

Regulatory reform - Legislation

Bruce - FYI. Did anyone send this to us before it went in?

*Clear*

THE WHITE HOUSE  
WASHINGTON  
March 3, 1998

MR. PRESIDENT:

3 4 48

The attached memo seeks your guidance on a strategy for the regulatory reform bill sponsored by Sens. Thompson and Levin. The memo, which I recommend you read, is a product of a meeting convened yesterday by Erskine. He wanted you to see it today as a markup is scheduled for Thursday.

**Background.** The bill is better than the Dole bill we defeated in the last Congress, but it still presents significant problems. Labor, enviros and other public interest groups strongly oppose it. The business community is strongly for it. The Congressional politics are complicated with Senators on both sides of the aisle lining up in different places. The key vote here is Sen. Daschle's, who will likely support Levin even if all of Daschle's changes are not in the bill.

**Options.** Three are presented -- they all assume we will oppose the bill unless our concerns are met. Option 1: present a set of "high bar" proposals that Levin and Thompson are unlikely to accept. Satisfies labor/enviros but diminishes our negotiating posture and may result in veto-proof bill. Option 2: present a list of fixes to address major concerns. Would be well received by Levin/Thompson and will improve bill but may not get all we want and will be opposed by groups. Option 3: present expanded list of fixes that go beyond Option 2 but are below Option 1. Gives us more negotiating room to insist on Option 2 fixes as our bottom line.

Daschle prefers 2 or 3. Erskine, Larry Stein, OMB, Gene and Sally prefer 2. The VP, Podesta and Katie prefer 3.

\_\_\_ Opt 1    Opt 2    \_\_\_ Opt 3    \_\_\_ Discuss

*(I think we should show Phil Caplan what we can do to get best possible bill up. If it's likely to pass we can't push margins - he*

copied

Gene S  
Sally K.  
Bowles  
Podesta  
Stein  
VP  
Kagan

PHOTOCOPY  
PRESERVATION