

EXHIBIT 1

**11/14/96 Meeting of Federal, State & Local Government representatives
Confirmed Attendee List - (as of 12:30pm 11/14/96)**

Federal

Barry McCaffrey	ONDCP
Ricia McMahon	ONDCP(Office of CoS)
Patricia Seitz	ONDCP(OLC)
Bob Sloane	ONDCP(Public Affairs)
Thomas Constantine	DEA
David Lutweiler	DEA
Catherine Shaw	DEA
John Emerson	WH IGA, Deputy Director
Christa Robinson	WH DPC
Jon Schwartz	DOJ
Nicholas Gess	DOJ
Janice Innis-Thompson	DOJ
Peggy Grove	DOJ
Joe Graupensperger	DOJ
Bill Corr	HHS
Renee Landers	HHS(GC)
Dr. Franklin Sullivan	HHS/SAMHSA
Dr. Don Goldstone	HHS/SAMHSA
Bill Modjeleski	Education
Ken Edgell	Transportation
Susan Ginsburg	Treasury
Dr. Karen Hein	NAS/IOM, Exec. Officer
Dr. Constance Pechura	NAS/IOM, Director, Neuroscience & Behavior Health
Carolyn Fulco	NAS/IOM, Neuroscience & Behavior Health
Catharyn Liverman	NAS/IOM, Neuroscience & Behavior Health

Congressional

Pat Murphy	Sen. Hatch's Office
Chris Putala	Sen. Biden's Office
Tom Alexander	Sen. Kyl's Office
Neil Quinter	Sen. Feinstein's Office

State - Arizona

Richard Romley	Maricopa County DA (AZ delegation lead)
Barnett Lotstein	Special Assistant, Maricopa County Attorney Office
Gary Butler	Navaho County Sheriff
Alex Romero	Arizona Drug Watch
Barbara Zugor	TSAC - Executive Director
Ralph Ogden	Yuma County Sheriff, President, AZ Sheriff Assoc.

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State - California

Bob Ellsberg	California Peace Officers Assoc.
Tom Gade	Special Assistant to the AG
Brad Gates	Orange County Sheriff
John Gordiner	Attorney General's Office(CA delegation lead)
Tom Gorman	California Narcotics Officers Assoc.
George Kennedy	California District Attorneys Assoc. (Santa Clara DA)
Bill Stern	California Chiefs of Police Assoc. (Seal Beach PD)
Jim Thomas	California Sheriffs Assoc. (Sheriff, Santa Barbara County)
Less Weidman	California Sheriffs Assoc. (Sheriff, Stanislaus County)

Public Interest Groups

Richard Bonnette	President, Partnership for a Drug Free America
Mike Townsend	Exec.VP, DPFA
Alvah Chapman	Founding President, CADCA(Former publisher Miami Herald)
Marni Vliet	CADCA, President
Jim Copple	CADCA, Executive Director
Margaret Garikes	American Medical Association
Kimberly Jennings	CASA
Kevin McAnaney	CASA Pro Bono Attorney (Dewey, Ballentine)

(11)

ONDCP Meeting on Impact of Propositions 200/215 and Expanding Legalization Effort

2:30 pm to 5:30 pm, November 14, 1996

Location: ONDCP, 5th Floor, 750 17th Street NW, Washington, D.C.

- 2:30 - 3:00 Welcome and introduction of General (Ret.) Barry McCaffrey, Director, Office of National Drug Control Policy by Patricia A. Seitz, Director, Office of Legal Counsel, ONDCP.
Remarks by Director McCaffrey -- A National Strategy in Face of the Expanding Legalization Effort.
Pat Seitz introduces Tom Constantine, Director, DEA.
- 3:00 - 3:15 Brief overview of California Proposition 215, including California-based political, legal and enforcement options. Presentation Lead: Tom Gede, California Attorney General's office, Mike Bradbury, Ventura County DA and Brad Gates, Orange County Sheriff.
- 3:15 - 3:20 Q & A
- 3:20 - 3:35 Brief overview of Arizona Proposition 200, including Arizona-based political, legal and enforcement options. Presentation Lead: Richard Romley, Maricopa County DA and Ralph Ogden, Yuma County Sheriff.
- 3:35 - 3:40 Q & A
- 3:40 - 4:00 Break
- 4:00 - 4:35 Community's Response to Propositions' Impact and National Legalization Trend. Discussion of options by CADCA, CASA and Partnership for a Drug Free America representatives. Lead: Marni Vliet, President, CADCA
- 4:35 - 4:40 Q & A
- 4:40 - 5:30 Roundtable discussion, summarize consensus on next steps and timetable moderated by Pat Seitz.
- 5:30 Meeting adjourned.

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To: California Peace Officers Association
California Chiefs of Police Association

From: Robert S. Elsberg
Associations Representative

Subject: Meeting with ONDCP on Impact of Proposition 215 in Washington D.C.

On November 14, 1996, the California Contingency met with the Arizona Contingency in Washington D. C. to review each State's situation as a result of the passage of Propositions 200 and 215. We then agreed as to our strategy and format of presentations that would be made to the federal agencies in the afternoon.

The California Contingency consisted of:

Brad Gates, Sheriff, Orange County
Jim Thomas, Sheriff, Santa Barbara County [representing the Sheriff's Assn.]
Les Weldman, Sheriff, Stanislaus County [representing the Sheriff's Assn.]
Michael Bradbury, District Attorney, Ventura County [representing the DA's Assn.]
Tom Gade, Special Assistant to Attorney General Dan Lungren
John Gordnier, Sr. Assistant Attorney General, [California Delegation Lead]
Robert Elsberg [representing CPOA/Cal Chiefs]
Thomas Gorman [representing CNOA]

The major topics consisted of:

1. California and federal law enforcement policy as a result of Proposition 215.
2. Potential legal and legislative challenges to Proposition 215.
3. How to fight the new political war against drug legalization in America.

The California delegation was attempting to have the federal government sue the State of California since we felt federal law preempts State's authority to make something a medicine. We requested to have the federal government give California law enforcement a written document authorizing us to seize marijuana under federal authority and for DEA to take a greater role in marijuana enforcement in California. We also asked for federal thresholds on marijuana for federal prosecution.

The contingencies met the federal government representatives at the ONDCP building at 2:30 p.m. The federal government had representatives from ONDCP, DEA, DOJ, HHS, Transportation, Education, Treasury, and other departments, in addition to representatives from

Senators Hatch, Biden, Kyl and Feinstein's office. See attachment 1 for the agenda of this meeting as prepared by ONDCP. See attachment 2 for the working document which the federal agencies had prepared prior to the meeting suggesting action and time frames.

The following is a summary of presentations made by some speakers at the ONDCP meeting:

General McCaffery

Opened up the meeting by stating that he wanted to watch and see what happens as a result of the passage of Arizona and California's Propositions. He inferred that by waiting approximately one year we could sort through and think through the issues. The federal government will support federal law to protect the process by which drugs are made medicine in the Nation. President Clinton will be presented with options by Donna Shalala and General McCaffery. General McCaffery stated that it was a national issue. General McCaffery did not think that the passage of these Propositions would result in seeing kids start massively using of drugs, nor did he believe that doctors would start recommending pot for illnesses.

DEA Administrator Tom Constantine

Constantine felt that Congressional Hearings are valuable and that we may want to have Hearings in California to air the issues. DEA will use the federal Grand Jury and prosecute the major suppliers of marijuana and remove doctor's licenses where appropriate. The removal of a doctor's license may be a deterrent. DEA will look at how it spends its funds when State's do foolish things.

Brad Gates [spoke for the California Law Enforcement Component]

Sheriff Gates stated that a National organization, non-profit, needed to be form to educate the public. We supported the legitimate research for marijuana as a medicine and that perhaps the federal government could fund and undertake the project. California needed to know the United States Attorneys thresholds for what they will prosecute as far as marijuana violations. Sheriff Gates asked if the federal government will continue to fund the HIDA's and Marijuana Eradication in California and requested a partnership between federal, state and local government.

Tom Gade [Special Assistant to Dan Lungren]

Gade indicated reasons why the federal government has standing to intervene and file a law suit in federal court to invalidate parts of the California law that conflict with federal law. He indicated that there was a sense of urgency because we need guidelines for law enforcement, the public and doctors. He requested a memo from the federal government [DEA] to allow us to seize marijuana for them and perhaps cross designate attorneys and some peace officers. Lastly that CADFY should educate the public on the law.

Jim Copple [CADCA, Executive Director]

They have 4,000 members and are privately funded. He stated that we should first get people to understand the new problems before government takes any action to prevent a backlash. General McCaffery agreed.

Richard Bonnette [President, Partnership for a Drug Free America]

He stated that we lost the battle and now we did to reorganize. We should learn from our mistakes and move forward through education. The drug czar wants to put more money into drug education.

Representative for Donna Shalala

The representative stated that they needed to sort through a wide variety of options available and do it quickly. The Proposition undercuts the message we need to get to our kids. A suit in federal court by the federal government is novel. If we decide to we need to determine where we will file. We will also look at FDA action, cross deputization and thresholds for prosecuting in federal court.

Summations:

David Lutweiller [Deputy Administrator DEA], DEA Administrator was absent at this point.

Usually when DEA goes after a doctor's license, the State proceeded first and made the case, and then DEA came in afterwards. They need to look at this area further. DEA can not respond to all of the State's marijuana cases due to lack of resources. DEA will not change their strategy and therefore won't change resource allocation. Also, the US Attorneys have their limits as to how many cases they can prosecute. He's not sure what will happen to the federal government's contributions to such areas as HIDA's and Marijuana Eradication. He stated that there was a lot to think about, but it would be done quickly.

General McCaffery:

The Propositions in Arizona and California created a great dilemma through misinformation to the public. He doesn't want federal government to lead on the State and federal issues. Federal laws have not changed, only local ones. General McCaffery wants the State to proceed and not wait for a coordinated action. General McCaffery will be the central point of contact representing the federal government and the date of December 5, 1996, will be used as the next milestone as to what the federal government has been able to do.

but we need Fed govt support.

We need guidance from Fed govt. On liability issue. We want a memo from DEA protecting us when we seize contraband on their behalf.

Anticipates cottage industry for forged prescriptions on/over Mex border. Hope we aren't going to "live" with this new law.

Ogden New situation very confusing, but AZ will remain aggressive enforcement Posture. Need clarification from Fed govt. HIDTA may be compromised. Do we have to provide medical marijuana to prisoners? Lawsuits will certainly arise from our enforcement. Will officers be protected?

No way to gauge intox level with MJ. Whole situation unfair to our citizens, as we can't tell them just what they can or can't do.

Romley Even though CA & AZ are different props, the strategy of proponents is the same. It will expand throughout the nation if we all don't react.

Gates Message of national strategy is compromised. Wants congressional hearings.

Pat asks about action on state legislative side.

Romley Our law allows for a change, because less than 50% of eligible voters voted. We are aggressively promoting a special session to change the measure.

Pat - how can we help?

Romley Get high level officials out to AZ to support the call for a special session. It will take political will.

Romero New law further complicated by older AZ licensing law.

Gede Our legislature can't pass a law to change. Can only happen by another initiative.

Romley Education is the key here. Maybe CADCA could fund a new initiative.

(Sloane - unintelligible comment)

Gede In addition to fear of tort liability from seizing medical MJ, our officers fear suit if they don't seize MJ that later is proximate cause of actionable harm.

(someone asked if AZ gov can sue)

Romley He thinks he can; others in legislature do not agree.

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(Someone asks how can Dr's get MJ to prescribe?)

DEA They can't. DEA registers Sched II-V only. Also, you have all asked good Q's that I just don't have the answer to.

Wants to get a US Atty meeting together ASAP to resolve issues on enforcement policy.

DEA normally doesn't act against Doc's until the state board disciplines

Romley But state med board normally won't act until DEA acts. We have catch 22.

Need resolution of Federal law regarding seizure of contraband.

DEA Taking all state cases into Fed system as way around 215/200 would grind Fed system to a halt. Not enough resources.

Break

General Glad to be back. Had opportunity to talk to AG, she is with us.

Romley What about FDA's role. Are they going to participate in this process?

AZ will lose drug courts. Having MJ alluded to as medicine solidifies positive conflict.

General FDA must go slow on this. MJ remains a Sched I drug, period. States can't supersede CSA.

Marni These initiatives have brought issue back up on the radar. CADCA remains very much opposed.

Copple Must protect other 48 states, and rollback in CA & AZ. Have launched re-education campaign in 27 states which are potential next targets. "Say it Straight" is the title of the first effort, using video downlink from Nat Guard.

Did not expect onslaught of money & effort by pro-215/200 forces in CA/AZ. No funds available in time to separate compassion from legislation.

CASA, CADCA and RWJ Foundation have \$\$ & expertise to respond now, and will. We are taking it very seriously.

McAnamey RWJ Foundation has funded CASA study showing voters didn't know what they were really voting for.

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Biden rep Can't defeat use of terminally ill by pro-MJ forces. it's a winning political issue.

Copple We need to retool how we address this issue. Must separate compassion for terminally ill from larger policy issue.

General Jim is right, medicine is the easy answer. Problem is for NIDA/AMA to decide. If MJ is medicine, no problem. If its not, then no further discussion of medical issue.

Biden rep. What if med evidence shows no medical use for terminally ill, but people believe it works?

Romley Must educate and show the lies put forth by the proponents.

Jellineck Other side would be salivating if they could hear prospect of Feds going against the will of the people. It is a political problem. You need a Federal response but can't be viewed as outside interference.

General Agrees with above, but Feds have simple task. We will enforce Fed law.

Gede Reminds us of legislative history in CA. Must resolve terminally ill problem before we proceed.

Gorman Day after election, media turned to us and asked, how could you have allowed this to happen. They have woken up.

Romley Legislative solution can't succeed w/o political solution.

Bonnette We lost first round of communications battle. No coordinated plan.

Must agree on overall coordinated strategy, considering medical/law enf/treatment issues. We learned a lesson in CA.

The Federal agencies represented at the meeting were given the opportunity to summarize their positions.

HHS - Interested in increased consultation with the State and local governments and the public interest groups. Because the initiatives undercut the drug strategy, recommended acting quickly.

DEA - Very interested in the tort issue and sympathetic to the concerns of the officers in the field. Commented on the role DEA plays in the licensing of M.D.s. Indicated DEA doesn't intend to change its enforcement strategy.

DOJ - Referred to the difficulties of bringing a §903 action. Concerned that CA and AR

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energized non-smokers to focus on their rights to a pollution-free environment; public hides, often enables and often does not understand addiction and its impact physically, emotionally, environmentally; put human face on the issue such as MADD did

- ensure existence of a national drug strategy given interstate mobility and international treaty obligations
- provide guidance and assistance to law enforcement in California and Arizona
- protect the FDA protocol for the scientific based designation of "medicines"
- develop and implement national communications strategy (based on the re-framed issue) with a rapid response element similar to the proponents' MAP Internet approach.
- involve the medical community (which defeated the mid-80's attempt to use heroin medically); at present appears a sizable faction supports marijuana for the terminally ill, why? Tension between individual treatment issues and developing a common good public policy need to be resolved).
- broaden the community involvement, particularly the business community given the negative impact of drugs on business profitability and funding needs.
- identify lead national group to mobilize and coordinate interested state and local groups – legislatures, chambers of commerce, CADCA, PDFA, Lions, Parents groups etc., to be the first line of defense against formal or stealth efforts to legalize illicit drugs.

IV. Considerations to Date:

Federal Agencies –

- ONDCP – (1) Drug Cabinet Council meeting 12/12, issue on the agenda; (2) funding for medical research literature review; (3) lead government's message development; (4) Model State Drug Law Alliance monitoring and development of laws with national strategy; (5) assist in developing medical information clearing house; (6) determine what impact the initiatives have on federal funding to states which do not cooperate in a national drug strategy.
- DOJ/DEA – (1) Determine whether the state ballot initiatives may be preempted, in whole or in part, through a federal lawsuit or through new federal legislation; (2) outline DEA enforcement strategy and review prosecution guidelines for U.S. Attorneys' offices; (3) Provide guidance and support to state and local law enforcement agencies regarding their officers' ability to seize federal contraband and make arrests for violation of federal

4. **Courses of Action:** In developing our strategy, we gave due consideration to two key principles: federal authority vis-a-vis that of the states, and the need to ensure that American citizens have access to safe and effective medicine. To attain the four objectives, ONDCP and Federal drug control agencies have formed a partnership to undertake the following coordinated courses of action:

A. Objective 1 - Maintain effective enforcement efforts within the framework created by the Federal Controlled Substances Act and the Federal Food, Drug, and Cosmetic Act

- Department of Justice will publicly take the position that a practitioner's action of recommending or prescribing Schedule I controlled substances is not consistent with the "public interest" (as that phrase is used in the Controlled Substances Act) and will lead to administrative action by the Drug Enforcement Administration to revoke the practitioner's registration to handle controlled substances.
- DOJ and Department of Health and Human Services will send a letter to national, state, and local practitioner associations and licensing boards stating unequivocally that DEA will seek to revoke the DEA registrations of physicians who recommend or prescribe Schedule I controlled substances. This letter will also outline the authority of the Inspector General of HHS to exclude individuals or entities convicted of criminal offenses relating to controlled substances from participation in the Medicare and Medicaid programs. For felony convictions, the law provides for a mandatory exclusion of a minimum of five years, and for misdemeanor convictions, there is a permissive exclusion of three years with the period of exclusion being reduced or increased depending upon mitigating or aggravating circumstances.
- DOJ will expand current enforcement programs to pursue appropriate investigations and prosecutions for their deterrent impact against physicians and others in cases involving:
(a) the absence of a bona fide doctor-patient relationship; (b) a high volume of prescriptions or recommendations of Schedule I controlled substances; (c) the accumulation of significant profits or assets from the prescription or recommendation of Schedule I controlled substances; (d) Schedule I controlled substances being provided to minors; and/or (e) special circumstances, such as when death or serious bodily injury results from drugged driving. The five U.S. Attorneys in California and Arizona will review cases for prosecution using these criteria even if the amount of the drugs involved is below the general threshold drug weight amounts that are contained within their respective prosecution guidelines.
- DEA will adopt seizures of Schedule I controlled substances made by state and local law enforcement officials following an arrest where state and local prosecutors must decline prosecution because of the Propositions. Once in DEA's possession the drugs can be

summarily forfeited and destroyed by DEA. State and local law enforcement officials will be encouraged to continue to execute state law to the fullest extent by having officers continue to make arrests and seizures under state law, leaving defendants to raise the medical use provisions of the Propositions only as a defense to state prosecution.



- Department of the Treasury and the Customs Service will continue to protect the nation's borders and take strong and appropriate enforcement action against imported or exported marijuana and other illegal drugs. The Customs Service will: (a) seize unlawfully imported or exported marijuana and other illegal drugs; (b) assess civil penalties against persons violating federal drug laws; (c) seize conveyances facilitating the illegal import or export of marijuana and other illegal drugs; and (d) arrest persons committing Federal drug offenses and refer cases for prosecution to the appropriate Federal or state prosecutor.
- Treasury and the Internal Revenue Service will continue the enforcement of existing Federal tax laws which discourage illegal drug activities.
- IRS will continue to enforce existing Federal tax law as it relates to the requirement to report gross income from whatever source derived, including income from activities prohibited under Federal or state law.
- Treasury will recommend that the IRS issue a revenue ruling, to the extent permissible under existing law, that would deny a medical expense deduction for amounts expended for illegal operations or treatments and for drugs, including Schedule I controlled substances, that are illegally procured under Federal or state law.
- IRS will continue to enforce existing Federal tax law as it relates to the disallowance of expenditures in connection with the illegal sale of drugs. To the extent that state laws result in efforts to conduct sales of controlled substances prohibited by Federal law, the IRS will disallow expenditures in connection with such sales to the fullest extent permissible under existing Federal tax law.
- U.S. Postal Service will continue to pursue aggressively the detection and seizure of Schedule I controlled substances mailed through the U.S. mails, particularly in California and Arizona, and to arrest those using the mail to distribute Schedule I drugs.
- DEA together with other Federal, state, and local law enforcement agencies will work with private mail, parcel, and freight services to ensure continuing compliance with internal company policies dictating that these companies refuse to accept for shipment Schedule I controlled substances, and that they notify law enforcement officials of such activities. Federal investigations and prosecutions will be instituted consistent with appropriate criteria.

- ED will review with educators in Arizona and California the effect Propositions 200 and 215 will have on drug use by students. They will also communicate nationally with school superintendents, administrators, principals, boards of education, and PTAs about the Arizona and California Propositions and the implications for their states.
- ED will develop a model policy to confront "medical marijuana" use in schools and outline actions educators can take to prevent illicit drugs from coming into schools.
- ED will develop model drug prevention programs to discourage marijuana use. These models will be disseminated to the states at a Spring 1997 conference.
- ONDCP and DOT will provide recommendations pursuant to your October 19, 1996 directive to deter teen drug use and drugged driving through pre-license drug testing, strengthened law enforcement and other means. The recommendations will underscore the point that the use of marijuana for any reason endangers the health and safety of the public.

5. Legislative Enactments: HHS and DOJ will work with Congress to consider changes to the Federal Food, Drug, and Cosmetic Act and the Controlled Substances Act, as appropriate, to limit the states' ability to rely on these and similar medical use provisions. The Administration believes that working with Congress is the course of action that will affirm the national policy to control substances that have a high potential for abuse and no accepted medical use. The objective is to provide a uniform policy which preserves the integrity of the medical-scientific process by which substances are approved as safe and effective medicines. We will also continue to consider additional steps, including conditioning Federal funds on compliance with the Controlled Substances Act and the National Drug Control Strategy.



6. Recommendation: That the President approve the actions and recommendations provided in this strategy to send a clear message to the legalization movement that we will continue to enforce Federal law and work to prevent similar Propositions from passing in other states.

V/12 
 Barry R. McCaffrey
 Director

POTUS Approval: _____

Notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of National Drug Control Policy

Administration Response to Arizona Proposition 200 and California Proposition 215

AGENCY: Office of National Drug Control Policy, Executive Office of the President.

ACTION: Notice.

SUMMARY: This notice lists the Federal government response to the recent passage of propositions which make dangerous drugs more available in California and Arizona. These measures pose a threat to the National Drug Control Strategy goal of reducing drug abuse in the United States. At the direction of the President, the Office of National Drug Control Policy (ONDCP) developed a coordinated administration strategy to respond to the actions in Arizona and California with the other agencies of the Federal Government to minimize the tragedy of drug abuse in America.

FOR FURTHER INFORMATION CONTACT: Comments and questions regarding this notice should be directed to Mr. Dan Schecter, Office of Demand Reduction, ONDCP, Executive Office of the President, 750 17th Street N.W., Washington, D.C. 20503, (202) 395-6733.

SUPPLEMENTARY INFORMATION: A Federal interagency working group chaired by ONDCP met four times in November and December. In developing this strategy, the inter-agency group gave due consideration to two key principles: federal authority vis a vis that of the states, and the requirement to ensure American citizens are provided safe and effective medicine. The President has approved this strategy, and Federal drug control agencies will undertake the following coordinated courses of action:

A. Objective 1—Maintain Effective Enforcement Efforts Within the Framework Created by the Federal Controlled Substances Act and the Food, Drug, and Cosmetic Act

Department of Justice's (DOJ) position is that a practitioner's action of recommending or prescribing Schedule I controlled substances is not consistent with the "public interest" (as that phrase is used in the federal Controlled Substances Act) and will lead to administrative action by the Drug Enforcement Administration (DEA) to revoke the practitioner's registration.

DOJ and Department of Health and Human Services (HHS) will send a letter to national, state, and local practitioner associations and licensing boards which states unequivocally that DEA will seek to revoke the DEA registrations of physicians who recommend or prescribe Schedule I controlled substances. This letter will outline the authority of the Inspector General for HHS to exclude specified individuals or entities from participation in the Medicare and Medicaid programs.

DOJ will continue existing enforcement programs using the following criteria: (a) the absence of a bona fide doctor-patient relationship; (b) a high volume of prescriptions or recommendations of Schedule I controlled substances; (c) the accumulation of significant profits or assets from the prescription or recommendation of Schedule I controlled substances; (d) Schedule I controlled substances being provided to minors; and/or (e) special circumstances, such as when death or serious bodily injury results from drugged driving. The five U.S. Attorneys in California and Arizona will continue to review cases for prosecution using these criteria.

DEA will adopt seizures of Schedule I controlled substances made by state and local law enforcement officials following an arrest where state and local prosecutors must decline prosecution because of the Propositions. Once in DEA's possession the drugs can be summarily forfeited and destroyed by DEA. State and local law enforcement officials will be encouraged to continue to execute state law to the fullest extent by having officers continue to make arrests and seizures under state law, leaving defendants to raise the medical

use provisions of the Propositions only as a defense to state prosecution.

Department of the Treasury (Treasury) and the Customs Service will continue to protect the nation's borders and take strong and appropriate enforcement action against imported or exported marijuana and other illegal drugs. The Customs Service will continue to: (a) seize unlawfully imported or exported marijuana and other illegal drugs; (b) assess civil penalties against persons violating federal drug laws; (c) seize conveyances facilitating the illegal import or export of marijuana and other illegal drugs; and (d) arrest persons committing Federal drug offenses and refer cases for prosecution to the appropriate Federal or state prosecutor.

Treasury and the Internal Revenue Service (IRS) will continue the enforcement of existing Federal tax laws which discourage illegal drug activities.

IRS will enforce existing Federal tax law as it relates to the requirement to report gross income from whatever source derived, including income from activities prohibited under Federal or state law.

Treasury will recommend that the IRS issue a revenue ruling, to the extent permissible under existing law, that would deny a medical expense deduction for amounts expended for illegal operations or treatments and for drugs, including Schedule I controlled substances, that are illegally procured under Federal or state law.

IRS will enforce existing Federal tax law as it relates to the disallowance of expenditures in connection with the illegal sale of drugs. To the extent that state laws result in efforts to conduct sales of controlled substances prohibited by Federal law, the IRS will disallow expenditures in connection with such sales to the fullest extent permissible under existing Federal tax law.

U.S. Postal Service will continue to pursue aggressively the detection and seizure of Schedule I controlled substances mailed through the US mails, particularly in California and Arizona, and the arrest of those using the mail to distribute Schedule I controlled substances.

DEA together with other Federal, state and local law enforcement agencies will work with private mail, parcel and freight services to ensure continuing compliance with internal company

policies dictating that these companies refuse to accept for shipment Schedule I controlled substances and that they notify law enforcement officials of such activities. Federal investigations and prosecutions will be instituted consistent with appropriate criteria.

B. Objective 2—Ensure the Integrity of the Medical-Scientific Process by Which Substances are Approved as Safe and Effective Medicines in Order to Protect Public Health

The Controlled Substances Act embodies the conclusion of the Congress, affirmed by DEA and HHS, that marijuana, as a Schedule I drug, has "high potential for abuse" and "no currently accepted medical use in treatment in the United States." To protect the public health, all evaluations of the medical usefulness of any controlled substance should be conducted through the Congressionally established research and approval process managed by the National Institutes of Health (NIH) and the Food and Drug Administration (FDA). Currently there are a few patients who receive marijuana through FDA approved investigations.

HHS to ensure the continued protection of the public health will: (a) examine all medical and scientific evidence relevant to the perceived medical usefulness of marijuana; (b) identify gaps in knowledge and research regarding the health effects of marijuana; (c) determine whether further research or scientific evaluation could answer these questions; and (d) determine how that research could be designed and conducted to yield scientifically useful results.

HHS will undertake discussions with medical organizations throughout the nation: (a) to address the "compassionate use" message; and (b) to educate medical and public health professionals by underscoring the dangers of smoked marijuana and explaining the views of NIH that a variety of approved medications are clinically proven to be safe and effective in treating the illnesses for which marijuana is purported to provide relief, such as pain, nausea, wasting syndrome, multiple sclerosis, and glaucoma.

C. Objective 3—Preserve Federal Drug-Free Workplace and Safety Programs

Transportation Workers: Department of Transportation (DOT) has issued a formal advisory to the transportation industry that safety-sensitive transportation workers who test positive under the Federally-required drug testing program may not under any circumstance use state law as a

legitimate medical explanation for the presence of prohibited drugs. DOT is encouraging private employers to follow its example.

General Contractors and Grantees: Under the Drug-Free Workplace Act, the recipients of Federal grants or contracts must have policies that prohibit the use of illegal drugs. Each Federal agency will issue a notice to its grantees and contractors to remind them: (a) of their responsibilities; (b) that any use of marijuana or other Schedule I controlled substances remains a prohibited activity; and (c) that the failure to comply with this prohibition will make the grantee or contractor subject to the loss of eligibility to receive Federal grants and contracts. Further, Federal agencies will increase their efforts to monitor compliance with the provisions of the Act, and to institute suspension or debarment actions against violators—with special priority given to states enacting drug medicalization measures.

Federal Civilian Employees: HHS will issue policy guidance to all 130 Federal Agency Drug-Free Workplace program coordinators, the 72 laboratories certified by HHS to conduct drug tests, and trade publications that reach medical review officers. This policy guidance states that the Propositions do not change the requirements of the Federal Drug-Free Workplace Program, which will continue to be fully enforced for federal civilian employees nationwide. Medical Review Officers will not accept physician recommendations for Schedule I substances as a legitimate explanation for a positive drug test.

Department of Defense (DOD) and the Military Services: DOD will instruct civilian employees and military personnel in the active, reserve and National Guard components, that DOD is a drug-free organization, a fact that is not changed by the Propositions. The requirement that all DOD contractors maintain drug-free workplaces will continue to be enforced.

Nuclear Industry Workers: The Nuclear Regulatory Commission will continue to demand drug-free employees in the nuclear power industry, and will develop a formal advisory to emphasize that its drug free workplace regulations continue to apply.

Public Housing: The Propositions will not affect the Department of Housing and Urban Development's (HUD) continued aggressive execution of the "One Strike and You're Out" policy to improve the safety and security of our nation's public housing developments. HUD's principal tool for implementing "One Strike" will be the systematic

evaluation of public housing agencies screening and evictions efforts through the Public Housing Management Assessment Program. This program will give HUD a standard measurement of the progress of all public housing authorities in developing effective law enforcement, screening, and occupancy policies to reduce the level of drug use, crime, and drug distribution and sales in their communities.

Safe Work Places: Department of Labor (DOL) will continue to implement its Working Partners Initiative, providing information to small businesses about workplace substance abuse prevention programs, focusing specific attention on trade and business organizations located in California and Arizona. DOL will accelerate its effort to post its updated Substance Abuse Information Database (SAID) on the Internet. SAID will provide information to businesses about workplace substance abuse and how to establish workplace substance abuse prevention programs. DOL will give priority to its efforts in California and Arizona.

DOL's Occupational Safety and Health Administration (OSHA) will send letters to the California and Arizona Occupational Safety and Health Administrations reiterating the dangers of drugs in the workplace and providing information on programs to help employers address these problems.

DOL's Mine Safety and Health Administration will continue to strictly enforce the prohibition on the use of alcohol and illegal drugs notwithstanding these Propositions.

D. Objective 4—Protect Children from Increased Marijuana Availability and Use

HHS and the Department of Education will educate the public in both Arizona and California about the real and proven dangers of smoking marijuana. A message will be tailored for preteens, teens, parents, educators, and medical professionals. Research demonstrates that, marijuana: (a) harms the brain, heart, lungs, and immune system; and (b) limits learning, memory, perception, judgment, and the ability to drive a motor vehicle. In addition, research shows that marijuana smoke typically contains over 400 carcinogenic compounds and may be addictive. The message will remind the public there is no medical use for smoked marijuana and will educate the public about strategies to prevent marijuana use. The message will also remind the public that the production, sale, and distribution of marijuana for medical uses not approved by DEA violates the

Controlled Substances Act and the Federal Food, Drug, and Cosmetic Act.

HHS will analyze all available data on marijuana use, expand ongoing surveys to determine current levels of marijuana use in California and Arizona, and track changes in marijuana use in those states.

HHS will develop the survey capacity to assess trends in drug use in all states on a state-by-state basis.

The Department of Education (Education) will use provisions of the Safe and Drug Free Schools Act to reinforce the message to all local education agencies receiving Federal Safe and Drug Free School funds that any drug possession or use will not be tolerated in schools. This affects approximately 95% of school districts. Notwithstanding the passage of the two Propositions, local education agencies must continue to: (a) develop programs which prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by students; (b) develop programs which prevent the illegal use, possession, and distribution of such substances by school employees; and (c) ensure that programs supported by and with Federal Safe and Drug Free Schools funds convey the message that the illegal use of alcohol and other drugs, including marijuana, is wrong and harmful.

Education will review with educators in Arizona and California the effect Propositions 200 and 215 will have on drug use by students. They will also communicate nationally with school superintendents, administrators, principals, boards of education, and PTAs about the Arizona and California Propositions and the implications for their states.

Education will develop a model policy to confront "medical marijuana" use in schools and outline actions educators can take to prevent illicit drugs from coming into schools.

Education will develop model drug prevention programs to discourage marijuana use. These models will be disseminated to the states at a Spring 1997 conference.

ONDCP and DOT will provide recommendations pursuant to the October 19, 1996 Presidential directive to deter teen drug use and drugged driving through pre-license drug testing, strengthened law enforcement and other means. The recommendations will underscore the point that the use of marijuana for any reason endangers the health and safety of the public.

Legislative Enactments: ONDCP, HHS and DOJ will work with Congress to consider changes to the Federal Food, Drug, and Cosmetic Act and the Controlled Substances Act, as

appropriate, to limit the states' ability to rely on these and similar medical use provisions. The Administration believes that working with Congress is the course of action that will affirm the national policy to control substances that have a high potential for abuse and no accepted medical use. The objective is to provide a uniform policy which preserves the integrity of the medical-scientific process by which substances are approved as safe and effective medicines. We will also consider additional steps, including conditioning Federal funds on compliance with the Controlled Substances Act and the National Drug Control Strategy. ★

Signed at Washington, D.C. this 15th day of January, 1997.

Barry R. McCaffrey,
Director.

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BILLING CODE 3180-02-P

Designation of New High Intensity ★ Drug Trafficking Areas

AGENCY: Office of National Drug Control Policy, Executive Office of the President.

ACTION: Notice.

SUMMARY: This notice lists the five new High Intensity Drug Trafficking Areas (HIDTAs) designated by the Director, Office of National Drug Control Policy. HIDTAs are regions identified as having the most critical drug trafficking problems that adversely affect the United States. These new HIDTAs are designated pursuant to 21 U.S.C. 1504(c), as amended, to promote more effective coordination of drug control efforts. The additional resources provided by Congress enable task forces of local, State, and Federal officials to assess regional drug threats, design strategies to combat the threats, develop initiatives to implement the strategies, and evaluate effectiveness of these coordinated efforts.

FOR FURTHER INFORMATION CONTACT: Comments and questions regarding this notice should be directed to Mr. Richard Y. Yamamoto, Director, HIDTA, Office of National Drug Control Policy, Executive Office of the President, 750 17th Street N.W., Washington, D.C. 20503, (202) 395-6755.

SUPPLEMENTARY INFORMATION: In 1990, the Director of ONDCP designated the first five HIDTAs. These original HIDTAs, areas through which most illegal drugs enter the United States, are Houston, Los Angeles, New York/New Jersey, South Florida, and the Southwest Border. In 1994, the Director

designated the Washington/Baltimore HIDTA to address the extensive drug distribution networks serving hardcore drug users. Also in 1994, the Director designated Puerto Rico/U.S. Virgin Islands as a HIDTA based on the significant amount of drugs entering the United States through this region.

In 1995, the Director designated three more HIDTAs in Atlanta, Chicago, and Philadelphia/Camden to target drug abuse and drug trafficking in those areas, specifically augmenting Empowerment Zone programs.

The five new HIDTAs will build upon the effective efforts of previously established HIDTAs. In Fiscal Year 1997, the HIDTA program will receive \$140 million in Federal resources. The program will support more than 150 co-located officer/agent task forces; strengthen mutually supporting local, State, and Federal drug trafficking and money laundering task forces; bolster information analysis and sharing networks; and, improve integration of law enforcement, drug treatment, and drug abuse prevention programs. The states and counties included in the five new HIDTAs are:

(1) *Cascade HIDTA:* State of Washington; King, Pierce, Skagit, Snohomish, Thurston, Whatcom, and Yakima counties; ★

(2) *Gulf Coast HIDTA:* State of Alabama; Baldwin, Jefferson, Mobile, and Montgomery counties; State of Louisiana; Caddo, East Baton Rouge, Jefferson, and Orleans parishes; and State of Mississippi; Hancock, Harrison, Hinds, and Jackson counties.

(3) *Lake County HIDTA:* State of Indiana; Lake County.

(4) *Midwest HIDTA:* State of Iowa; Muscatine, Polk, Pottawattamie, Scott, and Woodbury counties; State of Kansas; Cherokee, Crawford, Johnson, Labette, Leavenworth, Saline, Seward, and Wyandotte counties; State of Missouri; Cape Girardeau, Christian, Clay, Jackson, Lafayette, Lawrence, Ray, Scott, and St. Charles counties, and the city of St. Louis; State of Nebraska; Dakota, Dawson, Douglas, Hall, Lancaster, Sarpy, and Scott's Bluff counties; State of South Dakota; Clay, Codington, Custer, Fall River, Lawrence, Lincoln, Meade, Minnehaha, Pennington, Union, and Yankton counties.

(4) *Rocky Mountain HIDTA:* State of Colorado; Adams, Arapahoe, Denver, Douglas, Eagle, El Paso, Garfield, Jefferson, La Plata, and Mesa counties; State of Utah; Davis, Salt Lake, Summit, Utah, and Weber counties; and State of Wyoming; Laramie, Natrona, and Sweetwater counties.