

THE WHITE HOUSE
WASHINGTON

June 17, 1996

MEMORANDUM

TO: Harold Ickes
Bruce Lindsey
Jennifer O'Connor
Doug Sosnick

CC: Dan Tarullo

FROM: Michael Deich MD

SUBJECT: ACCESS U.S.-Japan overture to Dole campaign

Last week you circulated a copy of a letter sent on ACCESS letterhead from M.B. Ogelsby to the Dole-for-President committee. FYI: attached please find letters from Gov. Baliles and from Ogelsby disowning the original letter.



*Aviation Coalition for Competition and
Expanded Services Between the United States and Japan
June 1, 1996*

Mr. M.B. Ogelsby
Cassidy and Associates
700 13th Street, NW Suite 400
Washington, D.C. 20005

Dear Mr. Ogelsby:

I have been made aware of a letter you recently sent, on ACCESS U.S. - Japan letterhead, to a Ms. Diane Steed. I am surprised and angered, both by the fact that you purported to be representing ACCESS U.S. - Japan and by the contents of the letter as reported to me.

You have no authority to speak for the ACCESS U.S. - Japan coalition. Your letter was unacceptable and inexcusable. I demand that you immediately, and in writing, disavow and withdraw your letter. Further, I demand that you immediately return any ACCESS U.S. - Japan stationery that may have come into your possession.

I have taken great pains to ensure that the issue of expanding the aviation market between the U.S. and Japan, and beyond, remain a non-partisan issue. Members of both parties have joined many who belong to neither party in calling for market expansion. For you to suggest that this issue is somehow partisan is beneath contempt.

I do not know you, and I have never met you. I am furious that you decided to pursue your own personal political agenda in the coalition's name.

Your response, in writing, is expected before the end of the weekend.

Gerald L. Baliles

Dictated and signature authorized by
Gerald L. Baliles, June 1, 1996

June 2, 1996

The Honorable Gerald L. Baliles
Chairman
ACCESS U.S. - Japan
700 13th Street, N.W.
Suite 1180
Washington, D.C. 20005

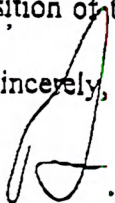
Via Facsimile

Dear Governor Baliles:

I want to apologize to every member of ACCESS U.S. - Japan for a recent letter to Diane Steed. It should not have been written on Access letterhead and was done so in error. Thus, I am immediately disavowing and withdrawing this letter to Ms. Steed. I will also make it clear that I do not, nor was it my intention, to speak on behalf of the ACCESS U.S. - Japan coalition. Personal political observations were allowed to intrude on a restatement of the coalition's position.

Further, I want to apologize to you as chairman of ACCESS U.S. - Japan for even the appearance of misrepresenting the position of the coalition.

Sincerely,



M.B. Ogelsby, Jr.

June 2, 1996

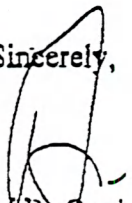
The Honorable Diane Steed
Counsellor
Stratacomm
Suite 810-West Tower
1100 New York Avenue, N.W.
Washington, D.C. 20005

Dear Diane:

Recently, I sent you a letter, on ACCESS U.S. - Japan letterhead, regarding the issue of expansion of the U.S. - Japan aviation market.

I am writing today to immediately withdraw and disavow that letter appearing on Access letterhead. As chairman of the coalition, Gov. Gerald Baliles has the sole responsibility to set the coalition's agenda. The letter should not have been printed on Access letterhead and was done so in error. Personal political observations were allowed to intrude on a restatement of the coalition's position. The political sentiments expressed in the letter should not be construed to reflect the coalition's view of this issue. I have apologized to the ACCESS coalition and to its Chairman, Governor Gerald Baliles.

Sincerely,



M.B. Ogelsby, Jr.

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E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

05-Jun-1996 09:47am

TO: Jennifer M. O'Connor

FROM: Michael D. Deich
 National Economic Council

SUBJECT: beyond rights

the story on japan follows:

the current bilateral treaty allows united, northwest, and fedex (the "1952 carriers:") extensive rights, including rights to fly beyond japan. american and continental ("MOU carriers") have extremely limited rights to fly from the us to japan, but they cannot offer through service to points beyond japan.

the us-japan aviation market is our largest international market. all carriers, congress and the administration want to expand opportunities to compete in this market. they differ only in how to achieve this goal. the MOU carriers want the administration to give up some of the "beyond rights" of the 1952 carriers in exchange for new rights for the MOU carriers to offer us-japan service. instead, the administration has insisted that the market be expanded by preserving existing rights and then providing new opportunities for more carriers to offer more service from more cities in the us to more cities in japan and beyond. guess who supports / who opposes our policy?

negotiations are stalled. i expect them to go nowhere until the japanese conclude (a) that the u.s. will not accept trading existing rights for new rights and (b) that it is the interest of japan to open the market. could be soon, could be later.