EF

DRAFT

230739
WH004

June 24, 1997

MEMORANDUM FOR THE RECORD

RE: FILES FROM THE OFFICE OF THE STAFF SECRETARY

Carol Cleveland of the Staff Secretary's Office has begun to retain and send to ORM "insurance copies" of documents that had been sent to the Oval Office.

These copies are marked with with five annotations:

1) a large red check mark indicating that the original document had gone into the Oval Office,
2) a date by the check mark indicating when the document had been returned to the Staff Secretary's Office from the Oval Office,
3) a circle indicating that it had gone to Todd Stern,
4) an "X" within the circle indicating that Todd Stern had reviewed and returned it to his staff for appropriate handling and
5) the letters, "RM," indicating that the document was sent to the Office of Records Management.

Other notations may appear on these documents, most frequently a five digit number in the upper right hand corner. This is the computer generated identification number for each document. It is often referred to in one of three ways, as

a) the Staff Secretary's log number,
b) the SS (Staff Secretary) number, or
c) the Seclog (Secretary's Log) number.

During the years that Sharon Wagner oversaw much of the paperwork in the Staff Secretary's Office, these "insurance copies" were not retained once a document had travelled through the five stages of the life cycle described above.

One (1) Box Filed Oversize Attachment # 9360 & #10322

DRAFT

Hold pending comments by Carol Cleveland

TW Good

THE WHITE HOUSE
WASHINGTON

January 9, 1998

1-12-98

MR. PRESIDENT:

Attached for your review is the foreword to the July-December 1996 edition of the "Public Papers of the President."

It was written by Michael Waldman. John Podesta and Sid Blumenthal have signed off on it.

For your reference, I have attached the forewords from the last several issues of your Public Papers as well as the foreword from President Reagan's June-December 1984 edition.

Please let me know if it meets with your approval or if you have edits.

Phil Caplan
Phil

FOREWORD
PUBLIC PAPERS OF THE PRESIDENT
JULY THROUGH DECEMBER 1996

In 1996, the American people came together in a spirit of new optimism about ourselves, our country, and our future. It was a time of significant legislative achievement. Most notably, I signed into law landmark welfare reform ending a system that had trapped millions in a cycle of dependency. Within days of each other I also signed into law an increase in the minimum wage, signed legislation making it possible for people to take their health insurance with them as they move from job to job, and announced unprecedented steps by the Food and Drug Administration to protect children from the dangers of tobacco. These and other steps, and the continuing success of the American economy, inspired in our people a renewed sense of hope and confidence that our political system could meet our challenges.

Above all, this was a time when I sought to challenge the American people to turn toward the future. In August, at the Democratic National Convention in Chicago, and in talks with voters across the Nation, I declared our mission must be "to build a bridge to the 21st Century." I have used this metaphor for years. But in the hundreds of hand-painted banners at rallies, in the handmade bridges that were sent to my office by the dozens, in the thousands of letters we received, I could see that this time, this image had touched a nerve. Why? I believe "the bridge" evoked both the hope and the challenge of the new century. Our people know that this new era, with its stunning leaps of technology, rapid globalization, and many social changes, offers remarkable opportunities for our people. But they also know they need education, skills, and confidence to reap the rewards of this time. As I told so many audiences, it must be a bridge "wide enough and strong enough for every American to walk across."

Vice President Gore and I were humbled and deeply gratified when the American people chose to ratify our course and return us to office for a second term. The election amounted to a ringing endorsement of the "vital center" -- a call to both parties to set aside narrow agendas and work together in the national interest. That is what we pledged to do. And as I told the American people on election night, before the Old State House in Little Rock, Arkansas, "We've got a bridge to build -- and I'm ready if you are."

Foreword

In 1996, our Nation strived to make the American dream a reality for all who would work for it, to continue as the world's strongest force for peace, freedom, and democracy, and to build a stronger country.

In my State of the Union Address, I discussed the age of possibility in which we live and issued seven challenges to the country: strengthen families, improve education, enhance economic security, preserve our natural environment, fight against crime and drugs, maintain our world leadership, and reinvent Government. I said we would meet these challenges by working in partnership with all of our citizens, through State and local governments, in the workplace, in religious, charitable, and civic associations. The era of big government is over, yet we cannot go back to the time when our citizens were left to fend for themselves. We must give all our people the tools to make the most of their own lives.

During the first half of the year, I worked to enable the American people to meet these challenges—by helping those communities that wanted to instill discipline in young people through community curfews, school uniforms, and truancy enforcement; by handing the television remote control back to parents through the v-chip and a television ratings system; and by calling upon the tobacco industry to stop the massive marketing campaigns that appeal to children. In all the actions I took, my paramount goal was to help families meet their responsibilities, and succeed both at home and at work.

During this period, I also worked beyond our borders to advance our Nation's interests in security and prosperity. At a special summit in Moscow, President Yeltsin and I took important steps to reduce the threat of nuclear weapons. With our partners in Japan and South Korea, we strengthened our military alliances and our common efforts to increase economic growth for the future. In the wake of a series of terrorist attacks in the Middle East, I traveled to Egypt for a landmark "Summit of the Peacemakers" that the United States co-hosted, bringing together an unprecedented number of regional leaders who are committed to building peace with security. We also saw, once again, that our global leadership can impose great sacrifice. Americans felt tremendous sorrow after the tragic death of my friend, Commerce Secretary Ron Brown. That loss strengthened our determination to continue his mission so that economic reconstruction goes forward in the Balkans and peace takes hold.

In a series of commencement addresses, I set forth the challenges that I believed our country faced as it approached the new century, culminating in the national goal, announced at Princeton University, of making the 13th and 14th years of education—the first two years of college—as universal as high school is today. To meet that goal, I proposed a Hope Scholarship tax credit to help every American get the education he or she needs.

This was a time when America began to regain its self-confidence, coming together around shared national goals, and realizing that when we work together, we can act—and act effectively—to meet our challenges and protect our values.

William J. Clinton

Foreword

The end of 1984 was as exciting as the beginning.

In Dallas, at the Republican National Convention, we renewed our call to make America the "shining city on a hill" we have always envisioned. We took our campaign to the people, not as partisans, but as patriots proud of our record of peace and prosperity. We talked forthrightly about our record and about how much more needed to be done. In November, the American people honored George Bush and me again by allowing us to continue our service on behalf of the greatest people in the world. Our mandate was clear and would be a roadmap for the second term.

But all was not politics in 1984. Indeed, we were pleased and encouraged by the resumption of arms control negotiations with the Soviet Union. This was a welcome and important step in our effort to rid the world of the threat of nuclear war and was indicative of the wisdom of our policy for a strong national defense.

Our deep commitment to our fellow citizens of the world was activated on behalf of the people of Africa, as all segments of our society moved in to help the victims of famine. In a uniquely American way, our country came together on behalf of people who mattered to us simply because they were human beings. Nothing speaks better about Americans.

We ended 1984 deeply gratified and humbled by the support of the people and excited and eager to get on with the challenges of the second term.

Ronald Reagan

ister
Administration

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Office

Foreword

The first half of 1995 was a time of challenge and change. The election of a new Republican Congress set the stage for a fundamental public debate over the role of government, the country's values, and the way we could move forward as one people. Throughout this debate, I remained firmly committed to this ideal: America is strong only when America is united, and when we leave no one behind.

As I made clear in my State of the Union Address, we have an obligation to offer the American people a new kind of government for new times. My Administration recognizes that there isn't a program for every problem, but that we can produce a government that works better and costs less. We launched a top-to-bottom overhaul of Federal rules in an effort to bring common sense to often complex regulation. We streamlined the regulatory process by abolishing 16,000 pages of regulations. We reformed environmental workplace safety and pharmaceutical regulation and we trimmed red tape and business burdens, without hurting public safety and health. We eliminated the 10,000 page Federal personnel manual and we cut 136,000 positions from the Federal work force.

As we celebrated the 50th anniversary of the end of World War II in Europe, we reaffirmed our commitment to lead for peace and freedom. At a summit meeting in Russia, I joined the Russian leader in advancing the security of our people and the world—by deepening our common efforts to reduce the nuclear threat, agreeing to improve our cooperation against terrorism, and pledging to work as partners for an undivided Europe. In Haiti, I thanked our troops for securing the transition from dictatorship to democracy. And at the 50th anniversary of the United Nations, we took stock of half a century of achievement and pledged to adapt the UN for the challenges of the 21st century.

Pursuing our mission to create a safer world, the United States led the international effort among 170 countries to secure the indefinite and unconditional extension of the Nuclear Non-Proliferation Treaty. And by applying steady, patient pressure to North Korea, we secured an agreement that froze its dangerous nuclear program.

In furthering our commitment to open markets and expand opportunities for U.S. exports, we reached an historic agreement with Japan to open further its automotive market to potentially billions of dollars worth of American cars and parts.

In April, our Nation was shaken by the tragic terrorist bombing of the Alfred P. Murrah Federal Building in Oklahoma City. One hundred sixty-eight Americans lost their lives. But moments of tragedy often bring out the best in people, and thousands of Americans turned their energy and prayers toward helping the people of Oklahoma endure and overcome their enormous loss.

Finally, in June, I introduced a balanced budget plan that reflected the values of the American people: opportunity, responsibility, the duty we owe one another, strong families, a strong America. This plan built on our success in reducing the deficit by nearly one half during the first two and one-half years of my Administration. This reflected an attempt to reach out to the Congress and find common ground on the budget. And it set the stage for a climactic debate: not about whether to balance the budget, but how.

William J Clinton

Foreword

The period from July through December 1995 was an exceptional time. On fundamental issues—the role of Government, our role in the world, and how we can build a strong American community—our people came together after intense debate to forge new approaches that applied our enduring values to the challenges of new times.

During this period, the American people engaged in a great national debate about how best to balance the budget. I proposed and fought for a plan to balance the budget in a way that reflected our values, by strengthening Medicare, Medicaid, education, and the environment. The congressional majority put forward a plan that I believed did not honor our fundamental values; I vetoed that plan. By year's end, after the congressional majority twice shut down the Government, it was clear that the American people had rallied to our view. We need a smaller Government, but one strong enough to give people the tools to make the most of their own lives.

America also decisively reasserted its role as the world's indispensable nation. On my remarkable trip to Northern Ireland and Ireland—and to Jerusalem, for the funeral of Israeli Prime Minister Yitzhak Rabin—Americans were once again reminded of our unique obligation to lead and to be a force for peace where possible. And in Bosnia, America led the way to bring to an end the bloodiest conflict in Europe since World War II. By committing our troops to help maintain the peace in Bosnia, we recommitted ourselves to being the world's strongest force for peace, freedom, and prosperity.

Perhaps most important, this was a time when we worked to find common ground and bridge the intense divisions of race, religion, and geography that threaten to pull us apart. In a series of speeches, I called on Americans to find common ground. At Georgetown University, I urged a new tone of civility based on the common values that bind us together. In speeches on affirmative action at the National Archives in Washington and in Austin, Texas, I called on all Americans to clean their house of the racism that is still too real among us. And I spoke about the proper role of religion in our lives and communities, arguing that our schools need not be prayer-free zones.

The closing months of 1995 set the course for how our Nation can move confidently toward the 21st century. By holding true to our values—opportunity for all, responsibility from all, and building a strong American community—our Nation passed through this moment of decision stronger than ever before.

William J. Clinton

THE WHITE HOUSE
WASHINGTON

December 18, 1997

TO: John Podesta
Rahm Emanuel
Paul Begala
Sid Blumenthal

FR: Phil Caplan PMC

Attached is Michael Waldman's draft of the "Foreword to the Public Papers of the President" for the June-December 1996 issue. It circulated once in November, but I'd like you to take a look at it again.

Please let me know if you have any comments/edits. I'd like to get this to the President and then to the printer by next week.

For your reference, I've also attached President Reagan's similar 1984 foreword, as well as the foreword from several of Clinton's most recent "public papers."

Thanks.

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William J. Clinton

248746

THE WHITE HOUSE

WASHINGTON

January 14, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN Phil

SUBJECT: Final tax decisions for FY '99 budget

The attached memo from Secretary Rubin and Gene asks for your decision on three tax issues. You may want to discuss this with Erskine. *You should make these decisions as soon as possible.*

1) Severance Pay - Sen. Torricelli has asked us to include a provision that would allow an individual to avoid income tax on up to $2,000 of severance pay to help those being downsized, a problem that was severe in New Jersey for AT&T workers. The proposal is estimated to cost $466 million for 1998-2002. *Treasury* is opposed for a number of tax policy reasons outlined in the memo. But *Erskine* and *Gene* support Torricelli and although they understand Treasury's concerns, feel we should include the proposal. It could be modified to alleviate some of the tax policy concerns, but these modifications would likely make the proposal more costly. *Jack Lew* notes that if you choose not to include it, you could free up money to extend the Generalized System of Preferences (GSP) and Carribbean Basin Initiative (CBI) proposals beyond one year.

___ Include in FY '99 budget ___ Do not include ____ Include with modifications

2) State Tuition Proposals - In previous budget discussions, you approved a pre-paid tuition proposal. It was a middle-ground alternative between "defined benefit" plans like Florida's, and "mutual fund" states like Kentucky, but now Treasury wants to hold back the proposal for fear of antagonizing Sen. McConnell, who has been supportive of Treasury on Asian financial issues and is adamant about the advantages of Kentucky's plan. One alternative would be to adopt McConnell's plan as our own, but this would anger Florida and similar states. *Treasury* recommends introducing our alternate proposal at a later date when a tax bill begins moving. *Gene* and *Erskine* defer to Treasury. Gene or Treasury will call Gov. Chiles to explain.

___ Delay offering proposal ____ Include proposal

3) Income-contingent loan forgiveness - Under the Direct Loan program, borrowers pay an income-based amount for 25 years, and any amount owed after 25 years is forgiven. Current tax law treats the amount forgiven as taxable income. Direct Loan supporters want this provision repealed, and our budget last year included such an exemption; it was eventually removed in conference by Rep. Goodling. Direct Loan supporters want us to include the exemption again; their strong arguments for doing so are outlined in the memo. As outlined in the memo, *Treasury* opposes including the proposal again in the face of known opposition, as a matter of tax policy, and as contrary to the principles of personal responsibility we have been advancing in welfare reform. *Gene* and *Erskine* support including the proposal so as to not undermine support for Direct Loans. Gene notes that the forgiven money was never meant to be taxed.

____ Retain tax exemption proposal ____ Drop proposal

'98 JAN 13 PM8:00

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

January 13, 1998

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

FROM: **ROBERT E. RUBIN**
GENE SPERLING GBS

SUBJECT: Remaining Tax Issues in the FY 1999 Budget

This memo reviews three tax issues that remain candidates for inclusion in the FY 99 Budget. The first item is under consideration because Senator Torricelli has asked for our support. The second item is Treasury's preferred alternative to a proposal Senator McConnell has advanced. The third item, relating to elimination of tax liability when income-contingent student loans are forgiven, was included in our FY 98 budget but met opposition in Congress and was not enacted.

Severance Pay

Senator Torricelli has asked the Administration to include in the Fiscal Year 1999 Budget a provision that would allow an individual to avoid income tax on up to $2,000 of severance pay in certain circumstances. He believes this proposal would help workers facing the disruptive effects of downsizing, a problem that was particularly severe in New Jersey as AT&T was laying off workers. The proposal was originally estimated to lose $466 million for 1998-2002 and $1.123 billion for 1998-2007 (1997 estimate by Joint Committee on Taxation).

Treasury recommends opposing this provision for the following reasons.

- The proposal inappropriately would treat severance pay, which tends to accrue to higher-income workers, more favorably than unemployment benefits. Unemployment benefits are fully taxed.

- The proposal would cause a disparity between the taxation of severance pay and damages for employment discrimination. This runs counter to the legislative changes made in 1996 to eliminate the disparity between the two. Prior to 1996, taxpayers attempted to characterize severance pay as damages for employment discrimination, because the latter were arguably exempt from tax. To preclude this strategy, Congress conformed the taxation of damages for employment discrimination to the taxation of severance pay.

- The Torricelli proposal imposes certain restrictions on the availability of the $2,000, which would create perverse incentives. For example, the exclusion is limited under the bill to taxpayers who have been out of work for six months or longer. This may discourage severance pay recipients from seeking new jobs. Eliminating the restrictions, however, would increase the revenue cost of the proposal.

- The proposal could provide windfalls to employers that are engaged in layoffs if they can capture the benefit of the exclusion by providing their laid-off employees with reduced severance packages.

- The proposed treatment of severance pay would be very difficult for the IRS to administer and would create conflicts between the IRS and individual taxpayers.

Certain modifications to the proposal could be made to alleviate some of the tax policy concerns described above, the resulting provision, however, would still be inconsistent with good tax policy and would be more costly than the Torricelli proposal.

___ Do not include in FY 99 Budget ___ Include proposal ____Include proposal with modifications

Qualified State Tuition Plan Proposals

In previous budget discussions, you approved a specific pre-paid tuition plan proposal for inclusion in the budget. Upon further reflection we concluded this proposal, which would exempt certain withdrawals from tax, was likely to be controversial in Congress. In particular, there are other competing proposals with constituencies critical to Administration initiatives. Consequently, your advisors now recommend that we do not include a state pre-paid tuition proposal in the FY99 Budget. Instead, a pre-paid tuition proposal, reflecting critical Congressional input, could be considered at a later date if an appropriate opportunity arises.

____ Delay offering a pre-paid tuition proposal ____ Include a proposal

Elimination of Tax Liability When Income-Contingent Student Loans are Forgiven

Under the Direct Loan Program's income contingent repayment (ICR) option, borrowers pay an income-based amount for 25 years, and any amount that they still owe after 25 years is forgiven. Under current tax law, the amount forgiven (principal and interest) is taxable as income, as is the forgiveness of loans generally. Direct Loan supporters have been calling on the Administration to address this issue for some time, and our budget last year included an exemption from tax for ICR forgiveness. While the provision survived House and Senate consideration last year, it was removed in conference after Direct Loan opponents (led by Rep. Goodling) protested. (The industry placed op-eds and letters to the editor criticizing ICR as a tax "give-away.") The exemption has no revenue cost in the budget window. Direct Loan supporters have three arguments for proposing an ICR loan forgiveness tax exemption again:

- ICR is designed so that borrowers pay the government for no more than 25 years. Taxing the forgiven amount would create further indebtedness to the government which could stretch for several more years, and borrowers will not have any cash corresponding to the income that they can use to pay the tax.

- The tax liability associated with ICR loan forgiveness makes it difficult to market this Clinton Administration achievement. (Critics say that low-income borrowers pay for 25 years, then will be thrown in jail for non-payment of taxes.)

- Retreat on this issue would be seen as a retreat from Direct Lending generally, sending a bad signal to schools that have remained loyal to the program.

Treasury is concerned that advancing this proposal in the face of known opposition may somewhat undercut our arguments in favor of providing tax benefits for low income people who work hard to support families without the benefit of higher education or who sacrifice income and use their education for community service.

- Giving these borrowers a special tax benefit is contrary to the principles of personal responsibility we have been advancing in defending welfare reform. Unlike Pell Grant recipients who have no repayment obligation, these borrowers clearly undertook a contractual obligation to repay the loans in full, including the interest. Also, eliminating the tax altogether for ICR gives low-income people who cannot repay student loans better treatment than low-income people who cannot repay a loan they received to start a business.

- Low-income borrowers already receive a number of tax benefits, such as the EITC, that recognize their limited ability to pay tax. Payments of student loan interest are now deductible for low and moderate income borrowers, lessening the burden even more.

____ Retain ICR tax exemption proposal ____ Drop ICR tax exemption proposal

In previous budget discussions, you approved for inclusion in the budget an alternative to Senator McConnell's proposed legislation to make saving through pre-paid state tuition plans tax-free. We suggested its inclusion to influence the debate over these proposals and to reaffirm our commitment to helping families pay for college.

At the risk of oversimplification, there are two basic types of pre-paid tuition plans. "Defined benefit" states, like Florida, promise that contributions will pay the full cost of tuition at in-state schools when the beneficiary reaches college age. "Mutual fund" states, like Kentucky, provide tax-advantaged saving, but no guaranteed return.

Senator McConnell's proposal favors the mutual fund type plans by capping contributions and allowing all earnings to be withdrawn tax-free. Our alternative accommodates both the defined benefit and mutual fund type plans by allowing much higher contributions and permitting a uniform amount of earnings to be distributed tax-free. The costs of both proposals become significant beyond 2003.

Senator McConnell is adamant regarding his approach to prepaid tuition. Others have questions about it. Representatives of the states with tuition plans, for example, met with Treasury to express concerns about administrative burdens created by Senator McConnell's proposal in a meeting with the Assistant Secretary for Tax Policy. A number of states were worried that they could not keep total contributions under the limit set by Senator McConnell's proposal and still guarantee to pay tuition for state residents as they have promised. They also are wary of being forced to withhold tax from their beneficiaries' distributions.

The alternative responds to the concerns that Senator McConnell's proposal would give very affluent families an incentive to invest in these plans, even if they do not intend to use the savings for higher education. The alternative will better accommodate the most well-established plans, such as Florida's and Ohio's. At the same time, the alternative may antagonize Senator McConnell at a very important time for the Administration. Consequently, to preserve our continued cooperation with Senator McConnell, we recommend delaying the introduction of any prepaid tuition proposal and therefore not including it in the budget. If a tax bill begins to move through Congress, we would introduce an Administration pre-paid tuition proposal at that time.

248540
Rec'd January 12, 1998
7:30 pm

THE WHITE HOUSE

WASHINGTON

January 12, 1998

MEMORANDUM TO THE PRESIDENT

FROM RAHM EMANUEL

SUBJECT JAY WINSTEN LETTER, MENTORING PROJECT

1-14-98

I received the information you sent me from Jay Winsten. I think the mentoring project is a good idea. However, we should be careful about placing too much focus on PSA's. We now have a major anti-drug PSA effort underway.

HARVARD SCHOOL OF PUBLIC HEALTH
Center for Health Communication

Jay A. Winsten, Ph.D., Associate Dean and Center Director

EB/c Rahm
cc Murray Greider
Rec lots
Duncan
Bo

Hilton Head
December 31, 1997

THE PRESIDENT HAS SEEN
1-5-98

Dear Mr. President:

To follow-up our brief conversation last night, I've attached a status report on Harvard's new media campaign to recruit mentors for at-risk youth. ABC, CBS, NBC, Fox, HBO, the Turner Networks, and the Hollywood studios have signed on.

I need your help to influence the upcoming television season by speaking at a Hollywood luncheon that Harvard will organize for 1,000 television writers, producers and executives, under the banner of "Give Something Back". Ideally, the luncheon should be held in June, when producers are making key decisions on the content of scripts for the Fall TV season.

Send note back to Poluson advertising

The goal of the luncheon is to encourage the inclusion of pro-social themes in scripts, including special emphasis on depicting mentoring relationships and sound parenting strategies. The luncheon also will celebrate the 10th anniversary of the designated driver campaign, demonstrating what Hollywood can accomplish when it puts its mind to it.

Thank you for considering this request.

copied
Bowles
Rahm

Sincerely,

Jay

cc: Bruce Reed

677 Huntington Avenue Boston, Massachusetts 02115-6096 Tel: (617) 432-1038 Fax: (617) 731-8184

THE HARVARD MENTORING PROJECT
Center for Health Communication • Harvard School of Public Health
Jay A. Winsten, Ph.D., Associate Dean and Center Director

THE HARVARD MENTORING PROJECT—STATUS REPORT

"The problem with [TV sitcom] 'Fresh Prince of Bel Air' was, they showed us what life's like in Bel Air, but didn't teach us how to get there." Tanya, a 16-year old girl from a Boston inner-city neighborhood, expressed her frustration—and ambition—during a focus group discussion on youth violence prevention conducted by the Harvard School of Public Health. Tanya is smart, motivated—and going nowhere, because she lacks adequate guidance. If the right person takes her under their wing, becomes her mentor and points the way, Tanya has a good chance to achieve fulfillment as a productive citizen. There are many others like Tanya. Regrettably, few are receiving the benefits of mentoring from a caring, responsible adult.

There is solid scientific evidence that mentoring works. In a landmark study, 1,000 young people on the waiting list of Big Brothers Big Sisters of America—mostly urban youth aged 11 to 15—were randomly assigned to two groups. Members of one group were assigned a mentor; members of the other group remained on the waiting list. Typically, the mentors met with the young people three times a month, with the average meeting lasting four hours. Comparing the two groups 18 months later, the children with mentors were 46% less likely to begin using illegal drugs; 27% less likely to begin using alcohol; 53% less likely to skip school; and 33% less likely to hit someone. Rather than focusing separately on discrete problems such as drugs, alcohol, school drop-out, and youth violence—all of which may affect the same child—the strength of mentoring is that it deals with all these problems simultaneously by addressing the needs of the child as a whole.

The challenge is to take mentoring to scale. Of the 12 million at-risk children in the United States, only 300,000-400,000 currently receive the benefits of mentoring. The largest program, Big Brothers Big Sisters of America, reaches 105,000 young people—with 30,000 more on the waiting list.

The challenge is twofold: to funnel additional volunteers into existing mentoring projects; and to stimulate the creation of new mentoring projects sponsored by businesses, religious groups, and civic organizations, with their members serving as mentors. A variety of model programs already exist. In Miami, 1,200 African-American men have come together to mentor 3,000 African-American boys. In New York City, employees of Goldman Sachs are mentoring 600 young people, who visit the corporation's offices on a regular basis to meet with their mentors. In Philadelphia, 65 churches have joined together to mentor 800 children. In Kansas City and Minneapolis-St. Paul, thousands of children are being mentored through large-scale community-based efforts. The challenge is to replicate these programs in cities and towns across the country, motivating large numbers of citizens and organizations to get involved. Generating this high level of interest—indeed, creating a movement of tremendous momentum—will require a highly effective marketing and communication effort. That is the task of the Harvard Mentoring Project in partnership with America's Promise—The Alliance for Youth, One to One | The National Mentoring Partnership, The Points of Light Foundation, and Big Brothers Big

677 Huntington Avenue Boston, Massachusetts 02115-6096 Tel: (617) 432-1038 Fax: (617) 731-8184

Sisters of America. This national media campaign will help recruit an army of volunteers to serve as mentors of at-risk youth. The Project will be conducted in collaboration with leading television networks and Hollywood studios.

The Harvard Mentoring Project will utilize media strategies comparable to those employed by Harvard's highly successful Designated Driver Campaign for drunk driving prevention, which was launched in 1988 in collaboration with major Hollywood studios and leading television networks. During four television seasons, more than 160 prime time episodes depicted the use of designated drivers, and network-sponsored public service announcements (PSAs) were broadcast up to 10-20 times per week. *The New York Times* estimated that Harvard generated more than $100 million each year in donated network airtime; public relations activities further reinforced the Campaign, generating extensive news coverage. The bottom line: 65 million Americans served as designated drivers (Roper Poll), contributing to a 30% decline in annual fatalities from drunk driving. Harvard's Designated Driver Campaign helped create a new social norm—a new social expectation—that "the driver doesn't drink." Similarly, the Harvard Mentoring Project will promote the widespread acceptance of a community ethic in which individual citizens accept a shared responsibility for the well-being of all children.

The timing is propitious for this new Harvard initiative. From April 27-29 in Philadelphia, retired General Colin Powell chaired the Presidents' Summit on America's Future, sponsored by the Points of Light Foundation and the National Service Corporation. Presidents Clinton, Bush, Carter, Ford, and Mrs. Reagan representing her husband, joined 30 governors, 100 mayors, scores of corporate leaders, and 4,000 delegates. They launched an effort to win unprecedented numbers of commitments from corporations, non-profits, and individual citizens to help young people who are at risk of not leading healthy, fulfilling, and productive lives. To sustain the tremendous momentum generated by the Summit, General Powell and philanthropist Raymond Chambers are heading a new organization, America's Promise—The Alliance for Youth. Dr. Jay Winsten, director of the Harvard Mentoring Project, served as co-chair of the Summit's National Media Task Force, and has now been asked to serve on the Communications and Marketing Task Force of America's Promise.

The Harvard Mentoring Project and its partners will serve as a communications engine to fuel the growth of the mentoring movement. The Project will utilize a communications strategy with three components: advertising, entertainment programming, and news. Here's how it will work:

1. ADVERTISING: The Project will secure commitments from television networks to produce and sponsor their own PSAs on mentoring. Some PSAs will motivate individuals to volunteer at existing mentoring projects; others will motivate businesses, religious groups, or civic organizations to launch new mentoring projects. All of the PSAs will offer a toll-free number enabling viewers to call for referrals to mentoring projects in their own communities and for information on how to launch new projects.

2. ENTERTAINMENT PROGRAMMING: The Project will secure commitments from television writers and producers to develop prime time episodes depicting individuals serving as mentors. Entertainment programming not only mirrors social reality, but also helps shape it by depicting what constitutes public opinion, by influencing people's perceptions of the roles and behaviors that are appropriate to members of a culture, and by modeling specific behaviors. The prime time episodes depicting mentoring will extend and reinforce the impact of the network-sponsored PSAs.

3. NEWS: The Project will direct the attention of journalists to newsworthy developments in mentoring to help promote the growth of the mentoring movement. The Project will encourage journalists to spotlight innovative mentoring programs, track progress in state- and city-wide efforts to take mentoring to scale, and tell the stories of mentors and the young people they help. Special attention will be focused on securing coverage of mentoring on network news magazines and evening newscasts as well as in leading newspapers.

The Project also will work with a leading advertising agency to create a simple phrase—comparable to "designated driver"—that can serve as media shorthand for a variety of volunteer roles that help at-risk youth. The Project will popularize this phrase—indeed, will make it the talk of the nation—by encouraging its use in prime time entertainment episodes and network-sponsored PSAs, as well as on billboards, posters, and T-shirts. This initiative will generate powerful momentum behind the mentoring movement, helping to motivate large numbers of individuals and organizations to commit to helping young people.

PROGRESS TO DATE

At the request of the Harvard Mentoring Project, ABC, CBS, NBC, FOX and HBO have made commitments to produce and sponsor public service announcements this fall to help recruit mentors for at-risk youth. All PSAs will be tagged with toll-free telephone numbers enabling viewers to call for information about specific mentoring opportunities in their own local communities. This initiative is a collaborative effort involving the Harvard Mentoring Project, the television networks, and non-profit organizations promoting mentoring and volunteerism. The Points of Light Foundation and One to One | The National Mentoring Partnership, with funding from the MCJ Foundation, have prepared their local affiliates to respond to callers seeking information on local mentoring opportunities. The Points of Light Foundation serves as a national umbrella for more than 400 local Volunteer Centers, whose mission is to connect citizens with volunteer opportunities. One to One | The National Mentoring Partnership is an advocacy and resource group that is spearheading the growth of the mentoring movement; it has 13 affiliates in major cities. America's Promise will sponsor a toll-free number providing callers with information on mentoring. This toll-free number will utilize an automated response system programmed to provide the caller with the name and phone number of the nearest Volunteer Center or One to One affiliate, based on the caller's zip code.

Here is a rundown of each network's plans:

1. ABC's initiative is an extension of its major, ongoing commitment to mentoring, sponsored by ABC's Children First Campaign in collaboration with the Harvard Mentoring Project, the MCJ Foundation, One to One|The National Mentoring Partnership and the Points of Light Foundation. To date, more than 100,000 viewers have called the Children's First toll-free number for information on mentoring opportunities. ABC will continue to broadcast several mentoring PSAs each week, including in prime time, tagging the PSAs with the Children First toll-free number (1-800-914-2212). Callers will be offered brochures and referrals to Volunteer Centers and One to One affiliates.

2. CBS Sports will produce and sponsor PSAs promoting mentoring that will be broadcast during sports programming beginning in September. These messages will focus on the linkage between coaching and mentoring, and will be tagged with the America's Promise toll-free number (1-888-55-YOUTH). Shorter versions of these PSAs will air on CBS in prime time. In addition, CBS has produced a one-hour syndicated program on the involvement of the faith community in mentoring.

3. FOX kicked-off a new network-sponsored public service campaign on September 15, focusing on a different topic every 3-4 months. From September 15-December 31, the entire campaign will be devoted to promoting mentoring, with PSAs airing 2-5 times per week in prime time. The FOX PSAs will be tagged with the America's Promise toll-free number.

4. Beginning in late September, NBC will sponsor PSAs promoting mentoring on an ongoing basis under the umbrella of NBC's "The More You Know" Campaign. The NBC mentoring PSAs will air throughout the schedule, including in prime time, and will be tagged with the America's Promise toll-free number.

5. HBO has produced a set of PSAs featuring individuals who are serving as mentors and the young people whom they are helping. Beginning this fall, these PSAs will run during HBO's entertainment news program, and will be made available to all other networks and cable systems. The HBO PSAs will be tagged with the America's Promise toll-free number.

248004

THE WHITE HOUSE

WASHINGTON

1-23-98

January 22, 1998

MR. PRESIDENT:

The attached memo from Secretary Peña seeks your approval to terminate a Department of Energy/Chevron contract that governs the operation of Naval Petroleum Reserve No. 1 at Elk Hills in Bakersfield, California, which is to be sold off next month.

Background. The FY96 Defense Authorization Act, which you signed into law on February 10, 1996, requires the sale of the Petroleum Reserve by February 10, 1998. To accomplish the sale, DOE must exercise unilateral termination provisions of the Unit Plan Contract (UPC) with Chevron. DOE provided Chevron with a required six-month termination notice under the UPC in early August.

UPC Termination. By law, termination of the UPC requires your approval. Termination is conditioned upon the sale of the Reserve and will not occur unless certain sale conditions, including a minimum sale price, are met.

This proposed action has received all necessary clearances, including from NSC and OMB. If you approve, we will execute the necessary paperwork on your behalf.

Approve ___ Disapprove ___ Discuss ___

Phil Caplan
Sean Maloney

THE WHITE HOUSE
WASHINGTON

Copies given
RM + Clerk
1-07-98

Cabinet Affairs just brought
this over yesterday. They
can't find the original
— Christy

248004

ID# 233910

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

'98 JAN 7 PM 12:17

INCOMING

DATE RECEIVED: SEPTEMBER 09, 1997

NAME OF CORRESPONDENT: THE HONORABLE FREDERICO PENA

SUBJECT: TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1

ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACTION: ACT CODE	ACTION: DATE YY/MM/DD	DISPOSITION: TYPE RESP	DISPOSITION: C D	DISPOSITION: COMPLETED YY/MM/DD
THURGOOD MARSHALL	ORG	97/09/09			__/__/__
REFERRAL NOTE:					
		__/__/__			__/__/__
REFERRAL NOTE:					
		__/__/__			__/__/__
REFERRAL NOTE:					
		__/__/__			__/__/__
REFERRAL NOTE:					
		__/__/__			__/__/__
REFERRAL NOTE:					

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES:

MI MAIL USER CODES: (A)____ (B)____ (C)____

*ACTION CODES:	*DISPOSITION	*OUTGOING CORRESPONDENCE:
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS OF SIGNER
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	CODE = A
*D-DRAFT RESPONSE	*C-COMPLETED	*COMPLETED = DATE OF OUTGOING
*F-FURNISH FACT SHEET	*S-SUSPENDED	
*I-INFO COPY/NO ACT NEC		
*R-DIRECT REPLY W/COPY		
*S-FOR-SIGNATURE		
*X-INTERIM REPLY		

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

S

to KB fyi Sept 10

248004

'98 JAN 7 PM12:20

The Secretary of Energy
Washington, DC 20585

September 5, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: **FEDERICO PEÑA** Federico Peña

SUBJECT: **TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1**

I. **ACTION-FORCING EVENT:** The National Defense Authorization Act for Fiscal Year 1996 (Pub. L. No. 104-106) (the Act) requires the sale of the Federal Government's interest in Naval Petroleum Reserve No.1 (the Reserve or Elk Hills) by February 10, 1998. In connection with the divestment of this interest, I am required by the Act to exercise the termination procedures in the Unit Plan Contract (UPC) between the Department and Chevron U.S.A., Inc. (Chevron), owner of certain parcels of land within the Reserve, so that the contract terminates no later than the sale closing date. The UPC governs the operation of the Reserve and provides for unilateral termination by the Government, subject to the President's approval on six months' written notice to Chevron. In order to comply with the statutory and contractual timetables, I have prepared for your signature the attached memorandum approving my decision to terminate the UPC. Written notice of termination, expressly subject to your approval and to consummation of the sale, was transmitted to Chevron on August 8, 1997.

II. **BACKGROUND:** Pub. L. No. 104-106 was signed on February 10, 1996. Section 3412 of the Act requires the Secretary of Energy, "not later than two years after the [Act's] effective date" to "enter into one or more contracts for the sale of " Elk Hills. The provision for selling the Reserve reflects the shared belief of Congress and your Administration that there is no longer a strategic need for the Reserve and concern about the propriety of the Government's continuing involvement in what has become a commercial petroleum business.

Succeeding passages of the Act provide for establishment of a minimum sale price and specify procedures for the administration of the sale, related conditions, and provisions affecting existing contracts at Elk Hills, including the UPC. Section 3413(a)(3) of the Act requires me to terminate the UPC in accordance with its terms, such termination to take place "not later than the date of closing of the sale of" Elk Hills, which is expected to occur by February 10, 1998. Termination is conditioned on sale and will not occur automatically on this date if conditions on the sale process, including the minimum sale price, are not satisfied (section 3414 of the Act).

The limited procedures in section 11(b) of the UPC give me, as successor to the Secretary of the Navy, the unilateral right and discretion to terminate the contract "subject to the approval of the President on six (6) months' written notice to" Chevron, successor in interest to Standard Oil Company of California. The Department and Chevron are in the process of preparing an agreement for the orderly unwinding of affairs of the parties under the UPC on a "fair and equitable" basis as further specified in section 11(b).

III. **RECOMMENDATION:** That you sign the attached memorandum approving my decision to terminate the Unit Plan Contract between the Department and Chevron.

Attachment

MEMORANDUM FOR THE SECRETARY OF ENERGY

FROM: **THE PRESIDENT**

SUBJECT: **TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1**

In accordance with section 3413(a)(3) of the National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, 110 Stat. 86 (1996), and section 11(b) of the Unit Plan Contract (UPC) between the Department of Energy and Chevron U.S.A., Inc., I hereby approve your intent to terminate the UPC, effective on the closing of the sale of the United States' interest in Naval Petroleum Reserve No. 1.

cc: Office of Management and Budget

Document No. 0143

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/8 ACTION/CONCURRENCE/COMMENT DUE BY: 1/12

SUBJECT: Sale of Naval Petroleum Reserve #1

'98 JAN 13 AM7:04

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	McCURRY	☐	✓
BOWLES	✓	☐	McGINTY	✓	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	✓	☐	RADD	☐	☐
MATHEWS	✓	☐	REED	☐	☐
RAINES	✓	☐	RUFF	☐	☐
BLUMENTHAL	☐	☐	SMITH	☐	☐
BERGER	✓	☐	SOSNIK	☐	☐
ECHAVESTE	☐	☐	SPERLING	✓	☐
EMANUEL	✓	☐	STREETT	☐	☐
GIBBONS	☐	☐	TARULLO	☐	☐
HILLEY	✓	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☐	☐	BEGALA	☐	☐
LINDSEY	☐	☐	Glauthier	✓	☐
MARSHALL	✓	☐	Clerks	☐	✓
				☐	☐

REMARKS: This was just received in our office. Please advise

RESPONSE:

January 12, 1998

The NSC staff concurs with this proposal.

MG Donald L. Kerrick

'98 JAN 12 PM9:31

Staff Secretary
Ext. 6-2702

The Secretary of Energy
Washington, DC 20585

September 5, 1997

'98 JAN 7 PM 12:20

MEMORANDUM FOR THE PRESIDENT

FROM: **FEDERICO PEÑA**

SUBJECT: **TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1**

I. **ACTION-FORCING EVENT:** The National Defense Authorization Act for Fiscal Year 1996 (Pub. L. No. 104-106) (the Act) requires the sale of the Federal Government's interest in Naval Petroleum Reserve No.1 (the Reserve or Elk Hills) by February 10, 1998. In connection with the divestment of this interest, I am required by the Act to exercise the termination procedures in the Unit Plan Contract (UPC) between the Department and Chevron U.S.A., Inc. (Chevron), owner of certain parcels of land within the Reserve, so that the contract terminates no later than the sale closing date. The UPC governs the operation of the Reserve and provides for unilateral termination by the Government, subject to the President's approval on six months' written notice to Chevron. In order to comply with the statutory and contractual timetables, I have prepared for your signature the attached memorandum approving my decision to terminate the UPC. Written notice of termination, expressly subject to your approval and to consummation of the sale, was transmitted to Chevron on August 8, 1997.

II. **BACKGROUND:** Pub. L. No. 104-106 was signed on February 10, 1996. Section 3412 of the Act requires the Secretary of Energy, "not later than two years after the [Act's] effective date" to "enter into one or more contracts for the sale of " Elk Hills. The provision for selling the Reserve reflects the shared belief of Congress and your Administration that there is no longer a strategic need for the Reserve and concern about the propriety of the Government's continuing involvement in what has become a commercial petroleum business.

Succeeding passages of the Act provide for establishment of a minimum sale price and specify procedures for the administration of the sale, related conditions, and provisions affecting existing contracts at Elk Hills, including the UPC. Section 3413(a)(3) of the Act requires me to terminate the UPC in accordance with its terms, such termination to take place "not later than the date of closing of the sale of" Elk Hills, which is expected to occur by February 10, 1998. Termination is conditioned on sale and will not occur automatically on this date if conditions on the sale process, including the minimum sale price, are not satisfied (section 3414 of the Act).

The limited procedures in section 11(b) of the UPC give me, as successor to the Secretary of the Navy, the unilateral right and discretion to terminate the contract "subject to the approval of the President on six (6) months' written notice to" Chevron, successor in interest to Standard Oil Company of California. The Department and Chevron are in the process of preparing an agreement for the orderly unwinding of affairs of the parties under the UPC on a "fair and equitable" basis as further specified in section 11(b).

III. **RECOMMENDATION:** That you sign the attached memorandum approving my decision to terminate the Unit Plan Contract between the Department and Chevron.

Attachment

MEMORANDUM FOR THE SECRETARY OF ENERGY

FROM: THE PRESIDENT

SUBJECT: TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1

In accordance with section 3413(a)(3) of the National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, 110 Stat. 86 (1996), and section 11(b) of the Unit Plan Contract (UPC) between the Department of Energy and Chevron U.S.A., Inc., I hereby approve your intent to terminate the UPC, effective on the closing of the sale of the United States' interest in Naval Petroleum Reserve No. 1.

cc: Office of Management and Budget

Document No.__________

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/8 ACTION/CONCURRENCE/COMMENT DUE BY: 1/12

SUBJECT: Sale of Naval Petroleum Reserve #1

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	McCURRY	☐	✓
BOWLES	✓	☐	McGINTY	✓	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	✓	☐	RADD	☐	☐
MATHEWS	✓	☐	REED	☐	☐
RAINES	✓	☐	RUFF	☐	☐
BLUMENTHAL	☐	☐	SMITH	☐	☐
BERGER concur/attached	✓	☐	SOSNIK	☐	☐
ECHAVESTE	☐	☐	SPERLING	✓	☐
EMANUEL	✓	☐	STREETT	☐	☐
GIBBONS	☐	☐	TARULLO	☐	☐
HILLEY	✓	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☐	☐	BEGALA	☐	☐
LINDSEY	☐	☐	Glauthier 1/16/98 attached	✓	☐
MARSHALL	✓	☐	Clerks	☐	✓
				☐	☐

REMARKS:
This was just received in our office. Please advise

RESPONSE:

Staff Secretary
Ext. 6-2702

Document No. ____________

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/8 ACTION/CONCURRENCE/COMMENT DUE BY: 1/12

SUBJECT: Sale of Naval Petroleum Reserve #1

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
BOWLES	✓		McGINTY	✓	
McLARTY			NASH		
PODESTA	✓		RADD		
MATHEWS	✓		REED		
RAINES	✓		RUFF		
BLUMENTHAL			SMITH		
BERGER	✓		SOSNIK		
ECHAVESTE			SPERLING	✓	
EMANUEL	✓		STREETT		
GIBBONS			TARULLO		
HILLEY	✓		VERVEER		
IBARRA			WALDMAN		
KLAIN			YELLEN		
LEWIS			BEGALA		
LINDSEY			Glauthier	✓	
MARSHALL	✓		Clerks		✓

REMARKS:
This was just received in our office. Please advise

RESPONSE:

Staff Secretary
Ext. 6-2702

The Secretary of Energy
Washington, DC 20585

September 5, 1997

'98 JAN 7 PM12:20

MEMORANDUM FOR THE PRESIDENT

FROM: FEDERICO PEÑA

SUBJECT: TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1

I. **ACTION-FORCING EVENT:** The National Defense Authorization Act for Fiscal Year 1996 (Pub. L. No. 104-106) (the Act) requires the sale of the Federal Government's interest in Naval Petroleum Reserve No.1 (the Reserve or Elk Hills) by February 10, 1998. In connection with the divestment of this interest, I am required by the Act to exercise the termination procedures in the Unit Plan Contract (UPC) between the Department and Chevron U.S.A., Inc. (Chevron), owner of certain parcels of land within the Reserve, so that the contract terminates no later than the sale closing date. The UPC governs the operation of the Reserve and provides for unilateral termination by the Government, subject to the President's approval on six months' written notice to Chevron. In order to comply with the statutory and contractual timetables, I have prepared for your signature the attached memorandum approving my decision to terminate the UPC. Written notice of termination, expressly subject to your approval and to consummation of the sale, was transmitted to Chevron on August 8, 1997.

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III. **RECOMMENDATION:** That you sign the attached memorandum approving my decision to terminate the Unit Plan Contract between the Department and Chevron.

Attachment

MEMORANDUM FOR THE SECRETARY OF ENERGY

FROM: THE PRESIDENT

SUBJECT: TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1

In accordance with section 3413(a)(3) of the National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, 110 Stat. 86 (1996), and section 11(b) of the Unit Plan Contract (UPC) between the Department of Energy and Chevron U.S.A., Inc., I hereby approve your intent to terminate the UPC, effective on the closing of the sale of the United States' interest in Naval Petroleum Reserve No. 1.

cc: Office of Management and Budget

Document No. ______________

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/8   ACTION/CONCURRENCE/COMMENT DUE BY: 1/12

SUBJECT: Sale of Naval Petroleum Reserve #1

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
BOWLES	✓		McGINTY	✓	
McLARTY			NASH		
PODESTA	✓		RADD		
MATHEWS	✓		REED		
RAINES	✓		RUFF		
BLUMENTHAL			SMITH		
BERGER	✓		SOSNIK		
ECHAVESTE			SPERLING	✓	
EMANUEL	✓		STREETT		
GIBBONS			TARULLO		
HILLEY	✓		VERVEER		
IBARRA			WALDMAN		
KLAIN			YELLEN		
LEWIS			BEGALA		
LINDSEY			Glauthier	✓	
MARSHALL	✓		Clerks		✓

REMARKS:
This was just received in our office. Please advise

RESPONSE:

Staff Secretary
Ext. 6-2702

The Secretary of Energy
Washington, DC 20585

September 5, 1997

'98 JAN 7 PM12:20

MEMORANDUM FOR THE PRESIDENT

FROM: **FEDERICO PEÑA**

SUBJECT: **TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1**

I. **ACTION-FORCING EVENT:** The National Defense Authorization Act for Fiscal Year 1996 (Pub. L. No. 104-106) (the Act) requires the sale of the Federal Government's interest in Naval Petroleum Reserve No.1 (the Reserve or Elk Hills) by February 10, 1998. In connection with the divestment of this interest, I am required by the Act to exercise the termination procedures in the Unit Plan Contract (UPC) between the Department and Chevron U.S.A., Inc. (Chevron), owner of certain parcels of land within the Reserve, so that the contract terminates no later than the sale closing date. The UPC governs the operation of the Reserve and provides for unilateral termination by the Government, subject to the President's approval on six months' written notice to Chevron. In order to comply with the statutory and contractual timetables, I have prepared for your signature the attached memorandum approving my decision to terminate the UPC. Written notice of termination, expressly subject to your approval and to consummation of the sale, was transmitted to Chevron on August 8, 1997.

II. **BACKGROUND:** Pub. L. No. 104-106 was signed on February 10, 1996. Section 3412 of the Act requires the Secretary of Energy, "not later than two years after the [Act's] effective date" to "enter into one or more contracts for the sale of " Elk Hills. The provision for selling the Reserve reflects the shared belief of Congress and your Administration that there is no longer a strategic need for the Reserve and concern about the propriety of the Government's continuing involvement in what has become a commercial petroleum business.

Succeeding passages of the Act provide for establishment of a minimum sale price and specify procedures for the administration of the sale, related conditions, and provisions affecting existing contracts at Elk Hills, including the UPC. Section 3413(a)(3) of the Act requires me to terminate the UPC in accordance with its terms, such termination to take place "not later than the date of closing of the sale of" Elk Hills, which is expected to occur by February 10, 1998. Termination is conditioned on sale and will not occur automatically on this date if conditions on the sale process, including the minimum sale price, are not satisfied (section 3414 of the Act).

The limited procedures in section 11(b) of the UPC give me, as successor to the Secretary of the Navy, the unilateral right and discretion to terminate the contract "subject to the approval of the President on six (6) months' written notice to" Chevron, successor in interest to Standard Oil Company of California. The Department and Chevron are in the process of preparing an agreement for the orderly unwinding of affairs of the parties under the UPC on a "fair and equitable" basis as further specified in section 11(b).

III. **RECOMMENDATION:** That you sign the attached memorandum approving my decision to terminate the Unit Plan Contract between the Department and Chevron.

Attachment

MEMORANDUM FOR THE SECRETARY OF ENERGY

FROM: **THE PRESIDENT**

SUBJECT: **TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1**

In accordance with section 3413(a)(3) of the National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, 110 Stat. 86 (1996), and section 11(b) of the Unit Plan Contract (UPC) between the Department of Energy and Chevron U.S.A., Inc., I hereby approve your intent to terminate the UPC, effective on the closing of the sale of the United States' interest in Naval Petroleum Reserve No. 1.

cc: Office of Management and Budget

January 22, 1998

Bakersfield, CA

MR. PRESIDENT:

The attached memo from Secretary Peña seeks your approval to terminate a Department of Energy/Chevron contract that governs the operation of Naval Petroleum Reserve No. 1, which is to be sold off next month.

which signed into law on Feb 10 1996

Background. The FY96 Defense Authorization Act requires the sale of the Petroleum Reserve by February 10, 1998. To accomplish the sale, DOE must exercise unilateral termination provisions of the Unit Plan Contract (UPC) with Chevron. DOE provided Chevron with a required six-month termination notice under the UPC in early August.

UPC Termination. By law, termination of the UPC requires your approval. Termination is conditioned upon the sale of the Reserve and will not occur unless certain sale conditions, including a minimum sale price, are met.

NEC and OMB have approved concur in Sec. Peña's comments.

~~This proposed action has received all necessary clearances~~. If you approve, we will execute the necessary instruments on your behalf.

Approve ___ Disapprove ___ Discuss ___

Phil Caplan
Sean Maloney

h:\data\
upc

CC: KATHY
GARY
BOB C

Document No. ____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/8 ACTION/CONCURRENCE/COMMENT DUE BY: 1/12

SUBJECT: Sale of Naval Petroleum Reserve #1

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	McCURRY	☐	✓
BOWLES	✓	☐	McGINTY	✓	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	✓	☐	RADD	☐	☐
MATHEWS	✓	☐	REED	☐	☐
RAINES	✓	☐	RUFF	☐	☐
BLUMENTHAL	☐	☐	SMITH	☐	☐
BERGER	✓	☐	SOSNIK	☐	☐
ECHAVESTE	☐	☐	SPERLING	✓	☐
EMANUEL	✓	☐	STREETT	☐	☐
GIBBONS	☐	☐	TARULLO	☐	☐
HILLEY	✓	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☐	☐	BEGALA	☐	☐
LINDSEY	☐	☐	Glauthier	✓	☐
MARSHALL	✓	☐	Clerks	☐	✓
				☐	☐

REMARKS:

This was just received in our office. Please advise

RESPONSE:

Please see OMB's response attached

'98 JAN 16 PM5:24

Staff Secretary
Ext. 6-2702

The Secretary of Energy
Washington, DC 20585

September 5, 1997

'98 JAN 7 PM 12:20

MEMORANDUM FOR THE PRESIDENT

FROM: **FEDERICO PEÑA** Federico Peña

SUBJECT: **TERMINATION OF UNIT PLAN CONTRACT FOR NAVAL PETROLEUM RESERVE NO. 1**

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cc: Office of Management and Budget

TIME OF TRANSMISSION:

TIME OF RECEIPT:

'98 JAN 2 AM8:04

WHITE HOUSE SITUATION ROOM

O

1-5-98

PRECEDENCE: X IMMEDIATE
PRIORITY
ROUTINE

RELEASER:

DTG:

MESSAGE NO: **CLASSIFICATION:** Unclassified **PAGES:** 8 **(Including Cover)**

FROM: Sean Maloney **(NAME)** 62702 **(PHONE NUMBER)** Gd FL WW **(ROOM NO.)**

MESSAGE DESCRIPTION: Remarks and Briefing Paper for Radio Address on the Peace Corps

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBER
	Kris Engskov (2 copies)		

1-2-98

copy sent through Sit Rm and copy faxed

Confermed w/ Kris Engskow receipt

REMARKS:

Comm Center; Please provide Kris Engskov will 2 copies.

'97 DEC 31 PM2:58

THE WHITE HOUSE

WASHINGTON

January 1, 1998

TAPED WEEKLY RADIO ADDRESS

DATE: January 2, 1998
LOCATION: St. Thomas, Virgin Islands
TIME: TBD
FROM: Megan Moloney

I. PURPOSE

You will announce your intent to ask Congress to increase the size of the Peace Corps international program to 10,000 volunteers by the year 2000.

II. BACKGROUND

Peace Corps Volunteers have been fighting hunger, disease, illiteracy, poverty and lack of opportunity around the world since 1961. Thanks to the efforts of more than 140,000 Volunteers, over two and a half million acres of cropland are more productive; more than 14 million people have benefitted from water, sanitation, and health programs; at least five million have learned English, the international language of commerce; and thousands of new small businesses have been launched. Today there are approximately 6,500 Volunteers working in 90 countries.

III. PARTICIPANTS

The President
David Neslen or Michael Teague
White House Communications Agency (WHCA) staff
White House Television(WHTV)
White House photographer

IV. PRESS PLAN

The ABC, AP, C-SPAN, CBS, NBC/Mutual/Westwood One, NPR, UPI, USA, American Urban Radio Network, and Standard News networks will carry the address in its entirety to their thousands of stations across the country this Saturday at 10:06 AM ET. Radio stations in Western Kentucky which do not normally carry the address have been called regarding this week's topic and encouraged to carry the address.

V. SEQUENCE OF EVENTS

Tape Radio Address

VI. REMARKS

To be forwarded by the NSC Communications.

'97 DEC 31 PM5:30

12/31/97 5:15 p.m.

PRESIDENT WILLIAM JEFFERSON CLINTON
RADIO ADDRESS ON THE PEACE CORPS
HILTON HEAD, SOUTH CAROLINA
JANUARY 3, 1998

Good morning. The beginning of a new year is a time of promise, and at the start of 1998, we have much to be thankful for. Our economy is strong, our social fabric is mending and our nation is strong and at peace. These good times give us an even greater obligation to give something back to our fellow citizens and others around the world. Today, I want to talk about how we can strengthen one of the proudest expressions of America's ideal of service: The Peace Corps.

Citizen service must be at the heart of our efforts to prepare America for the 21st Century. From the beginning of my presidency, I have worked to give more Americans the chance to serve, to join with their fellow citizens to take responsibility for their communities and their country. We created AmeriCorps, which has already given more than 100,000 young Americans the opportunity to serve our nation and earn money for a college education. We strengthened that commitment with the President's Summit on Service in Philadelphia, which moved thousands of Americans to give our children a helping hand. And this year, the day we honor Dr. Martin Luther King will be a day of service in communities across America.

When President Kennedy founded the Peace Corps in 1961, he saw it as a bold experiment in public service – one that would unite our nation's highest ideals with a pragmatic approach to bettering the lives of ordinary people. He saw it as an investment in our future – and in the years since, it has paid off many times over.

Three decades ago, Peace Corps volunteers worked as teachers in villages in Africa and Asia, Latin America and the Pacific region. They helped communities inoculate their children against disease, clean their water and increase their harvests.

By doing so, they helped these communities and these countries become stronger and more stable, making them better partners for us as we work together to meet common goals.

Today, the Peace Corps continues these efforts, but it is also adapting to the new needs of our era. Since the fall of the communism, Peace Corps volunteers have gone to work in new democracies from Eastern Europe to Central Asia. They have helped nurture and strengthen free markets by teaching new entrepreneurs how to get their businesses running. Volunteers now work to protect the environment and help prevent the spread of AIDS.

The Peace Corps today is one of our national treasures – a shining example of what citizen service can accomplish for America and the world. Now, under Director Mark Gearan, the Peace Corps is preparing to meet the challenges of the next century. To ensure that it does, I will ask Congress next month to continue its longtime, bipartisan support for the Peace Corps and join me in putting the Peace Corps on the path to 10,000 volunteers overseas by the year 2000 – an increase of more than 50% from today's level. To reach that goal, I will request that funding for the Peace Corps be increased by $48 million – the largest increase since the 1960s.

In a world that is constantly growing closer, we must work harder to overcome the divisions that separate us from others around the world and here at home. By strengthening the Peace Corps, we can help achieve that goal, and we can create more opportunities for people to serve – to join together to meet common challenges, which is one of the most precious opportunities of all.

Thanks for listening.

###

MESSAGE CONFIRMATION

JAN-02-98 08:29

FAX NUMBER : 2024562215

NAME :

FAX NUMBER	:	913407153540
PAGE	:	08
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