcore drug using population, because these individuals do not typically fall within the sample frame of the survey (i.e., noninstitutionalized household population). However, other sources do suggest that this population has remained stable over the past 10 years. Data on new young users come from data on initiation from the NHSDA. These data report on the number of first-time users and not necessarily new current users. Many of these initiates never go on to become current users. ONDCP's data on price and purity indicate that purity has increased over time, but that prices have remained fairly stable, but low, over recent years. ONDCP is concerned that drugs of increased purity available at low prices are a threat to continued success in reducing drug use.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

THE FY 2000 DEFENSE BUDGET CALLS FOR $73.5 MILLION TO REVAMP SOUTHCOM'S COUNTERDRUG ARCHITECTURE THROUGH DEVELOPMENT OF THREE FORWARD OPERATIONG LOCATIONS (FOLS) FOR AIR OPERATIONS IN THE SOURCE AND TRANSIT ZONE.

WHAT IS THE STATUS OF NEGOTIATIONS AND ESTABLISHMENT OF SPECIFIC FOLS?

ANSWER

The United States Southern Command has developed an operational concept to establish Forward Operating Locations (FOLs) in Manta, Ecuador and Curacao/Aruba. U.S. interagency counterdrug detection and monitoring forces would operate from these locations in support of mulitnational regional interdiction operations. Ambassador Brown, the senior United States negotiator for FOLs, has been advancing negotiations with the Governments of Ecuador and The Netherlands. These governments are currently reviewing the USG's FOL agreement proposal.

QUESTION

UNTIL THOSE SITES ARE ESTABLISHED, WHAT ALTERNATIVE LOCATIONS ARE BEING USED FOR AIR OPERATIONS IN THOSE ZONES?

ANSWER

Counterdrug air operations will continue out of Howard AB, Panama, until May 1, 1999. Primary alternate sites include Roosevelt Roads, Puerto Rico and Soto Cano, Honduras. These sites historically have been used for Forward Operating Sites (FOS) to augment SOUTHCOM's counterdrug air operations. FOS perform "gas and go" support type operations and provide facilities for crew rest. United States Customs Service (USCS) in support of SOUTHCOM's counterdrug air operations has also operated out of the following locations: Lima and Guayaquil, Peru; Curacao; and Guantanamo Bay, Cuba.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

ARE OUR EFFORTS IN ERADICATION SIMPLY SHIFTING COCA CROPS FROM ONE COUNTRY TO ANOTHER.

ANSWER

No. According to U.S. government agency analysis, a significant cocaine supply disruption is ongoing in the Andes. The dramatic decreases in potential cocaine production in Peru and Bolivia have only partially been offset by increases potential Colombian production. Total Andean potential cocaine production was reduced by 225 metric tons (or 28 percent) between 1995 and 1998 (from 780mt to 555mt). Last year total Andean potential cocaine production declined another 95 mt.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

CAN YOU ESTIMATE HOW MUCH ACREAGE HAS SIMPLY SHIFTED FROM ONE REGION TO THE OTHER?

ANSWER

It is not that simple. We believe that major Colombian traffickers in the last several years cut back coca purchases from sources in Peru and Bolivia because transportation (paying pilots and purchasing aircraft) was too expensive and delivery was unreliable. The U.S./Peruvian/Colombian air-bridge denial program made it difficult to move coca base from the cultivation area to finishing laboratories in Colombia. Traffickers began looking for other sources. Colombian growers, mainly in areas under the de-facto control of armed insurgents or organized terrorists like the Colombian Revolutionary Armed Forces (FARC) filled the traffickers' need for a reliable, relatively cheap source of raw material.

We believe that drug trafficking organizations working in league with the FARC have supplied technical assistance, capital, and seed stock to Colombians who have moved to the Departments of Putumayo and Caqueta in Southern Colombia to cash in on the coca bonanza. Since 1995, Bolivia and Peru have reduced their cultivation by 74,900 hectares while Colombia has increased its cultivation by 50,900 hectares resulting in an overall 11 percent decrease in global cultivation. Cultivation numbers alone do not capture fully the reduction in coca supply. The displacement of crops to Colombia further disrupts cocaine supply because:

- The type of coca grown in Colombia has traditionally been of a low yielding variety that produces much less coca leaf and cocaine per hectare;
- The higher yielding coca that cocaine farmers may have begun recently planting in Colombia requires two years growing time before its coca leaf is ready to harvest, thus disrupting coca supply for a considerable time.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WHAT EFFORTS ARE THERE TO REVERSE THIS TREND?

ANSWER

State/INL and the Colombian National Police are expanding their significant coca eradication efforts in Colombia. A record amount of coca was aerially fumigated in 1998. Plans are being developed to move eradication operations into the most densely-cultivated areas in the Putumayo and Caqueta departments, the location of two-thirds of Colombia's coca. There is a heavy guerrilla presence in this region, making eradication and other counterdrug operations very difficult and dangerous. The guerrillas often fire at eradication aircraft.

The *Classified Annex to the National Drug Control Strategy* calls for a major interagency effort in Colombia. Agencies are exploring methods to best support the Pastrana Administration's new drug control strategy. For example, the interdiction community is considering best options to use resources provided by the FY 99 emergency supplemental to intensify interdiction operations in Colombia.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WHAT IS THE ESTIMATE FOR FLOW OF COCAINE INTO THE U.S. IN 1997, 1998 AND THE ESTIMATE FOR 1999?

ANSWER

The movement of an illegal commodity is notoriously difficult to track. ONDCP coordinates a 13 agency group which produces the annual interagency assessment of cocaine movement. Because this estimate is dependent upon a number of variables which must be observed rather than predicted (such as crop yields and amounts of seizures) this estimate is produced after the observed year passes. Currently, the most recent figures we have are for the first half of 1998, when it is estimated that 151 metric tons of cocaine entered the United States. The estimate for 1997 is 291 metric tons.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

COLOMBIA

QUESTION

THE DEA INDICATES THAT NEARLY 75% OF THE HEROIN IN THIS COUNTRY WAS GROWN AND PRODUCED IN COLOMBIA. FIRST IT WAS COCAINE, NOW WE HAVE COCAINE AND HEROIN. CONSIDERING THE NEARLY $300 MILLION WE GIVE TO THE COLOMBIAN GOVERNMENT EACH YEAR IN ANTI-DRUG AID:
1. ARE WE GETTING OUR MONEY'S WORTH?
2. ARE WE RECEIVING THE FULL COOPERATION OF THE COLOMBIAN GOVERNMENT WARRANTED FROM THIS INVESTMENT?

ANSWER

Colombia has become the center of gravity for drug production and distribution in this hemisphere. Therefore, our cooperative counterdrug programs have been designed to attack Colombia's drug trade in a comprehensive manner. The vast majority of the support provided directly to Colombian counterdrug forces goes to the Colombian National Police who are responsible for the eradication of both coca and opium poppies, lab interdiction, chemical control, disruption of trafficking organizations and arrest of major traffickers, registration and inspection of general aviation aircraft, and other programs. The USG also provides funds to train and support prosecutors and judges to assist them in carrying out their duties such as prosecution of drug traffickers and handling money laundering and asset forfeiture cases. We provide some funding to support alternative development projects that help give the small drug crop farmers licit alternative means to make a living. The Colombian military also receives some direct counterdrug assistance because they have counterdrug responsibilities such as air interdiction; riverine, coastal and sea operations; lab interdiction; and support to the National Police, especially in areas controlled by the heavily-armed guerrilla or paramilitary groups that are involved in narcotrafficking. The USG also provides some indirect assistance such as detection and monitoring assistance and the development of target packages for counterdrug operations.

The police, military, prosecutors and judges have long demonstrated a commitment to fighting the drug industry and its corrupting influence, often paying with their lives. Hundreds of police and military personnel have been killed, wounded or captured in the course of performing counterdrug operations, and many remain in the hands of their guerrilla captors.

In 1998 the combined Colombian National Police/US State Department eradication program sprayed a record number of hectares of coca, often receiving ground fire from guerrilla

groups protecting their investment. An eradication surge campaign against opium poppy was started in November 1998 with the goal of completely eliminating Colombian opium poppy, and therefore Colombian heroin, in the next two to three years. The National Police continue to pursue trafficking organizations aggressively; they arrested several major traffickers in 1998. In 1998, the police seized over 57 metric tons of coca products, 57 tons of marijuana, and 418 kilograms of heroin, most of which was destined for the United States. The also destroyed 145 cocaine base labs, 40 cocaine HCl labs, and 10 heroin labs. In addition, the police seized or grounded over 80 aircraft, 300 vehicles, and 300 boats, and they destroyed 39 illegal airstrips. More than 1,400 persons were arrested on drug trafficking charges in 1998.

The Colombian military have shown great commitment to counterdrug efforts. The military forces carried out 9,970 counterdrug operations in 1998 resulting in the seizure of 27 metric tons of cocaine, 174 vehicles, 24 airplanes, and 38 boats. They also destroyed 229 cocaine laboratories and 75 illegal airstrips. The Colombian Air Force increased fourfold the number of successful end games against drug trafficker flights over the previous year. The creation in March 1998 of the Joint Task Force at the Tres Esquinas Base in southern Colombia was an important step in establishing enhanced military/National Police cooperation in counterdrug efforts. The Army is in the process of establishing a dedicated counterdrug battalion to further increase their participation in counterdrug efforts.

The State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) provided $500,000 to the Government of Colombia in 1998 to assist them in developing an alternative development plan. INL will provide $15 million over the next three years to implement the program which will be designed to provide licit alternatives to small farmers currently engaged in cultivation of illicit crops.

Since the Pastrana administration took office in August 1998, cooperation with the USG and unilateral counterdrug efforts at all levels of the Colombian government have improved. President Pastrana signed a "Declaration of Alliance Against Illicit Drugs" with President Clinton during the State Visit in October 1998. President Pastrana has put together an honest and competent team committed to the fight against drug trafficking, and his administration produced a national counterdrug strategy that creates a framework for aggressive action against the narcotraffickers. We continue to work with the Government of Colombia to ensure that our counterdrug assistance is used appropriately and effectively.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

COMPENSATION TO PRODUCE ALTERNATE CROPS TO COCA GROWERS IN BOLIVIA ENDED LAST SEPTEMBER.

1. HAS THERE BEEN ANY THOUGHT TO REINSTITUTING THIS COMPENSATION BY YOUR OFFICE OR ANY OTHER COUNTRIES (GREAT BRITAIN, HOLLAND)?

ARE THERE ADEQUATE MARKETS FOR THESE ALTERNATIVE CROPS?

ANSWER

Individual compensation to coca farmers has been ended in Bolivia. However, community compensation continues. Bolivia's community compensation is currently $2,000 per hectare of coca and will decline to $1500 in October, to $1,000 in July 2000, and to $500 in April 2001. Community compensation is scheduled to end in December of 2001. The purpose of the sliding scale is to encourage coca producers to get out of the business as quickly as possible.

Community compensation takes many different forms, depending on the needs of each region. However, such things as technical assistance in planting new crops, electrification, road building, and construction of processing facilities has served as community compensation.

A variety of alternative crops are supported in Bolivia. Including heart of Palm, yuca, banana, orange, yuca, and maracuva. The primary markets for these crops are in South America.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WHAT ARE THE RECOMMENDATIONS THAT WERE MADE BY THE WHITE HOUSE TASK FORCE ON THE COORDINATION OF COUNTERDRUG INTELLIGENCE CENTERS AND ACTIVITIES?

ANSWER

The Task Force produced a number of recommendations which are being incorporated in the draft General Counterdrug Intelligence Plan (GCIP). The GCIP will be provided to Congress immediately after it clears the interagency review process and is approved by the President.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

WHAT STEPS HAVE BEEN TAKEN TO IMPLEMENT THESE RECOMMENDATIONS? WHAT, IF ANY, IMPROVEMENT HAS BEEN SEEN?

ANSWER

The Counterdrug Intelligence Architecture review resulted in the development of the draft General Counterdrug Intelligence Plan (GCIP) which will serve as a blueprint for improving the counterdrug intelligence system. The GCIP is intended to rapidly get reliable information to U.S. government decision makers and to law enforcement officials. We have gained interagency agreement in every major issue area. We are currently working out details concerning the creation of the Counterdrug Intelligence Secretariat (CDX), the cornerstone recommendation of the Task Force. Following interagency review and Presidential approval, we will immediately forward the GCIP to Congress.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

It has recently been said that Mexico has evolved into the United States' greatest drug threat. In the 1998 and 1999 Drug Control Strategy, Fiscal Year 1999 and for this Fiscal Year 2000, the ONDCP listed five strategic goals for controlling drug control activities.

Given the recent certification of Mexico as cooperating in the war against drugs, which specific strategic goals were met? Which have not been met?

The strategy you are referring to is the U.S. National Drug Control Strategy (NDCS). The strategy contains goals and objectives for the United States. Two of the U.S. goals relevant to Mexico and other major drug source and transit countries are: "Shield America's air, land, and sea frontiers from the drug threat," and "Break foreign and domestic drug sources of supply."

Until very recently no foreign country and the United States had negotiated counter-drug goals, objectives, and a mechanism for implementation and evaluation. The U.S. holds discussions in the context of certification with foreign governments of drug producing or transit countries, but those discussions are not at the level of U.S. strategic goals. They are discussions to lay out U.S. concerns and views about how best to cooperatively attack international drug trafficking.

In March 1999 Presidents Clinton and Zedillo announced the completion of US/Mexico Bi-National Measures of Effectiveness which set out agreed actions and measures for both the United States and Mexico. These, taken with the US/Mexico Bi-National Drug Strategy and the U.S./Mexico Bi-National Drug Threat Assessment, provide the first negotiated bilateral set of counter-drug goals and objectives. Because the are negotiated and balanced, we believe the goals set the groundwork for productive cooperation against an agreed mutual threat.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

U.S.- MEXICO BI-NATIONAL DRUG CONTROL STRATEGY IS RESPONSIBLE FOR EXAMINING GOALS THAT BOTH MEXICO AND THE U.S. HAVE ESTABLISHED IN MANAGING DRUG CONTROL ACTIVITIES. LAST YEAR, THE ONDCP STATED THAT THE NEXT STEP IN DRUG CONTROL COOPERATION WOULD BE TO JOINTLY DEVELOP A PERFORMANCE MEASUREMENT SYSTEM TO EVALUATE THE EFFECTIVENESS OF THE BINATIONAL STRATEGY.

WHAT PROGRESS HAS BEEN MADE IN THIS AREA? WHAT TYPES OF PERFORMANCE MEASUREMENTS ARE BEING CONSIDERED?

ANSWER

Performance Measures of Effectiveness were adopted at a ceremony in Merida, Mexico on February 15, 1999. The purpose of the *Performance Measures of Effectiveness* is to enable the Governments of the U.S. and Mexico to evaluate progress on the sixteen major Alliance Points (goals) and 147 action items of the *Bi- National Drug Strategy*. The Alliance Points address the following areas of drug control:

1. Demand Reduction
2. Criminal Organizations
3. Production and Distribution of Drugs
4. Law Enforcement Cooperation
5. Extradition
6. UN General Assembly Special Session on Drugs follow-up
7. Corruption
8. Chemical Control
9. Asset Forfeiture
10. Interdiction
11. Training and Technical Assistance
12. Exchange of Information and Evidence
13. Firearms Trafficking
14. Hemispheric Agreement on Firearms Trafficking
15. Border Cooperation and Security
16. Money laundering

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WILL THIS TYPE OF EVALUATION LEAD TO IMPROVED BENCHMARKS FOR CERTIFICATION? IF NOT, WHAT TYPES OF EVALUATIONS CAN ONDCP USE TO WEIGH IN ON CERTIFICATION?

ANSWER

Performance measures of effectiveness provide a promising instrument to objectively measure performance on issues about which we and Mexico agree. In that sense we believe that the PME's will lead to improved counterdrug performance. PMEs define shared objectives, benchmarks, and action plans related to these objectives more comprehensively than they have been defined in the past. Thus hey increase the possibility that the objectives will be reached.

Certification, however, is a separate issue from the PMEs. It is a mechanism for U.S. only evaluation of foreign performance. Elements for consideration in a certification determination will continue to be those specified by U.S. law.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

DID ONDCP MAKE A RECOMMENDATION TO THE ADMINISTRATION REGARDING CERTIFICATION? IF SO, WHAT WAS THE RECOMMENDATION?

ANSWER

Yes. ONDCP's recommendation was for full certification.

QUESTION FOR THE RECORD FROM THE COMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

GATEWAY BEHAVIOR - TOBACCO, ALCOHOL, MARIJUANA USE

1. IS THE MEDIA CAMPAIGN BEING USED TO REDUCE GATEWAY DRUG USE BY YOUTH AND CHILDREN? IF SO, HOW? IF NOT, HOW IS ONDCP ADDRESSING THIS ISSUE?

ANSWER:

The ONDCP media campaign is being used primarily to prevent (not just reduce) use of entry level illicit drugs, primarily marijuana and inhalants. There is a secondary emphasis on preventing underage use of alcohol through a significant portion of a pro-bono match that is equal to the paid campaign in both value and placement - as well as preventing underage use of tobacco (also part of the pro-bono match effort). The emphasis on tobacco may be lessened as massive tobacco settlement advertising dollars far in excess of ONDCP funding begins to flood the media marketplace.

Almost all of the paid national media effort is devoted to either an anti-marijuana, anti-inhalant or general anti-drug message targeting youth, parents, and influencers. In local markets where the incidence of methamphetamine or heroin use is unusually high among youth, up to one-third of the local effort (or about 19% of the aggregate national plus local effort) is devoted to addressing these local market conditions.

QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APROPRIATIONS
SUBCOMMITTEE TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

Employment Opportunities for African Americans, Hispanics, Other Minorities and Women at ONDCP:

QUESTION

For FY 98 and FY 99, please provide a statistical profile of your employees and management personnel broken down by race, sex and pay grade. How many African Americans, Hispanics, other minorities and women are employed by ONDCP?

ONDCP EMPLOYMENT FOR FY 98:

ONDCP's Management Positions - EX Level: 3-White males; **ES:** 10-White males and 1-White female; **GS-15 level:** 1-female Asian or Pacific Islander; 1-African American male; 1-Hispanic male; 8-White males and 3-White females.

ONDCP's Non-Supervisory Positions - GS-15 level: 1-male Asian or Pacific Islander; 2-African American females; 3-White males and 1-White female. **GS-14:** 1-female Asian or Pacific Islander; 1-African American male; 2-African American females; 1-Hispanic male; 8-White males; 7-White females. **GS-13:** 1-female Asian or Pacific Islander; 3-African American female; 1-Hispanic male; 2-White males and 2-White females. **GS-12:** 1-African American male; 1-African American female; 1-Hispanic female and 1-White male. **GS-11:** 1-African American female; 2-White males; 1-White female. **GS-10:** 1-African American female; 1-Hispanic female and 1-White female. **GS-9:** 1-female Asian or Pacific Islander; 5-African American females; 1-White male and 4-White females. **GS-8:** 6-African American females; 1-White male and 2-White. **GS-7:** 3-African American females and 2- African American males; 1-Hispanic female and 2-White males. **GS-5**: 1-White female. **GS-4**: 1-White. **GS-3**: 1-African American female.

ONDCP EMPLOYMENT FOR FY 99:

ONDCP's Management Positions EX: 2-White males; **ES:** 10-White males and 1-White female. **GS-15**: 1-female Asian or Pacific Islander, 1-African American male, 1-Hispanic male, 10-White males, and 3-White females.

ONDCP Non-Supervisory at the GS-15 level: 2-African American females; 2-White males and 2-White females. **GS-14:** 1-female Asian or Pacific Islander; 2-African American males; 2-African American females; 8-White males and 8-White females. **GS-13:** 1-female Asian or Pacific Islander; 4-African American females; 1-Hispanic male; 3-White males and 1-White female. **GS-12:** 1-African American male; 1-African American female; 1-Hispanic female; 1-White male. **GS-11:** 1-African American female; 1-White male and 2-White females. **GS-10:** 1-African American female and 1-Hispanic female. **GS-9:** 1-female Asian or Pacific Islander; 6-African American females; 3-White males and 5-White females. **GS-8:** 1-African American male; 3-African American females; 1-White male and 2-White females. **GS-7:** 2-White males and females. **GS-5:** 1-White female. **GS-4**: 1-White. **GS-3:** 1-African American female.

**QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APROPRIATIONS
SUBCOMMITTEE TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999**

Vendor Opportunities for African Americans, Hispanics, Other Minorities and Women at ONDCP:

Provide a profile broken down by race, sex, and company size of the vendors who are receiving contracts from the ONDCP. Please include the aggregate dollar amount of such contract awards, along with an aggregate dollar amount of all contracts awarded by the ONDP to third parties.

EOP is in the process of developing a response that includes ONDCP data detailing opportunities for African Americans, Hispanics, Other Minorities and Women vendors. ONDCP does not have a system that will capture this information.

QUESTION FOR THE RECORD FROM HOUSE COMMITTEE ON APROPRIATIONS
SUBCOMMITTEE TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

Employment Opportunities for African Americans, Hispanics, Other Minorities and Women at ONDCP:

QUESTION

Please detail ONDCP's efforts to recruit African Americans, Hispanics, other minorities and women to its workforce. How do you rate the success of your promotion and recruitment programs for such prospective employees?

- ONDCP continues to employ rigorous recruitment efforts to fill many critical positions. We actively seek recommendations for potential candidates from a wide range of minority organizations and leaders.

- The recruitment advertisements and Federal job announcements are distributed worldwide.

QUESTION FOR THE RECORD FROM CONGRESSMAN MICHAEL FORBES
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. WOULD YOU AGREE THE TWO ADS DON'T CONVEY THE SAME MESSAGE, THAT THE OVER-ARCHING THEME "DRUGS ARE WRONG" ISN'T BEING CONSISTENTLY AND FORCEFUL APPLIED IN THIS EXAMPLE?

ANSWER:

The parents rap message (actual title "Any Way You Can") is a humorous attempt to lead parents over the hurdles of embarrassment and fear that their message won't be heard, and get them to talk to their kids. The specific line "Remember this, it's your decision, but marijuana can lead to prison" does literally say that the decision to smoke is ultimately the individual's (which is really no more than the truth), but more importantly makeS the statement in a context of parental concern and clear communication of marijuana risks. In essence, if not in tone, the O'Conner PSA and this one are actually quite similar: both say, "get between your kid and drugs any way you can."

QUESTION FOR THE RECORD FROM CONGRESSMAN MICHAEL FORBES
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

2. HOW DO YOU GAUGE THE EFFECTIVENESS OF AN AD AND DO YOU PERIODICALLY REVIEW THE ADS AND THE MEDIA CAMPAIGN AS A WHOLE?

ANSWER:

Ads are tested in several ways before they are played. First, we test them with focus groups selected from our target audiences. Secondly, the Behavioral Change Expert Panel Members review ads before they are produced in final form. Thirdly, Audience Segment Specialists review ads to ensure they will resonate with the target groups. This is all in addition to the extensive creative development process established and implemented by PDFA.

After the ads run, an ad monitoring and tracking process is being established to determine awareness levels of the ads so that changes can be made in the mix of ads being played or so the ads can be withdrawn. Finally, each ad has a particular "wear out" level after which it is withdrawn from the paid rotation. A comprehensive evaluation of the impact of the campaign is being conducted by the National Institute on Drug Abuse.

QUESTION FOR THE RECORD FROM CONGRESSMAN MICHAEL FORBES
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

GENERAL, THE YOUTH TOBACCO PREVENTION PROGRAM, AS I UNDERSTAND, IS A RELATIVELY NEW INITIATIVE, MAYBE A COUPLE OF YEARS OLD. LET ME SAY, I STRONGLY SUPPORT THE GOAL OF REDUCING TEEN SMOKING. IN YOUR BUDGET, YOU REQUEST $169 MILLION FOR THE INITIATIVE, AN INCREASE OF $61 MILLION. $27 MILLION OF THE $61 MILLION PROPOSED INCREASE IS INTENDED TO GO TO THE CENTERS FOR DISEASE CONTROL AND PREVENTION TO FUND STATE-BASED EFFORTS TO CONDUCT COMPREHENSIVE PROGRAMS TO REDUCE AND PREVENT TOBACCO USE.

- CAN YOU EXPLAIN IN MORE DETAIL WHAT ACTIVITIES CDC IS FUNDING THROUGH THIS INITIATIVE? IS IT LAW ENFORCEMENT, EDUCATION CAMPAIGNS, TOBACCO OR NICOTINE RESEARCH?

- WHY ARE THESE ACTIVITIES BEING FUNDED THROUGH CDC?

- WHY ARE YOU REQUESTING A $61 MILLION INCREASE FOR YOUTH ANTI-SMOKING INITIATIVE AND ONLY A $10 MILLION INCREASE FOR THE YOUTH ANTI-DRUG INITIATIVE?

ANSWER:

As the nation's prevention agency, the Centers for Disease Control and Prevention (CDC) is responsible for promoting health and quality of life by preventing and controlling disease, injury, and disability. CDC has the lead responsibility to coordinate strategic efforts aimed at preventing tobacco use among youth, promoting smoking cessation, and protecting nonsmokers from environmental tobacco smoke. This is accomplished through expanding the science base of tobacco control, building states' and organizations' capacity to conduct tobacco control programs, communicating information to constituents and the public, and facilitating concerted action with and among government and non-governmental partners.

CDC's FY 2000 budget request includes $101 million to support its "Preventing Tobacco Use Nationwide Initiative." This represents an increase of $27 million over FY 1999. This increase will expand and strengthen existing tobacco control and prevention programs through a modest, but comprehensive public health approach that involves state and community programs; public information and communication; surveillance, epidemiology and research; and global interventions.

Following are examples of these activities–

- **State tobacco control programs: Starting in FY 1999, CDC will fund all 50 states, the District of Columbia, and the territories, for core tobacco control programs, thereby establishing the National Tobacco Control Program. This program combines the 32 states and the District of Columbia funded through CDC's Initiatives to Mobilize for the Prevention and Control of Tobacco Use (IMPACT) program, with the 17 states previously funded by the National Cancer Institute's American Stop Smoking Intervention Study (ASSIST) program. In FY 1999, funding for all 50 states, the District of Columbia, and the territories under the National Tobacco Control Program will total $51 million.**

  The FY 2000 request, CDC will increase National Tobacco Control Program funding to $66 million and focus state efforts on four program components:

  1. Community Interventions: Programmatic interventions to influence societal organizations, systems, and networks that enable them to help persons to make behavior changes consistent with tobacco-free norms.

  2. Counter-Marketing: Countering pro-tobacco influences and increasing pro-health messages throughout a state, region, or community. Includes media advocacy, media relations, counteradvertising, reducing tobacco industry sponsorships and promotions, and exposing tobacco industry tactics.

  3. Policy and Regulation: Providing information on the importance and benefit of public health policies such as clean indoor air, excise taxes, product regulation, insurance coverage for treatment/cessation, ingredient disclosure, voluntary policy, and ensuring enforcement of the Synar Amendment, the FDA tobacco regulation, and the Pro-Children Act; this also includes information dissemination on tobacco settlements.

  4. Surveillance and Evaluation: Surveillance includes continuous monitoring of measures over time to inform program and policy direction and interventions. Evaluation includes point in time

assessments to measure effectiveness of programmatic, policy and media efforts.

- National organization tobacco control programs: CDC plans to increase the number of national organizations that can provide leadership, assistance, and training to implement tobacco control programs among target populations that continue to experience significant health burdens due to tobacco use.

- School health programs: Increased resources will provide support to national non-governmental agencies to develop and disseminate model policies and programs to help schools and other youth serving agencies provide effective interventions to prevent tobacco use among youth. More than 30 professional and voluntary organizations work with CDC to develop model policies, guidelines, and training to assist states in coordinating their efforts to implement high quality health programs for children.

- International tobacco control activities : Tobacco use will be the leading cause of preventable and premature death worldwide by 2025. CDC plans to expand its participation in global efforts to reduce tobacco use.

- Public education and communication activities: This funding, for example, would be used to enhance marketing, audience segmentation and other databases to develop targeted messages to prevent tobacco use; conduct training on the use of new communications technologies in tobacco control; and apply communications "best practices" based on new behavioral science information and emerging youth marketing strategies to tobacco use prevention efforts.

- Nationwide surveillance and epidemiologic studies: CDC currently conducts state-specific national surveillance efforts to collect information on adult and youth prevalence of tobacco use, and limited information on exposure to environmental tobacco smoke (ETS). Expanded surveillance efforts will allow CDC to enhance national data collection efforts to help us better understand patterns and predictors of tobacco use with the ultimate goal of enhancing our prevention programs. In addition, enhanced data collection efforts will further efforts to identify and eliminate disparities in tobacco use among ethnic/racial and other population groups.

- Laboratory research: CDC will expand support to CDC's Air Toxicants Laboratory. This research will help advance public health efforts to prevent death and disease resulting from smoking and use of smokeless tobacco products, and from secondhand exposure to tobacco smoke. on effect of tobacco use on human health.

- Prevention Research: The initiative will increase support for prevention research focusing on racial/ethnic tobacco-related disparities, tobacco-use

cessation for youth, factors related to increased youth tobacco-use, economic and policy analyses, methodology for assessing environmental tobacco smoke and health effects, and evaluation of innovative state-based disease prevention programs.

- National leadership and coordination: CDC will coordinate state programmatic efforts to maximize impact; translate research and surveillance efforts into public health practice; conduct training to develop expertise among national, state and local organization personnel to implement the best practices in tobacco control and develop state performance-based objectives in support of the Office of National Drug Control Policy's Performance Measures of Effectiveness, national Healthy People 2000/2010, and GPRA objectives.

- Goal 1 of the National Drug Control Strategy calls for the education and enabling of America's youth to reject illegal drugs as well as the use of alcohol and tobacco. While our goal is to reduce illicit drug use, ONDCP recognizes that there is a strong relationship between the use of tobacco products and subsequent incidence of illicit drug use by America's youth.

- The total funding request for ONDCP's Media Campaign in FY 2000 is $195 million, a $10 million increase over the FY 1999 level. The Media Campaign is a national public education campaign to supplement existing anti-drug public service announcements developed by the Partnership for a Drug-Free America. The target group, America's children and adolescents, are highly susceptible to messages in popular media suggesting that drug use is normal and poses few risks.

- It is anticipated that this group, if influenced at school, in the community, and at home, will have the necessary skills to reject drugs, alcohol and tobacco. The media campaign reinforces the prevention messages given in schools and communities. Through advertising in television, radio, print, and in-theater, as well as nonadvertising communications in news media and public-private partnerships, the campaign is reaching youth, their parents and other adult influencers.

- The media campaign is currently achieving its goals of reach and frequency for target audiences. The media campaign's aim is reaching 90 percent of the teen target audience with a frequency of four strategic anti-drug messages a week. Taken together with the matching advertising effort, the campaign has generated an exposure rate of almost seven messages a week seen by 95 percent of that audience.

- Taken together, CDC and FDA anti-tobacco efforts and ONDCP's anti-drug media campaign seek to achieve ONDCP's Performance Measures of

Effectiveness by delaying initial use and reducing the overall incidence and prevalence of illicit drug use among America's youth.

QUESTION FOR THE RECORD FROM CONGRESSMAN MICHAEL FORBES
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

3. GENERAL, YOU MENTION IN YOUR TESTIMONY THAT THE "OFFICE OF NATIONAL DRUG CONTROL POLICY REAUTHORIZATION ACT OF 1998" EXPANDED ONDCP'S MANDATES AND AUTHORITIES. FOR EXAMPLE, THE ESTABLISHMENT OF A PARENTS ADVISORY COUNCIL ON DRUG ABUSE. CAN YOU GIVE ME THE STATUS OF THIS INITIATIVE?

ANSWER:

Names of nominees for consideration and possible nomination by White House were solicited from state, local, and civic organizations from across the nation. Those nominations are under review in ONDCP for recommendation to the Director and subsquently to the White House. We also await the names of commission member to be nominated by the House and Senate.

QUESTION FOR THE RECORD FROM CONGRESSMAN MICHAEL FORBES
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

4. CAN YOU TALK A LITTLE ABOUT THE COUNCIL'S MISSION AND FUNCTION IN RELATION TO NATIONAL DRUG CONTROL POLICY AND THE CRITERIA FOR APPOINTMENT TO THE COUNCIL?

ANSWER:

As specified in ONDCP reauthorization legislation:

Duties of the Council

(1) IN GENERAL --The Council

(A) shall advise the Director on drug prevention, education, and treatment and assist the Deputy Director of Demand Reduction in the responsibilities for the coordination of the demand reduction programs of the Federal Government and the analysis and consideration of prevention and treatment alternatives; and

(B) may issue reports and recommendations on drug prevention, education, and treatment, in addition to the reports detailed in paragraph (2), as the Council considers appropriate.

(2) SUBMISSION OF REPORTS --Any report or recommendation issued by the Council shall be submitted to the Director and subsequently to Congress.

(3) ADVICE ON THE NATIONAL DRUG CONTROL STRATEGY.--Not later than December 1, 1999 and on December 1 of each year thereafter, the Council shall submit to the Director an annual report containing drug control strategy recommendations on drug prevention, education, and treatment. The Director may include any recommendations submitted under this paragraph in the report submitted by the Director under section 706(b).

QUESTION FOR THE RECORD FROM REPRESENTATIVE ANNE NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

ONE OF ONDCP'S CRITICAL EFFORTS IS TO COORDINATE THE FEDERAL AGENCIES' WAR ON DRUGS. LAST YEAR, IN ANSWERING HOW ONDCP COORDINATED WITH OTHER AGENCIES IN ESTABLISHING PERFORMANCE TARGETS, YOU STATED THAT ONDCP HAD REVIEWED SEVERAL STRATEGIC PLANS, WITHOUT TARGETS, AND THAT THE PERFORMANCE MEASURES OF EFFECTIVENESS (PME) SYSTEM WAS STILL IN EARLY STAGES OF DEVELOPMENT.

1. HOW ARE THE AGENCIES PROGRESSING IN THIS AREA? TO WHAT EXTENT DID AGENCIES SUBMIT PERFORMANCE TARGETS THIS YEAR?

2. HOW HAVE THEY RESPONDED TO PME TARGETS?

ANSWER:

We are working closely with OMB to ensure that agency Performance Plans (under the Government Performance and Results Act) are consistent with the National Drug Control Strategy and its PME System. We anticipate this close collaboration to results in agencies drafting performance targets that are consistent with the PME targets. This exercise is likely to be further strengthened as we proceed this year to integrate budget and evaluation activities. Meanwhile, agencies have begun to use the PME targets as part of their budget submissions. Many of the agencies provided their FY 2000 budget submissions by PME target.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ANNE NORTHUP
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

High Intensity Drug Trafficking Area (HIDTA) FTE Increase
In your Fiscal Year 1999 budget submission, you ask for increase of 2 Policy Analyst FTEs for HIDTA and $1,800,000 to retain Independent Auditors for financial and programmatic reviews of HIDTA.

8. CURRENTLY, WHO IS RESPONSIBLE FOR PERFORMING THESE OVERSIGHT FUNCTIONS FOR HIDTA?

ANSWER:

The new Policy Analysts would be required to share intelligence and best practices, and technology standardization as well as provide oversight on HIDTA policies.

At the present time, existing ONDCP staff, National Guard agency representatives, and detailees from the HIDTA Assistance Center, the Washington-Baltimore HIDTA, the DEA, and the FBI are used to provide oversight functions. A total of eight professional and support staff are providing this oversight. As the program has grown dramatically in the last few years, it has become more and more difficult to provide the degree of support necessary for this vastly expanded program as the unique management demands of regional executive committees. Members of the ONDCP financial staff also assist the federal, state, and local agencies (award recipients) to disburse the funds according to their own organization's guidelines. Policy analysts are not involved in the sharing of intelligence but do communicate best practices and technology standardization issues to the various HIDTAs.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ANNE NORTHUP
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

9. WHAT TYPES OF PROBLEMS CURRENTLY EXIST IN COORDINATING AND ENFORCING HIDTA OBJECTIVES AMONG STATE, FEDERAL AND LOCAL OBJECTIVES?

ANSWER:

State, federal and local participants in the HIDTA program are in total agreement with the stated HIDTA objectives. The objectives of the law enforcement agencies participating in the HIDTA program and those of the National HIDTA Program are the same, to reduce drug trafficking and associated violent crime. In achieving these goals, the program participants do face obstacles such as insufficient information/intelligence sharing and a lack of resources such as equipment and personnel. Because of security issues, information sharing can be difficult to acquire from all of the agencies involved. This is often a matter of personal security for undercover operatives as well as a concern for preserving sensitive intelligence. There is a need for secure communications between HIDTA intelligence centers. Agencies are reluctant to share sensitive information if it can not be protected. The HIDTA program assists participating agencies by providing a coordination umbrella that fosters a strategy driven systems approach to integrate and synchronize federal, state, and local drug law enforcement efforts. It establishes a formalized regional information/intelligence sharing process and provides resources. The National HIDTA Program staff coordinate the initiatives that the regional HIDTAs implement to attack their identified threats. The National HIDTA Program staff also monitors the individual HIDTAs progress in achieving the HIDTA Performance Measures of Effectiveness.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN JO ANN EMERSON
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. DOES THE ONDCP RECOGNIZE METHAMPHETAMINE AS A MAJOR PROBLEM IN THIS COUNTRY ?

WHAT IS THE ONDCP DOING TO FIGHT THIS GROWING PROBLEM ?

WHAT IS BEING DONE TO ASSIST RURAL COMMUNITIES IN COMBATING THIS NEW EPIDEMIC ?

ANSWER:

The *National Drug Control Strategy*, using the 1997 National Household Survey on Drug Abuse (NHSDA), reports that an estimated 2.5 percent of the population had ever tried methamphetamine. Although this appears to be a small percentage of the population, it was still an increase from the previously reported figures (5.3 million in 1997 vs. the 1994 estimate of 1.8 million). Use of crystal meth ("ice") by America's youth rose in 1998 to 5.7 percent. Part of the answer is already in place. Through some of our HIDTAs funding has been provided for methamphetamine operations. In FY 1998, through special appropriation, $8.8 million was provided to certain HIDTAs specifically for the immediate methamphetamine threat, occurring largely in the Southwest and Midwest. This year several of the HIDTAs have proposed methamphetamine initiatives to continue operations against this particular threat. We should continue to support the efforts of state and local law enforcement in meeting the dangers present with meth. Coordinated multi-agency task forces continue to be a key part of any solution. In areas where a HIDTA is not present, we need to foment multi-agency cooperation for meth operations as resources are limited. Through the various federal agencies with drug control responsibilities, we must continue to fund programs aimed at reducing the number of existing labs and the organizations distributing the meth. It cannot be done in isolation by a single law enforcement agency. State and local agencies will continue to bear the brunt of the effort. The California Bureau of Narcotics Enforcement (CBNE) has an excellent program in place and can be a starting point for developing a regional, or even national, model.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN JO ANN EMERSON
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. IS ALCOHOL A GATEWAY DRUG?

ANSWER:

Although alcohol use generally does precede illegal use, a causative linkage remains unproven. The gateway hypotheses is often looked at in two ways. First, there is the 'stepping stone' analogy, where the progression from alcohol to other drugs is dependent on the pharmacological properties of alcohol, a powerful drug in its own right. The second interpretation of the gateway theory is social, i.e. the legal status of alcohol makes it a gateway to illegal drugs. Most drug users begin their drug use with alcohol and nicotine, usually when they are too young to do so legally. Alcohol use may be a risk factor for drug use, but more research needs to be performed to establish causative effects.

The "gateway" label for alcohol should not obscure the fact that it is a serious substance of abuse. In fact, while illegal drugs are a major public health problem, alcohol-related problems far exceed all illegal drug problems combined.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN JO ANN EMERSON
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

2. IS ALCOHOL CURRENTLY PART OF ONDCP'S AD CAMPAIGN?

ANSWER:

Alcohol is not part of ONDCP's paid ad campaign. However, underage alcohol use is addressed as part of the pro-bono match contributions.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN JO ANN EMERSON
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

3. WOULDN'T MAKE SENSE THAT IF ALCOHOL WAS THE MOST ACCESSIBLE GATEWAY DRUG; THAT YOUR AGENCY WOULD TARGET SOME OF YOUR ADS TOWARD TEEN ALCOHOL CONSUMPTION?

ANSWER:

We do not believe that we have sufficient authority to include underage drinking in the paid segment of the media campaign. Even with express authorization, ONDCP would not include underage alcohol advertising in the paid part of the campaign. While ONDCP strongly supports increased advertising on the issue of underage drinking, we believe that any such advertising should be conducted under a campaign devoted solely to this issue for several reasons. First, reducing underage drinking presents communications challenges not present for illicit drugs. Alcohol is a socially accepted, legal substance consumed by a majority of adults. Moreover, hundreds of millions of dollars in advertisements encourage the consumption of alcohol, suggesting that an effective underage drinking campaign will need to be carefully designed and appropriately funded to combat existing pro-alcohol advertisements. ONDCP's media campaign was planned and developed for illicit drugs. An effective anti-alcohol campaign will require new research, and will most likely require an entirely unique campaign design. Second, use of the existing appropriation for both alcohol and illicit drugs will have the effect of diluting the effectiveness of the media campaign. We fear that a media campaign that attempts to address both illicit drug use and underage drinking will not be effective at reducing either. Accordingly, if Congress would like to have an effective underage drinking campaign, we suggest an entirely new campaign and an entirely separate appropriation.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN JO ANN EMERSON
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. WHAT ADDITIONAL RESOURCES ARE MADE AVAILABLE TO THESE REGIONS?

ANSWER:

Funding is made available to cover the costs of administrative personnel, to provide special equipment for an investigative support center, to provide connectivity between the HIDTAs and participating agencies to facilitate the gathering of information, to provide space for the collocation of federal, state and local task forces, and to provide other resources to support the investigative effort. Program funds can also be used to pay overtime to local law enforcement officers working on HIDTA related efforts as well as to lease vehicles, cell phones, pagers and other such equipment.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN JO ANN EMERSON
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

2. WHAT IS THE CRITERIA FOR A REGION TO BE DESIGNATED AS A HIDTA?

ANSWER:

Regions submitting requests to be designated as a new HIDTA must meet the four statutory requirements from the Anti-Drug Abuse Act of 1988. They should focus on threats that impact other areas of the country as well as their local region. They should have outlined a strategy that targets major drug trafficking organizations and/or facilities that produce illicit substances. Additionally, they must demonstrate the ability to focus on the key areas of the region that offer an opportunity to significantly disrupt the threat, they must demonstrate a multi-agency task force approach, and they must demonstrate that the investigative task forces will be co-located in order to maximize the sharing of information.

Cont. Control

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

IF THE UNITED STATES IS NOT PERMITTED TO IMPLEMENT THE PROPOSED MULTINATIONAL COUNTER-NARCOTICS CENTER (MCC) IN AND AROUND THE PANAMA CANAL ZONE, WHAT WOULD BE THE IMPACT ON THE UNITED STATES FIGHT AGAINST DRUG TRAFFICKING?

ANSWER

Negotiations with the Government of Panama on the MCC are terminated. We will implement the provisions of the Panama Canal Treaty and withdraw from Panama on schedule.

The Departments of Defense and State are cooperating to establish Forward Operating Locations (FOLs) in the region to provide continuous support to regional CD operations. The FOLs will provide logistic and maintenance support for counterdrug aircraft from the military and the U.S. Customs Services. Establishment of an FOL in a timely manner to prevent any degradation in operations following withdrawal from Panama is a primary goal of Administration policy. Ambassador Brown, the lead negotiator for FOLs, has been advancing negotiations with the Governments of Ecuador and The Netherlands for possible FOLs in the island territories of Curacao and Aruba or Manta, Ecuador.

ONDCP is also working with other government agencies to address short-term interdiction shortfalls until FOLs are established. Interim locations will be used for limited air operations in the source country zone. The primary sites under consideration include Roosevelt Roads, PR and Soto Cano, Honduras. These sites have ben used in the past to augment USSOUTHCOM's counterdrug air operations. Additionally, the U.S. Customs Service has been operating in support of counterdrug air operations out of Lima and Guayaquil, Peru; Curacao; and Guantanamo Bay Cuba.

Successful implementation of the DoD FOL plan will require a concerted interagency effort and bipartisan support from the Congress, including:

- Authorization and funding for overseas military construction to develop habitation, maintenance and crew-support facilities at the eventual FOL sites.
- Interagency commitment to continue high-tempo operations under expeditionary conditions until the military construction projects are complete.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

WHAT LEVEL OF FORCE STRUCTURE DO YOU BELIEVE IS WARRANTED IN THE CANAL ZONE TO ADEQUATELY DETECT DRUG TRAFFICKING IN THIS REGION?

ANSWER

No U.S. military force structure is required in Panama to detect drug trafficking either in Panama or in the region. The Department of Defense and the Department of State are cooperating to establish DoD supported interagency Forward Operating Locations (FOLs) from which to continue counterdrug detection and monitoring operations in the region once Howard AB closes.

The FOL will allow us to use existing air fields to continue support to multinational aerial counter-narcotics monitoring, trafficking, and interdiction programs as well as provide support to other source nation counterdrug programs.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

IF THE UNITED STATES IS NOT ABLE TO HAVE A PRESENCE IN THE REGION, DO YOU BELIEVE DRUG CARTELS POSE A RISK TO THE OPERATION OF THE PANAMA CANAL?

ANSWER

The disruption of the Cali and Medellin Mafias has led to the emergence of more diverse though weaker trafficking groups, with no single group dominating the Colombian drug trade. U.S. supported law enforcement programs in Mexico have succeeded in partially disrupting two major trafficking groups and forced Mexican organizations to adjust their smuggling methods. Trafficking organizational structure, routes, and methods are in flux in both source and transit zones as traffickers respond to effective law enforcement pressure. Such changes collectively reflect progress by the United States and its allies in the region in disrupting the activities of cocaine criminals, -- some of whom are changing fundamentally the way they do business.

Nevertheless, international drug trafficking syndicates remain powerful criminal organizations which threaten all drug source and transit nations with crime, corruption, violence, addiction, and disease. For several reasons, Panama is especially threatened. Panama is at the crossroads of world trade and an important cocaine transit nation. It possess a dynamic international banking sector vulnerable to money laundering, and the world's most powerful criminal organizations operation from adjacent Colombia.

Recently, Panama has made real progress building credible law enforcement institutions and pursuing legal and administrative reforms. These measure are yielding results: in 1998 Panamanian seizures of crack increased by over 500 percent from 1997, and seizures of cocaine were more than twice that in 1995.

Panama's next president will take office at a critical point in Panamanian history. The chief executive will be inaugurated a scant four months before the transfer of the Canal on 31 December 1999. As part of that task, the new administration must fill the security gap left by departing U.S. forces, provide canal security, and safeguard against drug trafficking, violence and corruption. Although drug trafficking organizations threaten Panama (like all other source and transit countries) it is very unlikely that they will pose a direct threat to canal operations.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

DO YOU BELIEVE THAT THE RESULTING SECURITY THREAT WOULD WARRANT A REVIEW OF THE PROCESS UNDERWAY FOR TURNING OVER THE CANAL TO PANAMA?

ANSWER

We held talks with Panama for more than two years in a bid to create a multinational counternarcotics center that would have allowed us to maintain a presence at Howard after the transfer of the Canal at the end of this year. When these talks failed, we considered waiting to negotiate with the next Panamanian president. However, this would have involved an unacceptable delay; elections will not be held until May 2nd, the new president will not be inaugurated until September 1st, and Panama has a lengthy treaty ratification process that could have stretched out to year-end. An orderly, cost-effective closing of an air base takes roughly one year. We have already delayed closing Howard several months to minimize repercussions on our capability to interdict the flow of illegal drugs. Any further delays would jeopardize our ability to meet our obligation to have all equipment and personnel out by the end of 1999.

We have been negotiating to secure access to and use of existing airport facilities in the region from which to continue our aerial counternarcotics interdiction efforts. Because none is as centrally located as Panama, we are seeking several "forward operating locations" that would use existing air fields to continue our aerial counternarcotics monitoring, trafficking, and interdiction programs. Talks to establish these facilities are well-advanced with the Ecuadorian government and with the Dutch for use of facilities in Aruba and Curacao. We will continue to work to sustain our cooperative military and civilian operations in the region, while we move at the same time toward a smooth turnover of the Canal and all remaining U.S. facilities in Panama by the end of 1999. The door is not closed, however, to establishing a FOL in Panama, and we will welcome the opportunity to investigate any new Panamanian proposal.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. DO YOU BELIEVE THE CONGRESS HAS GIVEN YOU SUFFICIENT AUTHORITY TO INCLUDE UNDERAGE DRINKING IN THE PAID MEDIA SEGMENT OF YOUR NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN, IF YOU CHOOSE TO DO SO?

ANSWER:

No. We do not believe we have sufficient authority to include underage drinking in the paid segment of the media campaign

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

2. IF SO, PLEASE EXPLAIN WHY YOU HAVE CHOSEN NOT TO INCLUDE ADS AGAINST ILLEGAL ALCOHOL USE BY CHILDREN IN THE PAID MEDIA SEGMENT OF YOUR NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN?

ANSWER:

The authorization for the media campaign contained in last year's Drug Demand Reduction Act is for a campaign "for the purpose of reducing and preventing drug abuse among young people in the United States." The authorization of ONDCP defines "drug" as the term 'controlled substance' in section 102(6) of the Controlled Substances Act. Alcohol is not a controlled substance as that term is defined in the Controlled Substances Act. To the contrary, the Controlled Substances Act expressly states that a controlled substance does not include distilled spirits, wine, malt beverages, or tobacco. Moreover, ONDCP's proposals to change the definition of drug control to include underage drinking and tobacco use during the debates over its reauthorization were affirmatively rejected. The authorization of the media campaign does not support use of authorized media campaign funds for advertisements targeted toward alcohol.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

3. WOULD YOU CHOOSE TO INCLUDE SUCH ADS IN YOUR PAID MEDIA CAMPAIGN IF YOU RECEIVED ADDITIONAL FUNDING TO SUPPORT IT OR ARE THERE OTHER REASONS WHY YOU WOULD CHOOSE NOT TO INCLUDE SUCH ADS?

ANSWER:

Even with express authorization, ONDCP would not include underage alcohol advertising in the paid part of the campaign. While ONDCP strongly supports increased advertising on the issue of underage drinking, we believe that any such advertising should be conducted under a campaign devoted solely to this issue for several reasons. First, reducing underage drinking present communications challenges not present for illicit drugs. Alcohol is a socially accepted, legal substance consumed by a majority of adults. Moreover, hundreds of millions of dollars in advertisements encourage the consumption of alcohol, suggesting that an effective underage drinking campaign will need to be carefully designed and appropriately funded to combat existing pro-alcohol advertisements. ONDCP's media campaign was planned and developed for illicit drugs. An effective anti-alcohol campaign will require new research, and will most likely require an entirely unique campaign design. Second, use of the existing appropriation for both alcohol and illicit drugs will have the effect of diluting the effectiveness of the media campaign. We fear that a media campaign that attempts to address both illicit drug use and underage drinking will not be effective at reducing either. Accordingly, if Congress would like to have an effective underage drinking campaign, we suggest an entirely new campaign and an entirely separate appropriation.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

4. AT THE MARCH 3, 1999 HEARING, GENERAL MCCAFFREY SUGGESTED THAT CURRENT FEDERAL LAW PROHIBITS ONDCP FROM SPENDING ANY FEDERAL FUNDS ON ALCOHOL-PREVENTION ADVERTISEMENTS AS PART OF THE YOUTH ANTI-DRUG MEDIA CAMPAIGN. PLEASE PROVIDE THE COMMITTEE WITH THE FEDERAL LAW THAT YOU BELIEVE CONTAINS THIS PROHIBITION.

ANSWER:

Section 102 (6) of the Controlled Substances Act.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

5. IF YOU ARE SURE THAT ONDCP HAD THE NECESSARY AUTHORITY TO INCLUDE ALCOHOL-PREVENTION ADS IN THE PAID MEDIA CAMPAIGN, WOULD YOU CHOOSE TO INCLUDE SUCH ADS IN THE PAID MEDIA CAMPAIGN?

ANSWER:

Even with express authorization, ONDCP would not include underage alcohol advertising in the paid part of the campaign. While ONDCP strongly supports increased advertising on the issue of underage drinking, we believe that any such advertising should be conducted under a campaign devoted solely to this issue for several reasons. First, reducing underage drinking present communications challenges not present for illicit drugs. Alcohol is a socially accepted, legal substance consumed by a majority of adults. Moreover, hundreds of millions of dollars in advertisements encourage the consumption of alcohol, suggesting that an effective underage drinking campaign will need to be carefully designed and appropriately funded to combat existing pro-alcohol advertisements. ONDCP's media campaign was planned and developed for illicit drugs. An effective anti-alcohol campaign will require new research, and will most likely require an entirely unique campaign design. Second, use of the existing appropriation for both alcohol and illicit drugs will have the effect of diluting the effectiveness of the media campaign. We fear that a media campaign that attempts to address both illicit drug use and underage drinking will not be effective at reducing either. Accordingly, if Congress would like to have an effective underage drinking campaign, we suggest and entirely new campaign and an entirely separate appropriation.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

6. GENERAL MCCAFFREY FREQUENTLY HAS STATED THAT ALCOHOL IS A "GATEWAY DRUG" TO THE CONSUMPTION OF ILLICIT DRUGS, THAT THE BEST WAY TO PREVENT ILLEGAL DRUG USE IS TO PREVENT OR DELAY THE "DRUGS OF FIRST USE", AND THAT THE DRUG OF FIRST USE FOR VIRTUALLY ALL CHILDREN IS ALCOHOL. THE ONDCP WEB SITE ALSO STATES THAT THE LATER THAT CHILDREN START TO DRINK, THE LOWER THE LIKELIHOOD THAT THEY WILL END UP USING ILLEGAL DRUGS. IN LIGHT OF THESE STATEMENTS, DO YOU AGREE THAT IT WOULD BE SOUND POLICY FOR ADVERTISEMENTS THAT DISCOURAGE UNDERAGE DRINKING TO BE INTEGRATED WITH THE REST OF THE ANTI-DRUG ADVERTISEMENTS IN THE PAID MEDIA CAMPAIGN? IF NOT, WHY NOT? IF SO, PLEASE DESCRIBE WHAT STEPS ONDCP WILL TAKE TO ENSURE SUCH INTEGRATION.

ANSWER:

Even with express authorization, ONDCP would not include underage alcohol advertising in the paid part of the campaign. While ONDCP strongly supports increased advertising on the issue of underage drinking, we believe that any such advertising should be conducted under a campaign devoted solely to this issue for several reasons. First, reducing underage drinking present communications challenges not present for illicit drugs. Alcohol is a socially accepted, legal substance consumed by a majority of adults. Moreover, hundreds of millions of dollars in advertisements encourage the consumption of alcohol, suggesting that an effective underage drinking campaign will need to be carefully designed and appropriately funded to combat existing pro-alcohol advertisements. ONDCP's media campaign was planned and developed for illicit drugs. An effective anti-alcohol campaign will require new research, and will most likely require an entirely unique campaign design. Second, use of the existing appropriation for both alcohol and illicit drugs will have the effect of diluting the effectiveness of the media campaign. We fear that a media campaign that attempts to address both illicit drug use and underage drinking will not be effective at reducing either. Accordingly, if Congress would like to have an effective underage drinking campaign, we suggest an entirely new campaign and an entirely separate appropriation.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN CARRIE MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

7. DO YOU HAVE ANY MEANINGFUL DATA YET REGARDING THE EFFECTIVENESS OF THE PAID MEDIA COMPONENT OF THE NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN? ARE THE ADS REACHING THE TARGET AUDIENCES AND ARE THEY EFFECTIVELY CONVEYING THE INTENDED MESSAGE TO THAT AUDIENCE? PLEASE PROVIDE THE COMMITTEE WITH ANY REPORTS CONCERNING THESE SUBJECTS.

ANSWER:

While experts continue to caution that we should not expect to see appreciable impacts on drug use until two years into the Campaign, preliminary results provided from evaluation of Phase I seem to indicate we are reaching America loud and clear.

The campaign's initial goal was for "reach and frequency" was to reach 90 percent of the overall target audience (youth 9 to 18) with anti-drug messages 4 times per week. The campaign has already exceeded that goal currently reaching 95 percent of the youth with messages 6.8 times per week. The primary outcome measured in the Phase I evaluation was ad awareness or ad recall. For the three target groups (youth 9-11, teens 12-18, and parents) comparison results between target and control sites were:

- Youth reported significant net increases in ad awareness for 4 of the 5 ads tested. Increases ranged from 11 to 26 percentage points.
- Teens reported significant net increased in ad awareness for 3 of the 6 ads tested. Increases ranged from 13 to 27 percentage points.
- Parents reported a significant net increase in ad awareness for 1 of the 5 ads tested. The increase was 10 percentage points.
- For youth, the percentage who agreed with statement, "TV ads or commercials may you more aware of how dangerous drug are" increased from 74 to 80 percent in the target sites.
- Among parents, the percentage who strongly agreed that "ads make you more aware of the risks of using drugs" increased from 42 to 51 percent.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN CARRIE P. MEEK
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

8. PLEASE EVALUATE THE EFFECTIVENESS OF THE HIDTA TO DATE. DO YOU EXPECT TO BE DESIGNATING ADDITIONAL COMMUNITIES? WHAT ARE THE BUDGETARY IMPLICATIONS, IF ANY, OF SUCH ADDITIONAL DESIGNATIONS?

ANSWER:

The older more established HIDTAs are proving to be very effective in contributing to the HIDTA mission of significantly reducing drug trafficking and related crimes in and through the HIDTA region. Mature HIDTAs accomplish this mission by dismantling or disrupting high value crime organizations responsible for the manufacturing, importation, distribution and sale of illegal drugs. The HIDTA program has been especially successful in coordinating and focusing a wide range of knowledge, skills, jurisdictional powers, and resources among and between federal, state, and local law enforcement agencies.

Requests have been received from nine regions across the country asking to be designated as new HIDTAs. Additionally, various counties have made formal requests to be added to existing HIDTAs. The HIDTA staff and agency representatives are presently evaluating the requests for designation. All HIDTAs are designated according to regional needs, and have unique characteristics reflective of their individual design. There are, however, common standards to which all HIDTAs are held. While most areas of the country can document a regional drug problem, designations must also be dependent upon the degree to which the drug threat in a particular area affects other areas of the country.

It is estimated that a minimum of $1.0 million is required in the first year to set up the basic infrastructure of a new HIDTA. Once the infrastructure is in place, it is estimated that an individual HIDTA requires a minimum of $2.5 million in the second year to begin making progress towards the stated initiatives of the new HIDTA. Future year funding is dependent on the identified regional drug threat, the strategy proposed to counter the threat, and to accomplish the stated objectives, outputs, and outcomes of the individual HIDTAs.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN CARRIE P. MEEK
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

9. PLEASE DESCRIBE THE CRITERIA THAT YOU USE IN DECIDING WHETHER TO DESIGNATE A COMMUNITY AS A HIGH IMPACT AREA UNDER THE HIDTA PROGRAM. IS THE NUMBER OF DESIGNATIONS BEING LIMITED TO PROTECT THE LEVEL OF FUNDING FOR EXISTING HIDTAs?

ANSWER:

Regions submitting requests to be designated as a new HIDTA must meet the four statutory requirements of the Anti-Drug Abuse Act of 1988. They should focus on threats that impact on other areas of the country as well as their local region. They should have outlined a strategy that targets major drug trafficking organizations and/or facilities that produce illicit substances. Additionally, they must demonstrate the ability to focus on the key areas of the region that offer an opportunity to significantly disrupt the threat, they must demonstrate a multi-agency task force approach, and they must demonstrate that the investigative task forces will be co-located in order to maximize the sharing of information.

The number of designations are not being limited to protect the level of funding for existing HIDTAs. In fact, when Congress authorizes level funding it impedes the Director of ONDCP's ability to evaluate each area's performance and allocate funding accordingly. In the past, HIDTAs have been level funded. As a result, any newly designated HIDTAs would need to have additional funding support provided by the Congress. When level funding of existing HIDTAs is protected from year to year, the ability to fund new HIDTAs is contingent on an overall increase in the HIDTA budget and the Director, ONDCP being given discretionary authority to allocate the increase in the best interest of the program as a whole.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN CARRIE P. MEEK
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

10. IN YOUR FY 2000 BUDGET, YOU PROPOSE TO DOUBLE THE NUMBER OF POLICY ANALYSTS FOR THE HIDTA PROGRAM BY ADDING 2 FTEs. PLEASE EXPAND UPON THE REASONS THAT THESE ADDITIONAL STAFF ARE REQUIRED. HOW HAVE STAFF POLICY ANALYSTS HANDLED THE WORKLOAD TO DATE? IS THE PROPOSED STAFF EXPANSION A RESPONSE TO THE LIKELIHOOD OF ADDITIONAL HIDTA DESIGNATIONS? WHAT IS THE CONNECTION, IF ANY, BETWEEN THIS REQUEST AND ADDITIONAL HIDTA DESIGNATIONS?

ANSWER:

The HIDTA program has grown from five designated regions in FY90 to 21 designated regions in FY99. During this same period, the HIDTA budget has grown from $25.0 million to $185.8 million. At the present time, there are two permanent staff (national director and one policy analyst) assigned to the HIDTA program. The permanent staff has been supplemented in the past with detailees from the Washington-Baltimore HIDTA, the HIDTA Assistance Center, the National Guard, the FBI and the DEA, as they may be available. As the HIDTA program has grown, so have the demands on the staff. Detailees have been able to assist in meeting the short term needs of the program. It is essential to add at least two additional permanent staff to effectuate critical programmatic needs, including financial and program oversight, on-site evaluations, operational integrity, and administrative continuity. While each HIDTA operates under the guidance of an executive committee, to whom the executive director reports, this structure creates unique challenges and oversight considerations. The addition of two permanent staff would improve the on-site review and evaluation capabilities in the 27 field locations which have multiple sub-locations. If new HIDTAs are designated, or additional counties added to existing programs, there may be a need for additional staff to provide the necessary oversight, review and evaluation.

There is no connection between this request for two additional staff and the establishment of additional HIDTA designations.

QUESTION FOR THE RECORD FROM CONGRESSMAN DAVID PRICE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. HOW MANY NEW ADS IS ONDCP PLANNING TO FILM, AND WHAT WILL BE THE TOPIC OF EACH NEW AD?

ANSWER:

ONDCP has conducted a comprehensive "need" gap analysis to identify areas where the strategic priorities determined by ONDCP's expert panel are not now being fully addressed. The "topics" (i.e., the communications strategies) of these ads conform to the National Youth Media Communications Strategy that has been widely distributed.

Approximately 130 ads may be produced over the next two years, with substantial emphasis being placed on reaching ethnic targets for which existing creative inventory is insufficient. Ads will be produced in 10 languages, in addition to english, with additional messages that target both geographic and ethnic audiences. Additionally there is a need for ads targeting the general population especially in the area of parent efficacy, denormalization of drug use, and peer refusal skills for teens.

QUESTION FOR THE RECORD FROM CONGRESSMAN DAVID PRICE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

2. PLEASE PROVIDE A BREAK-DOWN OF THE AMOUNT OF PRO-BONO AIR TIME THE PAID MEDIA CAMPAIGN HAS BEEN ABLE TO LEVERAGE, INCLUDING WHICH ADS HAVE BEEN AIRED, IN WHAT MEDIA MARKETS, AND IN WHAT TIME SLOTS USING LEVERAGED AIR TIME.

ANSWER:

ONDCP has received approximately $175M in pro-bono media match, equal to approximately 109% of TV and radio paid media and about 95% of the non-broadcast media (e.g., outdoor, print, and cinema where physical constraints have occasionally prevented a total 100% value-for-value match). Over 80% of the broadcast match has been in free air time - with the remainder primarily in on-strategy TV programming developed in partnership with ONDCP. All of the non-broadcast match has been in free space or units. The time slots and placements of the pro-bono match are every bit as good as the paid campaign. (Additionally, stations are prohibited from using any low-quality late-night or early morning air time to fulfill the match.)

The percentage allocation of the pro-bono match is practically identical to the breakdown of the widely-distributed Phase I and Phase II media plan. The breakdown of ads among dozens of anti-drug-related Public Service Announcement (PSA) efforts has been published in response to many similar questions. Thirty three organizations and federal agencies have had their TV messages played over 49,000 times on network and local TV outlets in 102 media markets.

QUESTION FOR THE RECORD FROM CONGRESSMAN DAVID PRICE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

1. ONCE THE COUNTY-BY COUNTY DRUG USE AND ARREST DATA HAS BEEN COMPILED, WILL ONDCP MAKE ANY RECOMMENDATIONS FOR NEW HIDTAs BASED ON THAT DATA AND ON PENDING APPLICATIONS? HOW MUCH ADDITIONAL FUNDING WOULD BE NEEDED TO FUND THESE NEW HIDTAS?

ANSWER:

The county-by-county drug study will be used as a tool to identify those areas of the country that have groups of counties indicating a high degree of use or trafficking in illicit drugs. The ONDCP staff will be able to relate these county groupings to areas previously designated as HIDTAs as well as those not yet designated. If a group of high indicator counties are clustered in an area not designated as a HIDTA, we will be able to focus on this area to gather additional information. Analysis of this additional information will allow the staff to make an informed recommendation to the Director, ONDCP as to whether or not a new area should be included in the HIDTA Program.

It is estimated that each newly designated area will require first year (start-up) funding of at least $1.0 million. Second year and future year funding is projected to be a minimum of $2.5 million per year; however, this figure may vary greatly depending on the location of the new HIDTA, the type of drug threat, and other factors.

As additional HIDTAs are established there will be a need to increase the number of ONDCP/HIDTA staff to provide fiscal and programmatic oversight, standardize technological issues, and to ensure the individual HIDTAs are sharing information, operating efficiently, and conforming fully to the principles of the HIDTA Program.

QUESTION FOR THE RECORD FROM CONGRESSMAN DAVID PRICE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

2. WHAT IS THE CURRENT TURNAROUND TIME ON HIDTA APPLICATIONS? HOW MANY HIDTA APPLICATIONS HAVE BEEN APPROVED OR DECLINED IN THE LAST YEAR?

ANSWER:

A formal process has been established to consider requests for inclusion in the HIDTA Program. Currently we are undergoing a proof-of-concept while reviewing requests from nine areas. We have learned from this process that a complete and impartial evaluation will take approximately ninety days. This is from the time the staff receives a completed proposal until a recommendation is submitted to the Director, ONDCP. The current review is expected to be complete in early April 1999.

Four proposals were approved in 1998 that established the Appalachia, Central Florida, Milwaukee, and North Texas HIDTAs. Four other areas (East Texas, Eastern California, New England, and Northern Ohio) submitted proposals, however none were designated.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

CAN YOU EXPAND ON THESE EFFORTS (SCREENING) TO CURTAIL CORRUPTION BY THE MEXICAN GOVERNMENT AND GIVE US YOUR ASSESSMENT AS TO WHETHER THEY ARE WORKING?

ANSWER

President Zedillo has committed the Mexican government to ending corruption. For the first time ever, Mexico has put in place a screening process for new hires in the drug law enforcement institutions, followed by periodic in service checks. These procedures are still evolving. Officers are required to pass a polygraph examination and a background investigation that includes a financial investigation and lifestyle investigation. We will closely monitor this process. We expect that like any new procedure, it will run through rough stages before it begins to work well. The key to whether it is successful is whether as deficiencies are discovered appropriate corrections are made and the system is improved. Another key will be whether the vetting system stays in place beyond the end of the present administration in Mexico. At this stage we believe the procedures are functioning reasonably well.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

CAN YOU ELABORATE ON THIS AGREEMENT (U.S./MX AGREEMENT TO REDUCE AVAILABILITY OF PRECURSOR CHEMICALS) AND HOW IT WILL HELP REDUCE THE PRODUCTION OF ILLEGAL DRUGS IN THE U.S. AND MEXICO?

ANSWER

The bilateral chemical control agrement will supplement laws already in place in Mexico as well as multilateral agreements signed by both Mexico and the United States to reduce the availability of essential and precursor chemicals to illegal drug traffickers. The government of Mexico has informed us that a bilateral chemical control agrement will facilitate Mexican cooperation with the U.S. to control essential and precursor chemicals. We will negotiate the agreement on that basis.

In December 1997, Mexico enacted a comprehensive chemical control law that when fully implemented will bring Mexico into compliance with the 1988 Vienna Convention. The law covers both precursor and essential chemicals, inmposes a comprehensive regulatory system, and calls fo rthe creation of a broad database accessible to the appropriate ministries. The regulatory agencies are still drafting implementing regulations and guidelines for the new law. The pace of implementation is not considered unreasonable given the complexity of regulating the chemical trades. Starting in January 1999, Mexico began receiving reports from registrants for the first year under the new law.

In December 1998 the Mexican Congress passed an amendment strengthening the law against chemical trafficking by eliminating the need to prove that the chemical trafficker or diverter had the actual purpose of facilitating or engaging in the illicit manufacture of drugs. The chemical control law, however, still requires proof that the chemicals were intentionally diverted.

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION

DOES THIS AGREEMENT COVER THE PRECURSOR CHEMICALS NECESSARY TO MAKE METHAMPHETAMINE?

ANSWER

We intend for it to cover these chemicals.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN LUCILLE ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

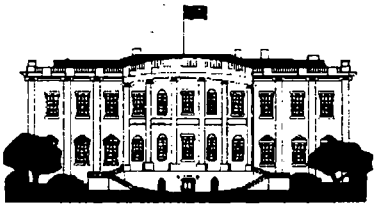
4. YOU ALSO INDICATE THAT THE MEDIA CAMPAIGN'S ADS ARE BEING PREPARED IN 11 DIFFERENT LANGUAGES, AND I KNOW THAT YOU HAVE ALREADY PRODUCED ADS IN SPANISH. CAN YOU PROVIDE INFORMATION ON THE SUCCESS THE CAMPAIGN HAS HAD IN REACHING SPANISH-SPEAKING YOUTH AND OTHER LANGUAGE MINORITIES?

ANSWER:

Our goal has been to reach 90 percent of our target audiences at least 4 times per week. Among African American youth within the target-age audience we are doing even better -- reaching 95 percent of the young people 7.8 times per week. Within the Hispanic youth target group, we are reaching 94 percent of our audience with messages in Spanish 4.8 times per week -- not to mention the substantial impact of messages in English on bilingual young people. The Campaign delivers $33 million worth of anti-drug messages per year to ethnic young people and their adult influencers (e.g., parents, grandparents, coaches, teachers, civic leaders, the faith community and others). We are the largest governmental advertiser in African American newspapers, and are among the top advertisers on Black Entertainment Television.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of National Drug Control Policy
Washington, D.C. 20503



Office of Legislative Affairs
FACSIMILE MESSAGE

TO: JEFF ASHFORD / Tammy Hughes
ORG: Appropriations — Treasury / Postal Subcommittee **FAX:**
DATE: **TIME:** **NO. OF PAGES:** 6

FROM:	**MICHELE A. MANATT** **DIRECTOR OF LEGISLATIVE AFFAIRS**
FAX NUMBER:	**(202) 395-6640**
PHONE NUMBER:	**(202) 395-6602**

COMMENTS: JEFF / Tammy —

Under this cover, please find the ATTACHMENT in response to LUCILLE ROYBAL-ALLARD's question from the March 3rd. hearing asking for examples of how ONDCP's youth MEDIA campaign is targetted to reach different ETHNIC MINORITY youth. It is a 4-PAGE FACT sheet. Our APOLOGIES for NOT including this in the PACKET of QUESTIONS / ANSWERS WE sent you YESTERDAY. Best regards. Michele

QUESTION FOR THE RECORD FROM CONGRESSWOMAN LUCILLE ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

4. REGARDING THE NATIONAL YOUTH ANTI-DRUG CAMPAIGN, IN YOUR WRITTEN STATEMENT YOU INDICATE THAT THE ADS AND MESSAGES SPONSORED BY THE CAMPAIGN ARE, "TAILORED FOR SPECIFIC REGIONAL, ETHNIC, CULTURAL, GENDER, AND AGE DIFFERENCES AMONG MEMBERS OF THE TARGET AUDIENCES." I AM PLEASED TO HEAR THIS. TOO OFTEN ORGANIZATIONS IGNORE ETHNIC, CULTURAL, AND OTHER DIFFERENCES IN THE OUTREACH ATTEMPTS. CAN YOU PROVIDE EXAMPLES OF HOW ONDCP'S YOUTH MEDIA CAMPAIGN IS TARGETED TO REACH DIFFERENT ETHNIC MINORITY YOUTH?

ANSWER:

ONDCP's advertising effort is the most formidable and comprehensive multi cultural advertising effort ever mounted by the Federal government. A fact sheet providing additional information on how ONDCP is targeting ethnic diversity is attached.

National Youth Anti-Drug Media Campaign
The Most Ethnically Diverse Communications Effort Ever Launched By Government

ONDCP's National Youth Anti-Drug Media Campaign is an unprecedented, multi-faceted, ethnically diverse communications initiative targeting all of America's youth, parents, and youth influencers. This historic media campaign is unique for several reasons: it represents the largest, most ambitious advertising effort ever developed by the Federal Government targeted to ethnic audiences; it integrates an aggressive behavioral change component; and it extends the national media campaign to local communities.

National Advertising Campaign, Multicultural Community Impact

- In 1997, the pilot phase of the National Youth Anti-Drug Media Campaign debuted with energetic, hard-hitting ads targeted to the general market incorporating some targeted ethnic media. Today, the campaign is a fully integrated marketing effort incorporating ethnic advertising, and adding five outreach components that target both general and ethnic audiences with anti-drug messages and substance abuse prevention programs. These outreach components include:
  - Partnerships with national organizations reaching youth and parents
  - Interactive initiatives
  - Collaboration with the entertainment industry to promote the accurate depiction of drug use in music, film and television
  - Media outreach
  - Corporate involvement

- The campaign delivers approximately $33 million worth of paid and negotiated pro-bono advertising messages and outreach programs specifically to ethnic audiences each year, targeting youth aged 9-to-18, and adult influencers aged 25-to-54 (e.g. parents, teachers, coaches, civic leaders, the faith community). That is in addition to the substantial number of anti-drug message exposures reaching these same audiences, in English, via the general media. For example, several programs on Fox, the WB Network, ABC and other networks are particularly popular among certain segments of ethnic and minority audiences. To that end, culturally sensitive messages are placed on these shows.

- ONDCP's multi-cultural messages appear in ethnically-targeted broadcast and cable television, radio, newspapers, magazines, highway and shopping mall posters, Internet websites, in-school use, and home videos with the specifically appropriate ethnic languages and highly relevant creative messages.

- The integrated marketing campaign reaches African Americans, Hispanics, Asians and Pacific Islanders, (including Chinese, Korean, Vietnamese, Cambodian, Japanese, and Filipino), and Native Americans. In addition, the campaign includes extensive levels of advertising and outreach in the U.S. territories of Guam and the U.S. Virgin Islands.

- Anti-drug messages and other informational materials are being delivered in up to eight languages, including Spanish, Mandarin and Cantonese, Japanese, Korean, Vietnamese, and Cambodian. Most foreign language materials are targeted to parents.

- African Americans and Hispanics receive the dominant share of multi-cultural advertising budget, i.e., $25,787,000 or 78% of the ethnic paid and pro-bono investments. In fact, ONDCP is the largest government advertiser in African American newspapers and is among the top 10 of all advertisers on Black Entertainment Television (BET).

- Anti-drug advertising messages reach ethnic audiences at extraordinary levels equivalent to or exceeding the general population. For example, in general, African Americans consume television at a higher rate that non-African Americans, therefore the reach to these audiences is higher. While the campaign goal is to reach 90% of all teen audiences with anti-drug messages four times a week, 95% of African American teens are being reached with an average of 6.8 exposures per week. This means they will be exposed to an anti-drug message roughly once a day—about as much, by careful and expert design, as they'll be exposed to messages that condone the use of illicit drugs.

Extending the Campaign Reach

- ONDCP has formed productive collaborative partnerships with hundreds of ethnic media outlets and has also used multicultural subcontractors to plan and place millions of dollars of ONDCP advertising with minority-owned media vendors. Most of the creative work for the paid advertising effort directed at ethnic and minority audiences is being created through Partnership for a Drug Free America ad agencies that specialize in reaching these audiences.

- The primary advertising contractor, **Ogilvy & Mather** has partnered with several minority-owned advertising agencies that specialize in communicating with ethnic audiences. The following agencies will plan and place advertising in their respective markets: **Muse Cordero Chen & Partners** for African Americans, Asians and Pacific Islanders; **Mendoza Dillon & Asociados**, and **Lopito, Ileana & Howie** represent Hispanics and audiences in Puerto Rico; and **G&G Advertising** and **Porcareo Communications** reach Native Americans and Native Alaskans.

- Every media outlet that accepts the campaign's paid advertising must match the government's purchase with an equal value of public service in the form of public service announcement time or space, or other programs and activities related to substance abuse prevention. The primary public relations contractor, **Fleishman-Hillard,** develops and coordinates with national organizations and corporations to foster anti-drug programs developed and supported by local communities.

- In effort to leverage the advertising media match and tailor the outreach to specific ethnic audiences, **Fleishman-Hillard** has partnered with four multicultural public relations firms: **Imada Wong** reaches the Asian American community; **S&C Public Relations** for the Hispanic community; and two firms, **Sykes Communications** and **Roy Communications,** target the African American communities. The depth and breadth of these firms will enable ONDCP to extend the advertising messages to national organizations that have tremendous impact in local and ethnic communities.

- The results of the ONDCP integrated marketing campaign will be assessed by a comprehensive research effort that will gauge the response by target audience and ethnicity. These ongoing measures will be used to improve and enhance the long-term campaign and accurately determine its effectiveness. An encouraging early indication of success will be gauged by the increased telephone call volume from ethnic viewers to the advertised 800 numbers.

How Media is Purchased

Paid media for the campaign is primarily purchased against three mainstream target audiences

- Youth/"Tweens" 9-14
- Youth/Teens 12-17
- Adults 25-54 (includes parents and other adult influencers)

Additionally, the following Ethnic or Minority audiences are targeted

- Hispanics
- African Americans
- Asian and Pacific Islander Americans
- Native Americans
- Territories (Puerto Rico, American Samoa, Virgin Islands, Guam)

These audiences are reached through a combination of media vehicles including television (network, local and cable), radio (network and local), magazines, newspapers, outdoor, subway and bus stops, in-school media programs, i.e., Channel One, and cinema/arcades.

Beyond the mainstream audience which receives messages targeted by age group, key ethnic groups are reached through specific media vehicles selected by:

- Geographic Concentration
- Cultural Differences
- Language

AFRICAN AMERICANS

Television Networks:	Black Entertainment Television (Additionally, network television delivers higher ratings against African Americans)
Radio:	Urban, Gospel, Jazz and R & B formatted stations, African American owned and operated stations in the top 25 African American markets
Newspapers:	African American owned in 100 markets
Magazines:	Sixteen African American publications (e.g. Ebony, Essence, Slam, etc.)
Outdoor:	Top 10 Markets, African American neighborhoods

HISPANICS (Spanish language only)

Television Networks:	Univision, Telemundo, Galavision
Radio:	Hispanic Radio Network, Cardena Caracol Sports, Las Chivas Mexican Soccer, Top 8-10 local Hispanic markets

Newspapers:	9 markets/19 papers: Los Angeles, New York, Miami, Chicago, San Diego, Washington, D.C., Houston, Denver, and Tucson
Magazines:	11 publications including *People En Espanol, Latina,* and *Vanidades*

ASIAN AND PACIFIC ISLANDER AMERICANS

Groups:	Chinese, Vietnamese, Korean, Cambodian, Filipino, Japanese
Markets:	San Francisco, San Jose, Los Angeles, San Diego, Honolulu, Chicago, Dallas, Washington, D.C., Houston, Boston and Seattle
Media Vehicles:	Television, radio, newspapers, magazines, in-school cinema, and events

NATIVE AMERICANS

Radio:	Public/Tribal owned in top 20 American Indian markets
Newspapers:	Tribal papers in top 20 American Indian markets
Magazines:	Four national publications (e.g. *Native Peoples, Indian Country Today*)

PUERTO RICO	Local television, radio, newspapers, outdoor, and cinema
VIRGIN ISLANDS AND GUAM	Local television, radio, and newspapers

QUESTIONS FOR DIRECTOR McCAFFREY FROM THE HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT MARCH 3, 1999

QUESTION

ARE YOU AWARE OF THIS PROGRAM (JOINT PROGRAM BETWEEN DEA AND FBI IN SAN DIEGO) AND WHAT IS ONDCP AND THE ADMINISTRATION DOING TO ENCOURAGE THIS KIND OF COOPERATION BY LAW ENFORCEMENT AGENCIES THROUGHOUT THE COUNTRY?

ANSWER

The joint program you are referring to is the Major Mexican Traffickers Initiative. This major multi-agency initiative addresses the most significant multi-drug trafficking organizations. The task force is composed of FBI and DEA, but also USCS, state and local surveillance groups and three dedicated Assistant U.S. Attorneys. It also incorporates a Border Corruption Task Force of the FBI with the Department of Justice's Office of the Inspector General and the Internal Revenue Service. It is one of many successful joint operations between federal and state agencies. Nation wide ONDCP facilitates the funding for twenty-two High Intensity Drug Trafficking Areas (HIDTA). Each of these HIDTA's is composed of local, state and federal law enforcement agencies with their primary focus being counter drug efforts.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN LUCILLE ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

4. REGARDING THE NATIONAL YOUTH ANTI-DRUG CAMPAIGN, IN YOUR WRITTEN STATEMENT YOU INDICATE THAT THE ADS AND MESSAGES SPONSORED BY THE CAMPAIGN ARE, "TAILORED FOR SPECIFIC REGIONAL, ETHNIC, CULTURAL, GENDER, AND AGE DIFFERENCES AMONG MEMBERS OF THE TARGET AUDIENCES." I AM PLEASED TO HEAR THIS. TOO OFTEN ORGANIZATIONS IGNORE ETHNIC, CULTURAL, AND OTHER DIFFERENCES IN THE OUTREACH ATTEMPTS. CAN YOU PROVIDE EXAMPLES OF HOW ONDCP'S YOUTH MEDIA CAMPAIGN IS TARGETED TO REACH DIFFERENT ETHNIC MINORITY YOUTH?

ANSWER:

ONDCP's advertising effort is quite simply, the most formidable multi cultural advertising effort ever mounted by the Federal government. A fact sheet detailing key details of this comprehensive effort is attached.

QUESTIONS FOR THE RECORD FROM REP. LUCILLE ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 3, 1999

QUESTION:

GOAL THREE OF YOUR NATIONAL STRATEGY IS REDUCING THE HEALTH AND SOCIAL COSTS TO THE PUBLIC OF ILLEGAL DRUG USE.

DO YOU HAVE IN PLACE, OR ARE YOU DEVELOPING ANY WAY TO MEASURE THE OVERALL PAYOFF FROM OUR INVESTMENT IN DRUG TREATMENT PROGRAMS IN TERMS OF DOLLARS SAVED IN LONG-TERM HEALTH CARE, WELFARE, INCARCERATION, AND OTHER COSTS TO THE PUBLIC?

ANSWER:

ONDCP's Performance Measures of Effectiveness (PME) system contains an impact target for Goal 3 that states: By 2002, reduce health and social costs associated with illegal drugs by 10 percent, as expressed in constant dollars, as compared to the 1996 base year. By 2007, reduce such costs by 25 percent as compared to the base year. The measure that ONDCP will be using to track progress in achieving this target is annual or biannual updates of the report *The Economic Costs of Alcohol and Drug Abuse in the United States*. This report has been produced periodically (every 6 or 7 years) as a joint publication by the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA). Both NIDA and NIAAA, in cooperation with ONDCP, have agreed to conduct annual or biannual updates of this report. With these data, ONDCP will be able to track success in reducing the economic costs (including health care, productivity losses, crime, and social welfare) of drug use.

OFFICE OF NATIONAL DRUG CONTROL POLICY

Congressional Budget Submission

Executive Office of the President
February 1999

OFFICE OF NATIONAL DRUG CONTROL POLICY

Fiscal Year 2000 - 2004 Budget

February 1999

Table of Contents

I. **EXECUTIVE SUMMARY** 1

II. **MISSION STATEMENT** 3

III. **SALARIES AND EXPENSES** 11

A. Program Overview 11
B. Appropriations Language 20
C. ONDCP FY 2000 Request 21
1. Operations 21
2. Counter-drug Technology Assessment Center ... 24
3. ONDCP Policy Research 29
4. Gifts and Donations 32
D. Summary Tables of Program and Financing 33
1. Salaries and Expenses 33
2. Gifts and Donations 34
E. Summary Tables of Personnel 35
F. Detail of Permanent Positions 36
G. Summary Table of Budget Authority by Object Class 37
1. Salaries and Expenses - Operations 37
2. Salaries and Expenses - R&D 38
3. Gifts and Donations 39
H. Explanation of Changes by Object Class 40

IV. **SPECIAL FORFEITURE FUND** 42

A. Program Overview 42
B. Appropriations Language 43
C. 2000 Budget Request 46
D. Personnel 49

V. **HIGH INTENSITY DRUG TRAFFICKING AREAS** 50

A. Program Overview 50
B. Appropriations Language 53
C. FY 2000 Budget Request 54
D. Summary Tables of Program and Financing 55
E. Summary Tables of Personnel 56
F. Summary Tables by Object Class 57

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY

I. EXECUTIVE SUMMARY

The FY 2000 budget request for the Office of National Drug Control Policy (ONDCP) provides the President's primary Executive Branch support for drug policy development and program oversight. The office advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the Federal agencies and departments.

The FY 2000 budget request builds on the FY 1999 enacted budget. For the period October 1, 1999 through September 30, 2000, ONDCP is requesting budget authority of $454,210,000. This request supports 128 FTE, and 30 detailees for a total of 158 positions. This represents an increase of $3,491,000 and 4 FTE over the FY 1999 enacted budget.

The FY 2000 budget request reflects three program accounts: the Salaries and Expenses program; the Special Forfeiture Fund; and the High Intensity Drug Trafficking Areas (HIDTA) program.

The request for Salaries and Expenses is $43,133,000 and 128 FTE, a decrease of $7,109,000 in budget authority and a increase of 4 FTE more than the FY 1999 enacted budget. The budget request includes operational expenses of $21,933,000; funding for the Counter-drug Technology Assessment Center (CTAC) $19,000,000; ONDCP's Policy Research $1,200,000; and the National Alliance for Model States Drug Laws $1,000,000.

The Special Forfeiture Fund budget request of $225,300,000 is $8,800,000 more than the FY 1999 enacted budget. This request funds the National Youth Anti-Drug Media Campaign, Drug-Free Communities Program, Federal Drug Related Data Systems, and a discretionary amount for use by the Director of ONDCP to enhance drug control activities and address emerging drug threats.

The HIDTA budget request of $185,777,000 is an increase of $1,800,000 over the FY 1999 enacted budget. This level of funding provides continued support for existing HIDTAs, as well as a new auditing support initiative.

($ in thousands)	FY 1998 1/	FY 1999 2/	FY 2000 Request
Salaries & Expenses	$49,216	$50,242	$43,133
Special Forfeiture Fund	$217,000	$216,500	$225,300
High Intensity Drug Trafficking Areas	$162,007	$183,977	$185,777
Total	**$428,223**	**$450,719**	**$454,210**

1/ The Conference Committee provided $23.2 million to ONDCP from the Violent Crime Reduction Trust Fund in FY 1998. These resources were distributed as follows:

a.	CTAC	$13,000,000
b.	Federal Drug-Free Prison Zone	$ 6,000,000
c.	Rocky Mountain HIDTA	$ 3,000,000
d.	National Alliance for Model State Drug Laws	$ 1,200,000

2/ the Conference Committee provided $2.5 million to ONDCP from the Violent Crime Reduction Trust Fund in FY 1999. These resources were distributed as follows:

a.	Milwaukee, Wisconsin HIDTA	$1,500,000
b.	National Alliance for Model State Drug Laws	$1,000,000

As well, the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, provided $3.2 million to ONDCP. These resources were distributed as follows:

a.	ONDCP Salaries and Expenses	$1,200,000
b.	National Drug Court Institute	$2,000,000

II. MISSION STATEMENT

ONDCP provides the President's primary Executive Branch support for drug policy development and program oversight. The Office advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the Federal agencies and departments.

Current ONDCP responsibilities include:

- Developing the annual *National Drug Control Strategy* as required by the 1998 Office of National Drug Control Policy Reauthorization Act, Public Law 105-277, to be submitted to Congress;

- Developing a consolidated National Drug Control Budget proposal designed to implement the *National Drug Control Strategy*, including 5-year projections for program and budget priorities(including budget certifications and recommendations to drug control agencies consistent with the *National Drug Control Strategy*);

- Certifying the drug control budgets of programs, bureaus, agencies, and Departments;

- Coordinating and overseeing Federal anti-drug policies and programs of approximately 50 Federal agencies responsible for implementing the counternarcotics strategy and budget;

- Encouraging private sector and State and local initiatives for drug prevention, treatment, and control;

- Designating High Intensity Drug Trafficking Areas (HIDTA) and providing overall policy guidance and oversight for the award and management of resources to Federal, State and local law enforcement partnerships in these areas; and

- Operating a Counterdrug Technology Assessment Center (CTAC) to serve as the central counter-drug enforcement and demand reduction research and development center for the Federal government.

- Develop a Performance Measuring Effectiveness system that assesses the effectiveness of the *National Drug Control Strategy* in achieving strategy goals and objectives.

- Directing Possible Staff and Budget Resource Transfers: May

request the transfer of department, agency or program drug personnel engaged in drug control activities, on temporary detail, to another department or agency or transfer up to three percent of the funds made available for *National Drug Control Strategy* programs and activities to another account within such agency or to another National Drug Control program agency with the concurrence of the head of each affected agency.

- Issuing Funds Control Notices: ONDCP may direct that all or part of an amount appropriated to the National Drug Control Program agency account be obligated by months, fiscal year quarters, or other time periods; and activities, functions, projects, or object classes.

Annual Strategy Report

- Each year the President shall submit a report on the progress of implementing the *Strategy*.

This report must include the following elements:

-- An Assessment of Current Drug Use: ONDCP is required to assess the current levels of drug use, including estimates of drug prevalence and frequency of use as measured by national, State, and local surveys of illicit drug use and by other special studies of high-risk populations (including school dropouts, the homeless and transient, arrestee, parolees, and probationers, and juvenile delinquents); drug use in the work-place and the productivity lost by such use.

-- An Assessment of the Reductions in Drug Availability: ONDCP must include in each *Strategy* an assessment of the reduction of drug availability against an ascertained baseline, as measured by the quantities of cocaine, heroin, and marijuana available for consumption in the United States; the amount of marijuana, cocaine, heroin; and precursor chemicals entering the United States; the number of hectares of marijuana, poppy and coca cultivated and destroyed; the number of metric tons of marijuana, heroin, cocaine and methamphetamine seized; the number of cocaine and methamphetamine processing labs destroyed; changes in the price and purity of heroin and cocaine; changes in the price of methamphetamine; changes in the tetrahydrocannabinol level of marijuana; the amount and type of controlled substances diverted from legitimate

retail and wholesale sources; and the effectiveness of Federal technology programs at improving drug detection capabilities in interdiction, and at United States ports of entry.

-- An Assessment of Changes in Drug Use Consequences: ONDCP must include in each *Strategy* an assessment of the reduction of the consequences of drug use and availability, which must encompass ONDCP's estimation of burdens drug users placed on hospital emergency rooms in the United States, such as the quantity of drug-related services provided; the annual national health care costs of drug use, including costs associated with people becoming infected with the human immunodeficiency virus and other infectious diseases as a result of drug use; the extent of drug-related crime and criminal activity; and the contribution of drugs to the underground economy, as measured by the retail value of drugs sold in the United States.

-- An Assessment of Drug Treatment Capacity: ONDCP is required to include in each *Strategy* an assessment of the status of drug treatment in the United States, by assessing public and private treatment capacity within each State, including information on the treatment capacity available in relation to the capacity actually used; the extent, within each State, to which treatment is available; the number of drug user the Director estimates could benefit from treatment; the specific factors that restrict the availability of treatment services to those seeking it, along with proposed administrative or legislative remedies to make treatment available to those individuals.

NATIONAL DRUG CONTROL STRATEGY: The 1998 Office of National Drug Control Policy Reauthorization Act, requires that the annual *National Drug Control Strategy* be submitted to Congress by February 1, 1999, and include:

- Comprehensive, research-based, long-range quantifiable goals for reducing drug abuse and the consequences of drug abuse in the United States;

- The Director shall determine quantifiable and measurable objectives and specific targets that may be achieved annually under the *National Drug Control Strategy;*

- A review of International, state, local, and private sector

drug control activities to ensure that the United States pursues well-coordinated and effective drug control policies at all levels of government;

- Five-year projections for program and budget priorities and achievable projections for reducing drug availability and use.

The law requires that preparation of the *National Drug Control Strategy* involve consultation with members of Congress, representatives of Federal departments and agencies, State and local officials, and private citizens throughout the nation with expertise in supply reduction and demand reduction. In accordance with the law, ONDCP is to report to Congress persons consulted in the formulation of the *Strategy*.

REQUIREMENT FOR NATIONAL DRUG STRATEGY BUDGET

The *National Drug Control Strategy* is intended to present the President's proposed plan of action for Federal drug control efforts. By law, the *Strategy* includes a proposed Federal drug control budget to implement the President's *National Drug Control Strategy* and sets forth 5-year projections for program and budget priorities.

Budget certification is the process by which ONDCP reviews and shapes an agency's drug control budget proposal as statutorily required. ONDCP is required to determine the adequacy of an agency's drug budget to implement the objectives of the *National Drug Control Strategy*. Certification affects the formulation of agency budgets which are incorporated into the President's proposed budget to Congress each year and does not apply to appropriations.

A budget is certified as adequate if it implements the strategy objectives, as defined in the *National Drug Control Strategy*. The Administration's program and agency budgets must be in accord with that *Strategy*. Further, the budget must reflect the budget priorities identified in the *Strategy*, priorities that agencies are directed to consider in developing new programs. Finally, a budget must reflect the ONDCP Director's program and budget priorities, which are defined in ONDCP's annual program and budget planning guidance letters to the drug control agencies.

With regard to budget certification:

If the Director concludes that a budget request submitted under paragraph (1) is inadequate, in whole or in part, to implement

the objectives of the National Drug Control Strategy with respect to the department, agency, or program at issue for the year for which the request is submitted, the Director shall submit to the head of the applicable National Drug Control Program agency a written description of funding levels and specific initiatives that would, in the determination of the Director, make the request adequate to implement those objectives.

If the Director concludes that a budget request submitted under paragraph (1) is adequate, in whole or in part, to implement the objectives of the National Drug Control Strategy with respect to the department, agency, or program at issue for the year for which the request is submitted, the Director shall submit to the head of the applicable National Drug Control Program agency a written statement confirming the adequacy of the request.

The budget process begins early in the Spring when ONDCP issues budget guidance for the budget year and the four planning years. This initial budget guidance is based on the National Drug Control Strategy and the specific outcomes identified in the Strategy's Performance Measures of Effectiveness System and provides the framework for Federal drug control agencies to use in constructing their Summer and Fall budget submissions.

By July 1st of each year, ONDCP is required to develop specific program guidance that are consistent with the priorities of the President under the Strategy. Each Federal drug control agency uses the recommendation to develop their drug control budget submissions and the recommendations apply to the next budget year scheduled for formulation and each of the subsequent fiscal years. Specific program guidance forms the basis for Summer and Fall budget certifications. Ultimately, ONDCP will receive feedback in the form of performance measures which will affect future program guidance to the agencies (as discussed below).

The budget oversight process results in the development of a consolidated National Drug Control Budget for presentation to the President and Congress. Also, ONDCP supports drug control agencies' drug budget submissions during the Congressional review process.

ONDCP will determine the success of its budget oversight function using the following measurement criteria:

- comprehensive and coordinated budget guidance issued by July 1st of each fiscal year;
- timely and comprehensive Summer and Fall budget

certifications, which provide sufficient detail and structure to allow agency and OMB budget officials to both be aware of, and carefully consider, ONDCP's funding priorities over the 5-year budget planning period; and

- publication of a consolidated National Drug Control Budget to be issued concurrent with the *National Drug Control Strategy*.

PERFORMANCE MEASURES OF EFFECTIVENESS (PME)

ONDCP is required annually to report on the assessment of the Federal effectiveness in achieving the Strategy goals and objectives using the performance measurement system (PME) developed by ONDCP. The PME establishes clear outcomes for reducing drug use nationwide during the next five years by linking the PME system to all agency drug control programs and budgets receiving funds scored as drug control agency funding.

Five year budget planning serves to directly support the PME process. From the broad goals and objectives stated in the *National Drug Control Strategy*, ONDCP develops and disseminates to the Federal drug control agencies guidance on program changes for the next five years necessary to support the *Strategy*. These changes might include adjustments in the scope of current programs or the development of new programs needed to address specific challenges. For example, these program changes might evolve from the findings of recent research on specific drug-related issues or from issues discussed at drug control conferences.

- This budget guidance provides specific information to the drug control agencies to further develop the concept and estimate personnel and dollar resource requirements. The agencies then make resource decisions on their various drug control and non-drug programs within available resource projections. After evaluating agency resource needs, ONDCP formulates drug budget recommendations for the next five-year period. The President makes final decisions on the budget that is ultimately transmitted to the Congress.

- Each year, the *National Drug Control Strategy*, in conjunction with feedback from performance measurement evaluations and the budget review process, will allow adjustments to be made to forecasted resourcing decisions based on new information, progress made in various programs, or changes in policy.

The societal costs of drug use are high. Over 14,000 Americans die each year from drug related causes; over $110 billion in social, medical and health costs are incurred. Our ability to develop effective programs today will help us to decrease for the next generation the problem of drug use. By making up-front investments to implement the *Strategy's* five goals, the savings to the Nation from reduced social and medical costs and the subsequent return on human potential will vastly outstrip the budgetary outlays of the long-term strategy. As social and medical costs are mitigated over time, and as drug abuse in our Nation goes down we anticipate that total drug control spending may level off and even drop in the out years of the *Strategy*.

($ in thousands)	FY 2000 Request	FY 2001 Planning	FY 2002 Planning	FY 2003 Planning	FY 2004 Planning
Salaries & Expenses:					
Operations	$21,933	$22,639	$23,368	$24,121	$24,897
CTAC	$19,000	$55,500	$64,000	$72,000	$80,000
Policy Research & National Alliance for Model State Drug Laws	$2,200	$2,200	$2,200	$2,200	$2,200
Subtotal, Salaries & Expenses	**$43,133**	**$80,339**	**$89,568**	**$98,321**	**$107,097**
Special Forfeiture Fund:					
Media Campaign	$195,000	$195,000	$195,000	$195,000	$195,000
Drug Free Communities	$22,000	$40,000	$43,500	$43,500	$43,500
Federal Drug Systems	$3,300	$10,000	$5,000	$0	$0
Director's Discretionary	$5,000	$10,000	$10,000	$10,000	$10,000
Subtotal, Special Forfeiture Fund	**$225,300**	**$255,000**	**$253,500**	**$248,500**	**$248,500**
HIDTAs:					
Baseline	$183,977	$183,977	$183,977	$183,977	$183,977
Auditing Services	$1,800	$1,800	$1,800	$1,800	$1,800
Subtotal, HIDTAs	**$185,777**	**$185,777**	**$185,777**	**$185,777**	**$185,777**
Total, ONDCP Request	**$454,210**	**$521,116**	**$528,845**	**$532,598**	**$541,374**

III. SALARIES AND EXPENSES
($ in thousands)

A. Program Overview

($ in thousands)	FY 1998 1/	FY 1999 1/	FY 2000 Request
Salaries & Expenses:			
Operations	$18,016	$19,142	$21,933
Counter-drug Technology Assessment Center (CTAC)	$29,000	$29,000	$19,000
National Alliance for Model State Drug Laws	$1,200	$1,000	$1,000
Policy Research	$1,000	$1,100	$1,200
Total, Salaries & Expenses	**$49,216**	**$50,242**	**$43,133**
Staffing (FTE)	**124**	**124**	**128**

1/ Includes the Violent Crime Reduction Trust Funds, for CTAC and the National Alliance for Model State Drug Laws.

Accomplishments:

ONDCP brings needed organization to this vitally important effort of reducing drug use and its damaging consequences by: streamlining the counterdrug effort; developing a comprehensive national drug policy through consultations with leaders across the nation; keeping the Congress and the American people informed of the nature and extent of the drug problem and the effectiveness of the *National Drug Control Strategy*; building support for U.S. international drug control programs; and participating in conferences and meetings. The national coordination effort by ONDCP involves the executive and legislative branches and more than 50 agencies and departments in the federal government, and incorporates an extensive national effort that is ongoing in state and local governments, public interest groups, and private sectors.

1. Streamlining the Counterdrug Effort.

a. Implementing the Performance Measures of Effectiveness System. The national Performance Measures of Effectiveness (PME) System, the first comprehensive measurement system to assess the effectiveness of the *National Drug Control Strategy* (NDCS), was introduced in FY 98. In consultation with Interagency groups, ONDCP resolved numerous technical issues to devise a system that was fair to the agencies involved while supporting the outcome-oriented focus of the *National Drug Control Strategy*. Interagency working groups comprised of subject-area experts designed a cross-cutting system that identified 94 targets and associated measures for the 5 goals and 32 objectives of the NDCS. ONDCP has now entered the implementation phase. In the 1998 phase, 21 working groups developed logic models, action plans, and glide paths for annual targets, and resolved data issues associated with measuring progress toward achieving targets. Of the 94 targets, 28 require development of new data bases, including the development of a comprehensive interagency drug flow model currently being developed under ONDCP leadership. The PME report will be published with the 1999 *Strategy*.

b. National Youth Anti-Drug Media Campaign. The President and ONDCP Director launched the National Youth Anti-Drug Media Campaign on July 9, after six months of testing in 12 cities. The campaign is a now comprehensive public health education initiative involving extensive partnerships with the media, entertainment industry, non profit organizations, government and the private sector. The campaign uses a six pronged integrated social marketing campaign that uses advertisements, initiatives with the entertainment industry, partnerships with major organizations serving youth and parents, an interactive initiative, public education and media outreach, and corporate involvement. Carefully tailored ads based on specific strategies that target specific audiences and age groups are being run in television and radio, magazines, newspapers, outdoor billboards, in-school cable television, on the Internet, and other venues. Messages target two groups - parents and youth aged 9-18. They focus on "denormalizing drug use," generating social disapproval, showing negative consequences, and the importance of parents being involved on this issue with their children. The campaign require a 100% "match" in public service efforts from media where public funds are used to buy time and space. So far, this strategy has generated a 109% match, with the donated public service time being shared with non profit organizations and government agencies with other drug-related messages. The entertainment industry has been particularly supportive with more than 30 new television shows incorporating drug--prevention

themes or scenes in the first seven months of the campaign. The campaign is the government's largest minority and ethnic outreach effort. Key partners include the Partnership for a Drug Free America, the Ad Council, the American Advertising Federation, the Community Anti-Drug Coalitions of America, and the National Association of State Alcohol and Drug Abuse Directors.

c. Drug Free Communities Act. With assistance from the Office of Juvenile Justice and Delinquency Prevention at the Department of Justice and the Center for Substance Abuse Prevention at the Department of Health and Human Services, ONDCP implemented the Drug Free Communities grant program. In 1998, grants were awarded to 93 community anti-drug coalitions in 46 states, and the Presidential Advisory Commission on Drug-Free Communities was convened to advise the Director on program policy. In addition, a training and technical assistance meeting was held for all new grantees.

d. High Intensity Drug Trafficking Area (HIDTA). By the end of FY 1998, 21 HIDTA's were designated and nine other areas have indicated a desire to participate in the HIDTA Program. Funding, however, is not available to include all of the areas that may request designation as a future HIDTA. ONDCP is improving the methodology for determining those areas of the country with the greatest need for inclusion in the HIDTA program.

e. Preventing Drug Trafficking Across the Southwest Border. The Director hosted Southwest Border inter-agency working group meetings with cabinet-level participation, which emphasized the need for a single, integrated plan with cooperation for all participants. The development of a five-year plan would include high-tech non-intrusive inspection technologies (e.g. x-rays, Automatic Targeting Systems) and fencing to halt the flow of drugs from the Mexican border into the US. The development of this plan would strengthen the Southwest Border by enhancing drug detection and interdiction capabilities of law enforcement and by strengthening governmental relationships with Mexico.

f. Technological Advances. ONDCP's Counterdrug Technology Assessment Center supported Presidential vision with a strategic plan to enhance drug detection capabilities at the Southwest Border, while improving the flow of legal commerce, and further providing recommendations for an advanced technology development and deployment strategy along the Southwest Border.

2. Developing a Comprehensive National Drug Policy Through Consultations with Leaders Across the Nation. The perspectives and suggestions of national leaders in both the public and private sectors were enormously helpful in the development of the *1998 National Drug Control Strategy*. Within the executive branch of the federal government, every cabinet officer and all drug control departments and agencies participated in the development of strategic goals and objectives and in the formulation of supporting budgets, initiatives, and programs. Input for the Strategy was solicited from every Member of Congress. At the state and local levels, ONDCP solicited input from each state governor, along with those from American Samoa, Puerto Rico, and the U.S. Virgin Islands, and from the mayors of every city of 100,000 or more people. Views from public officials overseeing Federal, state, and local prevention, education, treatment, law enforcement, correctional, and interdiction activities were also solicited. Suggestions were also solicited and received from: representatives of the more than 4,300 community anti-drug coalitions; chambers of commerce; editorial boards; non-governmental organizations; professional organizations; religious institutions; and private citizens.

3. Keeping the Congress Informed. Various issues were covered in drug-related Congressional hearings in 1998 including the role of interdiction; medical marijuana; U.S./Mexico counterdrug cooperation and efforts to support the Government of Mexico to reduce drug production and drug trafficking; the *1998 National Drug Control Strategy*; the National Youth Anti-Drug Media Campaign; drug trafficking on the Southwest Border; and ONDCP reauthorization. ONDCP also joined many Members of Congress in their states and districts to learn more about the drug problem at the community level and to seek solutions.

4. Keeping the American People Informed. ONDCP has initiated numerous activities directed at informing the public about the *National Drug Control Strategy* and drug control program resources. Specifically, ONDCP:

- Produces periodically the *Directory and Resource Guide of Public- and Private-Sector Drug Control Grants*. The Directory helps individuals and organizations at the State, local, and community levels gain access to a wide range of drug-related funding support. The Directory serves as a roadmap to connect people with resources and to assist them in negotiating the often complex maze of drug control programming and grant requirements.

- Operates a free clearinghouse service (1-800-666-3332) that is staffed by drug policy information specialists who provide drug-related data, perform customized bibliographic searches, advise requesters on data availability, refer requesters to other possible sources of information, and maintain a public reading room.

- Maintains an Internet homepage (www.whitehousedrugpolicy.gov) that provides up-to-date information about ONDCP and drug policy issues, including prevention and education, treatment, science and medicine, law enforcement, and drug facts and figures. A variety of reports are posted on the homepage, including the Director's speeches and congressional testimony and ONDCP policy research studies. The homepage also contains a special section for Kids and Teens, the National Youth Anti-Drug Media Campaign, and the Drug-Free Communities program.

5. Building Support for U.S. International Drug Control Programs. ONDCP briefed leaders from key drug production and trafficking nations on the international components of the *National Drug Control Strategy*. Support for U.S. drug control efforts was also developed among important international and multilateral organizations such as the United Nations Drug Control Program, the Association of Southeast Asian States, the European Union, the Organization of American States. ONDCP also sought to inform international non-governmental organizations such as the International Commission of the Red Cross and the Washington Office on Latin America about U.S. drug control efforts.

a. Bilateral cooperation with Mexico. ONDCP believes that the success of efforts to control drug trafficking depends on improved coordination and cooperation between Mexico and the United States drug law enforcement agencies and other institutions responsible for activities against production, traffic, and abuse of illegal drugs, particularly in the common border area. The High Level Contact Group (HLCG) on Drug Control (begun in March 1996) provides a mechanism for developing an effective binational counterdrug strategy. The HLCG's mission is to develop cooperative policy at the highest level and combine resources against drug criminal organizations. The *U.S./Mexico Bi-National Drug Threat Assessment* and the *U.S./Mexico Binational Counterdrug Strategy* are products of improving bilateral relations and increased understanding and cooperation at all levels. ONDCP, with bi-partisan support, continued meetings to organize the legislative and public information strategies regarding certification of Mexico, including creation of a high

level contact group to establish benchmarks for requiring certification.

b. Organization of American States (OAS). With senior level representation from OAS, working groups stressed multilateral cooperation within the narcotics component of the Inter-American Drug Abuse Control Commission, thus creating Hemispheric Alliance Against Drugs which included a new multilateral evaluation mechanism.

c. United Nations General Assembly Special Session on the World Drug Problem (UNGASS). ONDCP Director and other cabinet principals joined together to support the President's presentation to the special session; participated in an amplifying press conference at the UN; and conducted bilateral and multilateral meetings with foreign delegations on the world drug problem.

6. Conferences and Meetings. ONDCP briefed participants in numerous gatherings of organizations such as the National Governors' Association, the Conference of Mayors, the National Association for the Advancement of Colored People, the American Medical Association, the American Bar Association, Boys and Girls Club of America, D.A.R.E., PRIDE, National Families in Action, and the National Association of Police Officers. Additionally, ONDCP convened or participated in the following conferences and meetings to promote greater coordination of international, federal, state, local, and private anti-drug efforts:

a. U. S. Conference on Mayors. In 1998, 200 mayors assembled in Washington, D.C. to discuss issues involving drug abuse and youth crime.

b. U.S. Mexico Bi-National Demand Reduction Conference. In March 1998 in El Paso, Texas, 350 representatives from the United States and Mexico demand reduction programs met to forge an action agenda to increase collaboration between the countries. Researchers, public education experts, treatment and prevention specialists combined expertise in this first time event. This conference supported the recently issued *US/Mexico Bi-National Drug Strategy*. Alliance Point 1 of this document states the following: "Reduce the demand for illicit drugs through the intensification of anti-drug information and educational efforts, particularly those directed at young people, and through rehabilitative programs." Conferees explored new and innovative ways to achieve that goal.

c. Treatment and Criminal Justice System Conference. In March 1998, approximately 175 experts gathered to discuss treatment options of the drug offender population. The Attorney General and the Secretary of the Health and Human Services presented keynote addresses.

d. Summit of the Americas. Director McCaffrey joined President Clinton and other Cabinet Members in April, 1998 for the Second Summit of the Americas in Santiago, Chile. The Director supported President Clinton at Summit sessions on narcotics, met with key Chilean officials, and held 10 separate bilateral meetings with key leaders from Latin America, including Presidents, Foreign Ministers, Defense Ministers, and Drug Czars. In preparation for the Summit, ONDCP worked with the State Department and other U.S. agencies over the course of six months to negotiate drug-related language that the Presidents' could agree to at the Summit. During the Santiago Summit session on narcotics, the Presidents' approved the language and agreed to create a Hemispheric Alliance Against Drugs, to include a Multilateral Evaluation Mechanism, and to enhance counterdrug cooperation on host of supply and demand reduction issues.

e. Organization of American States (OAS). In November, 1997, Director McCaffrey proposed to the 22nd Regular Session of the OAS Inter-American Drug Abuse Control Commission (CICAD) in Lima that western hemisphere nations dramatically increase cooperative counterdrug efforts, including the creation of a multilateral monitoring mechanism. A report highlighting options for multilateral drug control evaluation, drafted by State Department and published by ONDCP, was distributed at the Lima CICAD meeting. OAS/CICAD has begun the work of creating the Multilateral Evaluation Mechanism (MEM). The MEM will be a singular and objective process to monitor the progress of individual and collective efforts in the western hemisphere and of all the countries participating in the Summit in dealing with the diverse manifestations of the drug problem. Meetings will occur every three months until the MEM is formally established. Delegates have agreed to principles, objectives and characteristics of the MEM and scheduled the next meeting for October in Honduras. The overall goal is to have the mechanism up and running prior to the Third Summit of the Americas in Ottawa, Canada.

f. Attacking Sources of Cocaine Supply. ONDCP continues to oversee implementation of the cocaine source country strategy. Director McCaffrey and senior ONDCP staff have met repeatedly with Colombian, Peruvian, and Bolivian officials, both in Washington and in South America in order to coordinate

counterdrug policies and programs. ONDCP has worked through the National Security Council interagency process to support Peru and Bolivia as they seek to sharply reduce their illicit coca production. Thanks in part to U.S. support, both Peru and Bolivia have made significant progress over the past year. Peru's air bridge denial program has helped keep coca prices low and led to a remarkable 40% reduction in coca production over last two years. Bolivia's 5% reduction in area under coca cultivation and 7% reduction in leaf production is a good down payment on their pledge to eliminate coca production over five years. In all, U.S. supported programs contributed to a 15% reduction in potential cocaine production last year.

g. Counterdrug Assistance to Colombia: ONDCP was instrumental in negotiating the End-Use-Monitoring Agreement (EUM) signed between Colombia and the U.S. (August 7, 1997) on the provision of counterdrug assistance to the Colombian military. Embassy Bogota had tried unsuccessfully for more than 9 months to come to an agreement with the Colombian Ministry of Defense when Director McCaffrey made the decision to bring the negotiations to Washington. ONDCP legal staff worked with State/Legal and an attorney from the Colombian Embassy to hammer out the agreement. This agreement has allowed critical counterdrug assistance to be provided to the Colombian Air Force, Navy, and Army in compliance with U.S. law.

ONDCP participated in the composition of the Strategic Alliance Against Drugs signed between Venezuela and the USG in October 1997 during the President's visit to Caracas. (Director McCaffrey also accompanied the President on that visit.) This document lays the basis for cooperation on a broad range of counterdrug efforts including money laundering, demand reduction, maritime interdiction, and precursor chemical controls.

h. Optimizing Interdiction Resources. ONDCP has been working through the interagency process to improve the interdiction force structure. ONDCP asked the United States Interdiction Coordinator (USIC) to provide an interagency approved Five Year Transit Zone Asset Requirements Study and a similar Source Zone Quick Look Study. ONDCP has taken the lead in an interagency effort to meld the recommendations of these studies into a synthesized set of asset requirements to produce a right-sized, flexible force which is less costly and more efficient than the sum of the parts.

I. Counterdrug Intelligence Architecture Review. ONDCP continues to lead an interagency effort that responds to the 1998 Treasury and General Government Appropriations Act; this act

directed ONDCP to submit to the appropriate congressional committees a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal government. The White House Task Force on the Coordination of Counterdrug Intelligence Centers and Activities completed its review of the drug community intelligence capabilities and requirements. As a follow-on, the ONDCP/Special Action Office is producing an interagency action plan. The plan is being prepared for presidential signature and submission to Congress in 1999.

j. Collaborating with the Media and Entertainment Industries. Youth, perhaps even more than the public at large, are affected by the icons of our society. ONDCP met with leaders in the entertainment industry to discuss how the national drug prevention effort might be supported by the creative talents of the broadcast, film, and music industries.

k. CTAC Technology Conferences. ONDCP/CTAC sponsored a series of three one-day regional workshops which were held in Phoenix, Arizona, Richmond, Virginia, and Bedford, New Hampshire where state and local law enforcement organizations were briefed on the latest developments in counterdrug technology.

These accomplishments show that ONDCP plays a critical role in the national drug control effort. ONDCP remains confident that drug use, drug availability and the consequences can be substantially reduced through a sustained and coordinated effort. ONDCP are committed to the task of developing and sustaining a cooperative anti-drug effort that involves all branches and departments of the federal government and incorporates extensive initiatives that ongoing in our states, cities, more than 4,300 communities, and private organizations.

B. Appropriations Language

Salaries and Expenses

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to Title I of Public Law 100-690; not to exceed [$8,000] $20,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement; [$48,042,000] $43,133,000 of which [$30,100,000] $21,200,000 shall remain available until expended, consisting of [$1,100,000] $2,200,000 for policy research and evaluation, *of which $100,000 supports the evaluation of the Drug Free Communities Act of 1997 and $1,000,000 for the National Alliance for Model State Drug Laws,* and $16,000,000 for the Counter-Drug Technology Assessment Center for counter-narcotics research and development projects, and [$13,000,000] $3,000,000 for the continues operation of the technology transfer program: *Provided,* That the $16 million for the Counter-Drug Technology Assessment Center shall be available for transfer to other Federal departments or agencies: *Provided further,* That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office. (Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)

[For an additional amount for "Salaries and Expenses", $1,200,000: *Provided,* That the entire amount shall available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further,* That none of the funds provided under this heading may be obligated until fifteen days after notice thereof has been transmitted to the Committees on Appropriations.] (Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, Division B, Title V, chapter 5.)

C. Salaries & Expenses FY 2000 Budget Request

NARRATIVE OVERVIEW -- OPERATIONS

The Fiscal Year 2000 budget request for Salaries & Expenses is $43,133,000 and 128 FTE. The requested resources reflect a decrease of $7,109,000 in funding below the FY 1999 enacted budget. The request consists of resources to fund and support 128 FTE ($21,933,000), CTAC ($19,000,000), Policy Research ($1,200,000), and the National Alliance for Model State Drug Laws ($1,000,000).

Funds for the HIDTA program and the SFF are reflected as Other Independent Agencies, Federal Drug Control Programs. ONDCP is responsible for policy guidance and oversight in both of these program areas. Information about the HIDTA and SFF programs are discussed in separate sections below.

Budget Initiatives

1. **ONDCP Operations:** The request for FY 2000 includes resources to support 158 positions (128 FTE and 30 detailees) to allow ONDCP to grow with the expanding requirements of the agency (i.e., HIDTA program, the Drug Free Communities Act, and the Youth Anti-Drug Media Campaign) to meet its statutory responsibilities. This level of staff will enable ONDCP to effectively assess and respond to the drug threat facing the nation. ONDCP will be able to monitor agency implementation of the *National Drug Control Strategy* programs, and improve interagency coordination. Additionally, ONDCP will be able to carry out the Congressional mandate to evaluate and identify programs that work. A key priority is to closely examine the issue of drug treatment and prevention program effectiveness, with the goal of identifying those programs which are effective and why. ONDCP will closely monitor the end-game components of the international and interdiction programs as well. Properly funded, ONDCP can be the catalyst to make the sum of unified counterdrug efforts greater than the individual parts.

In Salaries & Expenses (operations), ONDCP is requesting increased funding for several initiatives that will improve operational capabilities within the organization.

Personal Services - An additional $250,000 is requested to support 4 FTE in two component areas of ONDCP.

OMB raised a question this past fiscal year concerning the HIDTA program rapidly approaching a saturation point where the number of HIDTA's will grow beyond ONDCP's capacity to manage them effectively. The **HIDTA** program has grown approximately 400% from 5 HIDTAs in 1993 to 21 in 1998. In order to effectively manage the program, staffing is required to increase by 2 FTE for a total of 4 FTE. The two new Policy Analysts are required to develop and provide oversight over HIDTA policies such as technology standardization, intelligence sharing, and best practices of task forces. These analysts are critical for governmental oversight for this geographically diverse and complex program for Federal, state, and local agencies.

Two of the FTE are needed to support a new component within ONDCP, the **Financial Management Office.** This newly created office provides budget and financial guidance for the agency. The positions requested reflect the need for administrative assistance and budgetary support for the Media Campaign and the Drug Free Communities Program.

Over the past two years, thanks to Congressionally-mandated programs for ONDCP, the staff and budget has more than doubled. That increase brought to the forefront the need for a strong, centralized financial management function. In December 1997 the Financial Management Office (FMO) was created. Staffed with a newly created position of Director, several budget/financial analysts, already providing respective component areas with financial management, were reassigned. Since FMO's creation, funding for all projects once again increased, providing an additional workload to each analyst which far exceeded previous workloads. This does not include the additional workloads created by the Youth Anti-Drug Media Campaign funding, Drug Free Communities Act funding, Violent Crime Reduction Trust funding, establishment of additional HIDTA offices, and technology transfer funding for CTAC, all of which more than doubled ONDCP's total budget. Those analysts, already having heavy workloads, assumed even greater financial responsibility.

At a time when the public and Congress scrutinize the activities of government, just doing a job is not acceptable, performing a better job is mandatory. Two additional employees in the Financial Management Office would not only balance a heavy workload, but enable existing employees to perform all aspects of their job, to include sound financial management analysis.

Outreach and Oversight - ONDCP requests $700,000 to fund outreach and oversight efforts in various regions of the country and

internationally with officials from other countries. This will allow the agency to meet, as required by law, with international, national, state and local officials to discuss drug issues which will affect the *National Drug Control Strategy*. For example, conferences will include HIDTA, National Drug Summit, Four Regional Conferences, Three Multi-National Conferences, Three National Conferences, Regional workshops and a Municipal Drug Strategy sessions.

Representation Allowance - A total of $20,000 is requested for the Director's representation allowance. This funding will allow the Director to sponsor focus groups; discuss the latest thinking among public interest organizations, special interest groups, and noted experts on a range of topics (e.g., prevention, treatment, law enforcement, interdiction, and performance measures); host U.S./Mexico Bi-national Demand Reduction events; host periodic advisory research and evaluation committee (medical, science and technology, and data) technical briefings; host Mexican High Level Contact Group functions (breakfast, luncheon, dinner) when held in the United States; and allow for the purchase of gifts and mementos for presentation during foreign travel.

Drugs and Crime Clearinghouse - In the 1998 Office of National Drug Control Policy Reauthorization Act, Public Law 105-277, Congress directed the establishment of a National Clearinghouse to maintain and update a comprehensive and timely data base on all criminal justice aspects of the drug crisis and to disseminate such information. Working in close coordination with the National Institute of Justice, ONDCP goes beyond simply satisfying the intent of the law to provide an invaluable service to concerned citizens and functional elements involved in drug reduction activities. ONDCP is requesting sufficient resources to continue operations of the Clearinghouse; to properly maintain a database of National Drug Control Strategy program and budget information; to translate the Strategy and other key policy and information documents into Spanish, French, and German; operate a telephone hotline and telephone response capability; provide electronic access to documents, data, and reports; and prepare special reports for ONDCP and other entities. The Clearinghouse also maintains mailing lists; prepares and maintains special stakeholder lists; supports and participates in selected drug-control related conferences; stores and maintains ONDCP publications; provides needed mailing and dissemination services; operates a cost recovery program; and prepares special awareness and information items (e.g., alert sheets, bumper stickers, fax on demand sheets.)

This funding also provides for the further expansion of efforts

such as the further evolution and expansion of the ONDCP "super homepage;" supporting projects that allow a special focus on youth; translation services for other key languages; and expanded conference support, including materials and displays. ONDCP's "super homepage" (www.whitehousedrugpolicy.gov) provides up-to-date information about ONDCP, about drug policy and drug control issues (including prevention and education, science and medicine, enforcement, interdiction, and drug facts and figures). This "super homepage" also contains special information sections for young children, teenagers, parents; information about the Media Campaign and the Drug Free Communities Program; and will contain other special sections as the needs are identified. The level of funding requested allows for future development as the use of this service increases and becomes more important to the timely flow of accurate information. This additional request of $800,000 for clearinghouse services in FY 2000 will allow ONDCP full funding for the clearinghouse.

2. CTAC Research and Development and Technology Transfer Program

The Counterdrug Technology Assessment Center (CTAC) was authorized within the Office of National Drug Control Policy in 1991 (Public Law 101-510) to serve as the central counterdrug enforcement research and development organization of the U.S. Government with the following responsibilities:

- identify and define the short, medium, and long-term scientific and technological needs of federal, state, and local drug enforcement agencies, including advanced surveillance, tracking, and radar imaging; electronic support measures; communications; data fusion, advanced computer systems and artificial intelligence; and chemical, biological, radiological (including neutron, electron, and gravitation) and other means of detection;

- in consultation with the National Institute on Drug Abuse, and through interagency agreements or grants, examine addiction and rehabilitation research and the application of technology to expanding the effectiveness or availability of drug treatment;

- make a priority ranking of such needs according to fiscal and technological feasibility, as part of a National Counter-Drug Enforcement Research and Development (R&D) Strategy;

- oversee and coordinate counter-drug technology initiatives with related activities of other federal, civilian, and

military departments; and

- under the general authority of the Director of National Drug Control Policy, submit requests to Congress for the reprogramming or transfer of funds appropriated for counter-drug enforcement research and development.

The CTAC R&D program consists of three essential elements that support both the ten-year plan and the five goals of the National Drug Control Strategy:

- R&D projects to support the development of Federal law enforcement and drug abuse treatment technology,
- technical assessments and operational test and evaluation of emerging drug detection and tactical counterdrug technology for field transition, and,
- beginning in 1998, a program to transfer Federal counterdrug technology directly to state and local law enforcement organizations.

Supporting activities include a variety of regional one-day workshops, technical symposia, and ad hoc studies to promote the exchange of relevant information throughout the scientific and technical community. These outreach activities serve to reduce unnecessary duplication of effort and provide the mechanism for CTAC to oversee and coordinate counterdrug technology initiatives with related activities of other federal, civilian and military departments. This oversight and coordination effort extends to include developments in the industrial, academic and federal laboratory sectors, as well.

CTAC organized its R&D program according to five technology categories or areas of work:

- nonintrusive inspection technology development,
- tactical technology development for federal agencies,
- demand reduction technology,
- technical assessments and operational test and evaluation of emerging technology, and
- transfer of federally developed technology directly to state and local law enforcement organizations.

The national laboratories, private industry and academic institutions are the sources for the expertise needed for technology development efforts and have performed the research within the R&D Program. Standard and centralized test and

evaluation activities performed under CTAC sponsorship are used by the law enforcement community to validate expected system performance in the field and assist in rapid transfer of successful technology to the end-users.

CTAC Total Request ($in thousands)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Technology Development (R&D)	16,000	16,000	16,000	17,500	19,000	20,000	20,000
Technology Transfer Program	13,000	13,000	3,000	38,000	45,000	52,000	60,000
Total Budget Request	29,000	29,000	19,000	55,500	64,000	72,000	80,000

Category: Nonintrusive Inspection

CTAC Nonintrusive Inspection	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
($in thousands)	2,975	3,000	2,500	3,000	3,000	3,500	3,500

Nonintrusive inspection technologies and advanced automated targeting systems are being developed in conjunction with Customs and Coast Guard to improve inspection of cargo and conveyances at our ports of entry. CTAC plans to continue working jointly with U.S. Customs Service to develop and deploy the best mix of technologies for the Southwest border and our ports-of-entry. Analytical support will continue to study the system alternatives for a long-range plan which capitalizes on emerging advancements in technology (including gamma and neutron based inspection systems).

CTAC also plans to continue the Narcotics Detection Technology Assessment project for determining the performance limitations of off-the-shelf, commercially available drug detection equipment. The project includes representatives from Customs, Coast Guard, Drug Enforcement Administration, Federal Bureau of Investigation, and Federal Aviation Administration.

Category: Tactical Technologies

CTAC Tactical Technologies	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Federal R&D ($in thousands)	3,100	3,000	2,500	3,000	3,000	3,500	3,500

This initiative strengthens Federal law enforcement capabilities to combat drug-related violence, disrupt criminal organizations, and arrest and prosecute the leaders of illegal drug syndicates through the development of advanced technology tools. The tactical technologies effort supports development of advanced techniques and concepts for drug detection, detection and monitoring of clandestine methamphetamine labs, surveillance, tracking, and communications technologies for daily operations. These technologies are also candidates for transfer to state and local law enforcement organizations with similar requirements.

Category: Demand Reduction

CTAC Demand Reduction	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
($in thousands)	4,711	5,000	7,500	8,000	9,000	9,000	9,000

The FY 2000 demand reduction program will support continued expansion of advanced neuroimaging research facilities and training of research teams who are devoted to studies of drug abuse and therapeutic medications. The technology will provide neuro-imaging research equipment suites and facilities with the best positron emission tomography (PET), functional nuclear magnetic resonance (fNMR) imaging, brain scan image processing and interpretation, and other noninvasive brain imaging techniques. The nation's leading university research centers (Massachusetts General in collaboration with Harvard Medical School, University of Pennsylvania, and Emory University) have been selected as sites for the use of advanced imaging technology for drug abuse treatment research. In conjunction with NIDA, CTAC is deploying educational tools and structure for research scientists to study and discover new drug treatment modalities and therapies. A set of radio isotopes specifically designed to improve PET brain scanning capabilities applicable to drug abuse also will be developed under this initiative. The FY 2000 program will support continuing successful demand reduction programs in youth/first time offender diversion, expansion of the analytical capabilities of the National Evaluation of Substance Abuse Treatment (NESAT) computer network, and therapeutic treatments for cocaine addiction.

Category: Testbeds, outreach and technical support

CTAC Testbeds and technical support	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
($in thousands)	5,214	5,000	3,500	3,500	4,000	4,000	4,000

This CTAC program element provides testbeds, instrumentation and engineering support to perform testing of prototype systems in operational environments. All CTAC-sponsored tactical and Non Intrusive Inspection (NII) technologies will be tested and evaluated in realistic operationally law enforcement testbeds. Federally-sponsored tactical and NII technologies qualified as mature by the T&E testbed program will be made available to state and local law enforcement through the technology transfer program.

CTAC also sponsors international technical symposia, and leadership conferences and workshops to gather the latest developments in prevention, treatment and counterdrug law enforcement technology for world-class research scientists and user experts to discuss the advancing state-of-the-art. Regional one-day workshops are also conducted to match the technical requirements and needs of state and local organizations for counterdrug technologies available from the transfer program.

Category: Technology transfer to state and local organizations

CTAC Technology Transfer	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
State and Local ($in thousands)	13,000	13,000	3,000	38,000	45,000	52,000	60,000

This initiative strengthens local law enforcement's efforts to combat drug-related violence, disrupt criminal organizations, and arrest and prosecute the leaders of illegal drug syndicates. The initiative continues the program initiated in FY 1998 to transfer advanced counterdrug technology directly to state and local law enforcement agencies. Technology projects and procedures for applying for a project available to transfer are listed in a Technology Transfer Fact Sheets Brochure which is updated periodically. As tactical and NII technologies for daily operations support are successfully tested in the Testbed program, these technologies will become systems to be included in the transfer program

By the end of FY 1998, the Congressionally directed technology transfer program had requests from state and local law enforcement agencies totaling over $28 million. The FY 1999 technology transfer program will be applied to satisfy these requests. It is anticipated that during FY 99 the CTAC's Outreach program will result in a large number of additional requests for the advanced drug crime operations support

technology in the transfer program.

3. ONDCP Policy Research: ONDCP is requesting $1,200,000 for policy research in FY 2000, an increase of $100,000 over FY 1999. This increase is primarily to provide funding for evaluations to be conducted in support of ONDCP's Performance Measures of Effectiveness (PME) system. ONDCP conducts policy research to develop and assess drug policy, identify and detail changing trends in the supply of and demand for illegal drugs, monitor trends in drug use and identify emerging drug problems, assess program effectiveness, and improve the sources of data and information about the drug situation. In addition, this increase will enable ONDCP to undertake a study of hard-core drug use markets to determine how the drug supply and demand of those markets can be manipulated to reduce drug abuse and drug trafficking.

Funding for policy research has supported analyses such that result in the following publications: the Pulse Check, the Grants Directory, the Gallup - Consultation with America Poll, the Technical Paper: What America's Users Spend on Illegal Drugs, and the Chicago Study of Hardcore Drug Users. In addition, these funds support data analyses such as the estimation of the nation's only drug price series for illicit drugs.

ONDCP's policy research program must grow to accommodate additional requirements posed by the PME system and to expand research into new areas. The PME system requires that ONDCP "undertake in depth examinations of casual factors" that contribute to outcomes. This includes program evaluations to understand relationships between inputs, outputs, and outcomes. This increase in funding for policy research would also enable ONDCP to expand its policy research agenda to include topics such as: expansion of the Pulse Check to include more regions of the nation; Southwest Border-related evaluations; secondary analyses of the life history data collected from the Chicago study to learn more about use, crime, and treatment episodes in the addicts drug career; a study of local hardcore drug use markets to learn more about how those markets can be manipulated to reduce drug abuse and drug trafficking; completion of the deterrence study; and continuation of the RAND project to review the drug budget methodologies of the drug control agencies. These funds will support a wide range of policy research areas, such as:

- **Drug-Flow Modeling.** ONDCP is currently leading an interagency process to estimate the flow of drugs, from source country to distribution in the United States. The

four drugs of interest are cocaine, heroin, marijuana, and methamphetamine. No single agency provides the data for the entire process, rather many agencies have key pieces. For example, the CIA's Crime and Narcotics Center provides data on potential cultivation, the Coast Guard and DOD provided data on events and seizures in the transit zone, and Customs provide data on seizures at ports of entry. We are working with the relevant agency staff to review their data, improve their estimates, and fit their data into the overall model. The resulting estimates will be used to measure progress in achieving several of the targets in the Performance Measures of Effectiveness system of the Strategy.

- **Price of Illicit Drugs.** This yearly project generates quarterly and annual illicit drug prices and purities for the United States and selected cities. Results of the project are used to monitor market trends and support other research projects related to the illicit drug market. Statistical models based on data from the DEA are used to estimate typical prices for standardized purchases of heroin, cocaine, and marijuana. The paper includes price trends for these standardized purchases over time.

- **Deterrence Study.** The purpose of this study is to develop a reliable functional relationship between the allocation and application of interdiction resources and the deterrence of illegal drug smuggling. The analysis is principally confined to deterrence associated with interdiction operations against all routes and modalities of illegal drug smuggling in the Source, Transit, and Arrival Zones. It addresses domestic U.S. disruption activities only to the extent that these activities affect interdiction operations or suggest changes in smuggling routes likely to alter the flow of drugs in the Source, Transit, and Arrival Zones. The first half of the study was supported with FY 1998 funds from ONDCP, the Coast Guard, and Customs.

- **Gallup - Consultation with America Survey.** This project is a follow up of a similar survey conducted by the Gallup Organization for ONDCP two years ago as part of ONDCP's Strategy consultation process. The survey asks respondents their attitudes and perceptions regarding a number of drug-related issues, including their perception of the importance of the problem relative to other national issues. The information obtained from the survey will be useful to the development of the National Drug Control Strategy and as a measurement source for several PME targets.

- **PME Support.** ONDCP's PME system is the first Federal accountability system to assess a single Government program across agencies. Currently the Strategy contains 5 goals supported by 32 objectives. The PME system contains 94 impact and performance targets to assess progress over 10 years (through 2007) in achieving the Strategy's goals and objectives. As the PME system is built and implemented, ONDCP will begin to evaluate Federal drug control programs. These evaluations will be conducted as part of the policy research program.

- **Score Federal Drug Budgets.** The Federal drug control budget is actually comprised of the portions of agency budgets that are determined to be (i.e., scored) drug-related. More than 50 Federal agencies contribute to the National Drug Control Strategy budget. The missions of very few of these agencies are totally drug-related. The Critical Technologies Institute of Rand is conducting a study for ONDCP on how the budgets of Federal agencies are scored as drug-related. Up to six departments/agencies (Veterans Affairs, the Substance Abuse and Mental Health Services Administration, the Coast Guard, the Immigration and Naturalization Service, Customs, and the Federal Bureau of Investigation) will be studied.

- **Federal Grant Directory.** The Directory produced every 2-3 years assists state and local governments, community coalitions, researchers, and others in identifying and applying for Federal grants by cataloging Federal programs that award drug-related grants. It also provides information on how to identify and contact private foundations that also may provide valuable resources in the field. The third edition of the Directory is currently being prepared.

- **Pulse Check.** This twice-yearly report provides details on current drug use and emerging trends based on qualitative information from the police, ethnographers, and epidemiologists working in the field, and providers of drug treatment services across the country. The report contains separate sections on marijuana, cocaine, and heroin markets and patterns of use.

- **Technical Paper: What America's Users Spend on Illegal Drugs.** The report is prepared once every two years and estimates the amount of drugs available in the United States and how much Americans spend to purchase them. The report focuses on the retail sales value of cocaine, heroin,

marijuana, and other illegal drugs. It currently provides ONDCP's estimates of the size of the hardcore user population.

4. National Alliance for Model State Drug Laws: The National Alliance for Model State Drug Laws (Alliance) encourages States to adopt and implement model laws, policies, and regulations to reduce drug use and its adverse consequences. The Alliance's success in promoting model laws among the States has prompted interest in assessing outcomes associated with such laws. The FY 2000 request funds the Alliances' administrative costs of $1,000,000.

5. Gifts and Donations: The FY 1990 appropriation for Salaries and Expenses established a Gift Fund (GF) for ONDCP. The GF is a trust fund into which all private gifts and donations made to ONDCP for the purpose of aiding or facilitating the work of the Office are deposited. In FY 1998, the Gift Fund was used in support of a Criminal Justice Treatment in Prisons Conference. As of September 30, 1998 the Gift Fund balance was $49,146.72.

D. SUMMARY TABLES OF PROGRAM AND FINANCING

SALARIES AND EXPENSES
($ in thousands)

		FY 1998 1/	FY 1999	FY 2000 Request
	Program by activities:			
00.01	Salaries & Expenses	$18,016	$19,142	$21,933
00.01	CTAC and Policy Research	$31,200	$31,100	$21,200
10.00	**Total Obligations**	**$49,216**	**$50,242**	**$43,133**
	Financing:			
21.40	Unobligated Balance Available, Start of Year			
24.40	Unobligated Balance Available, End of Year			
25.00	Unobligated Balance Expiring			
25.00	Unobligated Balance Rescinded/Transferred			
39.00	Budget Authority	$49,216	$50,242	$43,133
	Budget Authority:			
40.00	Appropriation	$49,216	$50,242	$43,133
41.00	Transferred to Other Accounts			
42.00	Transferred from Other Account			
43.00	Appropriation (adjusted)	$49,216	$50,242	$43,133
	Relation of Obligations to Outlay:			
71.00	Obligations Incurred, Net	$49,216	$50,242	$43,133
72.40	Obligated Balance, Start of Year			
74.40	Obligated Balance, End of Year			
90.00	Operations Outlays			
90.00	Total Outlays			

1/ Includes Violent Crime Reduction Trust Funds.

(SUMMARY TABLES OF PROGRAM AND FINANCING, Con't)

GIFTS AND DONATIONS

		FY 1998	FY 1999	FY 2000 Request
	Program by Activities:			
10.00	Total Obligations	$274		
	Financing:			
21.40	Unobligated Balance Available, Start of Year	$323	$49	
24.40	Unobligated Balance Available, End of Year	$49		
60.00	Budget Authority (Appropriation) (Permanent/Indefinite)			
	Relation of Obligations to Outlays:			
71.00	Obligations Incurred, Net	$274		
72.40	Obligated Balance, Start of Year			
74.40	Obligated Balance, End of Year			
89.40	Budget Authority (net)			
90.00	Outlays (net)			

E. SUMMARY TABLES OF PERSONNEL

PERSONNEL	FY 1998	FY 1999	FY 2000 Request
Total Number of Appropriated Full-Time Permanent Positions	124	124	128
Total Compensable Workyears:			
Full-Time Equivalent Employment	110	124	128
Full-Time Equivalent of Overtime and Holiday Hours	1	1	1

F. DETAIL OF PERMANENT POSITIONS

Permanent Positions	**FY 1998**	**FY 1999**	**FY 2000 Request**
EX 1	1	1	1
EX 2	0	1	1
EX 3	1	3	3
EX 4	1	0	0
SES	13	15	15
GS/15	24	24	24
GS/14	22	22	22
GS/13	8	9	11
GS-12	5	12	13
GS-11	4	4	4
GS-10	3	3	3
GS-9	12	13	14
GS-8	8	8	8
GS-7	6	7	7
GS-6	0	0	0
GS-5	1	1	1
GS-4	1	1	1
Undetermined		0	0
Total Filled Permanent Positions at Year-End	**110**	**124**	**128**
Unfilled Positions	14	0	0
Total Appropriated Permanent Positions	124	124	128

* In the re-authorization language for ONDCP, The Deputy Director, ONDCP will be recommended as an Executive Level II position. The Associate Director, Bureau of State and Local Affairs currently an Executive Level IV position will be elevated to Deputy Director, Bureau of State and Local Affairs, Executive Level III.

G. SUMMARY TABLES OF BUDGET AUTHORITY BY OBJECT CLASS ($ in thousands)

	Salaries and Expenses Operations	**FY 1998 1/**	**FY 1999**	**FY 2000 Request**
	Personnel Compensation:			
11.1	Full-Time Permanent	$7,664	$8,478	$9,279
11.3	Other than Full-Time Permanent	$50	$56	$59
11.5	Other Personnel Compensation	$182	$162	$169
11.8	Special Personal Services Payments	$250	$250	$261
11.9	Total Personnel Compensation	$8,146	$8,946	$9,768
12.1	Civilian Personnel Benefits	$1,782	$1,943	$2,199
12.3	Benefits for Former Personnel	$9	$11	$11
	Total Comp. & Benefits	**$9,937**	**$10,900**	**$11,978**
21.0	Travel & Transportation of Persons	$600	$700	$721
22.0	Transportation of Things	$37	$34	$34
23.1	Rental Payments to GSA	$1,965	$2,170	$2,202
23.3	Comm., Util., & Misc. Charges	$364	$369	$380
24.0	Printing & Reproduction	$448	$452	$466
25.2	Other Services (including research contracts)	$5,145	$4,218	$5,845
26.4	Representation Funds	$8	$20	$20
26.0	Supplies & Materials	$220	$199	$205
31.0	Equipment	$291	$80	$82
99.0	**Total Obligations**	**$19,015**	**$19,142**	**$21,933**

1/ The Other Services object class includes a transfer of $999,173 from the SFF for the National Research Council Study in FY 1998.

SALARIES AND EXPENSES (NO-YEAR) - RESEARCH AND DEVELOPMENT

		FY 1998 1/	FY 1999 1/	FY 2000 Request
25.0	Counter-Drug Technology Assessment	$29,000	$29,000	$19,000
40.04	National Alliance for Model State Drug Laws	$1,200	$1,000	$1,000
40.05	Policy Research	$1,000	$1,100	$1,200
99.0	**Total Budget Authority**	**$31,200**	**$31,100**	**$21,200**

1/ Includes Violent Crime Reduction Trust Funds and Balanced Budget and Emergency Deficit Control Act of 1985.

(SUMMARY TABLES OF BUDGET AUTHORITY BY OBJECT CLASS, Con't)
($ in thousands)

	GIFTS AND DONATIONS	FY 1998	FY 1999	FY 2000 Request
	Personnel Compensation:			
11.1	Full-Time Permanent			
11.3	Other than Full-Time Permanent			
11.5	Other Personnel Comp.			
11.8	Special Personal Services Payments			
11.9	Total Personnel Compensation	$0	$0	$0
12.1	Civilian Personnel Benefits			
	Total Comp. & Benefits	**$0**	**$0**	**$0**
21.0	Travel & Transportation of Persons			
22.0	Transportation of Things			
23.1	Rental Payments to GSA			
23.3	Comm., Util., & Misc. Charges			
24.0	Printing & Reproduction			
25.0	Other Services	$274		
26.0	Supplies & Materials			
31.0	Equipment			
99.0	**Total Obligations**	**$274**	**$0**	**$0**

H. EXPLANATION OF CHANGES BY OBJECT CLASS
($ in thousands)

Personnel Compensation & Benefits	FY 1999	FY 2000 Request	Net Change
	$10,900	$11,978	$1,078

Funds in this object class provide full-year salaries and benefits for 128 FTE, temporary employees, consultants, overtime pay, and holiday pay.

Travel and Transportation	FY 1999	FY 2000 Request	Net Change
	$700	$720	$20

The requested funds will cover the full-year cost of travel for additional ONDCP staff, including invitational travel.

Transportation of Things	FY 1999	FY 2000 Request	Net Change
	$34	$34	$0

This object class includes express mail, UPS, and miscellaneous mover expenses. The change is the increased cost for movers due to staff increases.

Rental payments to GSA (SLUC)	FY 1999	FY 2000 Request	Net Change
	$2,170	$2,202	$32

This amount reflects the full year cost of office space at rates established by the General Services Administration for office space in the Washington, D.C. central business district.

Communications, Utilities, and Miscellaneous Charges	FY 1999	FY 2000 Request	Net Change
	$369	$380	$11

This amount will fund telephone and telecommunications cost, postage, and ADP equipment.

H. EXPLANATION OF CHANGES BY OBJECT CLASS (CONT.)
($ in thousands)

Printing and Reproduction	FY 1999	FY 2000 Request	Net Change
	$452	$467	$15

This amount will provide for basic printing needs and for the publication (as required by law) of the *National Drug Control Strategy*, the Consolidated National Drug Control Budget, and legislatively mandated studies and commission reports.

Other Services	FY 1999	FY 2000 Request	Net Change
	$4,218	$5,845	$1,627

This amount will fund a wide variety of contract services including ADP software development, equipment maintenance contracts, facilities contract to operate ONDCP's telecommunications center, personnel training, Director's protection, and contract building security services. Additionally, included in this amount is $700,000 in support of conferences and $800,000 to fully fund the clearinghouse.

Supplies and Materials	FY 1999	FY 2000 Request	Net Change
	$219	$225	$6

These funds will pay for the estimated full-year cost of acquiring supplies, materials, and publications for ONDCP.

Equipment	FY 1999	FY 2000 Request	Net Change
	$80	$82	$2

This amount will provide a basic level for the purchase of required office equipment (including replacement equipment), such as Personal Computer Systems, ADP equipment and secure communications equipment.

Total All Object Classes	FY 1999	FY 2000 Request	Net Change
	$19,142	$21,933	$2,791

IV. SPECIAL FORFEITURE FUND

A. Program Overview

The Assets Forfeiture Amendments Act of 1988, as amended, established the Special Forfeiture Fund (SFF) in order to provide ONDCP with supplementary resources for critical, unanticipated counter-narcotic programs.

In FY 1999, the Congress appropriated $216,500,000 for the Special Forfeiture Fund (including Violent Crime Reduction Trust Funds). The money was utilized as follows:

a) $185,000,000 for a National Media Campaign for the second year of a five-year media campaign to target young people on the dangers of drug use.

b) $20,000,000 to support matching grants to drug-free communities as authorized in the Drug-Free Communities Act of 1997.

c) $5,000,000 for the Chronic Users study.

d) $4,500,000 was transferred to the Agriculture Research Service for anti-drug research and related matters.

e) $2,000,000 for the National Drug Court Institute.

B. APPROPRIATION LANGUAGE

FUNDS APPROPRIATED TO THE PRESIDENT

SPECIAL FORFEITURE FUND

Federal Funds

General and Special Funds:

Special Forfeiture Fund
(Including transfer of funds)

For activities to support a national anti-drug campaign for youth and other purposes, authorized by Public Law 100-690, as amended, [$214,500,000] $225,300,000, to remain available until expended: *Provided,* That such funds may be transferred to other Federal departments and agencies to carry out such activities: *Provided further,* That of the funds provided, [$185,000,000] $195,000,000 shall be to support a national media campaign to reduce and prevent drug use among young Americans: [*Provided further,* That none of the funds provided for the support of a national media campaign may be obligated for the following purposes: to supplant current anti-drug community based coalitions; to supplant current pro bono public service time donated by national and local broadcasting networks; for partisan political purposes; or to fund media campaigns that feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of Title 5, Code of Federal Regulations, section 213, absent advance notice to the Committees on Appropriations and the Senate Judiciary Committee: *Provided further,* That (1) ONDCP will require a pro bono match commitment up-front as part of its media buy from each and every seller of ad time and space, (2) ONDCP, or any agent acting on its behalf, may not obligate any funds for the creative development of advertisements from for-profit organizations, not including out-of-pocket production costs and talent re-use payments, unless (A) the advertisements are intended to reach a minority, ethnic or other special audience that cannot be obtained on a pro bono basis within the time frames required by ONDCP's advertising and buying agencies, and (B) ONDCP receives prior approval from the Committees on Appropriations, (3) ONDCP

will submit within three months of enactment of this Act an implementation plan to the Committees on Appropriations to secure corporate sponsorship equaling 40 percent of the appropriated amount in fiscal year 1999, the definition of which is a contribution that is not received as a result of leveraging funds to receive said sponsorship equaling 60 percent of the appropriated amount in fiscal year 2000, corporate sponsorship equaling 80 percent of the appropriated amount in fiscal year 2001, corporate sponsorship equaling 100 percent of the appropriated amount in fiscal year 2002, (4) the funds provided for the support of a national media campaign may be used to fund the purchase of media time and space, talent re-use payments, out-of-pocket advertising production costs, testing and evaluation of advertising, evaluation of the effectiveness of the media campaign, the negotiated fees for the winning bidder on the request for proposal recently issued by ONDCP, partnership with community, civic, and professional groups, and government organizations related to the media campaign, entertainment industry collaborations to fashion anti-drug messages in movies, television programming, and popular music, interactive (Internet and new) media projects/activities, public information (News Media Outreach), and corporate sponsorship/participation, (5) ONDCP shall not obligate funds provided for the national media campaign for fiscal year 1999 until ONDCP has submitted the evaluation and results of Phase I of the campaign to the Committees on Appropriations, and may obligate not more than 75 percent of these funds until ONDCP has submitted the evaluation and results of Phase II of the campaign to the Committees on Appropriations, and (6) ONDCP is required to report to the Committees on Appropriations not only quarterly, but also to provide monthly itemized reports of all expenditures and obligations relating to the media campaign as well as the specific parameters of the national media campaign, and shall report to Congress within one year on the effectiveness of the national media campaign based upon the measurable outcomes provided to Congress previously: *Provided further,* That of the funds provided, $4,500,000 shall be available for transfer to the Agriculture Research Service for anti-drug research and related matters:] *Provided further,* That of the funds provided, [$20,000,000] $22,000,000 shall be to continue a program of matching grants to drug-free communities, as authorized in the Drug-Free Communities Act of 1997: *Provided further,* That of the funds provided, [$5,000,000] $8,300,000 shall be available [for the chronic users study] *at the discretion of the Director, Office of National Drug Control Policy, to use to enhance drug control activities and address emerging drug threats, consisting of at least $3,300,000 for enhancement of Federal data systems in support of the Performance Measures of Effectiveness System.*

(Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)

[For an additional amount to support the National Drug Court Institute, $2,000,000, to remain available until expended: *Provided,* That the entire amount shall be available for transfer to the National Drug Court Institute: *Provided, further,* That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further,* That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further,* That none of the funds provided under this heading may be obligated until fifteen days after notice thereof has been transmitted to the Committees on Appropriations.] (Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, Division B, Title V, chapter 5.)

C. FY 2000 BUDGET REQUEST

The FY 2000 budget request for the Special Forfeiture Fund is $225,300,000. In FY 2000, ONDCP is requesting $195,000,000 for the Media Campaign to support Goal 1 of the 1998 *National Drug Control Strategy*, which is to "educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco."

ONDCP will continue the initiative begun in FY 1998 that uses paid media messages to change youth attitudes about drug use and its consequences. Targeted, high impact, paid media ads -- at both the national and local levels -- are the most cost effective, quickest means of changing drug use behavior through changes in adolescent perceptions of the danger and social disapproval of drugs. It is also the most cost effective means of reaching baby-boomer parents who may be ambivalent about sending strong anti-drug messages to their children. Although public service messages (PSAs) are a substantial part of this campaign, it is impossible to reach the specific audiences at the times and with the frequencies that are required to move drug use attitudes with PSAs alone.

Media Campaign	FY 2000 Request	FY 2001 Planning	FY 2002 Planning	FY 2003 Planning	FY 2004 Planning
($in thousands)	$195,000	$195,000	$195,000	$195,000	$195,000

In FY 2000, ONDCP is requesting $22,000,000 to continue the Drug-Free Communities Program to support Goal 1 of the 1998 *National Drug Control Strategy*, which is to "educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco." This program would match grants to drug-free communities.

This program will serve as a catalyst for increased citizen participation in our efforts to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed funds to carry out their important missions.

Grants will be made to coalitions of representatives of youth, parents, businesses, the media, schools, youth organizations, law enforcement, religious or fraternal organizations, civic groups, health care professionals, State, local, or tribal government agencies, and other organizations. In carrying out the Program, the Director of ONDCP will: (1) make and track grants to grant recipients; (2) provide for technical assistance and training, data collection and dissemination of information on state-of-the-art practices that the Director determines to be effective in

reducing substance abuse; and, (3) provide for the general administration of the Program.

The ease of the application and reporting requirements will be a key feature of this program. An Advisory Commission on Drug-Free Communities has been established to advise, consult with, and make recommendations to the Director concerning activities carried out under the Program. The requirement for participating communities to match funding will help ensure local initiatives, support, and accountability.

Drug Free Communities Program	FY 2000 Request	FY 2001 Planning	FY 2002 Planning	FY 2003 Planning	FY 2004 Planning
($ in thousands)	$22,000	$40,000	$43,500	$43,500	$43,500

In FY 2000, ONDCP is requesting $3.3 million for the Federal Drug Related Data Systems. This past February, ONDCP issued its first annual report on the Performance Measures of Effectiveness (PME) system for the National Drug Control Strategy. The PME is the first Federal performance measurement system cutting across Departments and agencies on a single area. It contains 97 performance targets for the 5 goals and 31 objectives of the Strategy. We have conducted a gap analysis to determine the number of targets for which data need to be developed. ONDCP's Subcommittee on Data, Research, and Interagency Coordination will review existing Federal data systems, within the context of the gap analysis, to determine what additions/modifications can be made to existing data systems to provide the measures for the PME system.

The funding request will provide support for agencies to modify or add to their existing data systems. Some projects targeted include: deriving annual estimates of social costs (building on NIDA's/NIAAA's recent study); developing SAMHSA's National Treatment Outcome Monitoring Study; and developing estimates of drug availability. Funds will be transferred to agencies once a plan to redesign/modify/add to an existing data systems has been submitted to and approved by ONDCP. Outyear funding is required to support ONDCP's continual data development projects. Agencies will be required to provide continuation funding in the outyears through their own appropriations.

Federal Drug Related Data Systems	FY 2000 Request	FY 2001 Planning	FY 2002 Planning	FY 2003 Planning	FY 2004 Planning
($ in thousands)	$3,300	$10,000	$5,000	$0	$0

In FY 2000, ONDCP is requesting $5 million to be used at the discretion of the Director, ONDCP, to use to enhance drug control activities and address emerging drug threats.

Director's Discretionary	FY 2000 Request	FY 2001 Planning	FY 2002 Planning	FY 2003 Planning	FY 2004 Planning
($ in thousands)	$5,000	$10,000	$10,000	$10,000	$10,000

D. SUMMARY TABLES OF PERSONNEL

PERSONNEL

Personnel associated with the administration of Special Forfeiture Fund programs are funded from ONDCP's Salaries and Expenses account.

V. HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

A. Program Overview

The 1998 Office of National Drug Control Policy Reauthorization Act, Public Law 105-277, authorizes the Director, ONDCP to designate the most critical areas in the U.S. as High Intensity Drug Trafficking Areas (HIDTA)to reduce drug trafficking in the designated areas. Initial designations occurred in January 1990, in conjunction with the publication of the first *National Drug Control Strategy*.

In designating these areas, the Director, ONDCP considered certain criteria as required by law, including:

- The extent to which the area is a center of illegal drug production, manufacturing, importation, and distribution;
- The extent to which State and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem;
- The extent to which drug-related activities in the area are having a harmful impact in other areas of the country; and
- The extent to which a significant increase in the allocation of Federal resources is necessary to respond adequately to drug-related activities in the area.

Since January, 1990, counties in 21 areas have been designated as HIDTAs: New York; Los Angeles; Miami; Houston; and the Southwest Border (1990); Baltimore/Washington, DC; and Puerto Rico/U.S. Virgin Islands (in 1994); Chicago; Atlanta; Philadelphia/Camden (in 1995); the Gulf Coast (Alabama, Louisiana, and Mississippi); Lake County (Indiana); the Midwest (Iowa, Kansas, Missouri, Nebraska, and South Dakota--focused on methamphetamine); the Northwest (Washington Cascades); the Rocky Mountains (Colorado, Utah, and Wyoming)(in 1996); the San Francisco Bay Area and Southeastern Michigan (in 1997); Milwaukee, Appalachia, Central Florida, and North Texas (in 1998).

The HIDTAs have developed unique strategy-driven teamwork. Local, state, and Federal law enforcement agencies have invested in joint systems which horizontally integrate other drug control programs. The HIDTA's will be focused on specified near-term performance targets for FY 1998 and long-term performance targets

for FY 2002.

Each HIDTA coordinates its teamwork through participating local, state, and Federal officials who develop a joint threat assessment, a strategy which addresses the threat, initiatives which implement the strategy, and annual reports which reflect the impact on the threat.

Typically, a HIDTA includes:

- An Executive Committee which is composed of equal numbers of local/state and Federal officials. Executive Committee members alternate the chairmanship;
- A major collocated law enforcement task force (up to 300 members at one location) led by Federal agencies;
- Regional Federal, state, and local collocated law enforcement task forces led by State/local agencies; and
- A regional joint intelligence center and information sharing network with all task forces.

Each HIDTA attempts to horizontally integrate drug control programs which enables the HIDTA to maximize the use of resources available from a variety of agencies. It reduces unnecessary duplication, synchronizes diverse activities, and provides the focus for reducing drug trafficking.

High Intensity Drug Trafficking Areas
($ in thousands)

	FY 1998	FY 1999	FY 2000 Request
High Intensity Drug Trafficking Areas (HIDTA)	$162,007	$183,977	$185,777

Funds appropriated for the HIDTA program have been previously appropriated directly to ONDCP. Funding for the HIDTA program is reflected as Other Independent Agencies, Federal Drug Control Programs. However, program operation and control resides with the Director of ONDCP.

B. APPROPRIATION LANGUAGE
account #04-07-1070

FUNDS APPROPRIATED TO THE PRESIDENT

HIGH INTENSITY DRUG TRAFFICKING AREAS

Federal Funds

General and special funds:

HIDTAs Program
(Including Transfer of Funds)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Area Program, [$182,477,000] $185,777,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of enactment of this Act[: *Provided*, That funding shall be provided for existing High Intensity Drug Trafficking Areas at no less than the total fiscal year 1998 level consisting of funding from this account as well as the Violent Crime Reduction Trust Fund], and up to 49 percent may be transferred to Federal agencies and departments at a rate to be determined by the Director: *Provided*, That of this latter amount, $1,800,000 shall be used for auditing services. (Executive Office Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).)

C. FY 2000 BUDGET REQUEST

($ in thousands)

HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTAs)	FY 1998	FY 1999	FY 2000 Request
Federal Initiatives	$36,609	$35,217	$37,000
State and Local Support	$125,398	$148,760	$148,777
Total HIDTAs Funding	**$162,007**	**$183,977**	**$185,777**

HIDTAs Budget Request

In FY 2000 ONDCP is requesting a budget of $185,777,000 for the HIDTA Program. This funding level is $1,800,000 over the FY 1999 enacted level including the Violent Crime Reduction Trust Fund.

HIDTA Auditing Services ($1,800,000). Funds are required to retain independent auditors to perform financial and programmatic reviews of the HIDTAs. The future holds many challenges as we continue to ensure the financial and programmatic integrity of the HIDTAs. To maintain the public's trust in regard to the challenges, ONDCP must be able to utilize independent auditors to ensure that the policies, procedures, and systems that are in place foster efficiency and prevent any abusive practices.

HIDTA Administrative Support	FY 2000 Request	FY 2001 Planning	FY 2002 Planning	FY 2003 Planning	FY 2004 Planning
($ in thousands)	$1,800	$1,800	$1,800	$1,800	$1,800

D. SUMMARY TABLES OF PROGRAM AND FINANCING

($ in thousands)

	HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA)	**FY 1998**	**FY 1999**	**FY 2000 Request**
	Program by Activities:			
00.01	High Intensity Drug Trafficking Areas	$162,007	$183,977	$185,777
10.00	Total Obligations	$162,007	$183,977	$185,777
	Financing:			
21.40	Unobligated Balance Available, Start of Year			
22.00	Unobligated Transferred, Net	$162,007	$183,977	$185,777
24.40	Unobligated Balance Available, End of Year			
25.00	Unobligated Balance Expiring			
39.00	Budget Authority	$162,007	$183,977	$185,777
	Budget Authority:			
40.00	Appropriation	$162,007	$183,977	$185,777
41.00	Transferred to Other Accounts	($36,609)	($35,217)	($37,000)
43.00	Appropriation (adjusted)	$125,398	$148,760	$148,777

E. SUMMARY TABLES OF PERSONNEL

PERSONNEL

Personnel responsible for providing policy direction and oversight for the HIDTAs program, are funded from ONDCP's Salaries and Expenses account. ONDCP is requesting 2 additional FTE's for the HIDTA program.

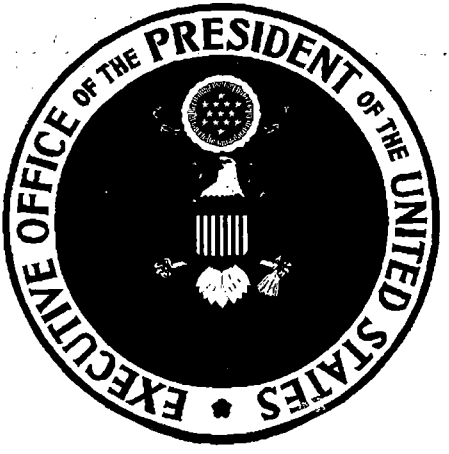
F. SUMMARY TABLES OF BUDGET AUTHORITY BY OBJECT CLASS

HIGH INTENSITY DRUG TRAFFICKING AREAS
($ in thousands)

		FY 1998	FY 1999	FY 2000 Request
25.0	High Intensity Drug Trafficking Areas -- Obligations	$125,398	$148,760	$148,777
99.0	Transfer to Federal Accounts	$36,609	$35,217	$37,000
99.0	Total Budget Authority	$162,007	$183,977	$185,777

Executive Office of the President

Office of National Drug Control Policy



FY 2000
Annual Performance Plan

Office of National Drug Control Policy: FY 2000 Annual Performance Plan

PREFACE

In accordance with GPRA requirements, this Annual Performance Plan accompanies the Office of National Drug Control Policy (ONDCP) budget request for FY 2000. This plan makes the connection between the long-term goals outlined in the ONDCP Strategic Plan and its day-to-day activities. The Performance Plan states what ONDCP proposes to accomplish during FY 2000 with the funds requested.

This Annual Plan has four sections: Sections I and II address ONDCP's Mission Statement and its Goals and Objectives -- identical to those in the National Drug Control Strategy. Section III lists the activities ONDCP undertakes toward these Goals, reflecting its unique role in the national drug control community. Section IV describes the linkages between ONDCP activities, the resources requested, the performance targets intended, and means of verification. Since ONDCP is a policy-coordination office, this section focuses on the four programs ONDCP administers.

Section I. MISSION STATEMENT

The Anti-Drug Abuse Act of 1988 (P.L. 100-690, as amended) established ONDCP and charged it with creating a drug-free America. The Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103-322) amended this mission by dropping the "drug-free" requirement and changed it to include reducing the illicit drug trade's consequences. The Office accomplishes its mission by setting national drug control priorities and objectives, which it reports annually in the *National Drug Control Strategy (NDCS)* submitted to Congress. It also prepares a consolidated federal drug control budget and coordinates *NDCS* implementation by all federal agencies responsible for drug control programs. In accordance with the 1994 Crime Control Act, ONDCP also provides budget guidance to federal drug control agencies and evaluates the effectiveness of their efforts. The 1998 ONDCP Reauthorization Act (PL 105-277) requires ONDCP to report to Congress each year on the Performance Measurement System that develops performance targets and measures for each Strategy Goal and Objective, identifies major programs and activities of drug control agencies that support the Strategy, monitors consistency between drug-related Goals and Objectives of the drug control agencies and the Strategy, coordinates development and implementation of data collection and reporting systems to support policy formulation and performance measurement, and revises performance targets and measures to conform with drug control budgets.

Section II. GOALS AND OBJECTIVES

By law, each *NDCS* must identify long-term Goals and measurable Objectives. The 1999 *NDCS* contains five Goals and thirty-one Objectives as a framework for all national drug control efforts. These Goals and Objectives provide guidance to all public and private sector agencies and organizations committed to reducing drug use and its consequences. The 31 Objectives allow for measurable progress and may be modified as counterdrug efforts succeed or new challenges emerge. To ensure long-term stability, the Goals must stay constant.

The five *NDCS* Goals cover the three elements of ONDCP's mission: reducing demand, availability, and consequences of illegal drugs. Goals One and Three (in part) address demand, Goals Four and Five deal with availability, and Goals Two and Three (in part) focus on consequences. Five major activity areas, described in Section III, constitute the means by which the agency seeks to accomplish these five Goals.

NDCS Goals, approved by the President, transmitted to Congress, and presented to the American people in February 1998, follow:

Goal 1. Educate and enable America's youth to reject illegal drugs, as well as alcohol and tobacco.
Goal 2. Increase the safety of America's citizens by substantially reducing drug related crime and violence.
Goal 3. Reduce health and social costs of illegal drug use.
Goal 4. Shield America's air, land, and sea frontiers from the drug threat.
Goal 5. Break foreign and domestic drug sources of supply.

The five Goals and 31 Objectives, contained in the 1999 *Performance Measures of Effectiveness: Implementation and Findings*, make up a comprehensive, balanced effort encompassing drug prevention, treatment, domestic law enforcement, interdiction, and international programs. The *NDCS* is a long-range plan that responds to the ever changing parameters of the drug threat. Appendix A lists the 1999 supporting Objectives by Goal.

Section III. MEANS FOR ACHIEVING GOALS AND OBJECTIVES

ONDCP undertakes five main activities, reflecting its unique contribution in the national drug control community, to achieve the five *NDCS* Goals:

- Develops the *NDCS*, refining it annually to reflect new threats and challenges;

- Oversees drug control programs in accordance with *NDCS* Goals and Objectives through leadership, policy direction, and consensus-building;

- Assesses progress toward achieving the Goals and Objectives;

- Reviews drug control agency budgets and annually develops a consolidated federal drug control budget; and

- Directs four major programs: High Intensity Drug Trafficking Areas (HIDTAs), the Counterdrug Technology Assessment Center (CTAC), the National Youth Anti-Drug Media Campaign, and the Drug-Free Communities Support Program.

These activities are described in detail in ONDCP's FY 1997-2002 GPRA Strategic Plan. The following section addresses, for each activity, the FY 2000 performance targets, its operational processes, and the means used to verify and validate target achievement.

Section IV. PERFORMANCE TARGETS, RESOURCES, ACTIVITIES, &VERIFICATION OF RESULTS

The primary measure of ONDCP's effectiveness is the extent to which *NDCS* Goals and Objectives are achieved. Early indications of progress towards accomplishing the Strategy's Goals are heartening. Overall drug use has leveled off, the incidence of crime has dropped, and the effort to construct a drug flow estimate has produced some promising evidence of progress toward reducing availability. ONDCP and its drug control agency partners designed a comprehensive system to assess the success of the National Drug Control Strategy. This system was described in *Performance Measures of Effectiveness: A System for Assessing the Performance of the National Drug Control Strategy* published with the 1998 *NDCS*. The 1999 Performance Measures of Effectiveness (PME) system, further described in Section C on ONDCP's measurement activities, includes 12 impact measures to assess the extent to which the five NDCS Goals are being met. In addition, the PME System identified 85 performance measures to gauge progress toward the 31 *NDCS* Objectives.

While this system is being implemented, we have additional measures, outlined in the following sections, for each of ONDCP's five activity areas:

A. National Drug Control Strategy

Since passage of the 1988 Anti-Drug Abuse Act, ten formal versions of the *NDCS* have been drafted, all of which defined reduction in demand for illegal drugs as a main focus of drug control efforts. In addition, the documents indicated the prevention of drug, alcohol, and tobacco use among youth as the most important goal. The various strategies confirmed that no single approach could rescue the nation from the cycle of drug abuse. A consensus was reached that drug prevention, education, and treatment must be

complemented by drug supply reduction abroad, on our borders, and within the United States. Each strategy also shared the commitment to maintain and enforce anti-drug laws. These strategies tied policy to an increasingly scientific, research-based body of knowledge.

In 1996, the *Strategy* established five major goals as the basis for a coherent, rational, long-term national effort. Subsequently, ONDCP solicited and received nationwide comments. Based on that input, the number of Objectives was increased from 23 to 32 and published in the 1997 *Strategy*. The 1998 *Strategy*, accompanied by the newly-designed PME system, was submitted to Congress in February 1998. The 1999 *Strategy*, based on an recommendations from the 1998 interagency review process, contains 31 Objectives.

The *Strategy*, guiding the national drug control community on how best to respond to changing drug threats, is the output for this activity. A second output is the Classified Annex to the *Strategy*, also submitted to Congress on an annual basis.

B. Coordination of NDCS Implementation

The creation of ONDCP was a timely response to the fragmentation and overlap of the federal government's drug control programs and budgets. ONDCP's "value-added" rests in its coordination of numerous drug control programs in order to make them function together in an integrated manner to achieve the *Strategy's* goals.

ONDCP's oversight responsibilities involve more than 50 federal agencies and departments as well as their state and local partner agencies. Coordinating and overseeing such a vast array of federal anti-drug policies and programs involves providing policy guidance to focus the varied activities of these agencies. Such coordination is integral to achieving the *NDCS* Goals and Objectives.

ONDCP's is undertaking coordination to include, but not limited to, the following forums and conferences:

- President's Council on Counter Narcotics
- Counter Narcotics Interagency Working Group (CN-IWG); monthly meetings supported by standing and ad-hoc working groups
- U.S./Mexico High-Level Contact Group on Drug Control; semiannual plenary meetings with ongoing, standing working groups (Law Enforcement Plenary, Demand Reduction, Chemical Control, Arms Control, and Interdiction)
- Supply Reduction Working Group (SRWG); weekly meeting
- Demand Reduction Working Group (DRWG); monthly meeting
- Caribbean Ministerial Meeting; annual meeting on drug control issues
- Caribbean Justice and Security Joint Committee; meets throughout the year to implement Action Plan from Barbados Summit, May 1997 (managed by DOS with

ONDCP assuming lead on selected issues)
- Annual Central America Ministerial Conference on Drug Control Issues
- Office of Demand Reduction Interagency Working Group (IWG) meetings -- U.S./Mexico Bilateral Demand Reduction Conference
- The President's Crime Prevention Council
- The Coordinating Council for Juvenile Justice and Delinquency Prevention
- The Interagency Narcotic Treatment Policy Review Board
- The Annual National Meeting on Coordination of Offender Substance Abuse Treatment Services
- Prevention Through Service Summit
- Interagency working group on media initiatives
- Caribbean Interdiction Working Group (CIWG) meeting approximately 10 times per year
- Southwest Border Conference (Meets annually)
- Multilateral Hemispheric Drug Control Conference (one meeting scheduled, more likely to follow)
- HIDTA conferences
- HIDTA Coordination Committee
- Counterdrug Intelligence Architecture Plan
- Outreach to Governors, Mayors, Non Governmental Organizations, and experts through conferences, correspondence, teleconferencing, and individual contact

ONDCP also provides guidance and coordination through the following reports:

- Interagency Assessment of Cocaine Movement (IACM); semiannual report, developed by ONDCP interagency team, updating routes and methods of worldwide cocaine smuggling
- National Heroin Action Plan; focuses interagency efforts against resurgence of heroin
- Southwest Border Initiative White Paper; identifies drug control problems associated with the SW Border: recommends solutions involving organization and management, information sharing, and technology enhancements
- Semiannual Pulse Checks
- What America's Users Spend on Illegal Drugs
- Price/Purity Report
- Federal Drug-Related Grant Directory
- Gallup Poll - Consult With America

These represent the output measures for this activity.

C. Assessing the Success of the NDCS

The PME system, unveiled to the public in February 1998, endowed the nation with its first government-wide accountability system in the area of drug policy. Over the past year,

the PME System has begun to provide indisputable, analytically-based evidence of the efficacy of the *Strategy*. While the 1999 PME report is an interim progress report on a system that will not be fully operational until February 2000, it represents encouraging proof of progress towards achievement of the *Strategy's* five Goals and thirty-one supporting Objectives. The PME System (Appendix A) was developed through an intensive interagency process involving five Steering Groups and 21 Working Groups and over 200 individuals. Participants included the Department of Defense, the Department of Education, the Department of Health and Human Services, the Department of Justice, the Department of State, and the Department of Treasury as well as the other drug control Departments and Agencies.

This system for evaluating national drug control efforts is designed to (1) assess the effectiveness of the *NDCS*; (2) provide the entire drug control community, including State and local governments, the private sector, and foreign governments with critical information on what needs to be done to refine policy and programmatic direction; and (3) assist with drug program budget management at all levels. The nucleus of the PME System consists of 12 Impact Targets that define desired outcomes or end states for the *NDCS*. The remaining 85 performance targets calibrate progress toward the *Strategy's* 31 Objectives.

In FY 1999, system implementation begun in FY 1998, will be fully underway. Working Groups have started drafting annual targets for the ten years from 1998 until 2007. The Working Groups determined that 37 performance targets are milestones and do not require quantitative databases. Of the 48 performance targets requiring quantitative databases, 8 can be measured with existing databases, 20 require either modifications to existing databases or development of new databases, and 20 can be measured with administrative records maintained by the agency implementing the associated program. ONDCP, through its Data Subcommittee, is working with data managers from all Federal agencies with a drug control function to develop or modify the required data systems.

A major task for FY 1999 will be to identify the details of data collection and management so that agencies can routinely submit data into ONDCP's Information Management System (IMS). The IMS, designed in FY 1998, is ready for actual data. In FY 1999, ONDCP commences the process of monitoring the Strategy's progress toward meeting the targets. This process will need considerable refinement as we collect information on drug control programs totaling 17.9 billion dollars (Emergency Supplemental funding provided by PL 105-277. These funds are in addition to each department's annual appropriation.) A data agenda will be developed by the interagency Data Committee to address data gap issues. Another focus will be the implementation of Performance Partnerships with states, Maryland and Oregon, being the first identified.

In FY 2000, the performance monitoring system will be refined as data inputs improve in quality. Trend data will be reported and preliminary identifications made of areas in need

of in-depth evaluation. New databases will result in new information for the IMS. Implementation plans will be refined as collaborative intergovernmental efforts come into play as we draw on experiences learned through our Performance Partnerships.

The IMS is a vehicle for data collection, data processing, and *Strategy* monitoring. Data provided by the working groups and other sources constitute the foundation of the IMS. The IMS, reflecting the underlying causal model linking *NDCS* Goals, Objectives, and targets, will provide a set of automated tools enabling ONDCP to analyze progress toward achieving the targets and conduct program evaluations with the working groups on an as-needed basis.

The PME report lists, for each measure, the Federal Agencies responsible for reporting performance to ONDCP. Additionally, "Supporting Federal Agencies" are listed after the "Reporting Agency" because they assist with data collection and assessment, or have programs that contribute to achieving the given target.

The first report on the effectiveness of national drug control efforts is reflected in the 1999 PME report. As mentioned earlier in this section, there is substantial evidence pointing towards progress that has been made towards meeting the NDCS Goals. This report will address the PME System implementation as well as provide a partial assessment based on data available in FY 1998. As additional data is entered, the reports will become more comprehensive and cover more *NDCS* Objectives. These annual progress reports published with the Strategy, represent outputs for this activity.

D. Budget Oversight

Under its budget oversight authority, ONDCP will continue to certify each drug control agency's budget. This process assesses whether each budget submission is adequate to implement *NDCS* Goals and Objectives. This certification process, based on comprehensive, coordinated budget guidance issued earlier in the year, will be sufficiently detailed to allow agency and OMB officials to be aware of ONDCP funding priorities over the 5-year budget planning period. The publication of a consolidated National Drug Control Budget, issued concurrently with the FY 2000 NDCS, will be the key annual output.

E. ONDCP-Directed Programs

1. HIDTA

HITDAs are regions whose drug trafficking problems have a critical adverse impact on the other parts of the country. When considering designating an area as a HIDTA, the ONDCP Director considers several criteria, including those listed below:

- The extent to which an area is a center of illegal drug production, manufacturing,

56-420 00 - 25

importation, or distribution;
- The extent to which State and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem;
- The extent to which drug-related activities in the area have a harmful impact on other areas of the country; and
- The extent to which a significant increase in allocation of Federal resources is necessary to respond adequately to drug-related activities in the area.

In designating these areas as HITDAs, ONDCP seeks to promote effective coordination of local, state, and federal drug law enforcement. The Executive Committee of each HIDTA, composed of 16 representatives from local, state, and federal agencies, reflects this intent.

Since January 1990, the Director has designated counties in the following 21 areas as HITDAs, each of which faces different threats and employs different strategies: New York/New Jersey, Los Angeles, Miami, Houston, the Southwest Border, Baltimore/Washington, Puerto Rico/U.S. Virgin Islands, Chicago, Atlanta, Philadelphia/Camden, the Rocky Mountains, the Gulf Coast, Lake County (IN), the Midwest, the Pacific Northwest, San Francisco Bay, Southeast Michigan, Central Florida, Kentucky/West Virginia/Tennessee, Milwaukee, and North Texas. Of the 21 HIDTA's, 7 were designated in 1997 and 4 were designated in 1998. Historically it takes one to one and a half years for a new HIDTA to collect regional data.

Performance Targets:

HIDTAs contribute to the accomplishment of *NDCS* Goal 2: "Increase the safety of America's citizens by substantially reducing drug-related crime and violence." Specifically, it falls under Objective 2: "Improve the ability of High Intensity Drug Trafficking Areas (HIDTAs) to counter drug trafficking."

National targets for 2002 and 2007 focus on compliance with HIDTA Development Standards, disrupting/dismantling targeted drug trafficking organizations, and reducing drug-related crime (listed on pages 113-119 of the PME report). The FY 2000 targets are as follows:

- (1) Each HIDTA will meet at least one additional step of the HIDTA Developmental Standards in at least one category (see Appendix B for Developmental Standards).
- (2) Each HIDTA will disrupt, dismantle, or render ineffective 5 percent of the targeted drug trafficking organizations identified in its threat assessment.
- (3) Each HIDTA will contribute to a 5 percent reduction in specified crimes (homicides, robberies, assaults, and crimes against property as reported by FBI UCRs).

TARGET	FY 1998 ACTUAL	FY 1999 ESTIMATED	FY 2000 PROPOSED
1. Standards	See note	1	1
2. Disrupt/dismantle	See note	5%	5%
3. Reduce crime	See note	5%	5%

NOTE:
- HIDTAS that have been designated prior to 1997 and reached an operational level of maturity as defined by ONDCP have been targeting (1) increasing developmental standards, (2) disrupting and dismantling drug trafficking organizations, and (3) reducing drug-related violent crime. However, documentation detailing individual HIDTA's progress in these areas has not been reported in a manner consistent with what is currently requested by OMB. The 1998 publication *Performance Measures of Effectiveness: A System for Assessing the Performance of the National Drug Control Strategy* has initiated the development of a Program Policy explaining the PME requirements, and a new mechanism to document the progression of the HIDTA's towards these three goals. A format is being designed for the FY 99 Annual HIDTA Report, which will require all HIDTAs to specifically report the results of the three targets. Additionally, a baseline for these data sets is also being developed and will be reported in mid-1999.

Resources and Processes:

These partnerships assess regional drug threats, design strategies to combat these threats, and develop initiatives to implement the strategies. They do this through the following processes:

- Institutionalizing teamwork through continuous joint planning and implementation,
- Promoting balanced partnerships of local, state, and federal law enforcement agencies,
- Coordinating resources for joint interdiction, intelligence, investigation, prosecution activities, and
- Reducing duplication and increasing synergy through collaboration and collocation of partnership members.

Resources are described in a later section.

Verification/Validation:

The HIDTA program will undertake the following efforts to verify target achievement.

- On-site reviews of each HIDTA's compliance with program guidance, fiscal

accountability, progress toward achieving performance targets,
- Annual reports detailing accomplishment of targets, and
- External evaluations

2. CTAC

Congress established the CTAC within ONDCP in 1990 to oversee and coordinate federal counterdrug enforcement research and development activities. Twenty-one federal law enforcement agencies with counterdrug missions participate in the national counterdrug enforcement research and development program. As the central counterdrug enforcement research and development organization of the federal government, CTAC is responsible for identifying and defining the short, medium, and long-term scientific and technological needs of the federal drug enforcement agencies. CTAC's efforts to identify needs and oversee development activity's concentrate on eliminating duplication of effort and identifying gaps in capability which may be filled by advancements in technology. CTAC published a ten-year counterdrug technology development plan for the drug control community in July 1998.

In 1993, CTAC's role expanded to include demand reduction activities: CTAC now works with the National Institute on Drug Abuse (NIDA) to examine addiction and rehabilitation research and to use technology to increase the effectiveness and availability of drug treatment. CTAC and NIDA scientists apply advancements in technology to understand the underlying causes of drug abuse and addiction, as well as their long-term effects in the human brain.

Performance Targets:

The effectiveness of any research and technology program is determined by the extent to which it increases the agency's impact upon the problems it sets out to resolve. CTAC's eventual effectiveness is determined, therefore, by the extent to which drug use, drug availability, and its consequences are reduced, as shown by the impact on the five NDCS Goals. The difficulty, of course, is to ascertain which part of the "success" is attributable to CTAC. This would require an expensive program evaluation, including the development of a logic-model identifying CTAC's role along with that of other agency programs participating in the achievement of the relevant targets. For instance, one would have to assess what part of the reduction in the availability of cocaine (Goal 5 target) would be attributable to CTAC.

The ONDCP PME System proposes to undertake this kind of evaluation primarily in situations where NDCS targets are not being met. In view of the cost incurred in such in-depth program evaluations, ONDCP proposes as CTAC's performance targets for FY 2000, the following outputs and intermediate outcomes:

- (1) Conducting three regional workshops and one major technology symposium ($1.2 million)
- (2) Developing and fielding five technology prototypes ($15.35 million). Specifics on these efforts are given in ONDCP official documents such as the Ten Year Counterdrug Technology and Development Road Map (July 1998).
- (3) Increase by 2%, the rate at which new systems are acquired by federal, state and local agencies ($2.45 million). Baseline data are contained in the Ten Year Counterdrug Technology and Development Road Map (July 1998).

TARGET	FY 1998 ACTUAL	FY 1999 ESTIMATED	FY 2000 PROPOSED
1. Workshops/ symposiums	3/1	3/1	3/1
2. 5 tech prototypes	5	5	5
3. Increase system acquisitions	Not Available	10%	2%

Resources and Processes:

The budget request for FY 2000 is segmented into the following five technology thrusts:
- Non-intrusive inspections ($2.5 million)
- Tactical technologies ($2.5 million)
- Demand reduction ($8.5 million)
- Technology test, evaluation, and support ($2.5 million)
- Transition of technology ($3 million)

Verification/Validation:

ONDCP plans to verify target achievement as follows:

- Assess existing technologies to measure their contribution to the effectiveness and efficiency of user agencies within the framework of the *NDCS*.
- Different goals and objectives of the national strategy including contributions to outreach conferences and workshops, coordination of Federal agency's programs, and individual system development efforts are addressed by the five technology thrusts. Technical assessments performed on existing systems and emerging technology prototypes will provide information to assist agency decision-makers on systems that can best contribute to operational effectiveness. The workshops and conferences will be used to disseminate technical information on advancements in the state-of-the-art. The extent to which new systems are acquired by Federal agencies (under the first three thrusts) and State and local agencies (under the fifth thrust) will be used to measure performance.

CTAC completed the Ten-Year Counterdrug Technology Plan and Development Road Map in July 1998 spelling out coordination and support for the counterdrug technology research programs of all federal drug control agencies. The following are examples of how CTAC is fulfilling its commitments toward meeting the requirements of the *NDCS*. System prototypes were developed in support of all five *NDCS* Goals. For Goal 1, a regional information network was deployed in Texas to link U.S. law enforcement agencies along the Texas/Mexican border through a high-speed, secure communications network. For Goal 2, prototype systems were developed for low cost communications interoperability and surveillance. For Goal 3, a brain imaging center was established in Brookhaven, New York in conjunction with the National Institute on Drug Abuse (NIDA) and the Department of Energy. For Goal 4, a Southwest Border Technology and Infrastructure Plan was completed in FY 1998, in conjunction with U.S. Customs Service and Immigration and Naturalization Service, to determine the requirements for technology and to derive the optimum mix of technologies for deployment along the Southwest border. For Goal 5, support was provided for technical assessments to determine the crop yield and processing efficiency for cocaine grown in the Andean region.

3. MEDIA CAMPAIGN

After 13-years of decline in youth substance abuse, ending in approximately 1992, youth are abusing drugs at an increasing rate. Between 1980 and 1992, drug use among youth declined 63 percent but has increased 71 percent since 1992. Meanwhile, anti-drug news and public service messages declined markedly since 1989, while messages normalizing illicit drug use have proliferated in music, television, the Internet, and other media.

The recent upsurge in pro-drug media messages requires anti-drug messages in response. Children must be made aware of the dangers of drug use. As the University of Michigan's Monitoring the Future Study (MTF) makes clear, there is a strong association between declining youth disapproval of illicit drug use and increasing youth drug use. Hence, the White House proposed in the FY 1998 budget, an anti-drug use media campaign to counter media messages/images portraying drug use as acceptable and to increase youth awareness of the high risks associated with illicit drug use.

A part of ONDCP's comprehensive strategy will be a paid media campaign, including prime-time television ads which convey the consequences of illicit drug use to youth and their parents. Unlike public service announcements, which rarely appear in prime-time slots, these paid spots will more effectively communicate the message by airing while youth and their parents are watching. While the message addresses youth, it also reaches baby-boomer parents who may be ambivalent about sending strong anti-drug messages to their youth. The media campaign will also include other media related, non-advertising components such as initiatives involving the entertainment industry, Internet, community partnerships, corporate sponsorships, and other vehicles for delivering messages to youth and the people who influence them.

As ONDCP negotiates media time slots, it expects to see a continued level of public service contributions from the media and corporate partners. While the paid campaign will be limited to messages about illicit drugs, the public service component may include a variety of drug-related issues, including mentoring and underage alcohol and tobacco use.

ONDCP's anti-drug youth media campaign strategy has been approved and a detailed campaign plan is being developed. Implementation of a nationwide media campaign began with the President and ONDCP Director launching national ads in July 1998, and a fully integrated campaign has begun early in 1999 with the award of contracts to the primary campaign vendors.

Performance Targets:

The Media Campaign contributes to Goal 1: "Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco." Specifically, it refers to Objective 2: "Pursue a vigorous advertising and public communications program dealing with the dangers of drug, alcohol, and tobacco use by youth." The eventual outcome for this program is an increase in youth perception of the risks of and youth disapproval of using illegal drugs, alcohol, and tobacco (as stated on pages 78-88 in the PME report).

FY 2000's request for $195 million supports the third year of the campaign's implementation. Outcomes such as changes in youth attitudes and opinion regarding drug use are not likely to be manifested until the program has been operational for at least two years. Although the campaign will not be fully operational until the prime contractors are on board, we will be able to develop internal process measures during FY 1999 when the contractors begin implementation of the campaign's integrated communication plan and a detailed schedule is approved. Therefore, performance targets for FY 2000 are limited to the following output and process measures:

- (1) Ensure exposure to anti-drug advertisements' averages four times per week reaching 90 percent of key target audiences.
- (2) Obtain matching pro bono contributions from the private sector (media and other organizations) equal to 100 percent of paid advertisements purchased.
- (3) Increase calls for information to the national drug information clearinghouse by 100 percent over a similar base period prior to the national campaign.

TARGET	FY 1998 ACTUAL	FY 1999 ESTIMATED	FY 2000 PROPOSED
1.Exposure	See note	90%	90%
2.Matching funds	See note	100%	100%

3.Increase calls	See note	+50%	+100%

NOTES:

1. The campaign has not yet completed a full national baseline study. A preliminary baseline study for 12 pilot and 12 control cities has yielded some data, but since these cities were not randomly selected, it is inappropriate to extrapolate national rates. National data should be available for publication later in FY 1999.
2. While some matching funds and pro bono contributions were generated in FY 1998 during the 12-city pilot, annualized national rates are not yet established. It is important to note that contributions are measures by in-kind pro bono value offered to the campaign, as well as cash contributions, and methods are now being developed to properly value these contributions as they occur.
3. Calls generated to one of the national clearinghouses can be identified, but campaign ads have also cited local and state clearinghouses in the 12 pilot cities. These data are not yet fully available across the country. Methods are being developed to track responses at national and local levels against a baseline that has not yet been established.

Resources and Processes:

The following resources will be used to achieve the above performance targets:

- $195 million budget is required for FY 2000 through FY 2004. This is the estimated budget to achieve the media reach and frequency needed to change attitudes and influence behavior.

Verification/Validation:

ONDCP will conduct an independent impact evaluation of the campaign under management of the National Institute on Drug Abuse, as well as use existing surveys such as MTF and the National Household Survey on Drug Abuse to obtain baseline data concerning awareness, attitudinal and, eventually, behavioral changes. This baseline (preprogram data for a year to be determined) will be available in FY 1999, and ONDCP will publish the first impact evaluation results from the first stages of the campaign. ONDCP will also conduct "surrogate measures" of campaign affects, drawing on insights from anti-drug organizations active in local communities, and conduct marketing analysis to guide the campaign during implementation.

4. DRUG-FREE COMMUNITIES

The Drug-Free Communities Program contributes to Goal 1: "Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco." Specific objectives

are:
- Objective 1: "Educate parents and other care givers, teachers, coaches, clergy, health professionals, and business and community leaders to help youth reject illegal drugs and underage alcohol and tobacco use."
- Objective 3: " Promote zero tolerance policies for the use of illegal drugs, alcohol, and tobacco use by youth within the family, school, workplace, and community."
- Objective 6: "Encourage and assist the development of community coalitions and programs in preventing drug abuse and underage alcohol and tobacco use."

Community coalitions have been at the forefront of efforts to successfully develop and implement comprehensive, long-term strategies to reduce youth substance abuse via prevention and treatment to curb this decade's disturbing reversal of youth drug use trends. Therefore, in order to reduce substance abuse among today's youth, tomorrow's adults, ONDCP will administer matching grants to community coalitions in accordance with the Drug-Free Communities Act of 1997 (P.L. 105-20).

Grantees must demonstrate the ability to bring together representatives from many segments of their communities in a long-term commitment to reduce substance abuse among youth. These coalitions must involve youth, parents, businesses, media, schools, organizations serving youth, law enforcement professionals, religious or fraternal organizations, civic and volunteer groups, health care professionals, government officials with expertise in the field of substance abuse, and if feasible, elected officials. The program will ensure the long-term nature of communities' commitments by granting funds only to those coalitions that are sustainable without federal assistance.

Performance Targets:

The effectiveness of the Drug-Free Communities support program in FY 2000 will be reflected by:

- (1) An increase of 10% in the number of coalitions from the base line in FY 1998. (The ONDCP goal is an increase of 50% by FY 2007, in the number of coalitions [CADCA estimate of 2800 coalitions] from the base line in FY 1999; listed on page 97 of PME report.)

- (2) A decrease of 10% in substance use among youth aged 12 to 17 in the funded coalitions from the base line in FY 1997. (The ONDCP long term goal is a decrease of 20% in illicit drugs by FY 2002 and a decrease of 50% by FY 2007; listed on page 72 of PME report.)

TARGET	FY 1998 ACTUAL	FY 1999 ESTIMATED	FY 2000 PROPOSED
1. Increase coalitions	2800	2940	3080
2. Decrease use *	11.4%	10.8%	10.2%

* measurements in year published are for previous year; i.e. 1998 data is from 1997

The program will require funded coalitions to measure the following major indicators:

- Age of onset of illicit drug use
- Perception of health risks in using illicit drugs
- Perception of social disapproval of use of illicit drugs

These measures will be obtained from the coalitions in their survey of drug use in their targeted community. This survey is a prerequisite of their grant application process and their funding. These data will thus be collected from the coalitions yearly. These measures are also required by the CSAP State Incentive Grant (SIG) grantees in the states. Thus if a coalition is getting SIG funding and Drug-Free Communities Support Program funding, they will have the same measurement requirements.

In order to achieve the above results, the following process measures will be achieved in FY 2000:

- Grant the $22 million, minus 6% administrative costs, to approximately 281 qualified coalitions
- Conduct a minimum of three Advisory Commission meetings in FY 2000
- Conduct a minimum of one national training, five regional trainings, and the Internet for the coalition membership in FY 2000
- Conduct ongoing evaluation of 281 grant community coalitions in FY 2000
- Initiate campaign to expand the number of community coalitions to reduce substance use among youth

Resources and Processes:

These performance targets are to be achieved through the following means:

- Grant procedures will be initiated in FY 2000 through a Memorandum of Understanding with the Department of Justice and the Office of Juvenile Justice and Delinquency Prevention delineating a competitive process to qualified coalitions
- Initiate, develop, and conduct a minimum of three Advisory Commission meetings in FY 2000
  -- Provide logistical and administrative support for all activities including agendas,

materials, and minutes, and publish an Annual Report in the Federal Register
- Initiate, develop, and conduct a minimum of one national training, five regional trainings, and use of the Internet for the coalition membership in FY 2000
  -- Initiate a Memorandum of Understanding with CSAP which will provide oversight, guidance, and input for all training and technical assistance
- Initiate, develop, and provide input into an evaluation of 281 grant community coalitions in FY 2000
  -- Initiate a Memorandum of Understanding with the Department of Justice and the Office of Juvenile Justice and Delinquency Prevention (the evaluation will be conducted by a contractor)
- Initiate, develop, and start a campaign to expand the number of community coalitions with the aim of reducing substance use among youth

Verification/Validation:

Verification of target achievement will be accomplished through the following means:

- Advisory Commission annual report published in Federal Register will contain the complete agenda, recommendations and minutes for each of the three Advisory Commission meetings. Any additional activity of the Advisory Commission will also be detailed in the report.

- Training manuals from each training will be available for inspection on the Drug-Free Communities section of the ONDCP web page. These training manuals will consist of both the curriculum used in the training and the resource guide that was used to develop the training manual. The resource guide consists of a complete research based literature review and bibliography of all sources.

- Evaluation annual report will be completed by OJJDP and contain the findings of the programmatic elements of the grants. The required outcomes that will be presented in the evaluation report include:
  -- Substance Abuse Measures: decrease in substance use among youth aged 12-17 in the last month. age of onset of use, perception of risk in using drugs, and perception of social disapproval in using drugs.
  -- Coalition Strengthening Measures: increase in number of coalitions, increase in numbers of members in coalitions.

Baseline data is available on numbers of coalitions nationwide in 1998 and 1999: ONDCP presently has a contract with a provider to conduct a nationwide survey of the approximately 2800 groups identified by drug prevention agencies as operating in communities in FY 1998. This survey will establish the baseline number of community anti-drug coalitions that will be used to measure progress in succeeding years. The survey will also identify the geographical distribution and characteristics of the existing coalitions. This data will be used in planning for future recruitment, training and technical assistance to coalitions.

Since FY 1998 represents the first full-year of operation, achievements as described below reflect the start-up process. There were a total of 486 grant applications received from the 50 states and the District of Columbia with awards, ranging up to $100,000, given on a competitive basis. There were 93 awards to 46 states in FY 1998. All sites are participating in a national evaluation of the Drug-Free Communities Support Program being conducted by OJJDP. Training and technical assistance to the grantees is conducted by CSAP. The Drug-Free Communities Act called for the President to appoint eleven members to the Advisory Commission with the members drawn from the general public, national organizations, state organizations, and four leading representatives of national substance abuse organizations.

F. ONDCP Resources:

The FY 2000 budget for ONDCP provides the primary Executive branch support for drug policy development and program oversight. The office advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the federal agencies and departments.

For FY 2000 ONDCP is requesting budget authority of $454.21 million. The FY 2000 request includes three program areas: the Salaries and Expenses program; Special Forfeiture Fund and the HIDTA program.

The budget request of $43.1 million for Salaries and Expenses includes $21.9 million for operational expenses; $19 million for CTAC; $1.2 million for ONDCP's Policy Research and $1 million for the National Alliance for Model State Drug Laws. The operational request includes resources to support 158 positions (128 FTE and 30 detailees) in order to permit ONDCP to fully implement its statutory responsibilities. This level of staff will enable ONDCP to effectively assess and respond to the drug threat facing the nation. ONDCP will be able to monitor agency implementation of the NDCS programs and improve interagency coordination. Additionally, ONDCP will be able to carry out the Congressional mandate to evaluate and identify programs that work.

The $19 million request for CTAC includes Research and Development (R&D) activities as well as the Technology Transfer Program. CTAC organized the national counterdrug R&D program according to four technology thrusts related to the objectives and goals of the Strategy: nonintrusive inspection, tactical technologies, wide area surveillance, and demand reduction. The national laboratories, private industry, and academia are the sources for the expertise needed for technology development efforts and have performed the research within the R&D program. Standard and centralized test and evaluation activities performed under CTAC sponsorship are used to validate expected system performance and assist in rapid transfer of successful technology to the end-users.

The request of $1.2 million for policy research includes research to develop and assess drug policy, identify and detail changing trends in the supply of and demand for illegal drugs, monitor

trends in drug use and identify emerging drug problems, assess program effectiveness, and improve the sources of data and information about the drug situation. ONDCP is working on the following projects: Pulse Check; Retail Value of Drugs Sold in the U.S.; Drug Market Analysis; Federal Grants Directory. In addition, this increase will enable ONDCP to undertake a study of hard-core drug use markets. The request for $1 million for the National Alliance for Model State Drug Laws will encourage states to adopt and implement model laws, policies, and regulations to reduce drug use and its adverse consequences.

The Special Forfeiture Fund budget request of $225.3 million includes $195 million for the National Media Campaign; $22 million for the Drug-Free Communities Program; and $8.3 million to be used at the discretion of the Director, ONDCP, to use to enhance drug control activities and address emerging drug threats, consisting of at least $3.3 million for enhancement of Federal data systems in support of the PME System.

ONDCP's request for the Media Campaign is $195 million. ONDCP will continue the initiative begun in FY 1998 that uses paid media messages to change youth attitudes about drug use and its consequences. Targeted, high impact, paid media ads -- at both the national and local levels -- are the most cost effective, quickest means of changing drug use behavior through changes in adolescent perceptions of the danger and social disapproval of drugs.

ONDCP's request for the Drug-Free Communities Program is $22 million. This program would match grants to drug-free communities, with six percent of the amount requested to pay for administrative costs, as authorized in the Drug-Free Communities Act. This program will serve as a catalyst for increased citizen participation in our efforts to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed funds to carry out their important missions.

The HIDTAs budget request of $185.777 million is for continued support of existing HIDTAs as well as auditing support services for the HIDTA program. The HIDTAs have developed unique strategy-driven teamwork. Local, state, and Federal law enforcement agencies have invested in joint systems which horizontally integrate other drug control programs. Each HIDTA coordinates its teamwork through participating local, state, and Federal officials who develop a joint threat assessment, a strategy which addresses the threat, initiatives which implement the strategy, and annual reports which reflect the impact on the threat.

APPENDIX A:

1998 NDCS GOALS AND OBJECTIVES

GOAL 1: EDUCATE AND ENABLE AMERICA'S YOUTH TO REJECT ILLEGAL DRUGS AS WELL AS THE USE OF ALCOHOL AND TOBACCO

OBJECTIVE 1: Educate parents and other care givers, teachers, coaches, clergy, health

professionals, and business and community leaders to help youth reject illegal drugs and underage alcohol and tobacco use.

OBJECTIVE 2: Pursue a vigorous advertising and public communications program dealing with the dangers of drug, alcohol, and tobacco use by youth.

OBJECTIVE 3: Promote zero tolerance policies for the use of illegal drugs, alcohol, and tobacco use by youth within the family, school, workplace, and community.

OBJECTIVE 4: Provide students in grades K-12 with drug, alcohol, and tobacco prevention programs and policies that have been evaluated and tested and are based on sound practices and procedures.

OBJECTIVE 5: Support parents and adult mentors in encouraging youth to engage in positive, healthy lifestyles and modeling behavior to be emulated by young people.

OBJECTIVE 6: Encourage and assist the development of community coalitions and programs in preventing drug abuse and underage alcohol and tobacco use.

OBJECTIVE 7: Create a partnership with the media, entertainment industry, and professional sports organizations to avoid the glamorization of illegal drugs and the use of alcohol and tobacco.

OBJECTIVE 8: Develop and implement a set of principles upon which prevention programming can be based.

OBJECTIVE 9: Support and highlight research, including the development of scientific information to inform drug, alcohol, and tobacco prevention programs targeting young Americans.

GOAL 2: INCREASE THE SAFETY OF AMERICA'S CITIZENS BY SUBSTANTIALLY REDUCING DRUG-RELATED CRIME AND VIOLENCE

OBJECTIVE 1: Strengthen law enforcement--including federal, state, and local drug task forces to combat drug-related violence, disrupt criminal organizations, and arrest the leaders of illegal drug syndicates.

OBJECTIVE 2: Improve the ability of High Intensity Drug Trafficking Areas (HIDTA) to counter drug trafficking.

OBJECTIVE 3: Help law enforcement to disrupt money laundering and seize criminal assets.

OBJECTIVE 4: Break the cycle of drug abuse and crime.

OBJECTIVE 5: Support and highlight research, including the development of scientific information and data, to inform law enforcement, prosecution, incarceration, and treatment of offenders involved in illegal drugs.

GOAL 3: REDUCE HEALTH AND SOCIAL COSTS TO THE PUBLIC OF ILLEGAL DRUG USE

OBJECTIVE 1: Support and promote effective, efficient, and accessible drug treatment, insuring the development of a system that is responsive to emerging trends in drug abuse.

OBJECTIVE 2: Reduce drug-related health problems, with an emphasis on infectious diseases.

OBJECTIVE 3: Promote national adoption of drug-free workplace programs that emphasize drug testing as a key component of a comprehensive program that includes education, prevention, and intervention.

OBJECTIVE 4: Support and promote the education, training, and credentialing of professionals who work with substance abusers.

OBJECTIVE 5: Support research into the development of medications and treatment protocols to prevent or reduce drug dependence and abuse.

OBJECTIVE 6: Support and highlight research and technology, including the acquisition and analysis of scientific data, to reduce the health and social costs of illegal drug use.

OBJECTIVE 6: Support and disseminate scientific research and data on the consequences of legalizing drugs.

GOAL 4: SHIELD AMERICA'S AIR, LAND, AND SEA FRONTIERS FROM THE DRUG THREAT

OBJECTIVE 1: Conduct flexible operations to detect, disrupt, deter, and seize illegal drugs in transit to the United States and at U.S. borders.

OBJECTIVE 2: Improve the coordination and effectiveness of U.S. drug law enforcement programs with particular emphasis on the southwest border, Puerto Rico, and the U.S. Virgin Islands.

OBJECTIVE 3: Improve bilateral and regional cooperation with Mexico as well as other cocaine and heroin transit zone countries in order to reduce the flow of illegal drugs into the United States.

OBJECTIVE 4: Support and highlight research and technology, including the development of

scientific information and data, to detect, disrupt, deter, and seize illegal drugs in transit to the United States and at the U.S. borders.

GOAL 5: BREAK FOREIGN AND DOMESTIC DRUG SOURCES OF SUPPLY

OBJECTIVE 1: Produce a net reduction in the worldwide cultivation of coca, opium, and marijuana and in the production of other illegal drugs, especially methamphetamine.

OBJECTIVE 2: Disrupt and dismantle major international drug trafficking organizations and arrest their leaders.

OBJECTIVE 3: Support and complement source country drug control efforts and strengthen source country political will and drug control capabilities.

OBJECTIVE 4: Develop and support bilateral, regional, and multilateral initiatives, and mobilize international organizational efforts against all aspects of illegal drug production, trafficking, and abuse.

OBJECTIVE 5: Promote international policies and laws that deter money laundering and facilitate anti-money laundering investigations and the seizure of associated illicit assets.

OBJECTIVE 6: Support and highlight research and technology, including the development of scientific data to reduce the worldwide supply of illegal drugs.

THURSDAY, MARCH 25, 1999.

OFFICE OF NATIONAL DRUG POLICY YOUTH MEDIA CAMPAIGN

WITNESSES

GENERAL BARRY MCCAFFREY, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

DR. ALAN I. LESHNER, DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE

JAMES E. BURKE, CHAIRMAN, PARTNERSHIP FOR A DRUG-FREE AMERICA

Mr. KOLBE. The subcommittee will be in order. We are very pleased today to welcome back once again General McCaffrey, who, as we know, is the Director of the Office of National Drug Control Policy. This morning we are going to be talking about the youth media campaign.

We have had our regular budget hearing. This is a special oversight hearing on a very important topic, one of the more important things that I believe this subcommittee funds.

General, let me just mention at the outset it was a pleasure to be with you yesterday for the launching of the AOL and ABC-Disney web sites. I think this kind of effort represents the best of corporate citizenship and cooperation in a long-term effort against drugs that I know you want to foster in this campaign, and I know that Congress wants to foster, and I think we all hope we will and we will continue to nurture.

The hearing today is going to give us a chance to review the components of the Campaign to date, its funding, operation, reach and coverage of advertising and other efforts, and most importantly, an attempt to look at the evaluation of its performance. This last element is really what I am most interested in. I think it is the critical one. Measuring the impact of the Campaign is key to determining where and how the Federal dollars, as well as those we are going to get in the matching funds from the private sector, how those should be used.

Dr. Alan Leshner, the Director of the National Institute on Drug Abuse, is going to speak on the evaluation of Phase III of the Campaign, for which NIDA will be responsible, and we will have him up here afterwards.

The media campaign in its current form began with funding contained in fiscal year 1998 TPO Appropriations Act and continued with funding in the next year's, 1999 bill. But groundwork for this had been laid by the efforts made by Jim Burke and the Partnership for a Drug-Free America, in concert with the Ad Council and other groups supporting the use of public service announcements to go after drugs, and particularly drugs used by young people.

Mr. Burke will speak today on this campaign, and hopefully give us some context on whether we are headed in the right direction.

General, on March 3rd you said that ONDCP can't be micromanaged, and I tried to make it clear that certainly was not our intention. Our desire I think is very clearly nonpartisan and uncomplicated. All of us want to prevent kids from abusing drugs in the first place. If we can stop a kid from using drugs, we save enormous amounts in treatment and in law enforcement later on.

Nonetheless, it is important that we exercise responsible oversight to ensure our confidence in and the impact this program is making and to support the significant investment that has been made and is going to be made in the future. So I expect we will have some lively questions today. I know we want to be able to pursue this in some depth.

Before I call on you for an opening statement, and I think you may have some material you are going to show us, let me call on Mr. Hoyer for a statement.

Mr. HOYER. Thank you very much, Mr. Chairman. I am pleased we are having this hearing, giving General McCaffrey another opportunity, more expansively than he could in our budget hearing, to focus in on this very, very important effort on which we are investing a lot of money. I want to also join you in thanking him for setting up yesterday's event in which we conveyed to the public some exciting things that are happening, thanking ABC/Disney and America On Line and Disney for their participation from the private sector in assisting us.

I said yesterday that the two most powerful communications mediums in the world today are television and the Internet. Clearly accessing those and providing sites or visuals on the television can have a tremendous effect on educating people and, hopefully, getting at the psychology of demand.

Obviously prevention, as Rob Portman said yesterday, Chairman Kolbe said yesterday, and as you have made repeatedly clear, is absolutely essential. I think Rob Portman made the point that every law enforcement individual with whom I have ever talked and obviously he has ever talked and I am sure you have ever talked and the chairman has ever talked has said you cannot solve this problem by locking up people, because you will just keep locking up more and more people, building more and more jails. We have to stop people from using, and we have got to get at the psychology of use.

I think your television ads are powerful for parents. I think in particular the ads which are directed at the great silence that exists between parents and children with respect to this issue are very, very useful.

So I am pleased to see you here. I am pleased at this new effort, I am pleased to see Jim Burke here as well, President of the Partnership for a Drug-Free America, and Alan Leshner, Director of the National Institute on Drug Abuse. They are both with you, playing a critical role in this effort.

General McCaffrey, over two years ago you came to us with a vision for a national media campaign that would change the attitudes of our youth concerning drug use and eventually reduce the drug use itself. Frankly, there were a lot of people who were very

skeptical as to whether or not ONDCP, which was relatively inexperienced as it related to major media campaign groups, could undertake such a mammoth program and produce results. However, the evaluation and results of Phase I are in and you have exceeded your own aggressive goals.

Specifically I understand your goal to reach 90 percent of the target audience with an anti-drug message four times a week was exceeded in every instance. We congratulate you on that. I might say looking at your former career, that really shouldn't surprise any of us. You have had a career of exceeding goals and expectations.

But this is exciting news, not because it means that youth drug use has gone down, but because we are investing in a strategy that has promise to make that happen. I am aware that from 1996 to 1998 there was a leveling off of drug use rates which had grown from 1991 to 1996. That is good news. However, all of us in this room would agree that youth drug use is still far, far, far too high, and the consequences of that use continue to be far too devastating.

Drug use can wreck loving families, individuals, husbands, wives, fellow business partners, all the consequences are far more expensive than the investment we are making. I think I want to make that point again.

I was elected to the state Senate in 1966. Spiro Agnew was elected Governor that same year. He was an excellent Governor of Maryland, by the way. But in his inaugural address, Mr. Chairman, I think you may have heard me say this before, January, 1967, he said that the cost of failure far exceeds the price of progress. The cost of failing to stem the drug use, the cost of failing to divert people into positive lives unaffected and undebilitated by drug use will far exceed the price of our investment in that effort. I think we need to tell our taxpayers that because that is their money we are investing. It is a significant sum of money, but we are here today for you to be able to and for us to be able to communicate how well that investment is working and how well it will pay off in the long term.

Mr. Chairman, I want to again congratulate you on having this hearing and congratulate General McCaffrey and ONDCP and all those in the private sector participating and giving of their time and talent to confront this insidious enemy that I said yet was both from within and without.

Thank you, sir.

Mr. KOLBE. Thank you. General McCaffrey, you may proceed. As always, of course, the full statement will be placed in the record, if you want to summarize or discuss other issues.

[The statement of General McCaffrey follows:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

TESTIMONY OF BARRY R. MCCAFFREY, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY, A REPORT TO THE NATION – THE YOUTH ANTI-DRUG MEDIA CAMPAIGN, BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT, MARCH 25, 1999

I. INTRODUCTION

All of us in the Office of National Drug Control Policy (ONDCP) want to express our appreciation to the Subcommittee for the opportunity to testify before you today on the National Youth Anti-Drug Media Campaign (the Campaign). Chairman Kolbe, Representative Hoyer, your personal leadership and support of this critical prevention effort have been, and will continue to be, integral to its success. The support the Subcommittee has extended to the Campaign reflects the bipartisan backing the Congress has invested in our efforts as a whole.

Before proceeding to report out to you on the success of the Campaign, it is important to recognize the others present who have played important roles in helping ONDCP make this effort work. Later today you will hear from Mr. Jim Burke of **the Partnership for a Drug Free America**. The Partnership has been our lead partner in implementing the Campaign. The ads they have produced are helping change how our young people view drugs and drug use.

You will also hear from Dr. Alan Leshner of the **National Institute on Drug Abuse**. Dr. Leshner is, without question one of the world's leading authorities on drug abuse. NIDA sponsors roughly 85 percent of the world's research into drug addiction. Dr. Leshner and the outstanding NIDA team are playing a critical role in the evaluation of the Campaign, helping to ensure that we are producing the results we need.

We are also joined by representatives of the **Community Anti-Drug Coalitions of America** (CADCA). For this Campaign to succeed, we need to reach people not only via the airwaves, but in their communities. Through the help of CADCA, and others such as the **Prevention Through Service Alliance** (an alliance of 47 service groups ranging from the Elks to the Girl Scouts to the "100 Black Men"), we are "localizing" the Campaign. We are developing ways, from parenting programs to anti-drug soccer tournaments, to reach Americans, literally, where they live, work and play.

Also here today is Ruth Wooden of the **Ad Council**. The Ad Council is the nation's largest clearinghouse for public service advertising. Through the Ad Council's help, the Campaign has succeeded in actually building new opportunities for Campaign-related public service advertising efforts, even in a time of declining PSA air time.

II. THE MEDIA CAMPAIGN IS MAKING A DIFFERENCE FOR AMERICA'S YOUNG PEOPLE AND FAMILIES

Although we are less than 9 months into the national Campaign, we are already exceeding expectations and beginning to affect attitudes.

1. **We are saturating the youth audience -- reaching more young people, on a more regular basis with anti-drug messages than even our aggressive goals hoped to achieve.**

- Phase I of the Campaign achieved our objective of increasing awareness. Our evaluation shows that youth and teens demonstrated significant increases in ad recall in the target versus the comparison sites -- youth increases ranged from 11 to 26 percent, teens ranged from 13 to 27 percent. Parents in target sites had an 11 percent gain in awareness of the risks of drugs and said that the Campaign provided them with new information about drugs (a 7 percent increase).
- The Campaign's initial target for "reach and frequency" is to reach 90 percent of our overall teen target audience (young people ages 9 to 18) with anti-drug messages 4 times per week.
- The Campaign is already reaching 95 percent of our youth target audience 6.8 times per week.
- With respect to our reach, we are reaching nearly every single American child on a regular basis with anti-drug information. With respect to frequency, we are putting this information in front of them at a rate of roughly twice our goal.
- We are buying advertising in 2250 media outlets nationwide (newspaper, TV, radio, magazines, billboards, movie theaters, and others).
- From the start of the Campaign through September 1999, we project that 14,207,065 Campaign-related PSAs (as opposed to paid ads) have aired.

2. **No child, or adult influencer is being left behind -- the Campaign is reaching minority youth and parents at unprecedented levels.**

- By any standard, the Campaign is the strongest multi-cultural communications effort ever launched by the federal government and rivals that of most corporate efforts.
- Among African American youth within the target age audience we are doing even better -- reaching 95 percent of the young people 7.8 times per week.
- Within the Hispanic youth target group we are reaching 94% of our audience with messages *in Spanish* 4.8 times per week -- not to mention the substantial impact of messages in English on bilingual young people.
- The Campaign delivers $33 million worth of anti-drug messages per year to ethnic young people and their adult influencers (e.g., parents, grandparents, coaches, teachers, civic leaders, the faith community and others).
- We are now developing campaign materials in 10 additional languages.
- We are the largest governmental advertiser in African American newspapers, and are among the top advertisers on Black Entertainment Television.

3. **Private sector support exceeds goals and expectations.**

- The Campaign's target is a one-for-one match; for every taxpayer dollar we spend, we require an equal added dollar's worth of anti-drug public service, *pro bono* activity.
- The Campaign's private sector match is now at the 109 percent level (or $165 million) for the broadcast industry (matches of ad time on TV and radio). Overall, the corporate match for all

Campaign efforts is at the 102 percent level (or $175.4 million).

- Since last July, over 47,000 thirty second PSAs have run on television and radio because of the Campaign.
- In addition to the pro bono match, we have received over $42 million of corporate in-kind support. Companies, such as Gateway and UPS, were quick to join our team.
- 32 network television episodes have aired -- on the shows our young people most watch, using the stars they most know -- that have included the Campaign's strategic anti-drug message points.
- Major corporations, such as ABC, Disney and America Online (AOL), whose products are part of the lives of our nation's children, are participating in and giving to the Campaign. Yesterday, for example, with the help of Disney we launched a new teen website and with the help of AOL we launched a new parenting website.
- Our corporate efforts are as diverse as the rest of the Campaign; we have productive partnerships in place with BET, Univision, Telemundo, and numerous other specialized ethnic media outlets.

4. **As we move into an integrated Campaign we are reaching young people throughout their lives not just through television ads.**

- The number of Internet hits to ONDCP's Campaign site, www.projectknow.com, has reached over 4.5 million impressions.
- The number of Campaign Internet advertising impressions (ad "banners" on web sites) has reached an astounding 203,579,175 total.
- National outlets, such as *USAToday, the New York Times, Parade Magazine and Scholastic*, are developing school-based anti-drug materials for distribution to our nation's schools.

5. **The Campaign is getting the nation's attention and getting a response.**

- Although, based on expert analysis of drug use trends and media campaign impacts, we do not expect to see appreciable impacts on drug use until two years into the Campaign, we are already seeing some behavioral impacts.
- Nevertheless, we are already seeing changes in certain more easily tracked behaviors, such as the demand for anti-drug information. For example, the number of calls to the National Clearinghouse for Alcohol and Drug Information has increased by 318 percent since the Campaign's inception -- even though the Clearinghouse's number is not on all our ads.
- Some local coalitions are experiencing fourfold increases in the number of calls for anti-drug information they are getting since the Campaign started.

III. OVERVIEW OF THE CAMPAIGN

a. WHY HAVE A MEDIA CAMPAIGN – THE SCIENCE AND RESEARCH BEHIND THE CAMPAIGN

1. Youth Drug Use at Dangerous Levels

Over the last two years, youth drug use rates have leveled off and in many instances have begun to decline. For example, from 1996 to 1998, the rate of any illicit drug use fell by 2.5 percent among 8th graders, 1.7 percent among 10th graders, and 1 percent among 12th graders. Similarly, from 1996 to 1998, the rate of marijuana use -- the most widely abused illicit drug by young people -- fell by 1.6 percent among 8th graders, and 1.4 percent among 10th graders. This marks a distinct departure from the prior six years (1990-1996), which saw youth drug use steadily increasing.

While this news is promising, the overall rate of youth drug use remains far too high. Approximately one-in-four 12th graders, one-in-five 8th graders, and one-in-eight 8th graders is a current (past month use) drug user. By the time they reach 12th grade over half of our children will have tried some illicit drug. Although youth heroin use remains extremely low, 8th graders are now using heroin at rates higher than 12th graders. Too many promising futures are literally being wasted away.

2. Attitudes Drive Behavior

The way that young people perceive drugs and drug use is perhaps the most important factor in determining the rate at which they will turn to drugs. For example, according to the *1998 Monitoring the Future Study*, the increases in overall youth drug use that began in 1992, were preceded by declines in the rate at which young people saw drugs as risky (risk perception begins to soften in 1991) and unacceptable (disapproval begins to decline 1990). Further analysis of the *Monitoring the Future* data (two-step regression analysis applied) suggests that for every 1 percent increase in disapproval of occasional marijuana use, the number of 12th graders who see marijuana use as risky increases by .7 percent. In turn, for every 1 percent increase in the rate of perceived harm or riskiness the rate of frequent (monthly or more) marijuana use decreases by 1.1 percent in the next year. Taken together, for every 1 percent increase in disapproval these statistics suggest that we can expect a .79 percent decrease in use two years later than the shift in attitudes. By changing youth attitudes we can reduce youth drug use.

3. The Media is a Critical Tool in Shaping Youth Attitudes

The ability of media messages to shape attitudes, and in turn behaviors, is clear. Corporate America knows this and spends billions of dollars each year to market its products as cool, hip and desirable, so that young people will buy them. More closely analogous to the Campaign, many of these same techniques are used with success in the area of public health and social marketing. For example, in the

public health area, media efforts have shown real successes in areas ranging from reducing smoking to increasing seat belt use.

Adolescent attitudes about drugs are particularly susceptible to societal norms and pressures. Our young people are bombarded with messages and images -- the Internet, television, music, movies, and even the news -- about drugs. Popular culture continues to normalize, trivialize and distort the realities of drug use. Pop culture frequently displays drug use stripped of its consequences. Rarely do you see the car crash and carnage that follows the inhalant use, the arrest for driving under the influence of marijuana, the ostracization by friends who don't buy into the drug scene, or the poor grades that cause a child to not reach their potential.

This is not a subjective opinion, it is a research-based conclusion. A soon to be released content analysis of how drugs are depicted in popular films and music will show that, for example, in 52 percent of popular movies and 81 percent of songs in which drug use is depicted, no consequences are shown. The false sense of security and invulnerability promoted by such sterilized visions of drug use stand in sharp relief to the real world. (For example, in the real world a young person a who uses marijuana once a week is roughly six times as likely to cut classes, four times as likely to steal, four times as likely to physically assault someone, and three times as likely to destroy someone else's property than a peer who does not use the drug.) These misleading messages aren't lost on our children. Young people internalize them; these messages shape their actions.

To reverse the adolescent drug use epidemic in America, our nation's youth, parents, and other people who touch the lives of youth must hear consistent, clear, compelling, and truthful messages about the reality and true costs of using drugs and the benefits of living drug free. The impact of drug prevention messages and activities offered in communities across America will be enhanced to the extent that the messages are informed by proven strategies and communicated by many voices.

4. *Prevention Programs are Cost-Effective*

Studies show that the simplest and most cost-effective way to lower the human and societal costs of drug abuse is to prevent it in the first place. From lost wages to health care expenditures to crime, the social costs of drug use in the United States total $110 billion per year. By preventing drug use in the first place, these costs are averted -- and most importantly lives and dreams are saved. Preventing drug use is one of the best investments we can make in our country's future.

Prevention is most promising when it is directed at impressionable youngsters. Adolescents are most susceptible to the allure of illicit drugs. Preventing (or even delaying) the first use of illegal drugs, alcohol, and tobacco is essential. Not only does hazardous drug use put young people at risk of negative short-term experiences, but those who do not use illegal drugs, alcohol, or tobacco during adolescence are less likely to develop a chemical-dependency problem. Like education in general, drug prevention is demonstrably most effective among the young. In addition to deterring some initiations completely, drug prevention programs help people who use drugs to use smaller quantities. Successful substance-abuse prevention leads to reductions in traffic fatalities, violence, unwanted pregnancy, child abuse, sexually transmitted diseases, HIV/AIDS, injuries, cancer, heart disease, and lost productivity.

Evidence from controlled studies, national cross-site evaluations, and CSAP grantee evaluations demonstrates that prevention programs work. A Cornell University study of six thousand students in New York state found that the odds of drinking, smoking, and using marijuana were 40 percent lower among students who participated in a substance-abuse prevention program in grades seven through nine than among their counterparts who did not.

b. DEVELOPING A CAMPAIGN TO DRIVE DOWN USE BY STRENGTHENING ATTITUDES

In 1997, with overwhelming bipartisan support, and through the united efforts of the Congress and the Executive, we created the National Youth Anti-Drug Media Campaign. Immediately upon its creation we wasted no time in beginning to design a media campaign that could achieve our goal of saving children from the perils of drugs.

1. Design of the Campaign

In planning the Campaign ONDCP recognized at the outset two crucial elements were needed:

1. A solid scientific and research base to serve as the campaign's foundation, and

2. A carefully planned, written strategy (based on the research) to guide the campaign.

Nearly a year of research went into designing the campaign. Hundreds of individuals and organizations were consulted, including experts in teen marketing, advertising, and communication; behavior change experts; drug prevention practitioners and representatives from professional, civic, and community organizations. These findings resulted in a comprehensive communication strategy that uses a variety of media and messages to reach young people, their parents, and other youth-influential adults.

It is important to underscore that this strategy and our overarching communications plan have been developed by experts in these fields -- people like Dr. Lloyd Johnston who runs the University of Michigan's annual *Monitoring the Future Study*, Mr. Jim Burke, president of the Partnership for a Drug Free America, Dr. Richard Yoast, Director for Alcohol and Drug Abuse for the American Medical Association, Ms. Ruth Wooden of the Ad Council, Ms. Sue Rusche of the National Families in Action, General Arthur Dean, President of the Community Anti-Drug Coalitions of America, and Ms. Jacqueline Baker, President of African American Parents for Drug Prevention. A large number of outstanding organizations also played critical roles in building this Campaign, including: the American Association of Advertising Agencies, the Boys and Girls Clubs of America, the Congress of National Black Churches, the Big Brothers and Big Sisters of America, the Asian Community Mental Health Services, Dare, the National Hispano Latino Community Prevention Network, the YMCA, the B'nai B'rith International, the Elks, the Masons, the United National Indian Tribal Youth, the National Congress of Parents and Teachers, the National Crime Prevention Council, the Fraternal Order of Police, and countless others. The Campaign has also benefitted from the expertise of the other federal agencies, including, in particular, Secretary Shalala and the Department of Health and Human Services,

Attorney General Reno and the Department of Justice, Secretary Riley and the Department of Education, Secretary Cuomo and the Department of Housing and Urban Development, as well as a host of other federal offices, including Dr. Alan Leshner and the National Institute on Drug Abuse, Dr. Nelba Chavez and the Substance Abuse and Mental Health Services Administration, the Center for Substance Abuse Prevention, the Drug Enforcement Administration, the Centers for Disease Control and Prevention, and the National Highway Traffic Safety Administration.

2. Overview of the Campaign

Every activity undertaken by the Campaign is rooted in two key documents that provide the framework for all our efforts, namely: the *Campaign's Communication Strategy* and the Campaign's *Integrated Communication Plan* (respectively attachments A and B to this testimony).

The *Communication Strategy* was developed by ONDCP with the assistance of Porter Novelli, a strategic communications firm with an expert social marketing team. This *Strategy* is based on a survey of all available research on youth drug use and drug use prevention, public health campaigns, and general consumer marketing campaigns that target young people and their parents. It was also informed by original focus group research with over 300 young people across the country, a consultation process that garnered input from over 200 experts nationwide, and a two-day 25-member expert panel meeting (panel members included experts in advertising, market research, consumer marketing, drug use and prevention, public health communication, and public policy). The draft that resulted from this process was then reviewed by expert panel members, federal agencies participating in the Interdepartmental Demand Reduction Task Force, and a variety of other organizations and experts involved in youth drug prevention. The final *Communication Strategy* provides the strategic approach that guides the Campaign -- what are our target audiences, what overarching messages we use to reach our audiences, and what tools we use to get these messages across.

To implement the *Strategy* a fully *Integrated Communication Plan* was developed that provides coherence to the more specific tactical efforts the Campaign is undertaking to implement the *Communications Strategy*. In essence, the *Strategy* says where the Campaign is headed, the *Plan* provides the road map for how we will get there. This plan was bid out through a request for proposals to enlist the input of the nations most respected communication companies, and was developed with extensive input from experts in advertising, communications, drug prevention and other relevant fields.

The *Strategy* and the *Communication Plan* work in conjunction with each other to guide all our efforts. The framework for the Campaign provided by these two documents is summarized below.

i. Target audiences and communication objectives

Youth age 9-18 (focusing on ages 12-13); 50 percent: Most young people begin their adolescence with strong anti-drug views, which in many cases erode in their teen years as they grow older. Research shows that media campaigns are most effective in reinforcing already held beliefs or ideas. For this reason the primary youth focus of the campaign "inoculate" early adolescents against increasing pressures to use drugs and to enable them to maintain their anti-drug attitudes and intentions.

With respect to this audience our communication objectives are:

- Ensure that young people understand that drug use is an outside the norm behavior; contrary to what some may believe, the average young person is not using drugs.

- Enhance the understanding among youth that the use of drugs increases the likelihood of serious negative consequences -- not just death (which many young people feel impervious to), but other risks that adolescents care about such as losing popularity and failing in school.

- Enhance the understanding among youth that a drug-free lifestyle is key to the types of successes they want to achieve -- whether that means getting an "A" in math, or becoming an astronaut, a professional ballplayer, or a doctor.

- Remind young people that they have better things to do with their time -- from sports to arts -- than getting involved with drugs.

Parents and other adult influencers; 50 percent: Parents and other adult influencers (such as teachers, coaches, clergy, doctors, and others) are highly motivated audiences for drug prevention messages. Most firmly disapprove of adolescent drug use and are willing to take action to prevent it. Studies show that children act on what parents and adult influencers say. Although highly motivated to act, parents and care givers often lack both certainty about what actions to take and confidence that their actions will make a difference. For this reason, messages that convince parents and care givers that their actions can make a difference, and provide them with effective instruction regarding what actions to take, have the potential to change parenting practices and thereby effect the goal of reducing drug use among youth.

With respect to this audience our communication objectives are:

- Increase the understanding among adults of the harms that stem from the use of gateway drugs such as marijuana and inhalants.

- Ensure that parents are aware that their children are vulnerable to the risks of drug use -- no child is immune.

- Reinforce the understanding that parents and other adults can make a difference in preventing youth drug use.

- Convey simple, but effective prevention strategies and information.

- Encourage community-focused anti-drug actions -- from developing local community anti-drug coalitions to starting neighborhood watch groups.

- Encourage adults who are current drug users to consider the impacts their drug use has on their children and families and sway them to seek help.

ii. **Elements of the Integrated Campaign Strategy**

The Campaign utilizes six types of communications channels or vehicles to advance the anti-drug messages outlined above, namely:

Paid advertising: by purchasing paid advertising we are ensuring that anti-drug messages appear on the air, at times when young people are watching, alongside the shows that they watch. ONDCP, the Partnership for a Drug Free America and the Ad Council have developed a process through which ads are developed, tested and placed to ensure their maximum effectiveness and impact.

Corporate involvement/support: Media companies already provide support to the Campaign by providing a 102 percent match -- totaling $175.4 million -- for all our ad dollars. We have also received an additional $42 million in other corporate support. These efforts notwithstanding, the Campaign's goal is more accurately described as corporate involvement, as opposed to underwriting. Our goal is to work with corporate America to make them active partners in anti-drug education -- whether that means Disney or AOL providing in kind support in developing and maintaining Campaign websites, Major League Soccer dedicating their stars and teams to spreading the word among young people, or K-Mart providing anti-drug educational materials.

Partnerships: The partnership component of the Campaign focuses on working through national organizations with grassroots affiliates to strengthen local anti-drug coalitions, other anti-drug groups, and initiatives to provide youth-oriented services in communities across the nation. This element of the Campaign is designed to work closely with other ONDCP efforts, such as the Drug Free Communities Program and the Prevention Through Service Alliance against drugs, which also target the expansion of local counter-drug programs. This partnership effort is critical to ensuring that the Campaign has a discernable impact within America's communities.

News media outreach, or public education: How Americans view the drug problem is shaped not only by media programming, but also by what they see and hear on the news. The impact of messages carried by the "news" is also enhanced the perception that the news is unbiased and conveys the truth. For these reasons it is vital that news portrayals of the drug problem are accurate. By working with news outlets at all levels, our goal is to have earned media messages -- positive news coverage that we "earn" by working with news outlets to get the stories right -- supplement our paid advertising.

Entertainment industry outreach: Entertainment programing has a significant impact on youth attitudes; what young people see on the shows they watch plays a substantial role in shaping their opinions and beliefs. By working with the entertainment industry our goal is to ensure that when drug use is portrayed in programming what young people see is an accurate reflection of the real face of drug use -- with all its risks and consequences clearly conveyed. Programming can also shape adult attitudes. With respect to drugs, our collaborative efforts with the entertainment industry will focus on increasing awareness that parents and other adults

must talk to children about drug use, and that by reaching out to our children adults can make real difference in their lives.

Interactive media (the Internet and new media): The Internet is one of the fastest growing media among young people. These forms of interactive media often provide longer, more engaged contact with the viewer (for example, compare one exposure through a 30 second commercial, with one web "hit" lasting tens of minutes as a user surfs through a site and interacts with its contents). Through both content-based websites, and Internet advertising we are developing a strong Internet presence.

Each of these elements fit into the overall communication plan. They have been designed to build on each other and be synergistic -- the sum of this Campaign is greater than its parts. For example, through our entertainment industry partnerships we have gained access to top name celebrities who draw children. These celebrities are now helping us in other areas, for example by appearing on our web sites to do interactive "chats" with young people about drugs. Recently, Daniella Deutscher, the teen star of NBC's Saturday morning hit show "*Hang Time*," participated in an online "chat" session on AOL with a drug prevention expert from ONDCP.

In order maximize our impact and effectiveness, the Campaign has been designed to be different from previous anti-drug media efforts in four important ways:

1. The level of funding for paid media, expected to be $1 billion over five years, will give extensive exposure to anti-drug messages during prime-time and other time slot programming watched by youth.

2. It is not just an ad campaign. It is a series of public/ private partnerships that will generate a range of communication and behavior changing activities through the Internet, films, music, radio, TV programing, sports initiatives and parent programs. The entertainment industry, the media and other entities are being asked to donate at least $1 billion worth of supporting activities to reinforce and extend the advertising messages, in partnership with ONDCP and a broad cross-section of institutions that influence youth attitudes about drugs.

3. This campaign raises the bar for public service campaigns because it has an unprecedented level of accountability. It will be constantly monitored, evaluated, and updated to ensure that it effectively reaches teens and their parents.

4. The campaign has been designed to support the anti-drug activities of schools, civic organizations and other groups in communities across America.

iii. **The Campaign's Three Phases**

The National Youth Anti-Drug Media Campaign is being implemented in three phases.

PHASE I, January - July 1998: This pilot phase consisted of television, radio, print, and outdoor advertising in 12 markets: Atlanta, Baltimore, Boise, Denver, Hartford, Houston, Milwaukee, Portland (OR), San Diego, Sioux City, Tucson, and Washington, DC. These cities were chosen to ensure that the campaign messages addressed various ethnic and geographic audiences and drug use trends. Audience awareness surveys and focus groups were conducted throughout this Phase I of the campaign to provide feedback to help shape Phases II and III.

PHASE II, July - January 1999: In Phase II, campaign advertising expanded to nationwide -- on national broadcast, cable, and local television, and on radio, print and outdoor media. Campaign Web sites, for young people, parents and community partners, went online. We began to put in place the partnerships needed with the private sector, community coalitions, and state and local governments.

PHASE III, Commenced January 1999: The national media buy continues, and we continue to add to and enrich the other elements of the campaign , including additional partnerships with major organizations, the media, entertainment, and sports industries, as well as civic, professional, and community groups.

iv. **Evaluation of the Campaign**

No federal media effort has ever been as throughly tracked and evaluated as this one. Each phase of the Campaign is being evaluated. Attachment C to this testimony provides a full summary of the Campaign's evaluation plan and results to date.

The evaluation of phase I of the Campaign focused on the whether the Campaign raised awareness. In other words, did our target audiences take notice of the Campaign in the pilot cities. Results were measured off a control group population of similarly situated cities where the Campaign was not ongoing. We used a variety of different data collection methods, including in-school surveys, focus groups, and interviews with key stakeholders, to obtain the information needed to conduct the evaluation.

Based on this data, experts in the field of advertising and communications have told us that if we were a commercial advertiser, our results as a whole, given the challenges we face, would be considered "remarkable." The private sector benchmark for advertising success calls for the achievement of between 17 percent and 28 percent total brand awareness over a 12 month period, from a zero baseline. Reported recognition of ONDCP's individual commercials achieved as much as a 68 percent increase, which amounts to a plus 25 point shift versus the local baseline and a plus 26 point shift versus the comparison market baseline.

These results must also be viewed in context. Most commercial branding efforts hit consumers with a single commercial message -- for example, buy this specific product or associate this specific product with a specific positive appeal (e.g., wealth, "the good life," or health). The National Youth Anti-Drug Campaign hits our target audiences with hundreds of different individual messages covering an array of specific behaviors (everything from don't use marijuana to mentoring). Given this and other obstacles to awareness, the Campaign's phase I evaluation clearly demonstrates that we can make a difference through this five-year effort.

A similar evaluation process was conducted in phase II of the Campaign. The data from this process has been collected and is being analyzed. We expect to have the results of this analysis to the Congress and the public this summer.

The evaluation of phase III is already benefitting from the lessons we learned in evaluating the two earlier phases. The National Institute on Drug Abuse is managing the phase III evaluation for ONDCP. We have awarded evaluation contracts to Westat, Inc (prime contract), the internationally renowned Annenberg School of Communications (sub-contract), and the National Development and Research Institute (sub contract). Results from this phase will be derived from a nationally representative household survey of youth/teens and parents, in which the parents and youth/teens are linked (i.e., from the same household). This survey will be conducted every 6 months to track ongoing progress. Survey results are being augmented by data from four specially selected longitudinal sites, where in depth data collection will take place at the individual and community level on a once yearly basis. The timeline for these efforts is as follows: baseline data will be collected in August/September 1999; follow up data will be collected every 6 months thereafter. The first evaluation report is due May 2000. Subsequent reports will be published every 6 months.

IV. OUR PROGRESS TO DATE EXCEEDS EXPECTATIONS

1. We Have Assembled a Winning Team of Experts

Oversight of the Campaign is by the Office of National Drug Control Policy. To ensure the American public the maximum return on its investment -- to achieve the biggest impact on youth drug use possible -- we have turned to the experts in the field for help in implementing this effort. The Campaign is being planned, implemented and run by the nation's most skilled and experienced communications organizations drawn from both the for-profit and public interest sectors.

The Partnership for a Drug Free America, led by Mr. Jim Burke and Mr. Dick Bonnette, is our lead partner in the Campaign. The Partnership has a distinguished history of working with the advertising and media worlds to educate our nation's children about the dangers of drugs. The advertisements that the Partnership has produced are not only cutting edge, but effective.

We have formed **the Behavioral Change Expert Panel** to ensure that all the Campaign's efforts are grounded in science and research. This panel is made up of the nation's top experts in fields related to

youth drug use, parenting, prevention, and target audience segments, drawn from both academia and practitioners. No critical Campaign decisions are made that are not backed by this expert group.

The Advertising Council, Inc., the nation's largest provider of public service communications, serves as the clearinghouse for national Public Service Announcements (PSAs) submitted by non-profit groups for consideration as part of the media match. They screen all ads submitted and ensure that they fit within the overall communication strategy, and meet all broadcast and print quality standards. The Ad Council will also produce messages to promote community involvement in anti-drug efforts.

The American Advertising Federation is playing a similar role at the local level. The Federation will screen local ads across the nation to ensure that all ads fit the Campaign's messages.

At the outset of the Campaign we committed to the Congress to run this Campaign with the same aggressiveness, efficiency and results orientation that the private sector applies to its advertising efforts. To ensure that we meet this commitment we have also contracted with two of the world's leading public relations and advertising firms. **Ogilvy & Mather** has been selected to oversee the day-to-day implementation of our advertising efforts. Ogilvy & Mather is one of the world's largest and most respected advertising agencies in the world with over $8 billion in annual billings.

Fleishman-Hillard has been selected to advise us on all non-advertising aspects of the Campaign. Most importantly, Fleishman-Hillard is charged with the responsibility of ensuring that the Campaign supports the work of community anti-drug coalitions and other local groups across the nation. Fleishman-Hillard is also held in great esteem by communications professionals field.

Porter Novelli, the strategic communications firm that helped guide ONDCP through phase I of the Campaign also continues to provide strategic oversight and guidance to our efforts.

To ensure that our messages are sensitive to the needs of America's diverse population, multi-cultural advertising has been planned and placed largely by partner ethnic advertising agencies that specialize in communicating with these important groups of Americans: **Mendoza Dillon** for Hispanics (and **Lopito, Ileana & Howie** for audiences in Puerto Rico); **Porcaro** for Alaskan and Native American; **Muse Cordero Chen and Partners and Persaud Brothers** for African Americans, and Asians and Pacific Islanders; and **G & G** for Native Americans. Four additional multi-cultural public relations and community outreach companies will develop other outreach efforts to African American, Hispanic and Asian audiences for the non advertising portion of the media campaign.

We are now in the process of selecting a contractor to run the corporate involvement component of the Campaign. The request for proposals is expected to be issued in May. We expect to award this contract by the Fall.

As this team shows, the Campaign is being run by the leading experts in the various fields associated with advertising, public relations, drug prevention, youth outreach, social marketing, research and evaluation. We are relying on many of the same talents and expertise that corporate America turns to when it invests billions of dollars each year to influence American public opinion. And we are treating this effort with the same bottom-line focus that corporate America uses in conducting these efforts.

2. Our Messages are Hitting Home with Our Target Audiences

As briefly described at the outset of this testimony, when we launched the Campaign our strategic goal was to reach 90 percent of the key target audience (teens) receiving four messages a week. We are significantly exceeding these goals.

Presently, we are reaching 95 percent of all teens ages 12-17 an average of 6.8 times per week. With respect to adults we are reaching 92 percent of our target adult audience 4.5 times per week. Among African Americans our results are even better than for the population at large. We are reaching 95 of African American teens 7.7 times per week, and 95 percent of African American adults 7.3 times per week. Our results among the Hispanic population are equally strong. We are reaching 93 percent of Hispanic youth 5.6 times per week *in Spanish language* and 90 percent of Hispanic adults 5.6 times per week *in the Spanish language* -- not to mention the impact English language ads have on the bilingual population.

Moreover, these figures include only our advertising impact (paid and pro bono match) they do not include exposures from, for example, the 203,579,175 total Campaign Internet advertising impressions, or other network produced messages.

3. The Media and Entertainment World has Responded to Our Call

One of the most important factors in the success we are experiencing is the strong support we have received from nearly all sectors of the media and entertainment world.

Television, in particular, has shown a tremendous willingness to work with us to educate our young people and the adults who influence our children about the realities of drug use. As a result of the Campaign 32 network episodes have aired that have hit the messages of the Campaign -- from *ER* depicting the dangers of heroin use and turning a blind eye to a family member's drug use, to *Home Improvement* talking about teenage marijuana use, to *Wayans Brothers* showing the consequences of marijuana use. Seven networks have created their own anti-drug PSAs using the stars that young people and their adult influencers recognize and will listen to -- ranging from the heartthrobs of *Dawson's Creek* and the *Wayans Brothers* to the commentators of ESPN's Sports Center.

The major networks have also reached out and invited ONDCP and other experts, including the head of the National Institute on Drug Abuse, Dr. Alan Leshner, and asked us to brief their top creative leaders about the science, realities and depiction of drug use. We have already held briefings with three networks, talking with over 150 of the industry's leaders, and more are planned. We have met with the leaders of the entertainment guilds and received their commitment to help us disseminate accurate information about drugs to their members. By educating the writers, producers and directors who create the shows that young people and parents watch, we can help ensure that when television shows depict drug use, what American viewers see is an honest and accurate portrayal. We believe that the honest dangers of drug use are enough to dissuade most young people from ever using them, and are enough to encourage parents to talk to their children.

Our impact goes far beyond just the television screen. For example, world leading institutions such as the *New York Times, Readers Digest, Parade Magazine and USA Today*, as well as other national outlets, are developing educational materials for use by school teachers and their students for distribution to our nation's schools and parents.

We also expect the leaders of our nation's magazine publishing industry to take on an increasing leadership role. Executives at the American Magazine Conference committed to run advertisements and publish stories on key issues related to the causes and prevention of youth drug use. As Edward Lewis, publisher and CEO of Essence Communications, which publishes *Essence* magazine, and the chairman of Magazine Publishers of America said: "This, on one level, is a no-brainer. The issue is so important. It affects all of our communities, whether you're white, black, pink or yellow." The Magazine Publishers of America, an organization comprised of 200 members covering 1,200 titles, has also proposed to develop for next year a "roadblock" -- where every magazine on a newsstand during a particular week or month will carry some anti-drug message.

Additionally, we are becoming a major force on the Internet, in large measure, through the in-kind support of companies such as Disney and America Online. For example, yesterday launched two new and very impressive anti-drug Internet sites. With Disney's helped we launched "Freevibe" (www.freevibe.com) -- a state of the art teen and "tween" site. AOL helped us bring on line the Parent Resource Center, which is making effective strategies to prevent youth drug use available to parents and others at the click of a mouse (found at AOL keyword: drugs help). In addition to launching new sites, we are also working with the online industry to influence the sites that young people and adults, parents in particular, already go to -- sites like ESPN (which is one of the hottest sports sites) and Sonicnet (which recently held the first anti-drug online cybercast concert by the group "Silverchair.)

The leaders and celebrities of the media/entertainment world have also taken a personal interest in the success of our effort. For example, entertainment industry leaders, such as Barry Diller of USA Networks and John Cook of Disney, have offered their help to set up advisory panel to ONDCP to help us improve the Campaign and serve as a conduit to their industries. Rachel Leigh Cook, the actress who appears in our new "*Frying Pan*" ad, and who is the star of the box office hit "*She's All That*" has volunteered her time and efforts to help the Campaign. The current Miss America, Nicole Johnson, has made the same commitment.

4. We are Leveraging Our Ad Dollars to Support Other Related Public Service Efforts

When Congress enacted this program we committed to you that our efforts would not squeeze other public service advertising off the air. We have achieved that commitment. Our 102 percent overall corporate match rate, and our 109 percent broadcast match rate, have actually expanded the opportunities for related public service advertising. Recent findings from the Ad Council, the nation's leading clearinghouse for public service advertising, indicate that radio spots affiliated with the Campaign increased 6 percent and television spots increased 12 percent last year -- this in a year of overall declining PSA air time.

Our information supports their findings. From the start of the Campaign through September 1999, we project that 14,207,065 Campaign-related PSAs (as opposed to paid ads) have aired (this includes, for example, billboard impressions and impressions within movie theaters). In just seven months, more than 47,000 thirty-second television and radio broadcast spots (not including cable) have actually aired as a direct result of the ONDCP media match. Some 33 public interest groups involved in anti-drug related efforts have benefitted from these spots. Moreover, because our media buying policies require that the value of the match must be equal to the buy -- you cannot match primetime with early morning dead time -- the slots that related public service organizations are finding open to them are better quality slots, the majority of which actually fall in primetime.

Most importantly, the pro bono match component of the Campaign is helping public service efforts that target the risk factors that make youth drug use more likely -- such as early alcohol use -- and the protective factors that help prevent drug use -- such as mentoring. For example, the Campaign has provided Mothers and Others Against Driving, the National Council on Alcohol and Drug Dependency, and the Department of Transportation with public service time, derived through the Campaign's match component to attack both underage drinking and drunk driving. Since July of 1998, the National Council on Alcohol and Drug Dependency effort against underage drinking benefitted from 2952 individual PSAs (including network, local and cable TV, and radio), at a total value of $1.17 million. Similarly, during this period the Council's effort against drunk driving benefitted from 2,369 spots, at a total value of $6.14 million.

Other organizations that help America's young people grow up safely and lead productive lives are also seeing the benefits of the Campaign. For example, the National Crime Prevention Council received 6,078 spots, at a total value of $8.3 million. General Powell's organization, America's Promise, dedicated to improving the lives of our young people benefitted from 1,014 spots, at a total value of $2.5 million. The 4-H's youth mentoring initiative has received 3,226 spots, at a total value of $3 million. The "I Am Your Child" parenting initiative saw 744 spots broadcasted, at a value of $2.1 million. As these results, from just the last seven months, clearly show the Campaign is increasing America's awareness about both the protective factors that help our child grow up drug-free, and the risk factors that can increase their chances of suffering a drug problem.

Additionally, we achieved these gains without squeezing other important social issues off the airwaves, which had been a concern of the Congress early on. A comparison of other anti-drug and other social issue public service advertisements airing in our pilot cities with those airing in the comparison cities showed that throughout Phase I of the Campaign, the number of public service announcements airing was not diminished as a result of the Campaign. This shows that the Campaign had the effect of increasing anti-drug and other related PSAs through the match component, and improving the placement of such Campaign-related public service air time, however it did so without impact the countless other important social concerns that compete for air time. In essence, the pie grew, we did not re-divide the shares.

5. We are "Localizing" the Campaign to Produce the Maximum Impact in America's Communities.

For this Campaign to truly change attitudes it must be more than just ads flashing across America's TV screens. It must work in communities across the nation to encourage people to get involved in the fight against drugs, and support those who are working to protect their children and communities from this scourge -- it must encourage people to sign up to mentor children, it must get coaches to talk to their players about drugs, it must motivate people to make a change.

This effort is already well underway. We have worked closely with the Prevention Through Service Alliance (which represents 47 national and international organizations involved in civic and community service), the Community Anti-Drug Coalitions of America and other national groups that have grassroots affiliates in designing this Campaign. Their advice and counsel has helped us design a Campaign that will be national in scope, but also local in impact.

We have also taken steps in the Campaign's implementation to ensure that it hits home locally. In addition to our national advertising buys, we are also buying in local media markets, principally through newspapers. These local advertisements include contact information for groups within the communities where these ads run. As a result of the media campaign local groups are experiencing increases of up to four hundred percent in the number of calls they are receiving. The Ad Council is also in the process of developing a series of new advertisements that will encourage people all across the country to get involved in their local community anti-drug coalitions. Additionally, we are working with advertising clubs across the nation to use these clubs to review and approve locally produced public service advertisements that will be able to fit within the Campaign's match component.

Our partnership efforts are another important vehicle for building the ripple effect of the Campaign -- using our finite advertising buys to generate ever expanding circles of influence across the nation. Our partnership effort seeks to promote a wide range of organizations that provide youth-oriented services in n community for youth. We will build these partnerships in conjunction with the national umbrella organizations with which these local groups are affiliated. In the coming year we expect to reach out through partnership programs to provide things like parent training through the workplace, anti-drug soccer tournaments and other contests, and media literacy training.

To assist us in expanding our local coalition building and partnership efforts and bringing the message to the marketplace, as discussed above, we have hired the firm Fleishman-Hillard. We have already developed a plan for how we build an anti-drug involvement from all across America's communities. In the coming months we will work with them to implement this plan. Through these efforts, we are building grassroots support for the people in communities across the nation who are our partners in protecting our young people from drugs.

6. We are Building a Fully Integrated Public Health Education Program

We know that advertising can help raise awareness, increase knowledge and play a role in changing attitudes, but to really impact behaviors we must do more. To alter behaviors this Campaign needs to

be more than just ads – we are also rapidly moving ahead with the development and implementation of the non-advertising elements of the Campaign. From public diplomacy to corporate partnerships, you can expect to hear and see much more from us in the coming year.

For example, we are developing a school journalism service outreach program. Through a student journalist news bureau we will put anti-drug story information into the hands of the writers and editors of thousands of high school and junior high school newspapers across the country. To further encourage them to educate their peers about the dangers of drugs, we are developing an award program to reward those papers, writers and editors who best cover the topic.

Also with respect to public diplomacy, we are developing a monthly tip sheet for journalists of all ages. These story ideas and facts won't be about selling the Campaign, but will be about engaging journalists to cover the Campaign's concepts and issues – how to talk to kids about drugs, mobilizing people to anti-drug coalitions, teaching peer refusal skills, combating parent denial and the like. These efforts will build earned media interest to support our paid media advertising.

To change behaviors the Campaign must also empower parents. Too many parents think they can't make a difference, or are too intimidated by the subject of drugs to play an effective role in protecting their children. However, studies show that parents have a critical role to play in fighting youth drug use; the kitchen table is, in fact, the strongest tool we have against drugs. To help parents we will disseminate parenting materials, such as "how to guides" and media literacy information. We will give parents the tools they need to safeguard their children from drugs.

We also expect to greatly increase corporate involvement in the Campaign. Our match levels and additional, in-kind support from the corporate world are strong indications of the corporate involvement the Campaign already enjoys from the media/entertainment world. We have also had tremendous success in building corporate support from within the athletic world -- one of the most exciting family entertainment fields. For example, during last year's baseball season 18 major league teams showed our PSAs in their stadiums during all of their home games – including high profile teams like the New York Yankees and the Atlanta Braves. We estimate that this effort generated some 30 million exposures. Through ONDCP's Athletic Initiative, the National Football League, Major League Soccer, Powerade, Coca-Cola, Five-Star Basketball, Major League Baseball and others all provided support to our 1998 National Coachathon Against Drugs. Stars, including Vikings Head Coach Dennis Green, Patriots Head Coach Pete Carroll, and former head coach turned TV commentator John Madden, all lent their strong personal support to this effort. We expect to build on these efforts this year.

As discussed above, we will release a request for proposals this May for a contractor to assist us in increasing the reach of our corporate involvement. Our goal is not to develop corporate underwriting for the Campaign, but, instead, to build on the strengths of America's private sector in reaching our citizens and their workers with anti-drug messages.

d. THE CHALLENGES AHEAD

Our success aside, real challenges remain. This section focuses on four such challenges that lay ahead.

1. Maintaining Maximum Impact

The Campaign is currently enjoying great success in reaching young people and adult influencers. However, this is in large measure due to the buying power we enjoy at the current level of funding, and the "newness" of our effort and the appeal that provides.

Our ability to create impact will be affected by two competitive dynamics that are shaping the media and advertising worlds. First, the cost of advertising on the shows that are most watched by children and adults is increasing. In 1996 a 30 second spot on the hit show *ER* cost $300,000. In 1999 that same spot will cost $550,000. Additionally, the changing nature of competition between network and cable broadcasting is also likely to impact the buying power, and hence the impact, of the Campaign. This will require us to work closely with the Congress to maintain the impact of the Campaign in the market.

In the coming years, some of the new feel of the Campaign will also wear off -- even with the new ads we plan to continually develop. To counter this we will need to remain creative and on the cutting edge -- always at least one step ahead of the trends. (This same challenge is faced by almost all long-term commercial advertising efforts.) There are, however, risks that attach with being ahead of the trend -- countless critics predicted the failure of CNN before it ever got off the ground.

2. Developing a Truly Integrated Education Effort

Buying advertising to reach parents and adults across this nation with compelling anti-drug messages is no easy task -- it is both an art and a science. In this effort we have benefitted from the tremendous expertise of Ogilvy & Mather and before them Porter Novelli, two recognized leaders in the strategic communications and advertising world. However, the next steps of the Campaign will take us into uncharted territories. This is an unprecedented federal effort to build a public health communications effort that integrates everything from the work of thousands of community coalitions coast to coast, to new web sites, to corporate involvement. And, we are moving ahead on all these fronts at the same time. Though the challenge is substantial, the payoff when we succeed promises to be equally great. We have complete confidence that the team we have assembled, both within ONDCP and among our partners, is up to the task.

3. Maintaining Attitudes Over the Long-Term

The pattern of youth drug use in America is cyclical. Drug use increases, we focus attention on the problem, and once again drive it back down. Our success lulls us into a sense of complacency. A new generation arrives that has not seen the devastation. Our attentions focused elsewhere, this new generation makes the mistake of turning to drug use, and the cycle begins anew.

The Campaign will succeed in changing the attitudes of today's young people. However, if we end it there we place the next generation at risk, and our efforts will start at ground zero again. In the coming years, as youth attitudes change, and youth drug use falls, it will be up to us and our successors to remain focused on this problem. (However, resource levels to sustain the Campaign's messages will likely be lower than current levels.) As soon as the messages of the promise of a drug-free lifestyle we are now sending end, the voices that promote drugs to our children will have nothing to drown them out.

V. CONCLUSION -- THE CAMPAIGN IS WORKING

By all benchmarks the Campaign is a success. The Campaign's reach and frequency rates are out-performing even the aggressive goals we set for ourselves. Our efforts are touching Americans of all races, creeds and colors with messages that are culturally sensitive and effective. Rather than squeezing out other public service efforts, our Campaign has created thousands of new opportunities for these other groups. The evaluation of phase I of the Campaign demonstrates through research based results that our ads are having an impact on young people and adults. The number of calls to the National Clearinghouse for Alcohol and Drug Information has increased by 318 percent since the Campaign's inception -- even though the Clearinghouse's number is not on all our ads. Local coalitions whose numbers are on our local ads are experiencing up to fourfold increases in the number of calls for anti-drug information they are getting since the Campaign started. As these hard numbers show, this Campaign is works.

These indicators show we are on the right track. However, the ultimate test is changing the behaviors of America's young people. The ultimate test of this Campaign is not the number of ads we run, or the match rate we produce. The ultimate test is the rates of youth drug use. Studies suggest that it will take us two years of sustained effort to achieve this goal.

For this reason it is far too soon to declare victory. However, the Campaign is gaining real momentum -- momentum beyond what we thought possible at the outset. We believe that this momentum will produce the results we are all counting on from the Campaign.

The strength of this effort is a credit to this Committee and the other members of the Congress who were willing to support us when we approached you in 1997 with the ambitious goal of using the full power of the modern media to change how young people think about drugs and drug use. Without your bipartisan backing this Campaign would not exist.

Mr. Chairman, Ranking Member Hoyer, members of the Committee, thank you for the opportunity to appear before you today. All of us at the Office of National Drug Control Policy are grateful for your continued good counsel and support. We look forward to further progress in reducing youth drug use as we move forward together.

General MCCAFFREY. Mr. Chairman, thank you and Mr. Hoyer and the other members of your committee for the chance to come down here and lay out some of our own thinking and respond to your questions. I would like to underscore as strongly as possible our sincere appreciation for the manner in which you and others have helped shape this campaign. While I am very determined to be responsible for managing it and executing the will of Congress, I welcome the continuing consultation between those of you in Congress and your staffs. I think a lot of good has come out of that, and we look forward to continuing very close collaboration with you in the coming years.

Let me also note, as you have already pointed out, the presence of your second panel, Mr. Jim Burke, Partnership for a Drug-Free America, and some of his senior associates, Dick Bonnette, the President, Mike Townsend, and the 30-some odd professionals at PDFA. I was just honored to sit through one of their creative review committee hearings in which they act as the critical arbiter between what is submitted and what is allowed to move forward in this campaign.

I would underscore that the work we are getting out of PDFA is essentially pro bono. We are picking up production costs, but that cost is essentially 20 percent of what it would be if I were approaching this responsibility as the CEO of Avis or 3–M. So PDFA is not only our intellectual partner in this effort, but a tremendous lever to get corporate America to stay involved in the issue.

Dr. Alan Leshner is here. I should note that Alan Leshner and the National Institute on Drug Abuse in general are really a treasure on how we go about this. This campaign is not just the artists and the creative people; it is bounded by a behavioral science panel. It is based upon scientific research. Essentially, the NIDA prevention guidelines form the going-in point as we devise this campaign. He will explain his own views on it. We have asked him to organize, along with a contractor, Westat, the Phase III evaluation, but he and his associates are going to be key factors in how we design the Campaign.

The Advertising Council is here. Ruth Wooden has provided absolutely brilliant leadership in a very crucial aspect of being the clearinghouse for our national public service announcements. She is represented here today by Stephanie Greenberg, the Vice President and Campaign Director, and we thank her for her support.

The American Advertising Federation is represented here today. They have been doing, as you know, pro bono ad screening in the local markets. Perhaps most importantly we have present General Art Dean and Sue Thau and others from the Community Anti-Drug Coalitions of America. At the end of the day, the problem gets solved at community level. So the power of these advertisements in many cases is to not only provide information and education, but to get people involved. So we thank them for their participation.

I have asked some of our contractors to be here today. Paul Johnson, the Regional President for Fleishman Hillard, is here, along with Rob Gustafson. From Ogilvy & Mather, Shona Siefert and Dan Merrick are present.

I should note that Bates & Zenith Corporation provided absolutely superb support to us in Phase I and II, and that Porter

Novelli provides continuing engagement in acting in some ways as my own intellectual quarterback to watch the various forces at play. We are very impressed by their energy, by their talent, and, beyond the fact that they won competitive bids which will be subject to reevaluation each year, I think they bring a genuine personal collective commitment to it that is an inspiration to many of us.

We have some of our attentive communities here today, and I thank them again for their continuing oversight and support: Johnny Hughes from the National Troopers Coalition; Dean Keuter, National Sheriffs Association; Jim McGivney from DARE, the biggest, most successful prevention program for young people in America; Jim Kopple, the Crime Prevention Council; Liz Pearson, National Criminal Justice Association; and Sandra Edgecomb from NOBLE, the Black Law Enforcement Officers Association. We thank them for their involvement.

Prevention and treatment constituent groups, such as NASADAD, are here. As you know, an awful lot of our Federal dollars from the $17.8 billion budget goes to States and territories, so Jim Gustafson and Kathleen Sheehan from NASADAD play a key role. Bill Novelli is here from Campaign for Tobacco-Free Kids, and Dr. Linda Wolf Jones from Therapeutic Communities of America. We thank them for their engagement.

With your permission, Mr. Chairman, I would offer for the record not only my written statement and the associated briefing charts that I will very quickly run through, but also a series of letters and statements for the record. I won't outline them in detail.

First and most importantly, I asked Secretary Donna Shalala, my partner in all of this, to provide a letter to outline her own views. She, in many ways, is a dominant factor in how I view this ongoing effort. With the Center for Disease Control, the Surgeon General, the National Institute of Drug Abuse, the Substance Abuse and Mental Health Center for Mental Health and Services Administration, she has been a tremendous partner. I have asked her to write a letter to you, as the Chairman, explaining her views.

There are also statements for the record from Ruth Wooden, the President of the Ad Council, and Dr. Herb Kleber from the Center for Alcohol and Substance Abuse at Columbia University. He, Joe Califano, and others are really an enormous resource to us in staying engaged in the problem.

Finally, there is a series of letters. Just as a sort of a sampling, the National Crime Prevention Council, National Committee to Prevent Child Abuse, Save the Children, and President's Council on Physical Fitness and Sports and others [Clerk's note: agency insert, "sent letters concerning the media campaign."] I mention these because there are literally hundreds of NGOs who, properly so, watch what we do carefully and are providing advice and counsel and indeed feedback, as the Campaign unfolds. With your permission, I will offer that material for the Congressional Record.

[The information follows:]



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

Letter of Support
Secretary Donna Shalala,
For the National Youth Anti-Drug Media Campaign
Before the House Appropriations Subcommittee on
Treasury, Postal Service, and General Government
March 25, 1999

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAR 24 1999

The Honorable Barry R. McCaffrey
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, DC 20503

Dear Director McCaffrey:

I would like to commend you, your staff, and all of the many individuals and organizations that have helped the National Youth Anti-Drug Media Campaign get off to an encouraging start.

This historic public/private partnership is unique and wide-reaching. Although it is critical to reach our young people directly with messages that will help them to reject illicit drugs, alcohol, and tobacco, it is just as important that we reach the people who influence their lives every day: parents, teachers, coaches, mentors and other caring and involved adults.

We also need to make sure that our messages about illicit drugs, alcohol, and tobacco are absolutely clear -- that they are bad for young people's bodies and minds, that they can negatively affect their academic performance, their relationships with their families and peers, and their health and well being. I believe ONDCP's media campaign is helping us do just that.

Your multi-faceted, research-based public service campaign has the potential to succeed because it relies not only on television ad time to distribute its messages, but on the internet and other media outlets, through sports and entertainment venues, and through community outreach. In order for any type of message to be effective, it must grab the public's attention and must be clear and consistent. The media campaign can be an invaluable tool in this regard.

In sum, I believe this campaign can help parents and young people begin an open and candid dialogue and help them make the right decisions about drugs, alcohol, and tobacco. It deserves continued support. Please let me know if I or my staff can be of further assistance to you in this important and unprecedented effort.

Sincerely,

Donna E. Shalala



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

Written Statements For the Record
For the National Youth Anti-Drug Media Campaign
Before the House Appropriations Subcommittee on
Treasury, Postal Service, and General Government
March 25, 1999

- Ruth Wooden, President of the Ad Council.
- Dr. Herb Kleber

The Advertising Council inc

Ruth A. Wooden
President

Written Statement of
Ruth A. Wooden, President, The Advertising Council, Inc.
For the National Youth Anti-Drug Media Campaign
Before the House Appropriations Sub-Committee on
Treasury, Postal Service, and General Government
March 25, 1999

As President of The Advertising Council, I am writing to commend the House Appropriations Sub-Committee and the Office of National Drug Control Policy for their foresight in the creation of an unprecedented youth anti-drug media campaign. This program is key in helping to solve a life threatening issue faced by our nation's youth. The public service match component of the campaign thus far is an unqualified success. The media has risen to the challenge and matched above and beyond the dollar for dollar requirement. It is because of the match that this program is the best use of leveraged government money that I have ever seen.

The function ONDCP's media match policy is to increase awareness of existing programs that create an environment where our nation's children are not tempted by drugs in the first place. These programs are receiving unprecedented media exposure. All organizations that qualify for the match are well-established non-profits and government agencies that have strong presence in local communities. They aid in drug abuse prevention by encouraging early action steps like mentoring, parental involvement, after-school programs and raising young people's self-esteem.

ONDCP's media match concept also preserves public service as we know it. To fulfill the match, the media must support public service above and beyond levels prior to the inception of the program. Thus far, donated time from the match has not impacted media support for Ad Council PSAs. In fact, in some cases, these PSAs have exhibited a doubling of support. The match also guarantees to expose messages in time slots, such as prime time, in which public service is traditionally underrepresented. Additionally, initial reports for calendar year 98 indicate that Ad Council organizations that are NOT eligible for the media match have shown a significant increase in TV and Radio PSA support.

Again, this program is well conceived and the best use of leveraged government money I have ever seen. I do not doubt that if we stay the course, this campaign will have a significant impact on keeping our nation's youth off drugs. Change will not occur over night. Gratification will not be instant. But if we continue, if we have the patience and perseverance to stay the course, we will triumph over the menace that threatens our nation's children everyday.

261 Madison Avenue, New York, N.Y. 10016-2303 212. 922-1500 Fax 212 922-1676
Washington / Chicago

TESTIMONY BEFORE THE TREASURY POSTAL SERVICE AND GENERAL GOVERNMENT COMMITTEE: CHAIRMAN CONGRESSMAN JIM KOLBE, CONGRESSMAN STONEY HOYER, RANKING MINORITY.

By Herbert D. Kleber, M.D., Executive Vice President and Medical Director, National Center on Addiction and Substance Abuse at Columbia University (CASA).

Prevention In a National Drug Abuse Control Strategy

This statement is in support of the NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN.

A comprehensive national drug control strategy has to include both supply and demand reduction aspects. It is hard to do treatment or prevention when drugs are sold in schools and on street corners. To the extent that supply reduction activities can diminish the availability of illicit substances, the task of demand reduction becomes easier. However, just as supply reduction efforts are critical for demand reduction to succeed, likewise supply reduction efforts by themselves are inadequate. Every law enforcement official that I have spoken to in my 35 years in the field, including my 2 and a half years as the Deputy Director for Demand Reduction in the Office of National Drug Control Policy, agree that treatment and prevention are vital components of any strategy. In my remarks today, I should like to focus on the prevention part of this.

Prevention is not a unitary activity. For prevention to be successful, there needs to be a broad-based attack on at least five fronts. These would include school-based drug prevention programs, educating parents, community partnership programs, government leaders and the media. Prevention is most successful when the message emanating from these five different sources are consistent and reinforce each other. In the area of school-based programs, major changes are occurring; for example, D.A.R.E., the most popular and widely used program in our elementary schools, and the one where I chair the Scientific Advisory Board, has been meeting with leading prevention

researchers under the auspices of the Departments of Justice and Education we are about to launch a major program with help from the Robert Wood Johnson Foundation to meld the knowledge garnered by the prevention researchers and D.A.R.E.'s superb delivery system to come up with the best in school-based prevention. Congressman Portman of Ohio has been a superb fighter for expanding our community partnership program and the Department of HHS funds a significant number of community partnerships. Parents and the media, however, have not been as strong as they could have been.

In the past, media efforts were spearheaded by the Parnership for a Drug-Free America, one of the most successful and inspiring private initiatives in the history of the country. While the Partnership under the direction of its Chair, Jim Burke, has done a superb job for over a decade, the nature of its funding has limited its success. Since it depends on networks and newspapers and other outlets deciding where to place the message, reaching the population at risk has not always been optimal. With the advent of the ONDCP Media Campaign, with funds generously voted by Congress, it is now possible to target the message in a more effective fashion. The fact that there is a strong evaluation component built in to this endeavor will ensure that the American taxpayer is getting their money's worth in terms of the campaign. In my work over these past three decades with both adolescents and adults, the role of the media in shaping attitudes has been very evident. While the other four aspects of prevention that I have talked about are critical as well, media can reinforce the messages given by the other components. It can not only educate adolescents, but also their parents about both the message and how to deliver it and can overall support the objectives of our national drug strategy.

After over 5 years of rising adolescent drug use, the last report by Monitoring the Future suggests that adolescent use may have plateaued and perhaps even turned down slightly. If that holds up, it would be wonderful news for the whole country. The work that CASA and others have done suggest very strongly that if we can prevent adolescents from smoking, abusing alcohol or using illicit drugs before the age of 19, they are very unlikely to do it as adults. Given this glimmer of hope, now is the time to stay the course, to keep emphasizing the role of media as well as the other four aspects of our prevention strategy and to remember that prevention has to be an important partner and component in the fight against drugs. Thank you for your attention.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

Letters of Support
For the National Youth Anti-Drug Media Campaign
Before the House Appropriations Subcommittee on
Treasury, Postal Service, and General Government
March 25, 1999

- John Calhoun, National Crime Prevention Council
- Wade F. Horn, Ph.D., National Fatherhood Initiative
- Matt James, Kaiser Family Foundation
- A. Sidney Johnson III, National Committee to Prevent Child Abuse
- Larry Kirkman, Benton Foundation
- Catherine Milton, Save the Children
- Sandra Perlmutter, The President's Council on Physical Fitness and Sports
- Susan Traiman, Education Excellence Partnership



National Crime Prevention Council

To forge a nationwide commitment by people acting individually and together to prevent crime and build safer, more caring communities.

Officers/Executive Committee
President
U.A. Brueckl, Jr.
Retired President & CEO
ADT Security Systems, Inc., FL

Executive Vice President
Mrs. Arthur O. Whyte
Civic Leader, CT

Secretary
Richard F. Daugherty
Civic Leader, VA

Treasurer/Financial
Edward L. Matzen, Co-Chairman
Douglas Elliman, NY

David A. Dean, Esq., CEO
David A. Dean and Associates, P.C.
Dean International, Inc., TX

Mrs. Potter Stewart
Civic Leader, DC

Executive Director
John A. Calhoun
National Crime Prevention Council, DC

Directors
Thomas W. Adler, Principal
Cleveland Real Estate Partners, OH

Jean Addcott, Associate Professor
Yale Child Study Center, CT

Rudy M. Roberts
Assistant Vice President
The Coca-Cola Company, GA

Ordway P. Burden, President
Law Enforcement
Assistance Foundation, NY

George K. Campbell, President
Fidelity Security Services, Inc., MA

George Crossley
Assistant Executive Director
Norfolk Redevelopment &
Housing Authority, VA

Dennis Dibos
Director of Business Development
Motorola, IL

Carole Hillard
Lieutenant Governor, SD

Robert Keim, President Emeritus
The Advertising Council, Inc., NY

Phillip Lovell, Co-Chair'11
National Youth Network, DC

William F. May, Chairman & CEO
Statue of Liberty/Ellis Island
Foundation, NY

J. Ben Miller, Principal
Cotten Turley Martin, MO

Charles A. Moose, Chief
Portland Police Bureau, OR

Rasheed Newton '17
Program Assistant
Center for Youth as Resources, DC

Leonard H. Roberts
President of Retail Divisi
CEO Red Lobster, Inc.
Orlando, FL

Nathaniel E. Robinson
Division Administrator
Wisconsin Department of
Administration, WI

Michael F. Snyder, President
ADT Security Services, Inc., FL

Patti Watson Stewart, President
Stewart's Limousines, SC

Joseph V. Vitarisi
Retired Chairman & CEO
Avis Rent A Car System, Inc.

Advisory Director
'17 Youth Advisory Director

March 22, 1999

General Barry McCaffrey
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear Barry:

I commend the Office of National Drug Control Policy for their public service advertising efforts. The National Crime Prevention Council is pleased to be included in the media match partnership through The Advertising Council. The addition of this media match opportunity has given the National Citizens' Crime Prevention Campaign added fuel to reach television and radio network audiences in a way not possible in the past.

The partnership has been wonderful. I have enjoyed working in close cooperation with ONDCP. As you know, our campaign currently contains PSA messages about protecting children from drug abuse and other crimes and our ads have complimented the ONDCP strategy.

The National Citizens' Crime Prevention Campaign is one of the most successful among the Ad Council's 40+ campaigns, and our success is only further solidified by the 6,000 television placements we received from the media match! However, I am deeply concerned that the media match does not include a requirement to monitor the PSAs from the non-profits involved.

Together with the Ad Council and non-profit partners, ONDCP has the opportunity to show the government the considerable impact the anti-drug advertising is having on other related public service advertising campaigns. We have maximized our exposure through the partnership with ONDCP, and the government needs to know about the non-profits' increased success in the media.

NCPC fully supports the efforts of ONDCP. You and your staff have taken great pains to engage NCPC and other organizations to assure the greatest good for all within the public service community.

With every good wish.

John A. Calhoun
Executive Director

JAC/mlr
encls.

1700 K Street, NW, Second Floor, Washington, DC 20006-3817 202-466-6272 • Fax 202-296-1356 • http://www.ncprevent.org



National Fatherhood Initiative
One Bank Street, Suite 160 • Gaithersburg, MD 20878
(301) 948-0599 • (301) 948-4325 FAX

03/15/99

General Barry McCaffrey
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, D.C. 20503

Dear General McCaffrey:

I would like to take a moment to express our gratitude for your having chosen the National Fatherhood Initiative's Ad Council campaign to include in the ONDCP media match program.

The inclusion of NFI's public service announcements (PSAs) in the ONDCP match reels has significantly increased the amount of broadcast time our television and radio ads have received. This means that literally millions of Americans have been exposed to our message: that fathers matter to the well-being of their children, and the most important thing a father can do is to spend time with his children.

Thank you again for including NFI's PSAs in the ONDCP media match program. We look forward to continuing to work with your office in the future.

Sincerely,

Wade F. Horn, Ph.D.
President, The National
Fatherhood Initiative

cc: Alan Levitt, ONDCP
Ruth Wooden, The Ad Council

With Your Kids

are everyone else does.

Talking With Kids About Tough Issues

HONORARY COMMITTEE
Linda Ellerbee (Chair)
President, Lucky Duck Productions

Rosie O'Donnell
Talk Show Host

Herb Scannell
President, Nickelodeon/ Nick at Nite

Kobe Bryant
The Los Angeles Lakers

Dr. Alvin Poussaint
Professor of Psychiatry, Harvard Medical School

Dr. James Comer
Maurice Falk, Professor of Child Psychiatry Yale Child Study Center

Kevin Leyden
Manager of Children Services, IBM

Susan Ungaro
Editor-in-Chief, Family Circle Magazine

Dr. Richard Gallagher
Director of the Child Study Center Parenting Institute, New York University

Lynne S. Dumas
Author of "Talking With Your Child About a Troubled World"

Lois Salisbury
President, Children Now

Drew E. Altman
President & CEO, Kaiser Family Foundation

CHILDREN NOW
1212 Broadway, Fifth Floor
Oakland, CA 94612
Tel: (510) 763-2444
Fax: (510) 763-1974
www.childrennow.org

Stella Richardson,
Sr. Communications Associate

Dahi Jauco Owens,
Sr. Communications Associate

KAISER FAMILY FOUNDATION
2400 Sand Hill Road
Menlo Park, CA 94025
Tel: (650) 854-9400
Fax: (650) 854-4800
www.kff.org

Ashley Kaff,
Project Manager

VISIT THE WEB SITE:
www.talkingwithkids.org

FOR A FREE BOOKLET:
1-800-CHILD44

March 18, 1999

General Barry McCaffrey
Office of the National Drug Control Policy
750 17th St. NW
Washington, DC 20503

Dear General McCaffrey,

I am writing to you on behalf of the *Talking with Kids About Tough Issues* campaign, a national campaign to support parents by the Kaiser Family Foundation and Children Now. The campaign encourages parents to talk earlier and more frequently with their children about difficult subjects like drugs, sex, and violence. We are quite grateful to be included on the "Match" reels and wanted to take this opportunity to communicate our support for the program and the ONDCP.

We applaud the ONDCP's efforts to ensure that not only would PSAs not lose placement opportunities with the introduction of the paid media buy, but would actually gain better and more frequent placements. This careful and effective negotiation for the "Match" media dollars demonstrates a significant commitment to the valuable messages communicated in the range of public service work included on the reel.

Best regards,

Matt James
Vice President
Kaiser Family Foundation

cc: The Advertising Council
Alan Levitt, ONDCP

National Committee to Prevent Child Abuse

Honorary Chairman
Norman Brinker

National Honorary Board
Bill Armstrong
Bill Bixby
Monica R. Dozema
Senator Christopher Dodd
Chris Evert
Patricia Ewing
Vincent T. Fontana, M.D.
Mrs. Gerald R. Ford
Rev. Billy Graham
Bob Hope
Robert Keeshan
"Captain Kangaroo"
Ann Landers
Edwin Moses
Paul Newman
Jack Nicklaus
The Osa Ridge Boys
Walter Payton
Itzhak Perlman
Mitch Richmond
Roger Staubach
Joanne Woodward

National Board of Directors
Maura Somers Dugan*
President
J. Michael Hester*
Vice President
Barbara J. Saxon*
Vice President
Gary M. Lanzara*
Secretary
William M. Piet*
Treasurer
Dorothy V. Harris, ACSW*
Immediate Past President
Victor E. Anderson
Michael Axelrod
Dolores Bigtoot
Newman C. Brown
Leland Brendsel, Ph.D.
Clarice Dibble Walker
Peggy Eagan, ACSW*
Joan R. Embender
Martha Farrell Erickson, Ph.D.
Martin Finkel, D.O.
Earl A. Forte
SuEllen Fried
James Gould
Rev. Margaret M. Graham
Frederick C. Green, M.D.
Christine Gregoire
Mary Edna Heller*
Major Lynn Jones
Diane Keller Kessler
Christopher Knefel
Steven B. Martin
Walter S. Meyers
Kathleen Myalls
Patricia Neman*
Marc T. Ray
Robert M. Reece, M.D.
Anne Reniger
Bonnie Ruch
Michael Rosengarden
Roberta A. Sachs
Ginger M. Salazar*
Joseph Semidei
John Smith III
W. Clement Stone
Linden E. Wheeler
Leslie Wheeler Hortum

*Executive Committee

Executive Director
A. Sidney Johnson III

Founder
Donna J. Stone

March 15, 1999

General Barry McCaffrey
Office of National Drug Control Policy
750 17th Street NW
Washington, D.C. 20503

Dear General McCaffrey:

On behalf of Prevent Child Abuse America, I would like to express my sincere gratitude to the Office of National Drug Control Policy for its support of our efforts to prevent child abuse. By making the matching program possible, the ONDCP has ensured that television outlets across the country played our public service announcement on emotional neglect. This provided the invaluable service of drawing public attention to a serious issue.

I am pleased to report that calls to our toll-free help line number increased dramatically in the weeks after the PSA started airing, with most callers requesting more information about emotional neglect.

We truly appreciate this support.

Sincerely yours,

A. Sidney Johnson III
Executive Director

xc: Alan Levitt, ONDCP
Ruth Wooden, Ad Council

200 S. Michigan Avenue, 17th Floor, Chicago, IL 60604-2404 (312) 663-3520 fax: (312) 939-8962
web site: http://www.childabuse.org e-mail: ncpca@childabuse.org

[redacted]

Benton Foundation

OFFICERS AND DIRECTORS

President and Chairman
CHARLES BENTON
Public Media Inc

Treasurer
HENRY M. RIVERA
Shook, Hardy & Bacon L.L.P.

General Counsel
MARK LLOYD
The Civil Rights Forum

WORTH BRUNTJEN
Piper Capital Management

ROBERT FLYNISS
Cook County Civil Service Commission

HAROLD RICHMAN
Chapin Hall Center for Children

TERRY TINSON SAARIO

JORGE REINA SCHEMENT
Pennsylvania State University

PAUL SIMON
Southern Illinois University at Carbondale

LINDA TARR-WHELAN
Center for Policy Alternatives

Trustees
CHARLES BENTON
MARJORIE C. BENTON
LEONARD SCHRAGER

Executive Director
LARRY KIRKMAN

Deputy Director
KAREN MENICHELLI

Finance and Administration
SANDRA BERLIN

Strategic Communications and Children's Programs
SUSAN NALL BALES

Neustadt Center
DAVID WEINER

12 March 1999

General Barry McCaffrey
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

Dear General McCaffrey:

The Benton Foundation and its flagship children's program, Connect for Kids, have been the beneficiaries of the ONDCP and Ad Council Youth Anti-Drug Media Campaign. Our commitment to creating communities that work for kids benefits from the unique partnership that has been forged among the media partners.

The partnership and national media match allows public service to be preserved in the media, establishes a successful media match model for future initiatives, and enables prime-time placement of important messages. In the past, our campaigns have benefited from this effort. As we launch a new round of advertising, we are confident that your efforts to promote positive role models for parents, children, and community members will support our efforts to help adults get connected to the information and resources they need to make a difference for kids and their communities.

We support your efforts to get the important messages of creating strong families and communities and thank you for work in fostering inventive ways to work with our media partners. Best wishes for continued success.

Sincerely,

Larry Kirkman
Executive Director

cc: Alan Levitt, ONDCP
Murray Gaylord, Ad Council

1634 Eye Street NW Washington DC 20006
Telephone 202 638 5770 Fax 202 638 5771
Email benton@benton.org WorldWideWeb www.benton.org

Save the Children.

54 Wilton Road
P.O. Box 950
Westport, CT 06881 USA
(203) 221-4000

March 17, 1999

General Barry McCaffrey
Office of National Drug Control Policy
750 17th St., NW
Washington, DC 20503

Dear General McCaffrey:

I would like to express my deepest appreciation to you and your colleagues for requiring the media to match your media purchases with in-kind contributions to qualifying anti-drug campaigns such as our own. Thanks to you, this ground-breaking collaboration will make a world of difference to helping kids stay off drugs, stay in school and go on to college.

Our campaign is new therefore first appeared on the reel of qualifying ads that was distributed to the media in January. While we do not yet have tracking information on media contributions to our campaign for February, we do know that 40% more people called the toll-free Mentoring Hotline featured in the ads in February than in January (we received 1,830 calls in February vs. 1,309 calls in January). While we have yet to receive the February media placement reports, we have been thrilled to spot our ads on popular shows such as the Today Show, 20/20, Good Morning America, and the Little Mermaid.

Thank you for using your campaign to benefit other campaigns, thus leveraging our collective efforts and amplifying the impact on children and youth beyond what any of us could achieve on our own.

Sincerely,

Catherine Milton
Executive Director

cc: Alan Levitt, Office of National Drug Control Policy
Ruth Wooden, The Advertising Council
Murray Gaylord, The Advertising Council

THE PRESIDENT'S COUNCIL
ON PHYSICAL FITNESS
AND SPORTS

March 19, 1999

General Barry McCaffrey
Office of National Drug Control Policy
750 17th St., NW
Washington, DC 20503

Dear General McCaffrey:

I write on behalf of the President's Council on Physical Fitness and Sports (PCPFS) to applaud your ongoing efforts to decrease drug use among our nation's most precious asset: it's youth. The Office of National Drug Control Policy's (ONDCP) paid media campaign and its "match" component have been a notable addition to your mission. The PCPFS is especially interested in the importance the "match" component can play in this process.

This component, containing non-drug specific messages, is critical to enhancing and heightening the campaign's visibility – while at the same time assisting us in many ways. For example, teens who are more physically active, or who participate in sports, are less likely to do drugs.

The President's Council has been working with The Advertising Council to produce a Public Service Announcement campaign encouraging adolescent youth to become and stay physically active. Including our campaign as an ONDCP match campaign has increased the exposure of our themes substantially. Our efforts with The Ad Council received over $40 million worth of donated media in 1998 – double our 1997 value in large part due to incremental exposure from ONDCP's media match.

We would hope ONDCP and The Ad Council would continue to work together to gain exposure for such important messages confluent with the anti-drug messages. We count ourselves lucky to be able to take advantage of this opportunity.

Most sincerely,

Sandra Perlmutter
Executive Director

cc: Alan Levitt, ONDCP
Ruth Wodden, Donna Feiner, Ad Council
Tom Cove, SGMA

HUBERT H. HUMPHREY BUILDING
ROOM 738H · 200 INDEPENDENCE AVENUE, SW · WASHINGTON, D.C. 20201
PHONE: 202-690-9000 FAX: 202-690-5211



March 18, 1999

Education Excellence Partnership
1615 L Street NW, Suite 1100
Washington, DC 20036

General Barry McCaffrey
Office of National Drug Control Policy
750 17th Street, NW
Washington, DC 20503

The Business Roundtable

U.S. Department of Education

American Federation of Teachers

National Alliance of Business

National Governors' Association

National Education Association

U.S. Chamber of Commerce

Achieve

Dear General McCaffrey:

The Education Excellence Partnership is a non-profit public private partnership that sponsors an Ad Council public service campaign on education reform. The campaign's objective is to dramatize the urgency of the need to raise standards in America's public schools and to motivate citizens to take action. The partnership is comprised of leading national business, government and teacher organizations.

Our partnership has been fortunate to be included in the ONDCP media match. Through this initiative, we have had increased television and radio exposure. In fact, our donated media in 1998 more than doubled what we received in 1997. We attribute some of that increase to our inclusion in the media match for your ONDCP campaign.

We particularly appreciate your recognition of the important link between your message about drugs and our message about the importance of quality education for our nation's youth. It's critical that we communicate effectively to the public about the need to challenge our children in school and how that is one component of attacking drug use.

On behalf of all the organizations in the Education Excellence Partnership, I want to thank you for the media boost you have given to our issue. I look forward to a continued productive relationship between ONDCP, the Advertising Council and the Education Excellence Partnership.

Sincerely,

Susan Traiman

Susan Traiman
Director, Education Initiative
The Business Roundtable
Treasurer, Education Excellence Partnership

cc: Alan Levitt, ONDCP
Ruth Wooden, Ad Council

General MCCAFFREY. If I may, I will very quickly run through a few charts and talk about them briefly. If I may, the first chart, again, probably the fundamental assertion that we hold valuable to this campaign, is that attitudes drive behavior. It sounds like a commonplace assumption. We have decent historical data, 10 years or so, out of the Partnership for a Drug-Free America. It is sustained by other credible studies that show as youth attitudes change, as they encompass a stronger disapproval of drug use and a sense of danger of personal engagement in drug use, then drug taking behavior goes down. Whenever the opposite happens, it goes up. Obviously, a piece of that is this 1 percent of the Federal counter-drug budget that we are devoting to this attempt to communicate to America's children and their care givers using modern media.

So we underscore that. We saw a tremendous increase in drug taking behavior; the attitudes probably started to change around 1990. Drug taking behavior started up in 1992. In the last two years, we have seen a modest but encouraging change in attitudes and indeed a change in drug taking behavior. We are talking 1 to 2 percent, but instead of going up, it went down. If we keep at it for a decade, intelligently listening to our own feedback, we believe we can achieve dramatic reductions of more than 50 percent. That is the fundamental hypothesis that drives our effort.

The next chart is complicated, but let me just state, this is an enormously complex but carefully designed campaign effort undetaken by hundreds of professionals. We started with five of us in ONDCP and 30 of us in PDFA, but now we have the power of some of these enormously sophisticated industries behind us; that is, one of the reasons I wanted them in the room today. We do have from Phase I a considerable body of evidence in two reports that I know your staff has gone over, along with the GAO. The reports show when we did our first 6 month test in 12 cities, with 12 control cities, and said do these ads, which are really off-the-shelf material, and asked can you hear them and did you see them; the answer was yes. I will talk about that in some detail. But that was the going-in basis.

We have two documents I want you to be aware of. One of them I know you have probably read is the National Youth Anti-Drug Media Campaign [CLERK'S NOTE.—Agency adds "Communications Stragety"]. This is the strategic framework. This is what we tell the industries we are working with is their guiding organizational concept. It was written by ONDCP, PDFA, and Porter Novelli Corporation, which has enormous experience in public health issues. In fact, they are our contractor to help us write that. That is the strategy. Then we needed to develop the tactics; and that was done in a very thorough manner, to produce an integrated communications plan. That is how we deal with the day-to-day rules of organizing a 5-year, $2 billion effort.

Fortunately, there is an executive summary. But these are the tactics of it.

Having said that, that is only the tip of the iceberg, because what we do on a periodic basis is sit down and listen to professionals like Bates & Zenith in Phase II and now Ogilvy Mather and Fleishman Hillard in Phase II and III, and we talk about the

media buying plan, the placement plan, the monitoring of these ads, and the testing of the ads.

What you are looking at, I should stress, is an integrated communication campaign based on six different components. Some of them are visible, exciting, and fun, particularly if you are 14 and an African American young guy, or you are 16 and native American female on a reservation, or if you are Hispanic in the L.A. Basin. You are seeing the paid advertising. We will talk about the frequency and reach of that.

We have to remind ourselves it is much more than that. It is also interactive media, as you saw dramatically demonstrated yesterday, with America On Line bringing out this talk to parents, providing them a resource, a community, and Disney-ABC communicating to children. It is also the entertainment industry, both PDFA and us, out there providing tutorials based on Dr. Leshner, PDFA, and others. If you are going to use drug abuse in your entertainment, in your depiction of life as art, then make sure it is realistic. So we have said there is no First Amendment issue here with us. We encourage you to have drug abuse as part of your depiction of American life, but make sure it looks realistic.

I might add in a couple of weeks we will share with you our analysis using another contractor, Media Scope, on how drug abuse, alcohol abuse, and cigarette use is depicted in music, film, and TV. We are going to try to keep track of that, because we think that is another important aspect.

We also know we have to do partnerships, whether it is the 4,000-some odd coalitions that Art Dean represents, or Boys and Girls Clubs, or PDFA. We know we have public information news media challenges. One of them is working with the power of the American press. Do we make our case in reasonable terms, yes or no, and stay in the story.

Finally, we have a tremendous effort in corporate participation. We will release a contract in May where we are going to hire somebody to help orchestrate this participation, which I might add you have wisely mandated in the law to increase corporate involvement in the media campaign.

Finally, you know we are talking to three audiences. We are talking to youth. That is half of it. A good bit of that needs to focus on the middle school age group. We are also talking to parent audiences and influential adult audiences. Those are the three targets of the whole campaign.

Finally, of course, you will want to question us about how we are going about evaluating the campaign. Evaluation is on two levels. One is I need steering instructions. I have to make sure we modify our behavior throughout this campaign so that what works gets reinforced and what doesn't gets pulled.

Finally, I think we have to document it, because I would argue this is going to be a 10-year effort we will then want to rediscover and start over. So the evaluation is a sophisticated approach and it is being done by several different groups.

Let me briefly talk to the next chart. If you and I were involved in a corporate effort trying to sell a new product in a cold market, we would say "I want as my private branding standard a 17 to 28 percent increase in the awareness of my ad." That is what we

would be after. I think the graph on the right is probably overstated, but as we look at four of our ads in the 12-city test market, in general across those ads, among different target lines, kids, parents, and care givers, the increase in awareness was within the range of the private branding standard. But to show the drama of it, it was as high as an end result of 68 percent ad awareness.

This figure is a little bit off because there was considerable awareness on some of these ads in the target cities already, but the bottom line, clearly demonstrable: "yes, we saw the ad and we had a reaction to it."

The right side of the chart, we went into it, as Congressman Hoyer mentioned, thinking that four times a week, 90 percent market penetration was a standard. That is based on some pretty good work by PDFA. They really went to 1991 as a base year when things were going right, when they were getting over $300 million a year in PSA access, and things were moving in the right direction. They said maybe this is a standard if somebody was trying to sell Nike shoes to teenagers; it looked like that was about the right answer. I think I owe you a new look at that by next year—what should our standard on reach and frequency be? But that is where we went into it, four times, 90 percent. We are hitting, as you mentioned, about 7 times and up to 95 percent. In certain subpopulations, such as African Americans, we are doing much better than that. It is astonishing. Part of that is clearly the cooperative response out of the media. That is far more than our money at work. That is a creative response by the media.

Next chart. To underscore the success with some of these subpopulations, Ogilvy & Mather has 10 subcontractors of cultural ethnic diversity firms, such as Hispanic-American, African-American, Alaskan native, and native American. We tried to get people who have experience in communicating with subpopulations. They are doing a great piece of work.

Before we are done with this we will have ads in 10 languages besides English. When we started doing Spanish language advertisements, it was astonishing the reaction we got. The number that sticks in my mind is from 4 phone calls a day to Donna Shalala's clearinghouse to over 60 an hour. As you can see, we are doing almost 5 ads a week in Spanish to a 16 million target population. We are doing even better in the African-American and general population.

As you look down at the bottom, one of the things Alan Levitt, who organized this for me, is probably most proud about, is when we started this, we put $1 million into African-American owned media. We are up to $33 million in that program now. That is both paid and pro bono, half and half. So we have a very dynamic focus. We are the largest governmental advertiser in African-American newspapers and we are one of the leading advertisers in Black Entertainment Television. So this is a story that all of us ought to feel very good about.

The next chart shows some numbers. We diced these away last night every which way but loose. Let me attempt to explain it to you at the top line. You gave us $185 million. We got $217 million in some kind of corporate or matching payback. That is pretty good. And it wasn't throw away time. It is not 2 o'clock in the morning.

In addition, we are measuring that $217 million in a very conservative, circumspect way. Some of it is probably of much more value than the value we assigned to it. I don't have time to show you today some of the story content that we have gotten into play on NYPD Blue and ER, et cetera, where we have a very strong, science based message out. But bottom line, that is where we ended up. We received 102 percent matching if you want to target it against the output function of the $165 million. We received 109 percent matching if you want to talk about broadcast matching.

So the bottom line is they are responding to us in a pretty impressive manner. $42 million corporate payback. That is the overall view of it.

Finally, I would like to talk about our partners. This is a representative sample. These are some of the famous names in the business. There are more than 2,200 different media outlets that are using our material. There are literally hundreds of coalitions who are directly involved in this effort. Some of them play an enormous role as co-quarterbacks: the Ad Council, PDFA, et cetera. Others, like major league soccer, for an example ??? of 100 sports teams in baseball, swimming, major league soccer, the NBA, and football, and others that are partners in this effort [CLERK'S NOTE.—Agency amends this by deleting "major league soccer"].

So I would suggest to you at the end of the day, that may be the best aspect of it. We have these communities fairly well pulled together.

Let me show you a quick example, Mr. Chairman, if I may. This is under 3 minutes of 18 different ads produced by our media partners in 7 major television networks, some of the work that is on the air. Go ahead.

[Tape.]

General MCCAFFREY. The numbers as we look at Phase II are staggering. I gave you the reach and frequency numbers, but it turns into other numbers like 203 million impressions, banner ads on the Internet, 14 million-plus different public service announcements that you could have seen if you were in a movie theater, watching television, listening to the radio, looking at a billboard as you drove by on the highway, reading magazines, reading newspapers, including in Spanish or on a native American reservation. We have been out there. Probably the best news that I would report to you is that Phase III ads are now under development by PDFA. I have already signed off on the next two generations of story lines. The work that is coming along is powerful. It will resonate with the target population, and it is scientifically correct.

Mr. Chairman, I thank you and your committee for your leadership and support. We look forward to responding to your questions.

Mr. KOLBE. Thank you, General McCaffrey. I think this is a good beginning here, and I think there will be a lot of, as I said at the outset, some spirited questions here.

I want to begin in my time here with just a few questions dealing with the performance and evaluation. Maybe I should say at the outset, I think that there are two ways in which perhaps, at the beginning, we could conceive of this campaign going. One is to just move on a continuum all the way through from Phase I to Phase II to Phase III, and perhaps another, and this may be at the heart

of what this hearing is about, but there may be some—misunderstanding isn't even the right word, but there may have been more of a focus of some of us in thinking that maybe there was going to be a pause between the phases as we evaluated them and decided where to move from one to the other.

But whatever it is, let me just try to focus on some of the evaluation issues. We just got the report a few days ago, this is report number 2. We had some discussion, I won't go into that, with the other one [CLERK'S NOTE.—Phase I, report number 1], whether it was preliminary or whether we were supposed to have that report or no. This is labeled report number 2. But were there any methodological or data collection or analysis problems that affected getting this report completed?

General MCCAFFREY. Surely there have been continuing discussions of challenges in these areas. We, of course, started this and got it going in a short period of time, so, for example, when we were collecting data, we had a great deal of difficulty getting data directly out of schools. That is one of the reasons why in Phase III we have gone to home-based sampling systems.

So, yes, this was hard work to do it the right way, to make sure that we tried to get the baseline changes, even though we are using ads that have been seen already, so to some extent you have a contamination of what was there first and what was there after you did it.

But having said all that, no, I think it was a pretty rigorous analysis. The findings are dramatic. If we were selling a commercial product, we would be very happy with our results. The first report laid that out fairly ably, and then the subsequent work in more detail substantiated our findings. So we are pleased with Phase I. The analysis for Phase II is well under way. It is very encouraging and I will try to have that report over to you shortly, probably by May.

Mr. KOLBE. Well, you may have just answered the next question, but I was going to ask whether the fiscal year 1998 appropriation requires that you report by October of this year on the effectiveness of the media campaign "based upon measurable outcomes provided to Congress previously."

So I guess my question is, is there going to be any delay that we are going to see in completing Phases I and II evaluations that is going to impair your ability to provide measurable outcome evaluations by that deadline?

General MCCAFFREY. No.

Mr. KOLBE. So you expect to be able to have that?

General MCCAFFREY. Absolutely, yes. Let me be quite clear, I think throughout this we are learning as we go. Notwithstanding this very sophisticated planning effort and notwithstanding our tools, Ogilvy & Mather and Fleishman Hillard know what they are doing. I expect we are still going to learn as we go, we are going to have to modify the Campaign. We have an Annenberg School of Journalism focus group evaluating our ads. We are going to pull ads if they don't measure up.

So this is not a momentum on a given line of drift. We are going to change this as we go along.

Mr. KOLBE. Do you expect the results that we are going to get in the evaluation this fall will be qualitative or quantitative or both?

General MCCAFFREY. Both. Another caution, if I might, Mr. Chairman, in Phase I and Phase II, the measurement is primarily the message being seen. Even though as you look at how we designed that, that is a central component, you still get a lot of feedback on did it make you believe the message. So it is not just did you see it, but did you find it credible; did it make you think more about the dangers of drugs?

But that is the behavior that we are measuring in Phase I and Phase II. The harder task, what you actually demanded we accomplish, is change youth attitudes and affect drug use behavior.

Mr. KOLBE. Ultimately that is really what you need to do. I think you can take credit, and I agree in Phase I and II, the reach, how many messages we were getting out was what we were talking about. Ultimately it is like an advertising plan. Your advertising firm may say "look at how many people get this message", but if you see no increase in sales ultimately, you are not going to be happy with that plan. If we are not going to see any decline in the use, we wouldn't be very happy.

General MCCAFFREY. At the end of the day, there will be no grade for style. It will be what effect did we have on youth drug taking behavior. I might add that those numbers, when we put them by slight declines, very positive declines in alcohol, tobacco, pot, and general drug use that we have seen last year, were unaffected by this campaign. That data was collected prior to the beginning of Phase II.

I would argue that in the next two years, before we walk out of these offices and turn them over to the next leadership team, you should expect to see a definitive bite into the kind of malignant behavior we are concerned about. I am confident that is going to happen.

Mr. KOLBE. That is a pretty good prediction. I obviously hope you are correct. Maybe that answers this question then before my time is up here as to why you moved so swiftly from Phase I to II. I am just wondering, did you have time to pause and breathe and incorporate anything you learned in Phase I into Phase II?

General MCCAFFREY. Absolutely. The Phase II campaign was informed by Phase I, and the Phase III is absolutely based on feedback from the earlier work. Thankfully, Bates & Zenith did a first rate job and cooperated fully with Ogilvey Mather when they picked up the responsibility.

Mr. KOLBE. This is not just a test, but I am wondering, can you give me an example of something you learned in those phases that you incorporated into the next phase?

General MCCAFFREY. When we get a buyer-placer mechanism, like either Bates & Zenith or Ogilvey & Mather, it is not just TV time, 30 second ads. At that point you say here is a market, the way to get that market is using Spanish language newspapers, billboards, and radio ads. A huge drug problem is pot in adolescents. So we want to go to a billboard and use a pot in adolescence ad. Where is the material in there. That is one of the problems. So PDFA is in a heroic effort to get the tools we need to respond to

and hand over to Ogilvey & Mather so we can go after our target. We are woefully short of some of these tools.

Some of the work I saw yesterday in New York City, PDFA's creative review committee, goes after marijuana smoking, and why is it a threat to your development. That is one of the challenges. Some of the other challenges we ran into is you do have to recognize these audiences respond differently. If you are going to put an ad on in Guam, it can't talk about poison ivy. They don't have any. If you are going to talk about drug abuse in the Asian American community, there are certain cues that are more useful to resonate with your target audience than others. So there is a lot learned, I would argue, particularly out of Phase II.

Mr. KOLBE. Thank you. Mr. Hoyer.

Mr. HOYER. Thank you very much, Mr. Chairman. Initially we started this program as I said in 1998, fiscal year 1998, and it was to run to fiscal year 2002, a 5-year plan. It is my understanding we are budgeting for a longer period of time than that.

My question to you is how long a period of time do you think we need to contemplate—at whatever level we are, about the $200 million level or below that—for the media campaign to have its intended effect?

General MCCAFFREY. That almost gets back to Mr. Kolbe's initial question, what is the hurry? The hurry is there is a danger of losing a generation. It was clearly moving in the wrong direction. We have literally hundreds of thousands of kids involved in self-destructive personal behavior, and it was going up.

We have made an argument, which I think is a very sound taxpayer argument; if you get an adolescent American addicted, that is a $2 million bill over their lifetime. Maybe that is high or maybe it is too low, but it is about $2 million, including the damage they will do to their community, health care costs, criminal justice, et cetera. We said this is an emergency and we moved on it quickly. I believe it requires an emergency response at the beginning, and then we will drop to some steady state, preventative, prophylactic approach over time. That is tied to the fact that every year a new group of eight-year-olds shows up and we again ought to continue talking to them.

I owe you an answer within a year or two on what the steady state ought to be. I don't know what the answer is. Maybe it is less than $185 million a year. But right now we are in an emergency.

Mr. HOYER. But essentially what you are saying is you have got to convince every generation that Coke is the real thing.

General MCCAFFREY. Yes, sir, I think so. I think we did an excellent job in the seventies, with the revulsion in America's cities, crack cocaine in particular, shocked everybody. We had to organize. Law enforcement got engaged, a lot of good things happened, and drug use plummeted. Then the conditions that created that outrage started to dissipate and our efforts dwindled.

Mr. HOYER. Let me have you comment on what I know Mrs. Meek is interested and maybe she has some questions on it as well. I asked you in the budget hearing about alcohol and tobacco, the legal substances, but which we know are either precursors of harder drug use or in and of themselves debilitating.

What if any focus do you think we ought to have with respect to those two substances in this ad campaign or does that detract from the ad campaign, add to it? What are your thoughts?

General MCCAFFREY. There is no question that alcohol abuse, primarily beer and wine coolers, is a disaster to American adolescence. In terms of car wrecks, teenage pregnancy, and vulnerability to physical assault, it's a disaster. It is the most widely seen illegal drug using behavior, underage drinking. We know we have thousands of kids, the number is 3,000 a day, that begin smoking. So when they are 55, a third of them will die from it. So it is a huge social, medical, and legal problem to us.

Analyzing the law, what you told me to do, we have decided the appropriated funds stay on drug abuse, which you have defined under the law as controlled substances.

At the same time though, I think the good news is that by telling me to get at least 100 percent match, we have set up an advisory council which certifies groups and messages as contributing to a reduction of drug taking behavior among American youths, and we have included drug and alcohol abuse in that category. So the Advertising Council's work is going to be crucial to us. There is a huge increase in anti-alcohol ads and tobacco ads directed at young people which are in first rate time slots on the right media. Literally thousands of them are now appearing. I think they are going to do a lot of good. So Mothers Against Drunk Driving, Tobacco Free Kids, et cetera, should be encouraged and pleased by what we are doing.

Mr. HOYER. Mr. Chairman, I have no further questions.

Mr. KOLBE. Mrs. Meek.

Mrs. MEEK. Thank you, Mr. Chairman. Welcome, General McCaffrey. I am certainly interested in the situation regarding youth and use of alcohol, and my colleague just mentioned a follow-up question to that. On page 16 of your testimony, you refer to the pro bono match component of the Campaign as helping public service efforts that target risk factors such as early alcohol use that make youth drug use more likely. You have often stated that the best way to prevent illegal drug use is to start with the drugs of first use, and that the drug of first use for most children is alcohol. In fact, the ONDCP drug site states that the later the children start to drink, the lower the likelihood they will end up using illegal drugs.

You also state in your prepared testimony today that paid advertising has proven to be more effective than PSAs in communicating an anti-drug message.

Given that alcohol is a gateway drug, why are the ads discouraging alcohol use not included in the paid media segment of the Campaign?

General MCCAFFREY. I think your comment is right on the money. There is no question that the abuse of alcohol, if you listen to Secretary Shalala, the dominant problem among college kids hands down is beer, followed by marijuana. That is the reason they drop out of school, they get physically assaulted, and they get into these terrible lifestyle problems. So I have no disagreement with what you have said, Madam Congressman.

The only thing I would add is that when Jim Burke didn't have the power of this program behind him, because of a lot of reasons, the economics of the business is changing. I don't need to talk to you about it, I know you understand that, but it is no longer three television networks, it is seven, so things are changing in the business. The amount of money behind his program was steadily dropping. I think it was worse than the dollar amount because of places they weren't reaching people.

So we had a disaster going on. Now that we have got this appropriated component, we believe that the matching PSAs are appearing in the right publications, on the right shows, at the right times. So anti-alcohol ads for MADD and for cigarette smoking are going to have much more impact. I think we are going to start seeing that behavior change.

Mrs. MEEK. Having had long experience with PSAs, particularly when it comes to the communities that I serve, the stations usually put them on the back burner. If you have paid advertising, they put those ads up first, particularly in some of the smaller radio stations which really impact on the people I serve. The radio stations have been significantly important in terms of the messages being put out. Unless they get some paid advertising, it is very, very hard to make the message convincing. Also it sends a message to the minority communities. If you relegate them pretty much to PSAs and not to the paid ads, they get the feeling of the status that they have in this drug war.

Now, we know pretty much, you have mentioned it in your testimony this morning, you mentioned African-Americans and you mentioned Hispanics. You want to try to go where you find the problems as I perceive it. Many of the problems are there, the advertising has to be focused there, and I applaud you for your efforts. It is significant to me and very appealing to see that you are really doing this in a systematic way. I think it is well done, it is well documented.

Of course, I know that unless you get to some of the drug cultures, maybe the hip-hop groups and those kind of groups, you are going to have a hard time infiltrating these kids at a lower level, particularly with alcohol as well as drugs.

So I guess my appeal to you is to try to focus some of this on some of the problems you really are having and be sure to try to focus some paid advertising on alcohol as well as on drugs.

I don't think I am reaching you though.

General MCCAFFREY. No, you are reaching me. Our interpretation right now is that the law tells me to carry out our paid advertising against controlled substances, and I think if there is a different view on the part of Congress, I will absolutely be guided by it. I certainly don't disagree in any way with what you are saying.

I would also underscore that we do have a tremendous amount of money going into Hispanic and African-American owned and targeted media. So we will be on African-American radio stations with significant dollars, and that will leverage their pro bono match. I find a great deal of credible response out of the media.

Mrs. MEEK. Mr. McCaffrey, do you seem to get the feeling that the intent of the Congress is merely to focus as far as children are concerned on drugs alone, knowing that alcohol is a drug? I seem

to feel that you think that the Congress' intent is that. It certainly is not the intent of this Congresswoman.

General MCCAFFREY. We asserted in the national strategy we wrote and submitted to Congress, that Goal One is targeting American adolescents on illegal drug use, alcohol and tobacco. I did that based on the fact that it was, generally speaking, illegal behavior—underage use—and I tried to tie it to Mr. Bill Bennett and the Bush administration as to why I was doing that. I put that in the Strategy.

Having said that, the law, the authorization of the Office of National Drug Control Policy, was a 1989 law. We were just reauthorized last summer, thanks to your leadership, among others. I did petition Congress to include underage alcohol and tobacco use, and that was denied. So our own sense of it is that right now these are paid advertisements that you want me to target to control substances that are defined in the law.

Mrs. MEEK. I didn't get the answer I wanted, but sometimes I don't. I am trying to find out——

General MCCAFFREY. I think you and I are on the same side of the issue.

Mrs. MEEK. I want to tie you down. It is hard to tie a general down, but I think I can try.

Mr. HOYER. If anybody can do it, you can.

Mrs. MEEK. I am trying to find out, are you going to put some money in paid——

General MCCAFFREY. No. We are interpreting the law as saying that the paid dollars can go to target drug abuse under the controlled substance law.

Mr. KOLBE. If I can, Mrs. Meek, and your time is well up here, but to reiterate, the law as this was reauthorized does say that the paid media, that money we appropriate, goes to prohibited, that is, illegal drugs. If we want to change that and do the gateway things that you are talking about, smoking and alcohol, then that would be something certainly Congress needs to reconsider.

Mrs. Roybal-Allard.

Mrs. ROYBAL-ALLARD. Thank you, Mr. Chairman. Mr. McCaffrey, let me just echo my support for what Mr. Hoyer and Mrs. Meek have said——

Mr. KOLBE. Would you move your microphone towards you? Thank you.

Mrs. ROYBAL-ALLARD [continuing]. What Mr. Hoyer and Mrs. Meek have said about the need to really focus more on anti-alcohol advertising.

In my other life, before I entered politics, I worked in alcohol and drug abuse programs, and one of the things that came up over and over again in talking to people about how they got involved in drugs, very often it was at a party, they were drunk, they weren't thinking clearly, and someone offered them the drug, and they accepted it and used it and that is how they got hooked.

It seems to me that even though the law is focused, as you said, on these illegal drugs, there may be a way of tying in the alcohol to some of the advertising to show that very often a kid who is using says it happened because they were drunk and weren't thinking clearly.

There may be a way, until we change the law if it needs to be changed, to somehow tie that in. Because, there is definitely a connection, at least in the years that I was working with these addicts. Even adults who have started using cocaine, when you ask them, what were you thinking? They will say "I was drunk and somebody offered it to me."

So there is a connection, and it seems to me there is some way, even under the current law, that you can tie the two together in your advertising.

General MCCAFFREY. Yes.

Mrs. ROYBAL-ALLARD. I want to point out one thing that is also alarming. It came out in the L.A. Times article of March 21, where it reported that the incidence of alcohol abuse among Mexican American men has reached epidemic proportions, surpassing any other ethnic group. This is really a threat to Mexican American communities, particularly those like the ones that I represent.

So there is definitely a problem there. I hope that you would consider maybe talking to those that work with you in terms of the advertising, about finding a way of tying this in.

General MCCAFFREY. If I can, let me again, though, stress that the non-paid PSAs have gone from a throw-away factor to a consideration by these TV studios and radio stations, and they are increasing their frequency and the placement is improving and the Ad Council is screening their ads too. So you can't just spin one up and throw it into the hopper. You have to get through Ruth Wooden and the Advertising Council. So we have some pretty high quality work that you are going to see. One of the numbers I have in my data bank is $6.8 million in increased alcohol advertising, just at the start of this Phase II. It is literally thousands of ads are now on the air. I think your point, though, is a very powerful one.

Mr. Chairman, yesterday I went to Roosevelt hospital complex, New York City, and I wanted to release the pulse check, this qualitative assessment of drug abuse in America, and then turn to emergency room doctors and ask them to talk about what really happens in America.

The Congresswoman's point was reiterated by all three of these doctors. When you sit there, it isn't drug use, it is poly-drug use, and alcohol invariably is one major component of it. It is alcohol and cocaine, it is alcohol and pot, and it is not just the addictive potential. If I use a lot at age 14, will I be a 30-year-old addict. It is also the bad judgment, the vulnerability to sexual assault, and the car accidents that come out of it.

I really think both your points are powerful. I support your viewpoint. It is a major problem in America, alcohol abuse by underage drinkers.

Mrs. ROYBAL-ALLARD. Part of the evaluation of Phase III of the Campaign is going to involve a nationally representative survey of youth and parents from the same household, and it is my understanding that the survey will be conducted every six months to track the ongoing progress.

Could you explain how the NIDA and ONDCP are planning to collect the data for Phase III in a way such that we will be able to gauge the effectiveness of the campaign in low income and minority communities?

General MCCAFFREY. Dr. Leshner will address this in some detail. He and Westat Corporation have come up with what we believe is a very comprehensive and sound plan. It is a well-funded effort, too, as I remember, a $9 million piece of work. Fortunately, Alan Leshner will talk about not just documenting the affair, but a report coming out every six months, so we can come down to Congress and go to the news media and say here is your interim feedback, and then go to Ogilvy & Mather and Fleishman Hillard and ask them to adjust what we are doing. I think you will benefit more from Dr. Leshner's explanation. But this is a big database. This is a countrywide sample. It is extremely complex. It is not just kids and parents and adult care givers, but it will be a kid and a parent in the same household, so you can see the interplay between the two of them. It will be talking not just about attitudes, but behavior, drug taking behavior. I think it will give us an extraordinary powerful analytical tool to understand what we are up to.

Mrs. ROYBAL-ALLARD. I would like to submit other questions for the record.

Mr. KOLBE. Certainly.

Mr. Wolf.

Mr. WOLF. Mr. Chairman. General, welcome to the committee. I think you are doing a good job. I think your staff is doing a good job. I want to congratulate you. I don't know if you are going to be successful or not, but I think you are totally and completely committed, and if anybody can, I think you probably will.

I do want to share though the same opinion that the last three members, Mr. Hoyer, Mrs. Meek and Ms. Roybal-Allard said with regard to alcohol. I would encourage maybe somebody may want to offer an amendment when the time comes up.

Frankly, the Congress though can't cover itself with glory on this issue. There was not even the ability to get a vote in the House of Representatives on point 08. So I think that was actually a disgrace. I think it was something that we all, looking back on, whether it is political action committees, whether it is the power of whatever is going on.

But I do think Mrs. Meek is exactly right though. I think not to deal with this issue—and I know you do. I pulled out a statement that you made at the White House back in January where you said as a general note, I frequently say by background the most dangerous drug in America today is still alcohol. You went on to say it is the biggest drug abuse problem for adolescents and it is linked to the use of other illegal drugs. So from the viewpoint of adolescents, we are quite concerned about reducing alcohol use.

So I would urge you to maybe work with the chairman and work with Mr. Hoyer and Mrs. Meek and Ms. Roybal-Allard to see if there could not be in the interpretation of the law some pilot project or some way to do this. Obviously there is not a lot of money, and I think the progress that you are making is important that we not dilute what you are trying to do, whereby we do neither of them very, very well. But there is a pilot whereby we could work together to see it.

Could you give me some of your thoughts there? I have a lot of confidence in you. I really do. Again, like I say, I am not sure if you are going to be successful. Nobody knows. But if there is any-

body putting his heart and soul into it, you are. I would feel comfortable knowing you could take the same experience, with the great team you have in the private sector and on the government payroll, to try this. Do you have any thoughts on that if the committee gave you that authority?

General MCCAFFREY. We again did come to Congress and ask for the authority to include underage drinking and tobacco use as part of our legal mandate. I think it is unfortunate we didn't do that. There is even a larger argument that prior to coming out of these positions, that you should instruct the Director of the Office of National Drug Control Policy to deal with drug abuse, so it took into account not just the absolute nightmares caused by cigarettes and alcohol, but also things like the diversion of legal drugs, and the use by older people. 30,000 people a year get into terrible trouble in retirement years by combining alcohol and prescription medicine. So there is a whole series of drug abuse problems that are hard to disentangle. It may well be the Congress should instruct the person in my position to handle just that question. That was not supported by the Congress.

I will go back to Speaker Hastert, who has been a tremendous source of wisdom and energy on this issue, and discuss it with he and Mr. Gephardt and see what their views are. But, again, in the meantime, I think what we can do, and I will take all this to heart, is to go back and look at the matching component to ensure that we guide that with the same scrutiny that we do the appropriated funds. I think we are going to get a lot of energy out of this.

Mr. WOLF. Thank you very much. The Speaker has been very, very good on the issue. If Mr. Hoyer, Mrs. Meek and others want to offer an amendment, I would be glad to help and work with them. I do appreciate your attitude too, General. I don't want to abuse my time. I would ask one other question.

You pretty much are saying this really never ends. We just have to stay with this and stay with this. Do you have any sense, if there was one reason, why do you think it went up again? Is it the breakdown of the family? What do you think was the reason we were going back up?

General MCCAFFREY. I have listened very carefully to some people who know what they are talking about. Dr. Leshner is one of them. Dr. Lloyd Johnson, the University of Michigan and UCLA has done a lot of work in this area. My own deputy, Dr. Donald Vereen, has done a lot of work on youth drug use and violence and the family. I think there are a lot of factors. The primary one for us as Americans I would suggest is we have very short time horizons. We got energized on a problem that was starting to destroy America in the 70's, drug and alcohol abuse. We did something about it, and actually it worked. The armed forces went from a disaster to a drug free institution. The transportation industry, nine million of us are now under drug testing. The Fortune 500 companies have drug testing. PDFA was created and got to work and brought the power of the media to bear. 4,000 community coalitions got on line. Len Bias died and shocked us, and our sensibilities. It worked. As it worked, it dissipated those social forces, those political dynamics sustaining the effort.

A bunch of kids came along and they didn't know that snorting heroin would kill them. And, oh, by the way, mom and dad smoked a joint or two when they were growing up. They are not doing it now, they don't want the kids smoking marijuana, but they were ambivalent about the message. Then we saw the change in social dynamics in America. My two girls are professional women helping run America. I am glad for it. But now we have a different dynamic. Mom is not at home. So from 3 p.m. to 7 p.m., it seems to me that you and I have to support the boys and girls clubs and the YMCA programs. We have to do innovative things with the school infrastructure so there are mentored activities for our children. We were not doing that. So the kids started getting into trouble. I think the more of them that experiment with these destructive drugs, the more likely they have learning problems, physical development problems, and crime problems.

Ask our cops where the problem is. It is not where my daughter is as a 7th grade school teacher, it is when the kids leave her classroom. But we have an organizational challenge and a communications challenge to us.

Now, this is just a tiny program. This is less than 1 percent of our Federal dollars, never mind our State and local efforts. The big answers will be in community action, but we can certainly use this tool to stimulate responses by other groups. We have got now 42 of the great civic organizations of America that came together and committed themselves to work on young people and drugs. 100 Black Men, Kiwanis, Rotary, they are there. They are starting to get moving on that now. So I think there is some good news.

But the problem will be when my daughter is back here in a decade testifying in front of this committee as drug czar; will she have sustained and reinvented the prevention education effort? I don't think it will be at a knowledge level though. This will work.

Mr. Congressman, I would argue that we are extremely confident that what we are doing absolutely will pay off. It isn't two years, it is a decade-long program. You should expect drug abuse in America to go down, and we will save us money and we will reduce crime. I am very confident from listening to these professionals around America that this absolutely will work.

Mr. WOLF [presiding]. Thank you, General. I am pleased you are there, and I was concerned, I saw the article in the paper a couple months ago about the possibility of you going to the American Red Cross. I thought that would have been good for the Red Cross, but I think to have someone leave in this time. So I sense by what you said, you are here through the end of this term, and I am really glad you are there. I want to thank you and the people in the private sector helping you.

Mrs. Northup.

Mrs. NORTHUP. Thank you. I, too, want to thank you for a campaign that seems well organized and well focused. I have to tell you, I have had many conversations with my kids about the effect of advertising and tobacco use and the rise of teen use in tobacco, and they insist that no advertising ever affects them. Of course we know that is not true and we know that it has a profound effect on them.

But they want to believe that they are too sophisticated to be engaged by something like advertising. So I would not discount in your focus groups as you hear kids say oh, ads don't affect me. You probably hear that occasionally with kids, but we all know they do affect them.

The one ongoing conversation that seems to prevail among my kids, who luckily are almost out of the teen years, is that their friends and the conventional wisdom that surrounds their schools are that drugs don't really harm you, that the effects are inflated.

When I ask specific questions about this, they tell me that their friends say well, there is no hangover if you smoke pot instead of drinking, that you actually can learn faster and better and retain information. There is sort of a series of things that repeat themselves. They come from more than one high school, from more than one college.

I believe that we have to appeal to kids, both their heads and their hearts. Their hearts, their feelings make them not want to smoke or use drugs. I think the ads are really good in that area.

But I am concerned that we also don't provide the mass information that they really do harm you, that this isn't like what adults have done to scare you to death, to not want you to do something that really is not that harmful.

If kids don't think it is harmful, then generally they think they can handle it. It may have hurt somebody else because then it escalated on to something else, but generally, if you take a poll of any teenager that smokes, the polls show that 90 percent of kids that smoke do not believe this time next year they will be smoking. They will be different. They can handle it.

Likewise, with drugs. I just wondered if you could sort of address the balance between appealing to their hearts and their minds?

General MCCAFFREY. It is a very important point you make. The public ethic of young people today is worse than our numbers indicate. Because I talk to these groups all the time, high school and grade school kids, and the dominant public discourse will sound to you strongly pro-pot. Now we get into our numbers. We have some good understanding of what kids are actually saying to each other and themselves. They have anonymity when they respond to certain types of surveys.

There is a lot of reason for optimism here. Young people listen to their parents. They listen to people they trust and respect. So even though they are in this awful adolescent era in rebellion, when you look at their behavior and say how come you are one of the people saying you are not using drugs, the dominant response is, I am fearful of what my parents will do or think if I am discovered. Then you say did your parents talk to you about drugs? Then you get these discrepancies where twice as many parents remember communicating as kids remember hearing. So the communication process is not adequate, big guy to little guy.

Another snapshot, and I don't mean to borrow Jim Burke's work, but I read his statement and he has one chart that I used at the President's budget appeal group last year. Chart number one was a Harvard study that said what is the biggest problem in America according to parents? And the answer is their children and drugs. Hands down. That is what mothers and dads are worried about.

The second chart I used was a study that said what are kids worried about? The dominant reason children are concerned about aspects of their lives is drugs, number one.

So what they are saying when they are talking to me as 600 presidential callers here in a hotel is quite different from the anxieties they got in their life. They want to hear realistic feedback. They don't want to hear they will die at 56 of emphysema. They do want to know their athletic ability will be impaired, as will their attractiveness to the other sex, and so on. We have a responsibility to appeal, I agree, to their sense of vulnerability.

Mr. NORWOOD. We also need to effectively counter the conventional wisdom that they pass around to each other. If you are a user of drugs, then when you have a friend that says why are you doing that, they can't be left out there with not enough—they have to know that if they say well, it doesn't really hurt you, that that information is emphatically wrong. I am afraid there isn't enough information also. I don't mean to say that that would do it by itself, but it is just a component that is important.

General MCCAFFREY. I think you are entirely right.

Mr. KOLBE. Let me just say here, you have heard the bells. We have two votes, a vote on the previous question and a vote on the rule, so we are going to have to break. But we have a couple of minutes. Let me see if we can finish General McCaffrey. I understand Dr. Leshner is going to have to leave us anyhow at I think 11:45. So we may not get back to you. We will try if we can get back in time and get a couple of questions in.

Mr. HOYER. With all due respect to Dr. Leshner, it is not going to happen we will get back. We have two votes.

Mr. KOLBE. We will come back immediately when the second vote starts. I will come back and start with Dr. Leshner and Mr. Burke. Do you have a question?

Mr. HOYER. I have other questions, but not within the time frame. I will submit those questions. I am particularly interested in the assessment of success. So I will submit some questions on that, because that obviously will be a critical item as we mark up.

I am interested in and we will ask a question for the record, General, with reference to the consequences of incremental reduction in the $195 million. What do we lose if we go to $185 million, what do we lose if we go to $175 million. We have a $1 billion hole in this budget, about half a billion in unmet needs we are not funding in the administration's budget, and another some $400 million that were taken care of supposedly by fees or the forfeiture fund that we are going to have to figure out how to do. So we need to know the consequences of reducing in any way either by an across the board cut or specific cut in this program.

Thank you, Mr. Chairman.

Mr. KOLBE. Thank you, Mr. Hoyer. I will also have some specific questions I want to ask about the corporate sponsorship and how well we are doing in terms of implementing that, and some other things about measurements. I think also we will have to submit those for the record. So, General, there will be a series of questions we will submit here for the record.

We will recess and return just as quickly as we can. We will understand if you have to be gone at that point. As soon as the second

vote starts, I will be back here. We will have both of you and Mr. Burke back here. Thank you.

[Recess.]

Mr. KOLBE. We will get Dr. Leshner and Mr. Burke up at the table. Jim, how are you.

Mr. BURKE. Very well, thank you.

Mr. KOLBE. If it is acceptable to both of you, because he has got to have a speech given downstairs in 15 minutes, we will take his statement and ask a few questions of him and then go to you, Mr. Burke.

Mr. BURKE. That is fine.

Mr. KOLBE. Dr. Leshner, if you want to proceed.

Dr. LESHNER. Thank you, Mr. Chairman. I am delighted to be here with my distinguished colleagues to talk about the role of the National Institute on Drug Abuse in the National Youth Anti-Drug Media Campaign. My institute has been involved in the Campaign actually at two levels. First, we provided initial input to help ONDCP develop a scientific foundation for the overall campaign. Second, NIDA was asked to oversee evaluation of the final phase of the Campaign.

Shortly after the President announced plans to launch this campaign, we at NIDA asked a group of leading prevention and communications researchers to articulate a set of science based principles that would be directly applied in designing and implementing a national media campaign. We gave the principles to ONDCP, and they continued the development work from a research base. I think this is probably the first ever truly science based anti-drug media campaign in our history, and I just want to say that from my point of view at the National Institute on Drug Abuse, it has been clearly faithful, not only to the science based principles and design, but in preserving the content.

NIDA's second major role in the campaign came when ONDCP asked us to oversee outcome evaluation of Phase III which will begin this summer. Without going through the details of how we came up with the design, which is in my longer statement, let me say that this evaluation is designed to determine the extent to which changes in drug abuse related knowledge, attitudes, beliefs, and behaviors among parents and their children, will be attributed to exposure to this media campaign. The evaluation will measure both exposure levels and attitude and behavior changes over time, and it will do this by a multilevel data collection process.

I make mention here that ONDCP will provide an average of just about $7 million a year for 5 years for this evaluation contract that NIDA is overseeing, and those funds will be used to carry out three major data collection activities. I will not describe those in great detail, but let me say that there will be, first, a national survey of parents and youth that will interview over 60,000 people in a series of waves to capture and provide data at 6-month intervals to show how the Nation as a whole is reacting to the Campaign. The interviews will be conducted in person, protecting privacy and reducing interviewer error through the use of state of the art computer technology.

Secondly, the longitudinal community surveys of parents and youth will provide insight into the effects of the Campaign at the

community level. Three thousand families from four communities within large metropolitan media markets will be followed over the course of the Campaign to determine changes in attitudes and belief about drug use and drug use behavior as they occur over time during the course of the Campaign.

The third component will look at the existing drug use monitoring systems and illustrate the three different data collection activities against each other so we actually can in fact answer the question that we have been asked to answer.

Finally, I want to point out that this design has been developed in a way that we can in fact provide, as General McCaffrey suggested, ongoing feedback at 6-month intervals to the Campaign about progress that is being made. So that although it will take a number of years to see dramatic changes occur, and that is why the evaluation has to run for the years of the Campaign, the fact is that we will in fact have feedback mechanisms that can help guide the Campaign as it proceeds.

Why don't I stop at that point and see what questions you have.

Mr. KOLBE. Thank you very much, Dr. Leshner. I know because of your time frame, I will probably submit some questions to you. As you just suggested in those brief remarks that you made, you said that the Phase III evaluation should not be seen as a pass or fail kind of a report card, I think is the phrase that you used, at least in your testimony. I agree with that. But that means all the more that we have to have good methodology and measurements so we know what we are looking at.

So let me just ask a few questions about this. How are we proceeding in the Phase III evaluation design? Is it done at this point?

Dr. LESHNER. The overall framework of the design has been done for a while. What we are finalizing at the moment are actually, sitting in front of me, are the interview questionnaires which are now in the clearance process, so we are, A, well on track; B, the technology is developed, the questionnaires are developed.

Mr. KOLBE. The framework is done. We are now developing the specifics.

Dr. LESHNER. That is correct.

Mr. KOLBE. That will be completed, it will be fully completed by about what time?

Dr. LESHNER. We will launch this at the end of the summer. We will literally launch it by September.

Mr. KOLBE. By September.

Dr. LESHNER. That is correct.

Mr. KOLBE. Okay. So you would submit it to OMB this summer?

Dr. LESHNER. Possibly earlier than that. It has to be cleared by OMB. Hopefully the spring.

We have to field test.

Mr. KOLBE. Once they approve it, then you have field tests.

Dr. LESHNER. We have to train all the interviewers in the literal use of that. That is why it takes from the clearance point, which I can't commit OMB to a fixed date, to the literal launch, which will be in September.

Mr. KOLBE. Do you have any estimated time that we might see the first report from you?

Dr. LESHNER. I think you can expect the first coherent report by the end of next spring. I would say April to June——

Mr. KOLBE. We may have incoherent reports before then?

Dr. LESHNER. You don't know me. I am a notorious micromanager. I will know a lot about what is going on before then, incoherently. But in fact we will have a formal report, we are expecting one in June.

Mr. KOLBE. I think that is important to know. I think our timetable calls for it in September of this year, doesn't it. Just so we would expect to see some definitive first report from you by next spring, some results.

Dr. LESHNER. By the end of the spring. I will say by June. What I want to be cautious about is not to imply that you are going to see a dramatic effect one way or another, because it is going to take a year or two before you are going to see attitude change actually occur. What we will be able to do is reinforce whether people are in fact seeing the ads, they are experiencing the ads, and it will give us all of the baseline information that we will use over the course of the Campaign as well.

Mr. KOLBE. I don't think as it is designed now, worded now, the law requires supplemental reports from you at specific times after this, does it?

Dr. LESHNER. Our contract requires supplemental reports every 6 months.

Mr. KOLBE. Every 6 months.

Dr. LESHNER. Yes, sir.

Mr. KOLBE. We may want to consider that and have report language to make it clear.

Dr. LESHNER. ONDCP asked us in designing this to develop a mechanism by which we cooperate with the Campaign so the Campaign would benefit from the information collected along the way.

Mr. KOLBE. Tell me what you mean by that. If it is going to have any benefit you want the feedback to go back in, or is this going to be a continuous process of redesigning?

Dr. LESHNER. At approximately 6-month intervals, sure. We have to collect the data, and once the data are collected and analyzed, you know, we will discuss it with the Campaign.

Mr. KOLBE. That kind of goes to my other questions. Were you able to look at the Phase I and II evaluations and learn anything from that in designing this Phase III?

Dr. LESHNER. Actually, we are using a somewhat different design, because those were school-based designs primarily, and this is a household design.

Mr. KOLBE. Let me specifically ask you on that, is the household design because of what was learned in Phase I and II evaluations, the school didn't work very well?

Dr. LESHNER. Not really. It was used for two reasons. One, it has become more and more difficult to go into the schools with so many different surveys going in, and the survey we are trying to conduct in fact tracks a large number of kids on a large interview survey, and we have to be able to do it year-round in order to have it work.

Secondly, we choose the household survey for this based on the advice of our advisers, of course, that we wanted to get parents and children from the same family so they could track the interaction

between them, because the charge we have been given is to look at attitudes, parents' attitudes and how these affect the kids.

Mr. KOLBE. Let me ask you, because we only have 5 minutes and I want Mr. Hoyer to have a chance to ask you a couple questions, are there any other studies that you know of that you have looked at that study the effectiveness of advertising campaigns as they relate to influencing health behavior?

Dr. LESHNER. There is a body of literature. In fact, it is that literature that we used in developing the original set of science based principles, and I think that same literature is what is being used by the Campaign to guide its process. So nobody is starting totally in a void.

Mr. KOLBE. Narrowing it down and being more specific, does that body of literature include campaigns that relate to drug use?

Dr. LESHNER. Oh, yes, sir, I am sorry. I should have been more specific.

Mr. KOLBE. I said health behavior, was my wording.

Dr. LESHNER. Okay. We have a research portfolio that looks at this and in fact we have just issued an additional $2.5 million worth of research grants to help us hone what we know about the use of media campaigns in changing both drug use attitudes and behavior.

Mr. KOLBE. Thank you. Mr. Hoyer. Mr. Hoyer, he [Clerk's note: Dr. Leshner] has to leave in 3 minutes.

Mr. HOYER. Dr. Leshner, I have an opportunity of working with him most on the Labor-Health Committee, Mr. Chairman. It is a privilege to do that. I think he has probably already answered my question, and that is the scientific basis on the relationship that he—the advice and expertise he is bringing to the ad campaign, as well as his preparation for Phase III. I won't ask a question. You have to go give a speech. But I will at some point in time want to talk to you further about the impact we are having and the expectations of results.

Dr. LESHNER. Let me just say, because you weren't here, that I do believe that the Campaign has taken full advantage of the scientific literature that does exist, and in fact General McCaffrey showed you that strategy document which I sort of wish I had written myself. It actually lays out using documented scientific literature, a science-based campaign. This is in fact the first we have ever had like that in this country.

Mr. HOYER. Well, I think that is very important for us to emphasize, Mr. Chairman, when we go to our colleagues on the funding of this, that this is unique, and, as a result has a higher degree of probability of success. Therefore, as I said at the outset of this hearing this is an investment that will far exceed the cost of failure, of not doing things to change attitudes and change the psychology of perceptions of drug use.

So I appreciate your answer and appreciate your efforts on that.

Dr. LESHNER. Thank you.

Mr. KOLBE. Thank you very much. We are going to get you out of here in time. Let me say as you leave, as you go through this, if at any time there are any of these issues that are raised or any information you would like to share with us informally, even without a report, I know that Mr. Hoyer and I and our staffs would be

very anxious to hear from you. I hope you will feel free to come and see us to report on how you think it is going. Thank you very much.

Dr. LESHNER. I apologize.

Mr. KOLBE. We understand. Thank you for staying around as long as you did.

Mr. Burke, we welcome you as Chairman for the Partnership for a Drug-Free America. Let me just say that this country, I believe, and the youth of America, owe you a tremendous debt of gratitude for the work that you have done, the tireless work you have done to really save a generation from drugs. I believe that your efforts are going to bear tremendous fruit in the years and the decades ahead. I personally want to acknowledge that and tell you how grateful I am for the work you have done. Thank you for being here.

Mr. BURKE. Thank you. I am just one instrument in what is really fundamental in terms of the kind of country we live in, to have a country decide at the very lowest level that the media could make a real impact on this issue. A young guy in California decided, so he got himself into an airplane, came to New York and persuaded the advertising media industry to put the Partnership in place. It is remarkable, and it has been given over $1.5 billion worth of media and the creative genius of over 200 advertising agencies. So it is remarkable. It couldn't happen any place but here.

I want to say I started working on this issue 10 years ago right after George Bush was elected. He was President-elect at the time. I spent a lot of time with him and his administration trying to figure out how I could be most useful. I felt because my experience had been in marketing, all of my experience, starting at Procter & Gamble and 35 years at Johnson & Johnson, I thought I understood the consumer pretty well and I thought that is where I could be most useful. Then it was my brother who persuaded me to be chairman of the Partnership. He was then president of ABC. But, in any case, I want to say up front, and I mean this sincerely, I am a born optimist, but I have never been more optimistic about "solving this problem" than I am right now.

I have had 10 years of experience with it. I am not going to take too much of your time to explain why I feel that, but I do. I would like to make a couple of comments. It was mentioned earlier by the general that he had some letters attached that were sent to him. I have some too. You have an awful lot to read. I would urge everyone, however, to read them. We have letters from Bill Bennett, Mario Cuomo, Lloyd Johnston, Herb Kleber, as he did, Rob Matteucci, who is vice president and general manager of Procter & Gamble. The most important letter to read in my opinion comes from Lloyd Johnston, who is a social scientist. You ask about how much information do we have of a scientific nature on this issue? We have a lot.

I think there is a consensus among those of us who work in this field that the most carefully thought out information that we have got comes from Lloyd Johnston, and it is massive.

By the way, it touches on the cigarette and alcohol issue which he tracks along with illegal drugs. I can comment on that if you

wish me to. But I don't need to, unless you do. I do hope you get a chance to read that.

When I first went to talk with General McCaffrey about paid media, which many of us in the Partnership never really thought we would want to do, but we came to the conclusion we had no other alternative because of the nature of the business in terms of pro bono media. But I remember talking to the General, and I said there are three things that I think you should insist on. One is a minimum budget that will deliver messages four times a week to our prime audience, children and their parents. If you can't get it, don't do it.

At that time we mentioned $175 million. That was before some of the inflation that occurred in advertising. I mention that because I know you have problems which were mentioned earlier in terms your own budgets.

My optimism for this issue would evaporate very, very quickly if there is any cut in the budget at all. If anything, I think it is on the short side. One of my concerns is that we may be dissipating pieces of the budget which happens in all programs like this, away from the main game, which is talking to children and their parents through the media.

The second thing I said to him is this should last at least for 3 years, and Congress [CLERK'S NOTE.—Witness would amend this to say "General McCaffrey" rather than "Congress."] has generously said we want it for 5 years. That was a surprise to me, and I think it wonderful.

But that gets to the third thing I said. I said do not do this unless you evaluate, and thank God, I am sorry he is not here to hear me, we have this man to help in that evaluation [CLERK'S NOTE.—Witness refers to Dr. Alan Leshner]. That evaluation should be very carefully done, but you shouldn't be impatient with results. Having spent my life in marketing, you don't get things this difficult to change overnight. The reason I said 3 years is I think it will take 3 years.

The general has said he thinks he can cut, we can as a country cut the numbers of drug users in half again. We have gone from 12 to 6 percent, and we can get to 3. He thinks he can do that by the year 2007. I think that can be done by the year 2002. If we aren't doing it by the year 2002, I think we ought to consider whether we ought to keep the Campaign or not.

So three things: One, make sure that we have adequate campaign; make sure that it lasts for 3 years; evaluate, evaluate, evaluate. Evaluate awareness first, then attitude and behavior. Don't look for behavioral changes quickly. Nobody is going to be better able to track that stuff than the previous speaker.

So I have great confidence in all of that. Now, let me go back to why I am so optimistic.

As a marketing person, I have never seen a market better defined than this one is, and as huge as this one is. It was alluded to by the General, 56 percent, [CLERK'S NOTE.—Witness refers to chart] this was done by Robert Wood Johnson Foundation, of which I am a trustee, and the University of Maryland. This is an overwhelming market, when 56 percent of the adults in this country

say the biggest problem they worry about is drugs and their children. Go ahead.

Just as importantly, and this was done by Joe Califano's group, which I also used to be a director of, when they are asked what the most important problem is, they say the same thing. If we can't solve this with all the brilliance of this country's marketing know-how, I will be very, very surprised. When I say solve it, we had 12 percent of Americans using drugs. If we could get to the goal which the General has set, and I agree with it, 3 percent, I consider that a solution.

What kind of maintenance we need when we get to 3 percent, I don't think we have to concern ourselves with. The important thing is to get to the 3 percent. I think we can get to it. I think we know an awful lot about this issue. We know an awful lot about what works. But, most importantly, we know what the market is. It is kids 12 to 17 years old and their parents, and they are with us. They want to solve the problem.

The media hasn't done a very good job of explaining this, because the media, quite normally, talks about the bad news, not the good news. There is bad news, but they ought to say that is good news, because it empowers us to solve the problem.

We have reason to be optimistic. Again, this is not well-known and not well understood, because it isn't talked about much. [Clerk's note: witness refers to chart showing decline in drug use] But we went from 23 million users to 14 million users. That is astounding.

Even more astounding is this: Those of you who can remember when we talked about violent crime in this country, it was always connected in our minds and the media's minds to drugs. Does anybody really believe that violent crime would be down this dramatically in this country if it weren't for that? Not a chance. That isn't terribly well understood, even by the media. The New York Times had an article and an editorial, which I talked about, and I am going to talk more about, that said there has been no progress in drugs in this country for 10 years. That is the general consensus and wisdom of the country, because they don't know the facts and they need to know the facts.

If that doesn't empower us to act, I don't know what does, and it should.

Now, again, this does not show cause [CLERK'S NOTE.—Witness refers to chart showing correlations between heavy media support and attitude change]. This is not considered to be cause and effect. But as has been indicated by the General, there are two drivers here in terms of this issue, "perception of risk" and "social disapproval." When those two things are in place, things happen. If they aren't, they don't happen.

The thing that happened to us here was that the media, under George Bush's leadership, in September of '89, Labor Day, he went to the country and talked to them about the drug problem. He also used that to ask the media to help the Partnership for America get $1 million a day for 3 years, and we got it.

(Refers to chart which shows PDFA media support by years, peaking in 1990 and declining steadily from 1991 through 1998, with a concomitant deterioration in the

ability to properly target our messages, and with a parallel decline in perception of risk of marijuana.)

Now, think of that. That wasn't perfect, there was a lot of time that wasn't going to our audience and so forth, but it was extraordinary. And what you see is what we are now concerned with, we have had a terrible erosion in terms of the pro bono advertising, which is what took us to the conviction that we must in fact have paid media.

Now, the bad news when that eroded came with children. While we got a lot of things to be thankful for, we ought to be scared to death about this one, and I think we all are. The good news is there is some turning, particularly among eighth graders, in the rate of increase. This is the best time to act in a market, when the market is already beginning to move, and that is one of the reasons for my optimism.

We talked about social disapproval and perception of risk. Again, you saw some of that with the General's charts. As they go up, usage goes down. As they go down, usage goes up. By the way, that is true of every drug, every age group, every ethnic group, urban or rural. We can cover you with reports on that. That isn't all there is to this issue, but it is a way to simplify the issue in a very meaningful way and a way to help track whether what we are doing is working or not.

You have to first get the message through. Then you have to change attitudes. If you change attitudes, behavior will follow. I am absolutely convinced of that.

Finally and most importantly, I think, are parents. Again, that was mentioned briefly by the General. The baby-boomer parent doesn't want their kids to use drugs. They think they are talking to their kids. The kids don't think they are. We have a disconnect between parents and children on this issue, and that disconnect, in my opinion, with the help of the media and help of leadership and people like yourself, can be changed. We have seen it change. If it does change, we are going to see this issue go where it needs to go, and that is to put in the past drug use as a common behavior, particularly among our children.

Our children don't want this problem. If we could somehow figure out a way to give them the solution, to say to them, sit down with your parents and tell them what you need from them, as well as telling parents to talk to their children.

Mr. KOLBE. I just have to interrupt to say I am shocked to learn there are 26 percent of teenagers that think they can learn anything from their parents.

Mr. BURKE. See, that is why I am an optimist.

Mr. KOLBE. You should be, with that figure.

Mr. BURKE. I agree with that. This is an issue, as long as kids think it is the most serious issue and parents do, that gives them something to talk about. It is not easy to get them to do it, but I think we have the marketing skills in this country to do it.

I think this new plan, working with the private sector and the public sector—and by the way, I want to make sure everybody understands, we have been involved from the beginning in establishing this thing with the General, but the Partnership takes no Federal funds and we don't want any. We started it pro bono, we

will continue to be pro bono. My associates and I raise the money through people like the Johnson Foundation to run the Partnership, and then we work with the advertising people who will now get out of pocket, but they will make no profit on anything they do. So a lot of the good part of this as a public service issue will continue in partnership with the government.

I, again, think we have everything in place that we need to turn this into one of the greatest social marketing successes ever conceived of.

Thank you.

[The statement of Mr. Burke follows:]



PARTNERSHIP FOR A DRUG-FREE AMERICA

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATION

Subcommittee on Treasury, Postal Service and General Government

March 25, 1999 Hearing

Statement by James E. Burke, Chairman Partnership for a Drug-Free America

The National Youth Anti-Drug Media Campaign **is a research-driven, strategically-planned, and results-oriented approach to helping reduce demand for illegal drugs among youth in America.** It represents a unique combination of public sector and private sector investment, effectively leveraging an appropriation of about 1% of the federal anti-drug budget. The campaign is built on 12 years of experience, learning, and research through the Partnership for a Drug-Free America. That experience produced a considerable body of evidence to show that *The National Anti-Drug Media Campaign* can, over time, help reduce the number of our kids who use illegal drugs. Three core factors define the campaign:

- **Successfully reducing demand for illegal drugs among our youth depends on positively affecting the decisions they make – one kid at a time, hundreds of thousands of decisions every day, in every city and town in America – whether or not to use drugs.** The outcome of these decisions is primarily a function of the attitudes they have toward these drugs. If they perceive drug use as harmful and socially unacceptable, they are less likely to use. Conversely, if they perceive drug use as beneficial and socially acceptable, they are more likely to use. These two attitudes are shaped and changed through information from a variety of sources – particularly parents, the media, school and peers. Although drug use among adults has been holding at or near 12-year lows, use among youth began increasing dramatically in 1991/92. However, most recent research indicates that young people's anti-drug attitudes have begun to improve and their drug use has begun to turn downward. *The National Youth Anti-Drug Media Campaign* is extremely well-timed to take advantage of these changing trends and help accelerate the positive movement in attitudes and behavior.

405 LEXINGTON AVENUE • NEW YORK, NY 10174 • (212) 922-1560 • FAX: (212) 922-1570
http://www.drugfreeamerica.org

- **Relevant, credible and persuasive information communicated through the media represents an effective and highly efficient means of educating 1) our youth about the harmfulness and social disapproval of drug use, and 2) parents about the importance of their involvement in the decisions their kids make about drugs.** Partnership messages are the result of comprehensive quantitative and qualitative research, and input from many independent prevention experts. Twelve years of experience have consistently demonstrated a strong and direct correlation between exposure to Partnership media messages and improvements in anti-drug attitudes among youth and involvement by parents. Reaching enough youth and parents with these messages, with sufficient frequency over time, has not been possible through public service announcements alone. An investment of about 1% of the federal anti-drug budget to purchase highly targeted placement of these messages can effectively communicate with nearly all youth and parents across America, an average of 4 times a week for 52 weeks a year. This kind of prevention education cannot be achieved by any other approach at such a relatively small cost. Early research results confirm that *The National Youth Anti-Drug Media Campaign* 1) communicates the right information to the target audiences, 2) is reaching the target audiences with the correct reach and frequency of anti-drug messages, and 3) has already produced increased awareness of the harmfulness and unacceptability of using drugs among the target audiences.

- **The investment of 1% of federal anti-drug budget in *The National Youth Anti-Drug Media Campaign* leverages a greater investment in the Campaign from the private sector through the media and advertising industries.** This public sector-private sector cooperative effort produces more than $2 million in value for every $1 million appropriated by the federal government. The national and local media are matching federally purchased media time and space with more than equal value in donated time and space for anti-drug messages for youth and parents. And more than 200 advertising agencies are donating their expertise and services through the Partnership for a Drug-Free America, to create the highest quality anti-drug messages for the target audiences. The top creative experts in the industry evaluate all the messages at no cost to the public. All the messages are produced at cost, for about 20% of what similar productions cost for commercial clients,. There is probably no other federally funded program like *The National Youth Anti-Drug Media Campaign* that delivers as much value to the American public.

Mr. KOLBE. Thank you very much. A lot of good stuff to think about in all of that. Let me just, if I might, start with a couple of the charts you showed up there, one that the general also showed, and that is the relationship between perception of risk and the rising use of marijuana.

Then you had an earlier chart on cocaine, which showed a steady decline in the number of users. Why do we seem to have the difference here? Cocaine use is going down, but marijuana use is going up.

Mr. BURKE. It is a lot easier to demonize cocaine than marijuana. The sense of risk by age is different. Cocaine, it is all ages. This is not. This is 12th graders, and it is only marijuana. That is a tough game. Again, these kids, the parents all tried it. It is a very difficult thing but it is not as difficult a drug as cocaine and never will be.

Somebody talked about alcohol. You can make a very strong case that alcohol is a more serious drug, as a drug, as is cigarettes, than marijuana. So it is a tougher job. But it can be and will be done.

Mr. KOLBE. Well, that was going to be my next question. Do you think we should just not be focused on marijuana?

Mr. BURKE. No, I don't. I think we should be focused.

Mr. KOLBE. Because it can be a gateway drug into other uses?

Mr. BURKE. Not only a gateway drug, but it also sends the wrong message. One of the reasons we are tied up in this medical marijuana issue, medical marijuana is a very appealing thing emotionally. Put somebody up there crippled or in pain, they say marijuana makes me feel better, it is pretty hard to say no to that. The problem with that is we don't really need another alcohol or cigarettes for kids. That is what we would do if we legalized marijuana or if we walk away from the problem. If you begin to take the numbers in terms of kids who smoke and kids who drink and say if we let marijuana go, what would it look like, it would be a disaster.

Mr. KOLBE. Mr. Burke, look at that top chart——

Mr. BURKE. Jim. Call me Jim. Nobody calls me Mr. Burke, including my children.

Mr. HOYER. We are glad to hear that, Dad.

Mr. BURKE. I tried. God knows I tried.

Mr. KOLBE. Looking at that top chart there again, the rising trend of disapproval and the perception of risk of marijuana in the 1980s, anecdotally, I know you don't have any study on this, but since you have been at this as long as you have, what was it we were doing right back then that caused that to happen, and is there anything to be learned from that that we should be incorporating into this media campaign?

Mr. BURKE. I think that is a complicated yes, and my associates might have an even different answer than I. But a lot of it came down to the fact that everybody tried marijuana back in the sixties and seventies, and then all of a sudden we led ourselves to a thing called cocaine and from cocaine to crack, and that problem caused everybody to be concerned about all drugs, including marijuana.

Mr. KOLBE. They just made a blanket.

Mr. BURKE. It helped to. The issue became so distraught. And, by the way, we did a lot of very good advertising in those days. We had a lot of very good leadership in the country. We had—there

was a lot of effort going on that helped to make that happen. But I think it would not have happened to the extent that it did without it being married in a sense to cocaine.

Dick, do you want to comment on that?

Mr. KOLBE. Changing a little bit to the media, and then I want to call on Mr. Hoyer here, to the Phase I and Phase II, what factors were considered in selecting the ads? I have looked at these ads. Some of them are pretty shocking. There were some that tried to use humor.

Mr. BURKE. If we have the time, we have four of those commercials to show, if you would like to see them.

Mr. KOLBE. Let's look at them.

Mr. BURKE. We have a process, while they are putting that up, which the General referred to. It is unique again. We don't create anything in the Partnership. What we do is act as a catalyst for the advertising and media industries. We got the top creative people in the country to be part of a creative review committee of everything that we do. Think of that. And they do this for nothing. And, boy, do they have fun yelling at each other. It was a circus. It wasn't as good as it usually was when the General came. They weren't quite as noisy as they usually are.

But what we do is we have strategies on each product and each market. Those strategies are then discussed with the various advertising agencies. We let them bid out in competition with each other to come up with answers to those strategies, and then we go through a very laborious testing process to get to what we finally put on the air. I will just show you a few of them. The creative work is so good.

Mr. KOLBE. You might say what market and what strategy this was targeted at.

Mr. BURKE. The first couple are used at the teen market using music artists.

[Commercial.]

Mr. BURKE. The heroin commercial is right across the board, just like the cocaine stuff was.

He is doing a full length movie on how he lost his son. He started with marijuana.

[Commercial.]

Mr. KOLBE. What is the target of that last one?

Mr. BURKE. Everybody who has any interest in mentoring.

Mr. KOLBE. Any kind of mentoring.

Mr. BURKE. It doesn't matter. As a matter of fact, during the Bush administration we set a goal to get to 1 million mentors. We never got over 250,000. [CLERK'S NOTE.—Witness is referring to Colin Powell.] But thanks to the leadership of the General and his America's promise, mentoring is going like this (indicating), and it is just like the parent information. A child with a mentor is half as likely to use drugs as a child without a mentor, just as a child with a caring parent is half as likely to use drugs. I think we will get to 2 million mentors in this country. That is a huge number. Remember, we have 4,000 community coalitions in place. The Public Relations Society of America has made a deal with us to make this issue the number one public relations issue in the country at every one of their chapters. That is not mentoring, that is the

whole drug issue. So a lot is happening in the country, and I think with your leadership and others, a lot more will.

Mr. KOLBE. Steny.

Mr. HOYER. Mr. Chairman, Dad and Jim I felt was just a little bit too much, but I will not call you Mr. Burke. Mr. Chairman, let me ask you three questions: First of all, you referenced you would comment on the alcohol component, alcohol and cigarettes, but alcohol in particular. I would like to hear that.

Mr. BURKE. Yes. I think alcohol is a very serious problem. I think it is somewhat different than illegal drugs in the sense that the real problem with alcohol is binge drinking. It is one of the issues that we at the Johnson Foundation are spending a lot of time and a lot of money on. My problem with marrying the alcohol issue to the illegal drug issue is the dilution problem. Also we don't know how to talk about the two issues together in a given commercial. It has been tried. I can't say it can't happen. But kids don't think about substance abuse. They think about what they are going to do next, whether it is marijuana, whether it is cocaine, heroin, alcohol or cigarettes. I don't think you can marry them.

What I think we need and we are getting some of that, as has been said, through the Ad Council, what we need is more advertising, a separate campaign, not connected, which talks about the potential for abuse in alcohol. By the way, a lot has happened through Hollywood and elsewhere in getting the whole business of DUI in place. We have really made progress there. The whole business of drinking and driving has gone down. So it shows you can get at it. But it is a separate, highly complex, very difficult problem.

Underneath it, the reason it is as difficult as it is, we have socialized alcohol. It is part of our society, and a very big part of it. And we advertise it with a lot of money, and I am not taking apart the beer companies or the liquor companies, but to get at that problem through advertising means you have to spend a lot of money competitively. There is nobody spending competitive money on illegal drugs, but there is a lot of competitive money spent on alcohol.

So I consider it to be a very important target. We in the Johnson Foundation are dedicated to it. I think it is very complicated. I don't think it should be mixed up with the illegal drug problem, nor do I feel that way about cigarettes.

On the other hand, if you go back and study cigarettes, and that is how I got into this, I started to smoke cigarettes when I was 12, and I quit when I was 42 when my 6-year-old son, watching a commercial of a father smoking a cigarette, scrunching up the pack, the little boy picks it up, looks admiringly at his father. Four days later a woman that worked for us was laughing in the living room. I went in, and my 6-year-old son was smoking a cigarette. He got a different message from that commercial than I did. But I made the decision 10 days from then, I was going to be 42, I would never smoke again and I didn't. I haven't.

I had tried over and over and over again. So I believe that advertising can play a very important role in cigarettes as well. But I think it has got to be separate from and different than what we are trying to do on illegal drugs.

Mr. HOYER. Thank you. The second question: One of the concerns about spending $195 million, that it would be in lieu of dollars as opposed to add-on dollars, is still a concern. It is particularly a concern when you show a chart that shows that media advertising, pro bono donated media time, is going down. Can you comment on that concern?

Mr. BURKE. I am not sure I know exactly what you mean.

Mr. HOYER. If you spend $195 million of public monies, the perception that the private sector can reduce its——

Mr. BURKE. I see what you are saying. That was a——

Mr. HOYER. It was a great concern that we maintain it. One of the reasons that obviously so many of us are so thankful for what you and your colleagues have done, and frankly what President Bush did and President Reagan before him. Nancy Reagan, I am one of them that didn't laugh at "just say no." I think it was a powerful message.

Mr. BURKE. She made a huge difference.

Mr. HOYER. We need to do a lot more. Some criticized her, because she didn't say all the things you had to do in addition it that. What she said was what the deal was, you have to say no. I think General McCaffrey was an extraordinarily wise choice for that President to make.

Mr. BURKE. I do, too.

Mr. HOYER. But I am concerned that there is some truth. If the government is doing it, we don't have to, because the government is taking care of it. And that will defeat our effort if it is just replacement dollars as opposed to add-on dollars. That is my point.

Mr. BURKE. Actually, one of the reasons, when we talked with McCaffrey before this went to Congress, we said this should be a match. We got to try to keep as much of the pro bono in place as we can. That is a difficult job to do for just the reason that you mentioned. My associate just gave me a note, the match stopped the decline in pro bono, that is correct. We think it will continue to.

One of the things going on now is the person who is running a network or running a local station has a double incentive. One, they can get money to run stuff, and, two, they can learn from that ways to do a better job on a pro bono basis. So far, that is happening. Pro bono has not been hurt. We thought it was going to get hurt.

Mr. KOLBE. That was our fear.

Mr. BURKE. But at the moment, it is okay. I think it is something that has to be watched and watched very carefully. But at the moment, the media world is cooperating extremely well and on a highly creative basis.

Mr. HOYER. Now, the last question, obviously I think you have answered this question, but to think it bears repeating. You answered it in terms of your optimism. I was struck also by your perception of the time frame of success, where you think 2002 would be a doable time to reach the 50 percent reduction rate.

You have indicated you think General McCaffrey and ONDCP are doing a good job. I think that is very important, because there are some people who perceive, and neither the chairman nor I are among that group, even though we are from different parties, but

there are some people that feel the government can't do anything and should stay out of it. But the Partnership that has been created here you obviously feel is a very productive one, am I correct?

Mr. BURKE. I think it is working. I don't think it is easy all the time. It is difficult for both sides of the Partnership. But the evidence is clear at this point. And one of the good things is we have people like NIDA and others looking over our shoulders. The Johnson Foundation is looking over our shoulders. They give us money. Lloyd Johnston is looking over our shoulders. There are an awful lot of people involved in wanting to make this work. The real power here is with the people. The consumer drives our economy in ways that no other country has ever been able to duplicate. Part of that is because we know how to use the media better than any other country ever has. People come to school here to try to figure it out. But those countries that decided to have government-run media after the war—I did a study once and made a speech on it, the reason this country went like that post war when we were supposed to go in depression was in part because we had television. It was not in the hands of the government. It was in the hands of the people. Television revolutionized it. I think that is where the power is. As long as we have that power overseeing all of us, you think we can and will make this work, or I wouldn't be so optimistic.

Mr. HOYER. Mr. Chairman, I want to thank you for the dedication of your time and talent, and all of those with whom you work in the private sector. This Partnership for a Drug-Free America has been a tremendous asset to our country, and I know that all of us who care deeply about this problem, as you do, see it as such a threat to the welfare of not just our young people, but of our country. I appreciate all that you do and have done and will do in partnership around this country with people who are similarly motivated who want to dedicate a portion of their time and talent and money to solving this problem. So I thank you very much.

Mr. BURKE. I thank you. I would like to close in saying I spent 36 years with Johnson & Johnson and I loved almost every minute of it. I have had more fun in the last 10 years on this issue than I had at Johnson & Johnson. So it hasn't been a burden.

Mr. HOYER. We tend to say this is a tough job, but very frankly, you made a lot of money at some point in time. I didn't make a lot of money. But I made more money 20 years ago than I am making today. It is a great job and I love it. I would like it to pay me more. You are right, you get a tremendous personal satisfaction. It is hard to replicate in dollars, personal satisfaction in terms of trying to do something to make your community better, and you certainly made an unbelievably generous contribution toward that.

Mr. BURKE. We are 30 of us, and we have more fun trying to do what we are doing and make a difference than you can imagine.

Mr. KOLBE. I take it, Steny, you can count me as a yes on the COLA increase.

Mr. HOYER. You can count me as a yes on an amendment to double or triple or whatever. My comment to my constituents is if you don't think I am worth it, you need to get somebody new, because the job is worth it.

Mr. KOLBE. Mr. Burke, I just—Jim, I have just one final question. The early strategy for ONDCP really called for a media plan

of about $150 million. That is I think of the Federal funding, not including the pro bono. I believe the current contract with Ogilvy & Mather is for $129 million. We have reached the goals of the frequency and reach substantially. We have gotten past those. I guess my question is, what is the level of funding we really need to achieve this? You said earlier if we cut this you would be very worried.

Mr. BURKE. Yes. I am very worried about the 129.

Mr. KOLBE. You don't think it is enough?

Mr. BURKE. I do not.

Mr. KOLBE. I will submit questions for the record, but where is the other money going of the 195?

Mr. BURKE. I can't answer that question. You have to ask ONDCP people.

Mr. KOLBE. I will, obviously.

Mr. BURKE. I am concerned, because I have seen too many products fail in the marketplace for inadequate funding, and you can push the numbers around, but I am just told it is now 145, so you——

Mr. KOLBE. The contract is 145.

Mr. BURKE. I guess it has gone from 129 to 145. That makes me feel better, but again looking at this issue through the eyes of my own marketing experience and the marketing experience of the Partnership, they are all marketing people, from agencies or from clients, the biggest mistake you can make when you have a winner is to underspend against it. I don't know, as you can tell, the facts as well as I should perhaps, but I don't. I think the biggest mistake we could make is underspend. It is why I said what I said; I would lose confidence in this plan if this total budget was cut. How much of this budget should be spent on media versus other things that are obviously being spent against, I guess the total budget is 185, is that right? 195.

Mr. KOLBE. 185 this year, that is right.

Mr. BURKE. It went from 195 to 185, I believe. Where that other 40 million is, I don't know. But I think that is one of the things that the Partnership and ONDCP ought to spend a lot of time in debating.

Mr. KOLBE. I would agree. We will obviously ask that question of ONDCP in writing. I am embarrassed I didn't get that one into the record here, but we will certainly be talking about that. But in your view, it requires at least an aggregate media funding of 150 million?

Mr. BURKE. I think it requires more than that. The original number that I gave to the general based on a study we did with an advertising agency was 175 million. That was for media. That was to reach the goals that were put up here earlier.

Now, whether we can continue to reach our target audience with the appropriate frequency, I haven't gotten into the numbers.

Mr. KOLBE. Don't you have that amount when you consider the pro bono?

Mr. BURKE. Oh, yes. Absolutely. But that was not what I was talking about.

Mr. KOLBE. 175——

Mr. BURKE. I was talking about paid media. I must say, I also was skeptical about the match, that we would get what we have gotten. I think it is remarkable that we have done as well as we did.

My own thinking has been that if we could get 160 million in paid and 160 million in pro bono, it would be hard to argue that we don't have enough. It is one of those things that I think my associates at the Partnership are more sophisticated about than I am because they are closer to the—you know, I haven't been at Johnson & Johnson for almost 10 years. Some of them were in the advertising business just a few years ago. But it is an issue that needs a lot of debate and discussion to make sure that we—that would be the worst thing we could do, would be to underspend against our target audience, particularly when you have kids and parents that feel like they do.

Mr. KOLBE. Jim, let me again say, as Mr. Hoyer did, as Steny said, we really are very grateful to you for the contributions you have made. It is wonderful to know that you feel as satisfied as you do and you have had as much fun as you have. But nonetheless, it has been a very significant contribution you have made to our society, and we are very appreciative of that.

Mr. BURKE. Thank you.

Mr. KOLBE. We look forward to talking with you from time to time as we review this. Thank you for taking the time to come up with us today.

Mr. BURKE. Thank you all very much.

Mr. KOLBE. The subcommittee is adjourned.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

1. WE UNDERSTAND THAT PORTER NOVELLI HAS DEVELOPED A CORPORATE SPONSORSHIP PLAN. IS IT BEING IMPLEMENTED? IF NOT, WHY NOT?

ANSWER:

Initially, ONDCP planned to use Porter Novelli to plan the formal corporate involvement (corporate sponsorship and corporate participation) component of the campaign. Prior to appropriation of funds for the National Youth Anti-Drug Media Campaign, a contract was established with Porter Novelli for campaign planning and also for planning for "corporate sponsorship" with an unfunded option to implement such a plan. Porter Novelli presented its corporate sponsorship proposal to the Director. ONDCP legal counsel, however, advised that the procurement law would not permit the exercise of this unfunded option without competition. Therefore, ONDCP concluded that development of a formal corporate sponsorship plan required a full and open competition. Shortly thereafter, the issue of "branding" arose by both our integrated communications contractor (Fleishman-Hillard) and the advertising contractor (Ogilvy and Mather). Both of these communications firms strongly advised that ONDCP not move forward with a corporate sponsorship plan until the larger issue of branding for the media campaign has been resolved. On May 6, these companies will present their recommendations for branding of the campaign and if approved by the Director, they will be incorporated into the request for proposals for a corporate involvement plan and implementation.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

2. WHAT HAS DELAYED THE DEVELOPMENT OF A PLAN?

ANSWER:

Since contracting law did not then allow proceeding under the Porter Novelli contract, there has been no contracting vehicle in place to undertake extensive effort in this area. ONDCP efforts were devoted to completing the Phase 3 procurement. In the meantime, ONDCP did initiate a "media match" component of the campaign and other outreach, which have generated private sector value above appropriated amounts. Under the media match component, media outlets are required to "match" government purchases of media time and space with an equivalent value of public service. Since the media campaign began, more than $175 million in-kind contributions have been received from these companies, 82% of which has been in the form of free time and space. Additionally, more than $41 million has been contributed by other corporations over and above the match. This has come in the form of free creative development of ads, production costs, film, waived talent fees, design of web sites, etc. Only $130,000 of this has been in cash.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

3. WHAT NEEDS TO BE DONE BEFORE ONDCP HAS A FINAL PRIVATE SECTOR CONTRIBUTION PLAN? WHEN WILL A FINAL PLAN BE SUBMITTED TO THE COMMITTEE?

ANSWER:

ONDCP presently anticipates issuing a "sources sought" announcement in the Federal Register in May 1999, followed by a full procurement that could be completed within six months. We will continue to advise Congress on the progress of this initiative.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

4. HOW LONG WILL IT TAKE TO IMPLEMENT SUCH A PROGRAM?

ANSWER:

Some aspects of a program could be implemented fairly quickly, to the extent that ONDCP presently has "gift authority" and to the extent that small, medium and large businesses could be encouraged to initiate in-kind or company-specific activities to reach their own employees. Other activities to conduct major fund raising could require a number of months to prepare, including drafting a provision not to harm the position of existing non-profit anti-drug organizations who depend upon many of those same sources of private funding. It is important to note, however, that currently more than 2,000 companies (primarily media and advertising) contribute to the National Youth Anti-Drug Media Campaign. Each month, other companies and organizations join in support of the campaign through the activities of the partnership component being implemented by Fleishman-Hillard.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

5. HOW DOES ONDCP DEFINE "PRIVATE SECTOR CONTRIBUTION"? COULD YOU PROVIDE SOME CONCRETE EXAMPLES?

ANSWER:

ONDCP does not have a formal definition of "private sector contribution," but will be soliciting views, as noted in question 3, by a "sources sought" from companies and development organizations who have experience in this area. There are several ways that companies can become involved in supporting the campaign. The simplest way is by donating funds. The RFP being developed will include a requirement for some type of formal corporate sponsorship effort, which includes development of an ONDCP "brand". A second way is for companies to directly sponsor activities and projects that support the goals of the campaign (e.g., underwriting a drug prevention film, after school activity in their community, etc.). Finally, companies and organizations can support the campaign through a wide range of in-kind contributions ranging from putting information in their newsletters to participating in community anti-drug coalitions. Activities that develop a private sector contribution plan should allow for participation at different levels of the economy, with small, medium and large businesses, and in different size communities. Small organizations in small communities might co-sponsor and co-label campaign "collateral" materials made available via local workplaces and schools; large organizations on the national level might undertake national plans of this sort, as well as contribute funds to affiliate with the campaign. Each of these areas is important to the media campaign. In fact, educating employees through the workplace about key drug prevention strategies for their children may be among the most valuable contributions a corporation can make.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

6. GIVEN THE ABSENCE OF A CURRENT PLAN, DO YOU ANTICIPATE MEETING THE LEGISLATIVE MANDATE THAT SPONSORSHIP REACH 40% OF THE APPROPRIATION IN FY 1999, OR IN MEETING THE INCREASING TARGETS, INCLUDING THE 100% TARGET IN FY 2002? IF YOU CAN, HOW WILL YOU DO SO? IF NOT, WHY NOT?

ANSWER:

The FY 1999 appropriations legislation requires that ONDCP generate 40 percent of the total appropriated funds -- over and above the 100 percent pro bono match -- from corporate contributions. We believe this requirement is not attainable. We have consulted with sponsorship experts, who advise us that this campaign is unlikely to generate that magnitude of corporate contributions. The campaign has, however, been extremely successful with the pro bono match, all of which comes from corporate America. Through early 1999, the campaign generated $175.5 million in pro bono match, in addition to $41 million in other corporate support. We note further that a corporate sponsorship campaign such as that envisioned in the appropriations legislation should have been planned from the outset. Specific dollar requirements were added after the campaign had already been planned and in the midst of execution. ONDCP believes it is already meeting the requirement for private sector participation contained in the original appropriations language.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

7. ABSENT SUCH A PLAN, HAS ONDCP ACCEPTED CONTRIBUTIONS? IF SO, WHAT TYPE OF CONTRIBUTIONS, WHAT IS THEIR VALUE (IN DOLLARS), AND HOW HAVE THEY BEEN USED?

ANSWER:

ONDCP has accepted contributions amounting to almost $218 million in the form of media time and space, programming, ad creation and production costs, educational materials, interactive services, film, and cash.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

8. HOW ARE NON-MONETARY CONTRIBUTIONS VALUED, AND HOW HAVE THEY BEEN USED?

ANSWER:

Non-monetary contributions have been conservatively valued principally by the campaign's media purchasing contractor at $175.5 million. Most such contributions have been used to air public service announcements for organizations selected for media match (150,000 have been aired since last July from 33 organizations) or to develop two major online areas -- one for youth created by ABC/Disney and one for parents created by America Online. In addition, more than $41 million has been in the form of advertising messages produced by ad companies, television networks, and other media companies.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

9. GIVEN THE ABSENCE OF A PRIVATE SECTOR CONTRIBUTION PLAN TO DATE, DOES ONDCP ANTICIPATE MEETING THE LEGISLATIVELY MANDATED SPONSORSHIP OF 40% OF THE FY 1999 APPROPRIATIONS? IF SO, HOW, AND IF NOT, WHY NOT?

ANSWER:

This requirement would be met by the media match in FY 1999.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PRIVATE SECTOR CONTRIBUTIONS

10: DOES ONDCP FORESEE DIFFICULTY IN MEETING THE EVENTUAL TARGET OF 100% IN FY 2002? IF SO, PLEASE EXPLAIN.

ANSWER:

Until ONDCP establishes clear experience in the marketplace and a workable relationship with the fund raising interests of non-profit anti-drug organizations, it is uncertain whether the legislative requirement, which is quite ambitious, will be met. Our initial discussions with experts in the corporate sponsorship field, however, suggest that these goals appear to be unrealistic.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

1. HOW HAS ONDCP, AT EACH PHASE, MONITORED LEVELS OF PSA ACTIVITY?

ANSWER:

At each phase, ONDCP has employed several sophisticated tracking methods to monitor PSA activity. Through the Competitive Media Reports (CMR) Broadcast Verification System of satellite monitoring of encoded commercials, ONDCP electronically tracks every airing of every PSA commercial that constitutes the public service match. Additionally, the broadcast stations are required to send affidavits and other proof of performance documentation to the ONDCP buying subcontractor as further evidence of PSA airing.

CMR also tracks all Ad Council PSAs, U.S. Armed Forces PSAs and Partnership for a Drug Free America PSAs (outside of the ONDCP effort), which constitute over two-thirds of the total national PSAs. The American Association of Advertising Agencies (AAAA) and the Association of National Advertisers (ANA) also track the total number of network television PSAs, which constitute most of the dollar value of all national PSAs.

Importantly, all of the PSA tracking efforts cited above indicate that (1) ONDCP has received more than a "one-for-one" PSA match from media suppliers and (2) the ONDCP effort has contributed to an overall increase of PSAs aired versus the previous year.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

2. HOW DID ONDCP DETERMINE PRE-EXISTING PSA LEVELS IN EACH MARKET?

ANSWER:

There is, of course, no entity that pays to monitor all of the PSAs in all the markets in the U.S. Competitive Media Reports (CMR), however, tracks over 80% of the PSA suppliers in the country. Of these, Ad Council, Partnership for a Drug Free America (PDFA) and the U.S. Armed Forces represent over two-thirds of the aggregate PSAs. The Ad Council pays to track its PAS via CMR, PDFA is provided pro bono tracking samples by CMR (though it is "passive" rather than more accurate "active" monitoring with encoded commercials) and Bates USA, the advertising contractor for Phases I and II, tracked all PSAs for the Armed Forces. Based on these measures, ONDCP has a statistically projectable baseline universe that can be calculated with a 98% degree of confidence.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

3. HOW DOES ONDCP ENSURE THAT ITS CONTRACTOR ENTERS INTO A NEGOTIATION FOR A PSA MATCH EACH TIME IT BUYS BROADCAST TIME OR PRINT SPACE? HOW ARE MATCHES DOCUMENTED AND TRACKED?

ANSWER:

While FCC regulations prohibit ONDCP from making the match a legal and contractual requirement, the contractor makes it clear that it is certain that no media purchase will be made without receiving at least equal pro bono value for every dollar paid. This has resulted in a match worth $175 million in private sector donations, or 109% of every Federal dollar spent.

The broadcast match is documented in two ways. First, Competitive Media Reports (CMR) tracking data evidences the actual airing of encoded match PSAs. Second, the broadcast stations are required to submit proof of performance that they submit for the paid buy. This broadcast data is then compiled in a proprietary database for ease in compliance analysis and reporting.

The print match is very simple to track. The contracts do not carry the FCC strictures and are thus explicit records. Physical "tearsheets" are forwarded by all vendors for checking of compliance with the contract.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

4. SINCE THE CAMPAIGN BEGAN, HOW MANY NEGOTIATIONS RESULTED IN SUCCESSFUL MATCHES AND HOW MANY DID NOT, AND WHY?

ANSWER:

Since the campaign was launched, more than 2,250 media outlets have given ONDCP the required matches. Approximately 20 media outlets refused to provide matches, and as a result ONDCP declined to purchase from them. Some of these outlets reconsidered, and subsequently agreed to the matching requirement.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

5. WHAT PORTION OF MATCHES HAVE BEEN NON-PAID COMMERCIAL ANNOUNCEMENTS?

ANSWER:

To date, 82% of the television match has been in non-paid units (with the remainder in arguably more valuable programming). At least 100% of all other media except outdoor (which is at 93% due to sheer physical constraints) has been pro bono. Overall, ONDCP has achieved a match rate of 109%.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

6. WHAT OTHER KINDS OF CONTRIBUTIONS HAVE BEEN COUNTED FOR MATCH, AND IN WHAT PROPORTION? WHAT IS THE DOLLAR VALUE OF THESE TYPES OF CONTRIBUTIONS, AND HOW WAS THE VALUATION DETERMINED?

ANSWER:

Examples of match contributions in various media include television programming that has been created on the established ONDCP communications strategy, radio interviews with local anti-drug coalition leaders, print features that reinforce key strategic message points or non-traditional media like messages on basketball backboards. The promotion of this type of contribution in the match is approximately 15%, with the majority of dollar value attributable to TV programming.

The aggregate dollar value approximates $25 million of the total $175 million match to date. These values are determined in an extremely conservative manner. As an example, the value of a full half hour of "General Hospital" focused on the negative consequences of the drug addiction of the Chief of Staff (a story line developed as part of the ABC match) was calculated to be equal to four 30 second units - equivalent to the worth of a sponsorship purchase of the show. In prime time, for example, the sponsorship value is only three units. Thus, a 15-minute segment of a "Home Improvement" episode in which Tim Allen's son tries marijuana and learns valuable lessons was given a value of one-and-a-half commercials.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

7. WHEN A NON-PAID COMMERCIAL ANNOUNCEMENT IS SECURED AS A MATCH, WHAT TYPES OF PSAs ARE ACCEPTABLE FOR USE?

ANSWER:

The PSAs that are accepted for the match must be broadly related to the prevention of substance abuse, e.g., parenting skills, mentoring, etc. (A copy of the formal guidelines is attached.)

ONDCP Official Guidelines for Selecting Eligible Public Service Announcements

Eligible messages include those that promote healthy activities, behavior and environments and that deter behavior that may lead to substance abuse among youth. Eligible campaign messages include those that:

1. educate and support the development of good parenting practices.
2. encourage greater parental and caregiver involvement in a child's upbringing and effective drug-prevention parenting strategies.
3. provide early childhood development programs that strengthen the parent-child relationship.
4. provide opportunities for youth through programs and services in school and after school such as mentoring.
5. foster high expectations and self esteem for youth.
6. prevent drug abuse including underage tobacco and alcohol use.
7. emphasize the connection between drugs and crime and violence.
8. emphasize the connection between substance abuse/use and AIDS.
9. emphasize substance abuse treatment options for youth.

Organizations and their campaigns must meet the following criteria to be eligible:

1. The campaign must be sponsored by a legally recognized non-profit organization or government agency.
2. Non-profit organizations should be in compliance with guidelines of the council of Better Business Bureaus' Philanthropic Advisory Service or those of the National Charities Information Bureau and must provide ONDCP and its advisors with a form 501C3/IRS tax-exempt statement.
3. Public service messages created by the media may be eligible only if they are co-sponsored by a non-profit organization which meets the above criteria.
4. Messages that do not directly benefit the cause of a non-profit or government agency will not be eligible.
5. No message with any commercial benefit or commercial advertiser identification will be eligible.

The creative must meet the following criteria to be eligible:

1. The creative message must be relevant for the local market.
2. The creative quality of the PSA must be acceptable for the local market.

Eligible messages could also extend the initiative to audiences not specifically targeted by the paid portion of the campaign e.g. anti-drug messages targeting children of any age.

Announcements of community calendar events do not qualify for the match.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

8. HOW ARE THESE DETERMINATIONS MADE AND BY WHOM?

ANSWER:

Under the leadership of the Ad Council, a formal Pro Bono Media Task Force made up of representatives from key stakeholders (e.g., Ad Council, PDFA, ONDCP, HHS, DOJ, NIDA AAF, etc.) meet quarterly to review national submissions and determine which PSAs are appropriate. A reel is then compiled and distributed once every three months. Local media match task forces in 102 media markets where ONDCP purchases time are comprised of representatives of the American Advertising Federation, Mayor's office, and the State Drug Agency, in addition to other community organizations when approved.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

9. AFTER PHASE I, WHAT, IF ANY, ASSESSMENT WAS MADE OF THE CAMPAIGN'S EFFORTS TO SUPPLEMENT AND NOT SUPPLANT CURRENT LEVELS OF PRO BONO PUBLIC SERVICE TIME?

ANSWER:

As noted in the response to question 2, ONDCP has numerous methods in place to assess the levels of PSA activity on an ongoing basis. Increases in Ad Council PSAs (the most likely candidates for reduction by public service directors since Ad Council benefits from the ONDCP match) are a telling positive indicator. Indeed, the recently completed AAAA/ANA tracking showed that overall PSAs have increased significantly during the last year on prime time television.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PUBLIC SERVICE ANNOUNCEMENTS

10. WHAT, IF ANY, ADJUSTMENTS WERE MADE TO THE REMAINDER OF THE CAMPAIGN AS A RESULT OF THIS ASSESSMENT?

ANSWER:

Current policies and programs have been extraordinarily effective. Even more sophisticated and extensive PSA tracking will be employed to ensure that these positive trends continue. ONDCP is very satisfied with the pro bono component of the campaign. This next year, ONDCP will place a slightly greater emphasis on program related public service, along with community activities in concert with anti-drug organizations.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

MEDIA CAMPAIGN--PERFORMANCE/EVALUATION
1. IN THE HEARING YOU INDICATED THAT THE PHASE II EVALUATION REPORT WOULD BE COMPLETED IN MAY. DID THE DELAY IN COMPLETING THE PHASE I EVALUATION HAVE ANY EFFECT ON COMPLETION OF PHASE II EVALUATION AND STARTUP OF THE PHASE III EVALUATION BASELINE WORK?

ANSWER:

The FY 1999 appropriations bill required ONDCP to submit to Congress a report on the evaluation of Phase I of the Media Campaign prior to obligating up to 75 percent of the FY 99 funds. This report was submitted on October 1, 1998; it presented the results of focus groups conducted with youth, teens, and parents and interviews with key community leaders in the target and comparison sites 8-10 weeks into the Campaign. ONDCP prepared a second or final report for Phase I, submitted to Congress on March 22, 1999. This report presented the results of the surveys of youth, teens, and parents. It was originally scheduled for submission to Congress in December 1998. The delay in submitting this report has been due primarily to ONDCP's efforts to cooperate fully with the ongoing audit by the General Accounting Office (GAO). We have been working closely with GAO to ensure an accurate, thorough, and timely report. We have provided GAO with full access to our evaluation contractors and to the data and drafts of the report as they were being analyzed and prepared, and devoted considerable time responding to GAO's technical questions. This has been a very helpful process in focusing and clarifying our description of the evaluation methodology and results. It also has unavoidably delayed the submission of the final report to the Committee. However, we believe the final report has benefited greatly from this process.

We do not anticipate that the delay in submitting the Phase I final report will impact on the submission of the Phase II report. Followup data collection was completed in November 1998. Since that time the contractors have been analyzing the data. This task is nearly complete, after which the report will be drafted. ONDCP's schedule is to submit the report to the Committee by May 1999. The Phase III evaluation is currently in the final stages of planning. Draft survey instruments are being tested prior to submission to OMB for approval. Upon OMB approval the instruments will be pilot tested. Assuming a successful pilot test, the Phase III baseline data collection will be fielded in August/September 1999.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

2. WHAT MORE NEEDS TO BE DONE BEFORE COMPLETING THE PHASE II REPORT? ARE THERE ANY METHODOLOGICAL, DATA COLLECTION, OR ANALYSIS PROBLEMS THAT ARE AFFECTING ONDCP'S ABILITY TO COMPLETE IT? IF SO, HOW WILL THOSE LIMITATIONS OR PROBLEMS AFFECT PHASE II RESULTS AND PHASE III?

ANSWER:

A. The Phase II evaluation contractors, CSR, Incorporated, and its subcontractor Audits and Surveys Worldwide are near completion of the analysis of the national school-based youth survey data and parent data gathered through telephone surveys, and production of the report. Our schedule is to submit a report to Congress in early May.

B. No, there have been no methodological data collection or analysis limitations that are affecting ONDCP's ability to complete the Phase II report.

C. There are no methodological, data collection, or analysis limitations to the Phase II evaluation that will affect either Phase II results or the Phase III evaluation.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

3. WHEN IS THE FIRST EVALUATION REPORT OF PHASE III LIKELY TO BE ISSUED THAT SPECIFICALLY ADDRESSES DOCUMENTED CHANGES IN NATIONAL DRUG USE RATES AND ATTITUDES?

ANSWER:

Baseline data collection for the Phase III evaluation is scheduled to begin in September 1999. The first evaluation report is scheduled for release in May 2000, **with subsequent reports being issued every 6 months.** Each report will present findings on national drug use attitudes and prevalence rates.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

4. THE FY 98 APPROPRIATION REQUIRES YOU TO REPORT BY OCTOBER 1999 ON THE EFFECTIVENESS OF THE MEDIA CAMPAIGN "BASED UPON THE MEASURABLE OUTCOMES PROVIDED TO CONGRESS PREVIOUSLY"

- WILL DELAYS IN COMPLETING PHASES I AND II HAMPER YOUR ABILITY TO PROVIDE MEASURABLE OUTCOME EVALUATION BY THIS DEADLINE?
- WILL ONDCP BE ABLE TO PROVIDE MEASURABLE OUTCOMES FROM PHASE II OR WILL YOU RELY ON PHASE I FINDINGS FOR THIS REPORT?
- WILL RESULTS BE QUANTITATIVE SURVEY FINDINGS OR WILL THE EVALUATION RELY PRIMARILY ON QUALITATIVE INFORMATION GLEANED FORM WORKING IN THE COMMUNITY?

ANSWER:

A. There have been no delays in submitting the evaluation reports for Phases I and II. Report No. 1 for Phase I was submitted to Congress on October 1, 1998. Submission of this report fulfilled ONDCP's requirement to submit a report to Congress on Phase I in order to obligate the first 75 percent of FY 1999 funds. The final report for Phase I was submitted to Congress on March 22, 1999. While this report was delayed from its original schedule of December 1998 (due to ONDCP's cooperation with the ongoing GAO audit), its submission was not tied to a release of funds. ONDCP is required to submit the Phase II evaluation report in order to obligate the remaining 25 percent of FY 1999 funds. This report will be submitted in early May 1999, prior to the full obligation of the first 75 percent of FY 1999 funds.

B. ONDCP will provide measurable outcomes from Phase II in the evaluation report to be submitted in early May. The effectiveness of each Phase of the Media Campaign was assessed with a separate and independent evaluation. For Phase II ONDCP conducted national surveys of youth and teens with school-based surveys and parents with a telephone survey. The primary outcome measure for Phase II is awareness of the Campaign's message.

C. For Phase II, we are conducting nationally representative surveys of youth and teens and parents. Qualitative data also has been collected from 12 sites to complement the data from the national surveys. The quantitative and qualitative data were collected at two points, baseline (May and June 1998) and followup (October and November 1998). The Phase II report will be submitted in May 1999.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN-PACE OF CAMPAIGN

1. GIVEN THE ONDCP SCHEDULE, WAS THERE TIME TO IMPLEMENT LESSONS LEARNED FROM PHASE I INTO THE PROGRAM AND EVALUATION OF PHASES II AND III? SINCE PHASE I WAS TO BE A PILOT AND "LEARNING PROCESS", DO YOU BELIEVE THIS OPPORTUNITY WAS FULLY EXPLOITED?

ANSWER:

With respect to the evaluation, all of the lessons learned have been considered in the subsequent phases. One of the most significant findings in terms of the evaluation was the problems encountered in school-based surveying. The expert panels convened by NIDA in February 1999 reviewed the Phase I evaluation design and lessons learned and formulated a number of recommendations. As a result, the Phase III design incorporates a household-based survey.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

2. THE DECISION WAS MADE TO GO WITH NIDA TO CARRY OUT THE EVALUATION OF PHASE III PERFORMANCE, BUT CSR HAD DONE THIS WORK FOR YOU IN PHASE I AND II.

- CAN YOU DESCRIBE WHAT LED YOU TO GO WITH NIDA AT THIS POINT, AND HOW CSR WAS SELECTED FOR THE EARLIER WORK?
- WILL THE WORK OF CSR BE COMPATIBLE WITH OR USEFUL TO NIDA AS IT PROCEEDS IN ITS WORK ON PHASE III? IF NOT, WILL NIDA ESSENTIALLY BE STARTING FORM SCRATCH IN DEVELOPING ITS BASELINE INFORMATION AND METHODOLOGY?

ANSWER:

A. CSR, Incorporated, ONDCP's existing policy research contractor was selected through a full and open competition in 1992. Given the shortened time frame for implementation of the campaign, ONDCP needed to prepare and submit survey instruments to OMB in September to ensure that baseline data would be collected beginning in November, prior to introduction of the campaign intervention. As a result, ONDCP used its existing contractor CSR (and its subcontractor Audits & Survey Worldwide) to evaluate Phases I and II. Because Phase III was not scheduled to begin until 1999, ONDCP was able to conduct a full and open competition to select the Phase III contractor. ONDCP selected NIDA to oversee the Phase III evaluation for a number of reasons, chief among them being NIDA's reputation as a premier research institution in the world and ONDCP's desire to have an independent organization manage the multi-year evaluation effort

B. The lessons learned from Phases I and II have been very useful to NIDA in developing its survey methodology and the Phase I and II survey instruments served as the basis for the development of the Phase III instruments. For example, the decision to use a household-based survey design in Phase III was based on the difficulties encountered in Phases I and II in obtaining entrance to schools. In addition, based on feedback obtained in Phases I and II, ONDCP and NIDA believed it would be useful to be able to obtain linked parent and child data, which was impossible in Phases I and II because student confidentiality had to be maintained.

C. The evaluation of each Phase of the Media Campaign is independent of the others. The Phase I data cannot serve as baseline data for subsequent Phases because Phase I was conducted in only 12 cities while Phases II and III are national in scope. The Phase II data, while national in scope, cannot be used as baseline data for Phase III because (1) the instruments are very different -- the Phase II instruments require about 15 to 20 minutes to administer while the Phase III instruments require twice that amount of time, and (2) Phase III is much expanded from Phase II, including

expanded media outlets, new creative advertising, and development of ads that are consistent with the Campaign's strategic objectives.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

3. "KEY INFORMANTS" ARE PART OF THE INFORMATION/FEEDBACK MECHANISM USED TO EVALUATE WHETHER THE CAMPAIGN IS GOING IN THE RIGHT DIRECTION. IS THERE A PROBLEM IN THESE INDIVIDUALS COMING FROM INSTITUTIONS, WITH AN "INSTITUTIONAL" PERSPECTIVE THAT MAY BE SOMEWHAT PREDICTABLE? IN OTHER WORDS, WOULD WE HAVE THE SAME VALUE IN HAVING REALITY CHECKS WITH THE HEAD OF THE PTA OR SIMILAR ORGANIZATIONS, RATHER THAN INDIVIDUALS SELECTED ON SOME OTHER BASIS?

ANSWER:

Focus groups with youth and parents as well as interviews with key informants were used as a qualitative assessment of the effectiveness of the campaign in order to provide early feedback to the campaign designers. The individuals varied in terms of their role and place in their communities with the goal of obtaining different perspectives on the effectiveness of the campaign and recommendations for improvement. They were selected on the basis of their prominent role in anti-drug activities in their community. Not all interviewees were from institutions such as government. Many were nongovernmental community leaders and prevention providers. One of the long-term goals of the campaign is to encourage community-level efforts, interviewing prevention program managers in communities regarding their planned activities provided key feedback as to how well-received the campaign was and whether it spurred prevention organizations to plan additional activities. It was not perceived that those from an institutional perspective would necessarily provide predictable answers and indeed the responses varied greatly as evidenced by the key informant findings.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

MEDIA CAMPAIGN--PHASE I ISSUES
1. DURING PHASE I, DID THE PAID APPROACH RESULT IN A SUBSTANTIAL RISE IN ANTI-DRUG AWARENESS, BASED ON SURVEY RESPONSES? PLEASE GIVE US EXAMPLES OF SURVEY RESULTS YOU CONSIDER TO BE INDICATIVE OF SUBSTANTIAL INCREASES IN BOTH PARENT AND CHILD "ANTI-DRUG AD AWARENESS."

ANSWER:

The Phase I final report presents detailed findings from Phase I that indicate substantial increases in awareness. The primary outcome measured in the Phase I evaluation was **ad awareness** or **ad recall** of television ads. For the three target groups (youth [9-11], teens [12-18], and parents) the preliminary results from the target sites compared to the comparison sites (the net difference) were:

- Youth reported significant net increases in ad awareness for 4 of the 5 ads tested. Increases ranged from 11 to 26 percentage points.
- Teens reported significant net increases in ad awareness for 3 of the 6 ads tested. Increases ranged from 13 to 27 percentage points.
- Parents reported a significant net increase in ad awareness for 1 of the 5 ads tested. The increase was 10 percentage points.
- The percentage of youth responding that they learn a lot that drugs are bad for you from TV commercials increased from 44 to 48 percent in target sites, while decreasing from 45 to 40 percent in comparison sites from baseline to followup.
- Youth were significantly more likely to agree with the statement that TV ads or commercials make them more aware of how dangerous drugs are in target sites than comparison sites at follow up.
- Teens in target sites reported a significant increase in seeing or hearing commercials or ads telling them about drugs every day or almost every day in target sites between baseline and follow up, compared to the comparison sites where there was a decline.
- There was an increase from 20 to 25 percent among teens in target sites who agreed they learned a lot about the risks of drugs from TV in contrast to comparison sites where the percentage declined from 23 to 20 percent.
- Parents and other adults are the key information sources for children on the dangers of drug use and want ads that provide them with information on how and what to say in talking with their children about drugs, indicating the value of using television to reach parents.
- There was an increase from 42 to 51 percent among parents in target sites between baseline and follow up who strongly agreed that ads made them more aware of the risks

of using drugs, and a decline from 43 to 41 percent among parents in comparison sites.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

2. WILL CONGRESS GET MEANINGFUL EVALUATION RESULTS ABOUT CHANGING ATTITUDES AND DRUG USE PATTERNS BEFORE THE MAJORITY OF THE PROJECTED $1 BILLION IN FEDERAL FUNDING IS SPENT?

ANSWER:

The Phase I reports which have been submitted to Congress previously indicate the campaign has achieved its first objective--increasing awareness. The Phase II final report will present data on ad awareness at the national level, and the Phase III reports, released beginning in May 2000 and **every 6 months thereafter**, will enable ONDCP to track changes in attitudes and behavior, well before the full campaign budget is expended.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

3. YOU HAVE CHANGED THE SURVEY APPROACHES FROM SCHOOL TO HOME SURVEYS. DOES THIS AFFECT THE USEFULNESS OF PHASE I AND PHASE II RESULTS IN EVALUATING THE PERFORMANCE IN PHASE III, OR IS THIS A "LESSON LEARNED" ABOUT THE UTILITY OF SCHOOL SURVEYS? WE UNDERSTAND THAT SCHOOL SURVEYS WERE DIFFICULT TO CARRY OUT IN SOME LOCATIONS, INCLUDING TUCSON. WAS THIS A SURPRISE FOR YOU, OR HAD YOUR PLANNERS ANTICIPATED THIS BEFORE YOU BEGAN?

ANSWER:

A. As each Phase was designed to be separate and discrete, it is not projected that the change in survey design will affect the utility of the evaluation results. Phase III will be substantially different from Phases I and II in a number of ways necessitating a very different survey instrument from that employed in Phases I and II, thus, the results from Phase II could not serve as baseline for Phase III regardless of the survey methodology. Phase III represents the fully integrated campaign, which encompasses ads on a wide range of media platforms not used in Phases I and II and that includes new advertisements in a number of areas.

B. While we expected some difficulties in school surveying we could not have predicted the degree of difficulty that we encountered in some locations. However, the decision to use a household-based survey was not based solely on the difficulties encountered previously but also on the desire to be able to link parents' and their children's survey results, in a sense allowing the evaluators to see if parent and child responses differ regarding communication on illegal drugs. In addition, the household survey allows us to capture youth that may not have been in attendance at school including school dropouts. The decision to switch surveying methodologies was based upon an unanimous recommendation from the expert panel convened by ONDCP/NIDA in February 1998 to advise on the Phase III evaluation.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

4. SOME PHASE I PAID ADS DID NOT GET AIRED IN THE MEDIA AT THE APPROPRIATE TIMES NOR WITH THE APPROPRIATE FREQUENCIES. DO YOU HAVE ANY INFORMATION ABOUT HOW EXTENSIVE THE PROBLEM WAS ACROSS THE 12 TARGET SITES? WHAT IMPACT DID THIS HAVE ON THE EVALUATION OF PHASE I? WHAT ARE THE IMPLICATIONS FOR PHASES II AND III?

ANSWER:

A. Phase I of the Media Campaign consisted of over 60 individual advertising messages for television, radio, newspapers, and billboards. These messages were targeted at three audiences, youth, teens, and parents. For Phase I, 60 percent of the advertising was directed at youth and teens. Parents, at 40 percent, were a secondary target, particularly for television. For parents radio and newspapers played a more prominent role in delivering the message.

B. At the time the evaluation was designed (October 1997), this distinction among targets and the specific radio and newspaper ads to be used were not yet determined (these decisions were not made until December, when the evaluation was already in the field collecting baseline data). Consequently, the evaluation relied upon measuring awareness of the campaign through specific television commercials. Because parents were a secondary target, with fewer television ads aimed at them, the increases in awareness were smaller as measured by the evaluation. However, responses to other questions that asked parents about their perceived effectiveness of anti-drug messages (including radio and newspapers) suggest that parents were receiving the messages and found them to be effective.

C. We do not anticipate this being a problem in Phases II and III. For these Phases, parents and other adult influencers will be targeted with 50 percent of the advertising, including an increase in television ads.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

5. HOW CAN YOU BE SURE THAT THE TARGET SITE INCREASES IN AD AWARENESS ARE DUE TO THE MEDIA CAMPAIGN, AS OPPOSED TO OTHER EXTRANEOUS EVENTS OR CONDITIONS?

ANSWER:

In order for ONDCP to be sure that the target site increases in ad awareness were due to the Media Campaign as opposed to other extraneous events or conditions a matched control site design was used in the evaluation. This is a classic evaluation design derived from experimental clinical research. The theory is that if target sites are matched with comparison sites on a number of key variables (e.g., geographic area, population size, race/ethnicity composition, drug use), and in the absence of any other intervention, then any observed net changes in selected outcomes in the target sites can be attributed to the intervention under study. ONDCP selected comparison sites to match the target sites as closely as possible. In addition, we conducted extensive site visits in both the target and comparison sites to determine whether there were any other anti-drug initiatives -- such as local media campaigns or other extraneous events -- that could affect the results. Indeed in a few comparison sites, the evaluators did record such events, such as Harrisburg, Pennsylvania, where there was a highly publicized teenage heroin overdose death. This led ONDCP to dropping Harrisburg as a comparison site.

QUESTIONS FOR THE RECORD
HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

THE MEDIA CAMPAIGN - PHASE I ISSUES

6. WHAT PERCENTAGE OF LESSONS LEARNED FROM PHASE I HAVE BEEN INCORPORATED INTO PHASES II OR III PROGRAMS OR THEIR EVALUATIONS? PLEASE PROVIDE SPECIFIC EXAMPLES.

- WHAT IMPORTANT LESSONS LEARNED IN PHASE I HAVE NOT BEEN INCORPORATED IN PHASES I AND II, AND WHY NOT? DO YOU PLAN TO IMPLEMENT THEM IN THE FUTURE?

- SOME LESSONS LEARNED INCLUDE SUGGESTIONS FOR IMPROVING THE ADS THEMSELVES, SUCH AS "DEMONSTRATE PHYSICAL EFFECTS OF DRUG USE"; "SHOW RECOGNIZABLE LOCAL SETTINGS"; "THERE SHOULD BE MORE FIRST-PERSON TESTIMONIALS", AND SO FORTH. BEFORE CHANGING EXISTING ADS, HOW DO YOU DETERMINE THE VALIDITY OF SUCH SUGGESTIONS, AND HOW DO YOU JUDGE THEIR RELEVANCE TO EFFECTING DRUG ATTITUDE AND USE CHANGE?

ANSWER:

With respect to the evaluation, all of the lessons learned have been considered in the subsequent phases. No important lessons learned from Phase I have been ignored and not incorporated into Phase III. One of the most significant findings in terms of the evaluation was the problems encountered in school-based surveying. The expert panels convened by NIDA in February 1999 reviewed the Phase I evaluation design and lessons learned and formulated a number of recommendations. As a result, the Phase III design incorporates a household-based survey.

With respect to the campaign implementation, numerous lessons learned from Phase II have been incorporated into Phase III, while others will take more time to be implemented. Some learning, such as the need for more peer to peer messages can be incorporated relatively quickly through direction to the Partnership for a Drug Free America and in the behavioral briefs that provide insights to the ad agencies producing the messages. Others, such as the need for a campaign brand would take more time and consideration and come directly from the experience and expertise of advertising experts.

One characteristic of an effective public health campaign is being responsive to public feedback. The feedback ONDCP has received is what audience members told us about the messages

they are seeing. When audience input is consistent with behavioral theory and experience with previous public health communications campaigns, it reinforces the recommendations to make such changes.

QUESTIONS FOR THE RECORD FROM
THE HOUSE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

7. THE PHASE I EFFORT MADE EXTENSIVE USE OF FOCUS GROUPS.
- IS THERE A RATIONALE FOR THE USE OF FOCUS GROUPS, AS OPPOSED TO OTHER FORMS OF MID-STREAM EVALUATION OR PROJECT DESIGN, GIVEN THAT THEY ARE RELATIVELY EXPENSIVE MECHANISMS?
- WHAT WOULD BE A COMPARABLE USE OF FOCUS GROUPS IN A PRIVATE MARKETING CONTEXT?
- GIVEN HOW MANY GROUPS WERE USED, IS IT POSSIBLE THAT FOCUS GROUPS THEMSELVES SERVED AS A WAY OF SPREADING THE WORD ABOUT THE CAMPAIGN AND CONTRIBUTED TO FOLLOW-ON STATISTICS OF AD AWARENESS AND ATTITUDE CHANGE?

ANSWER:

A. The use of focus groups in evaluation research is a well established and useful analytical technique. In Phase I, focus groups were used to provide valuable qualitative information about the effectiveness of the campaign in the target and comparison sites. The focus groups, unlike the surveys, allowed the evaluation team to gather contextual information through open-ended questions on other events and activities occurring in the communities that may have affected the survey findings. The focus groups also allowed the evaluation team to ask open-ended questions regarding the campaign ads generating useful discussion on how to enhance the effectiveness of the campaign ads and to probe participants on their attitudes and beliefs toward illegal drugs.

B. Focus groups are extensively used as standard practice in private marketing. Examples of their use include the pilot testing of advertising campaigns and products and testing of specific ads by advertising agencies.

C. Given the large number of people who were exposed to the campaign compared to the relatively small numbers included in the focus groups, it is highly unlikely that the focus groups contributed significantly to increases in ad awareness or attitudinal change. Additionally, the evaluators were careful to not select youth and teen focus group members from schools that were being surveyed.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

1. TO WHAT DEGREE HAS THE MEDIA CAMPAIGN DISTINGUISHED ITSELF FROM CURRENT ANTI-DRUG STRATEGIES.

ANSWER:

The National Youth Anti-Drug Media Campaign strategy is based on two mutually reinforcing drug prevention strategies that have previously been shown to be extremely effective through other modes of intervention. The first of these - the youth strategy - attempts to change key beliefs and provide skills that motivate and enable young people to stay away from drugs. This strategy, which academic drug prevention researchers have called a "social influence model", has been shown to prevent between 50-75% of drug use among middle school age students when delivered in a classroom-type intervention. Over the past 10 years, a number of highly successful smoking prevention media campaigns have been conducted using the social influence model, and very recently, a social influence model-based media campaign in Kentucky was shown to be highly effective at preventing marijuana use. The principal strategists behind these campaigns are advisors to ONDCP's media campaign.

The second strategy -- the parent strategy -- is based largely on NIH-funded research over the past 10 years or so which indicates that parents can dramatically reduce the odds of their adolescents becoming involved in substance use, early onset sexual activity, unintended pregnancy, violence, and academic decline if they consistently practice a limited number of relatively simple parenting strategies. These strategies which include setting and consistently enforcing a limited number of rules, monitoring children's whereabouts, and routinely providing praise for positive activities and accomplishments, keep children focused on activities important to their success, such as school work, and foster parent-child closeness, the single most important factor that protects adolescents from a variety of risk behaviors.

In sum, the ONDCP media campaign is built on the two most successful previous drug prevention approaches, as demonstrated through empirical evidence in the academic literature. The entire campaign is research based, implemented by professionals and being evaluated by the National Institute on Drug Abuse with the Annenberg School of Communications and Westat as contractors. Each advertising message that is developed also undergoes a rigorous development process. Behavioral briefs are developed by a Behavioral Change Expert Panel composed of preeminent experts on media impacts on youth alcohol, tobacco and drug use. These are used by the advertising agencies to shape the messages. Each message is focus-tested on the specific target audiences. Finally, a research and tracking system is being developed to monitor individual ad impact and assess impact of other components of the campaign. No public health communications campaign has ever been developed and implemented with this degree of rigor or professionalism.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

2. WHAT, IF ANY, CHANGES TOOK PLACE IN THE LEVEL OF PRO-BONO SERVICE TIME BEING OFFERED BY NATIONAL AND LOCAL BROADCASTERS AND SERVICES OFFERED BY ANTI-DRUG, COMMUNITY-BASED COALITIONS TO PREVIOUSLY EXISTING PROGRAMS?

ANSWER:

Approximately $78 million in public service time has been given to drug-and youth-related organizations, in the form of 149,000 radio and television public service messages. These messages have promoted the services and issues of both national and local organizations. For several, it is the first time their messages have played on network television. More than 70 of the 102 media match task forces are being established in major media markets where ONDCP purchases local ad time. These task forces, led by the local affiliates of the American Advertising Association, have begun to solicit messages from local coalitions and other youth-related organizations to play in ONDCP's pro bono ad time. In addition, the Ad Council, the nation's largest and oldest producer of public service ads, has just been awarded a contract by ONDCP to produce a mini-campaign to recruit parents and others to join community anti-drug coalitions and organizations. That campaign is expected to be launched later this year.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

3. HAVE THE GUIDELINES BEEN SUCCESSFUL IN ALLOWING THE MEDIA CAMPAIGN TO SUPPLEMENT PREVIOUSLY EXISTING EFFORTS?

ANSWER:

Yes. The pro bono component of the media campaign has been among its most successful and useful efforts. More than $175.5 million in pro bono contributions have been received as a result of the advertising purchases, a 106% return. Approximately 82% of this has been in the form of public service time or space, all of which is given to local and national organizations. A total of 33 national organizations and agencies have benefitted. We expect the number of organizations seeking this free public service time to increase exponentially as the program becomes better know later this year. Recently, the American Association of Advertising Agencies cited the ONDCP media campaign as the major reason for an increase in public service time during prime time television.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

4. HAVE SPECIFIC GROUPS OF USERS OR POTENTIAL USERS BEEN IDENTIFIED WITHIN THE ADOLESCENT CATEGORY? HOW ARE THEY CATEGORIZED?

ANSWER:

Yes. The campaign is an effort to prevent drug use before it starts. Certain adolescents are known to be at greater risk of becoming involved with drugs. Middle school is a critical period and although use rates are virtually non existent before then, they increase rapidly upon entering middle school. Once in middle schools, "tweens" (12 and 13 year olds) who are characterized as being high (in upper 50%) in the "sensation seeking" psychological scale are at greater risk for trying drugs. Therefore, this is a primary target audience for the campaign. The secondary target audience is 14-18 year olds.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

7. FOR THE RECORD, PLEASE PROVIDE A LIST OF THOSE CONTRIBUTING TO THE ANTI-DRUG MEDIA CAMPAIGN, INCLUDING THOSE CONTRIBUTING TO PUBLIC SERVICE SPOTS AND THOSE MAKING CORPORATE CONTRIBUTION.

ANSWER:

1. **Cash Contributions**

   a. The Waitt Family Foundation contributed $100,000

   b. United Parcel Service (UPS) contributed $30,000.

2. **Media Contributions**

   More than 2,250 media outlets (newspapers, television and radio stations, magazines, networks, outdoor, in-school, etc.) have contributed a total of $175.5 million in public service time or space, programming and public affairs or public education efforts.

3. **In-Kind Contributions**

   a. The Partnership for a Drug-Free America ("PDFA") has contributed all of the advertisements used in the first year of the campaign. Using the enclosed *AAAA Television Production Cost Survey* (*"AAAA Survey"*) median production cost figures, the value of this contribution is $31 million. You should note that as part of this contribution, PDFA itself received contributions (1) from scores of advertising firms for creative development and production costs; (2) from Eastman Kodak for all film used in development of spots; (3) from talent who waived talent fees; and (4) from owners of music copyrights for waived music right fees.

   b. AOL has committed a contribution of $1 million in addition to the normal one-to-one match. As part of this contribution, AOL has developed (and is managing) the Parents Resource Center. Based on industry standards, Bates estimated a value of $230,000 for this web site. Oglivy & Mather is now reviewing this valuation. AOL has now undertaken the development of web sites for teens and middle school-age children. AOL has also sponsored several web chats on drugs.

c. ABC/Disney has committed a contribution of $600,000 in addition to the normal one-to-one match for the campaign's purchase of advertising on ABC/Disney web sites. As part of this contribution, ABC/Disney has developed (and is managing) the Freevibe web site. Based on industry standards, Bates estimated a value of $100,000. ABC/Disney has also sponsored several drug bulletin board discussions on its web sites.

d. CBS has contributed the creative development and production costs of 4 PSAs. Using AAAA Survey average cost of $280,000 per 30 second ad, we estimate a value of $1.2 million for these PSAs. This value does not count the donated time by CBS celebrities.

e. NBC has contributed the creative development and production costs of 7 PSAs. Using AAAA Survey average cost of $280,000 per 30 second ad, we estimate a value of $1.7 million for these PSAs. This value does not count the donated time by NBC celebrities.

f. ABC has contributed the creative development and production costs of 6 PSAs. Using AAAA Survey average cost of $280,000 per 30 second ad, we estimate a value of $1.5 million for these PSAs. This value does not count the donated time by ABC celebrities.

g. The WB Network has contributed the creative development and production costs of 4 PSAs. Using AAAA Survey average cost of $280,000 per 30 second ad, we estimate a value of $1.2 million for these PSAs. This value does not count the donated time by WB celebrities.

h. ESPN has contributed the creative development and production costs of seven 10 second and 15 second PSAs. Using AAAA Survey, we estimate a value of $500,000 for these PSAs. This value does not count the donated time by ESPN celebrities.

I. Univision has contributed the creative development and production costs of 2 PSAs. Using AAAA Survey, we estimate a value of $500,000 for these PSAs. This value does not count the donated time by Univision celebrities.

j. Fox has contributed the creative development and production costs of 5 PSAs. Using the AAAA Survey average cost of $280,000 per 30 second ad, we estimate a value of $1.4 million for these PSAs. This value does not count the donated time by Fox celebrities.

4. Other Contributions

The following contributions of other in-kind support (such as teaching and other educational materials) have not been separately valued. It is our best estimate, however, that the total value of these contributions exceed $700,000:

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

5. WHAT EFFORTS HAVE BEEN MADE TO TAILOR ANTI-DRUG MESSAGES IN RESPONSE TO THE DIFFERENT CHALLENGES THAT COLLEGE STUDENTS FACE, AS OPPOSED TO COMBINING THEM WITH MESSAGES AIMED AT ADOLESCENTS? WHAT KINDS OF MESSAGES HAVE BEEN CRAFTED TO DISCOURAGE GRADUATED DRUG USE IN THIS GROUP?

ANSWER:

The ONDCP media campaign does not directly address the unique situation and concerns of college students as they fall out of the target audience age range of the campaign. The media campaign attempts to prevent drug use before it starts. The past two decades of drug prevention research point to middle school, or junior high school, as the pivotal age at which to aim drug prevention efforts. Successful interventions aimed at children of this age, and reinforced as the child progresses through high school, have been shown to be the most effective means of preventing drug use. Although binge drinking and other forms of substance abuse are serious problems on college campuses across America, this campaign does not, and probably cannot, address those issues directly. Over the long run, however, if our campaign is successful, fewer college students will arrive on campus with experience or interest in using illicit drugs.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN NORTHUP
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

6. HAVE THESE EFFORTS BEEN SUCCESSFUL?

ANSWER:

As previously noted, the campaign does not target college age youth.

a. CADCA contributed six satellite national downlink broadcasts to its members on media campaign message themes (e.g., Kids Talking to Parents About How to Talk to them About Drugs).

b. Reader's Digest, the Ad Council and the DC Boys & Girls Club are sponsoring a Youth PSA contest.

c. Several local school districts (including the Fairfax County School system) are sponsoring a Youth PSA Construction Media Summit.

d. The Miss Teen USA Pageant has designated our media campaign as the official cause of their pageant. This will mean that state winners and the national winner of the Miss Teen USA Pageant will devote their time to the drug issue at schools and other forums.

e. The current Miss America has agreed to contribute her time for personal appearances, PSAs and Internet chat sessions.

f. Major League Soccer sponsored a "Coachathon" Anti-Drug event, has placed anti-drug information in its programs and has requested that each of its teams do an anti-drug event. It has also designated one of its players, Dante Washington, as a national spokesman on the drug issue.

g. Seventeen Major League Baseball teams and 5 NFL teams are running our advertisements.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

1. AT PAGE 9 OF YOUR PREPARED TESTIMONY, YOU REFER TO PARTNERSHIPS WITH NATIONAL ORGANIZATIONS WITH GRASSROOTS AFFILIATES AS A VEHICLE FOR STRENGTHENING COMMUNITY ANTI-DRUG GROUPS. HOW DO YOU PROPOSE TO MEASURE YOUR SUCCESS IN ACCOMPLISHING THIS OBJECTIVE? DO YOU HAVE TARGETS AND GOALS FOR YOUR PARTNERSHIP INITIATIVE? WHAT ARE YOUR TARGETS?

ANSWER:

A. The National Youth Anti-Drug Media Campaign is a key prevention initiative within the National Drug Control Strategy. As such, its accountability in preventing youth drug use is being assessed through ONDCP's Performance Measures of Effectiveness (PME). As a prevention initiative, the Media Campaign falls under Goal 1 of the Strategy: Educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco. Objective 7 of Goal 1 is: Create partnerships with the media, entertainment industry, and professional sports organizations to avoid the glamorization, condoning, or normalization of illegal drugs and the use of alcohol and tobacco by youth.

B. As part of the PME system, ONDCP has established targets and measures with which to track progress in achieving this objective.

C. The target for this objective is: By 2002, establish partnerships with 50 percent of major media, entertainment, and professional sports organizations to avoid glamorizing, condoning, or legitimizing the use of illegal drugs, alcohol, and tobacco. By 2007, partnerships with 90 percent of each organizational type will be established.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

2. AT PAGE 5 OF YOUR TESTIMONY, YOU CITE A VERY DISTURBING SOON TO BE RELEASED STUDY SHOWING THAT DRUGS ARE DEPICTED WITHOUT CONSEQUENCES IN 52% OF POPULAR MOVIES AND 81% OF SONGS IN WHICH DRUG USE IS DEPICTED. AT PAGE 9 OF YOUR TESTIMONY, YOU REFER TO AN ENTERTAINMENT INDUSTRY OUTREACH INITIATIVE. WHAT IS THE CURRENT STATUS OF THIS INITIATIVE? ARE YOU CONFIDENT THAT YOU CAN ASSURE THAT THE ENTERTAINMENT INDUSTRY WILL WALK THE TALK ON THIS ISSUE? HOW DO YOU MINIMIZE THE RISK THAT THEY WILL SAY THE POLITICALLY CORRECT THING, BUT DO SOMETHING ELSE? I'M MINDFUL OF THE FIRST AMENDMENT CONSIDERATIONS, BUT DO YOU HAVE ANY TARGETS OR GOALS FOR CHANGING THE FAVORABLE/UNFAVORABLE DEPICTION RATIO IN MOVIES OR SONGS WHERE DRUG USE IS DEPICTED?

ANSWER:

We are very pleased with the response we received from the entertainment industry over the last three years. We held over 30 meetings with television, film and music companies and are encouraged by the commitment and cooperation of senior officials in those industries. There is a growing awareness of the importance of accurate portrayals of substance use in all entertainment media. Over the next year we will hold two major briefings with the entertainment industry --one in New York and one in Los Angeles --to continue this important dialogue.

We have already seen an increase in television programs with themes coinciding with our communications strategy. We provide the industry with advice and assistance as writers and producers develop programs with accurate portrayals of substance use. Several notable examples of where our advice has influenced the creative process are such programs as "Hang Time", a recent episode of "Cosby" and an episode of "Smart Guy" to be broadcast on May 16, 1999. These are among the thirty-five popular programs that included messages drawn directly from the media campaign. Positive outcomes such as these reflect our constructive engagement with the entertainment industry and their willingness to work closely with us as partners.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

3. YOUR TESTIMONY INDICATES THAT THE TELEPHONE NUMBER FOR THE NATIONAL CLEARINGHOUSE FOR ALCOHOL AND DRUG INFORMATION IS INCLUDED ONLY IN SOME OF THE ADS. WHY ISN'T THIS NUMBER INCLUDED IN ALL OF THE ADS? IS THERE SOME REASON NOT TO INCLUDE THIS INFORMATION IN EVERY AD?

ANSWER:

In the first year of the media campaign, ONDCP used existing advertising inventory of the Partnership for a Drug Free America. Many of these ads did not include phone numbers. It is very difficult to add a number to an existing ad because incorporating a phone number typically needs to be known at the ad design and production stage. The number must stay on the screen for a certain amount of time, the message in the ad must identify the service or publication obtained by calling the number, etc. Not all ads are designed to carry messages. Some are designed to evoke emotions or heighten awareness. Listing a phone number can sometimes reduce the impact of the message. ONDCP has requested that all new parent ads produced for the ONDCP campaign carry a phone number and, when appropriate, on youth oriented ads. ONDCP does not include either phone numbers or identification of the agency on the pro bono public service announcements. These announcements are generally produced by other organizations who would vigorously protest the alteration of their ads.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

4. AT PAGE 12 OF YOUR TESTIMONY, YOU CITE THE HUNDREDS OF DIFFERENT INDIVIDUAL MESSAGES THAT YOU INTEND TO CONVEY THROUGH THE NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN AS AN "OBSTACLE TO AWARENESS". DOES THIS MEAN THAT FEWER MIGHT BE MORE EFFECTIVE OR TRANSLATE MORE QUICKLY INTO RESULTS IN REDUCING THE RATE OF DRUG USE?

ANSWER:

To clarify the issue, the Communications Strategy for the National Youth Anti-Drug Media Campaign specifies five (5) science-based and proven Communications Objectives for youth and six (6) for adults (i.e., parents and youth influencers), respectively. All messages or tactical programs are strategically based on one or more of these communications platforms. During Phases I and II, ads supporting these strategies were rotated in the media, depending upon the availability of creative executions to support them. One key lesson learned from Phases I and II is that these communications must be more focused behind selected platforms. Further, there continued to be gaps in the ads needed to support several key communications strategies. The result was that some of the messages did not "break through" the competing advertising to increase awareness of particular communications strategies. In addition to ensuring the message gaps are filled, the Phase III media effort will be carefully designed to maximize awareness by "flighting" these key message points in the most important media vehicles (e.g., television) in proportion to their efficacy while supporting these focused flights with ancillary "reminder" message points in other media (e.g., radio and print).

A strategically focused, science-based effort --guided by communications experts both mainstream and multi cultural--at levels that have proven to be successful for private-sector marketers to our targets stands the best chance of building awareness and changing attitudes and beliefs. The National Youth Anti-Drug Media Campaign will be assessed by the most rigorous evaluation process ever conducted for a marketing and advertising effort. The levels of awareness, in addition to many other measures of ONDCP's relative success in attaining objectives associated with the reduction of the rate of illicit drug use, will be reported directly and promptly to Congress.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

5. AT PAGE 14 OF YOUR TESTIMONY, YOU CITE THE ROLE OF THE AD COUNCIL AS A CLEARINGHOUSE FOR NATIONAL PUBLIC SERVICE ANNOUNCEMENTS (PSAS) AND THAT OF THE AMERICAN ADVERTISING FEDERATION FOR LOCAL ADS. DO EITHER OF THESE ORGANIZATIONS PLAY ANY ROLE IN DETERMINING WHEN OR WHERE PARTICULAR ADS WILL RUN OR ARE THEIR ROLES SIMPLY TO SCREEN THE ADS FOR CONTENT? WHO DECIDES WHEN AND WHERE PARTICULAR PSAS WILL RUN? IS IT FAIR TO SAY THAT THE FREQUENCY OF PARTICULAR AD PLACEMENTS RECEIVES LESS ATTENTION IN THE PSA SEGMENT OF THE CAMPAIGN THAN IN THE PAID MEDIA SEGMENT OF THE CAMPAIGN? COULD THIS BE A MATERIAL FACTOR IN WHY PSAS ARE LESS EFFECTIVE THAN PAID ADVERTISING IN CONVEYING AN ANTI-DRUG MESSAGE?

ANSWER:

Neither the Ad Council nor the American Advertising Federation plays any role in determining when or where particular ads will run. They each play two key roles. One is to ensure that the ads submitted by non governmental organizations and government agencies are of broadcast quality. The second role is that each leads a group of organizations that reviews ads to ensure they are consistent with the media campaign strategy in terms of message and issues. The Ad Council convenes a group that includes representatives of PDFA, ONDCP, and the Departments of Health and Human Services, Justice and Education. In 102 media markets, American Advertising Federation representatives lead groups that involve the representative of the National Association of State Directors of Alcohol and Drug Abuse, the local mayor's office and as appropriate, representatives of other community organizations.

The messages selected are compiled on tapes by the ONDCP contractor and sent to stations where pro bono match time is available. The stations themselves select which ads to play and when to play them, although ONDCP recommends an equitable rotation. These messages are electronically coded so we know when and where they are played. A condition of ONDCP's media purchase is that the public service time must be in equivalent day parts. No PSA time in the middle of the night is allowed to count for the match. This makes the ONDCP media match time far more valuable and sought after than traditional PSA time available at odd hours when our target audiences are not watching. ONDCP media match PSAs often appear in prime time and have even appeared during the Super Bowl in some cities.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

MARCH 25, 1999

QUESTION:

6. IN YOUR TESTIMONY AT THE MARCH 25, 1999 HEARING, YOU ASSERTED THAT THERE ARE LEGAL RESTRICTIONS ON ONDCP'S ABILITY TO INCLUDE ADS DISCOURAGING ALCOHOL USE IN THE PAID MEDIA SEGMENT OF THE NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN. YOU SEEMED TO BE SAYING THAT YOU COULD NOT INCLUDE ALCOHOL ADS BECAUSE ALCOHOL IS NOT A CONTROLLED SUBSTANCE AS DEFINED IN THE CONTROLLED SUBSTANCES ACT AND THUS NOT A DRUG FOR THE PURPOSE OF THE AUTHORIZATION FOR THE MEDIA CAMPAIGN. DOES THIS ACCURATELY CHARACTERIZE YOUR POSITION? IF NOT, PLEASE EXPLAIN YOUR LEGAL POSITION AS TO WHETHER ONDCP CAN INCLUDE ALCOHOL IN THE PAID MEDIA CAMPAIGN. IF YOUR LEGAL POSITION IS ACCURATELY CHARACTERIZED, THEN WHY DOES THE PAID MEDIA SEGMENT OF THE NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN INCLUDE ADVERTISING CONCERNING INHALANTS WHICH CLEARLY ARE NOT CONTROLLED SUBSTANCES AS DEFINED IN THE CONTROLLED SUBSTANCES ACT?

ANSWER:

The authorization for the media campaign contained in last year's Drug Demand Reduction Act is for a campaign "for the purpose of reducing and preventing drug abuse among young people in the United States." The authorization of ONDCP defines "drug" as the term 'controlled substance' in section 102(6) of the Controlled Substances Act. Alcohol is not a controlled substance as that term is defined in the Controlled Substances Act. To the contrary, the Controlled Substances Act expressly states that a controlled substance does not include distilled spirits, wine, malt beverages, or tobacco. It is this express exclusion of alcohol that leads to ONDCP's legal concerns. Moreover, ONDCP's proposals to change the definition of drug control to include underage drinking and tobacco use during the debates over its reauthorization were affirmatively rejected. In light of both the express statement in the Controlled Substances Act that alcohol is not a drug, and Congress's refusal to expand the definition of drug control in ONDCP's reauthorization act, the authorization of the media campaign does not support use of authorized media campaign funds for advertisements targeted toward alcohol. While inhalants are not controlled substances, in contrast to alcohol, inhalants are not expressly excluded from the definition of a controlled substance. Moreover, during the FY 1998 appropriations process, Congress was informed of ONDCP's intent to run inhalant advertisements. As such, ONDCP's concerns about alcohol do not apply to inhalants.

QUESTION FOR THE RECORD FROM CONGRESSWOMAN MEEK
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

MARCH 25, 1999

QUESTION:

7. IF THERE WAS NO QUESTION AS TO YOUR POWER TO INCLUDE ALCOHOL ADS IN THE PAID MEDIA SEGMENT OF THE NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN, WOULD YOU CHOOSE TO DO SO WITHOUT DIRECTION FROM THE CONGRESS OR ARE YOUR POLICY CONCERNS ABOUT DILUTING THE IMPACT OF OTHER PAID ADVERTISING SUFFICIENT TO CAUSE YOU NOT TO INCLUDE ALCOHOL ADS IN THE PAID MEDIA SEGMENT OF THE CAMPAIGN WITHOUT DIRECTION FROM THE CONGRESS? IF WE WANT ALCOHOL TO BE INCLUDED IN THE PAID MEDIA CAMPAIGN, DO WE NEED TO DIRECT ONDCP TO DO SO?

ANSWER:

Even with express authorization, ONDCP would not include underage alcohol advertising in the paid part of the campaign. While ONDCP strongly supports increased advertising on the issue of underage drinking, we believe that any such advertising should be conducted under a campaign devoted solely to this issue for several reasons. First, reducing underage drinking presents communications challenges not present for illicit drugs. Alcohol is a socially accepted, legal substance consumed by a majority of adults. Moreover, hundreds of millions of dollars in advertisements encourage the consumption of alcohol, suggesting that an effective underage drinking campaign will need to be carefully designed and appropriately funded to combat existing pro-alcohol advertisements. ONDCP's media campaign was planned and developed for illicit drugs. An effective anti-alcohol campaign will require new research, and will most likely require an entirely unique campaign design. Second, use of the existing appropriation for both alcohol and illicit drugs will have the effect of diluting the effectiveness of the media campaign. We fear that a media campaign that attempts to address both illicit drug use and underage drinking will not be effective at reducing either. Accordingly, if Congress would like to have an effective underage drinking campaign, we suggest an entirely new campaign and an entirely separate appropriation.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

ALCOHOL ABUSE AND MEXICAN AMERICANS

1. I KNOW THAT THE CAMPAIGN HAS FEW IF ANY PAID ADS WHICH ADDRESS ALCOHOL ABUSE. HOWEVER, HOW MANY PSAS AS PART OF THE PRO BONO MATCH REQUIREMENT, ARE BEING AIRED ON THE DANGERS OF UNDERAGE DRINKING AND ALCOHOL ABUSE?

ANSWER:

Since July, approximately 25 public service messages on underage drinking and alcohol issues from four different organizations have been used in the pro bono match at both the national and local levels. These messages have been played approximately 6,100 times with total value of donated air time equivalent to more than $7.6 million. In addition, at least 6 major television programs (considered part of the match) have been broadcast that included alcohol related issues or themes in support of the media campaign. The most recent occurred on "Cosby" on April 26. On May 16, WB's "Smart Guy" will also have an underage drinking theme. Media campaign staff and experts were closely involved, providing technical assistance to both shows.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

ALCOHOL ABUSE AND MEXICAN AMERICANS

2. HOW MANY, IF ANY, OF THESE PIECES ADDRESS THE GROWING PROBLEM OF ALCOHOL ABUSE IN THE MEXICAN AMERICAN AND/OR HISPANIC COMMUNITIES?

ANSWER:

This is difficult to quantify since ONDCP does not track the ethnicity of alcohol related PSAs. However, ONDCP has assembled and made available one Spanish language radio and two Spanish language TV messages that address alcohol related issues.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

PHASE I EVALUATION OF THE MEDIA CAMPAIGN

1. WHAT LANGUAGES OTHER THAN SPANISH IS THE CAMPAIGN DEVELOPING ADS IN?

ANSWER:

Ads are currently being developed in Mandarin, Cantonese, Vietnamese, Tagalog, Lakota, Navajo, Korean, Cambodian, and Japanese. Upon completion of the Phase III Media Plan there might be a need for ads in Laotian and Hmong.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

PHASE I EVALUATION OF THE MEDIA CAMPAIGN

2. WHEN WILL THESE ADS BEGIN AIRING?

ANSWER:

Some in-language ads began airing during Phase II of the Campaign. The ads currently in production will begin airing during Phase III of the Media Campaign.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

PHASE I EVALUATION OF THE MEDIA CAMPAIGN

3. THE REPORT STATES THAT "FOCUS GROUP TRANSCRIPTS DOCUMENT ETHNIC LANGUAGE GROUPS' PREFERENCES FOR CERTAIN MEDIA." WHAT TYPES OF MEDIA WERE FOUND TO BE PREFERRED BY DIFFERENT ETHNIC GROUPS AND WHAT IS ONDCP DOING TO EXPAND THE CAMPAIGN'S PRESENCE IN THESE TYPES OF MEDIA?

ANSWER:

Most ethnic groups consume media differently from the General Market. Asian adults, with the exception of Filipino and Japanese Americans, overwhelmingly prefer media in their native language. This media tends to be culturally relevant and in familiar formats. Print is the Asian vehicle of choice followed by television and radio (varies depending on media availability within particular markets). Koreans and Vietnamese also rely heavily on videos for entertainment. Similar to the Asian market, African Americans also have a preference for media that is culturally relevant, as evidenced by the success of Black Entertainment Television (BET) and network programming featuring African Americans. African Americans also have a preference for urban contemporary formats and are most easily reached through mainstream television.

For Phase II and continuing in Phase III, ONDCP developed targeted media plans for each ethnic group. These and numerous other media preferences, by ethnic groups and geographic market, were taken into consideration in developing the individual plans. Each ethnicity targeted by the campaign is currently being reached and will continue to be addressed through preferred media that is culturally appropriate. African American adults and youth are being targeted via General Market TV, radio and magazines. Additionally, African American adults are being reached with newspapers. Given the nature of the Asian Markets, Asian media primarily targets adults. Chinese, Korean, and Vietnamese adults are being reached through in-language TV and print and will soon also be reached through radio. Cambodian TV and print are being used to target adults. Japanese and Filipino print are being purchased to reach adults. Laotian and Hmong radio and print also targeting adults might be purchased during Phase III. To reach the younger audiences, during Phase III an English-language Pan-Asian youth TV spot will air.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

PHASE I EVALUATION OF THE MEDIA CAMPAIGN

4. THE REPORT ALSO STATES THAT ETHNIC GROUPS HAD "DISTINCTIVE CRITIQUES" OF THE CAMPAIGN ADS. WHAT ARE THESE CRITICISMS AND WHAT IS THE CAMPAIGN DOING TO ADDRESS THEM?

ANSWER:

From previous focus groups conducted on behalf of ONDCP we know that Asian adults are not familiar with the American names for illegal drugs or even what they look like. When critiquing ads they have mentioned that the executions have not been effective because they have not understood them. Together with PDFA we are now creating ads that are not only in-language but culturally appropriate in order to reach the different Asian ethnic groups.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

CAMPAIGN'S EFFORT TO REACH LANGUAGE MINORITY PARENTS

1. SINCE MANY MINORITY FAMILIES ARE COMPOSED OF PARENTS WHO DO NOT SPEAK ENGLISH AND CHILDREN WHO ARE BILINGUAL, WHAT EFFORTS IS THE CAMPAIGN MAKING TO REACH THESE LANGUAGE MINORITY PARENTS?

ANSWER:

ONDCP's National Youth Anti-Drug Media Campaign is the most diverse public outreach effort ever undertaken by the Federal government. In addition to English, messages are being produced in 10 languages, most of which target parents. Minority media specialists in ten multi-cultural advertising and communication firms are under contract to ensure messages are developed that are sensitive to and resonate with particular ethnic audiences, and that the messages are played in media consumed by these groups. ONDCP is also working with local and national organizations representing a range of minority and ethnic audiences in development of other projects and activities that will further support the strategies of the media campaign.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

EVALUATION OF CAMPAIGN'S "IMPACT TARGETS"
IN THE RECENT REPORT ON PHASE I OF THE NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN, ONDCP IDENTIFIED SEVERAL "IMPACT TARGETS" IT IS PLANNING ON USING TO EVALUATE THE EFFECTIVENESS OF THE MEDIA CAMPAIGN. THESE TARGETS INCLUDE REDUCING THE USE OF ILLEGAL DRUGS AND ALCOHOL AMONG YOUTH BY 20% (AS MEASURED AGAINST THE BASE YEAR, 1996) BY 2002 AND BY 50% BY 2007, AND REDUCING THE USE OF TOBACCO BY YOUTH BY 25% BY 2002 AND 55% BY 2007.

1. EXPLAIN THE METHODS USED TO DEVELOP THESE TARGETS.

ANSWER:

A. The impact targets referred to in the Phase I report were extracted from ONDCP's recent report, *Performance Measures of Effectiveness: Implementation and Findings.* This report details 97 performance targets that comprise the Performance Measures of Effectiveness (PME) System. The PME System is designed to assess the overall effectiveness of the *National Drug Control Strategy*, not the performance of any specific agency or program.

B. Twelve of the 97 targets have been designated as Impact Targets. These 12 Impact Targets define the desired outcomes or end-states for the Strategy's five goals. The targets were developed through an interagency process consisting of 21 working groups representing the 50 Federal drug control agencies, researchers, and other drug policy experts. The target cited by the Committee is the first Impact Target for Goal 1 of the Strategy.

C. The National Youth Anti-Drug Media Campaign is only one of many actions (Federal, State, local, private, and international) that will contribute to the achievement of the targets listed in the PME System. It is a critical program designed to change youth attitudes that directly contribute to the achievement of the Impact Target.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

2. DOES ONDCP BELIEVE THAT THEY WILL MEET THESE AMBITIOUS GOALS IN THE GIVEN TIME FRAME? PLEASE PROVIDE SUPPORTING EVIDENCE.

ANSWER:

The *National Drug Control Strategy* defines 5 goals and 31 objectives that chart a course for America's drug control policy. The PME System identifies specific outcomes or end-states for the Strategy. By design, these targets are intentionally ambitious, but were based on historical trends, knowledge of programs believed to contribute to their achievement, and the expectation that programs and resources can be manipulated in the future to achieve them. ONDCP adopted the convention of setting targets to be ambitious to motivate the drug control community to achieve meaningful progress. These ambitious end-states are referred to as "stretch targets." Although the targets are aggressive, ONDCP believes they can be achieved through the strong, coordinated efforts of the Federal, State, local, private, and international drug control communities. To this end, we have begun charting out with the Federal community the steps that are to be taken to meet the targets. This year, we will widen this dialogue to include the state, local, and private sector to identify and address the key steps.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

NATIONAL CLEARINGHOUSE FOR ALCOHOL AND DRUG INFORMATION'S 800 NUMBER

1. IS THERE A REASON WHY THE NUMBER IS NOT ON ALL OF THE CAMPAIGN'S ADS AND PSAS?

ANSWER:

In the first year of the media campaign, ONDCP used existing advertising inventory of the Partnership for a Drug Free America. Many of these ads did not include phone numbers. It is very difficult to add a number to an existing ad because incorporating a phone number typically needs to be known at the ad design and production stage. The number must stay on the screen for a certain amount of time, the message in the ad must identify the service or publication obtained by calling the number, etc. Not all ads are designed to carry messages. Some are designed to evoke emotions or heighten awareness. Listing a phone number can sometimes reduce the impact of the message. ONDCP has requested that all new parent ads produced for the ONDCP campaign carry a phone number and, when appropriate, on youth oriented ads as well. ONDCP does not include either phone numbers or identification of the agency on the pro bono public service announcements. These announcements are generally produced by other organizations who would vigorously protect the alteration of their ads.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

NATIONAL CLEARINGHOUSE FOR ALCOHOL AND DRUG INFORMATION'S 800 NUMBER

2. IS ONDCP'S CURRENT LEVEL OF STAFF AND FUNDING ADEQUATE TO MEET THE DRAMATICALLY INCREASING VOLUME OF CALLS TO THE CLEARINGHOUSE?

ANSWER:

The success of the National Youth Anti-Drug Media Campaign can be measured, in part, by the numbers of inquiries to the National Clearinghouse for Alcohol and Drug Information (NCADI). The Clearinghouse, operated by the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Department of Health and Human Services (HHS), serves as the media campaign's prime source of materials for the public. Since the National Media Campaign was launched in July 1998, NCADI has responded to more than 300,000 phone calls generated by the campaign advertisements. Inquiries have reached as high as 3,756 in one day, greatly challenging information specialists. As the campaign increases its reach and frequency measures, with fresher and more effective advertising, the toll-free number being placed on a greater share of the advertising, and higher visibility of the campaign web pages, we can anticipate that the workload and demand for quality materials to meet the needs of Americans who want to take action against drugs, will only increase.

Currently, the demand for SAMHSA Clearinghouse services has severely taxed HHS resources and cannot be sustained. ONDCP will help to offset some of the costs for SAMHSA by transferring some media campaign funds. We are currently working with SAMHSA officials to determine the appropriate resource requirements to meet the current level of demand for NCADI.

The Clearinghouse needs to continue to provide essential information services and materials and disseminate them in response to demand created by the media campaign. It also performs other critical tasks such as technical support and supplies of materials for community organizations that respond to inquiries in their areas, referral systems development, quality control, and evaluation.

QUESTIONS FOR THE RECORD FROM CONGRESSWOMAN ROYBAL-ALLARD
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
MARCH 25, 1999

QUESTION:

NATIONAL CLEARINGHOUSE FOR ALCOHOL AND DRUG INFORMATION'S 800 NUMBER

3. IS ONDCP TRACKING WHO IS PLACING THE CALL, WHAT THEIR REQUEST IS, AND HOW THEY HEARD ABOUT THE CLEARINGHOUSE, IN ORDER TO BETTER SERVE AND EDUCATE THE PUBLIC?

ANSWER:

The National Clearinghouse for Alcohol and Drug Information gathers certain information routinely to track the level and type of calls and certain information from callers. Specifically, information gathered and reported includes: inquiry volume (day, week, month since campaign inception), and type of contact (telephone, fax, e-mail, mail). Additionally, a sample of callers are asked questions that provide information about the identity of callers (general public, educator, administrator, other), the source of information that lead to the call (TV, newspaper, magazine, radio, other source), age population to be reached with information provided (up to 8, 9-11, 12-14, 15-17, 18-plus), and when inquirer became aware of the campaign (today, this week, within the past 30 days, more than 30 days ago). These data are compiled and reported weekly.

In addition, as part of the ongoing plan for quality control, a sample of callers each quarter of the year is called back to participate in a user satisfaction survey, asking questions about completeness and timeliness of response, usefulness of materials sent or information provided, and courtesy and helpfulness of information specialists.

WITNESSES

	Page
Burke, J.E	783
Leshner, Dr. A.I	783
Lew, J.J	295
Lindsay, Mark	1
McCaffrey, Gen. B.R	543
McCaffrey, Gen. B.R	783

INDEX

	Page
Executive Office of the President:	
Budget Justification	163
Budget Requests for Executive Office of the President Accounts	14
CFO Legislation	24
Executive Office of the President Opening Remarks	5
Executive Residence	25
Fiscal Year 1998 and Fiscal Year 1999 Y2K Costs	15
Fiscal Year 2000 Computer Modernization	17
Information Technology Capital Investment Plan	25
Information Technology Planning and the Information and Technology Management Team	22
Office of Administration Capital Investment Plan	20
Progress with Y2K Program	16
Questions Submitted by the Committee	29
Representative Meek	35
Representative Northup	39
White House Staffing	18
Executive Residence of the White House:	
Budget Justification	277
Office of Management and Budget:	
Agency Progress in Upgrading Computers for the Y2K Date Change	309
Announcing the Availability of Federal Grants	342
Comparing Treasury and Justice Law Enforcement Funding Levels	307
Concerns from the Research Community on Revisions to Circular A–110	332
Courthouse Construction Funding	311
Customs Air Interdiction Program	340
Customs and Immigration and Naturalization Service Functions at the Border	307
Customs User Fee Proposal	338
Efforts to Enhance Productivity at OMB	341
Estimates of Total Federal Costs for Fixing the Y2K Computer Problem	347
Federal Budget Surplus Estimates	316
Federal Employee Pay Comparability Act	331
Funding for Y2K in the Fiscal Year 2000 Budget	346
Funding Problems in the Budget	312
GAO Report on Management of the Y2K Problem	333
Implementing Climate Change Programs	330
Judiciary Request for Courthouse Construction Funding	327
Kyoto Protocol Implementation	314
Managing Increased Responsibilities at OMB	335
Meeting the March 31, 1999 Deadline for Agency Y2K Compliance	343
OMB Budget for Fiscal Year 2000	299

Page

Office of Management and Budget—Continued
Opening Remarks—Chairman Kolbe 295
Opening Remarks—Representative Hoyer's 297
Opening Remarks—Director Lew 301
Paperwork Reduction Act Implementation 312
President's Proposal to Reduce Federal Debt Held by the Public 336
Revised Circular A–110 Concerning Federally Funded Research Data 316
Status of Y2K Emergency Fund 310
Treasury Law Enforcement 298
Treasury's Role in Law Enforcement 338
Office of National Drug Control Policy:
Subcommittee's Opening Statement 543
Director Barry R. McCaffrey's Opening Statement 545
Director Barry R. McCaffrey's Written Statement 551
Overview of the National Drug Control Strategy 551
The Supporting Fiscal Year 2000 Federal Drug Control Budget 558
ONDCP's Coordinating Role 560
ONDCP's FY 2000 Budget Request 561
Conclusion 570
Question and Answer Session 571
Questions for the Record 598
ONDCP's Fiscal Year 2000–2004 Budget Submission 701
ONDCP's FY 2000 Annual Performance Plan 760
Office of National Drug Control Policy—Youth Media Hearing:
Director Barry R. McCaffrey's Opening Statement 806
Director Barry R. McCaffrey's Written Statement 786
Letters of Support and Statement for the Record 808
Opening Statement by Dr. Alan Leshner, Ph.D., Director National Institute on Drug Abuse 840
Overview of the Campaign 789
Progress to Date Exceeds Expectations 797
Question and Answer Session 827
Questions for the Record 858
Statement by Chairman, Partnership For a Drug-Free America, James E. Burke 849
Subcommittee's Opening Statement 783
The Media Campaign is Making a Difference For America's Young People and Families 787

○

ISBN 0-16-058444-2

