**Retired Files of Nicole Rabner**
**Special Assistant to the President & Senior Policy Advisor to the First Lady**
**Box #13 of 16**

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TALKING IT OVER

# New Markets, New Hope

BY HILLARY RODHAM CLINTON

As I've traveled around the country, I've seen Americans enjoying the fruits of our economic prosperity. But I've also visited big cities and remote rural regions where, despite the rosy economic forecasts, unemployment statistics are bleak, good jobs are hard to come by and families are struggling. It is in places like these, I've learned, that small economic investments can go a long way toward helping our poorest citizens.

I'll never forget a visit I once made to a women's resource center in Denver, founded to promote economic independence for low-income women in one of that city's poorest neighborhoods. Many of the women I met had been on welfare, but they had skills, such as baking and sewing, and wanted to start their own businesses. What they didn't have was access to credit, because most banks refused to give them loans. One woman turned to me and said, "Too many great ideas die in the parking lots of banks."

I have seen successful small loan—or microcredit—programs helping to lift people like these women out of poverty in many parts of the country—from here in Washington, D.C., to Chicago and Arkansas, where my husband and I introduced the concept when he was governor. I have also seen them in action in such far-flung corners of the globe as Nicaragua and Bangladesh.

My husband and I have often talked about how we would like to see successful public-private partnerships like these expanded to help more communities in our own country.

For years, our government has offered the private sector a variety of incentives to invest in emerging markets overseas. In order to introduce them to these potential new markets, the secretary of Commerce has taken American business leaders and members of Congress on trade missions around the world.

But there are actually $85 billion in untapped markets right here at home. This week, accompanied by a delegation of corporate CEOs, community leaders and members of Congress, my husband embarked on a four-day, six-state tour to highlight some of the communities in this country that are ripe for such investment and to promote his New Markets Initiative. Using new tax incentives and investment tools, the president's proposals would make it more attractive for corporations to invest in these "new markets," where they have rarely, if ever, invested before.

America is in the midst of its longest peacetime expansion ever. We have witnessed the creation of 19 million new jobs, wages for ordinary people are on the rise for the first time in 20 years, and we have the lowest minority unemployment rate ever recorded.

But let me tell you about a family my husband met this week in Tyner, Ky. Ray Pennington is a self-described "old timer," who, at age 69, had never met a president of the United States—until this week. Under the shade of a walnut tree, Pennington and his daughter, Jean Collett, described life in the neighborhood of mostly dilapidated trailer homes where they live. Pennington, who recently lost his wife of 51 years, has emphysema and uses a portable oxygen tank to help him breathe. Collett quit her job at the local Dairy Queen to care for her father. Now, their primary source of income is her son-in-law's $6.30 an hour job at Mid-South Electronics, Inc.

Pennington and his neighbors desperately need better transportation and housing. Most of their homes have tar-paper roofs and broken windows covered with cardboard or wood. Electricity came to the development in 1961, but Collett didn't have running water in her bathroom until five years ago.

I can't help but wonder: If we can't help families like these when times are good, when are we going to get around to doing it?

The president's trip this week is designed to be a trade mission—a domestic trade mission—aimed at prompting $15 billion worth of new investments not only in the places he's visiting—Tyner, Ky., Clarksdale, Miss., East St. Louis, Ill., Phoenix, Los Angeles and the Pine Ridge Indian Reservation in South Dakota, much of which is in the poorest county in the nation—but also in dozens of other needy communities.

Ray Pennington's story should remind us that, although this has been a great time for America, not every American has benefitted from our country's success. As we move into the 21st century, if we don't make a commitment to helping every willing and hard-working citizen reap the benefits of our prosperity, we will have failed not only to meet our moral obligation, but also to make the most of America's promise.

**First lady Hillary Rodham Clinton's column is distributed by Creators Syndicate, Inc.**

**DRAFT #3**

**FIRST LADY HILLARY RODHAM CLINTON
"TALKING IT OVER"/CREATORS SYNDICATE
COLUMN FOR PUBLICATION JULY 6, 1999**

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[765 words]

DRAFT #3

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**"TALKING IT OVER"/CREATORS SYNDICATE**

**COLUMN FOR PUBLICATION JULY 6, 1999**

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So many others – imp. impl. for areas across

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[750 words]

thru new tax incentives &
other incentive tools -
make it attractive for corp Am. to
search for opp in here at home.

DRAFT #~~1~~ 2

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break

But I have also seen how a small economic investment can go a long way.

I'll never forget a visit I once made to a women's resource center in Denver that was founded to promote economic independence for low-income, primarily Hispanic women in one of that city's poorest neighborhoods. Many of the women I met had been on welfare, but they had skills such as baking and sewing, and wanted to start their own businesses. What they didn't have was access to credit, because most banks refused to give them loans. One woman turned to me and said, "Too many great ideas die in the parking lots of banks."

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But not every American has benefited from the economic boom.

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to lift people like these out of poverty in many parts of the country – from here in Washington, D.C., to Chicago and Arkansas, where my husband and I introduced the concept when he was governor. I have also seen them in far-flung corners of the globe such as Nicaragua and Bangladesh.

My husband and I have often talked about how we would like to see successful public-private partnerships like these extended to more communities in our own country.

This week, accompanied by a delegation of corporate CEOs, community leaders and members of Congress, my husband embarked on a four-day, six-state tour to highlight communities ripe for investment. legislation that could do just that. Using new tax incentives and investment tools, the President's proposals would make it more attractive for corporate America to hunt investment ~~search for~~ opportunities ~~to invest~~ in new markets here at home ~~in this country~~ where they have rarely, if ever looked before. NO

America is in the midst of our longest peacetime expansion ever. We have witnessed the creation of 19 million new jobs, wages for ordinary people are rising for the first time in 20 years, we have the lowest minority unemployment rate ever recorded, and we have lifted one million children out of poverty. Same % / speech.

potential new markets, the Secretary of Commerce has taken American business leaders and members of Congress on trade missions around the world.

But there are actually $85 billion in untapped markets right here at home – ~~markets that the President and the Vice President have been committed to tapping since 1993.~~ The President's trip this week is designed to be a trade mission – a domestic trade mission – aimed at prompting $15 billion worth of new investments in places like Tyner, Ky., Clarksdale, Miss., East St. Louis, Il, Phoenix, Az., Los Angeles, Ca., and the Pine Ridge Indian Reservation in South Dakota, much of which is in the poorest county in the nation.

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[777 words]

our initiatives, tax breaks, etc –
shd get same encouragement/incentives --
as we get for overseas
heard of something she's seen/done
rural Iowa, Colorado, NY

**DRAFT #1**

# FIRST LADY HILLARY RODHAM CLINTON
# "TALKING IT OVER"/CREATORS SYNDICATE
# COLUMN FOR PUBLICATION JULY 6, 1999

Ray Pennington is a self-described "old timer" in Tyner, Ky. At age 69, Pennington, who spent a lifetime slaughtering hogs, had never met a President of the United State – that is until Monday, when my husband stopped by on the first leg of his trip to highlight the potential of America's untapped economic markets.

Under the shade of a walnut tree, Pennington and his daughter, Jean Collett, described life in Whispering Pines, the neighborhood of mostly dilapidated trailer homes where they live. Pennington, who recently lost his wife of 51 years, has emphysema and uses a portable oxygen tank to help him breathe. Collett quit her job at the local Dairy Queen to care for her father. Now, their primary source of income is her son-in-law's $6.30 an hour job at Mid-South Electronics, Inc.

Pennington and his neighbors told the President that they desperately need better transportation and housing. Most of their homes have tar-paper roofs and broken windows covered with cardboard or wood. Electricity came to the development in 1961, but Collett didn't have running water in her bathroom until five years ago.

In return, the President explained why he had come to Tyner: "I came here to show America who you are," he said. "At this time of prosperity, if we can't find a way to give every single hard-working American family a chance to participate in the future we're trying to build for our country, we'll never get around to doing it. Now is the time to move forward."

America is the world's leading force for peace, freedom and human rights. We are in the midst of the longest peacetime expansion we've ever had – amounting to almost 19 million new jobs. Wages for ordinary people are rising for the first time in 200 years, we have the lowest minority unemployment rate ever recorded and we have lifted one million children out of poverty.

My husband is right. If we can't help this country's poorest citizens when times are good, when are we going to get around to doing it?

As I have traveled around the country, I have seen pockets of desperate poverty, from big cities such as Washington, Denver and Chicago, to small towns in upstate New York where farmers are struggling and where, despite the rosy economic forecasts, unemployment statistics are bleak and good jobs are hard to come by.

But I have also seen how a small economic investment can go a long way. I'm not talking about big government doing the job alone. We learned in the 1960s that government can help, but can't solve our nation's problems alone. Nor am I talking about the private sector riding to the rescue. It was in the 1980s we learned that the free market wouldn't solve our problems by itself either. I'm talking about what we call "the third way," where business and government work hand-in-hand in creative enterprises that benefit individuals, investors and the wider community at large.

For years, our government has given the private sector incentives to invest in emerging markets around the world. In order to introduce them to these potential new markets, the Secretary of Commerce has taken American business leaders and members of Congress on trade missions overseas.

But there are actually $85 billion in untapped markets right here at home. Since 1993, the President and the Vice President committed themselves to tapping the potential of these traditionally under-served markets by encouraging private investment and improving access to capitol for low-income households and minorities. Under Vice President Gore's direction, 135 empowerment zones and enterprise communities have been created across the country, creating tens of thousands of jobs. But we have to do better.

This week, the President is taking corporate CEOs, community leaders and members of Congress on a domestic trade mission aimed at prompting $15 billion worth of new investments in places like Tyner, Ky., Clarksdale, Miss., East St. Louis, Il., the Pine Ridge Indian Reservation in South Dakota, Phoenix, Az., and Los Angeles, Ca. The group will see not only examples of dire poverty in need of private investment, but also examples of public-private partnerships that have worked to create jobs and economic security – places like Mid-South Electronics, Inc., where Jean Collett's son-in-law works. In the past ten years alone, Mid-South has created over 800 jobs with the help of community empowerment grants.

Tyner, Ky., reminds us that, although this has been a great time for America, not every American has benefited from the nation's success. As we move into the 21st century, if we don't make a commitment now to help every willing and hard-working citizen reap the benefits of our prosperity, we will have failed not only to meet our moral obligation, but also to make the most of America's promise.

[795 words]

## PRESIDENT CLINTON AND VICE PRESIDENT GORE'S SIX-YEAR RECORD OF PROMOTING GROWTH AND OPPORTUNITY IN AMERICA'S COMMUNITIES

Since 1993, President Clinton and Vice President Gore have been committed to tapping the potential of America's urban and rural communities. They have a demonstrated record of creating new initiatives and expanding existing initiatives to promote community and economic development. The Clinton-Gore Administration has worked with the private sector, states, and localities to help revitalize America's communities by bringing capital, jobs, and opportunity to distressed areas and cleaning up the urban environment. President Clinton and Vice President Gore have created or expanded the following initiatives over the last six years:

**Helping to Bring Private Enterprise and Capital to Distressed Areas.** The Clinton-Gore Administration has re-newed the commitment of the Federal government to help bring private enterprise into underserved communities and improve access to capital for low-income households, minorities, and traditionally underserved borrowers.

- *125 Empowerment Zones and Enterprise Communities.* The Clinton Administration has announced 105 EZs and ECs across the country. This effort was proposed by President Clinton and passed by Congress in 1993. Since then, the EZ/EC effort has generated more than $2 billion of new private sector investment in community development activities. The President also has signed into law a second round of EZs -- 15 new urban and 5 new rural zones -- which will qualify for tax incentives, small business expensing, and private activity bonds. In FY 1999, President Clinton and Congress provided first-year funding of $55 million for the new EZs, and $5 million in first-year funding for 20 new rural Enterprise Communities announced in January.

- *Strengthened and Simplified the Community Reinvestment Act (CRA).* In April 1995, the Clinton Administration reformed the CRA regulations to emphasize performance. According to the National Community Reinvestment Coalition (NCRC), the private sector has pledged more than $1 trillion going forward in loans to distressed communities -- and more than 95 percent of these financial commitments have been made since 1992. Banks made $18.6 billion in community development loans in 1997 alone. Lending to minority and low-income borrowers is also on the rise.

- *Created the Community Development Financial Institutions Fund (CDFI).* Proposed and signed into law by the President in 1994, the CDFI fund, through grants, loans, and equity investments, is helping to create a network of com-munity development financial institutions in distressed areas across the United States. In FY99, funding was increased 19 percent to $95 million from $80 million.

- *The Economic Development Initiative (EDI) and Section 108 Loan Guarantee.* EDI grants are used to infuse capital into community development projects, enhancing the debt financing provided by the Section 108 loan guarantee program. Together, these programs support critical economic development in distressed communities. Estimated jobs supported by EDI and the Section 108 loan guarantee have grown by 300,000 from 1994 to 1998. During this time period EDI and the Section 108 loan guarantee programs have funded $3.5 billion for more than 650 separate project commitments.

**Helping to Bring Jobs and Opportunity to Distressed Areas.** A cornerstone of the Administration's community empowerment agenda is helping to bring jobs and opportunity back to distressed areas:

- *$3 Billion Welfare-to-Work Jobs Initiative.* The Clinton Administration fought for a $3 billion welfare-to-work jobs initiative as part of the 1997 Balanced Budget Agreement. The Administration is implementing these welfare-to-work grants directly to both cities and states for allocating additional resources to help long-term, hard-to-serve welfare recipients find and keep jobs.

- *Welfare-to-Work Tax Credit and Work Opportunity Tax Credit.* The Welfare-to-Work Tax Credit, enacted in the 1997 Balanced Budget Agreement, provides a credit equal to 35 percent of the first $10,000 in wages in the first year of employment, and 50 percent of the first $10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients. This credit complements the Work Opportunity Tax Credit, which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities.

- *Community Development Block Grant (CDBG) Expansion.* President Clinton's FY 2000 budget included an expansion of CDBG. The final budget increases funding for CDBG from $4.750 billion in FY 1999 to $4.775 billion in FY 2000, a $25 million expansion this year.

**Cleaning Up the Urban Environment.** The Clinton Administration has launched a landmark effort, including the Brownfields Tax Incentive, to clean up and redevelop Brownfields sites. In total, the Brownfields action agenda has marshaled funds to clean up and redevelop up to 5,000 properties, leveraging between $5 billion and $28 billion in private investment and creating and supporting 196,000 jobs.

**PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE BUILDING ON THEIR PAST ACHIEVEMENTS THROUGH A NUMBER OF NEW INITIATIVES THIS YEAR.**
While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities. To address this need, President Clinton and Vice President Gore are working on several fronts.

**The New Markets Initiative.** President Clinton's FY 2000 balanced budget provides a new initiative designed to create the conditions for economic success by prompting approximately $15 billion in new investment in urban and rural areas through:

- *The New Markets Tax Credit.* To help spur $6 billion in new equity capital, this tax credit is worth up to 25 percent for investments in a wide range of vehicles serving these communities, including community development banks, venture funds, and the new investment company programs created by this initiative (see below). A wide-range of businesses could be financed by these investment funds, including small technology firms, inner-city shopping centers, manufacturers with hundreds of employees, and retail stores.

- *America's Private Investment Companies (APICs).* Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APICs will encourage private investment in this country's untapped markets, by leveraging up to $1.5 bilion in investment in new development projects and larger businesses that are expanding or relocating in inner city and rural areas.

- *SBIC's Targeted to New Markets.* For over 40 years, SBA's Small Business Investment Company (SBIC) program has provided roughly $20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefited our cities and rural distressed communities. SBA now will offer more flexibility and new financing terms for SBICs that invest in underserved areas.

- *New Markets Venture Capital (NMVC) Firms.* NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.

- *New Markets Lending Companies (NMLC).* For the first time in many years, SBA will approve approximately 10 new non-bank lenders --- firms authorized to originate loans under SBA's largest loan program – the 7(a) General Business Loan Guaranty program. Under the 7(a) program, SBA guarantees up to 80 percent of a loan made by a lender to a creditworthy small businesses that cannot otherwise secure financing on reasonable terms. Firms must have a strategy to target lending to underserved areas.

- *Microenterprise Lending and Technical Assistance.* Microenterprise initiatives in the FY 2000 budget include the proposed PRIME Act, under which the CDFI Fund will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on low-income entrepreneurs. President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling of support for SBA lending to leverage over $75 million in new microlending. The microenterprise strategy will also involve new funding for Individual Development Accounts (IDAs) and for SBA's One-Stop Capital Shops.

- *Regional Connections.* Regional Connections will provide competitive funding to States and partnerships of local governments to develop and implement new, locally driven "smarter growth" strategies that create more livable communities by addressing economic and community development needs across jurisdictional lines. Regional Connections, as part of the Administrations' Livability Agenda, will complement existing federal programs that respond to growth and investment patterns. The budget proposes funding at $50 million in FY 2000.

- *The Economic Development Initiative and Section 108 Loan Guarantee Program.* This program supports critical economic development in distressed communities in conjunction with the Section 108 loan guarantee program to help bring economic development to residents. In FY 2000 many projects will be eligible to participate in the Community Empowerment Fund Trust, a pilot program, which will enable the pooling of loans and the creation of a private sector secondary market for economic development loans. The CEF specifically targets Welfare-to-Work and City-Suburb Business Connections, building upon the success of HUD's EDI and Section 108 loan guarantee program.

- *Empowerment Zones and Enterprise Communities.* The FY 2000 Budget proposes mandatory funding for ten years: $150 million a year for urban EZs and Strategic Planning Communities; $10 million a year for rural EZs; and $5 million a year for rural ECs.

- *Community Development Financial Institutions (CDFI) Fund.* The budget proposes to expand funding for the CDFI Fund to $125 million--a $30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.

- *BusinessLINC.* The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- for new markets in economically distressed communities. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with small business owners and entrepreneurs.

- *Low-Income Housing Tax Credit.* Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to developers of affordable housing. While building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita -- restoring the value of the credit to its 1986 level and helping to an create additional 150,000-180,000 new low-income rental housing units over the next five years.

- *Play-by-the-Rules.* This program will allow renters with solid payment track records to own a home. The FY 2000 Budget proposes a second round of $15 million for this initiative.

- *Helping America's Communities Redevelop Abandoned Buildings.* Redevelopment of Abandoned Buildings, as part of the Administrations' "Livability Agenda," would attack one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single-family homes, warehouses, office buildings, and commercial centers. Under the proposal, HUD will provide $50 million in competitive grant funds in FY2000 to local governments to support the demolition or deconstruction of blighted, abandoned spaces.

# PRESIDENT CLINTON'S CHALLENGE TO INVEST IN AMERICA'S NEW MARKETS

*May 11, 1999*

*"We must do more to bring the spark of private enterprise to every corner of America -- to build a bridge from Wall Street to Appalachia, to the Mississippi Delta, to our Native American communities...Our greatest untapped markets are not overseas -- they are right here at home."*

-- President Clinton, State of the Union Address,1999

**JOINING WITH CORPORATE AMERICA TO MOBILIZE INVESTMENT IN UNTAPPED MARKETS.** Today, President Clinton and Vice President Gore will hold a roundtable with 17 chief executive officers from major American corporations and investment firms to discuss ways to best mobilize new private investment in America's most economically underserved communities --- America's new markets.

**ANNOUNCING A PRESIDENTIAL TRIP THE WEEK OF JULY 5 TO UNDERSERVED URBAN AND RURAL AREAS ACROSS THE COUNTRY.** President Clinton will announce today that in July he will take a bipartisan delegation of CEOs and Members of Congress to untapped markets throughout America, touring economically distressed communities and highlighting new opportunities being created in these communities across the nation.

- The trip will be modeled after the type of trade missions that Cabinet Secretaries and CEOs often take overseas to identify markets, in which – through trade and commercial agreements – they can help to create jobs and expand economic development.
- As part of the trip, President Clinton will announce new administration commitments and innovative programs developed by companies, community leaders, non-profit organizations, and investment firms around the country.

**PROMOTING EFFORTS TO ATTRACT CAPITAL TO UNDERSERVED AREAS.** As part of a bipartisan focus on underserved urban and rural areas, President Clinton is seeking ways to expand current efforts. President Clinton's New Markets Initiative will build upon these existing programs and help create the conditions for economically successful investment in underserved inner city and rural areas. Included among the elements of the plan are:

- **The New Markets Tax Credit.** To help spur $6 billion in equity capital for investment in America's new markets, President Clinton and Vice President Gore have proposed a tax credit worth 25 percent for investments in a wide range of vehicles. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative.
- **America's Private Investment Companies (APICs).** Just as our support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APIC, will encourage private investment in America's untapped markets. For up to $100 million of private equity, HUD and SBA will guarantee loans up to $200 million, creating investment funds as large as $300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government's.
- **New Markets Venture Capital (NMVC) Firms.** NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.

**BUILDING ON SIX YEARS OF WORK TO EXPAND ECONOMIC DEVELOPMENT.** The Clinton-Gore Administration has made community development a priority since taking office. The efforts announced today build on a number of critical initiatives that have helped to expand economic development to communities across the country that need it most. These efforts include the Community Reinvestment Act, Community Development Financial Institutions, Micro-Enterprise Programs, the Economic Development Initiative and Section 108 Loan Guarantee Program, the Empowerment Zones and Enterprise Communities, and the Brownfields Tax Incentive.

# BACKGROUND ON THE CLINTON-GORE ADMINISTRATION'S COMMUNITY DEVELOPMENT AGENDA

*May 11, 1999*

## TODAY'S ANNOUNCEMENT BUILDS ON PRESIDENT CLINTON AND VICE PRESIDENT GORE'S SIX-YEAR RECORD OF PROMOTING GROWTH AND OPPORTUNITY IN AMERICA'S COMMUNITIES

Since 1993, President Clinton and Vice President Gore have been committed to tapping the potential of America's urban and rural communities. They have a demonstrated record of creating new initiatives and expanding existing initiatives to promote community and economic development. The Clinton-Gore Administration has worked with the private sector, states, and localities to help revitalize America's communities by bringing capital, jobs, and opportunity to distressed areas and cleaning up the urban environment. President Clinton and Vice President Gore have created or expanded the following initiatives over the last six years:

**Helping to Bring Private Enterprise and Capital to Distressed Areas.** The Clinton-Gore Administration has renewed the commitment of the Federal government to help bring private enterprise into underserved communities and improve access to capital for low-income households, minorities, and traditionally underserved borrowers.

- *125 Empowerment Zones and Enterprise Communities.* The Clinton Administration has announced 105 EZs and ECs across the country. This effort was proposed by President Clinton and passed by Congress in 1993. The EZ/EC effort has generated more than $2 billion of new private sector investment in community development activities. The President also has signed into law a second round of EZs -- 15 new urban and 5 new rural zones -- which will qualify for tax incentives, small business expensing, and private activity bonds. In FY 1999, President Clinton and Congress provided first-year funding of $55 million for the new EZs, and $5 million in first-year funding for 20 new rural Enterprise Communities announced in January.

- *Strengthened and Simplified the Community Reinvestment Act (CRA).* In April 1995, the Clinton Administration reformed the CRA regulations to emphasize performance. According to the National Community Reinvestment Coalition (NCRC), the private sector has pledged more than $1 trillion going forward in loans to distressed communities – and more than 95 percent of these financial commitments have been made since 1992. Banks made $18.6 billion in community development loans in 1997 alone. Lending to minority and low-income borrowers is also on the rise.

- *Created the Community Development Financial Institutions Fund (CDFI).* Proposed and signed into law by the President in 1994, the CDFI fund, through grants, loans, and equity investments, is helping to create a network of community development financial institutions in distressed areas across the United States. The CDFI fund was established in 1994. In FY99, funding was increased 19 percent to $95 million from $80 million.

- *The Economic Development Initiative (EDI) and Section 108 Loan Guarantee.* EDI grants are used to infuse capital into community development projects, enhancing the debt financing provided by the Section 108 loan guarantee program. Together, the programs support critical economic development in distressed communities. Estimated jobs supported by EDI and the Section 108 loan guarantee have grown by 300,000 from 1994 to 1998. During this time period EDI and the Section 108 loan guarantee program have funded $3.5 billion for more than 650 separate project commitments.

**Helping to Bring Jobs and Opportunity to Distressed Areas.** A cornerstone of the Administration's community empowerment agenda is helping to bring jobs and opportunity back to distressed areas:

- *$3 Billion Welfare-to-Work Jobs Initiative.* The Clinton Administration fought for a $3 billion welfare-to-work jobs initiative as part of the 1997 Balanced Budget Agreement. The Administration is implementing these welfare-to-work grants directly to both cities and states for allocating additional resources to help long-term, hard-to-serve welfare recipients find and keep jobs.

- *Welfare-to-Work Tax Credit and Work Opportunity Tax Credit.* The Welfare-to-Work Tax Credit, enacted in the 1997 Balanced Budget Agreement, provides a credit equal to 35 percent of the first $10,000 in wages in the first year of employment, and 50 percent of the first $10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients. This credit complements the Work Opportunity Tax Credit, which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities. In FY 1999, the President requested and Congress accepted extending the credit through June 30, 1999.

- *Community Development Block Grant (CDBG) Expansion.* President Clinton's FY 2000 budget included an expansion of CDBG. The final budget increases funding for CDBG from $4.750 billion in FY 1999 to $4.775 billion in FY 2000, a $25 million expansion this year.

**Cleaning Up the Urban Environment.** The Clinton Administration has launched a landmark effort, including the Brownfields Tax Incentive, to clean up and redevelop Brownfields sites. In total, the Brownfields action agenda has marshaled funds to clean up and redevelop up to 5,000 properties, leveraging between $5 billion and $28 billion in private investment and creating and supporting 196,000 jobs.

**PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE BUILDING ON THEIR PAST ACHEIVEMENTS THROUGH A NUMBER OF NEW INITIATIVES THIS YEAR.**
While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities. To address this need, President Clinton and Vice President Gore are working on several fronts.

**The New Markets Initiative.** President Clinton's FY 2000 balanced budget provides a new initiative designed to create the conditions for economic success by prompting approximately $15 billion in new investment in urban and rural areas through:

- *The New Markets Tax Credit.* To help spur $6 billion in new equity capital, this tax credit is worth up to 25 percent for investments in a wide range of vehicles serving these communities, including community development banks, venture funds, and the new investment company programs created by this initiative (see below). A wide-range of businesses could be financed by these investment funds, including small technology firms, inner-city shopping centers, manufacturers with hundreds of employees, and retail stores.

- *America's Private Investment Companies (APICs).* Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APICs will encourage private investment in this country's untapped markets, by leveraging up to $1.5 bilion in investment in new development projects and larger businesses that are expanding or relocating in inner city and rural areas.

- *SBIC's Targeted to New Markets.* For over 40 years, SBA's Small Business Investment Company (SBIC) program has provided roughly $20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefited our cities and rural distressed communities. SBA now will offer more flexibility and new financing terms for SBICs that invest in underserved areas.

- *New Markets Venture Capital (NMVC) Firms.* NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.

- *New Markets Lending Companies (NMLC).* For the first time in many years, SBA will approve approximately 10 new non-bank lenders --- firms authorized to originate loans under SBA's largest loan program – the 7(a) General Business Loan Guaranty program. Under the 7(a) program, SBA guarantees up to 80 percent of a loan made by a lender to a creditworthy small businesses that cannot otherwise secure financing on reasonable terms. Firms must have a strategy to target lending to underserved areas.

- *Microenterprise Lending and Technical Assistance.* Microenterprise initiatives in the FY 2000 budget include the proposed PRIME Act, under which the CDFI Fund will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on low-income entrepreneurs. President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling of support for SBA lending to leverage over $75 million in new microlending. The microenterprise strategy will also involve new funding for Individual Development Accounts (IDAs) and for SBA's One-Stop Capital Shops.

- *Regional Connections.* Regional Connections will provide competitive funding to States and partnerships of local governments to develop and implement new, locally driven "smarter growth" strategies that create more livable communities by addressing economic and community development needs across jurisdictional lines. Regional Connections, as part of the Administrations' Livability Agenda, will complement existing federal programs that respond to growth and investment patterns. The budget proposes funding at $50 million in FY 2000.

- *The Economic Development Initiative and Section 108 Loan Guarantee Program.* This program supports critical economic development in distressed communities in conjunction with the Section 108 loan guarantee program to help bring economic development to residents. In FY 2000 many projects will be eligible to participate in the Community Empowerment Fund Trust, a pilot program, which will enable the pooling of loans and the creation of a private sector secondary market for economic development loans. The CEF specifically targets Welfare-to-Work and City-Suburb Business Connections, building upon the success of HUD's EDI and Section 108 loan guarantee program.

- *Empowerment Zones and Enterprise Communities.* The 2000 Budget proposes mandatory funding for ten years: $150 million a year for urban EZs and Strategic Planning Communities; $10 million a year for rural EZs; and $5 million a year for rural ECs.

- *Community Development Financial Institutions (CDFI) Fund.* The budget proposes to expand funding for the CDFI Fund to $125 million--a $30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.

- *BusinessLINC.* The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- for new markets in economically distressed communities. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with small business owners and entrepreneurs.

- *Low-Income Housing Tax Credit.* Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to developers of affordable housing. While building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita -- restoring the value of the credit to its 1986 level and helping to an create additional 150,000-180,000 new low-income rental housing units over the next five years.

- *Play-by-the-Rules.* This program will allow renters with solid payment track records to own a home. The 2000 Budget proposes a second round of $15 million for this initiative.

- *Helping America's Communities Redevelop Abandoned Buildings.* Redevelopment of Abandoned Buildings, as part of the Administrations' "Livability Agenda," would attack one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single-family homes, warehouses, office buildings, and commercial centers. Under the proposal, HUD will provide $50 million in competitive grant funds in FY2000 to local governments to support the demolition or deconstruction of blighted, abandoned buildings.

Patti -
Melanne asked me to send HRC this memo - I recognize that July scheduling is a near impossibility. Nicole

Nicole -
Let's talk. Why couldn't she do something in upstate NY where people are hurting?
— Patti

THE WHITE HOUSE

WASHINGTON

June 2, 1999

**MEMORANDUM FOR HILLARY RODHAM CLINTON**

**FROM:** NICOLE RABNER
RUBY SHAMIR

**CC:** MELANNE VERVEER
PATTI SOLIS DOYLE
MARSHA BERRY

**SUBJECT:** NEW MARKETS INVESTMENT INITIATIVE

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We recommend that you consider participating in the White House New Markets Investment Initiative, which is designed to spur economic development in underserved areas of the United States. The upcoming focus of this initiative is a domestic trip of the President on July 5-8, in which he will take a bipartisan delegation of Members of Congress and CEOs on a trade mission to economically distressed communities. In this same period, other Principals will host events as well. The purpose of these events is to highlight new economic opportunities being created in communities across the nation. While we know that your July schedule is under development, your participation in this initiative would underscore your commitment to bringing jobs and economic prosperity to underserved areas as well as build on your longstanding commitment to microenterprise.

The President's trip is likely to include visits to geographically diverse areas such as an inner city, a rural community, and a Native American town. Similar to our strategy for the Save Our Treasures Tour, the NEC is working to lock in private sector announcements for the President and others to make in the areas of bringing private sector investment to untapped U.S. markets. These announcements will be in the following categories: microenterprise, Community Development Financial Institutions, Small Business Investment Companies and New Markets Venture Capital Firms, Business LINC (Learning, Information, Networking, and Collaboration) and empowerment zones (see below for discussion).

One option for you to consider is to host an event in Washington, D.C. to announce new private sector investment in distressed communities in the nation's capital (the NEC is currently pursuing this).

## BACKGROUND ON NEW MARKETS INVESTMENT INITIATIVE

The President launched the New Markets Investment Initiative last January in an event on Wall Street with Reverend Jesse Jackson where he demonstrated the Administration's commitment to harnessing the power of the private sector to invest in untapped U.S. markets. The initiative builds on the Administration's overall community development agenda including the Community Reinvestment Act, microenterprise programs, empowerment zones, and the Brownfields Tax Incentive.

The major provisions of the New Markets Investment Initiative are:

**New Markets Tax Credit.** Proposed tax credit worth up to 25 percent to help spur $6 billion in equity capital for investment in America's new markets. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative. Tax credits would be allocated to attract investors. This portion of the initiative requires new legislation.

**America's Private Investment Corporations (APICs).** Just as our support for the Overseas Private Investment Corporation (OPIC) helps promote growth in emerging markets abroad, APIC will encourage private investment in America's untapped markets. For up to $100 million of private equity, HUD and SBA will guarantee loans up to $200 million, creating investment funds as large as $300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government's. This portion of the initiative requires new legislation.

**New Markets Venture Capital (NMVC) Firms.** NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity funds of private investors with government debt guarantees of up to $10 million per NMVC, with interest on the debt deferred. Investors who provide at least $1.5 million in technical assistance over five years to targeted firms will also receive matching grants from SBA.

**Small Business Investment Companies (SBICs).** Under this initiative, SBICs will be eligible for a new type of federally guaranteed loan to augment capital for investment in low or moderate income areas. Interest on these loans will be deferred for the first five years of the 10 year term to give SBICs more time to nurture their investments before they must show a return.

The New Markets Investment Initiative will also support continued growth of community development financial institutions (CDFIs) with $125 million in this year's budget; approve New Markets Lending Companies (NMLCs), new non-bank lenders, to lend to creditworthy small businesses that have trouble securing financing; promote partnerships between large companies and new small companies in distressed areas and encourage the bigger companies to provide training and expertise to new small firms.

May 25, 1999

**MEMORANDUM FOR MELANNE VERVEER**

| | |
|---|---|
| **FROM:** | **NICOLE RABNER**<br>**RUBY SHAMIR** |
| **CC:** | **SHIRLEY SAGAWA**<br>**PATTI SOLIS-DOYLE**<br>**MARSHA BERRY** |
| **SUBJECT:** | **NEW MARKETS INVESTMENT INITIATIVE** |

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The President launched his New Markets Investment Initiative last January in an event on Wall Street with Reverend Jesse Jackson where he demonstrated the Administration's commitment to harnessing the power of the private sector to invest in untapped U.S. markets. The initiative builds on the Administration's overall community development agenda including the Community Reinvestment Act, micro-enterprise programs, empowerment zones, and the Brownfields Tax Incentive.

## I. RECENT NEW MARKETS ACTIVITY

Two weeks ago the President met with 17 CEOs of major corporations to discuss ways to best mobilize new private investments in economically underserved communities. Following the meeting, he traveled with this CEO delegation to Atlanta, Georgia to tour the Sweet Auburn Market and an Atlanta empowerment zone. His major announcement was that from July 5-8 he will take a bipartisan delegation of Members of Congress and CEOs on a trade mission to economically distressed communities, where he will highlight new opportunities being created in these communities across the nation.

Currently, the NEC is in the planning process for this July trip. The trip is likely to include visits to geographically diverse areas such as an inner city, a rural community, and a Native American town. Similar to our strategy for the Save Our Treasures Tour, the NEC is working to lock in private sector announcements for the President to make. These announcements will be in the following categories: micro-enterprise, Community Development Financial Institutions, Small Business Investment Companies and New Markets Venture Capital Firms, Business LINC (Learning, Information, Networking, and Collaboration) and empowerment zones (see below for discussion). In addition, the NEC hopes to have announcements for other principals to make in this same time period that would underscore the theme of the initiative – bringing private sector investment to untapped U.S. markets. The NEC has included us in the planning process, and has asked us to participate in the development of the micro-enterprise deliverable.

## II. FIRST LADY PARTICIPATION

To build on her longstanding commitment to the revitalization of underserved urban and rural areas around the country, we recommend that the First Lady consider participating in this initiative in some way. The First Lady might travel with the President to one of the event sites, or preferably, hold an event herself, such as one in Washington, D.C. to make an announcement about spurring economic development in the nation's capital.

## III. BACKGROUND ON NEW MARKETS INVESTMENT INITIATIVE

The major provisions of the New Markets Investment Initiative are:

**New Markets Tax Credit.** Proposed tax credit worth up to 25 percent to help spur $6 billion in equity capital for investment in America's new markets. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative. Tax credits would be allocated to attract investors. This portion of the initiative requires new legislation.

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The New Markets Investment Initiative will also support continued growth of community development financial institutions (CDFIs) with $125 million in this year's budget; approve New Markets Lending Companies (NMLCs), new non-bank lenders, to lend to creditworthy small businesses that have trouble securing financing; promote partnerships between large companies and new small companies in distressed areas and encourage the bigger companies to provide training and expertise to new small firms.

**Agenda for New Markets Meeting**
**May 18, 1999**

## I. Progress Reports from Teams on Potential Sites

- Treasury: CDFIs
  Microenterprise [illegible] NY, Iowa, Ohio - Pres. award winners
  BusinessLINC
- SBA: SBIC/NMVC firms Kentucky Highland
- HUD/CEB: EZ/ECs
- Labor: Workforce with econ dev't focus 16-24 out of school youths -31 sites, incl. LA. - hiring 11 sites Village Foundation CBOs Youth Op.
- IGA: Native American communities
- Others: Site ideas from Political; Leg Affairs; IGA; OPL

City Links - hiring

## II. CEO Outreach

- OPL drafting outreach plan and full universe of CEOs
- CEO letter to go out Tuesday or Wednesday
- Sperling meeting with DC Reps this week
- Calls to leaders of BRT, Business Council

## III. Communications Plan

- Press strategy leading up to July trip
  -- Op-ed strategy (Cabinet; mayors; others)
- User-friendly guide book to investing in underserved areas (CEB and Treasury to bring existing materials)
- Upcoming message opportunities:
  -- Community Empowerment Conference, May 25
  -- Other?

## IV. Next Steps

- Written descriptions of best site options for next meeting (Friday, May 21)
- CEO calls and other CEO outreach efforts
- Outside and Congressional participation on trip
- Administration participation (VP; First Lady; Cabinet)

Strategies for deliverables

You're known as Roger "Anything for a Deal" Ballentine.

HUD | CEB

# POTENTIAL NEW MARKET TRAVEL

**Draft for discussion purposes, May 18, 1999**

| STATE, CITY | PROJECT |
|---|---|
| **Alabama, Scottsboro** | **US Textile:** An expansion project that created 115 jobs and retained 72. |
| **Alabama, Selma** | **The St. James Hotel** created more than 50 jobs and received Section 108 and EDI funds, with private sector investments. |
| **Arizona, Phoenix** | • **Ax-Cent Packaging**: A successful packaging distributor firm started in 1994 in a state-sponsored Enterprise Zone. Created eight new jobs.<br>• **Other successful projects include:** Specialty Textile Services. |
| **California, Fairfield** | **New car wash** created 24 jobs for low-mod income residents, and sparked other new businesses. |
| **California, Oakland** | **Gregory Truck Body**: Created 8-10 new jobs with 108 loan in disadvantaged community. |
| **California, Riverside** | **New retail, office and entertainment center:** created on previously blighted and vacant land. Created more than 300 low-mod income jobs. Section 108 loans were used. Market Place Project: 22 acres of abandoned citrus factories and railroad switching yards became the site of the annual Orangeblossom Festival and created 300 new jobs. |
| **Florida, Jacksonville** | • **Royal Terrace Plaza,** an abandoned strip mall, revitalized by a law enforcement officer using CDGB funds. Now houses a dental clinic, a community services center for youth, with three additional small minority owned businesses present or on their way.<br>• **Other successful 108 loans** include Coach Manufacturing, Hilton Hotel, and Hampton Inn. |
| **Illinois, East St. Louis** | **Jackee Joyner Kersee Community Center** joins other HUD-related investments bearing fruit: an expanded transit line and large scale mixed income housing being built. |
| **Illinois, East St. Louis** | **Kim's Kids Inc.:** A living memorial to Kim, a young woman killed in a car accident on her way to East St. Louis, the daycare center that has created several new jobs for local residents and welfare to work graduates. |
| **Kansas, Wichita** | **Cessna Training Facility**: New technology center has helped Cessna recruit and train a steady stream of skilled workers, many of whom have moved from Welfare to work. |
| **Kentucky, Louisville** | **Several new business** in EC include: KidzWheels, the Meat Store, Concrete, Teddycare Day Care. |

| | |
|---|---|
| **MO, St. Louis** | • **Schnucks Northside Grocery:** A badly needed grocery store and strip mall partially financed through CDBG.<br>• **Harris Stowe University:** Leveraged small grant into several millions of private funding to build and endow an early childhood development center.<br>• **Intermodal Transit City**: An intermodal transit center on the Mississippi River that provides jobs and commerce. HUD 108 loan contributed to success. |
| **MO. Kansas City** | • **Economic Growth Group**: Constructed and operated with CDBG funds, serves as strong business incubator. Co-located with the Black Yellow Pages and the Black Economic Vision, it's a hub of entreprenueurship for KC's minority community.<br>• **Sprint Communications Call Center** found an ample, reliable permanent workforce for new center. Far less turnover of urban workers compared to suburban employees. CDBG<br>• **Union Station Restoration:** Abandoned station that endured 15 years of neglect revitalized through a $350M restoration. Initiated by a special purpose grant.<br>• **Swope Parkway Health Center**: Provides comprehensive health care to formerly undeserved community, this project has sparked redevelopment of the entire area. |
| **Nevada, Las Vegas** | **Las Vegas Business Center:** Incubator for small business assisted the All American Court Reporters which has expanded, as well as other business. |
| **New York, New York City,** | **Harlem USA** - major retail complex has attracted Disney, HMV and other national outlets. Part of Upper Manhattan EZ. $11.2 M in EZ investment leveraged additional $45 M in private sector commitments. |
| **Pennsylvania, McKeesport** | **People's Building Family Support Project:** small town<br>Approximately $750,000 of EC funding helped develop this conglomerate of 30 human services agencies in one location. Services include family therapy, educational training, and transitional housing. |
| **Texas, Fort Worth** | **Minyards Grocery**: This *outstanding* project combined private and public investment to create 165 jobs and attract additional businesses in low income area. This is the first new grocery in Fort Worth in over 20 years. |
| **Texas, Houston** | **Washington and Houston Avenues Corridor Revitalization**: New businesses attracted to this historic neighborhood include R&S Antiques. |

"Canal Corridor"

From: Ronald E. Jones on 07/21/99 12:15:17 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP@EOP

cc: See the distribution list at the bottom of this message
Subject: Re: DOD testimony on Unborn Victims of Violence Act

I have faxed a copy of the DoD testimony to Broderick Johnson on the Hill. Copies will be faxed to each of you shortly.

The Air Force GC and DOD GC reviewed and shortened the testimony and revised the language concerning the purpose of the testimony. The statement now reads:

> I am appearing today at the request of the Subcommittee for the purpose of presenting the facts of the court-martial case of United States v. Airman Gregory A. Robbins and the application of the Assimilative Crimes Act to that case. Neither my testimony or appearance here today should be construed as an endorsement of HR 2436 by me, the Air Force, the Department of Defense, or the Executive Branch. It is my understanding that neither DoD nor the Executive Branch have completed their review of this legislation.

Message Copied To:

sylvia m. mathews/omb/eop@eop
ann f. lewis/who/eop@eop
michelle peterson/who/eop@eop
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jennifer m. luray/who/eop@eop
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james j. jukes/omb/eop@eop
richard e. green/omb/eop@eop
Elizabeth Gore/OMB/EOP@EOP
Robert G. Damus/OMB/EOP@EOP
Sandra Yamin/OMB/EOP@EOP

# STATEMENT OF

# LIEUTENANT COLONEL KEITH L. ROBERTS

# UNITED STATES AIR FORCE

BEFORE THE

SUBCOMMITTEE ON THE CONSTITUTION

COMMITTEE ON THE JUDICIARY

HOUSE OF REPRESENTATIVES

ON THE "UNBORN VICTIMS OF VIOLENCE ACT OF 1999"

21 JULY 1999

My name is Lieutenant Colonel Keith Roberts and I am an active duty Air Force Judge Advocate currently serving as the Acting Chief of the Air Force Military Justice Division of the United States Air Force Judiciary at Bolling Air Force Base, Washington, D.C. The Military Justice Division is responsible for all military justice policy matters in the Air Force. I have been the Deputy Chief of the Division approximately four years, and my previous assignments included duty as a military judge, three assignments as a Staff Judge Advocate and two other base-level assignments.

I am appearing today at the request of the Subcommittee for the purpose of presenting the facts in the court-martial case of *United States v. Airman Gregory A. Robbins*, and the application of the Assimilative Crimes Act to that case. Neither my testimony or appearance here today should be construed as an endorsement of H.R. 2436 by me, the Air Force, the Department of Defense or the Executive Branch. It is my understanding that neither DoD nor the Executive Branch have completed their review of this legislation.

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While I had no personal involvement in this case, in preparation for these hearings I reviewed the court-martial record of Airman Gregory A. Robbins. My statement includes a brief summary of the case that I took primarily from a Stipulation of Fact signed by Airman Robbins and his guilty plea discussion with the military judge conducted under oath at his trial. My statement also includes a discussion of one particular charge that assimilated an Ohio statute.

**STATEMENT OF FACTS**

Airman Robbins and his wife, Karlene, were married on 28 December 1995. In February 1996, Airman Robbins arrived at Wright-Patterson Air Force Base, Ohio, his first permanent duty assignment, and the couple began living together as husband and wife. The same month, Mrs. Robbins became pregnant. In mid-March 1996, they moved into military base housing located at 137 Trunk Drive, an area of exclusive federal jurisdiction on Wright-Patterson Air Force Base, Ohio. Mrs. Robbins' anticipated delivery date was 26 October 1996.

Shortly after the couple moved into base housing, Airman Robbins began beating his wife. The abuse always occurred within the confines of the house. It began with pushing, then escalated to open-handed hitting, then punching, and finally kicking. During these episodes, Airman Robbins struck Mrs. Robbins on various parts of her body, including her legs, her side, her back, her head, and her face. Sometimes, he hit her with enough force to drop her to her knees.

A variety of factors reportedly motivated Airman Robbins' assaults. At times, he was angry with his wife for not cleaning the house or not letting the couple's two dogs out. At other times, he was angry about her care of their pet birds. Sometimes he was angry about his wife's long-distance phone calls to her mother in Chicago and the expenses incurred from them. There is no evidence that Mrs. Robbins brought any of these instances of physical abuse to the attention of military authorities, prior to the September incident.

After the episodes described above, Mrs. Robbins periodically packed her bags with the thought of leaving her husband and returning to Chicago. However, she always changed her mind and stayed.

On 12 September 1996, Mrs. Robbins was approximately 34 weeks pregnant. The fetus had no known abnormalities. Airman Robbins came home that evening, noticed one of the dogs had defecated on the floor near the bathroom door, and became enraged. Airman Robbins then began yelling at his wife as she tried to defend the dog. Next, he pushed her, causing her to fall to her knees. When she tried to escape, he pursued her down the stairs, and cornered her against a wall. He then wrapped his fist in a uniform tee shirt and began repeatedly punching Mrs. Robbins in the face with a closed fist, breaking her nose and battering her eye. He then began punching her in the abdomen, while she attempted to shield herself with one hand on her back and the other on her stomach. The blows to Mrs. Robbins' abdomen were so severe that they ruptured her uterus and caused the placenta to separate from the uterus. Mrs. Robbins was eventually able to escape to a neighbor's house. The neighbors immediately called for an ambulance and Mrs. Robbins was taken to the base medical center.

On her arrival, Mrs. Robbins' face was swollen and bruised, her right eye was swollen shut, and she was losing blood internally in the abdominal area. An ultrasound detected no amniotic fluid and no fetal heart tones. The doctors determined that immediate surgery was needed. Mrs. Robbins had lost two liters of blood from the rupture, and the placenta was entirely torn from her uterine wall. Doctors estimated that, had she not reported the assault, Mrs. Robbins would have died of blood loss within hours. After eight days of inpatient care, Mrs. Robbins was flown by medical aero-evacuation to her home in Chicago for further recovery. A forensic pathologist performed an autopsy on the fetus and the local Deputy Coroner opined that the cause of fetal demise was placental abruption and uterine rupture, due to maternal blunt abdominal trauma.

**PROSECUTION OF THE CASE**

I will now discuss the prosecution of Airman Robbins for the attacks on his wife. Any time a commander becomes aware of possible misconduct by a member under his or her command, the commander has the responsibility to review available evidence and decide whether any type of disciplinary action is appropriate. As is typical in cases such as the

Robbins case, Special Agents from the Air Force Office of Special Investigations investigated the incident. After the investigators completed their report they forwarded it to Airman Robbins' commander who reviewed the report and consulted with his Staff Judge Advocate, who is the senior legal advisor to the commander. As part of this process, a Judge Advocate reviews the report, determines whether any of Airman Robbins' actions violated the Uniform Code of Military Justice (UCMJ), and makes recommendations on how Airman Robbins' commander should handle the matter. The Judge Advocate's recommendations are strictly recommendations and the commander has the final say in what action, if any, to take.

His commander decided that the incident was serious enough to warrant criminal charges. A Judge Advocate prepared the Charge Sheet, which the commander signed to initiate the criminal prosecution. This step is known as preferral of charges. The convening authority, a commander senior to the commander who preferred charges, determined additional investigation was appropriate. He appointed a Judge Advocate to conduct a pretrial investigation of the charges then pending against Airman Robbins. This Judge Advocate had nothing to do with the case previously, and could not be further involved in the case after the investigation was completed.

The Charge Sheet listed all the offenses that Airman Robbins' commander had reason to believe he had committed. Offenses under the UCMJ are codified in Title 10 U.S.C., Chapter 47. The offenses are either listed in Articles 80 through 132, commonly referred to as the enumerated Articles, or contained in Articles 133 or 134. Article 133 applies to conduct unbecoming an officer, and is not more specifically defined. Article 134 is the general article and includes "disorders and neglects to the prejudice of good order and discipline in the armed forces" (clause 1 offenses), "conduct of a nature to bring discredit upon the armed forces" (clause 2 offenses) and "crimes and offenses not capital" (clause 3 offenses). Clause 3 encompasses the Federal Assimilative Crimes Act (18 U.S.C. Section 13). ~~In this~~ Act, Congress incorporated "state criminal laws for areas of exclusive or concurrent federal jurisdiction, provided federal criminal law, including the UCMJ, has not defined an applicable offense for the misconduct committed" as offenses under the UCMJ.

Airman Robbins was initially charged with two specifications (counts) of assault against Mrs. Robbins under Article 128 of the UCMJ; maiming under Article 124 by rupturing her uterus with repeated punches to her abdomen with his fist; and with murder and involuntary manslaughter under the Assimilative Crimes Act provision of Article 134. The murder and involuntary manslaughter offenses were charged by assimilating an Ohio statute, the Amended Substitute Senate Bill No. 239, codified in §§2903.02 and 2903.04 of the Ohio Revised Code, that went into effect on 6 September 1996. As this Committee may be aware, this state law created a series of criminal offenses for causing the "unlawful termination of another's pregnancy." The term "unlawful termination of another's pregnancy" was defined as "causing the death of an unborn member of the species homo sapiens, who is or was carried in the womb of another, as a result of injuries inflicted during the period that begins with fertilization and that continues unless and until live birth occurs." Ohio Revised Code §2903.09(A).

The court determined that, since there is no comparable UCMJ offense, the state law could be assimilated into the federal law and could be prosecuted under Article 134 of the UCMJ.

After the pretrial investigation the Investigating Officer prepared a report that was forwarded through command channels, and the charges were ultimately referred to a general court-martial on 16 October 1996. A general court-martial is the highest court-martial forum in the military. It can adjudge any authorized punishment up to and including death. The trial was held on 9 December 1996, and Airman Robbins asked to be tried by military judge alone. At trial, the maiming charge was merged with one of the assault charges and Airman Robbins pled guilty to assaulting his wife. He also pled guilty to involuntary manslaughter by causing the unlawful termination of his wife's pregnancy. The murder charge was dismissed, pursuant to a pretrial agreement, the military equivalent of a plea bargain. The military judge sentenced Airman Robbins to be dishonorably discharged from the Air Force, to be reduced to the grade of E-1 (the lowest enlisted grade from his previous grade of E-2) and to be confined for 8 years.

Airman Robbins' conviction has been reviewed and upheld on appeal by the Air Force Court of Criminal Appeals. We are awaiting a decision by the U.S. Court of Appeals for the Armed Forces on his appeal to that court.

# Biography

## UNITED STATES AIR FORCE

Air Force Legal Services Agency, Bolling AFB, DC 20332

### LIEUTENANT COLONEL KEITH L. ROBERTS

Lieutenant Colonel Keith L. Roberts is Deputy Chief, Military Justice Division, Air Force Legal Services Agency, Bolling Air Force Base, Washington D.C. Colonel Roberts was born in Syracuse, Kansas, and graduated from Syracuse High School, with honors. He then attended Washburn University, Topeka, Kansas, and graduated *cum laude* with a BA in Sociology-Anthropology. He attended Washburn University School of Law and received a Juris Doctor degree. Colonel Roberts received his Air Force commission through the Air Force Reserve Officer Training Corps program at Washburn University and in May 1981 was assigned to the Office of the Staff Judge Advocate, 347th Combat Support Group, Moody Air Force Base, Georgia. In May 1983 he was reassigned to the Office of the Staff Judge Advocate, 86th Tactical Fighter Wing, Ramstein Air Base, Germany. From June 1986 to August 1989, Colonel Roberts served as the Staff Judge Advocate, Headquarters, Air Force Reserve Officer Training Corps, Maxwell Air Force Base, Alabama. He then attended the Air Force Air Command and Staff College, Maxwell Air Force Base, Alabama, from August 1989 to June 1990. In June 1990 Colonel Roberts became the Staff Judge Advocate, 384th Bombardment Wing (H), McConnell Air Force Base, Kansas. From July 1993 to August 1996 he served as Deputy Chief, Military Justice Division, Air Force Legal Services Agency, Bolling Air Force Base, Washington, D.C. During that assignment he also served as Staff Judge Advocate, Joint Task Force 160, Guantanamo Bay, Cuba, from February to July 1995. Colonel Roberts served as a Military Judge, assigned to the Air Force Legal Services Agency, Eastern Judicial Circuit, Bolling Air Force Base, from August 1996 to August 1998. He assumed his current position in August 1998.

Colonel Roberts is admitted to practice law before the Kansas Supreme Court, the U.S. Federal District Court for the District of Kansas, and the U.S. Court of Appeals for the Armed Forces.

Awards and decorations include the Defense Meritorious Service Medal, the Meritorious Service Medal with four Oak Leaf Clusters, the Air Force Commendation Medal, the Air Force Achievement Medal, the Joint Meritorious Unit Award, the Air Force Outstanding Unit Award with one Oak Leaf cluster, the Air Force Organizational Excellence Award with two Oak Leaf Clusters, the National Defense Service Medal, and the Humanitarian Service Medal. He was the Air Training Command Outstanding Judge Advocate for 1988.

Colonel Roberts is married to the former Jennifer O'Brate of Syracuse, Kansas. They have two sons, Jason and Michael.