

John Rainey, Jr.

June 9, 2000  
00 JUN 12 PM 12:19

Mr. President -

Just a short note to express my thanks for the service you have given our country over the past 7 1/2 years and during your lengthy career as a public servant.

Your energy, leadership and vision has advanced our national interest during your successful tenure as our chief executive. I am very proud that our children (and our son Cole who is with us today) have been blessed to live in such time of peace and prosperity that is largely due to your policies and direction in leading our nation.

Please know that many, many

6/12/00  
Send to Burkhardt?  
Yes ☒  
No ☐

Coul

POYNER & SPRUILL, L.L.P.  
ATTORNEYS AT LAW

Raleigh

Charlotte

Rocky Mount

John S. Rainey, Jr.

Partner

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Raleigh, NC 27605-0096

919/783-6400 • Fax: 919/783-1075

Americans respect you and the  
job you have done.

Thank you and your staff  
for the unique opportunity to visit  
the White House and observe your  
radio address.

Sincerely,

John Rainey

P.S. Only wish you could run  
one more time so we could  
carry North Carolina for you.

---

Lucy Longford  
back

---

Arkansas Game & Fish Commission  
2 Natural Resources Drive Little Rock, Arkansas 72205

W. R. "Witt" Stephens, Jr.  
Chairman  
Little Rock

Bill Bridgforth  
Vice Chairman  
Pine Bluff

Marion McCollum  
Stuttgart

Jim Hinkle  
Mountain View



Steve N. Wilson  
Director

Dr. Lester Sitzes  
Hope

Forrest Wood  
Flippin

Mike Freeze  
England

Professor Donald Roufa  
University of Arkansas  
Fayetteville

May 25, 2000

The Honorable Bill Clinton  
President of the United States  
The White House  
1600 Pennsylvania Ave.  
Washington, DC 20400-2000

Dear Mr. President:

The trout fisheries in Arkansas on the White, Norfork, and Little Red Rivers are some of the best and most utilized in the World!! Thousands of anglers visit these waters each year in search of enjoyment, relaxation, and fish. The US Fish and Wildlife Service, Army Corps of Engineers, Southwest Power Administration, Missouri Department of Conservation, and the Arkansas Game and Fish Commission have worked well together in the past to make these world class fisheries productive and accessible to a larger and growing user base.

For example, the current value to Arkansas' economy is approximately \$161.5m even though there are tremendous fishing pressures, inadequate minimum flows, and greatly fluctuating hydropower generation flows. However, these areas will not meet the demand of the public much longer unless action is taken to provide more water than currently provided by the operation of a house generator and dam leakage. The amount of water flowing for trout is inadequate for proper temperature control, small boat navigation, oxygen demand, and trout growth. Specific language in the Water Resources Development Act-1999 was legislated providing water storage in Corps of Engineers Reservoirs in Arkansas and Missouri to be released for tailwater fisheries. However, before the water can flow for the tailwater fisheries, the Corps of Engineers must determine the effects of this storage reallocation and from where the water can be reallocated. The Little Rock District Corps of Engineers has started this study, but with a projected cost of \$950,000, they will fall \$850,000 short of completing it with their present budget.

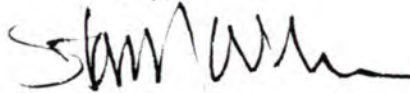
We're writing this letter requesting that you place in the Corps FY 01 budget the needed \$850,000 to complete this study. We are confident that the

Page 2  
President Bill Clinton  
May 25, 2000

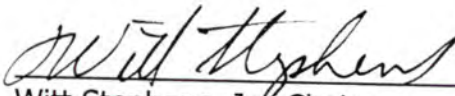
study will verify that water can be reallocated and flows can be released for tailwater trout sections without harming the other project purposes. By providing adequate water flows in these manmade trout waters, many problems caused by the construction of these Federal dams would be addressed. If you would like to have more information concerning this subject, we are certainly willing to travel to Washington to visit with you. However, even better, please consider this an offer to provide you and your staff a tour of the trout waters in Arkansas. It may have been a while since you were on the magnificent White River trout waters and we're sure the relaxation would be welcome.

Please contact us if you would like for us to travel to your office for a visit or if you would like to fish for a while in Arkansas. Your support of this environmental issue and the funding for the required study is very important for the protection of the trout program. We look forward to hearing from you.

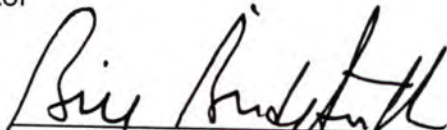
Cordially,



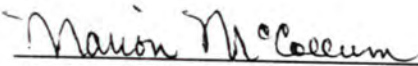
Steve N. Wilson  
Director



Witt Stephens, Jr., Chairman



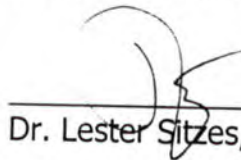
Bill Bridgforth, Vice Chairman



Marion McCollum, Commissioner



Jim Hinkle, Commissioner



Dr. Lester Sitzes, Commissioner



Forrest Wood, Commissioner



Mike Freeze, Commissioner

6-a-00

To Legislative  
Affairs & reply



ELLEN O. TAUSCHER  
MEMBER OF CONGRESS  
10TH DISTRICT, CALIFORNIA

SB 6/2/00

Leg Affairs

May 24, 2000

'00 JUN 9 - 4:32

Dear Mr. President,

I can't tell you how honored I was to have you at my home last night with so many of my family, friends and supporters.

Everyone was so excited that you were attending and so impressed by your remarks. You were extremely kind to me in those remarks and I pledge my sincerest efforts to live up to your expectations.

I'm so proud to be your friend and hope that over the many years we both have left to serve our country that we will continue to be "philosophical soulmates" and strong supporters.

NOT PRINTED AT GOVERNMENT EXPENSE



all the best,  
Ellen



COME CELEBRATE THE GRADUATION OF  
GINA NAOMI DENNIS  
FROM  
SPELMAN COLLEGE  
&  
HER ENTRY TO  
AMERICAN UNIVERSITY  
WASHINGTON  
COLLEGE OF LAW

CELEBRATE & PARTY  
DATE: SUNDAY, JUNE 25, 2000  
TIME: 2 PM- UNTIL  
LOCATION: 6205 NEBRASKA AVENUE, NW  
202-364-0163



Letter  
Sig

WDC  
20015



'00 JUN 12

6-12-00  
Send to Burkhardt?

Yes ☒

No ☐

BCSly

cel

'00 JUN 12 PM 4:1

2815 Park Place  
Laguna Beach, CA 92651

Ltr.  
Sig.

*The Faculty of Arts and Sciences  
announces the graduation  
of  
Erin Louise Brinkman  
with a Bachelor of Arts degree  
in  
Government  
from Harvard and Radcliffe Colleges*

*Thursday, June eighth  
Two thousand  
Cambridge, Massachusetts*

6-12-00  
Send to Burkhardt?

Yes ☒

No ☐

BCSly

Carol.

# Foundry United Methodist Church

J. Philip Wogaman  
Senior Minister

8 June 2000

President Bill Clinton  
The White House  
Washington, DC 20500-2000

00 JUN 17 PM 12:49

Dear Mr. President,

I understand that George McGovern has been proposed for the Medal of Freedom, and I want to add a word of support. His nearly 50 years of public service beautifully exemplify the traditions of leadership the Medal of Freedom has come to recognize.

While well known for his leadership of one of the two great political parties, I have been impressed by his single minded pursuit of values and goals transcending partisanship. He probably has done more to "feed the hungry" than any other person on earth, first through the Food for Peace program and then his development of such things as the Food Stamp program (done, I believe, in bipartisan cooperation with then Senator Dole). His more recent initiatives at the Food and Agriculture Organization have promised sweeping nutritional assistance to many millions of children the world around. His service as Ambassador to FAO will come to an end in the foreseeable future, and a Medal of Freedom recognition would send a very positive signal to people of good will throughout the world.

He has, of course, made many other contributions to American life. As his pastor these past few years, I am especially conscious of the pain he and Eleanor had to endure through the alcoholism and death of their daughter Terry. And yet, he found it possible to translate that pain into a public outreach to millions of others suffering the disease of alcoholism and to their often isolated loved ones.

I once came upon a small monument in Glacier National Park dedicated to the memory of Stephen Mather, one of the architects of the present National Park system. The monument bore these simple words: "there will never be an end to the good he has done." When I think of George McGovern, now in the twilight of his many years of service, those words come back to me. When we honor people like him, we define who we are as a people.

Sincerely yours,

*Phil*

J. Philip Wogaman



ESTABLISHED IN 1814

1500 16th Street, N.W., Washington, D.C. 20036 (202) 3

cc: Burkhardt?

Yes ✓

No

confirm milli  
is doing reply?  
or Burkhardt  
should

cd

## UNITED STATES SENATE

00 JUN 12 PM 7:09

## Office of Senator Connie Mack

Fax Cover Sheet

TO:

Sean P. Maloney

FAX:

456-2215

FROM:

Yann Van Geertruyden  
Office of U.S. Senator Connie Mack  
517 Hart Senate Building  
Washington, D.C. 20510

Office: (202) 224-5274 9974  
FAX: (202) 224-1907

☐ Urgent☒ For your information☐ As we discussed☐ Please call me

TO LEG  
FOR  
REPLY  
(W)  
6-12-00

Date:

6/12/00# Pages (incl this one) 3

# United States Senate

WASHINGTON, DC 20510

June 9, 2000

The Honorable William Jefferson Clinton  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear Mr. President:

In anticipation of the June 13<sup>th</sup> visit of Argentina President de la Rúa, we request your urging the development of a consensus by next April to place the permanent Free Trade Area of the Americas (FTAA) Secretariat in Miami, Florida.

Earlier this Congress, both the Senate and House of Representatives passed S. Con Res. 71, and H. Con. Res. 271, respectively. The Resolutions underline the importance of placing the Secretariat in Miami beginning in 2005. There is concern, however, that by waiting until 2005 to make a final decision, we will forgo the opportunity for adequate planning and financial arrangements for the permanent facilities, as well as run the risk that numerous contenders emerge.

The city of Miami is able to offer unique logistical advantages in the areas of transportation, security, and information technology. Miami is the logical location for all parties. To this end we believe a consensus must be developed for the permanent FTAA Secretariat to be located in Miami. Argentina will host the next FTAA Trade Ministerial in Buenos Aires in early April, 2001. This would be the ideal occasion to gain formal acceptance of Miami as the Secretariat's site, to be confirmed at the Summit of the Americas in Quebec later that same month.

Nurturing a hemispheric consensus will not be easy. We believe, however, your leadership with other heads of state in the coming months can make this possible. The result will be for the United States to visibly establish leadership in the vital area of free trade in this hemisphere. Miami, the site of your first Summit of the Americas, will thereby truly serve as the bridge of the Americas.

Sincerely,



Trent Lott



Tom Daschle

# United States Senate

WASHINGTON, DC 20510

June 9, 2000

The Honorable William Jefferson Clinton  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear Mr. President:

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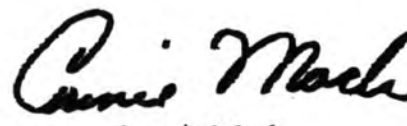
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Sincerely,

  
Bob Graham

  
Connie Mack

6-12-00

ANCY KASSEBAUM BAKER  
UNITED STATES SENATE, RETIRED  
SUITE 800  
1 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20004

00 JUN 12 PM 10:19

Dr. Burkhardt?

Yes ☒ No ☐

B.

June 7, 2000

Dear Mr. President,

It is my pleasure to write in support of the nomination of James E. Burke for the Presidential Medal of Freedom.

I first met Jim Burke when I joined the Robert Wood Johnson Foundation Board of Trustees in 1997. He was serving on that Board as a past chairman and CEO of Johnson & Johnson. His leadership in every arena in which he has served has shown dedication, vision and courage.

Today, as the chairman of the Partnership for a Drug-Free America his total commitment is the fight against illegal drugs and substance abuse.

Jim Burke has lived an extraordinary life

with integrity and with dignity. His actions  
have touched many lives. This is why,  
Mr. President, I enthusiastically support  
Jim Burles' nomination for the Presidential  
Medal of Freedom.

With my warmest regards,  
Nancy

6-12-00

CF Burkhardt?

Yes - No -  
B.

DREW UNIVERSITY

Office of the President  
Madison, New Jersey 07940  
(973) 408-3100Lisel  
Loy

00 JUN 12 PM 10:19

TO:

THURGOOD Marshall JR.  
Asst to the President & CHIEF of STAFF Secretary  
THE WHITE HOUSE  
(PHONE #)  
(FAX #) 202 456 6704

FROM:

Dr. Jeremiah  
OFFICE OF THE PRESIDENT  
(PHONE #) 973-408-3100 320/  
(FAX #) 973-408-3080

DATE:

6/12/00

COVER +

PAGE(S)

COMMENTS

ORIGINAL FED EX  
to President CLINTON  
6/12/00

Re: Presidential Medal of Freedom  
James E. Burke



## DREW UNIVERSITY

Office of the President  
Madison, New Jersey 07940  
(973) 408-3100 • Fax (973) 408-3080

Thomas H. Kean  
President

June 5, 2000

The Honorable William J. Clinton  
President  
The White House  
Washington, DC 20500

Dear President Clinton:

I understand that General Barry McCaffrey has nominated James E. Burke for the Presidential Medal of Freedom. I have had the pleasure of working with James E. Burke throughout my career, particularly on the Board of the Robert Wood Johnson Foundation, and enthusiastically support this nomination.

Jim Burke has been a tremendous corporate civic citizen. As the CEO of Johnson & Johnson, he saved the company and comforted the nation in the face of the Tylenol tampering crisis in the 1980s, helping to ensure our faith in over-the-counter medication.

After his retirement, Jim Burke assumed the responsibilities of the chairman of the Partnership for a Drug-Free America, which he serves full-time and without pay. For 13 years, he has led an effort that is responsible for \$3 billion in pro mono media exposure for anti drug messages. Jim Burke's vision made this effort possible. I am sure that he will continue to be a leader in the war against illegal drugs.

Jim Burke has done much for the American people. The Presidential Medal of Freedom would be a fitting recognition of his efforts.

Sincerely,

Thomas H. Kean  
President

*This man is  
very special!*

Tab A - Baill/Podesta  
Tab C - Sperling/Podesta cc: p. 2, Street  
Tab D - Reed/Chow/Podesta  
pg 1: Burkhardt (for reply)  
pg 3: Burkhardt (for reply)  
Tab E - Frampton/Podesta  
Tab F - Ballentine/Podesta  
Tab G - Lane/Podesta  
Tab H - Ibarra/Podesta  
Tab I - Marshall/Balderston/Podesta  
pg 6: HRC  
pg 8: HRC  
Tab J - Ucelli/Cutter/Podesta  
Tab K - Brain/Podesta  
Tab N - Podesta/Cutler/Echaveste  
Tab O - Moore/Podesta

OK  
@

6.12.00

6-12-00

# **WEEKLY REPORTS**

**Week Ending June 10, 2000**

6-12-00

THE WHITE HOUSE  
WASHINGTON

June 10, 2000

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC**
- (E) **CEQ**
- (F) **Office of Environmental Initiatives**
- (G) **OSTP**
- (H) **Intergovernmental**
- (I) **Cabinet Affairs  
(Classified Addendum Distributed Separately)**
- (J) **Communications**
- (K) **Legislative**
- (L) **Public Liaison**
- (M) **Race Initiative**
- (N) **Indian Country**
- (O) **Political Affairs**

Lisel Loy 

6-12-00

100 JUN 9 4:55

# WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

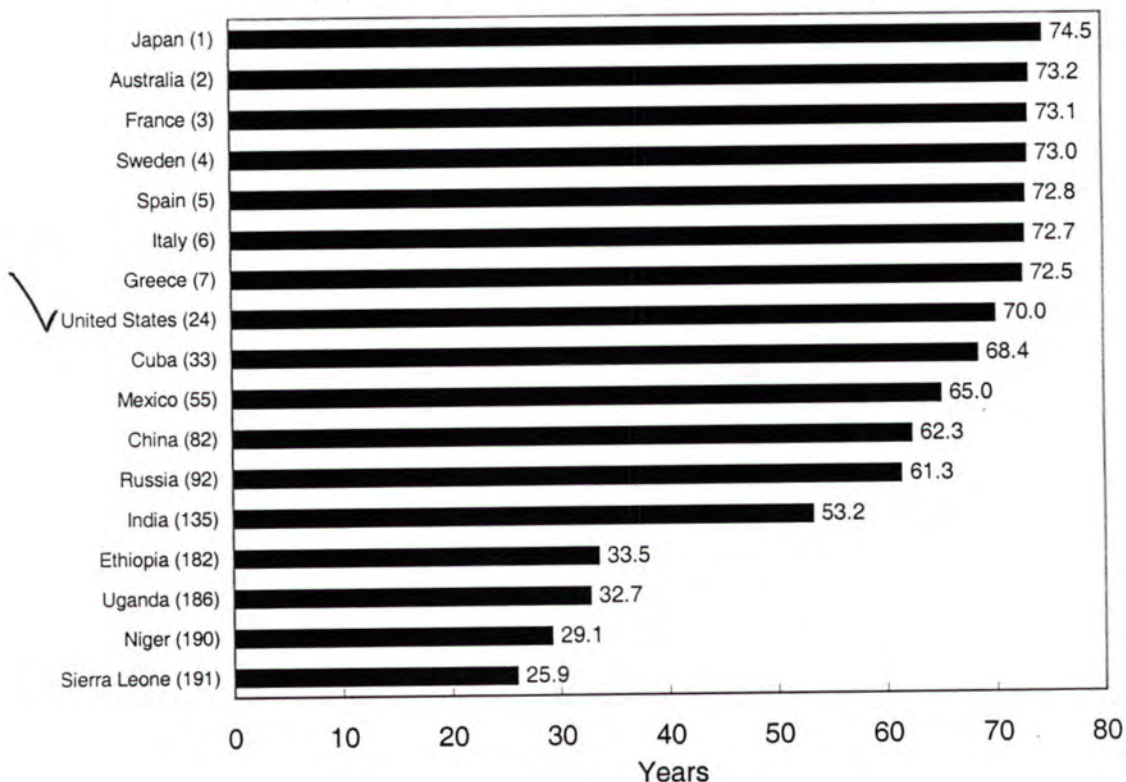
Prepared by the Council of Economic Advisers  
with the assistance of the Office of the Vice President

*Copied  
Bailey  
Podesta*

June 9, 2000

## CHART OF THE WEEK

Healthy Life Expectancy in Selected Countries



Japan ranks first and the United States 24th in a new World Health Organization (WHO) ranking of healthy life expectancy for babies born in 1999. In contrast to a measure based on mortality data alone, the WHO indicator uses a methodology that discounts years lived in poor health. The relatively low U.S. ranking reflects a number of factors, including the poor health of some groups (such as Native Americans) and the effects of AIDS and tobacco-related cancers.

## CONTENTS

### SPECIAL ANALYSES

|                              |   |
|------------------------------|---|
| Irrational Exuberance? ..... | 1 |
| Wireless Bandwidth.....      | 3 |

### ARTICLE

|                                                        |   |
|--------------------------------------------------------|---|
| The Distribution of Wealth Is Top Heavy—As Usual ..... | 5 |
|--------------------------------------------------------|---|

### DEPARTMENTS

|                                               |    |
|-----------------------------------------------|----|
| Business, Consumer, and Regional Roundup..... | 7  |
| International Roundup .....                   | 8  |
| Releases .....                                | 9  |
| U.S. Economic Statistics .....                | 10 |
| Financial and International Statistics.....   | 11 |



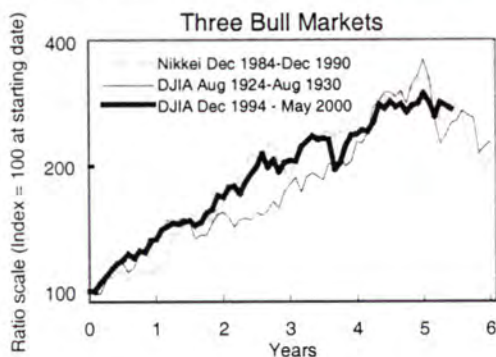
*"The only solution I can see is to hold a series of long and costly hearings in order to put off finding a solution."*

## SPECIAL ANALYSIS

### Irrational Exuberance?

The economist Robert Shiller has garnered considerable attention recently with his book arguing that excessive optimism and a herd mentality have led investors to bid stock prices to dizzying heights well above values justified by financial fundamentals. While it remains difficult to know whether the absolute *level* of stock prices is justified by the fundamentals, much of the *increase* in stock prices over the last 5 years could be explained by *changes* in fundamentals—including the acceleration in productivity.

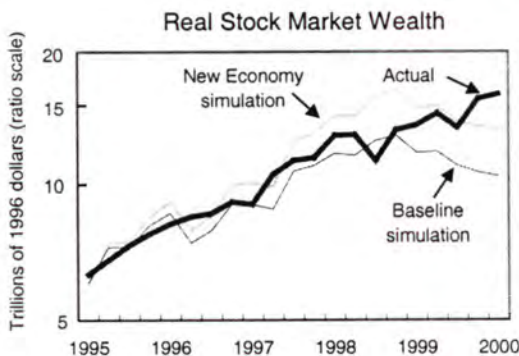
**Is it another speculative bubble?** Shiller argues that changes in economic fundamentals can only explain a fraction of the runup in stock prices in the 1990s. He compares the atmosphere of the current bull market to those in the past, when



media hype, widespread belief in the onset of a “new era” (often associated with the dissemination of technological innovations), and self-fulfilling expectations of stock returns during a bull market led to investor overconfidence. For example, over 90 percent of wealthy investors surveyed in 1999 agreed that the market would bounce back from a sharp contraction within a couple of years or so. Taken

at face value, the stock market performance in the late 1990s looks strikingly like that of the ill-fated speculative bubbles of the late 1920s and the Japanese stock market boom of the late 1980s (see upper chart).

**Or is it the New Economy?** Shiller does not give much credence to the idea that there have been fundamental changes in the real economy of late. But that may not be correct. After all, the recent surge in stock prices has coincided with an apparent acceleration in trend productivity since 1995, suggesting the possibility that the two are related. A sustained acceleration in productivity can lead to higher future profits, raising the value of shares today. Abstracting from the issue



of whether the stock market was “correctly” valued at the start of the productivity acceleration, it is of interest to measure the relative contribution of the rise in productivity growth to the rise in stock prices.

To illustrate the effect of an increase in expected growth on stock prices, the lower chart shows simulations of a model that relates stock prices to

economic fundamentals—dividend payments and stock repurchases, the real interest rate, and expected future growth in payouts to shareholders (dividends plus stock repurchases). The chart compares two simulations of the growth in real (inflation adjusted) stock market wealth from the end of 1994 to the end of March this year with the actual increase over the same period of about 170 percent.

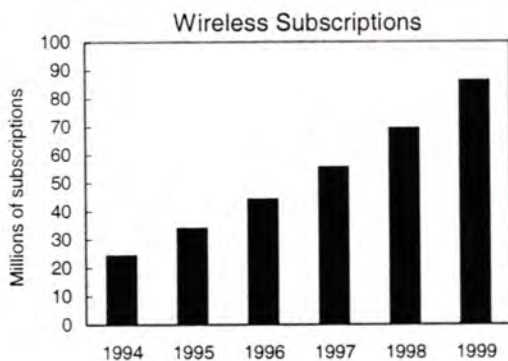
The first (baseline) simulation shows that nearly half of the actual increase in stock market wealth can be explained by fundamentals, assuming that investors' forecast of future growth stayed at a level consistent with the economy's performance during the previous two decades. Falling real interest rates in 1998 contributed to some of the strength shown in this simulation in 1998, and the subsequent rise in interest rates causes the fall in stock prices in 1999 and early 2000. The second simulation shows that if investors raised their forecast of the future growth of dividends by one percentage point over the last 5 years—a reasonable "New Economy" estimate—then fundamentals explain about three-quarters of the increase in stock prices. A 1.6 percentage point increase in trend growth would be required to explain fully the actual increase in stock market wealth.

**Conclusion.** The performance of the stock market has led Shiller to believe that investor psychology may have created a stock market bubble. An alternative explanation for the recent surge in stock prices is that investors have recognized that economic fundamentals have significantly improved, with a sustained period of faster economic growth before us. Of course, both irrational exuberance and fundamental change may be at work.

## SPECIAL ANALYSIS

### Wireless Bandwidth

With more than 86 million subscribers, wireless phones have become commonplace in many households (see chart). Indeed, wireless technology and services are growing so rapidly and promising so much that the chairman of the FCC has focused attention on the question of whether the demand for additional spectrum is outpacing supply. One way to help resolve this problem might be through the use of new technologies that bridge the gaps between incompatible



standards and allow the creation of a "marketplace" for spectrum, much like that for any other commodity.

#### **New spectrum and new entrants.**

The rapid growth of wireless subscribers has been driven in part by the entry of new digital wireless PCS (Personal Communications Services) systems. Using spectrum acquired through FCC auctions, PCS systems

have increased wireless competition in many markets. One study found that prices fell 10 percent when the first PCS entrant started service, and prices fell an additional 25 percent when a second PCS entrant launched service. To keep prices low as demand for additional services rises, however, other alternatives to expanding capacity may need to be explored.

**New technology may make better use of existing spectrum.** Rather than allocating additional bandwidth, new technologies may make it possible to use existing capacity more efficiently. Traditional wireless handsets use hardware to transmit and receive radio signals over specific bandwidths that may employ very different transmission standards. Recent developments in software defined radio (SDR) will allow a handset to be programmed to operate across a broad range of frequencies and transmission standards. With access to multiple networks, these new SDR handsets make it possible to develop a market mechanism to allocate the available bandwidth among users.

**Spot markets for bandwidth.** To take advantage of this new technology, one company proposes conducting an ongoing private auction among cellular providers. With such a system, one network that had excess spectrum capacity could offer to sell its available bandwidth to users of another network that had excess demand at a particular moment.

**Spot markets and PCS investment.** Although PCS providers are operating in many large markets, PCS is not yet available in some areas. Since entrants must raise capital both to build their systems and to run marketing campaigns to attract new customers, spot markets might provide an additional incentive to develop

unused capacity. If these PCS providers were able to make their spectrum available to subscribers of existing incumbents (who may be capacity-constrained on their older systems), then entrants may have incentives to build out their systems more rapidly over the next several years.

**Long-run implications.** While a spot market for bandwidth can reallocate capacity among providers to resolve uneven usage problems, it does not provide a long-term solution to shortages spurred by higher demand for new wireless services. If companies are using all their capacity at prevailing prices, they will be more likely to increase price. To keep prices low in the face of increasing demand, the FCC will need to consider other options, such as the forthcoming auction for the spectrum currently occupied by TV channels 60 through 69. With the transition to high definition television, these stations will be relocating to a new portion of the spectrum. As a result, more wireless spectrum should become available, allowing wireless companies to provide new services over their phones.

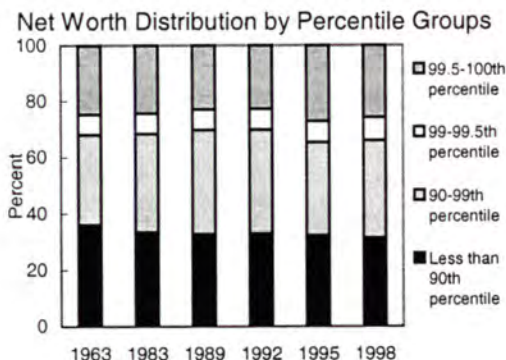
for higher argument  
 for higher wage, ETC,  
 Savings plan

## ARTICLE

### The Distribution of Wealth Is Top Heavy—As Usual

Among the many favorable trends in the current long expansion have been the halt to rising income inequality, the decline in poverty, and the improvement in living standards for a wide variety of demographic groups. At the same time, however, the expansion has generated large amounts of financial wealth that are concentrated at the top of the distribution. Nevertheless, median wealth has also increased, the increase in overall wealth inequality in the 1990s has been modest, and the distribution of wealth looks about as it has since the early 1980s.

**Trends in the concentration of wealth.** Real (inflation-adjusted) median net worth rose 18 percent between 1995 and 1998 and increases occurred over a fairly broad range of the wealth distribution. Nevertheless, wealth remains much more unequally distributed than income. In the distribution of household income, the top 20 percent received just under half of aggregate money income in 1998. In the distribution of wealth, the top 10 percent had more than two-thirds of aggregate net worth, and the top 0.5 percent had more than a quarter. This inequality is not new, however (see chart). In 1998, the share of net worth held by the top 10 percent was 68.7 percent compared with 67.0 percent in 1992 and 66.6 percent in 1983.



**The composition of net worth.** In 1998, the bottom 90 percent of households held 37 percent of aggregate assets and 70 percent of

aggregate liabilities (mainly principal residence debt). These percentages are roughly the same as in 1995. While ownership of stocks has become more widespread in recent years, stocks are still disproportionately held by those at the top of the wealth distribution: the bottom 90 percent of households held only 18 percent of all stocks in 1998 (up from 16 percent in 1995). By contrast, they held 65 percent of principal residence wealth and 75 percent of vehicle wealth. Since the major assets of most households are their houses and their cars rather than stocks, it is perhaps not surprising that the sharp increase in stock market wealth between 1995 and 1998 was concentrated at the top of the distribution and that wealth inequality increased somewhat.

**Income and poverty.** Since most households are not wealthy, trends in income and poverty remain key indicators of economic inequality. Analysis in previous *Weekly Economic Briefings* and the 2000 *Economic Report of the President* has provided encouraging evidence that the rise in inequality since the early 1970s has been arrested in recent years:

6-12-00

- Gini index. The Census Bureau's Gini index of household income inequality was only 0.4 percent higher in 1998 than it was in 1993. This compares with an increase of 0.7 percent between 1989 and 1992, and 6.7 percent between 1979 and 1989. (The Gini index jumped between 1992 and 1993 when a change in methodology increased measured income at the top of the distribution by more than actual income rose.)
- Income shares. The share of income received by the top 20 percent of families was a high 49.2 percent in 1998, but it was already 48.9 percent in 1993 and had risen from 44.0 percent in 1979 to 46.9 percent in 1992. Similarly, the share of the bottom 20 percent was a low 3.6 percent in 1998, but this was the same as in 1993, and ~~the share of the bottom 20 percent had already fallen from 4.2 percent in 1979 to 3.8 percent in 1992.~~
- Poverty rate. The poverty rate has fallen sharply since 1993, and the decline has been even faster for an alternative measure reflecting improvements proposed by a National Academy of Sciences panel (such as including the EITC). Nevertheless, the poverty rate remains higher than it was in the 1970s, in part because of the increased proportion of single mothers in the population.

**Conclusion.** Increases in stock market wealth in the 1990s have produced a modest increase in the concentration of wealth. But real median net worth has also increased substantially. This, together with a variety of other income and poverty indicators, point to an expansion whose benefits have been shared broadly among the population.

## BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

**EIA Raises Forecast of Gasoline Prices.** The national average price for regular unleaded gasoline reached \$1.56 per gallon this week, and the latest monthly forecast from the Department of Energy's Energy Information Administration (EIA) has gasoline prices this summer averaging about 5 to 10 cents more per gallon than in last month's forecast. Assuming relatively smooth operating conditions for refineries and pipelines, EIA forecasts gasoline prices will peak in July, and then fall to \$1.38 per gallon by the end of the year. The higher prices for the summer driving season reflect faster growth in petroleum demand, which has contributed to crude oil prices rising back into the \$30 per barrel range. Low gasoline inventories are another major contributor to the high gasoline prices. Finally, reformulated gasoline (RFG)—fuel with lower emissions of air pollutants that represents one-third of all gasoline consumption—has averaged about 11.5 cents more per gallon than conventional gasoline over the past 10 weeks as the RFG program has transitioned into more stringent emissions standards.

**The Changing Tax Cost of Marriage.** While some couples paid a marriage tax penalty and others received a marriage tax subsidy, on average marriage was subsidized by the Federal tax code over the 1984-97 period, according to a recent study. However, the tax cost of marriage has been steadily rising and married couples today are more likely to face a tax penalty than they were in 1984. By 1997, about 55 percent of couples faced an average marriage tax penalty of \$1,300 and 34 percent received an average subsidy of \$2,200. The study finds that changing tax laws and demographics reinforced each other to increase the tax cost of marriage. Changing tax laws explain 55 to 60 percent of the increase, while the increased labor force attachment of married women also played a large role, since two-earner couples pay a marriage tax penalty, while single-earner couples receive a bonus. Families in which the wife earned more than a quarter of family earnings were found to pay the largest marriage tax.

**New Evidence on Job Creation and Destruction in Manufacturing.** The fact that U.S. labor markets are characterized by high rates of gross job creation and gross job destruction has been well-documented by researchers. But previous research did not distinguish between job reallocation among different firms versus job flows among different plants of the same firm. A new study addressing this question found that small manufacturing firms with only one plant created jobs at nearly twice the rate of large firms with multiple plants, but they also destroyed jobs at a much higher rate than large firms. Much of this job creation and destruction at small firms was due to startups and shutdowns. For large firms, approximately half of the job reallocation was among plants owned by the same firm. In the aggregate, approximately one-quarter of the reallocation of jobs among manufacturing plants occurred among the plants of one firm. The study also found that net employment at single-plant firms expanded over the past two decades, while employment at large multi-plant firms shrank.

## INTERNATIONAL ROUNDUP

**OECD Calls for Stronger Action against International Cartels.** Further action to enhance the effectiveness of anti-cartel enforcement is vital to member country economies, according to a recent OECD report. The report argues that most government officials, legislators, and citizens are not aware of the extent of the harm done by cartels, and fines in some countries are too low to possibly deter collusion. While precise quantification is impossible, the report does offer some examples of serious harm from recent cases. In one, nearly every major worldwide producer of graphite electrodes recently pled guilty to participating for 5 years in a cartel that affected over \$1.7 billion of U.S. commerce alone and raised prices of electrodes by 60 percent. In addition to the direct harm to consumers caused by artificially high prices, these cartels have also created economic waste and inefficiency. The report stresses that international cooperation is particularly important for effective action against cartels. Currently, however, most countries' laws prevent their competition authorities from sharing information with foreign authorities, which has seriously hindered the prosecution of international cartels.

**Brussels Pushing to Revise VAT on E-Commerce.** The European Commission proposed this week to modify its rules for applying the value added tax (VAT) to certain electronically supplied services, such as software, computer, and radio and television broadcasting services. Currently, digitally delivered services originating within the EU are subject to the VAT (whether or not they are consumed in the EU), while those produced outside the EU are not. The proposed amendments would ensure that only services supplied for consumption within the European Union were subject to the EU VAT, as is now the case for physical goods purchased over the electronic network. The United States has previously urged the Commission to hold off on this proposal given its complicated and potentially damaging implications, and to support the multilateral OECD discussions rather than proceed unilaterally.

**Gender Equality Enhances Development.** A new World Bank report, "Engendering Development," surveys a wide range of studies and finds that countries that discriminate by gender pay a high price in terms of economic growth, health, and other development goals. For example, cross-country studies show that controlling for the effects of per capita income and other factors on child mortality, a 10 percentage point increase in the female primary school enrollment rate reduces the infant mortality rate by 4.1 deaths per 1,000 births. Countries where girls are only half as likely to go to school as boys have 21 more infant deaths per 1,000 live births than countries with no school gender gap. Another study finds that in Brazil, the positive impact on children's nutritional indicators of additional income in mothers' hands is 4 to 8 times larger than the impact of additional income in fathers' hands. Analysis of Burkina Faso shows that agricultural output could be increased by between 6 and 20 percent simply by reallocating fertilizer and other inputs more equitably between husbands and wives, who typically operate separate plots.

## RELEASES THIS WEEK

### **Producer Price Index**

**\*\*Embargoed until 8:30 a.m., Friday, June 9, 2000\*\***

The producer price index for finished goods was unchanged in May. Excluding food and energy, producer prices rose 0.2 percent.

### **Productivity**

According to revised estimates, nonfarm business productivity rose 2.4 percent at an annual rate in the first quarter of 2000. Manufacturing productivity rose 7.3 percent.

## MAJOR RELEASES NEXT WEEK

Retail Sales (Tuesday)

Consumer Prices (Wednesday)

Industrial Production and Capacity Utilization (Thursday)

Housing Starts (Friday)

## U.S. ECONOMIC STATISTICS

|                                        | 1970-<br>1993 | 1999  | 1999:3        | 1999:4        | 2000:1      |
|----------------------------------------|---------------|-------|---------------|---------------|-------------|
| <b>Percent growth</b> (annual rate)    |               |       |               |               |             |
| Real GDP (chain-type)                  | 2.9           | 4.6   | 5.7           | 7.3           | 5.4         |
| GDP chain-type price index             | 5.2           | 1.6   | 1.1           | 2.0           | 2.7         |
| <u>Nonfarm business (NFB) sector:</u>  |               |       |               |               |             |
| Productivity (chain-type)              | 1.7           | 3.7   | 5.0           | 6.9           | 2.4         |
| Real compensation per hour:            |               |       |               |               |             |
| Using CPI                              | 1.0           | 1.7   | 2.0           | 0.9           | <b>0.2</b>  |
| Using NFB deflator                     | 1.5           | 2.9   | 4.0           | 1.8           | 1.8         |
| <b>Shares of Nominal GDP</b> (percent) |               |       |               |               |             |
| Business fixed investment              | 11.4          | 12.6  | 12.7          | 12.5          | 13.0        |
| Residential investment                 | 4.5           | 4.4   | 4.4           | 4.4           | 4.4         |
| Exports                                | 8.2           | 10.8  | 10.8          | 10.9          | 10.9        |
| Imports                                | 9.2           | 13.5  | 13.8          | 14.0          | 14.3        |
| Personal saving                        | 6.6           | 1.7   | 1.5           | 1.3           | 0.4         |
| Federal surplus                        | -2.8          | 1.2   | 1.4           | 1.2           | 1.9         |
| <hr/>                                  |               |       |               |               |             |
|                                        | 1970-<br>1993 | 1999  | March<br>2000 | April<br>2000 | May<br>2000 |
| <b>Unemployment Rate</b> (percent)     | 6.7**         | 4.2** | 4.1           | 3.9           | 4.1         |
| <b>Payroll employment</b> (thousands)  |               |       |               |               |             |
| increase per month                     |               |       | 527           | 414           | 231         |
| increase since Jan. 1993               |               |       |               |               | 22152       |
| <b>Inflation</b> (percent per period)  |               |       |               |               |             |
| CPI                                    | 5.8           | 2.7   | 0.7           | 0.0           | N.A.        |
| PPI-Finished goods                     | 5.0           | 2.9   | 1.0           | -0.3          | <b>0.0</b>  |

\*\*Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.

PPI data **embargoed until 8:30 a.m., Friday, June 9, 2000.**

## FINANCIAL STATISTICS

|                                           | 1998 | 1999  | April<br>2000 | May<br>2000 | June 8,<br>2000 |
|-------------------------------------------|------|-------|---------------|-------------|-----------------|
| <b>Dow-Jones Industrial Average</b>       | 8626 | 10465 | 10944         | 10580       | 10669           |
| <b>Interest Rates</b> (percent per annum) |      |       |               |             |                 |
| 3-month T-bill                            | 4.78 | 4.64  | 5.66          | 5.79        | 5.74            |
| 10-year T-bond                            | 5.26 | 5.65  | 5.99          | 6.44        | 6.13            |
| Mortgage rate, 30-year fixed              | 6.94 | 7.43  | 8.15          | 8.52        | 8.32            |
| Prime rate                                | 8.35 | 8.00  | 9.00          | 9.24        | 9.50            |

## INTERNATIONAL STATISTICS

| <b>Exchange Rates</b>                                                           | <b>Current level<br/>June 8, 2000</b> | <b>Percent Change from</b> |                 |
|---------------------------------------------------------------------------------|---------------------------------------|----------------------------|-----------------|
|                                                                                 |                                       | <b>Week ago</b>            | <b>Year ago</b> |
| Euro (in U.S. dollars)                                                          | 0.955                                 | 2.6                        | -8.5            |
| Yen (per U.S. dollar)                                                           | 105.9                                 | -2.6                       | -11.7           |
| Major currencies index (Mar. 1973=100)<br>(trade-weighted value of the U.S. \$) | 96.65                                 | -1.9                       | 1.0             |

| <b>International Comparisons</b> <sup>1/</sup> | <b>Real GDP<br/>growth</b><br>(percent change last 4 quarters) | <b>Unemployment<br/>rate</b><br>(percent) | <b>CPI inflation</b><br>(percent change in index<br>last 12 months) |
|------------------------------------------------|----------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|
| United States                                  | 5.0 (Q1)                                                       | 4.1 (May)                                 | 3.0 (Apr)                                                           |
| Canada                                         | 4.9 (Q1)                                                       | 6.8 (Apr)                                 | 2.1 (Apr)                                                           |
| Japan                                          | 0.0 (Q4)                                                       | 4.9 (Apr)                                 | -0.8 (Apr)                                                          |
| France                                         | 3.3 (Q1)                                                       | 9.8 (Mar)                                 | 1.3 (Apr)                                                           |
| Germany                                        | 2.3 (Q1)                                                       | 8.4 (Apr)                                 | 1.6 (Apr)                                                           |
| Italy                                          | 2.1 (Q4)                                                       | 11.3 (Jan)                                | 2.3 (Apr)                                                           |
| United Kingdom                                 | 3.1 (Q1)                                                       | 5.8 (Feb)                                 | 3.0 (Apr)                                                           |

1/ For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

6-12-00

THE WHITE HOUSE  
WASHINGTON

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June 9, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: WEEKLY REPORT

**Bankruptcy:** You sent a strong letter to the House and Senate leadership on Friday afternoon, to urge a "fair resolution of the open issue" in bankruptcy and making clear that you "will not hesitate to veto unfair legislation that fails the test of balance." Senators Kennedy and Leahy are delighted, but not so Torricelli.

Meanwhile, the bankruptcy bill shadow conference made little progress this week. Although most of the issues have been informally resolved, the informal conferees appear to have reached an impasse on at least two issues. First, they cannot reach agreement on the Schumer clinic violence amendment which would make debts arising from violations of state and federal access to reproductive health clinic laws nondischargeable. Senator Schumer, backed by the women's and choice groups and his Senate Democratic colleagues, objected to Republican efforts to broaden the provision to cover all kinds of violence, not just those involving health facilities; require there be a finding (not often present in these judgments) of willful intent; and exclude obligations that result from settlements and consent decrees. Anti-abortion groups seem to have made opposing Schumer a litmus test. Second, Senator Hatch continues to insist upon an anti-consumer amendment (not included in either bill), which would eliminate attorneys fee awards for violations of the Fair Debt Collections Practice Act if the defendant is collecting bounced checks rather than defaulted debt. This is a pernicious provision because it could give cash checkers de facto free rein to intimidate and harass debtors knowing that their financial position would prevent them from hiring counsel as attorney fees could not be awarded no matter how great the abuse. Senator Leahy and the Administration are strongly opposed to the Hatch provision.

Despite the lack of consensus, the House Republican leadership reportedly made an unsuccessful attempt to insert their version of the bankruptcy bill into the digital signatures conference report that was filed late Thursday night.

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**Digital Signatures:** All the Democratic conferees, a majority of the Republican conferees, including Chairmen Bliley and McCain, and the Administration reached final agreement on the Digital Signatures bill and the conference report was filed late Thursday. The final agreement would remove barriers to e-commerce by establishing technology-neutral legal standards for electronic contracts and signatures, while also ensuring that consumer protections on-line will be equivalent to those in the paper world and protecting government authority to establish appropriate guidelines for electronic record retention and notices. You will recall that the House bill passed, over an Administration veto threat, with only 66 members opposing. Yet we were able to obtain important changes during conference by establishing a strong unified front between all the Democratic conferees and the Administration (despite sometimes significant differences among the Democrats).

In particular, Senators Leahy, Wyden, Hollings, and Wyden and Representatives Dingell and Markey were crucial to our efforts. In addition, the deal could not have been achieved without the willingness of Chairman McCain, and especially Chairman Bliley, to reach across party lines and construct a bipartisan deal. They did so despite strong pressure from Senator Gramm, who tried repeatedly to peel off industry support, and Chairman Lott, who tried to make the original bill sponsor, Senator Abraham, into dealmaker. Indeed, Chairman Bliley was responsible for fighting off a last-minute effort by his leadership to attach the unfavorable bankruptcy bill to the digital signatures conference report; an action that would have killed the entire deal.

The high tech industry and many segments of the financial services industry have come out in support of the deal. Consumer groups credit the Administration and Democrats for making this a far better product than any anticipated possible, although it is hardly the bill for which they wished. We are considering a signing ceremony for this bill.

**China/PNTR:** This week our work focused on the Senate. Background resource books, including a description of the Levin-Bereuter package passed by the House, were provided for all Senators and staff. An Administration team held a preparatory briefing with Senate Finance Committee staff that was instrumental in the Committee's nearly unanimous subsequent decision Wednesday to recommend the bill be sent to the Senate floor without amendment and for early consideration on that basis. This was the first Senate action on the package since the House vote, and starts the legislation moving forward. We continue to focus on progress in the Senate with the goal of a final vote prior to the July 4 recess.

**H-1B Visas:** Legislation to increase the number of H-1B visas (for high-skilled temporary workers) has not yet gone to either the Senate floor or the House Rules Committee. Neither has there been any response from House Rules Chairman Dreier to a letter from Lofgren asking him to allow their Dreier/Lofgren bill, with certain key additions, to be allowed as a substitute for Lamar Smith's bill, which passed the Judiciary Committee. Her expanded bill moves significantly but not sufficiently closer to addressing the key provisions in the Administration proposal. The Senate Hatch/Abraham bill falls far short of addressing our priorities. Lott has been pushing Senators for unanimous consent to consider the Hatch/Abraham bill without amendments. However, Senate Democrats, led by Kennedy, are armed with positive amendments and are unlikely to agree. I have spoken with David Dreier and Hatch's General Counsel to assure them that you are sincere in wanting to get a bill and that the addition of the Hispanic Caucus immigration proposal was done out of conviction and not out of a desire to stall the bill.

The high-tech industry, in town last week for a series of conferences and lobbying opportunities, argued strongly for more H-1B workers. Bill Gates stated that he did not care if the fee doubled or even quadrupled, as long as they can get workers quickly. The Administration proposal provides for more visas, and does quadruple the fee – allocating a significant portion of those fees (20%) to improve the administration and enforcement of the program. But the bulk of the fee revenues from our proposal go toward longer-term solutions to the perceived shortage of qualified workers – increased training for U.S. workers (50%) and educating children in math, science and engineering (30%). We continue to work with Democratic Members to craft legislation to address these and other elements of our proposal, including targeting additional visas to workers with the highest education levels, protecting U.S. workers, parity for Central Americans and Haitians under NACARA, and legalization for certain long-term migrants. In addition, we are working with the NSC, DPC, COS, and State, Justice and INS to explore appropriate legislative options to address the needs of certain Liberians already living in the U.S.

**Oil:** Oil for July delivery closed on Friday at \$30.20 per barrel, 15 cents lower than last Friday's close of \$30.35. Last Monday, in its weekly survey of gas prices, the Department of Energy reported that the nationwide average price of self-service regular gasoline rose 2.5 cents last week to \$1.563. This is the fifth weekly increase in a row, for a total of 14.3 cents a gallon. This price represents an all-time recorded high in nominal terms, although prices in real terms have been significantly higher. The average price for self-service regular held steady in California at \$1.61 per gallon. The average price of diesel fell 1.2 cents nationwide to \$1.419 per gallon. At its March meeting, OPEC established a \$22 to \$28 dollar price band for oil (using the OPEC benchmark prices, which is lower than the U.S. benchmark). If the price dropped below the band, OPEC automatically would decrease production by 500,000 barrels a day; if it exceeded the band, then OPEC automatically would increase production by 500,000 barrels a day.

On Thursday the 20-day moving average of the OPEC benchmark price rose to \$28.13 per barrel, exceeding the \$28 per barrel trigger. However, notwithstanding earlier signals that OPEC would increase once the price exceeded the price band, it now appears likely that OPEC may abandon the "automatic" trigger. On Friday, OPEC President (and Venezuelan Oil Minister) Ali Rodriguez indicated that OPEC needed more analysis before increasing production. He noted that speculation and high gas prices in the United States had inflated the price of oil. Further, OPEC's willingness to consider increasing production may weakened by a report issued Friday by the International Energy Agency in Paris that worldwide inventories rose more quickly in the second quarter than previously expected. Inventories in the United States during that same period, however, have not grown appreciably. Current United States inventories are 2.4 percent above the end of March, but 13 percent below the same time last year.

**Resolution to Withdraw Congressional Approval of the WTO Agreements:** On Thursday, June 8, the House Ways and Means Committee voted 35-0 against a resolution introduced by Rep. Ron Paul (R-TX) expressing congressional disapproval of the WTO agreements. The Committee reported out the resolution with a recommendation that the House reject it. The NEC worked with USTR to formulate Administration positions in response to questions posed by Committee members.

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Section 125 of the Uruguay Round Agreements Act provides for a privileged, fast-tracked vote on a resolution to withdraw Congress's 1994 approval of the WTO agreements. Under applicable procedures, Ways and Means was obligated to complete its review of the resolution within 45 legislative days, which was June 8, and Ways and Means was allowed only to recommend whether to approve or disapprove the resolution. It could not prevent the resolution from being voted on by the full House (which must do so within the following 45 legislative days).

However, it is possible that a House vote could occur sooner, since Section 125 provides for a vote in the House upon 48-hours notice if a request for such an expedited vote is made (the request can be made at any time after the first 45 legislative days have passed). Rep. Paul is currently negotiating with Speaker Hastert regarding the date of a House vote, which USTR believes will be around June 16 or 19. NEC staff are monitoring the situation closely. USTR and White House Legislative Affairs believe that the House will vote down the resolution, and may do so by a comfortable margin. The AFL is not taking a position on the resolution, and a number of Members who have opposed free trade issues in the past may vote against the resolution. Even if both Houses of Congress were to approve the resolution, it cannot take effect unless you sign it.

**Meeting with Computer Industry CEOs:** Jim Steinberg and I met with the major CEOs of the computer industry (IBM, HP, Dell, Compaq, SGI, NCR, Lucent) to discuss a range of public policy issues. They urged us to update our computer export controls, which we committed to do by the end of the month. While we were not in a position to tell them the exact numbers we let ~~them know that they~~ would likely be pleased with the outcome. We also discussed the need to respond to Europe's further relaxation of controls on encryption and the importance of private sector support for early passage of PNTR. Finally, we urged them to work with us to help bridge the digital divide by making IT more accessible for people with disabilities (a focus of your next digital divide event), and to expand Internet access in developing countries (an agenda item on the G-8 summit).

 **Community Economic Adjustment:** Following meetings with Karen Tramontano and my staff, Rep. John Larson (D-Conn.) will on Monday introduce legislation aimed at creating the federal capability to give trade-impacted communities (among others) the same "special" assistance we give base closure communities. Nearly 200 Members, including John Kasich, have agreed to co-sponsor Larson's bill. On June 26 in East Hartford, Larson, labor officials and an interagency Administration team will announce a pilot project to respond to the pending layoff of 1,700 Pratt & Whitney workers, and my staff is coordinating that event. As you know, we have been trying for some time to "clone" DoD's highly respected Office of Economic Adjustment, which manages our base reuse efforts, within Commerce's Economic Development Administration (EDA). However, we have met with resistance from EDA appropriators, who want to maintain the agency's traditional focus on public works. We are hopeful that Larson's efforts can help us overcome that resistance.

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THE WHITE HOUSE

WASHINGTON

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Burkhardt  
(for reply)  
Pg. 3

June 10, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed *BR*  
Barbara Chow *BC*

SUBJECT: DPC Weekly Report

*As per A  
CFO to PUS*

✓ **1. Tobacco -- Magazine Advertising:** This week Philip Morris agreed to stop advertising its cigarette brands in magazines in which minors make up at least 15 percent of total readership. This action follows a report published last month that showed cigarette advertising in magazines with sizable youth readership had increased by nearly \$30 million (33 percent), despite the tobacco industry's pledge in 1998 to stop marketing to minors. In response to this report you issued a statement calling on the State Attorneys General to take action to stop these practices. Unfortunately, three other major cigarette makers, R. J. Reynolds, Brown & Williamson, and Lorillard, affirmatively announced that they would not follow Philip Morris's lead in curtailing such advertising.

**2. Tobacco -- Federal Litigation:** There are separate provisions included in a number of House and Senate appropriations bills that would severely restrict and possibly stop the Justice Department's pursuit of federal tobacco litigation. Most of the provisions would prohibit agencies from assisting Justice with the costs of the litigation, and a few of the appropriations bills curtail litigation efforts beyond the tobacco case. We are working with the Hill and others on a comprehensive strategy to defeat these provisions.

*Burkhardt  
(for reply)*

✓ **3. Crime -- Guns:** This week, Chicago filed a lawsuit under the Freedom of Information Act against the ATF for refusing to provide comprehensive information on crime gun traces. Chicago has worked with the ATF since 1998 to obtain the data for their lawsuit against the firearms industry and has received a significant amount of information from ATF. However, Chicago is still seeking the names of all multiple firearms purchases and full access to the National Tracing Center database of all crime guns in the U.S. ATF has denied this data request because they believe it violates the privacy rights of gun owners and could jeopardize open investigations. They are also concerned about the political fallout on the Hill by pro-gun members during appropriations battles. ATF spoke with Chicago officials last Friday to offer their assistance in providing additional data that excludes sensitive law enforcement information and would not infringe on gun owner privacy rights. Chicago declined the offer.

✓ **4. Education -- Cheating on High Stakes Tests:** In the past week, a number of stories have emerged about cheating on high-stakes assessment tests in public schools. Last week, a teacher at Eastgate Elementary School, the Columbus, Ohio school you visited on the Education

Reform Tour in May, charged that students had been provided answers to tests. (Back in April, when we asked the district to recommend a school, they suggested Eastgate and failed to mention that it had been investigated for possible cheating, but cleared of wrongdoing.) This week, the principal of a Montgomery County (MD) elementary school quit in response to allegations of cheating and a teacher at a Reston, VA middle school was suspended for helping students obtain correct answers. These follow earlier test scandals in New York and Texas. It is important to note that while Eastgate's score gains are under dispute, we may have many examples from across the country of schools who have made major improvements due to a focus on standards and accountability and key investments such as reduced class size, teacher quality, and after-school.

**5. Healthcare -- Merrill-Lynch's Open Ended Employee Health Benefit Plan:** You asked for an update on a *Wall Street Journal* story that reported FEHBP was going to pilot a new health benefits approach by Merrill-Lynch that covers virtually every health care service and still reports savings. OPM is interested in exploring a possible demonstration project, but the Merrill Lynch plan's new method of managing benefits (really a sophisticated form of intensive disease management) would require some modification before it could be implemented as a FEHBP pilot. Part of the program's success is because the company's management makes actual coverage decisions, which OPM cannot do because of privacy concerns. In addition, there is no other health plan option for employees at Merrill-Lynch, while OPM would not be able to require employees to enroll in a pilot program. Notwithstanding these concerns, we are encouraging OPM to develop an appropriately designed pilot with the same company that designed the Merrill-Lynch plan. *yes - keep pursuing*

*X* **6. Healthcare -- Patients' Bill of Rights:** Thursday's Senate vote on the Norwood-Dingell Patients' Bill of Rights picked up two additional Republicans and left us just one vote short of the 50 vote margin that would be necessary to pass this legislation. The Conference will continue, but the Democrats participating in it are even less confident than ever that it will produce an acceptable product. In the aftermath of the vote, Senators Daschle and Kennedy will attempt to target Republicans who can be enticed to support a modified version of the Norwood-Dingell bill without excessively watering down the bill's protections. Senator Ashcroft is extremely close to supporting the legislation, and Senator McCain's vote in favor and strong statement describing the need for this legislation may well move other members. However, should we succeed in attracting more than 50 votes, Senator Lott will likely do everything he can to block a simple majority amendment and insist on amendments requiring 60 or more votes. The broad-based coalition that supports the Norwood-Dingell bill was galvanized by Thursday's vote and seems intent on continuing to push for resolution on this matter as quickly as possible. We should continue to play our role in focusing public attention on the Republicans' lack of success in producing an acceptable bill.

**7. Healthcare -- Medicare Prescription Drugs:** Next Tuesday, you are scheduled to release a new DPC / NEC report on the importance of a Medicare prescription drug benefit for seniors living in rural areas. We are planning to release this report with Senator Baucus and perhaps other rural senators to make the point that the only way to ensure access to an affordable prescription drug benefit is to reject the Republicans' private insurance drug benefit and embrace a true Medicare benefit such as yours. Senator Baucus's participation is important because of his

longstanding interest in rural health concerns, his general support of your prescription drug benefit and because he may be the swing member in ensuring that Finance Committee Democrats stay unified. While the Senate Finance Committee prepares for a markup sometime in July, House Republicans are reportedly planning to unveil their bill either Friday or Monday, hold a hearing on Tuesday, and attempt to mark it up on Thursday. Their goal is a House vote on some form of prescription drug benefit prior to the fall elections. The details of the House Republican bill are limited, but it appears that they are retaining the private, drug-only benefit that the insurers continue to oppose. The bill may also contain other provisions which may appear hostile to the pharmaceutical industry's concerns. As a fall back position, the Republicans are apparently considering other measures including a Medicare fee-for-service plan so that they can assure that all Medicare beneficiaries will have access to a drug benefit.

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#### 8. Children and Families -- Media and Entertainment Industry Web Site for

**Parents:** On Thursday, the media and entertainment industry announced that they had created a web-site designed with a one-stop site designed for parents who wish to find information about the various media rating systems and parental advisory guidelines. The idea for the web site grew out of the White House Conference on Teenagers and was announced by the First Lady at the conference. The web site, called the *Parental Media Guide*, can be found at [www.parentalguide.org](http://www.parentalguide.org). It was jointly developed and produced by the Motion Picture Association of America, the National Cable Television Association, the National Association of Broadcasters, the Recording Industry Association of America, and the Interactive Digital Software Association.

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**9. Children and Families -- Youth Risk Behavior Survey:** On Thursday, the Centers for Disease Control and Prevention (CDC) released the *1999 Youth Risk Behavior Surveillance System Report* showing improved behavior among high school students in risk-related activities.

The report showed that since 1991 there has been a decreasing trend among adolescents who: (1) never or rarely wore a seatbelt (37 percent decrease) (2) carried a weapon (34 percent decrease) (3) ever had sexual intercourse (8 percent decrease). Among sexually active teens, there was an increase in the number using condoms (26 percent increase). However, the report, however, demonstrated that many young people are still participating in risky and unhealthy behaviors. Far too many young people are drinking (50 percent), smoking (35 percent) and doing drugs (27 percent reported current marijuana use). In addition, one third of the students had participated in a physical fight and 17 percent had carried a weapon. Finally, one in 10 high school students are overweight and less than one-quarter of high school students eat the recommended daily allowance.

**10. Children and Families -- RU-486:** This week pro-choice groups reported concern that the FDA is considering placing restrictions on access to the RU-486 abortion pill (mifepristone). RU-486 has been in the approval process since 1993, when you lifted the ban on its importation. In February 2000, the FDA issued an "approval" letter for RU-486, indicating that the drug was safe and effective but that final approval was contingent upon additional information about manufacturing practices and labeling. Danco Laboratories, the company licensed for U.S. manufacture and distribution, has reported to the pro-choice groups that the FDA is considering a number of restrictions. The groups feel that these restrictions could seriously limit access to the drug, depriving women of a safe, non-surgical option early in their

What is the  
Real reason why  
has it taken so  
long - is it  
more than  
politics?

pregnancies (RU-486 is used in the first seven weeks of pregnancy). A final decision from the FDA is expected by September.



6-12-00  
EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
WASHINGTON, D.C. 20503

June 9, 2000

Copied  
Frampton  
Podesta

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. GTF Jr.

SUBJECT: CEQ WEEKLY REPORT

RESOURCE STEWARDSHIP

National Monuments

Your designation of four new monuments today – and the Vice President's subsequent announcement of the signing – garnered wide-spread praise from Members of Congress and the conservation community. In a release, Senator Murray thanked you for "giving such an important legacy to the people of the Tri-Cities and Washington state." As expected, the western Republican delegation decried the designation as a "Federal land grab."

California Water

In a major announcement today, Secretary Babbitt and California Governor Davis announced a framework for action to restore California's Bay-Delta ecosystem, balancing environmental and agricultural/urban water needs. This is part of the on-going CALFED process; later this summer the CALFED agencies will issue a final Environmental Impact Statement and Record of Decision. The final plan will likely call for investments of more than \$7 billion in water-related matters, with California paying at least half of the costs.

Clean Water: Total Maximum Daily Loads

EPA has indicated that it plans to drop controversial forestry provisions in the TMDL regulations to be finalized this summer. Instead, EPA expects to repropose these provisions for public comment later this fall. This revised proposal will be issued in conformance with an agreement reached between EPA and USDA in May 2000. Based on the comments received, EPA will decide how best to proceed to address this issue sometime next year. EPA hopes that this announcement will help to reduce opposition to the overall proposal, which you announced in a radio address last year. In addition, EPA hopes that the decision will help undercut a controversial rider on the VA-HUD appropriations bill prohibiting the Agency from implementing the new rule.

6-12-00

## PROTECTING COMMUNITIES FROM TOXICS

### Brownfields

On Thursday, June 8, Senators Lautenberg, Chafee, Baucus, and Smith introduced a bipartisan brownfields bill. The bill provides funds to assess and clean up brownfields, legal protections for innocent parties, and funding and enhancement of state cleanup programs. It also limits some enforcement by the federal government at sites being cleaned up by a state program, creates a public record of brownfield sites, and defers listing sites on the National Priorities List if the state is taking action. The U.S. Conference of Mayors, the Trust for Public Land, and some realty groups have indicated support for the bill. The office of Representative Gephardt has also been positive. The Administration has commended the Senators for their efforts, but has not yet taken a formal position on the bill. CEQ is convening an interagency workgroup to review the bill next week.

*you could  
be very nervous, it would  
be very good to take a look at  
it*

### EPA Title VI Guidance

At the end of next week, EPA expects to issue for comment its new draft Title VI Guidance. This is a revision of the Interim Guidance that the Agency issued in 1998, which was met with significant controversy. Under Title VI of the Civil Rights Act of 1964, all federal agencies are required to ensure that federal funds do not subsidize discriminatory activities, and are required to develop regulations and guidance accordingly. It is anticipated that as a result of significant outreach by EPA, criticism of the new draft will be of a more constructive nature. Language has once again been included in the House VA-HUD appropriations bill, prohibiting the Agency from expending any funds to process complaints using the interim guidance.

6-12-00

THE WHITE HOUSE  
WASHINGTON

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Ballentine  
Podesta

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June 9, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

**Climate Change**

Press, Science and Industry

*The National Assessment of Climate Change Impacts on the United States* is due to be released Monday for public comment. A draft was the subject of a widely run AP story (6/8), and of stories on network and cable outlets. The AP story focused primarily on the report's forecasting of the negative impacts likely to result from climate change over the next 100 years, including ecosystem destruction, sea level rise, and possible water shortages. We expect pieces based on the final draft in *The New York Times*, *Washington Post* and on the networks Sunday or Monday.

Hydroelectric dams, traditionally viewed as an energy source that emits few greenhouse gases, may make some contribution to global warming, according to a report by the World Commission on Dams and covered in *New Scientist* magazine (6/1). The report found that stagnant water with rotting vegetation gives off methane 20 times more potent than the CO2 given off by running water of a free-flowing river. The problem is worst in shallow reservoirs, many of which are found in developing nations.

Researchers believe that because of melting of the polar ice cap in the Canadian Arctic, a possible maritime shortcut from Europe to the East--the long-sought Northwest Passage--may be plied by ships within the next few decades, the *Christian Science Monitor* reported (6/7). Because the US and others nations do not accept Canada's claim to sovereignty over the waters of the Arctic archipelago, it is unclear what environmental and other regulations apply in the Arctic -- a vacuum which greatly concerns environmentalists worried about oil spills and other possible results of shipping in the area.

International

Under the leadership of the NEC, we continue to work with the U.K. on a proposed G8 Task Force on "Clean Energy for Sustainable Development". As you know, both the PCAST "Powerful Partnerships" report and your International Clean Energy Initiative reflect the idea embodied in the proposed Task Force--that a central part of the solution to the joint-challenges of climate change and of sustainable growth lie with clean energy technologies.

cc: The Vice President  
John Podesta  
Martin Baily  
Steve Ricchetti  
Chuck Brain  
Lael Brainard  
Charles Burson  
George Frampton  
Neal Lane  
Jim Steinberg



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
WASHINGTON, D.C. 20502

6-12-00

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June 9, 2000

*copied*  
*Lane*  
*Podesta*

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *ml*  
CC: JOHN PODESTA  
SUBJECT: OSTP WEEKLY REPORT

**The Hits Just Keep on Comin' – Congress Cuts Commerce's S&T Activities**

*X* *JP* *should make big fight for this*  
On Tuesday the House Commerce, Justice, State Appropriations Subcommittee shortchanged your S&T budget request. The bill denies your requested increases for your Information Technology and Nanotechnology Initiatives, and perhaps most disturbingly, your Critical Infrastructure Protection R&D program was dealt a serious blow when the Subcommittee denied funding for your \$50 million Institute for Information Infrastructure Protection. Congress seems to feel that the Institute, which will help ensure that the nation's future information networks are reliable, robust, and secure, is not a priority – even in the wake of continued attacks aimed at federal computer infrastructures. Additionally, the Subcommittee has once again zeroed out your Advanced Technology Program – cutting \$176 million from development of cutting edge technologies from competitive, cost-shared R&D partnerships. OSTP will work with other WH offices to mount a vigorous defense for these programs in the coming days.

**PITAC Amplifies IT R&D Request**

*✓* Your Information Technology Advisory Committee (PITAC) has responded to the shortfalls in Appropriations with letters and personal visits to the members of the Appropriations Committee in both the House and the Senate. PITAC members have pressed Appropriations members on the need for a balanced R&D portfolio, and have emphasized that significant advances in information technology depend on robust investments, such as you have proposed for FY 2001.

**The World Radiocommunication Conference Ends Favorably**

*✓* The World Radiocommunication Conference (WRC-2000) in Istanbul concluded successfully on June 2, with all major U.S. objectives fulfilled. Conferees approved three new spectrum bands for high speed wireless services, and ~~adopted policies to allow satellites to provide broadband Internet service worldwide.~~ *good* The U.S. delegation achieved additional goals, including protecting the Global Positioning System from possible interference from other services and defeating proposals to restrict the free flow of programming from satellite television broadcast services. OSTP worked closely with Ambassador Schoettler and others in the months of preparation leading up to WRC, and I'm very pleased with the results that protected U.S. interests.

## Weeklong Geomagnetic Storm Alert Issued

On Tuesday, the NASA-European SOHO spacecraft (Solar and Heliospheric Observatory) recorded a series of solar eruptions aimed at the Earth. The Earth's magnetic field shields people from the direct effects of the solar wind generated by this type of event, but it may generate a geomagnetic storm that can threaten satellites and power grids. NOAA has issued a week-long storm advisory running through next Wednesday (June 14), including a moderately strong storm prediction (G3) for yesterday and today.

The NOAA Space Weather Scale rates geomagnetic storms on a scale of G1 (minor) to G5 (extreme). Category G3 storm levels may cause the following effects:

- Power system grids may require voltage corrections, and false alarms may be triggered on grid protection devices.
- Spacecraft may experience surface "charging" – meaning an electrical charge could affect electronic systems onboard. Spacecraft could experience orientation problems that could require correction.
- High-frequency radio signals may be interrupted.
- Low-frequency radio navigation and satellite navigation problems may occur.
- The aurora borealis, or northern lights, may be visible beyond its normal range, possibly in the northern part of the continental United States.



6-12-00

THE WHITE HOUSE  
WASHINGTON

June 9, 2000

Copied  
Ibarra  
Podesta

00 JUN 9 PM 5:58

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra *Mickey*

SUBJECT: Office of Intergovernmental Affairs Weekly Report

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**LOS ANGELES COUNTY**

HCFA officials continue to work with Los Angeles County and the State of California to resolve issues related to the extension of the County's 1115 Medicaid waiver, which is set to expire on June 30. John Podesta recently spoke with Governor Gray Davis and reiterated the need for the State to put forward a self-sufficiency proposal as a means for any long-term extension and eventual phase-out of the waiver. On June 5, officials from the State of California and Los Angeles County met with HCFA representatives to further discuss the situation, including funding proposals. All parties agreed that the meeting was productive, and another meeting has been scheduled for June 12.

**VERMONT**

Governor Howard Dean (D-VT) called me this week to request an opportunity to speak to you soon regarding his proposal to expand the pharmacy program of the State's 1115 Medicaid demonstration, known as the Vermont Health Access Plan. The State's proposal would extend the Medicaid payment and rebate structure to certain categories of Medicare beneficiaries without drug coverage. If approved, the State anticipates that 37,550 Medicare-covered beneficiaries and an additional 31,350 individuals under 300 percent of the Federal Poverty Level (FPL) would be eligible for this prescription drug benefit. Officials from HCFA, DPC and OMB are currently reviewing the proposal from both a policy and legal perspective. IGA will prepare a call sheet on Monday for your use. *John*

**MARYLAND**

Officials from Maryland met with White House representatives this week to discuss its waiver request to use SCHIP funding for children in its former KidsCount demonstration, as well as children who were not enrolled in KidsCount but whose income level is below what had been the income eligibility level for KidsCount. The problem revolves around the Maintenance of Effort (MOE) provision which generally precludes states from claiming enhanced matching funds for children whose income is below the Medicaid eligibility thresholds in place as of March 1997.

6-15-00

try to  
work on

Maryland had a Medicaid demonstration program in place as of March 1997, but only a small group of children participated because the benefits package was very limited. HHS is exploring several options that may resolve Maryland's issue. White House and OMB officials will all be involved in the decision-making process.

## **NEW MEXICO FIRE**

Speaker Raymond Sanchez (D-NM) wrote to you recommending the appointment of a "multi-disciplinary interim team to work with the Department of Energy, Los Alamos Lab, and local/county/state officials to review environmental and watershed concerns" resulting from the Cerro Grande fire. You have already taken such action. IGA will make arrangements for the Speaker to be fully briefed.

## **CITY/COUNTY**

U.S. Conference of Mayors (USCM): More than 300 mayors are attending the USCM summer conference in Seattle, WA, June 9-13. Today, Vice President Gore will deliver a keynote address. Secretary Cuomo will address the Conference on Monday and release the annual State of the Cities report.

Los Angeles: On June 8, the Los Angeles Urban League, Operation Hope and IGA hosted a briefing for Los Angeles community leaders to discuss your legislative priorities and digital divide initiatives.

Dade County: On June 6, Mayor Alex Penelas (D) met with staff from IGA and NEC to discuss New Markets and Empowerment Zone issues.

Corpus Christi: Today, IGA will host a briefing for Mayor Loyd Neal (R) and a delegation of elected officials and business leaders from Corpus Christi, TX to discuss your New Markets initiatives and Southwest Border issues.

## **INSULAR AREAS**

Puerto Rico Housing Accord: Secretary Cuomo and Governor Pedro Rossello (D) signed an agreement on public housing aid for the Commonwealth of Puerto Rico. It calls for Puerto Rico to be treated equally in the new public housing subsidy formula HUD is developing, ends Puerto Rico's discrimination suit against the existing formula, increases Federal funding, and requires local project management improvements.

Vieques: Commonwealth party gubernatorial candidate, Mayor Sila Calderon, said she would hold a referendum with a "no Navy training" option. Senate Readiness Subcommittee Chairman James Inhofe (R-OK) cited the pledge in holding up action on your proposal to transfer the western quarter of Vieques to local ownership this year.

6-12-00

## PERSONNEL

Matthew Bennett will replace Ray Martinez as Deputy Assistant to the President and Deputy Director for Intergovernmental Affairs at the White House, effective June 18. Ray will be returning to Texas to prepare for the arrival of his first child in October and will join the firm of Cantey & Hanger in Austin.

In addition, Scott Beale, Legislative Assistant for Governor Carper of Delaware, will join our IGA team as Associate Director on June 12 to assist with state outreach. Scott replaces Todd Bledsoe, who is now the IGA Director for Governor Patton of Kentucky. Rachel Redington has departed IGA for Austin.

Finally, Adrienne Elrod, Special Assistant to the Director, has departed for HUD/IGA. Jason Hartke, grandson of former Senator Vance Hartke of Indiana, has replaced her. Alison Cantu and Grace Yu are new IGA Staff Assistants.

6-12-00

THE WHITE HOUSE  
WASHINGTON

June 9, 2000

100 JUN 9 2000

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. TMS  
KRIS M. BALDERSTON KMS

SUBJECT: Summary of Cabinet Weekly Reports  
June 3 - 9, 2000

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Balderston  
Podesta  
Pg. 6:  
HRC  
Pg. 8:  
HRC

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **Los Alamos Wildfire Compensation Legislation:** Cabinet Affairs, OMB, and White House Counsel continue to coordinate the federal response to the destruction of the wildfire that destroyed hundreds of homes and businesses in Los Alamos, NM. Currently, draft language is being circulated to all relevant agencies and is being negotiated with the Congressional delegation. USDA recently released reseeding money to restore some of the damaged area and federal teams continue to assess environmental impact and damage to address soil erosion, flooding, and other concerns. Legislation is anticipated to move sometime next week.

DEPARTMENT OF TREASURY

- **Africa:** On June 10, Secretary Summers will depart on a ten-day trip to Africa, with stops in Nigeria, Tanzania, South Africa, Mozambique, and Egypt. The trip will highlight health, education, and poverty alleviation efforts that the U.S. supports through both multilateral and bilateral programs, and that are crucial components to improving economic growth in Africa. In particular, the Secretary will focus on efforts to combat the spread of AIDS and other infectious diseases, the role of educating girls in improving economic performance, the Highly Indebted Poor Countries initiative, reform of the International Financial Institutions, and the importance of supporting market-led growth and economic integration through vehicles such as your Partnership for Economic Growth and Opportunity initiative and the Africa Growth and Opportunity Act.

- **Debt Reduction:** On June 8, Secretary Summers sent a letter to Chairman Archer and Representative Rangel of the Ways and Means Committee expressing concern regarding the debt-limit restrictions contained in the Debt Reduction Reconciliation Act of 2000. Secretary Summers stated in the letter that fiscal restraint is best exercised through the tools of the budget process, rather than through restricting the use of debt. He explained that prohibiting the issuance of debt to honor the U.S. Government's obligations could permanently damage its credit standing and could impose significant costs on taxpayers.

#### DEPARTMENT OF JUSTICE

- **Federal Observers Monitor Primary Elections in NM, AL, and NJ:** On June 6, Federal observers monitored polling places in four NM counties during the primary election. The observers were present to assess whether Native American voters received effective assistance in the applicable Indian languages to enable them to cast an effective ballot. In each of the counties, consent decrees required the counties to translate election and voting information and materials into Navajo or one of the various Pueblo languages for which the county is covered under Section 203 of the Voting Rights Act. Federal observers were also present in Hale County, AL to monitor polling sites at which interference with or disparate treatment of black voters has been reported with respect to recent elections. Observers monitored polling places in Passaic County, NJ. to assess the county's compliance with a 1999 consent decree.
- **Church Arson Prosecution:** On May 30, the Supreme Court vacated and remanded a church arson prosecution for reconsideration in light of its decision in Jones v. U.S. The prosecution was for the arson of a church in Centerville, TX. The defendant pleaded guilty to violating 18 U.S.C., §844(i), which prohibits the arson of any building used in interstate or foreign commerce or in any activity affecting interstate commerce. On appeal, the Fifth Circuit concluded that there was not a sufficient basis to find that the church was a building used in an activity affecting commerce. On May 22, the Supreme Court issued its decision in Jones, ruling that an owner-occupied residence is not used in an activity affecting interstate commerce merely because it is insured by an out-of-state insurer, is mortgaged to an out-of-state mortgage company, and receives natural gas through an interstate natural gas line. To come within the interstate commerce element of Section 844(i), Jones held, a building must be used in some kind of commercial activity.

#### DEPARTMENT OF INTERIOR

- **Forest Fire Hazards:** The USGS will assess fuel-reducing treatments in a new five-year study at Sequoia and Kings Canyon National Parks to determine an appropriate balance of cuttings, mechanical fuel treatment, and prescribed fire. The primary focus will be on ecosystem impacts of fire hazard reduction treatments.

- **CA Sand and Gravel Project:** BLM recently issued a final environmental impact statement (FEIS) on a locally controversial proposed sand and gravel project in eastern Los Angeles County, CA. Local elected officials have voiced their strong opposition to the proposed project. BLM is monitoring the county process, and legally must wait at least 30 days from the June 2 publication in the *Federal Register* before it issues a Record of Decision on the company's proposed plan of operations.
- **Demolition of Gettysburg Tower:** On June 5, the U.S. District Court granted the government's motion for possession of the Gettysburg Tower on June 15. This will enable the demolition by explosion of the tower as planned on July 3 and the eventual restoration of the site to a historically appropriate setting. NPS has offered summer jobs to the Tower's seasonal employees displaced by the condemnation of the property.

#### UNITED STATES DEPARTMENT OF AGRICULTURE

- **National Agricultural Library Building to be Named for President Lincoln:** On June 14, Secretary Glickman will name the National Agricultural Library facility in Beltsville, MD, after President Lincoln. At the ceremony, the Secretary will be presented with copies of President Lincoln's 1862 proclamation creating the USDA that were carried into orbit by Deputy Secretary Rominger's nephew, Commander Kent Rominger, USN, aboard the STS-96 Discovery in June 1999. The papers will become a permanent part of the facility's Lincoln exhibit.
- **Argentine Citrus Final Rule:** USDA has prepared and transmitted to OMB a final rule regulating the importation of Argentine citrus, the final step in the rulemaking process prior to publication in the *Federal Register*. The U.S. citrus industry and various Members of Congress have previously opposed these imports, due to concerns over the risk of introducing certain citrus diseases to the U.S. The final rule will allow the importation of Argentine citrus under a three-stage limited distribution plan that would remain in effect until the 2004 citrus shipping season, under system safeguards aimed at detecting pests or diseases.
- **Foreign Country Residue Programs:** Three USDA multi-disciplinary teams are reviewing the meat inspection systems of Belgium, France, and Italy. The Belgium audit began May 15, while French and Italian officials have requested rescheduling of audits, planned for July.
- **Commodity Markets:** Harvest pressure pushed wheat prices lower for the week. Rains across the Midwest helped push corn and soybean prices down. However, soybean futures received a boost late in the week on strong export sales. Lackluster domestic demand produced a fall in rice cash prices, but new-crop futures rose on ideas that rice area planted may be less than indicated by USDA in March. Beneficial rain in West

Texas led to a sharp drop in cotton prices. Full feedlots and falling wholesale beef prices forced cattle prices lower. Holiday-shortened slaughter schedules caused a slide in hog prices. Broiler prices moved fractionally higher as production slowed. Cheese prices rose marginally above support. Butter prices moved up slightly on reports of shortages in some areas.

- **Food Safety Strategic Plan:** During the week of June 16-23, in accordance with your mandate of August, 1998, a draft interagency national food safety system strategic plan will enter the USDA clearance process. In July, the Strategic Plan Working Group will submit the draft plan, along with an FY2002 budget, to your Food Safety Council for final approval. The plan provides guidance for U.S. food safety agencies to adequately perform their mission over a five-year period.
- **Oilseeds:** On June 5, USDA began issuing more than \$462.5M in disaster payments to oilseed producers, helping to offset the impact of continuing low prices. More than 601,000 farmers in 48 states will receive payments based on historical prices and plantings in 1999. The program was designed to help farmers who planted soybeans, sunflowers, flaxseed, canola, rapeseed, safflower seed, mustard, and crambe in 1999.

#### DEPARTMENT OF COMMERCE

- **Census 2000:** The Census Bureau has hired managers, partnership specialists, media specialists, crew leaders, and enumerators with regions except Charlotte (94 percent) having exceeded their hiring goals. As of May 26, the Census Bureau has hired a total of 33,887 welfare-to-work employees. Enumerators will visit the 42.4 million housing units that have not returned their questionnaires. As of May 25, 29.8 million housing units, representing 70 percent of the workload, had been completed in to the local census offices.
- **DePaul University Commencement Address:** On June 11, Secretary Daley will deliver the commencement address and receive an honorary degree at DePaul University in Chicago, IL.

#### DEPARTMENT OF LABOR

- **CA Grants:** DOL expects to announce the award of a \$2.2M JTPA Title III National Reserve Account grant to assist 450 workers affected by layoffs due to the closure of Packard Bell/NEC in Sacramento, CA.

- **IL Grants:** DOL expects to announce the award of a \$7.2M JTPA Title III Clean Air to assist dislocated workers laid off due to closures of the Peabody Coal Company, Consolidated Coal Company, AMAX Delta Mine Holding Company, Arch of Illinois Conant Mine, Captain Mine and Preparation Plant, and Brushy Creek Coal Company.
- **IA Grants:** DOL expects to announce the award of a \$289,100 JTPA Title III grant to assist workers dislocated due to the closure of the Iowa Beef Processors, Berry Corporation, APAC and Plastech.
- **OH Grants:** DOL expects to announce the award of a JTPA Title III National Reserve Account Clean Air funds of \$1.6M to assist 64 of 165 workers losing their jobs due to layoffs at the Central Ohio Coal Company.
- **WA Grants:** DOL expects to announce the award a JTPA Title III National Reserve Account funds of \$1,553,213 to assist workers dislocated from the fishing industry to be operated by the Lummi Indian Nation.
- **Migrant Youth Grants:** DOL expects to announce the award of three grants totaling \$5M which will provide job training and related services to migrant and seasonal farmworker youth. These grant projects will offer occupational training which will afford migrant youths alternative employment opportunities outside of the agricultural industry.

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Healthcare Cost and Utilization Project Fact Book:** On June 19, the Agency for Healthcare Research and Quality will issue a press release as part of its dissemination of *Hospitalization in the United States, 1997*, a statistical report of charts and tables with information such as emergency admissions to hospitals, the most frequent reasons for hospital admission, where patients are discharged to, and conditions with the highest in-hospital mortality rates. This is the first fact book from the Healthcare Cost and Utilization Project.
- **Single-Injection Heart Clot Drug:** On June 2, FDA approved Genentech's Tenecteplase, brand name TNKase, a new bioengineered plasminogen activator, for the treatment of acute myocardial infarction. The new treatment uses a single swift injection to dissolve clots that choke off the heart's blood supply. TPA, the current standard medicine, can only be administered in a process that takes 90 minutes. Genentech also makes TPA under the brand name Activase
- **Special Diabetes Grant Program:** On June 1, the IHS awarded \$10.9M of FY2000 funds for non-competitive grants for Special Diabetes Programs for Indians. 123 Indian tribes/tribal organizations, urban Indian organizations/programs, and IHS operated

programs received awards during this funding cycle which is one of several cycles throughout the fiscal year. The funds are to be used for diabetes prevention and treatment services for American Indians and Alaska Natives. The FY2000 grant awards will be the third year of the five-year project period.

- Probable Locally Acquired Mosquito-Transmitted Malaria Infection--Suffolk County, NY, 1999:** Malaria transmission in the U.S., common until the early 20th century, was eliminated in the 1940s, and malaria eradication in this country was certified in 1970. Since then, 60 small localized outbreaks of probable mosquito-transmitted malaria in the U.S. have been reported to the Centers for Disease Control and Prevention. Before 1995, the number of imported malaria cases reported to the Suffolk County, NY Department of Health Services ranged from zero to eight per year. During the past five years, seven to 17 cases per year have been reported. In all of these cases, a history of residing in or traveling to an area with endemic malaria outside the U.S. was confirmed. This report describes the investigation of two cases of *Plasmodium vivax* malaria that occurred in Suffolk County in August 1999 and indicates that the patients had no history of travel outside the U.S.
- Youth Risk Behavior Report:** The Youth Risk Behavior Surveillance System (YRBSS) monitors six categories of priority health-risk behaviors among youth and young adults: behaviors that contribute to unintentional and intentional injuries; tobacco use; alcohol and other drug use; sexual behaviors that contribute to unintended pregnancy and STDs; unhealthy dietary behaviors; and physical inactivity. The YRBSS includes a national school-based survey conducted by the CDC as well as State, territorial, and local school-based surveys conducted by education and health agencies. This report summarizes results from the national survey, 33 State surveys, and 16 local surveys conducted among high school students during February-May 1999. The results demonstrate that numerous high school students engage in behaviors that increase their likelihood of death from motor-vehicle crashes, other unintentional injuries, homicide, and suicide. copied  
HRC
- Medicare Waste, Fraud, and Abuse:** During the week of June 19, the Administration on Aging anticipates announcing the award of 19 new and 29 continuation Senior Medicare Patrol Project grant awards for a program that recruits and trains retired professionals to identify fraud, waste, and abuse in the Medicare and Medicaid programs. These 48 Senior Medicare Patrol Projects, (or Harkin grants after Senator Harkin who authored the report language creating the program), total nearly \$10M and are located in 43 states, DC, and PR.
- West Nile Virus:** The CDC reports that two birds infected with the West Nile Virus were found in Rockland County, NY. This is the first case this year. A dead bird was also found in Bergen County, NJ. CDC is monitoring the situation. CHC

- **State Food Firm Inspections:** During the second week of June, FDA's OIG will release a final inspection report on FDA's oversight of State food firm inspections conducted through contracts and partnership agreements with FDA. OIG found that FDA's current oversight of both the contracts and partnership agreements is insufficient to assure the quality of State inspections carried out on its behalf. Under contracts, FDA's on-site audits, the core of FDA's oversight, have dropped by more than half over the past five years. Under partnership agreements, FDA lacks leverage to require States to submit information and to assess State performance. OIG emphasized the need for FDA to strengthen its system of on-site audits and to develop meaningful channels to provide States with useful feedback on their performance. As a longer term objective, OIG recommended that FDA work with the States to achieve basic equivalency in food safety standards, laws, and inspection practices as a basis for future work with States.

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Landmark Public Housing Agreement:** Secretary Cuomo and Governor Rosselló of PR signed an agreement where HUD will provide an estimated \$130M in additional funds to benefit the island's public housing residents over the next four years, along with technical assistance to ensure that the funds are spent effectively and appropriately. The agreement settles a 25-year-old dispute over the housing authority's operating subsidy. PR filed suit four years ago to challenge the formula that HUD used to calculate the operating subsidy.
- ✓ **Welfare to Work:** HUD and HHS have announced a model agreement that public housing authorities and state and local welfare agencies can use to help families that receive HUD housing assistance move from welfare to work. Families that receive welfare assistance from HHS and Section 8 rental assistance vouchers from HUD will benefit from the model agreement, which helps public housing authorities and welfare agencies target assistance to individuals to help them become self-sufficient. The assistance includes job training and placement, mentoring, counseling, transportation and childcare.
- ✓ **Gun BuyBack:** The Provo City, UT Housing Authority will reprogram \$15,148 of its FY1999 Public and Indian Housing Drug Elimination Program grant (\$54,985) and will receive \$6,514 in matching funds from HUD for a total of \$21,662 for its Gun BuyBack Initiative. The goal of this program is to take approximately 598 guns off the street. Incentives for gun buybacks will be promoted by enlisting the cooperation of local merchants who will add a ten percent gift certificate match on every \$50 of actual gun buyback funds.

DEPARTMENT OF TRANSPORTATION

- **Pipeline Safety:** On June 2, DOT announced it is seeking the largest civil penalty ever proposed against a pipeline operator in the history of the Federal pipeline safety program. The \$3.05M civil penalty, proposed from the Office of Pipeline Safety (OPS), is against Olympic Pipeline, owned and operated by Equilon, for safety violations related to the June 1999 pipeline failure in Bellingham, WA. The penalty action includes fines against Olympic for safety violations identified during OPS' investigation following the failure, which resulted in the deaths of three young people. Each of the penalties proposed carries the maximum fine allowed under current pipeline safety law.
- **Surface Transportation Grants:** On June 9, Secretary Slater will announce that \$121.8M in grants will be provided to 29 states for 65 projects in FY2000 under the National Corridor Planning and Development Program and the Coordinated Border Infrastructure Program. The funds will help to provide safer and more efficient movement of people and goods throughout the U.S. and will help enhance the flow of commerce at key border points with Canada and Mexico.
- **Assistance to Families of Victims of Aviation Disasters:** During the week beginning June 5, DOT will be sending a notice to the approximately 450 U.S. and foreign carriers advising them of the need to revise their family assistance plans filed with DOT and NTSB in accordance with the new statutory obligations imposed by AIR-21. The law requires airlines to provide certain additional assurances in their plans involving assistance to be provided to families of victims of airline crashes. The industry notice will advise carriers of the new requirements and inform them that they have 180 days to submit the required assurances to DOT and NTSB.

DEPARTMENT OF ENERGY

- **Los Alamos Burned Area Emergency Rehabilitation (BAER) Team:** Destruction of groundcover, plus a thick layer of ash (which repels water), leaves the site very vulnerable to flooding and erosion during the upcoming rainy season. DOE's Los Alamos Area Office and the Los Alamos National Laboratory are part of the interagency BAER team's efforts to minimize environmental impacts from runoff. One concern relates to the likelihood of flooding in canyons and the possibility that contamination in the soil could be carried by the runoff. Mitigation steps are being planned with the BAER team.
- **Rebuild Long Island:** On June 21, in Uniondale, NY, Rebuild America, the Long Island Power Authority, the NY Energy Research Development Authority, and other partnership organizations will officially announce the launch of the Rebuild Long Island Partnership and several projects to improve building energy efficiency.

- **Tritium Producing Burnable Absorber Rod (TPBAR) Fabrication:** As a result of Secretary Richardson's decision in May, tritium to support the nuclear weapons stockpile will be produced using the Tennessee Valley Authority's Watts Bar and Sequoyah reactors in TN. Tritium will be produced by TPBARs, irradiating components which replace a standard reactor component.
- **Russian Scientists to Visit DOE's Kansas City Plant:** From June 14-16, Russian scientists from the Avangard Electromechanical Plant in Sarov, Russia will visit Kansas City as a part of DOE's Nuclear Cities Initiative (NCI) Program. The goal of the NCI program is to foster sustainable, peaceful jobs for engineers and scientists previously engaged in the production of weapons of mass destruction.

#### DEPARTMENT OF EDUCATION

- **Tax Break Plan for Teachers:** On June 5, CA Governor Davis's proposal to exempt public school teachers from the state income tax was unanimously rejected by legislative budget negotiators. Instead, the committee approved a package of improved retirement benefits and tax cuts, including a maximum \$500 credit for teachers who buy classroom supplies. Governor Davis is still negotiating with legislative leaders.
- **New Superintendent:** On June 6, Former CO Governor Romer was named superintendent of Los Angeles schools, which have been struggling with various problems recently. He will take over the nation's second largest school district, with 711,000 students.
- **Hispanic Education Conference:** At the June 15 conference, Secretary Riley will announce the five education goals and release a status report on Hispanic education. In addition, DOEd has developed an ideabook of research-based practices for improving the education of Hispanic youth, as well as an updated list of DOEd resources and new partnerships for increased outreach and technical assistance.

#### DEPARTMENT OF VETERANS AFFAIRS

- **Project to Provide Electronic Health Records to Veterans:** Over the course of the next year, VA will evaluate a prototype of VA's Health eVet technical feasibility project that would give veterans electronic copies of their health records. Health eVet is intended to empower veterans with information and tools necessary for optimal health care. The evaluation will test user acceptance, including privacy and security concerns. The Health eVet system will be demonstrated to veterans, veterans groups, and other health care users and participants to determine its feasibility and acceptance.

- **New Cleveland Cemetery:** The Nation's 118<sup>th</sup>-and newest-veterans' national cemetery, located 45 miles south of Cleveland, OH, will begin burials on June 19.

#### ENVIRONMENTAL PROTECTION AGENCY

- **Draft Dioxin Reassessment:** On June 12, EPA will release the current review drafts of its Dioxin Reassessment for public review and comment. The draft documents, which received media attention as the result of an unauthorized release of internal briefing documents in mid-May, will be available at EPA's website. The Agency will also issue a *Federal Register* notice soliciting public comment.
- **Superfund Redevelopment Grant:** EPA has selected 40 communities to receive Superfund Redevelopment Grants of up to \$100,000 each. The grants, which were piloted last year in ten communities, assist selected communities in working with the Agency to make decisions regarding the future use of Superfund sites once they are cleaned up. The awarding of the grants is planned to be announced prior to July 1.
- **Report to Congress on Air Deposition in Great Waters:** EPA is in the final stages of preparing its *Third Report to Congress* on the deposition of air pollutants in the Great Lakes, Lake Champlain, the Chesapeake Bay, and coastal waters -- collectively known as the Great Waters. This report confirms and provides added support for findings under the first two *Reports to Congress*. Specifically, the report concludes that air deposition can be a significant contributor of toxic chemicals and nitrogen compounds to the Great Waters, that a plausible link exists between air deposition of the relevant pollutants and the concentrations found in water, sediments, and biota (especially fish and shellfish), and that both local and distant sources of air emissions contribute to pollutant loadings of the Great Waters. The report also concludes that while concentrations of most of the pollutants of concern still pose potential adverse ecological and human health effects, actions taken by EPA and others to control these pollutants have positively affected trends in pollutant concentrations in the Great Waters.
- **Acid Rain Monitoring Site:** Late last week, EPA identified funding sources to continue an acid rain monitoring program at Whiteface Mountain in the Adirondacks. At the conclusion of the research program -- located at sites in the Adirondack, Shenandoah, and Smoky Mountains -- EPA committed to identifying resources to continue the monitoring at all three sites. Funding for the sites in the Shenandoah and Smoky Mountains had been identified prior to last week. EPA expects the Adirondacks monitoring will likely start up again in roughly two weeks, after the equipment receives its scheduled maintenance. The three monitoring sites have run for over a decade as part of a research program investigating acid levels in clouds and fog. With the completion of the research goals for the sites, however, they were initially all scheduled to close.

## UNITED NATIONS

- **Iraq:** Negotiations continue over the next phase of the Oil-for-Food program. The Council expects to adopt a resolution extending the program for another six months on June 8.
- **Kosovo:** SRSK Kouchner will brief the Security Council on June 9, one day short of the anniversary of UNSCR 1244. He will review UNMIK's progress and its challenges for the future as he has done on several occasions in the past. Arriving separately and at Kouchner's invitation will be a delegation of Kosovar Serbs led by Bishop Artemije, the head of the Gracanica Serb National Council, seeking Security Council support after a series of attacks on Serbs in Kosovo. Artemije will meet with the President of the Council (France) and separately with other interested Council members.

## UNITED STATES TRADE REPRESENTATIVE

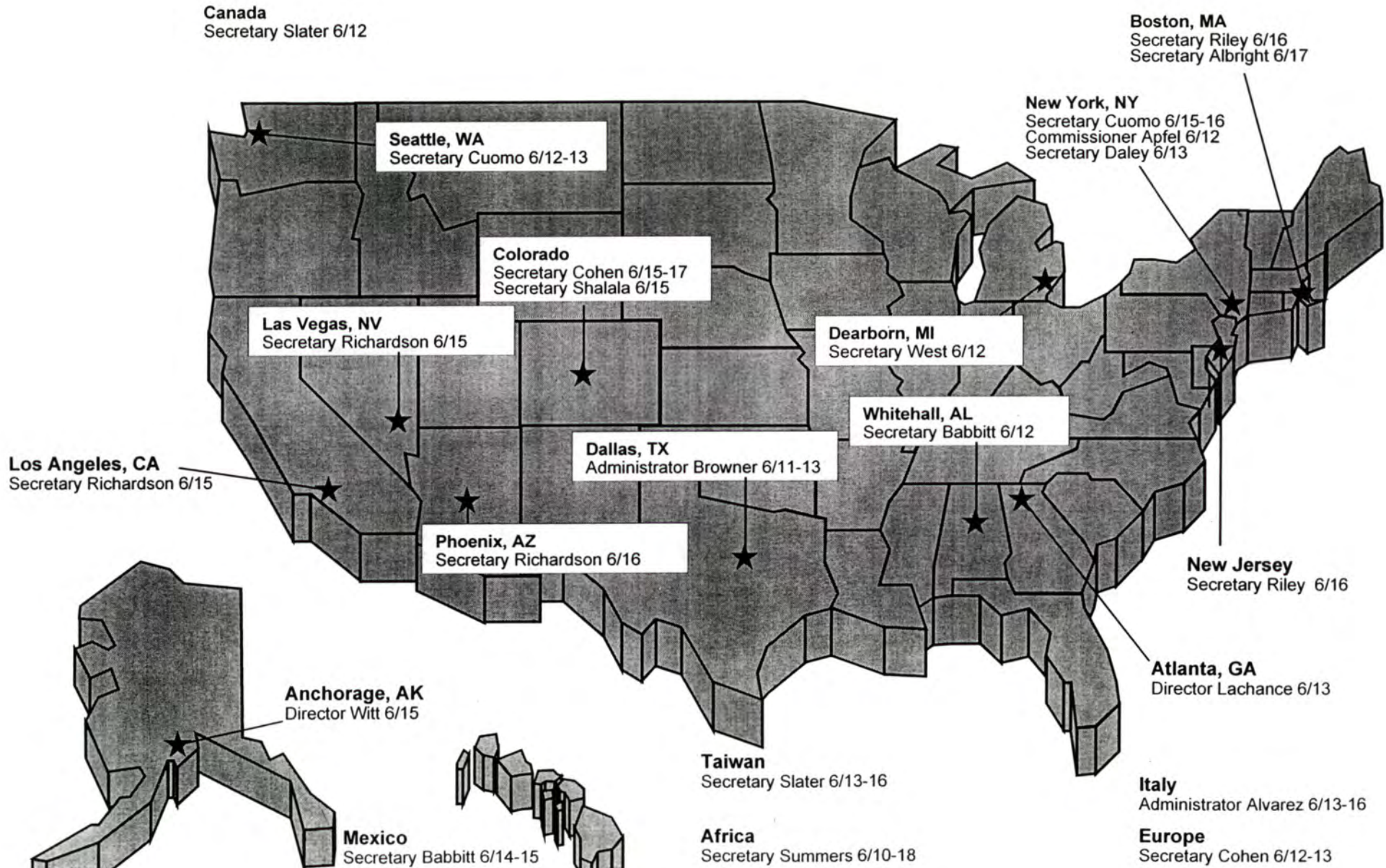
- **Meeting with the President of Argentina:** On June 14, Ambassador Barshefsky will participate in your meeting with President de la Rúa. Additionally, she will meet with Argentina's Minister of Foreign Relations, Rodríguez Giavarini, to discuss the possibility of launching a new comprehensive round of trade talks at the WTO, progress in negotiations of the Free Trade Area of the Americas, the possibility of a government procurement agreement with Argentina, and several bilateral issues including agriculture and protection of U.S. intellectual property.

## SMALL BUSINESS ADMINISTRATION

- **Partnership with VA:** On June 12, Administrator Alvarez will sign a MOU with VA and the Association of Small Business Development Centers. The partnership will provide information, training, and counseling to veterans about business formation, management, financing, marketing, and operation. For veterans who already own businesses, the partnership will offer management and technical assistance, and contact information on government contract opportunities.

# Cabinet Affairs Travel

*Monday, June 12 - Sunday, June 18, 2000*



cc:

The Vice President  
John Podesta  
Martin Baily  
Sandy Berger  
Sidney Blumenthal  
Chuck Brain  
Charles Burson  
Mary Beth Cahill  
Maria Echaveste  
George Frampton  
Mickey Ibarra  
Ben Johnson  
Joel Johnson  
Janis Kearney  
Neal Lane  
Jack Lew  
Joe Lockhart  
Lisel Loy  
Buddy MacKay  
Minyon Moore  
Bruce Reed  
Steve Ricchetti  
Gene Sperling  
Lauren Supina  
Loretta Ucelli  
Melanne Verveer

6-12-00

THE WHITE HOUSE  
WASHINGTON

00 JUN 9 PM 7:28

MEMORANDUM

June 9, 2000

copied

Ucelli  
Cutter  
Podesta

TO: THE PRESIDENT

FROM: LORETTA UCELLI  
STEPHANIE CUTTER

RE: Communications Weekly Report

OVERVIEW:

Upon your return from a successful trip abroad, we made progress in pushing out our domestic agenda this week through events and other message vehicles:

- **Domestic Priorities:** In a statement on Tuesday, you refocused the nation on your domestic agenda when you urged Congress to fund your FY2000 supplemental budget request and take action on issues affecting the health and welfare of American families, such as a voluntary, affordable Medicare prescription drug benefit; a strong, enforceable Patient's Bill of Rights; a simple \$1 increase in the minimum wage; and greater investments in our nation's schools and our children's education.
- **Protecting the Health of the American People:** On Wednesday, you demonstrated your leadership in protecting the health of the American people and promoting medical research by directing the Medicare program to allow beneficiaries to receive medical benefits while participating in clinical trials.
- **Supporting Working Families:** In your weekly radio address, you demonstrated your continued commitment to helping working families by announcing two new executive actions – a final Department of Labor rule to provide paid leave for new parents following the birth or adoption of a child and a final OPM rule to allow federal employees to use paid sick leave to care for seriously ill family members.
- **Expanding College Opportunity:** In your address at the 126<sup>th</sup> Carleton College Commencement, you highlighted the significant progress the nation has made under your leadership in making college accessible and affordable for all Americans, and detailed a new Administration report tracking the expansion in college opportunity.

Next week, we will continue pushing out the message that you are moving the nation forward and taking action on priority issues affecting the American people, including: protecting the environment, providing

seniors with an affordable prescription drug benefit, promoting excellence in education in the Hispanic community, and modernizing and reforming America's schools.

### **Monday, June 12 – Millennium Event:**

We are working with the Chief of Staff's Office, OSTP, CEQ, and others to determine an appropriate message for the Millennium Matinee, "Under the Sea, Beyond the Stars," where you and the First Lady will learn about cutting-edge developments in the fields of astronomy and oceanography. You will briefly highlight a report released on Monday by the Global Climate Change Research Program – a team of government, academic, and private sector scientists authorized by Congress in 1990 to coordinate federal research on global climate change. The report is the most detailed assessment ever of the potential impacts of climate change on the United States.

### **Tuesday, June 13 – Rural Prescription Drug Report**

You will participate in an event with Members of Congress and the Cabinet to call on Congress to pass legislation for a prescription drug coverage benefit that will help all of America's seniors meet the high costs of prescription drugs. You will announce a new report detailing the lack of prescription drug coverage in rural America. This event will convey that Democrats are unified and ready to take action on a new prescription drug benefit that is voluntary, affordable and available to all beneficiaries.

### **Thursday, June 15 – National Hispanic Education Strategy Session**

We are working with Maria Echaveste, the Press Office, DPC, OPL and others to plan the National Hispanic Education Strategy Session, which will demonstrate to the American people your continued commitment to expanding educational opportunity and promoting prosperity in the nation's Hispanic communities. This event builds on the First Lady's strategy session last year on strengthening prosperity in the Hispanic community. You will announce the first annual "Progress Report on Hispanic Education," which will provide direction to the nation in achieving 5 new national goals to improve education in the Hispanic community, and a CEA report on the status of Hispanic education and the increasing importance of education to economic success. Public, private and non-profit experts, public officials and stakeholders on the issue of Hispanic education will join you, Secretary Riley and others in a discussion on the challenges facing Hispanic children in America's schools and at home, and needed steps to help these children have the opportunity to realize their potential and achieve success. The Vice President may participate via satellite.

### **Friday, June 16 – VH1 Save the Music Event and TODAY Show Interview**

We are working with the Press Office, the Scheduling Office and others to plan an event in conjunction with the VH1 Save the Music Foundation, a non-profit organization dedicated to restoring music and arts programs in America's public schools. To celebrate the success of Save the Music, you will participate in an event at an elementary school in Harlem, New York with singer Billy Joel, VH1 President John Sykes, students and members of the Harlem community. In honor of Save the Music week, VHI will announce a major donation to New York City Public Schools to promote music education. This event will give you the opportunity to highlight your leadership and Administration's significant achievements in improving education for America's children, and in promoting music education as a positive force in the lives of youth. Prior to the event, you will appear on the *Today Show*, which throughout the week will be interviewing various celebrities on the importance of music in education and will collect instruments for donation.

**Friday, June 16 – School Construction Event**

6-12-00

You will participate in an event with Congresswoman Lowey at a school in Queens, New York to call on Congress to pass your school construction plan to modernize and reform America's aging and overcrowded schools. Following on your successful School Reform Tour of early May, you will demonstrate your leadership in improving America's schools and helping states and localities build and modernize schools to provide a better learning environment for our children. This event also will provide an opportunity to call on Congress to pass a budget that invests in our schools and in our children's education by reducing class size, improving accountability, and closing the achievement gap.

**Weekly Radio Address: Fatherhood**

In recognition of Father's Day, we are considering for your radio address topic the release of a Department of Education report on the critical role of fathers' involvement in children's learning and the release of a new child support enforcement data showing that the Administration's enforcement strategies continue to pay off. This radio address would build on your fatherhood proposal announced in the State of the Union, and provide an opportunity to call on Congress to take action to support America's families and promote responsible fatherhood.

6-12-00  
THE WHITE HOUSE  
WASHINGTON

June 9, 2000

Copied  
Brain  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: CHUCK BRAIN *cmB*  
SUBJECT: LEGISLATIVE WEEKLY REPORT

Conference Activity

- **Bankruptcy:** It is unclear how much progress the shadow conference on bankruptcy made this week. Although most of the issues have been resolved, the purported conferees appear to have reached an impasse on at least two issues -- (1) the Schumer (D-NY) Clinic Violence amendment which would make debts arising from violations of State and Federal access to reproductive health clinic laws nondischargeable and which is strongly backed by the Women's and Choice groups and Senate Democrats, and (2) the Hatch (R-UT) amendment which would eliminate the possibility for a plaintiff to receive attorney's fees for violations of the Fair Debt Collections Practice Act if the defendant is a check collector. Senator Leahy (D-VT) and the Administration are strongly opposed to the Hatch provision.

Despite the fact that the purported conferees have not yet reached a final agreement, the House Republican leadership reportedly made an unsuccessful attempt to insert the bankruptcy bill into the Digital Signatures conference report that was filed late Thursday night.

Today, you sent a letter to the Hill outlining the provisions your Administration needs to see in the final Bankruptcy bill conference report. In particular, the letter noted that the final bill must have: (1) an effective Schumer amendment; (2) a meaningful homestead exemption; (3) solid consumer credit disclosures; (4) no Hatch FDCA amendment; and (5) a provision allowing a debtor to maintain a reasonable amount of their retirement savings. Finally, the letter noted your desire to sign a balanced Bankruptcy bill, but that you would not hesitate to veto a bill that fails this test. Lott may push to complete the bankruptcy conference early next week.

- **Digital Signatures:** All the Democratic conferees, a number of the Republican conferees, including Chairmen Bliley (R-VA) and McCain (R-AZ), and the Administration reached a final deal on the Digital Signatures bill and the conference report was filed late Thursday. We were able to reach this agreement by establishing a strong unified of all the Democratic conferees and the Administration. Despite the significant differences between the Democrats at times, we moved together as a team throughout the conference process. In particular, Senators Leahy (D-VT), Wyden (D-OR), Hollings (D-SD), and Sarbanes (D-MD) and Representatives Dingell (D-MI) and Markey (D-MA) were instrumental to our efforts. In addition, the deal could not have been achieved if not for the willingness of Chairman McCain, and especially Chairman Bliley, to cross party lines and construct a bipartisan deal.

Indeed, Chairman Bliley was responsible for fighting off a last minute effort by his leadership to attach the unfavorable Bankruptcy bill to the Digital Signatures conference report; an action that would have likely killed the entire deal.

The high tech industry and many segments of the financial services industry have come out in support of the deal. While this may not be exactly the bill for which the consumer groups would have hoped, they do understand that this bill provides consumers with many meaningful protections and is a much better deal for them than anyone would have anticipated; especially given the House vote -- over the Administration's senior advisors veto threat -- of 356 to 66 on a bill that was much worse than the final conference report.

We are considering a signing ceremony for this bill.

## House of Representatives

### Floor Activity

On Tuesday and Wednesday, the House considered several measures under suspension of the rules, including H. Res. 509, recognizing the importance of African-American music to global culture, and H.R. 4241, naming the Les Aspin Post Office Building in Janesville, WI.

In addition, the House took the following action on bills subject to a rule:

**San Rafael Western Legacy Act:** The House began consideration of H.R. 3605, the San Rafael Western Legacy Act, a bill which would establish the San Rafael Western Legacy district in the State of Utah. The bill was pulled after the House adopted amendments that provided far greater environmental protections for the district than House Resource Chairman Hansen (R-Utah) was prepared to accept. We did not issue a SAP on the bill.

**Defense Appropriations:** The House passed, 367-58, H.R. 4576, the Department of Defense Appropriations Bill for FY 2001. The bill provides about \$4 billion more than you requested. The SAP expressed concerns on a number of issues but did not indicate Administration opposition to the bill.

**Labor/HHS/Education Appropriations:** The House began consideration of H.R. 4577, the Departments of Labor, HHS, and Education Appropriations Act for FY 2001. The SAP contained a presidential veto threat because of inadequate resources and an unacceptable rider blocking OSHA's ergonomics rule. The House is scheduled to resume consideration of the Labor/HHS bill next week.

*I thought it was dropped*

**Estate Tax Elimination Act:** The House passed, 279-136, H.R. 8, the Estate Tax Elimination Act. Sixty-five Democrats voted for the bill. However, a veto sustaining margin would likely be achieved if you had to follow through on your veto threat, which you announced in a letter sent to the Hill on Thursday. (vote tally attached)

### Week Ahead

The House will reconvene on Monday, June 12<sup>th</sup> for legislative business, with votes expected after 6:00 pm, and will remain in session until Thursday evening. Appropriations bills will

dominate the schedule. On Monday, the House probably will resume consideration of H.R. 4577, the Labor/HHS/Education Appropriations bill as well as a number of suspension bills. On Tuesday and for the balance of the week, the House is scheduled to consider the following appropriations bills: **H.R. 4578, Interior Appropriations, H.R. 4461, Agriculture Appropriations, H.R. 4516, Legislative Branch Appropriations, and H.R. \_\_\_\_ VA/HUD Appropriations.**

The House will also consider S. 761, the Digital Signatures Conference Report. Finally, the House may debate H.R. 4601, the Debt Reduction Reconciliation Act of 2000, which would dedicate any additional FY 2000 non-Social Security surplus projected by CBO to paying down the national debt.

### **House Notes**

- **WTO:** On Thursday, the Ways and Means Committee voted unanimously to unfavorably report H.J. Res. 90, a resolution by Rep. Ron Paul (R-TX) to withdraw the United States from the World Trade Organization (WTO). Although the Committee does not support the resolution, it will still come to the House Floor because it is "privileged." The resolution will be soundly defeated in the House.
- **Prescription Drugs:** Next week, the Commerce and Ways and Means Committees will begin hearings on prescription drug coverage under Medicare. This is a very high priority for Speaker Hastert (R-IL). Some of the New Democrats have been working with Health Subcommittee Chairman Bill Thomas (R-CA) on a bill that may proceed to mark-up next week.

### **United States Senate**

#### **Floor Activity**

**Defense Authorization:** On Tuesday, the Senate began consideration of S. 2549, the National Defense Authorization Act for Fiscal Year 2001. While under consideration, the following action was taken:

- The Senate passed (93-0) a McCain (R-AZ) amendment regarding food stamps. The amendment proposes adding \$28 million between the years 2000 and 2005 to increase pay for military members eligible for food stamps.
- The Senate passed (96-1) a Warner (R-VA) amendment regarding military retiree health care benefits. The amendment would extend eligibility for medical care under the CHAMPUS and the Tricare programs to military retirees over the age of 64. Senator Kerrey (D-NE) voted against the amendment.
- The Senate failed to pass (52-46) a motion to waive the Budget Act with respect to the Johnson (D-SD) amendment which would have further expanded veterans health care options.
- The Senate passed (51-47) a Warner (R-VA) 2<sup>nd</sup> degree amendment requiring the president to conduct a review of nuclear weapons before reducing them. Senator Conrad (D-ND) was

the only Democratic Senator who voted in favor of the amendment. Senators Chafee (R-RI), Jeffords (R-VT), and Smith (R-OR) were the only Republican Senators to vote against the amendment.

- The Senate rejected (35-63) a McCain (R-AZ)/Levin (D-MI) amendment regarding base closures. The amendment would authorize two additional rounds of base closures in 2003 and 2005.
- *Patients' Bill of Rights.* The Senate tabled (51-48) a Daschle (D-SD) amendment to attach to the DOD bill the language of the House-passed managed care bill (HR 2990). Republican Senators Chafee (R-RI), Fitzgerald (R-IL), McCain (R-AZ), and Specter (R-PA) voted against the motion to table. Senator Conrad (D-ND) did not vote.
- *Campaign Finance.* The Senate defeated (42-57) a Constitutional point of order with respect to a McCain (R-AZ) 2<sup>nd</sup> degree amendment regarding *campaign finance* and then passed (by voice) the amendment. The amendment would require tax exempt "527" organizations to disclose donors to local, state, and national campaigns. Senator Conrad (D-ND) did not vote.

**Defense Appropriations:** On Thursday, the Senate began consideration of H.R. 4576, the Department of Defense Appropriations Act of 2001.

#### **Week Ahead**

The Senate will convene on Monday at 12:00 pm and continue consideration of H.R. 4576, the Department of Defense Appropriations Act of 2001 at 2:00 pm.

**Department of Defense Appropriations:** The Senate will attempt to complete action on H.R. 4576, the Department of Defense Appropriations Act of 2001, and may turn to the Labor Health and Human Services Appropriations bill by the end of the week. There is a possibility that the Senate could consider an amendment that would move the supplemental funding for Colombia, currently included in the committee-reported Foreign Operations bill, to the defense approps bill. This would allow the Senate to vote on the Colombia funding and perhaps clear the way to its consideration as part of the Military Construction bill, which is ready for conference.

**Department of Defense Authorization:** The Senate has not yet completed action on S. 2549, the National Defense Authorization Act for Fiscal Year 2001.

cc: The Vice President  
John Podesta  
Steve Ricchetti  
Joel Johnson  
Maria Echaveste  
Karen Tramontano  
Loretta Ucelli

## ESTION:

On Passage

## BILL TITLE:

Death Tax Elimination Act

|             | H R      |      | 8    |            |
|-------------|----------|------|------|------------|
|             | RECORDED | VOTE |      |            |
|             | Yea      | Nay  | Pres | Not Voting |
| Republican  | 213      |      |      | 9          |
| Democratic  | 65       | 135  |      | 11         |
| Independent | 1        | 1    |      |            |
| Totals      | 279      | 136  |      | 20         |

Time Remaining FINAL

0

|               |                 |                 |
|---------------|-----------------|-----------------|
| Y Abercrombie | Y Etheridge     | Y Mollohan      |
| Y Andrews     | Y Farr          | Y Moore         |
| Y Baca        | Y Forbes        | Y Moran (VA)    |
| Y Baird       | Y Ford          | Y Pascrell      |
| Y Barcia      | Y Gordon        | Y Peterson (MN) |
| Y Berkley     | Y Hall (TX)     | Y Phelps        |
| Y Berry       | Y Holt          | Y Rahall        |
| Y Bishop      | Y Hooley        | Y Roemer        |
| Y Blagojevich | Y Inslee        | Y Sanchez       |
| Y Boswell     | Y Jefferson     | Y Sandlin       |
| Y Boucher     | Y John          | Y Shows         |
| Y Boyd        | Y Lampson       | Y Sisisky       |
| Y Capps       | Y Lantos        | Y Skelton       |
| Y Clayton     | Y Lipinski      | Y Tanner        |
| Y Clement     | Y Lofgren       | Y Tauscher      |
| Y Condit      | Y Lucas (KY)    | Y Thompson (CA) |
| Y Costello    | Y Maloney (CT)  | Y Traficant     |
| Y Cramer      | Y Martinez      | Y Udall (CO)    |
| Y Delahunt    | Y McCarthy (NY) | Y Velazquez     |
| Y Deutsch     | Y McIntyre      | Y Wise          |
| Y Dooley      | Y McNulty       | Y Wynn          |
| Y Eshoo       | Y Mink          |                 |

6-12-00

THE WHITE HOUSE  
WASHINGTON

00 JUN 9 PM 5:19

June 9, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER

CC: MARIA ECHAVESTE

SUBJECT: WEEKLY REPORT

copied  
Podesta  
Cutler  
Echaveste

**Indian Initiative**

- Due to the problems we are having getting funding for the Indian Country Initiative, we are having a meeting Monday with OMB to strategize about what we can do. The situation is very bad. For example, on the House side we didn't get the school construction funds for Indian schools, we got a nominal and completely inadequate increase for the Indian Health Service, and we are fighting for the road money. President Sue Masten of the National Congress of American Indians is coming in next week to discuss their desire to be more engaged in getting the budget passed.

JLP  
Lynn are always  
on the

**Delta Initiative**

- Lisa Kountoupes and I along with Adrienne Erbach of OMB have been holding meetings internally and with DOT to try to get the funding back on course. The highway funding for the Delta was totally omitted in the House bill, so we are focusing on the Senate. We'll keep you posted.
- Governor Huckabee of Arkansas held a summit on the Delta this week to develop legislative proposals for the 2001 legislative session. DOT representatives attended and the press was very positive.

**FCC Announcements**

- On Thursday FCC Chairman Bill Kennard announced their efforts to remedy the problem of limited availability of basic phone service on tribal lands. The Commission approved three items designed to increase service reach in tribal communities. They substantially reduced the price of basic local phone service for income eligible customers on tribal lands; streamlined the process for receiving universal service support for companies who seek to

MEMORANDUM FOR THE PRESIDENT  
PAGE TWO

serve tribal lands as an eligible telecommunications carrier, and changed its auction rules to provide greater incentives for wireless carriers to serve tribal lands. The Commission will inject about \$20 million in additional funding into programs that subsidize basic telephone service for those who cannot afford it, making basic local service available for as little as \$1 per month. In addition, they adopted a policy statement that embraces tribal sovereignty, the federal trust responsibility and Indian self-governance.

**American Indian Heritage Day**

- In a highly unusual move the Alabama Legislature has voted to have the second Monday in October serve not only as Columbus Day but as American Indian Heritage Day as well. Alabama will be the first state to have such an official holiday.

June 9, 2000

6-12-00

Copied  
Moore  
Podesta

**MEMORANDUM TO THE PRESIDENT AND THE VICE PRESIDENT**

FROM: Minyon Moore

SUBJECT: Weekly Political Report

**WHITE HOUSE 2000**

Over the past two weeks, the Vice President changed his campaign, concentrating on policy initiatives and leaving attacks on Texas Governor George W. Bush to surrogates. Press reports noted that the Vice President has not even mentioned Governor Bush's name in public since May 26. Next week, the Vice President plans a series of domestic policy announcements as part of a week-long cross-country "peace and prosperity tour" focusing on Medicare, education, the environment and the economy, coinciding with a \$25 million DNC ad buy. Bush, meanwhile, continued to portray himself as a moderate, granting a 30-day reprieve to a convicted rapist-murderer in Texas, working on an alliance with gay Republicans, announcing a funding proposal for national parks, and outlining a government reform package.

**Gore Campaign**

**Vice President goes positive.** Over the last two weeks, the Vice President has spoken about his service in Vietnam, the need for community-based mental health treatment, the need to prohibit logging and road building on 43 million acres of undeveloped national forests, his proposal to ban discrimination by businesses or health plans against people who discover through genetic testing that they are predisposed to a disease, and his pledge to lead the battle against cancer by doubling federal funding for research.

He also proposed a \$500 million, 10-year program of bonuses for states that move low-income fathers who owe child support into the workforce or into better jobs, and promised a second American Revolution, in which nearly all government services would be on-line. The Vice President also promoted the need for dramatic improvement in the nation's childcare and the ability of parents to afford childcare. He appeared with talk show host Rosie O'Donnell to promote his \$38 million plan for bringing quality health care to parents who cannot afford it. He also outlined a \$30 billion, 10-year proposal of tax credits, Medicaid coverage and other help for family caregivers.

**Surrogates attack Bush.** Last Sunday, Secretary of Defense William Cohen initiated a series of surrogate attacks on Governor Bush by criticizing Bush's pledge to unilaterally reduce the number of nuclear weapons while at the same time creating a "star wars" antiballistic missile defense system. He invited Bush to a briefing with the Joint Chiefs on the issue, but Bush refused, calling the offer "political in nature." Subsequent surrogate attacks on Bush included: former Veterans Affairs Secretary Jesse Brown, who criticized Bush for adjusting his commitment to the Texas Air National Guard in 1972 and 1973 so that he could work on an Alabama senatorial campaign and attend Harvard Business School; White House Press Secretary Joe Lockhart, who criticized Bush for refusing Secretary Cohen's offer; Senator John Kerry (D-MA), who criticized ~~Bush's military record and his questioning the Vice President's credentials~~ to be commander in chief; and ~~Senator Charles Schumer (D-NY), who released a letter, signed by him and 19 Democratic colleagues asking in-depth questions about Bush's proposal for the privatization of Social Security.~~

**Vice President would not make cigarettes illegal; would ban late-term abortions under certain conditions.** Last Wednesday, the Vice President told angry tobacco workers in Georgia that he does not want to make cigarettes illegal and would do what he could to protect tobacco-industry jobs -- as long as it doesn't undercut attempts to keep kids from smoking. The Vice President also stated that he would sign a ban on late-term abortions if the legislation included a provision allowing the abortion if the safety of the mother was at stake.

**Vice President deals with tenant problem.** On Saturday, the Vice President called a disabled tenant who rents a building the Vice President owns to tell him that he and his handicapped children would not be evicted and that the Vice President will make repairs to a clogged septic system. The family had taken their grievances to a Nashville television station last Friday to express their frustration at not being able to get Gore Realty, which manages the property, to make the repairs they wanted. The RNC sought to exploit the situation by issuing a press release complete with the Web address of the local station that had video of the home in question.

 **Bradley votes for the Vice President.** On Tuesday, former New Jersey Senator Bill Bradley (D) cast his vote in the New Jersey presidential primary for the Vice President and said he will start campaigning for him. Bradley said, "We're in the midst of very productive discussions" with the Vice President's campaign.

**DNC starts \$25 million ad campaign.** On Thursday, the DNC began a 10-week \$25 million TV ad campaign to redefine the Vice President and emphasize the credit he deserves for the nation's success. The first ad buy, costing in the vicinity of \$2 million, will run in 15 states -- Delaware, Florida, Georgia, Illinois, Iowa, Louisiana, Maryland, Michigan, Missouri, New Mexico, Ohio, Oregon, Pennsylvania, Washington, and Wisconsin -- and will focus on prescription drugs. Later ads will focus on the Bush record. Republicans accused the Vice President of violating a pledge not to initiate this form of advertising and said they will probably respond soon with ads of their own. The Vice President says the GOP went first because groups sympathetic to them, such as Pete Wilson's group "Shape the Debate," in California are secretly financing political ads.

**Vice President says Social Security number theft ought to be a crime.** On Friday, the Vice President proposed making it a federal crime to buy or sell Social Security numbers, the latest in a series of initiatives he has promoted to address growing anxiety about invasions of privacy and identity theft.

 **Vice President previews Medicare "Lockbox" proposal.** Next Tuesday, the Vice President will initiate a series of major new domestic policy proposals, starting with a plan to protect Medicare, which serves 40 million elderly and disabled people. He is proposing to put all of revenue from the 2.9 percent Medicare payroll tax into a separate account, or "Lockbox" to prevent Congress from using the money for other purposes, such as tax cuts or other spending.

### **Bush Campaign**

**Bush attacks administration's military record and proposes increased spending.** Last Tuesday, Governor Bush told Colorado veterans that he planned to expand the military by boosting pay, pumping billions into weapons research, and improving readiness, charging that the U.S. military is currently unprepared for foreign threats.

**Bush announces funding proposal for national parks.** Last Thursday, Bush accused the Administration of promoting an environmental policy that "breeds resentment" by unilaterally

6-12-00  
extending Federal control over forests, monument properties, and seashores. He proposed a five-point plan for conservation policy, including tax credits and increased federal funding of land preservation programs by \$2 billion over 5 years.

**Bush grants 30-day reprieve to convicted rapist-murderer.** Last Thursday, Bush took a step that he has never taken over the course of 131 executions in 5 years by granting a 30-day reprieve for a death-row inmate in Texas, Ricky Nolan McGinn. Citing concerns that adequate tests on DNA evidence in the case had not been performed, Bush granted the reprieve less than 2 hours before the scheduled lethal injection at a time in which Texas' vigorous use of the death penalty is under careful scrutiny because of Bush's presidential campaign. Later this month, Bush will face a tougher decision when another Texas death-row inmate is scheduled to be executed. In this new case, the evidence is not based upon DNA, but on the testimony of a sole witness, therefore Bush's decision on the matter will be scrutinized.

**RNC has huge opposition research staff.** The RNC has 31 employees focusing on opposition research of the Vice President. The staff is mining 18 four-foot shelves packed with hundreds of tapes of the Vice President's interviews and speeches for examples of what it claims is the Vice President's hypocrisy on environmental issues and other matters.

**American Indians upset with Bush brothers.** On Tuesday, the leader of a coalition representing 15 American Indians chastised both Governor George W. Bush and his brother Florida Governor Jeb Bush, saying that the Bushes are contributing to the poverty of American Indians in their states by refusing to allow casino gambling on reservations. Meanwhile, on Wednesday, the Vice President raised \$1 million in California at the first set of fundraisers conducted exclusively among American Indians. There are more than 400 tribes across the country and they are emerging as an economic power due to casino and shopping mall revenue.

**Bush ponders alliance with GOP gays.** On Tuesday, it was reported that gay and lesbian Republicans are in discussion with Bush's campaign regarding a possible alliance that would mark a decided change in the GOP stance towards gays. GOP strategist Mary Matalin is lending her public support to the gay group. The alliance is still in its formative stages and is an offshoot of Bush's April meeting in Austin with a select group of gay Republicans.

**GOP convention to take on softer approach.** On Wednesday, advisors to Bush said they are fashioning a party convention that deals with policy over partisan vitriol and they will abandon the traditional night that is devoted to attacking the opposition, although they will display their differences with the opposition. The Republicans want to keep a positive attitude throughout the whole convention. They also would like to have General Colin Powell and Arizona Senator John McCain take on prominent speech roles at the convention. Bush also wants the abortion plank discussed only in private meetings that exclude the media and not even on the agenda at the two policy forums held in advance of writing the platform.

**Bush outlines government reform package.** On Thursday, Bush said in Tennessee that a two-year budget, a commission to study pork-barrel spending, a constitutional line-item veto, and a commitment to accelerate the appointments process are ways he would improve government. The effect of these proposals would be to shift power away from Congress and to the Presidency, thus generating skepticism that Congress would ever pass them.

**Bush to release Spanish language ad featuring nephew.** On Thursday, it was reported that in an effort to court the Hispanic vote, the Bush campaign will soon launch a TV ad, cut in both

English and Spanish, featuring George P. Bush, son of Florida Governor Jeb Bush and his Mexican-born wife. In the ad George P. Bush says: "I have an uncle that is running for President because he believes in the same thing: opportunity for everyone, for every Latino. His name, the same as mine: George Bush."

**Hate Crimes law proponents pressure Bush.** On Wednesday, the second anniversary of the dragging death of James Byrd, children formed a prayer circle while local civil rights leaders urged Bush to support tougher hate crimes laws in Austin at the Capitol Rotunda.

### **Other Campaign News**

**Buchanan moves towards Reform nomination, but party badly divided.** On Wednesday, Robert Bowen, the Reform Party chairman in Maryland, said that if Pat Buchanan were to lose the nomination at the Reform Party convention August 10-13 in Long Beach, California, he could still use his massive advantage in delegates to overturn the result. Buchanan has already captured more than a third of the delegates to the convention, which normally would assure him the nomination. However, should party officials attempt to deny him the nomination, he is exploring ways to beat back their attempt. Even if he emerges from the convention with the nomination, however, several state chairmen might try to disaffiliate their organizations from the national party in order to prevent Buchanan from running on the Reform line in their respective states.

**Nader will again pick LaDuke as running mate.** On Sunday, Green Party presidential hopeful Ralph Nader announced that he will again choose Native American activist Winona LaDuke as his vice presidential running mate. A farmer and author, she started the White Earth Land Recovery Project 10 years ago and is known for her work recovering lands taken from Minnesota's Ojibway tribe. The Green Party convention is June 24-25 in Denver.

**Democrats and Republicans almost double soft money totals of four years ago.** On Tuesday, the FEC reported that the RNC and the party's Senate and House campaign committees raised \$86,365,915 in soft money between January 1 and March 31 of this year -- a 93% increase over the \$44,701,408 raised during the same period four years ago. The DNC and its campaign committees raised \$77,027,027, about a 94% increase over the \$39,651,236 four years ago. The amount the DSCC raised went up a staggering 1,037% compared to four years ago, to \$16,531,493, while the amount the NRSC raised went up 101% to \$27,476,942. The DCCC was up 540% to \$21,901,681. Democrats are criticizing the Republicans for taking money from tobacco companies and the NRA and Republicans are criticizing the Democrats for accepting money from trial lawyers. These figures don't even reflect the recent GOP and DNC galas, which raised \$21 million and \$26 million respectively. While the parties have roughly \$32 million cash on hand, the GOP holds an important advantage in House races where no incumbent is running and thus seats are most likely to change parties. In those races, the GOP candidates have raised an average of \$165,775 to the Democrats' average of \$75,820.

**Terry McAuliffe to head Democratic convention.** Terry McAuliffe will replace former Colorado Governor Roy Romer as chairman of the Democratic National Convention. Romer has accepted the position of Los Angeles Superintendent of Schools.

**DNC offers free e-mail and Internet service.** On Tuesday, the DNC started offering free e-mail and Internet service at a new site called Freedom.com. The latest political news, weather, and stock quotes are on the site as well.

## **U.S. HOUSE 2000**

**AR-04. Ross spending heavily before Tuesday run-off.** On Thursday, the *Arkansas Democrat-Gazette* reported that state Senator Mike Ross (D) heavily outspent his primary opponent Dewayne Graham (D) and has slightly more money on hand as they enter the final days before next Tuesday's runoff to challenge Rep. Jay Dickey (R). Ross' pre-runoff filing covering May 4-24 shows he spent \$157,201 during that period compared with \$2,185 spent by Graham. Ross' total campaign expenses are \$595,212. He raised \$40,246 during those three weeks—with two thirds of contributions from out of state PACs -- to bring his total fundraising to \$607,314. Including a \$15,000 personal loan, Ross had more than \$27,000 on hand. Graham missed last Thursday's pre-runoff filing deadline. However, Graham's campaign manager said he has about \$19,000 on hand after taking in \$1,565 during the three-week period.

**NY-01: Forbes "obviously disappointed" over losing ballot lines.** Brookhaven Supervisor Felix Grucci (R), who is challenging Rep. Michael Forbes (D), won the Independence Party ballot line this week. (In past years, Forbes has run on that line and he took over 3,100 ballots on that line in 1998.) An Independence Party official admitted that Grucci "hasn't exactly been our favorite person in the past but said they were endorsing him based on the good things [he's done] for Brookhaven, like cleaning it up and keeping taxes down." Grucci also has the Right-to-Life and Conservative ballot lines, in addition to the GOP line.

**NY-02: GOP unites behind candidate.** The GOP has united behind a candidate in the race to succeed Rep. Rick Lazio (R). Islip Town Clerk Joan Johnson will be their candidate. Johnson is an African American woman with a long record of work in social services and community activism. She is pro-choice, and favors national registration of handguns. In short, she is a very formidable candidate. Further complicating matters for this race is that New York has a September primary, and there will almost certainly be a primary on the Democratic side.

**WA-05: Former Democratic Senate aide announces challenge against Rep. Nethercutt (R).** On June 1, former Senate aide and Spokane attorney Tom Keefe (D) announced his candidacy for Washington's 5th House district. Keefe is expected to defeat carpenters union executive Thomas Flynn (D) in the September 19 Democratic primary and to wage a competitive campaign against Rep. George Nethercutt (R). Nethercutt faces former Spokane radio talk show host Richard Clear (R) in the primary.

The latest drama in this race is between U.S. Term Limits (USTL) and the state GOP, which bought a \$100,000 TV ad campaign attacking the "east coast" USTL group for "mudslinging ads paid for by secret donors." USTL has said that the ad was created by an "east coast" firm in Virginia and paid for by the NRCC. USTL's executive director said that the GOP-sponsored ads are proof that Nethercutt's candidacy is in trouble. Furthermore, Nethercutt's primary opponent, Richard Clear, has criticized the state GOP for taking sides. Since Nethercutt announced last summer that he was breaking his term-limits pledge, USTL vowed to spend \$1 million to defeat him, and they have been running ads on radio, newspaper, TV and billboards since last year. This feud provides an opportunity for Democrats to reclaim this seat held by former House Speaker Tom Foley (D) for over 30 years until 1994.

## **SENATE 2000**

**Massachusetts: Kennedy opponent likely to make ballot.** Businessman Jack E. Robinson, III (R) appears likely to make the ballot against Senator Edward Kennedy (D). The Secretary of

State certified that Robinson had 10,139 valid signatures, 139 more than needed. Massachusetts Democrats are deciding whether to mount a legal challenge to those signatures.

**Minnesota: DFL state convention endorses Janezich against Senator Grams.** Last Saturday, the DFL held its state convention and endorsed state Senator and bar owner Jerry Janezich (DFL) in the U.S. Senate race against Senator Rod Grams (R). However, three other DFL candidates, former state Auditor Mark Dayton, tobacco attorney Michael Ciresi, and former Minneapolis Development Agency President Rebecca Yanisch all said they would not be bound by the DFL endorsement and would run against Janezich in the September primary. Insiders say that Ciresi is most likely to win this primary, but any of the four candidates could pull off the victory. Janezich, who lacks funds and name recognition, is expected to face tough competition from Yanisch, who has been endorsed by Emily's List. Dayton and Ciresi possess high name recognition and immense wealth.

The DFL endorsement may not be worth a great deal these days since the Party's endorsement system is coming off its worst showing in 20 years. In 1998, voters in the DFL primary election rejected four of the six DFL-endorsed candidates for constitutional office. In the 16 general elections for governor and the U.S. Senate since 1978, the DFL-endorsed candidate has won only three: Senator Paul Wellstone, who won twice, and Governor Rudy Perpich, who won once.

A *Minneapolis Star Tribune* poll conducted in February found Grams' reelection rating among potential Minnesota voters at 29%. The *Star Tribune* poll also found Grams' favorability rating has dropped to 43%.

**Nebraska: Former Iowa Republican governor endorses Nelson.** On Wednesday, former Iowa Governor Terry Branstad (R) reached across state and party lines to endorse former Nebraska Governor Ben Nelson (D) in Nebraska's Senate race over his opponent, Nebraska state Attorney General Don Stenberg (R).

**New York: Lazio will not be Independence Party nominee.** Rep. Rick Lazio (R) failed to win the ballot line of the Independence Party this week. The Independence Party is the third largest party in the state, so this is an important development for the First Lady's campaign. The First Lady did not compete for the ballot line because of Pat Buchanan.

## **GOVERNORS 2000**

**New Hampshire: Shaheen announces candidacy, won't sign anti-tax pledge.** Governor Jeanne Shaheen (D) formally announced her candidacy for a third term on May 30, and said that she will not pledge to veto an income tax, as she did in her previous two bids. Shaheen's efforts to keep her pledge have proven a difficult obstacle to overcome in grappling with the state's perennial education funding crisis.

## **LABOR**

**Unions withdraw donations and endorsements from some House Democrats over China PNTR.** Labor is threatening to cut off campaign donations and volunteers for some House Democrats who voted for free trade with China. Chuck Harple, the political director for the International Brotherhood of Teamsters, said, "I feel like we're taken for granted by the Democratic Party. Why is it every time there's a big-labor vote, they're not with us?" Rep. Dennis Moore (D-KS-03) is the first House Democrat to feel the financial pressure of the Teamsters' revenge. The Teamsters, which donated the maximum \$5,000 to Rep. Moore in the primary, have decided not to contribute to his general election campaign. Local Teamsters, on

6-12-00

the other hand, said they were not ready to dump Moore. The United Auto Workers also said it won't donate any more cash this year to Moore's campaign. The Teamsters plan to pull their support for at least three other Democrats who voted for the bill -- Rep. Diana DeGette (D-CO-01), Rep. Tom Sawyer (D-OH-14), and Rep. Lois Capps (D-CA-22).

**Union's \$1 million contribution to DCCC is largest single contribution since Watergate era.** On Monday, Dennis Rivera, the president of the New York local of the Service Employees International Union, gave House Minority Leader Dick Gephardt a \$1 million dollar contribution for the DCCC at Rep. Charles Rangel's (D-NY) event in New York.

### **NATIONAL ISSUES**

**Campaign finance reform: Senate passes Senator McCain's proposal, House votes down donor disclosure rule.** On Wednesday, the U.S. Senate approved by a vote of 57-42 Senator John McCain's proposal to force a growing number of secretive political groups, the so-called section 527 groups, to disclose their contributions and spending. McCain's proposal would require groups such as the Sierra Club and organizations with close ties to House Majority Whip Tom DeLay (R) to disclose their list of donors, amounts of the contributions and how the money is spent. However, on Friday, the House voted 216-202 to turn back the disclosure requirements. The GOP leadership, under pressure from moderates within the ranks, agreed to permit a vote on similar legislation by the end of the month.

**McCain endorses opponents of McCain-Feingold against supporters.** Last Tuesday, it was revealed that despite his rhetoric during the primaries in favor of campaign finance reform, Senator McCain is now campaigning for eight Republicans who oppose his bill and trying to defeat 16 Democrats who support it. Last Sunday, McCain defended his endorsement, saying that he believes that maintaining a Republican Congress is the best way to achieve campaign finance reform. He also stated that even those who are currently opposed will be forced to accept the reform as Americans insist upon it.

**Census: Mayor Daley rips Census Bureau, pushes to boost count.** On June 1, Chicago Mayor Daley (D) accused the U.S. Census Bureau of refusing to accept the city's help and failing to publicize either the census Web site or a toll-free phone number that residents could use to be counted. Mayor Daley also accused the Census Bureau of failing to make arrangements with managers of high-rise buildings to ensure that enumerators gain entry. Sources say even though the Mayor recently met with Census Director Kenneth Prewitt, he is still frustrated with the Midwest Regional Census Office, which he and his staff claims is understaffed and grossly mismanaged.

On Tuesday, Mayor Daley added five staffers to coordinate the city's census promotion efforts and shifted the daily control from his Chief of Staff Julia Stasch to Deputy Chief of Staff and community outreach specialist Sarah Pang. The management changes came amid mounting pressure from minority advocates in recent weeks that have criticized the city's promotion campaign as unsubstantial and uncreative. The Mayor has also recently taped and aired two public-service announcements promoting the census counters and appealing to the citizenry to cooperate. According to the *Chicago Tribune*, the city of Chicago placed last among major American cities in the mail-back phase. In the Chicago region, which includes Illinois, Indiana and Wisconsin, only 31% of those addresses have been tallied successfully, which places it dead last among the census agency's 14 regional offices.

**Gasoline: Wisconsin to sue EPA.** On Tuesday, Wisconsin Assembly Republicans chose Wisconsin's largest law firm to file a lawsuit against the federal Environmental Protection Agency. The suit will seek to overturn the EPA requirement that the six-county Milwaukee metropolitan area use reformulated gas to fight air pollution. The average price of a gallon of regular reformulated gas in the Milwaukee area is almost \$2.00, according to an informal survey of area gas stations, making it among the highest in the nation. A month ago, the price was \$1.52 per gallon, and a year ago it was \$1.15, according to AAA. The lawsuit is seeking a waiver from the reformulated gas requirement until supplies increase and the prices stabilize.

*overturn + try to  
NHTSA rules  
PR*

On May 26, the EPA rejected a request for a temporary waiver filed by a bipartisan group of Wisconsin elected officials and a representative of the Petroleum Marketers. On June 12, federal officials will be in Milwaukee to investigate whether a shortage of reformulated gasoline there might be contributing to escalating prices. U.S. Reps. Tom Barrett (D) and Jerry Kleczka (D) met with three Department of Energy officials on Wednesday in preparation for the department's visit to talk to suppliers, refiners and terminal operators about the escalating gas prices. State Republicans and several Democrats have tried to place the blame directly on the Vice President for what they claim has been a lack of "urgency" by the administration to resolve the matter.

**Gay rights: Auto industry to provide health benefits to partners of gay employees.** On Thursday, the big three carmakers (General Motors, Ford, and Chrysler) announced that they will extend full health benefits to their gay and lesbian employees. Same-sex domestic partners will have to meet eligibility criteria, including a committed relationship of no less than six months.

**Guns: Michigan requires trigger locks.** On Wednesday, the state Legislature approved and sent to Governor John Engler (R) a bill that requires guns sold in Michigan to be equipped with trigger locks and limits lawsuits against gun manufacturers. An Engler spokesman said the governor would sign the bill. The bill was supported by an unusual coalition of gun rights groups, including the National Rifle Association, advocates for child welfare and the Michigan Education Association. The measure makes the failure to provide a trigger lock or other securing device with each gun sale a criminal offense, and reserves authority to pursue lawsuits with the attorney general.

## STATE NEWS

### CALIFORNIA

**Romer given a taste of his new job as superintendent of L.A. Unified.** On Tuesday, the Los Angeles Board of Education announced former Colorado Governor Roy Romer (D) accepted the post of Superintendent. The announcement ended an exhaustive search by the district, which is struggling with low test scores, fractious leadership and the threat of state oversight. Romer succeeds Ramon Cortines, who was brought in as an interim superintendent in January to begin reforms after the ouster of former Superintendent Ruben Zacarias. One day after being named, Romer flew to Sacramento where he received a warm welcome from the State Board of Education. However, state Senator Richard Polanco (D), one of the district's harshest detractors in Sacramento, said he thought they could have found a better candidate than Romer. On Wednesday, the Mexican American Legal Defense and Educational Fund lashed out at the board for evaluating the final candidates without soliciting community comment. Also on Wednesday, the *Los Angeles Times* printed an editorial that said: "to name Roy Romer superintendent was ill-considered and seriously undermines confidence in the board's ability to set a sure course for the public schools." Finally, on Wednesday, the 11-member Los Angeles County Committee on School District Organization failed passage of a plan to dismantle the Los Angeles Unified

6-12-00

School District into three autonomous systems. The committee is charged with recommending to the state whether to put the issue before voters.

**Davis' tax exemption for teachers nixed by Legislators.** On June 5, the Legislature's budget conference committee killed Governor Gray Davis' (D) proposal to eliminate state personal income tax for all California credentialed public school teachers. Democratic and Republican legislators alike were stunned and skeptical when Davis announced the idea on May 14 and wondered aloud if other critical public service professions such as police and health employees would seek similar tax exemptions. Instead of Davis' idea, the budget conference committee unanimously approved a new proposal that includes a 25% cut in teachers' contributions to the retirement system and a tax credit as much as \$500 for teachers who spend their own money on classroom supplies.

### **DISTRICT OF COLUMBIA**

**Republicans raising money for Washington, D.C. mayor.** Next Thursday, June 15, former U.S. Senator Robert Dole (R) and former vice presidential running mate Jack Kemp (R) will participate in a \$1 million fundraiser for Mayor Tony Williams that the President will also attend in Washington.

### **OHIO**

**Poll shows Rep. Tubbs Jones would defeat Mayor White.** According to a *Cleveland Plain Dealer* poll conducted in May, in a head-to-head contest Rep. Stephanie Tubbs Jones (D) would handily defeat Cleveland Mayor Mike White, 51%-28%. Rep. Tubbs, however, has strongly stated that she is not interested in running for mayor and looks forward to returning to Congress. White has not said publicly whether he will seek an unprecedented fourth term, but most insiders are confident that he will run for reelection next spring. Last year, White angered some core constituency groups when he allowed a march on City Hall by the Ku Klux Klan, prompting the local NAACP President to demand his resignation. Also, many think the mayor showed poor leadership by not building community support toward the city takeover of the public schools in 1998. In addition, the recent closure of several community hospitals has pitted him against some high profile elected officials. Others who are being mentioned as potential candidates include County Commissioner Jane Campbell, City Council President Mike Polensek and former Rep. Rep. Mary Rose Oakar, all Democrats.

### **SOUTH CAROLINA**

**Democrats charge GOP official with deleting African Americans from voter rolls.** On Thursday, it was reported that the South Carolina Democratic Party has sued the State Election Commission claiming the agency illegally removed the names of more than 500 black voters from registration rolls at the request of state House Majority Leader Rick Quinn (R). Quinn was subpoenaed to testify, but will ask to be excused from the Circuit Court suit filed Tuesday in Richland County. Quinn said Democrats' real motive is to prevent him from traveling around the state with other Republicans to promote a sales tax cut on food. The tax cut is included in the state budget that Governor Jim Hodges (D) opposes.

### **THE WEEK AHEAD**

The following chart outlines the political events for the principals. Mrs. Gore's schedule was unconfirmed at press time.

|                       | <b>POTUS</b>                                                                                | <b>VPOTUS</b>                                | <b>FLOTUS</b>                           | <b>MEG</b> |
|-----------------------|---------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|------------|
| Sunday,<br>June 11    |                                                                                             |                                              | Campaign events in New York             |            |
| Monday,<br>June 12    | Senator Christopher Dodd's 25 <sup>th</sup> anniversary gala in Washington, D.C.            | Campaign events in New York                  | Campaign events in Washington, D.C.     |            |
| Tuesday,<br>June 13   | DCCC/Hispanic Caucus reception and Rep. Eleanor Holmes Norton reception in Washington, D.C. | Campaign events in New York and Pennsylvania | Campaign event in Boston, Massachusetts |            |
| Wednesday,<br>June 14 |                                                                                             | Campaign events in Pennsylvania and New York | Campaign events in New York             |            |
| Thursday,<br>June 15  | Tribute dinner for Mayor Anthony Williams in Washington, D.C.                               |                                              | Campaign events in New York             |            |
| Friday,<br>June 16    | Rep. Ed Towns reception in New York                                                         |                                              |                                         |            |
| Saturday,<br>June 17  |                                                                                             |                                              | Campaign events in New York             |            |

**POTUS Job Approval Rating/Mood of Nation**

| Poll/Date Conducted                                | Job Approval Rating | Fav/Unfav | Right Track/Wrong Track |
|----------------------------------------------------|---------------------|-----------|-------------------------|
| Quinnipiac College (5/20-6/5) New York voters only | 64%/32%             |           |                         |
| John McLaughlin & Assoc. (6/4-5)                   |                     | 41%/49%   |                         |
| Princeton Survey Research Assoc. (5/25-6/4)        | 58%/36%             |           | 49%/43%                 |
| CNN/USA Today/Gallup (6/6-7)                       | 60%/36%             |           |                         |

**Generic House Polls**

|                | Candidates  | Matchups | Poll/Date Conducted                         |
|----------------|-------------|----------|---------------------------------------------|
| Generic Ballot | Democrats   | 35%      | John McLaughlin & Assoc. (6/4-5)            |
|                | Republicans | 39%      |                                             |
| Generic Ballot | Democrats   | 39%      | Fox News (5/24-25)                          |
|                | Republicans | 42%      |                                             |
| Generic Ballot | Democrats   | 44%      | Reuters/Zogby International (5/29-31)       |
|                | Republicans | 36%      |                                             |
| Generic Ballot | Democrats   | 40%      | Princeton Survey Research Assoc. (5/25-6/4) |
|                | Republicans | 35%      |                                             |
| Generic Ballot | Democrats   | 48%      | CNN/USA Today/Gallup (6/6-7)                |
|                | Republicans | 46%      |                                             |

**House Races**

| Seat  | Candidate                                   | Matchups | Poll/Dates Conducted                                                 |
|-------|---------------------------------------------|----------|----------------------------------------------------------------------|
| CA-22 | Rep. Lois Capps (D)                         | 45%      | Wilson Research Strategies (R) (5/31)<br>Stoker campaign poll        |
|       | Fmr. Santa Barbara Co. Sup. Mike Stoker (R) | 37%      |                                                                      |
|       | Undecided                                   | 17%      |                                                                      |
| IN-08 | Physician Paul Perry (D)                    | 42%      | Bennett, Petts, and Blumenthal (D) (5/30-6/4)<br>Perry campaign poll |
|       | Rep. John Hostettler (R)                    | 46%      |                                                                      |
|       | Undecided                                   | 12%      |                                                                      |
| PA-04 | State Rep. Terry Van Horne (D)              | 49%      | KDKA/CBS-TV2                                                         |
|       | State Sen. Melissa Hart (R)                 | 46%      |                                                                      |
|       | Undecided                                   | 5%       |                                                                      |
|       | Delegate Shelley Moore Capito (R)           | 23%      |                                                                      |

# Senate Races

| State | Candidates                                    | Matchups | Fav/Unfav | Poll/Dates Conducted                            |
|-------|-----------------------------------------------|----------|-----------|-------------------------------------------------|
| MI    | Sen. Spencer Abraham (R)                      | 42%      |           | Marketing Resource Group (R) (5/30-6/3)         |
|       | Rep. Debbie Stabenow (D)                      | 40%      |           |                                                 |
|       | Don't Know/Undecided                          | 17%      |           |                                                 |
| ND    | Senator Kent Conrad (D)                       | 61%      |           | Garin-Hart-Yang (5/3-5)<br>Conrad campaign poll |
|       | Fmr. Navy Lt. Duane Sand (R)                  | 25%      |           |                                                 |
|       | Undecided                                     | 14%      |           |                                                 |
| NJ    | Fmr. Goldman Sachs CEO Jon Corzine (D)        | 43%      |           | Mason-Dixon (6/2-4)                             |
|       | Rep. Bob Franks (R)                           | 36%      |           |                                                 |
|       | Undecided                                     | 21%      |           |                                                 |
| NY    | Hillary Rodham Clinton (D)                    | 44%      | 35%/39%   | Quinnipiac College (5/30-6/5)                   |
|       | Rep. Rick Lazio (R)                           | 44%      | 25%/ 8%   |                                                 |
|       | Don't Know/Other                              | 12%      |           |                                                 |
|       | Hillary Rodham Clinton (D)                    | 46%      |           | Zogby International (6/1-3)                     |
|       | Rep. Rick Lazio (R)                           | 44%      |           |                                                 |
|       | Not Sure                                      | 10%      |           |                                                 |
|       | Hillary Rodham Clinton (D)                    | 46%      | 49%/37%   | New York Daily News/NY1 (5/30-6/1)              |
|       | Rep. Rick Lazio (R)                           | 42%      | 38%/12%   |                                                 |
|       | Not Sure                                      | 12%      |           |                                                 |
| WI    | Sen. Herb Kohl (D)                            | 64%      |           | Mason-Dixon (5/16-17)                           |
|       | Rawhide Boys Ranch founder John Gillespie (R) | 25%      |           |                                                 |
|       | Undecided                                     | 11%      |           |                                                 |
|       | Sen. Herb Kohl (D)                            | 68%      |           |                                                 |
|       | Two Rivers Alderman Robert Dobbs (R)          | 19%      |           |                                                 |
|       | Undecided                                     | 13%      |           |                                                 |

**Gubernatorial Races**

| State | Candidates                                           | Matchups | Poll/Dates Conducted            |
|-------|------------------------------------------------------|----------|---------------------------------|
| NH    | Gov. Jeanne Shaheen (D)                              | 40%      | American Research Group (6/1-6) |
|       | Fmr. Sen. Gordon Humphrey (R)                        | 34%      |                                 |
|       | Undecided                                            | 26%      |                                 |
|       | Gov. Jeanne Shaheen (D)                              | 40%      |                                 |
|       | Fmr. state Bd. Of Education member Fred Bramante (R) | 28%      |                                 |
|       | Undecided                                            | 32%      |                                 |
|       | Gov. Jeanne Shaheen (D)                              | 42%      |                                 |
|       | State Sen. Jim Squires (R)                           | 29%      |                                 |
|       | Undecided                                            | 29%      |                                 |
|       | Gov. Jeanne Shaheen (D)                              | 42%      |                                 |
|       | Fmr. state Atty. General Jeffrey Howard (R)          | 28%      |                                 |
|       | Undecided                                            | 30%      |                                 |

**Other Job Approval Ratings**

| Person                    | Job Approval Rating | Poll/Date Conducted           |
|---------------------------|---------------------|-------------------------------|
| NY Gov. George Pataki (R) | 62%/25%             | Quinnipiac College (5/30-6/5) |

## NATIONAL POLLS

| Gore | Bush | Buchanan | Nader | Other/DK | Poll/Dates Conducted                        |
|------|------|----------|-------|----------|---------------------------------------------|
| 43%  | 44%  | --       | --    | --       | <i>Newsweek</i> (6/1-2)                     |
| 41%  | 42%  | --       | --    | 16%      | Zogby International (5/29-31)               |
| 39%  | 42%  | 2%       | 4%    | 12%      |                                             |
| 39%  | 49%  | --       | --    | 12%      | Fox News (5/24-25)                          |
| 41%  | 42%  | --       | --    | 16%      | Reuters/Zogby International (5/29-31)       |
| 39%  | 42%  | 2%       | 4%    | --       |                                             |
| 37%  | 47%  | --       | --    | --       | John McLaughlin & Assoc. (6/4-5)            |
| 38%  | 41%  | 2%       | 4%    | 15%      | Princeton Survey Research Assoc. (5/25-6-4) |
| 41%  | 46%  | 2%       | 6%    | 5%       | CNN/USA Today/Gallup (6/6-7)                |
| 44%  | 48%  | --       | --    | 8%       |                                             |

## Fav/Unfav

| Gore    | Bush    | Poll/Date Conducted              |
|---------|---------|----------------------------------|
| 42%/43% | 54%/30% | John McLaughlin & Assoc. (6/4-5) |
| 59%/35% | 64%/29% | CNN/USA Today/Gallup (6/6-7)     |

New polls were released from Alabama, Arizona, Montana, and New York during the last two weeks.

## STATE POLLS

| State | EVs | Gore | Bush | Buchanan | Nader | Other | Poll/Dates Conducted                            |
|-------|-----|------|------|----------|-------|-------|-------------------------------------------------|
| AK    | 3   | --   | --   | --       | --    | --    | --                                              |
| AL    | 9   | 28%  | 52%  | --       | --    | 20%   | USA Polling (5/29-6/1)                          |
| AR    | 6   | 25%  | 41%  | 5%       | 3%    | 26%   | Behavior Research Institute                     |
| AZ    | 8   | 31%  | 45%  | --       | --    | 17%   | Arizona State Univ. (5/18-21)                   |
| CA    | 54  | 50%  | 36%  | --       | --    | 14%   | American Research Group (5/1-9)                 |
| CO    | 8   | 42%  | 50%  | --       | --    | 6%    | <i>Denver Post</i> (3/3)                        |
|       |     | 41%  | 48%  | 3%       | --    | 6%    |                                                 |
| CT    | 8   | 44%  | 41%  | --       | --    | 6%    | <i>Hartford Courant</i> /UConn(5/18)            |
| DE    | 3   | 42%  | 51%  | --       | --    | 7%    | University of Delaware (2/21-3/5)               |
| FL    | 25  | 40%  | 47%  | --       | --    | 13%   | American Research Group (5/1-9)                 |
| GA    | 13  | 40%  | 46%  |          | --    |       | American Research Group (5/1-10)                |
| HI    | 4   | 45%  | 37%  | 5%       | --    | 13 %  | Mason-Dixon (5/5-9)                             |
| IA    | 7   | 43%  | 51%  | --       | --    | 6%    | Research 2000 (1/11)                            |
| ID    | 4   | 26%  | 52%  | --       | --    | 23%   | Moore Information (R) (1/23-25 – released 4/19) |
| IL    | 22  | 41%  | 41%  | --       | --    | 10%   | American Research Group (5/1-9)                 |
| IN    | 12  | 32%  | 53%  | 6%       | --    | 10%   | John McLaughlin & Assoc. (5/4-8)                |
| KS    | 6   | --   | --   | --       | --    | --    | --                                              |
| KY    | 8   | 40%  | 54%  | --       | --    | --    | Mason-Dixon (2/5)                               |

| State | EVs | Gore | Bush | Buchanan | Nader | Other | Poll/Date Conducted                          |
|-------|-----|------|------|----------|-------|-------|----------------------------------------------|
| LA    | 9   | 34%  | 45%  | 4%       | --    | 17%   | Southern Media and Opinion (4/6-15)          |
| MA    | 12  | --   | --   | --       | --    | --    | --                                           |
| MD    | 10  | 46%  | 38%  | 2%       | --    | 14%   | Mason-Dixon (2/28)                           |
| ME    | 4   | 48%  | 36%  | --       | --    | 16%   | Research 2000 (2/29)                         |
| MI    | 18  | 46%  | 45%  | --       | --    | 9%    | EPIC/MRA (5/14-17)                           |
| MN    | 10  | 43%  | 40%  | 4%       | --    | 13%   | Mason-Dixon (2/28)                           |
| MO    | 11  | 42%  | 44%  | 3%       | --    | 11%   | Mason-Dixon (2/28)                           |
| MS    | 7   | --   | --   | --       | --    | --    | --                                           |
| MT    | 3   | 34%  | 51%  | 3%       | --    | 12%   | Mason-Dixon (5/22-24)                        |
| NC    | 14  | 39%  | 49%  | 2%       | --    | 10%   | Mason-Dixon (4/24-26)                        |
|       |     | 42%  | 47%  | --       | --    | --    | American Research Group (5/1-9)              |
| ND    | 3   | --   | --   | --       | --    | --    | --                                           |
| NE    | 5   | 27%  | 54%  | --       | --    | 19%   | <i>Omaha World Herald</i> (5/2-4)            |
| NH    | 4   | 45%  | 33%  | --       | --    | 22%   | American Research Group (3/14)               |
| NJ    | 15  | 45%  | 44%  | --       | --    | --    | American Research Group (5/1-10)             |
| NM    | 5   | 41%  | 41%  | --       | --    | 12%   | Research and Polling, Inc. (3/14-16)         |
| NV    | 4   | 38%  | 46%  | 5%       | --    | 11%   | Mason-Dixon (3/6)                            |
| NY    | 33  | 46%  | 35%  | --       | --    | 18%   | <i>New York Daily News</i> /NY1 (5/30-6/1)   |
| OH    | 21  | 41%  | 47%  | --       | --    | --    | American Research Group (5/1-10)             |
| OK    | 8   | 32%  | 49%  | --       | --    | --    | <i>Tulsa World</i> (3/24-4/2)                |
| OR    | 7   | 37%  | 40%  | 2%       | 7%    | --    | <i>Portland Oregonian</i> /KATU-TV (4/10-17) |
| PA    | 23  | 42%  | 45%  | --       | --    | 13%   | American Research Group (5/1-9)              |
| RI    | 4   | 39%  | 25%  | --       | --    | 36%   | Brown University (2/21)                      |
| SC    | 8   | --   | --   | --       | --    | --    | --                                           |
| SD    | 3   | --   | --   | --       | --    | --    | --                                           |
| TN    | 11  | 47%  | 41%  | 2%       | --    | 10%   | Mason-Dixon (3/16-18)                        |
| TX    | 32  | 23%  | 70%  | --       | --    | 7%    | American Research Group (5/1-9)              |
| UT    | 5   | --   | --   | --       | --    | --    | --                                           |
| VA    | 13  | 41%  | 45%  | --       | --    | 15%   | Virginia Commonwealth Univ. (5/1-9)          |
| VT    | 3   | 46%  | 35%  | 3%       | --    | 16%   | Mason-Dixon (2/27)                           |
| WA    | 11  | 38%  | 39%  | --       | --    | --    | Elway Poll (4/11-12)                         |
| WI    | 11  | 37%  | 41%  | --       | --    | --    | Mason-Dixon (5/16-17)                        |
| WV    | 5   | 38%  | 47%  | --       | --    | --    | Ohio State University (4/19-25)              |
| WY    | 3   | --   | --   | --       | --    | --    | --                                           |

| Princeton Survey Research Assoc.<br>(5/25-6/4)                                                                                                                                                                |      |      |               |         |      |       |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|---------------|---------|------|-------|--------|
| Question: Who would do a better job as President handling...                                                                                                                                                  | Gore | Bush | No difference | Neither | Both | Favor | Oppose |
| Foreign Policy                                                                                                                                                                                                | 40%  | 40%  | 2%            | 3%      |      |       |        |
| Economy                                                                                                                                                                                                       | 39%  | 42%  | 3%            | 3%      |      |       |        |
| Education                                                                                                                                                                                                     | 42%  | 38%  | 4%            | 3%      |      |       |        |
| Social Security                                                                                                                                                                                               | 41%  | 39%  | 2%            | 4%      |      |       |        |
| Taxes                                                                                                                                                                                                         | 36%  | 45%  | 3%            | 3%      |      |       |        |
| Knowledge and experience to be a good president                                                                                                                                                               | 43%  | 37%  | --            | 5%      | 6%   |       |        |
| Judgement and character to be a good president                                                                                                                                                                | 38%  | 42%  |               | 4%      | 5%   |       |        |
| Bush has proposed changing Social Security to allow workers to set aside two percentage points of their payroll taxes that they would then invest in stocks or bonds. Do you favor or oppose such a proposal? |      |      |               |         |      | 54%   | 32%    |
| Gore says the federal government should shore up the Social Security system with part of the federal budget surplus. Do you favor or oppose such a proposal?                                                  |      |      |               |         |      | 53%   | 32%    |
| Now thinking about both proposals to deal with the financial problems of Social Security, which do you favor: Bush's proposal or Al Gore's proposal?                                                          | 40%  | 40%  |               | 11%     |      |       |        |

**John McLaughlin and Assoc. poll conducted 6/4-6/5:**

**Most important issues for next president**

|                   |     |
|-------------------|-----|
| Education/Quality | 12% |
| Health Care       | 8%  |
| Social Security   | 7%  |
| Gun Control       | 7%  |
| Taxes             | 6%  |

**Generally speaking, regarding the issue of abortion, would you say that you are pro-life or pro-choice?**

|                    |     |
|--------------------|-----|
| Pro-Choice         | 50% |
| Pro-Life           | 44% |
| Don't know/Refused | 6%  |

**ABC News/Money conducted week ending 6/4:**

- 76% said the state of the nation's economy these days was "excellent" or "good", 24% said "not so good" or "poor,"
- 68% said the "state of your own personal finances these days" was "excellent" or "good," 32% said "not so good" or "poor,"
- 49% said "considering the cost of things today and your own personal finances," now is "an excellent time" or a "good time" to "buy the things you want and need," 51% said a "not so good time" or "a poor time."

① 6-12-00

RED

DOT.

Eileen  
McCauley  
Damb

00 JUN 12 AM 11:24

## Facsimile Transmittal

DATE: 6-12-00

PAGE: 1 of 3

TO: Betty Curry

COMPANY: White House

FAX #: 1-202-456-12

FROM: Tom McDonald

6/12/00

How do we handle?

Send to Burkhardt?

Yes ☒No ☐PCTUS stayed w/  
McDonald family in  
Skaneateles -P.S. Note when  
they're up doing call

COMMENTS: Ms. Curry:

Carol Ann Smith is expecting a call from  
Spokane, Washington at 3:00 pm today  
and will need to respond to this  
letter. Anything you can tell me that we  
can expect from the President would be  
very helpful. The kids are so excited to  
go and represent our country.

Original will Follow By Regular Mail

Original will Not Follow

Respectfully,  
Cathy McDonald

This information transmitted by this facsimile is considered confidential and is intended for the use of the individual or entity named. If you have received this communication in error, please notify us by telephone, and return the original message, via the U.S. Postal Service, to us at the address below. Thank you.



00 JUN 12 AM 11:24

## Facsimile Transmittal

DATE:

6-12-00

PAGE:

1 of 3

TO:

Betty Curry

COMPANY:

White House

FAX #:

1-202-456-12

FROM:

Tom McDonald

6/12/00

How do we handle?

Send to Beukhardt?

Yes

No

PCTUS stayed w/

McDonald family in

Jamaica -

P.S. Note when

they're up doing stuff

COMMENTS:

Ms. Curry:

Carol Ann Smith is expecting a call from  
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**Mo**

---

**From:** Chris Eddy <Chris.Eddy@ambassadors.com>  
**To:** Carol Ann Smith (E-mail) <casmith@dreamscape.com>  
**Sent:** Wednesday, June 07, 2000 4:12 PM  
**Subject:** FW: Letter from the President for Ambassador Student Group

-----Original Message-----

**From:** Sarah Hamilton [mailto:Shamilton@abercrombiekent.com.eg]  
**Sent:** Sunday, May 28, 2000 11:11 AM  
**To:** Megan Hulsey  
**Subject:** FW: Letter from the President for Ambassador Student Group

Dear Megan,

This one got returned as well! Hope your email is working OK by now.

Regards,

Sarah

> -----Original Message-----

> **From:** Sarah Hamilton  
> **Sent:** Friday, May 26, 2000 7:44 PM  
> **To:** Ambassador Programs Megan Hulsey (E-mail)  
> **Cc:** Amr Badr; Dalia Khater; Dawlet Mehrez  
> **Subject:** Letter from the President for Ambassador Student Group

>

> Dear Megan,

>

> Many thanks for calling back just now, and I'm glad we were able to clear  
> up the slight misunderstanding about the Bedouin Camp "Chief"!

>

> As I said on the phone, I am delighted to hear the full situation of this  
> group - that one of the students has personal family connections with the  
> Clintons - and to understand that they simply wish to present a letter of  
> appreciation and token symbolic gift to any person of importance that they  
> might be meeting.

>

> This presents a brilliant opportunity for us to arrange a couple of extra  
> meetings for this particular group in Cairo with really high-profile  
> figures - and we can generate some excellent publicity for Ambassador  
> Programs through this. In particular I would like to try and arrange a  
> meeting with the Minister of Education, and I believe we can also even  
> arrange one with Her Excellency Suzanne Mubarak as well.

>

6/7/00

> What I will need from you is written confirmation (on your letterhead)  
> that the students plan to present such a letter from President Bill  
> Clinton, explaining what it will be about, and requesting that they be  
> able to present to the Minister / Mrs. Mubarak / the Mayor of Luxor during  
> their visit to Egypt. We would need three hard copies of this from you,  
> to forward to each of the dignitaries concerned and try to arrange  
> meetings from now.

>

> If you could send me a draft of the above letter by email ASAP, for us to  
> just review the wording, that would be great. We will then move  
> immediately on confirming each of the three meetings, so that you can go  
> back to the President asking for letters from him to each person as  
> required. According to which meetings are confirmed, we may have to  
> re-arrange the itinerary for these students in Cairo a little - but I hope  
> that this will be acceptable considering the opportunity involved for  
> them, and we will certainly try not to disrupt too much of their planned  
> activities.

>

> I will send you biographies of the people we have confirmed meetings with,  
> for you to give to the students / the President, as required. I will also  
> confirm the full name and official title and form of address for each one  
> as well.

>

> One last thing - if there is any way that we could be given a copy of the  
> letter from the President to each of the officials involved, it would be  
> really great to add copies to the portfolio of documents that we send  
> potential new contacts for new Ambassador Programs meetings, explaining  
> what Ambassador Programs does and who we have previously arranged for  
> groups to meet. Perhaps you could look into this and see if we can get a  
> photocopy of each letter for this purpose.

>

> Looking forward to hearing from you soon on all the above.

>

> With best regards,

>

> Sarah Hamilton  
> Marketing Manager  
> Abercrombie & Kent Egypt  
> Tel: +20 2 393 6255  
> Fax: +20 2 391 5179  
> Email: [shamilton@abercrombiekent.com.eg](mailto:shamilton@abercrombiekent.com.eg)  
> Website: [www.akegypt.com](http://www.akegypt.com)

>

Carol Ann Smith is  
the leader of our delegation.

Cathy McDonald  
3007 E. Lake Rd.  
Skaneateles, NY 13152  
315-685-8851  
(home)

\*\*\*\*\*  
 \*\*\* TX REPORT \*\*\*  
 \*\*\*\*\*

TRANSMISSION OK

TX/RX NO 1036  
 CONNECTION TEL 62806  
 CONNECTION ID  
 ST. TIME 06/12 19:08  
 USAGE T 01'42  
 PGS. SENT 4  
 RESULT OK

JUN 12-00 TUE 9:50 AM McDONALD-PARTNERS

FAX NO. 6856444

P. 1

① 6-12-00

RED  
DOT.Eileen  
McCauley  
Damb

00 JUN 12 AM 11:24

Facsimile Transmittal

DATE:

6-12-00

PAGE:

1 of 3

6/12/00

How do we handle?

Send to Bankhead?

Yes 1No 1

TO:

Betty Curry

COMPANY:

White House

FAX #:

1-202-456-12

FROM:

Tom McDonald

PCTUS stayed w/  
 McDonald family in  
 Skaneateles -  
 P.S. Note when  
 temporary registration

COMMENTS:

Ms. Curry:  
 Carol Ann Smith is expecting a call from  
 Spokane, Washington at 3:00 pm today  
 and will need to respond to this  
 letter. Anything you can tell me that we  
 can expect from the President would be  
 very helpful. The kids are so excited to  
 see and meet the President.

DAVID M. SHRIBMAN

Washington Bureau Chief

6-12-00

The Boston Globe  
1130 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 857-5050

Joe

I thought you (or even the president) might get  
a laugh out of this 2d grade essay by Natalie  
Shribman! (Read to the last line.)

Yours faithfully -

David

6-12-00

After you have seen,  
we will send to  
Burkhardt for reply -

Cal



# My Trip To the White House



met the President at the White House  
The President ~~had~~ invited me to the Christmas  
party. I had a lot of fun at the White House  
The President sent me a picture. He signed it.  
The Christmas party was a lot of fun even  
though the food was gross.

THE PRESIDENT HAS SEEN

Do not reply

PK

6-12-00

After you have seen,  
we will send to  
Berkhardt for reply

Mr. President

Courtney Backen.

Yvesha

Katarina  
Lisa

Nolan Kenna  
Matthew  
Spencer  
Kyla



Chase Hani

Alexa

Hannah

Jacob N

Jarobe

Edthan

Connor

Dear Mr. President,

We are Spencer's first grade class from Gideon Pond Elementary. We were very excited when we heard that Spencer would be meeting you! As a class, we decided that it would be neat to write you this note and share a picture of all of us.

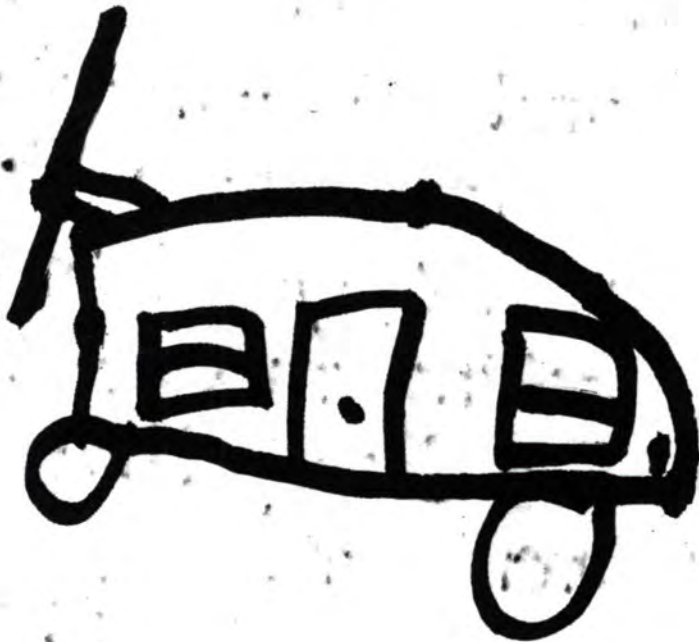
This school year has been lots of fun and we learned so much! Now we all can read, write stories, tell time, count past 100, and lots more. Now, we are all looking forward to our summer vacation. We hope that you have a good summer too!

From,  
Miss Boyd's Class



Dear Mr. President,  
We are friends and neighbors  
of Sophia and Spencer. We  
are glad you are supporting  
education.

Allison Steele  
Derek Steele



Nancy,

June 1, 00

Emon O. is working  
there this summer,  
starting today. Hope  
you run into him.  
Keep the faith, and  
keep the man going.

Thank you for your  
contribution to our  
country. You are  
a hero of the just war!

Kay and Em -

Office of  
First Lady

6-12-00

After you have seen,  
we will send to  
Burkhardt for reply

copied  
Lindsey  
Pedesta  
Burkhardt  
(for reply)

**Emon A. Mahony, Jr.**

6-12-00  
10701 Hunters Point Road  
Fort Smith, AR 72903-5813

Phone 501 4522497  
Fax 501 4526158  
Email ekmah@alltel.net

1. Ce BL  
fig-need Nexy

May 26, 2000

Honorable William Jefferson Clinton  
1600 Pennsylvania Ave NW  
Washington D.C. 20500

BC  
2-1-00  
A

Dear Mr. President:

It was of course disappointing to me that the Committee on Professional Conduct recommended such a harsh remedy. It was not surprising: my experience with them is that they have no conception of the meaning of the term "legal ethics." As such any result they reach is not limited by reason or by precedent. I have enclosed some correspondence between the Director and me regarding a complaint I have filed. It may be of interest to you because of the lack of a distinction drawn by them between legal and ethical. In any event, we are nearing three years since my complaint was filed and they still refuse to consider my complaint. If you or your attorneys have an interest, I will be willing to share my entire file, and other files if they are interested.

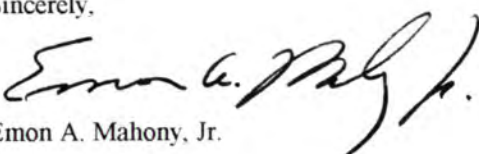
I remain stalwart in my belief that you are among the very best of our Presidents. You do your job well, and with the interests of the people of your country first in your mind and heart. You did the same as Governor.

On another subject, I am very concerned with the gas supply available to the consumers of the country. I am convinced that if the next winter is "normal" or more severe than normal, we are not prepared to deal with the shortages which will occur. In my opinion, we need to put in place emergency contingent measures which will allow FERC to allocate natural gas supplies to consumers on peaks. We have directed everyone who can to use natural gas. In addition all electric plants being built today are gas users. As a result, this summer, gas which would ordinarily be going into storage is being used to generate electricity. This combined with a loss of supply and increased winter peak demand means big trouble on a winter peak. The problem is that supplies sufficient to eliminate the problem have at least a three year lead time from start to production.

Finally, I hope that your experiences of the last eight years have convinced you that the standards governing the attorneys of our country badly need a new look. Self regulation of the profession is not working. Consumers are being badly victimized, as is the national interest. Attorneys are running our country in their interest, and as a class of privilege. Most non-attorneys hate and fear attorneys as a class, and with reason.

Please continue to keep up your level of effort for the country. We need all you can give.

Sincerely,



Emon A. Mahony, Jr.

**Emon A. Mahony, Jr.**

10701 Hunters Point Road  
Fort Smith, AR 72903-5813

Phone 501 4522497  
Fax 501 4526158  
Email ekmah@ipa.net

*Wilson? ?  
Audley?*

April 27, 1998

Mr. James A. Neal  
Justice Building, Room 205  
625 Marshall Street  
Little Rock, AR 72201

Dear Mr. Neal:

Thank you for your letter of April 24, 1998. Before I received it, I and already faxed to Mr. Harmon copies of the requested documents. Please advise if the file does not reflect receipt.

Mr. Neal, I appreciate your forwarding the opinion. I am of course pleased that the Judge is doubtful as to her jurisdiction over Mahony Corporation, and the subject matter of a lien against our assets. It seems to me that the fact of our receipt of this opinion expressing doubts as to jurisdiction from you rather than from our alleging attorney is ethically significant. Of course it is even more significant when that same attorney sends to us a form which would give jurisdiction to the court, without informing us of the significance of the form.

Mr. Neal, I can express how disappointed I am that you do not perceive that the question of legality of actions is entirely different that the question of ethical behavior between an attorney and a client.

I hope that you come to understand that it is a common occurrence for one to achieve a legally permissible goal in an unethical manner. In this event, Mr. Fox has not conducted himself in a responsible manner toward those who he claims as clients, and can only have a lien if they are clients. I sincerely believe that the most elemental level of ethical standards would condemn Mr. Fox. Again, I have provided to you evidence that Mr. Fox is acting against our interest without consultation. Worse, he has failed to inform us of the rulings of the judge. Even worse yet he has asked us to sign a document which would have an impact contrary to our interest without informing us of the consequences of our actions. Mr. Neal, these are actions condemned by the Rules of Professional Conduct regarding communications between attorney and client. As I write this letter, Mr. Fox is depriving us of the use of our funds through his claimed lien. Action by your committee to condemn his actions is required by the Rules which you administer, in my opinion.

When we conversed, you expressed an interest in the fact that at one time I practiced law. Enclosed for your information is a copy of a resume I prepared for another reason. If your interest is in checking me out, I will of course provide references, both in Little Rock and Fort Smith, or anywhere else if you have a need.

Sincerely,

Emon A. Mahony, Jr.

SUPREME COURT OF ARKANSAS  
Committee on Professional Conduct

COMMITTEE

RICHARD A. REID, CHAIRMAN  
BLYTHEVILLE  
SUE WINTER, SECRETARY  
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LESLIE FRYXELL, SENIOR STAFF ATTORNEY  
NANCIE M. GIVENS, STAFF ATTORNEY  
MICHAEL E. HARMON, STAFF ATTORNEY  
JUSTICE BUILDING, ROOM 205  
625 MARSHALL STREET  
LITTLE ROCK, AR 72201  
(501) 376-0313  
FAX (501) 374-1853

April 24, 1998

Mr. Emon A. Mahony, Jr.  
10701 Hunters Point Road  
Fort Smith, AR 72903-5813

RE: Complaint Against Attorney Timothy D. Fox

Dear Mr. Mahony:

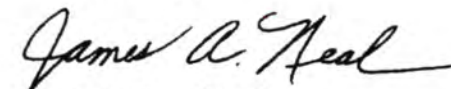
Thank you for the facsimile transmission of Mr. Fox's letter of April 10, 1998. I note that his letter reflects the enclosure of a document entitled "Statement of Contest/No Contest Re: Attorney's Lien" and a draft of a Petition for Determination of Attorney's Lien. If, in fact, those two documents were provided to you would you would be kind enough to provide this office with a copy of each?

As discussed in our telephone conversation of Monday, I feel it would be of some considerable assistance and import to the proper assessment and determination of the matter to await the decision of the Chancery Court in regard to the question of the award of attorney's fees on the recoveries of those entities similarly situated to the position of the Mahony Corporation. I realize that you disagree with my rationale in this matter and my handling of your grievance. However, it is my considered opinion that it would be improvident to attempt a dispositive resolution of your complaint without knowing whether entitlement to attorney's fees legally exists or not. I am not saying that any future decisional law would necessarily and absolutely compel a particular result one way or the other on the issues you raised. However, in any type of case, I would be hard pressed to logically reconcile a decision to seek punitive sanctions for conduct or actions later found to be legally permissible. To me, it would fly in the face of reason to seriously entertain the notion that one could be punished for doing what one was legally permitted to do. I also understand that it may be possible for one to accomplish a legal purpose but, perhaps, do so in an illegal manner. But, in any event, I must choose to wait and to seek other information which may be helpful to me in making an informed, objective, and legally sound evaluation.

Mr. Emon Mahony, Jr.  
April 24, 1998  
Page two

I trust that the foregoing is somewhat responsive to your concerns. Please find enclosed a copy of the opinion which Mr. Harmon said he would provide. Again, thank you for Mr. Fox's latest letter and I look forward to receiving the two documents I have requested.

Sincerely,

  
James A. Neal  
Executive Director

JAN/mmb

Encl.

THE WHITE HOUSE  
WASHINGTON

Date 6.12.00

To: BERGER, SPERLING

From: The Staff Secretary

ANY COMMENT BEFORE  
THIS GOES TO POTUS?

CC: RICCHETTI



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

'00 JUN 12 PM 3:37

SECRETARY OF THE TREASURY

June 12, 2000

**MEMORANDUM FOR PRESIDENT CLINTON**

**FROM:** Lawrence H. Summers *LH*  
**SUBJECT:** The Fiscal Burden of Russia's Debt

You and I discussed the fiscal burden associated with Russia's meeting its current debt service obligations. There are no perfect measures or projections of such burdens. However, I think you were misled when you were told that Russia faces a debt service burden that is unmanageable and could interfere with the Russian government's ability to meet its citizens' needs. Russia's debt service obligations (interest and principal) are relatively low compared with those of other industrial and emerging market economies, by some measures lower than for the United States when you took office.

Table One shows Russia's external debt service obligations (interest, principal and the total) as a share of projected government revenues.<sup>1</sup> The total averages only 18% for 2001-2010 and in no year comes close to the curious figure of 50% that was reported to you.

**Table One:** External Debt Service relative to Federal Revenues (incl. off-budget funds<sup>2</sup>)  
Before Additional Reschedulings (in %)

|                         | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Debt Service / Revenues | 22.2 | 23.3 | 23.1 | 29.2 | 17.2 | 18.9 | 14.9 | 16.5 | 17.4 | 9.9  | 9.1  |
| Interest / Revenues     | 9.4  | 12.6 | 12.3 | 9.9  | 8.7  | 8.0  | 6.2  | 6.0  | 6.0  | 5.1  | 4.7  |
| Principal / Revenues    | 12.8 | 10.7 | 10.7 | 19.1 | 8.5  | 10.9 | 8.7  | 10.5 | 11.4 | 4.8  | 4.4  |

What is particularly relevant in this context for most countries is the size of interest payments on total public debt (internal and external) relative to government revenues because interest payments reflect the cost of carrying a fixed stock of debt and principal payments can normally be rolled over or refinanced. Russia's projected interest payments average only 8% of revenues over the next ten years. And, as shown in Table Two, interest payments in 2001 are quite low compared with those of other industrial and emerging market economies.

<sup>1</sup> This total includes dollar-denominated domestic debt. There is only a negligible amount of ruble-denominated debt in the hands of the public.

<sup>2</sup> Federal revenues including federal off-budget funds, equal to about 8% of GDP, which the Russian government plans to shift on-budget during 2001-2003.

**Table Two:** Debt Service as % of Revenues, International Comparisons

|           |        | Interest | Principal<br>& Interest |
|-----------|--------|----------|-------------------------|
| Russia    | 2001   | 13       | 23                      |
| U.S.      |        |          |                         |
| 1993      | (peak) | 18       | >100                    |
| 1999      |        | 13       | > 70                    |
| Italy     |        |          |                         |
| 1992      | (peak) | 25       | >100                    |
| 1999      |        | 15       | >80                     |
| Brazil    | 2000   | 20       | >100                    |
| Argentina | 2000   | 16       | 33                      |
| Turkey    | 2000   | 95       | >100                    |
| Indonesia | 2000   | 35       | 50                      |
| Ecuador   | 2001   | 30       | 50                      |

Although Russia's total debt service obligations as a share of government revenues are relatively low by international standards, that total can be reduced further through Paris Club rescheduling and partial refinancing of IMF/World Bank principal coming due. On conservative assumptions, debt service for the next decade can be reduced from an average of 18% of revenues to 16% through Paris Club rescheduling and further to an average of 15% on the assumption that 90% of IFI principal obligations are refinanced. Although Russia's external debt service obligations jump significantly in 2003, the appropriate way to handle peaks is through such steps as debt rescheduling or refinancing through the private markets.

**Table Three:** External Debt Service relative to Federal Revenues,  
after Paris Club rescheduling and 90% IFI refinancing (in %)

|                                                                          | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------------------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Debt Service / Revenues<br>(after Paris Club<br>Rescheduling)            | 16.8 | 16.8 | 23.4 | 12.0 | 14.3 | 16.2 | 18.0 | 18.6 | 12.0 | 11.3 |
| Debt Service / Revenues<br>(after Paris Club and 90%<br>IFI Refinancing) | 14.1 | 12.3 | 19.6 | 10.6 | 13.7 | 15.9 | 18.2 | 19.2 | 12.9 | 11.9 |

**Conclusion:** There is no compelling case to grant Russia debt reduction. Offering a new and unproven Russian President something he does not need at significant financial and political cost to the U.S. and our allies would, in my view, be a serious policy mistake, with ramifications both at home and abroad. I believe it is important that we reach an affirmative decision quickly on how to proceed because ambiguity will hurt our credibility with Russia and the other G-7 countries. The best approach to take with Russia is to offer the prospect of a comprehensive long-term solution to the debt problem in the form of a broad rescheduling that would follow a year of credible performance under an IMF program. I look forward to discussing these matters with you further.

THE WHITE HOUSE

WASHINGTON

June 9, 2000

Send  
Cufflinks

00 JUN 12 PM 5:04

Dear Mr. President:

I have served in your Administration for more than five and a half years, arriving in Washington, D.C. in the days of your transition into office in December of 1992, and, most recently, having served as Deputy Director for Intergovernmental Affairs here at the White House for the past eight months.

I leave next week – Friday, June 16, 2000 – with the greatest reluctance. However, as I return home to Texas to join my wife, Beth, to prepare for the arrival of our first child in October, there is much joy and expectation in me as well.

When I began serving as the White House Liaison at the U.S. Department of Health and Human Services the day after your first Inauguration, I was an enthusiastic and ambitious 28-year old determined to make a difference. Needless-to-say, I was also heavy with inexperience. For the next several years, I learned from those around me, most notably, Secretaries Donna Shalala and Henry Cisneros, and I soon gained a sense of confidence and accomplishment.

Later, I served here at the White House as a Special Assistant to the President in the Office of Political Affairs. It was during this time that I learned so many positive things about myself and my capabilities. I returned home in January of 1997 to complete my law school education, and did so with a sense of pride in public service and a deeper sense of love for my country. After law school, I returned to the Administration as the Regional Director for HHS in Dallas, Texas, and now as a member of the White House staff for a second time.

It is difficult to express adequately how much I appreciate the confidence you have shown in me and the countless opportunities you have given me to realize my dreams of public service at the highest levels of government. My parents have asked me to thank you as well.

I am proud to be associated with the tremendous accomplishments of your Administration. I am most proud, however, to leave here as an example of your commitment to a diverse government. As a young Hispanic-American working on your campaign in 1992, I placed my faith in your words of "empowerment" and "opportunity." I stand today as a product of your vision – proud of my service, confident in my abilities and eager to take on the next challenge. I thank you for that, Mr. President, and hope we will stay in touch in the years ahead.

Finally, and for the record, your legacy is well-settled in my mind already: I and millions of others like me are living proof that you made a difference for America.

With sincerest respect and regards, I remain

Yours Truly,  
*Ray Martinez, III*  
RAY MARTINEZ, III

6-12-00

To Burkhardt for reply?  
Yes ☒ No ☐

*[Handwritten mark]*

*[Handwritten mark]*