

6-27-00

cc: [unclear]

June 22, 2000

Dear President Clinton:

Please advise your Vice Pres.
 and Democratic Presidential candidate
 Al Gore that we are appalled that
 a certified letter sent to him has
 not received the simple courtesy of
 a response. **WE KNOW YOUR**
RECORD on behalf of Indian Country,
 its policies and programs. Mr. Gore
 Mr. Bush start with blank slates,
 so as of today Bush nor Gore evidently
 know enough or understand about
 respect for sovereignty, sovereign leader-
 ship or sovereign rights. To earn and
 deserve our SUPPORT and votes they
 must meet and speak to us. We are
 55% strong federally recognized tribal
 governments. The NBC nationally tele-
 vised Presidential Forum is going
 to happen for the First Americans.
 So tell Mr. Gore

was shrunk
down from
a t-shirt

NO is not an acceptable option.

Thank you Mr. President for your 8 years and
 all you have done and will continue to do for
 the First Americans and your mother, our Indian
 Sister, Mrs. Virginia Kelley.

Sincerely,
 Richard S. Hall
 "ONEIDA HARTMAN"

Am. Indian Nation
 Bush Derogatory Comments
 Sanctioned Treaty of Nebraska
 Mary K. Monroe
 Grand River Indian
 Community

2000 NATIONAL INDIAN GAMING ASSOCIATION



IN
M.I.



PORTLAND

GON

INCORP.

HIT PROMOTION INTERNATIONAL

HIT PROMOTION
(EUROPEAN REPRESENTATION)

5 PAGES INCL.

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DUERRBERGSTRASSE 30A • 82335 BERG/STARNBERG • GERMANY

TO:MR.BILL CLINTON--PERSONALLY--
PRESIDENT OF THE UNITED STATES
OVAL OFFICE
WASHINGTON D.C.

FROM:ALEXANDER BYRON
SINGER, SONGWRITER, PRODUCER

DATE:JUNE,24,2000

REF.:SPECIAL COOPERATION REGARDING "MERRY CHRISTMAS"

Dear MR.PRESIDENT,

I am a very big admirer of you and I would like to send you this letter, in order to present you a proposal for a special cooperation, which you might find very interesting.

I think you are the most talented and capable politician not only of present, but of modern times and I would like to congratulate you very much for your absolutely outstanding achievements with respect to peace, humanity and prosperity for the United States, for Europe, for Asia, for the whole world!

Without any doubt you are the most fascinating and best President of the United States of all times and a model president or statesman for every state around the globe!

May I introduce myself to you, please:

I am a singer, songwriter, producer as well as young entrepreneur of English-German-American origin.

I love Christmas and therefore I have created a wonderful, melodic song called "MERRY CHRISTMAS"!

It was recorded by me together with children at the famous Abbey Road Studios (The Beatles, STARWARS, Indiana Jones and many other big successes) in London and is a very nice and catchy tune!

We are convinced "MERRY CHRISTMAS" might become a big hit!

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As I love the USA and I admire your fascinating personality, I would like to make you a proposal, which you might find very interesting:

I would like to offer you 20% of the overall advertising sum, if you help me win a group of top US, multinational companies sponsoring/giving away the nice CD "MERRY CHRISTMAS" as a very special gift for every household in the USA and maybe 9 further major markets in Europe, including Great Britain, Germany, France, Italy, Spain, Scandinavia, Benelux, Austria and Switzerland, on Christmas 2000, the first Christmas of the new millennium!

I would imagine a number of 12 companies and an advertising fee of US\$ 1-2 per CD "MERRY CHRISTMAS" for each company, in order to participate in the exceptional campaign.

At a number of 96 million households in the USA or 236 million households in all the markets described this would be an outcome of US\$ 115 MIO-230 MIO or US\$ 283 MIO-566 MIO, which you might use for charity, etc.

We would like to give 5% of the overall advertising sum to the UNICEF.

Besides, I would like to ask, if you would like to write a word for the beginning of the CD booklet presenting the participating US companies as top companies, which have helped to make the world a better world, and wishing everybody a "Merry Christmas".

I strongly believe the exceptional and very nice activity would be a super success and the companies involved would benefit from a gigantic advertising and PR effect highly increasing their sales and profits!

At the same time it would be a wonderful publicity and PR campaign for you, Mr. Clinton, which would also make you unforgettable as a President with a fantastic, very likable human side and personality!

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As this year is a holy year I am convinced it would be very nice, if His Holiness the Pope would also participate in the exceptional campaign writing a word on Christmas 2000 and the year 2000 and I will get in contact with the Vatican, too.

What regards the companies, I am sure the companies, which would best benefit from participating in the unique activity would be mass consumer companies of different industries like softdrinks, telecommunications, carmakers, airlines, computers, food companies, petroleum refiners, banks, insurance companies, wholesalers, toys, electronic companies, chocolate companies, etc.

By joining in they would benefit from an enormous advertising and PR effect highly accelerating their sales and profits!

1. Strong advertising effect:

- a) First, the sponsor companies/advertisers would reach every household-attaining an extremely high advertising intensity (100%)!
- b) All households would be highly surprised and delighted with a very nice gift:

The CD "MERRY CHRISTMAS" contains a very nice and catchy music with lovely melodies and of a style, which is done for a very broad audience.

I am absolutely convinced the sponsors would have a great gift with it and a lot of people would love it!

- c) All this would happen at the most beautiful time of the year, at Christmas time, when people are most accessible for exchanging gifts, love and friendship!

We believe the best time for carrying out the activity would be about 1-2 weeks before Christmas.

Christmas 2000 would also be perfect, because it was 2000 years ago that Christ was born and Christmas 2000 would be the first Christmas of the new millennium!

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d) What regards the brandnaming the sponsors/advertisers would be offered three different ways how they might ad for themselves:

1. The logo of each participating company would be very visibly and attractively imprinted on every CD's front or back cover!
2. Each sponsor would be offered a full page of every CD booklet for a slogan or another advertising information free to his imagination!
3. At the beginning of each CD booklet the companies would be presented as top US companies and sponsors of the great activity!

2. Strong advertising effect:

In this exceptional activity the sponsors would directly contact every household via the very nice CD gift and build up a special relation with all people.

Presents always make friends and with this very nice gift the sponsors would win numerous new friends and customers!

3. Lasting effect:

Another great advantage of the exceptional activity would be the lasting advertising and PR effect the sponsor companies could benefit from:

Everytime people would listen to the very catchy and nice music of "MERRY CHRISTMAS" and everytime they would come across the sponsors' offers they would recall their very nice gesture, which will reflect in their later customer behaviour and the sponsors' profits!

Giving is a blessing and will always be well-remembered!

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In total, I am absolutely convinced the whole nice and outstanding activity would be a super success and the US companies involved would benefit from a gigantic advertising and PR effect highly increasing their sales and profits!

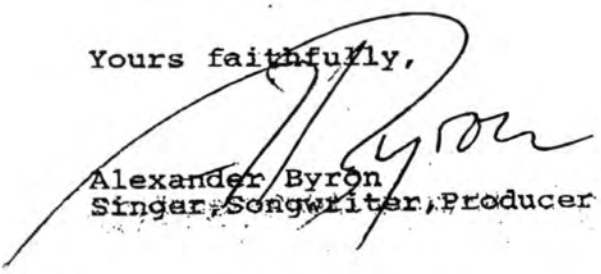
The advertising/sponsoring fee would be a complete fee and included the imprint of the advertising information on the CD booklets, the manufacturing of the CDs, their distribution to the households and the sponsors' gigantic advertising and PR effect!

I do trust in your visionary ability, in order to discover the opportunities, which lie inherent to the great activity and it would be an exceptional honour and pleasure, if you enjoyed the proposal and we might cooperate in this very special and unique campaign!

Kindly let me know.

Thank you very much.

Yours faithfully,



Alexander Byron
Singer, Songwriter, Producer

P.S.: I will provide you with the music of "MERRY CHRISTMAS" by mail.

Besides, I will be in the USA soon and perhaps it would be possible to arrange a meeting.

Thank you very much.

INCORP.

LUNNEY & MURTAGH, LLC

ATTORNEYS AT LAW

81 MAIN STREET

WHITE PLAINS, N.Y. 10601

TEL: (914) 686-1776

FAX: (914) 686-1785

e-mail: LUNMURT@aol.com

100 JUN 26 PM 7:24

CC: Lisel Loy

May 24, 2000

FedEx

Hon. William J. Clinton, President of the
United States
Commander-in-Chief
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Chief Watertender Peter Tomich
Medal of Honor, Awarded 1942

Dear President Clinton,

I write to appeal for your action in correcting a long outstanding injustice by presenting a Medal of Honor to a proper representative of the only American hero in this century who was awarded the Medal but which Medal has never been presented.

On December 7, 1941, at Pearl Harbor, Peter Tomich, then a twenty year veteran of the U.S. Navy, while serving as a Chief Watertender aboard a former battleship, the USS UTAH, distinguished himself by gallantry and intrepidity beyond the call of duty. Chief Tomich displaying "extraordinary courage and disregard of his own safety" remained at his post in the engine room until all boilers were secure and all personnel had left their station. He sacrificed his life to save his men and other crew members. In 1942 President Franklin D. Roosevelt awarded Chief Tomich our Nation's highest award, the Medal of Honor, posthumously. Tomich is one of fifty-eight crewmen still entombed in his ship at the bottom of Pearl Harbor.

Navy service records clearly show that Chief Tomich listed his cousin, John Tonich then living in California, as his next of kin and beneficiary. Any attempts by the Navy to communicate with John Tonich in 1942 were unsuccessful because he had returned to Croatia in the early 1920's (where he died in 1948). Thereafter the Navy did nothing further to locate any representative to present the Medal.

*Send to
Post*
John Tonich
with copy
(E. Bowles)
CC: Tim
Laura
marcus
Cal Affs
FVI
U
6/27/00

During 1997 the Commander of the New York Naval Militia, (part of a New York State government agency) RADM Robert A. Rosen, NYNM, requested that I, as the Naval Militia Judge Advocate General, research this matter as Chief Tomich had first enlisted in the US Army during WWI in New York and later enlisted in the U.S. Navy from New Jersey.

The New York Naval Militia is one of the major components of the New York State agency known as the Division of Military and Naval Affairs and together with the Army National Guard, the Air National Guard and the State Guard, form a force available to the State and Federal Government in times of need and emergency. The New York Naval Militia is a federally recognized command of approximately 5,500 persons. It is comprised of the Navy Reserve, Marine Corps Reserve, the Coast Guard Reserve and volunteers. It has a proud history of more than 200 years and is recognized under New York law, and also Title 10 U.S. Code.

I traveled to Bosnia and Hercegovina on my own initiative and after locating Tomich's family, I reviewed Church records, conducted interviews, reviewed extensive additional materials and therefrom identified the descendents of John Tonich (the person named as next of kin). Dragutin Herceg Tonić, son of John Tonich is now over 75 years of age and has requested that his son, Screcko Herceg Tonić, be designated as the representative to be presented with the Medal of Honor on behalf of the entire Tomich family.

The results of my extensive investigation in Bosnia and here in the States together with all family and foreign court documentation were delivered to the Navy with the recommendation that the Medal be presented to Screcko Herceg Tonić. Unfortunately the Navy contends that definitive evidence does not exist to identify a proper representative and continues to do nothing to locate such a representative. The Navy has never explained, despite repeated requests, what else is required.

Because of the frustrating bureaucratic circumstances I sought judicial review of the entire record. Based upon my extensive legal investigation for over three years the Surrogate's Court, County of Queens, New York has entered a Decree appointing me the Administrator of the Estate of Peter Tomich. As the Administrator I am to administer all goods, chattels and credits of Peter Tomich including the right to bring any legal action on his behalf. The Federal courts, if called upon to review these proceedings will generally give full faith and credit to such a State decree. A certified copy of the Letters of Administration, dated May 19, 2000 is enclosed. This decree was granted only after all genealogical and other concerns were raised. The Court and the Public Administrator carefully reviewed all the records I obtained and only after resolving all issues of fact and law did the Court issue the Decree.

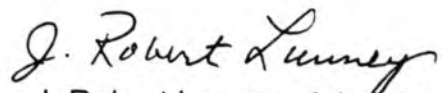
All these efforts by me have been extended through my own personal funds and resources. I have not and will not accept any payment or reimbursement. This has been a matter of seeking honor and justice and has been motivated solely by a desire to perform a public service. By way of introducing myself, I am commissioned as a Rear Admiral in the New York Naval Militia and serve as its Judge Advocate General. I have served honorably in the United States Naval Reserve for 43 years with overseas duty in WWII and Korea. I received a Doctor of Law degree from the Cornell Law School (1954) and have practiced for over 45 years having served as an Assistant U.S. attorney in New York for five years. In 1994 I was decorated by the Secretary of the Navy with the Navy Distinguished Public Service Award for improving "the capabilities of the Department of Defense to carry out essential wartime missions". In 1997 and 1998 I was approved by the Department of Defense to monitor joint recovery operations of MIA personnel in North Korea. I am also the past National President of the Naval Reserve Association, an organization of over 25,000 Naval Reserve Officers

This Medal of Honor has already been awarded and now should be presented to a proper representative. The Medal itself is being held by the Navy for display purposes and this presents no problem to the Tomich family. Once it is properly presented by you they will accept a reproduction or duplicate and allow the Navy to retain the original for appropriate public display at mutually agreeable museums and other prominent locations.

Chief Tomich's bravery has already been recognized by the Navy in naming training facilities at Newport and Great Lakes in his honor. However the presentation of the Medal of Honor by you to his family would bring even greater credit to the Navy and all the armed forces and the nation. Such a presentation would not only correct an injustice, which you have done many times during your Presidency, but bring great credit to your legacy as Commander in Chief. Such a presentation perhaps could be made by you and the First Lady at any venue you choose or here in New York City aboard the USS INTREPID, a perfect forum to celebrate the conspicuous service of our Naval hero. Wouldn't it be wonderful if this presentation can be made on or before December 7th. This year will mark the 59th year that Chief Tomich gave his life for our nation.

Please set this matter straight and obtain great credit for all of us in correcting a long standing oversight. I would most appreciate a response after your serious consideration.

Very respectfully yours,



J. Robert Lunney, Administrator
of the Estate of Peter Tomich

STATE OF NEW YORK
SURROGATE'S COURT
COUNTY OF QUEENS

355613

FILE # 2121 / 1999

-----THE PEOPLE OF THE STATE OF NEW YORK-----
TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, GREETINGS:

On the date written below letters were granted by the Surrogate's Court of Queens County, New York as follows:

Name of Decedent: PETER TOMICH, PETER TONICH, PETER HERCEG TONIC, PETAR HERCEG TONIC

Date of Death: December 7, 1941

Domicile of Decedent: USS UTAH (AG-16) U.S. NAVY

Date Letters Issued: 05-12-2000

Name of Each Administrator: J. ROBERT LUNNEY

Classifications of Letters Issued:

LETTERS OF ADMINISTRATION

LIMITATIONS ON LETTERS:

NONE

and that it does not appear by said records that said letters have been revoked.

Dated 19-May-00
Queens, New York

IN TESTIMONY WHEREOF, the seal of the Queens County Surrogate's Court has been hereunto affixed.

WITNESS HON. ROBERT L. NAHMAN
Queens County Surrogate



ALICEMARIE E. RICE
Chief Clerk of the Surrogate's Court

THIS CERTIFICATE IS NOT VALID WITHOUT A RAISED SEAL OF THE COURT



Spotlight Magazine

And The Italian World

CC: Lisel Loy.

6-22-2000

Publisher/Editor-In-Chief:
Mrs. Conrad Lyons

Coordinating Editor:
Franco Di Domenica

Correspondents/Photographers:
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Phyllis Di Domenica, M.D.
Antionietta R. Gallo

Honorary Members:
Bill Neal
J.R. Soriano, M.D.

The White House
Washington, D.C.

Attn: Chief of Staff.
Folstein

61271 CC

cc: Bushbandt?

Yes

No

Dear Mr. Folstein:

The enclosed for your information

With reference to my request for the inclusion of Folstein which goes back to March 1997 in Italy and subsequently another request to your Bureau's Department of the Chairman of the N.I.A.F. Mr. Frank D. Stella - a file of my references should be at the Bureau's Department of the White House. By the way I am one of the original members of the N.I.A.F. Thanks for your help. Sincerely, Franco Di Domenica

P.S. Personal references, if necessary.

- ① Congn. Frank Guarnini (alt.)
but chairman of the N.I.A.F.
- ② Congn. Frank Ferlone, N.D. -
living like me, in Long
Branch, N.J.
- ③ Frank D. Stella, Stella Products,
Detroit, Mich. - former chairman
of the N.I.A.F.

N.B. Due to a confusion of schedules, I
was unable to attend the
recent meeting of the N.I.A.F. in
Rome, Italy. While I was supposed
to attend the Jubilee of Socialists at
Vaticane City, I had to leave my daughter
replacing me due to a bad cold I caught here,
therefore I missed also the economical meeting

**Millennial Certificate
for Philanthropic Recognition**

*The Board of Directors of The Statue of Liberty-Ellis Island Foundation, Inc.
presents this commemorative certificate to*

Franco DiDomenica

*for generous support in helping to create
The American Family Immigration History Center at Ellis Island*

Certified this 27th day of April, 2000

Lu Lacocca

Lu Lacocca, Chairman Emeritus





TM © 1987 SL/EIF, INC.

The Statue of Liberty-Ellis Island Foundation, Inc.

proudly presents this

Official Certificate of Registration

in

THE AMERICAN IMMIGRANT WALL OF HONOR

to officially certify that

Franco Di Domenica

came to the United States of America from

Italy

joining those courageous men and women who came to this country in search of personal freedom, economic opportunity and a future of hope for their families.

Lee A. Iacocca
The Statue of Liberty-Ellis Island
Foundation, Inc.



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copy

To a magnificent human
being who constantly does
nice things for whom
he meets. The great Franco Di Dan-
esca. Franco, you're an
inspiration to all of us.

Thank you for everything
you have, and are doing, for
me and the City of Jersey
City. You're beautiful.

Love,

Thomas F. X. Smith

October 25,
1992

P.S. Your pal, Joanne

Mayor of Jersey City, N.J.

From THOMAS F. X. Smith, Mayor



United States of America

House of Representatives

Citation

Presented to

FRANCO DiDOMENICA

by the citizenry of New Jersey's 3rd Congressional District,

through their elected representative, upon the occasion

of the 90th Anniversary of the first experiment of wireless transmission on the Atlantic coast of the United States. On October 16th, 1899, Guglielmo Marconi was a guest of the United States Navy on the ship "Ponce". He broadcasted the details of the America Cup yacht race on behalf of the New York Herald and Evening Telegraph newspapers. The House of Representatives honors Guglielmo Marconi, who through his invention, opened the way to a new era for mankind.



October 16, 1989

Date

Frank Pallone, Jr.
Congressman Frank Pallone

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Tab D - Entire Report: Reed/Chow/Podesta
pg. 3: Bowles/Ucelli/Currie
Tab E - Frampton/Podesta
Tab F - Entire Report: Ballentine/Podesta
pg. 1: Burkhardt (for reply)
Tab G - Lane/Podesta
Tab H - Entire Report: Ibarra/Podesta
pg. 2: Ricchetti/Sperling
Tab I - Marshall/Balderston/Podesta
Tab K - Brain/Podesta
Tab L - Cahill/Podesta
Tab N - Cutler/Podesta/Echaveste
Tab P - Moore/Podesta


6.27.00

6-26-00

Weekly Reports

June 19 – 23, 2000

THE WHITE HOUSE
WASHINGTON

June 24, 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
To Be Forwarded**
- (D) **DPC**
- (E) **CEQ**
- (F) **Office of Environmental Initiatives**
- (G) **OSTP**
- (H) **Intergovernmental**
- (I) **Cabinet Affairs**
- (J) **Communications**
- (K) **Legislative**
- (L) **Public Liaison**
- (M) **Race Initiative**
- (N) **Indian Affairs**
- (O) **Special Envoy for the Americas**
- (P) **Political Affairs**

Adam Rosman

6-26-00

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

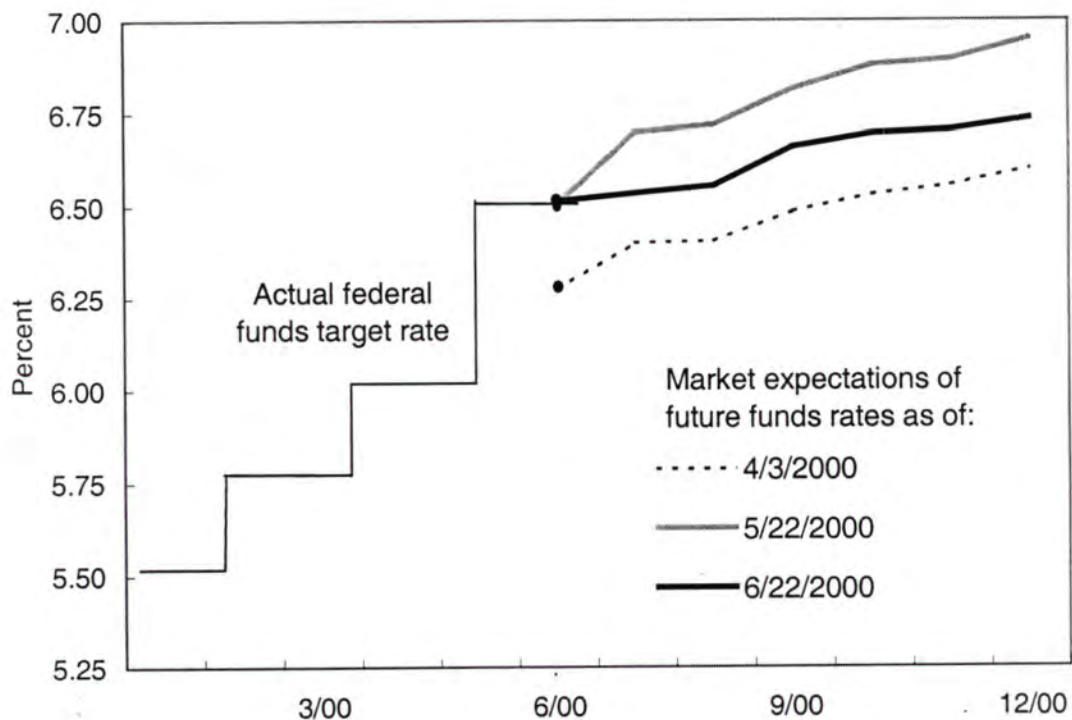
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

June 23, 2000

copied
Bailey
Podesta

CHART OF THE WEEK

Market Expects Fed Rate Hikes Nearly Done for the Year



Market sentiment is that the Federal Open Market Committee will not make a move at next week's meeting, but will probably raise the federal funds target by one-quarter percentage point to 6.75 percent sometime later in the year. Recent data showing subdued inflation and slowing growth have soothed earlier concerns of further rate hikes.

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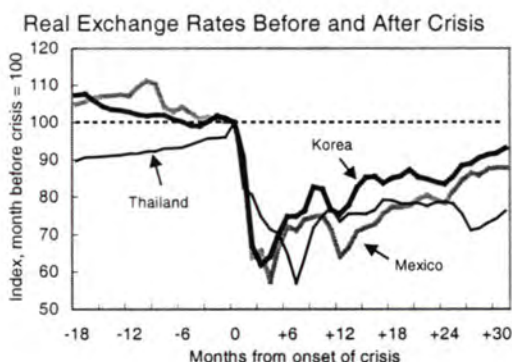
U.S. Economic Statistics 10

Financial and International Statistics 11

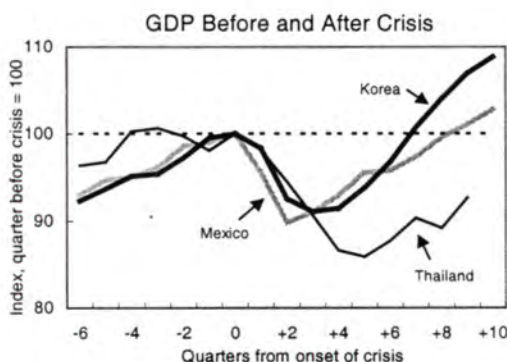


The Asian Rebound

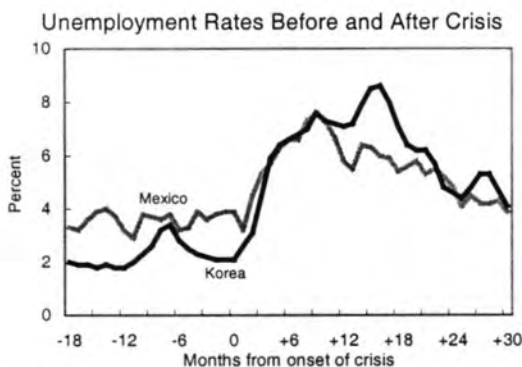
In contrast to the so-called "Tequila crisis" in Mexico in 1994-95, the Asian financial crisis that began in 1997 appeared to be rooted in private sector financial weaknesses rather than public sector financial problems. Nevertheless, the post-crisis responses of the economies have been remarkably similar, particularly in the cases of Mexico and Korea.



Exchange rates collapsed. The exchange rates of the Asian economies most affected by the crisis fell by around 40 percent at the onset of the Asian crisis, similar to the earlier Mexican experience (see upper chart). Real exchange rates remain well below pre-crisis levels in Korea and Thailand, as they did in Mexico.



Output fell sharply. The decline and subsequent rise in real GDP in Korea closely follows the pattern set by Mexico during its earlier crisis and recovery. In each case, output fell about 10 percent below its pre-crisis peak, and recovered fully within 2 years (see middle chart). Hong Kong and Malaysia have enjoyed rebounds similar to Korea's; in Thailand and Indonesia, however, the recoveries have shown considerably less bounce.



Unemployment rose. Monthly unemployment data are available for Mexico and Korea, and show substantial increases after the onset of crisis (see lower chart). The unemployment rate rose more sharply in Korea than in Mexico, and peaked somewhat later. In both countries, unemployment gradually declined over

the next few years. In the case of Mexico, the unemployment rate of 2.5 percent in April 2000 (4 1/2 years past the peak shown on the chart) was well below its pre-crisis level, while the Korean unemployment rate is still above its pre-crisis level but continues to decline.

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A cautionary note. The policy response to the Mexican crisis 5 years ago is now generally viewed as having produced satisfactory results. Similarly, the rapid rebound enjoyed by some economies hard hit by the Asian crisis owes much to sound macroeconomic policy and structural reform measures—as well as to a global economic boom that has boosted demand for Asian exports. The reform agenda remains incomplete, however, and the pace of reform needs to be maintained in order to continue improving corporate governance and rehabilitating the financial sector. The ongoing rapid recovery heightens the risk of complacency. While structural reforms can be painful in the short run, without them Asia would remain vulnerable to future economic disruptions.

SPECIAL ANALYSIS

6-26-00

Measuring the Benefits of Pharmaceutical Innovation

Pharmaceutical research and innovation have been a key part of the increase in longevity discussed in last week's *Weekly Economic Briefing*. Antibiotics and vaccines, for example, have nearly eradicated major diseases like polio, measles, and diphtheria, and improved drug therapies have reduced the effects of epidemics such as AIDS.

Pharmaceutical innovations explain much of the fall in mortality. Today, people are living longer than ever. New drugs are constantly being developed and put to use to decrease mortality. A recent study finds that nearly two-fifths of the drugs in use in 1991 had been approved since 1980, highlighting the rapid rate of pharmaceutical innovation. The same study finds the use of new drugs (approved since 1970) explains over 40 percent of the variation in mortality reduction across 75 diseases between 1970 and 1991. In contrast to the impact of drugs, measures of non-medication therapeutic services, vaccines, and new surgical procedures appear to contribute little to the reduction in mortality from these diseases over this period.

Good argument
for our
proposers

Drugs reduce the need for hospitalization. A wide range of evidence supports the view that drug treatments have reduced the need for hospital care. For example, operations for peptic ulcers decreased by 80 percent from 1977 to 1987 after the introduction of H2 antagonists, thus saving hundreds of millions of dollars in annual medical costs. Similarly, one study found that the number of hospital bed-days declined most rapidly when the number of drug prescriptions rose. Data from patient visits, hospital use, and drugs prescribed between 1980 and 1991 show that there is a strong inverse relationship between hospital bed-days and drugs in use: a 10 percent increase in drug prescriptions is associated with a 6.4 percent reduction in hospital bed days. In contrast to the effect of drugs, the availability of new surgical techniques tends to increase hospital use.

Case study: drug treatment for heart attacks. The effects of new drug treatments in reducing mortality rates from heart attacks stands out as a particularly valuable example because, as noted in last week's *Weekly Economic Briefing*, improved cardiovascular care has been the dominant source of increased longevity in the United States. The heart attack mortality rate fell by about 30 percent between 1975 and 1995. During this period, several key drugs were introduced and widely adopted. For example, Heparin (a blood thinning drug) use rose quickly following its introduction in the 1980s to 53 percent of all cases, and settled at 70 percent by the mid-1990s. According to one estimate, improved medical treatment explains about half of the fall in heart attack mortality between 1975 and 1995, with virtually all of this attributable to pharmaceuticals. In fact, these numbers underestimate the total effect of drug therapy, because they do not include the effect of drugs in reducing the probability of having a heart attack in the first place.

6-26-00

The social return to research on pharmaceuticals. According to one estimate, the return to society in the form of increased longevity of pharmaceutical research and innovation is well above the rates of return to overall investment in the economy. Moreover, such estimates of the value of pharmaceutical research ignore the positive effect of new drugs on the quality of life, implying an even larger benefit to society.

12

ARTICLE

6-26-00

Wealth and Giving

Philanthropic giving is estimated to have reached a record \$190.2 billion in 1999 and has grown faster than GDP since 1995. The strong stock market and substantial increases in income and wealth among the wealthiest Americans appear to be important reasons for the recent surge.

Trends in giving. Between 1975 and 1995, total charitable giving fluctuated in a range around 1.75 percent of GDP (see chart). Sharp increases in giving in 1995 and 1996 outpaced growth in GDP, and the AAFRC Trust for Philanthropy (the



organization that compiles these data) estimates that giving continued to be strong in 1998 and 1999, based on growth in income and the stock market. As a result, giving as a share of GDP in 1999 is estimated to be back near the levels of the 1960s.

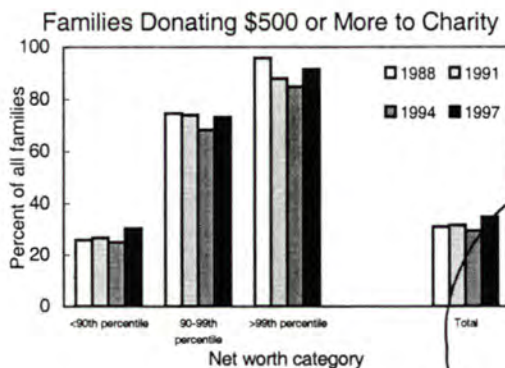
Economic determinants of giving.

Individuals provide about three-fourths of all giving, with the rest coming from foundations, bequests, and corporations. Economists analyzing the determinants of individual giving focus on ability to give (income and wealth) and the "price" of giving (based on the marginal tax rate for those who itemize deductions).

- **Income and wealth.** The average contribution through most of the income range averages about 1½ to 2 percent of family income, but this percentage rises for the small share of families with incomes above \$100,000. Thus, strong growth in income and wealth has probably contributed to the recent growth in individual giving and bequests. In addition, private foundations are required by law to distribute a minimum share of their assets to charity each year, and the rise in the stock market has boosted these assets substantially.
- **Taxes.** Cuts in income tax rates in the 1980s raised the after-tax cost of making tax-deductible charitable contributions, and this increase was only partly reversed by subsequent changes in tax law. Thus, tax changes are probably not the primary cause of recent increases in giving. However, economic studies generally find that giving is at least somewhat responsive to tax incentives, especially for higher income taxpayers. The Treasury estimates, for example, that repeal of the estate tax would reduce charitable giving by about \$5.6 billion per year, partly through reduced bequests and partly through reduced lifetime giving.

Wealth effects. Evidence on how giving varies with wealth comes from the Federal Reserve's Survey of Consumer Finances (SCF), which gathers detailed information about wealth and also asks about charitable contributions of \$500 or more. Because of the \$500 exclusion, the SCF data do not reflect smaller contributions. While this exclusion may produce a distorted pattern of participation among less wealthy households, it appears to exclude only about 5-10 percent of total contributions.

- **Participation.** The proportion of families making charitable contributions is much higher in the top 10 percent of the wealth distribution than in the bottom 90 percent (see chart). In 1997, 35 percent of all households made charitable



contributions of \$500 or more, a higher rate than in 1988, 1991, and 1994. The participation rate was 30 percent among the least wealthy 90 percent of families, and over 90 percent in the richest 0.5 percent of families.

- **Amount given.** About half of all contributions come from the wealthiest 10 percent of families, and a substantial fraction of that from the wealthiest 0.5 percent. Even so, giving as a

proportion of net worth is higher in the bottom 90 percent of the distribution than it is at the top.

Conclusion. Strong growth in income and wealth, especially among richer families, appear to be important reasons why charitable giving has grown faster than GDP since 1995. There is some evidence that the rich are more likely to support education, health, and art and cultural institutions and less likely to support religious institutions and social services than the less wealthy. Thus changes in the distribution of wealth or changes in taxes that affect charitable giving may alter the composition of giving as well as its level.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Payroll and Income Taxes. Although average Federal income taxes have declined since 1979 across all income classes, payroll taxes have increased so that the average family's combined Federal income and payroll tax liability is roughly the same as it was in 1979, according to a recent study. As a result of the payroll tax increase of the early 1980s coupled with the expansion of the EITC in the late 1980s and early 1990s, payroll tax liabilities now exceed income tax liabilities for nearly two-thirds of all families, compared with 42 percent of families in 1979. Families with adjusted AGI below \$10,000 have seen their total Federal tax liabilities decline by roughly one-third between 1979 and 1999. For families in all income categories between \$10,000 and \$200,000, the combined tax burden in 1999 was nearly unchanged from 1979, but, for the small set of families with adjusted AGI in excess of \$200,000, the Federal tax burden has fallen.

Tightening Bank Lending Standards May Cut Down Loan Growth. Nearly a quarter of domestic banks reported tightening standards on commercial and industrial loans in the past quarter, according to the Federal Reserve's quarterly Senior Loan Officer Opinion Survey. Recent research suggests that such a tightening in loan standards may lead to lower aggregate loan growth, supporting the view that bankers allocate loans not only by raising and lowering interest rates, but by changing non-price terms as well. Researchers at the Federal Reserve Bank of New York find that during the past two decades commercial lending by U.S. banks slowed substantially following reports of tighter standards, even after controlling for other factors. To the extent that credit availability depends on lenders' standards, a tightening of standards could cause a decline in spending by firms that depend on bank credit. A tightening of standards may also signal that lenders are reacting to other factors that cause the economy to slow.

Housing Vouchers Improve Outcomes for the Poor. Offering residents of distressed inner-city housing projects vouchers for private housing can improve their well-being, according to a recent study of the Moving to Opportunity program in Boston. Housing project residents were randomly offered either a restricted Section 8 certificate valid only in low-poverty areas (together with mobility counseling), unrestricted Section 8 assistance (and no counseling), or continued project residence. Those with restricted certificates were more likely to move to suburban, low-poverty neighborhoods than their counterparts. However, fewer families offered restricted certificates managed to move out of public housing as compared to those receiving unrestricted assistance (48 and 62 percent, respectively). Both types of movers experienced large improvements in personal safety, health, and a decline in behavior problems among boys, as compared to public housing residents offered no vouchers. The children of families that moved to the suburbs also experienced a decline in injuries, asthma attacks, and personal crime victimization.

INTERNATIONAL ROUNDUP

Study Links Civil Wars to Economic Factors. A new study finds that the occurrence of civil war is more strongly related to economic and geographical factors than to measures of objective grievance, such as lack of rights. The study analyzes the pattern of civil wars in 161 countries from 1965-99, covering 73 conflicts. It finds that greater geographical dispersion of the population, faster population growth, less access to education, and a lower rate of GDP growth are all associated with higher incidence of internal conflict. The most powerful risk factor, however, is having a substantial share of primary commodity exports in GDP, perhaps because they can be easily looted and thus provide a potential source of finance for rebellion. Surprisingly, inequality (of income or assets), does not have a discernible effect on the probability of conflict, nor does a lack of democratic rights. Statistical analysis also reveals that countries with *more diverse* religious and ethnic populations have a lower incidence of conflict, while countries with one dominant group have a higher risk of conflict.

WTO Says Trade Promotes Growth and Fights Poverty. A new WTO Secretariat study provides evidence that trade liberalization helps poorer countries catch up with richer ones and that this faster economic growth may help alleviate poverty. While income per capita in developing countries has in general *not* been catching up with that in developed countries, the report—looking at the experiences of various middle- to high-income countries—finds that a country that formally enacted trade liberalization policies did tend to close the income gap. Interestingly, countries that trade extensively with one another tend to converge in income, with both trading partners moving to higher and steeper growth paths. Of course, other factors beyond trade are also important for long-run growth. For the poorest countries, trade liberalization on its own may not have large effects in the absence of other changes that improve capacity to participate effectively in the global market.

WHO Ranks U.S Health System Performance 37th in World. Although the United States has the highest health expenditures per capita, it is only 15th best in terms of health goal attainment, placing it in 37th position for overall performance per health care dollar, according to a World Health Organization study of 191 countries. The report measured health system goal attainment using indicators of disability-adjusted life expectancy across the population, responsiveness to patients, and the distribution of the financial burden of health costs. Japan scored best in overall goal attainment and France was best in terms of performance per dollar spent. The United States ranked first in overall responsiveness of care, based on respect for patients and quality of service, but was 24th in average life expectancy and fared poorly on the equitable distribution of costs and responsiveness for different groups of society.

RELEASES THIS WEEK

U.S. International Trade in Goods and Services

The goods and services trade deficit was \$30.4 billion in April; the deficit was \$30.6 billion in March.

MAJOR RELEASES NEXT WEEK

Consumer Confidence—The Conference Board (Tuesday)
Advance Durable Shipments and Orders (Wednesday)
Gross Domestic Product (Thursday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1999	1999:3	1999:4	2000:1
Percent growth (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	0.2
Using NFB deflator	1.5	2.9	4.0	1.8	1.8
Shares of Nominal GDP (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
	1970- 1993	1999	March 2000	April 2000	May 2000
Unemployment Rate (percent)	6.7**	4.2**	4.1	3.9	4.1
Payroll employment (thousands)					
increase per month			527	414	231
increase since Jan. 1993					22152
Inflation (percent per period)					
CPI	5.8	2.7	0.7	0.0	0.1
PPI-Finished goods	5.0	2.9	1.0	-0.3	0.0

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

FINANCIAL STATISTICS

	1998	1999	April 2000	May 2000	June 22, 2000
Dow-Jones Industrial Average	8626	10465	10944	10580	10376
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	5.66	5.79	5.67
10-year T-bond	5.26	5.65	5.99	6.44	6.12
Mortgage rate, 30-year fixed	6.94	7.43	8.15	8.52	8.14
Prime rate	8.35	8.00	9.00	9.24	9.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level June 22, 2000	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	0.940	-1.4	-9.0
Yen (per U.S. dollar)	104.4	-2.0	-14.2
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	96.59	-0.1	0.1

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	5.0 (Q1)	4.1 (May)	3.1 (May)
Canada	4.9 (Q1)	6.8 (Apr)	2.1 (Apr)
Japan	0.7 (Q1)	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	3.0 (Q1)	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.

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THE WHITE HOUSE
WASHINGTON

June 23, 2000

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Ucelli
Currie

MEMORANDUM TO THE PRESIDENT

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

SUBJECT: DPC Weekly Report

1. Crime/Guns - - Smith and Wesson Agreement: This week, Rep. Hostettler introduced two amendments to the VA/HUD Appropriations bill aimed at undermining the Smith & Wesson Agreement. The first amendment would have restricted HUD from implementing any part of the Smith & Wesson Agreement, and failed by a vote of 206-219 with 54 Republicans voting against it and 42 Democrats voting in favor of the amendment. While a vote against the amendment can be interpreted as a vote in favor of the Administration's Smith & Wesson Agreement, many Republicans indicated that they voted against it because they felt it was inappropriate to raise the gun debate in the context of the VA/HUD bill. The second amendment would prohibit HUD from coordinating their "Communities for Safer Guns Coalition," which is a group of over 400 cities that have agreed to adopt firearms procurement policies providing preference to gun manufacturers that adopt codes of conduct. It passed by a vote of 218-207 with an equal number of Republicans and Democrats (44) crossing party lines. Rep. Hostettler has indicated that he will attempt to offer similar amendments to the Commerce, Justice, State and the Treasury Postal Appropriations bills.

2. Crime/Guns - - Gun Enforcement Funding: This week, the House began consideration of the Commerce, Justice, State Appropriations bill which seriously underfunds key components of your FY 2001 \$280 million National Gun Enforcement Initiative -- 1,000 state and local gun prosecutors, local anti-gun violence media campaigns and "smart gun" development. You issued a statement in support of a floor amendment that was offered by Rep. Lowey, Rep. McCarthy, Rep. Stabenow and Rep. DeLauro, to add \$150 million to hire 1,000 state and local gun prosecutors. Chairman Rogers struck down the amendment on a point of order.

3. Social Services Block Grant - - Shalala/Hill Event: Health and Human Services Secretary Donna Shalala participated in a Hill event Wednesday to highlight the importance of the Social Services Block Grant (SSBG) and the Administration's opposition to the substantial cut included in the FY 2001 Senate Labor, Health and Human Services and Education Appropriations bill. This block grant provides funds to the States and territories for a range of services to low income families and individuals, the elderly, the disabled, as well as work related services like employment assistance and child care. The Administration has proposed a funding level for

SSBG of \$1.775 billion, \$ 75 million above current funding. The House Labor/HHS bill provides a freeze, while the Senate Labor/HHS bill cuts SSBG to \$600 million. The event was bi-partisan and was hosted by Senator Bob Graham. At the event, United Way of America released its new report on SSBG which describes the far-reaching impact that this budget cut will have on individuals and families.

4. Education - - Labor/HHS/ED on Senate Floor: On Thursday, the Senate took up the Labor-HHS-Education appropriations bill. The Senate bill provides no funding for your key education priorities of school construction, fixing failing schools, class size, and teacher quality. In addition it underfunds your requests for after-school and the GEAR-UP program. Senate Democrats will introduce message amendments during floor debate for each of these priorities. Instead of individual programs, the Senate has included a \$3.1 billion Innovative Education Strategies block grant, which can be used for a wide range of educational programs, including class size reduction and school construction. This block grant will provide funds below your requested level with no guarantee that teachers will be hired and schools repaired.

5. Education - - Bush Education Proposals: In the past week, Governor George W. Bush has made three speeches that include new education proposals. As part of a speech on Americans with disabilities, Bush announced that he would work with Congress to increase funding for special education with the objective of meeting the 40% federal goal under the Individuals with Disabilities Education Act (IDEA). In another speech, Bush detailed proposals to use technology to close the achievement gap. His plan would roll all federal education technology programs into a \$3 billion block grant, and give priority for those funds to rural and urban high-poverty schools. Bush would also spend an additional \$80 million on research and technical assistance for effective uses of educational technology. Finally, in a speech on the importance of math and science education, Bush announced that he would: establish a Math and Science Partnership Fund of \$1 billion over five years to partner universities and K-12 schools to strengthen math and science education; raise the maximum Pell grant by \$1,000 for students who take AP math and science level courses in high school; and increase the amount of student loans that can be forgiven from \$5,000 to \$17,500 for science, math, technology and engineering majors and minors who commit to teach in a high need school for at least five years.

6. Safety of Children's Products - - Kids in Danger: Last week you met the founders of Kids in Danger, an organization dedicated to protecting children from unsafe products. Linda Ginzel and Boaz Keysar founded the group after their young son was killed when his crib collapsed and strangled him. They later discovered the crib had been recalled years earlier, but was still being used by his day care center. This is just one example of injuries to children caused by products that are still being used by parents and caregivers who are unaware of recalls. DPC staff have followed up with Kids in Danger and have met with the Consumer Products Safety Commission (CPSC) to discuss some possible executive actions to address unsafe children's products. In May, the First Lady announced Administration proposals to strengthen the penalty authority of the CPSC to ensure that companies promptly report defective products.

7. Tobacco - - Federal Litigation: On Monday, the House voted 197-208 against the Waxman amendment in the VA/HUD appropriations bill. This amendment would have allowed the VA to transfer \$4 million to Justice to support the tobacco lawsuit. The next day, the House reversed

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this position and accepted a slightly modified version by voice vote. Today, the House agreed by a vote of 215 to 183, to another Waxman amendment on the Commerce/State/Justice bill which will allow Justice to accept funds from the Department of Veterans Affairs (VA) and other agencies to fund the lawsuit. Special protection for tobacco has not been tested in a vote before the House in this way and the CJS vote will serve as an important bellweather for future votes. This week's congressional action was accompanied by a high degree of press activity. You have issued several written statements commenting on House actions and called upon the House to pass the Waxman amendment prior to today's vote. Earlier in the week, the Attorney General, OMB Director Lew and Deputy VA Secretary Hershel Gober joined House members (led by Congressman Waxman), veterans and public health groups to support the tobacco lawsuit.

8. Health Update - - Juvenile Diabetes: Last week, the New England Journal of Medicine reported that researchers at the University of Alberta had successfully transplanted insulin producing cells into seven individuals with Type I diabetes, effectively curing them of the disease. These preliminary findings, if successfully replicated, indicate that this new intervention may produce a cure for juvenile diabetes. NIH is ready to announce that they are investing \$5 million in 10 research centers to attempt to replicate these results in an additional 40 patients. We are considering doing an event that highlights this investment, as well as a new \$300 million mandatory funding increase (over five years) for diabetes research and prevention, that is included in the upcoming mid-session review. This funding would supplement NIH research and extend the funding stream that you signed into law in the Balanced Budget Act of 1997.

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9. Healthcare - - Medicare Prescription Drugs: On Thursday night, the Senate Democrats, led by Senator Robb and Senator Graham, offered the Graham Medicare prescription drug legislation as an amendment to the Labor HHS Appropriations Bill. The amendment picked up all the Democrats (except Senator Breaux) and two Republicans, Senator Chafee and Senator Fitzgerald. This legislation includes a \$37 premium, a \$250 deductible, and a \$4,000 stop loss catastrophic protection provision and may serve as a foundation for a broader bipartisan agreement. It provides for a true Medicare fee-for-service benefit that is well crafted except for its multiple pharmacy benefit manager (PBM) provision. There is debate amongst the economic and health policy community as to the best approach, and the multiple PBM mechanism is much more appealing and less threatening to the pharmaceutical industry. It is becoming more apparent that a Graham-like model would be acceptable to many in the biotech community if administered outside of the Health Care Financing Administration. Although a Medicare prescription drug benefit is still a long shot, there is a possibility that something may emerge out of the Senate.

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6-26-00
EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

June 23, 2000

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MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. DSS for

SUBJECT: CEQ WEEKLY REPORT

BUDGET

Supplemental Appropriations Bill

The FY 2000 emergency supplemental appropriations bill contains several anti-environmental riders that have generated deep concern in the environmental community and that would seriously harm the environment. The first rider would give away lands from the National Park System and National Wildlife Refuge System on the Outer Banks of North Carolina to the Army Corps of Engineers for a jetty. Secretary Babbitt is recommending a veto of this provision because of the serious precedent it would set. Also, the bill includes riders that would block the Administration's needed management of the Corps of the Engineers and interfere with the National Park Service management of fishing at Glacier Bay National Park. In addition, other riders would weaken the Administration's regulation of hard rock mining on public lands and would interfere with the Interior Secretary's authority on the Central Arizona Project.

VA-HUD Appropriations Bill

This week, the House passed the FY 2001 VA-HUD and Independent Agencies Appropriations bill by a vote of 256-169. Unfortunately, the bill contains an extremely restrictive rider that blocks the EPA from disclosing which communities fail to meet smog standards adopted in 1997. The bill also contains several other harmful provisions that would delay cleanup of contaminated sediments and delay the implementation of new drinking water standards for arsenic. Overall, the bill is more than \$100 million short of your request and more than \$400 million below FY 2000 enacted levels.

Interior Appropriations Mark-up

The Senate Appropriations Committee unanimously approved a \$15.5 billion spending bill yesterday that is more than \$1 billion below your request and contains a number of very harmful riders. One provision would exempt the White Mountain National Forest from your roadless initiative and another would weaken the American Heritage Rivers program. Senator Larry Craig has indicated that he may offer several contentious amendments when the bill is brought to the floor next week.

RESOURCE STEWARDSHIP

Everglades Restoration

Next Wednesday, the Senate Environment and Public Works Committee is expected to mark up Chairman Smith's version of the Administration's Water Resources Development Act of 2000 (WRDA). WRDA will authorize a projected 20-30 year effort to restore the ecosystem by removing much of the plumbing structure to allow a more natural flow of water and to improve water quality. It is projected to cost \$7.8 billion to be shared equally between the State of Florida and federal government. The greatest obstacle had been securing an agreement from the State to ensure that water needed for restoration of the natural system would be available for the project, which will now be a binding agreement between the President and the Governor. The plan is widely supported in the State and throughout the environmental community.

PROTECTING COMMUNITIES FROM TOXICS

Food Quality Protection Act

EPA Assistant Administrator Mike McCabe and USDA Deputy Secretary Richard Rominger convened the first meeting of the Committee to Advise on Reassessment and Transition (CARAT) today. The Committee continues the work of the Tolerance Reassessment Advisory Committee, convened in 1998 in response to a directive from Vice President Gore. CARAT will provide an effective means of consultation with affected user groups, pesticide manufacturers, environmental and public health organizations, and others concerned about implementation of the Food Quality Protection Act (FQPA) of 1996. CEQ is working with EPA and USDA to address ongoing concerns expressed by the environmental and agricultural communities regarding controversies over FQPA implementation.

INTERNATIONAL LEADERSHIP

G7/Export Credit Agency Environmental Standards

On Monday, G7 finance officials held a special meeting on the margins of the OECD Ministerial on the issue of environmental standards for Export Credit Agencies (ECAs), the rough equivalent of our ExIm Bank. At Cologne, you and other leaders committed to common environmental guidelines for the ECAs by 2001. This issue is of particular importance for at least two reasons. First, ECAs now account for five times the annual lending of the World Bank group – yet with the exception of the US, G7 ECAs have virtually no environmental procedures or programs to promote clean and account for greenhouse gas emissions. Second, the rest of the G7 continue to push unacceptable language on us related to ratification of Kyoto by a date certain, yet are unwilling to move their ECAs toward the climate-friendly lending policies we have adopted.

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THE WHITE HOUSE
WASHINGTON

June 23, 2000

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reply)

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Summit on
NOT COO

DaimlerChrysler announced this week that in two years it will become the first automaker to launch fuel cell vehicles on the market. Its first delivery will be of city buses equipped with fuel cell drives. At the same time, the company's Alabama plant will begin drawing power from a stationary fuel cell. The company plans to bring fuel cell passenger vehicles to the market in four years.

The U.S. Agency for International Development (USAID) released a report today predicting dramatic market growth over the next ten years for environmental technologies and services to support international efforts to reduce greenhouse gas emissions. According to the report, *Market Opportunities for Climate Change Technologies and Services in Developing Countries*, under business-as-usual conditions the market for mitigation technologies and services will grow from \$29.9 billion today to \$51.7 billion by 2010.

Legislative

In a significant win in the House on the issue of climate change, an amendment to narrow and clarify the Knollenberg (R-MI) anti-Kyoto rider passed by a vote of 314 to 108 during floor deliberations of the VA/HUD Appropriations Bill. Representatives Olver (D-MA), Mollohan (D-WV), Inslee (D-WA), Visclosky (D-IN), Waxman (D-CA), Kucinich (D-OH) and Gilchrest (R-MD) led the effort. Ranking Member Obey (D-WI) was also extremely helpful.

The Senate Agriculture Committee passed Senator Pat Roberts' (R-KS) soil carbon sequestration research bill. The bill, with bipartisan cosponsors including Senators Frank Murkowski (R-AK), Rod Grams (R-MN), Chuck Hagel (R-NE), Larry Craig (R-ID), Bob Kerrey (D-NE), Max Baucus (D-MT), and Tom Harkin (D-IA), provides \$5 million per year for 3 years for public and private cooperative research into best agricultural practices for sequestering carbon and \$5 million per year for 3 years for remote sensing research to monitor carbon levels in soils and rangelands.

International

The Australian government announced a goal of \$2.4 billion in annual sales by its renewable energy industry by 2010. Reaching the target would require an "ambitious" sales growth of about 25 percent per year, much of it from exports.

The Pew Center on Climate Change released a report predicting that several European nations will likely fail to meet their greenhouse gas emissions targets under the Kyoto Protocol. The *Financial Times* (6/22) reported that Pew has called for renegotiation of the Kyoto targets saying they are "unrealistic" goals and would undermine support "and provide opponents with additional ammunition".

Canadian utility TransAlta will purchase credits for 24,000 metric tons of CO2 from German company Hamburgische Electricitats-Werke AG (HEW), according to *Energy Daily* (6/19). This is the first trans-Atlantic carbon trade. An independent monitoring organization will verify the trade, which was brokered by a New York company, Natsource LLC.

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

June 23, 2000

MEMORANDUM FOR THE PRESIDENT

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

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6-26-00

S&T Contributes to Irish Peace Process

Next week I will be in Belfast to receive an honorary degree from Queens University. I was a postdoctoral research Fellow there in 1964-65; and our son, John, was born in Belfast. While in Ireland, I will highlight two specific U.S. scientific contributions to the Peace Process. I will meet the participants in the collaboration between Northern Ireland and the Republic of Ireland to map the entire island using state-of-the-art geographic information systems technologies. The project, which the USGS is assisting, aims to produce the largest single advance in geological surveying in Ireland since the mapping of the island in 1887. I also plan to visit cancer research facilities that are part of a collaborative effort between the NIH, the Republic of Ireland, and Northern Ireland to address common health challenges in cancer, spina bifida, and other birth abnormalities.

Divining Water on Mars

NASA astronomers announced yesterday they have found strong evidence of liquid water very near the surface of Mars. The finding makes it much more likely that life may exist or could have existed on the planet. Photographs taken by NASA's orbiting Mars Global Surveyor show seemingly fresh gullies, hinting that water flowed over the planet's surface in recent geologic time. The freshness of the features in the images suggests that liquid water may still exist beneath the surface, at depths of less than a third of a mile. The images clearly show dry V-shaped gullies trickling down the sides of craters, with fans of debris spread below. Since the areas were relatively unmarked by craters, researchers concluded – somewhat reluctantly – that the gullies were created recently in geological terms, perhaps within the last thousand years. Previous studies had detected land features on Mars carved by water, but all of those were billions of years old. The only kind of water that scientists had believed currently exists on Mars is ice – frozen beneath the soil or tied up in polar icecaps, or found in extremely sparse clouds in the thin Martian atmosphere. The detection of liquid water would raise hopes for finding traces of organisms on Mars, since biologists consider liquid water one of the prime requirements for harboring life. These conclusions are still preliminary and need significant review. However, the discovery of a possible liquid water source on Mars is sure to place more emphasis on future Mars missions – manned and unmanned.



NASA/MSSS

6-26-00

THE WHITE HOUSE
WASHINGTON

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June 23, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra *Mickey*
SUBJECT: Office of Intergovernmental Affairs Weekly Report

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Pg 2:
Ricchetti
Spurling*

GOVERNORS

Governor Jane Hull (R-AZ): IGA is working with Legislative Affairs, DPC, EPA, and the Department of Justice to respond to the border concerns expressed by Governor Hull during her conversation with you on June 22. We will prepare a briefing memo for you next week on the current status of the issues you discussed with the Governor.

Governor Angus King (I-ME): On June 22, IGA and CEQ co-hosted a teleconference with Governor King and state and federal officials to discuss the West Branch Land Conservation Project. This program seeks to preserve more than 650,000 acres of Maine's Great Northern Forest, an area the size of Rhode Island. The project was launched on June 21, and the reaction in the Maine press has been overwhelmingly favorable. Governor King expressed his deep appreciation to you for the \$4 million federal contribution and publicly reiterated his invitation to take you fishing in Moosehead Lake. Twelve miles of the lake's coastline was protected in the initial phase of the project.

CITY/COUNTY

Austin Elected Officials Roundtable: On June 20, following a roundtable discussion with local elected officials hosted by Mayor Kirk Watson (D), I delivered a congratulatory letter from you to former Council member Gus Garcia in celebration of his retirement from the Austin City Council.

World Conference of Mayors: On June 22, IGA staff delivered greetings on your behalf to the annual board meeting of the World Conference of Mayors. The audience was made up of mayors from the Caribbean, several African countries and the United States. The conference focused on world trade and HIV Aids. Congressional representatives and officials from the departments of Labor, Transportation, and Health and Human Services also addressed the board meeting.

City of Petaluma: On June 21, IGA staff met with officials from the City of Petaluma

6-26-00

to discuss funding for their Flood Management Project. City officials asked the Administration to include a \$12 million appropriation in the FY 2002 budget to reimburse the city for project cost overruns they believe were caused by the Army Corps of Engineers.

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Spesling*

County Executives of America (CEA): On June 19, IGA staff attended CEA's quarterly board meeting to discuss the Administration's legislative priorities and the LIHEAP crisis. State Department officials briefed the board members about international trade issues and China PNTR.

NALEO

The National Association of Latino Elected and Appointed Officials (NALEO) is meeting in Denver June 22-24. The Vice President delivered remarks at their opening reception yesterday. Maria Echaveste will address the NALEO luncheon on Saturday along with Federico Pena. I will moderate the General Session Forum featuring six of the seven Latino statewide elected officials tomorrow.

BUILDING SUPPORT

IGA hosted briefings for the following groups this week to build support for your key legislative priorities: 25 state legislators participating in the Flemming Fellows Leadership Institute run by the Center for Policy Alternatives; members of NACo's Rural Action Caucus; the Greater Houston Alliance, which is made up of county commissioners from the Houston area; city and county Washington, DC representatives; and several members of the board of the Los Angeles County Office of Education, the largest regional education office in the country.

INSULAR AREAS

Draft Guam Bill: Senate Energy and Natural Resources Committee Chairman Frank Murkowski (R-AK) sent you legislative language drafted by his staff to make a number of changes in federal policies and procedures in response to Guam's "Commonwealth" bill. He also sent the draft to Governor Carl Gutierrez (D) and Delegate Robert Underwood (D) with the suggestion that it provide the basis for further discussions on the range of Guam issues. The Governor is interested in doing this but the Delegate wants to focus on issues currently in Congress.

*Ricchetti
can we help
Carl up
this?*

Puerto Rico Medicare: Resident Commissioner Carlos Romero-Barcelo (D) and Governor Pedro Rossello were very pleased that the Medicare package you sent Congress this week included a proposal to reduce by 50 percent the existing gap between the Medicare payment rates for in-patient hospital services in Puerto Rico versus the rates that apply everywhere else.

Puerto Rico Investment Incentive: Senator Daniel Patrick Moynihan (D-NY) asked the Administration to add to New Markets or other legislation, our proposal for new investment tax credits currently available to U.S. companies for wages and other spending in Puerto Rico.

*Can we
help
Carl up
this?*

Puerto Rico Status Meeting: A meeting with you, leaders of Puerto Rico and Congressional Committee has been set for July 28 at the White House to discuss Puerto Rico status options.

6-26-00

THE WHITE HOUSE
WASHINGTON

June 23, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. **T.M.**
KRIS M. BALDERSTON

SUBJECT: Summary of Cabinet Weekly Reports
June 17 - 23, 2000

DEPARTMENT OF TREASURY

- **Money Laundering:** On June 22, the Financial Action Task Force on Money Laundering (FATF), a 26-nation group founded in 1989 by the G-7, issued a report identifying 15 jurisdictions that have failed to take adequate measures to combat international money laundering. Among the nations listed are Russia, Israel, the Cayman Islands, Panama, and the Philippines. FATF's report urges financial institutions to give special attention to transactions with persons and entities in the 15 listed jurisdictions. Treasury is currently considering whether to issue Advisories (which call on domestic financial institutions to apply "enhanced scrutiny" to certain transactions from identified nations) with regard to some or all of the 15 nations listed by the FATF. If Advisories are issued, every effort will be made to do so in coordination with our allies, particularly those in the G-7.
- **International Tax:** On June 26, the Organization of Economic Cooperation and Development (OECD) will release the report of its Forum on Tax Competition. The report identifies 35 "tax haven" jurisdictions and 47 potentially harmful "preferential tax regimes" in OECD-member countries, including the U.S. foreign sales corporation regime. The list of tax-haven jurisdictions will serve as a basis for a second list of "uncooperative" tax havens, to be completed by July 2001, which could be used as the basis for sanctions or other punitive action. On June 19, in connection with the Tax Competition Project, the OECD released letters from six jurisdictions -- Bermuda, Cayman Islands, Cyprus, Malta, Mauritius, and San Marino -- which have committed to eliminating harmful tax practices and adopting international standards for fair tax competition, transparency, and disclosure over a five-year period. As a result, these jurisdictions will not be identified on the OECD's list of tax havens.

DEPARTMENT OF JUSTICE

- **Mafia Fraud Scheme:** On June 9, ten members and associates representing all five NY Organized Crime Families were charged with 110 others for operating various securities fraud schemes in connection with the publicly traded or private placement securities of 35 companies. The defendants also include a former NYPD detective, 57 stock brokers, and 30 company officials. The various schemes resulted in a loss of more than \$50M, and tens of millions more would have been lost had the schemes been fully carried out. Twenty-one defendants are charged with RICO violations, including scheming to defraud union pension plans and employing violent tactics such as threats, extortion, physical intimidation, and soliciting murder. In coordination with the defendants' arrests, search warrants were executed in Dallas and Salt Lake City, as well as NY.
- **Domino's Pizza Nondiscrimination Policy:** On June 5, DOJ announced an agreement under which Domino's adopted a Limited Delivery Services Policy. The agreement resolves a complaint out of Asheville, NC, that the practice of providing only limited pizza delivery in certain geographical areas had a discriminatory effect on African Americans. The new policy, which is in effect in the more than 650 corporate stores and 3,900 franchise stores throughout the country, provides guidelines by which Domino's store managers can limit delivery services in specific areas where there is evidence that the safety of delivery drivers is threatened by current criminal activity in the area. The policy recommends that Domino's stores consult with local law enforcement, as well as businesses and community organizations.
- **Same-Sex Harassment Claim against MO School District:** On June 13, DOJ reached a settlement agreement with a private plaintiff and the Pleasant Hill School District in MO regarding allegations that the school district tolerated peer same-sex harassment. The plaintiff alleged that, from the eighth grade through the eleventh grade, he was subjected to harassment on the basis of his sex (supposedly because other students perceived him to be gay); that he and his parents repeatedly informed school officials of the harassment but that the harassment continued; that if he had been a similarly-situated female, the district would have treated his complaints seriously and taken prompt, appropriate remedial action; and that he was eventually subjected to an assault and forced to leave school because of the harassment. The parties have agreed to jointly file a consent decree ordering the district to pay the private plaintiff compensatory damages and to implement a comprehensive program to prevent and remedy peer sexual harassment in the district's schools. DOJ anticipates that the consent decree will be used as a model policy for many other MO school districts.

DEPARTMENT OF INTERIOR

- **Final Merced River Plan:** Yosemite National Park announced the release of the final Merced Wild and Scenic River Comprehensive Management Plan and Final Environmental Impact Statement (MRP/FEIS) to the public, which provides direction and guidance on how best to manage national park lands within the river corridor. The final MRP/FEIS, which was available for public review for over two months, enters a 30-day no-action period while the notice of availability for the final MRP/FEIS is published in the *Federal Register*. The Congress designated the Merced River as a wild and scenic river in 1987, and the MRP/FEIS complies with the requirements of the 1968 Wild and Scenic Rivers Act.
- **Gettysburg Tower Demolition:** Last minute efforts to delay the scheduled demolition of the private tower hovering over the Gettysburg battlefield have been overcome, and the event will proceed as planned on the evening of July 3.
- **Washington Monument to Reopen:** On July 31, the Washington Monument will reopen to the public following completion of a two-year restoration that cost \$9.4M and was the most comprehensive of the Monument's history. Major funding for the project resulted from a partnership with Target Stores and the National Park Foundation. The project began in late 1997 and was managed by NPS to minimize closure to the public.
- **KS Kickapoo Tribe Search for Water:** BIA continues to work with the KS Kickapoo Tribe and its 800 residents after four weeks of drought. Recently three potential water sites have been located on their reservation. A state of emergency was declared at the reservation June 1. Options of raising the nearly dry dam and drilling wells are some short-term solutions being considered. As the river level dropped, its bed has become dry in spots, leaving concern about algae forming and fish dying.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Food Stamp Error Rate:** Secretary Glickman has determined that IN's FY1998 Food Stamp Program error rate of 6.79 percent will be used as an acceptable error rate for FY1999. In an effort to enhance the partnership between the Federal and state Food Stamp quality control processes, Secretary Glickman and Governor O' Bannon have also made agreements on how to improve the IN quality control sampling method, enhance intergovernmental communication, and how to protect the rights of Food Stamp recipients, while enhancing program integrity.
- **Plum Pox Update:** On June 20, USDA and OMB officials met with PA's Agriculture Secretary to discuss the Federal and State response to an outbreak of plum pox in Adams County, PA. Plum pox is a serious disease that affects stone fruits (apricots, almonds,

nectarines, peaches, and plums), first detected in Adams County last fall. Since that time, USDA and PA have been actively involved in an eradication program that has involved destruction of approximately 700 acres in five infested orchards, as well as nursery stock.

USDA, OMB, and PA have agreed upon a formula for compensating growers for their losses, and are now proceeding with appropriate rulemaking action. USDA will pay 85 percent of the costs of compensation through the Commodity Credit Corporation, with PA paying the remaining 15 percent.

- **Commodity Markets:** Slow new-crop sales helped sustain wheat cash prices, but futures dropped as the harvest moved into KS and corn prices plummeted. Much improved growing conditions sent corn and soybean prices down for the week. The drop in soybeans was less dramatic due to large purchases by China. Rice cash prices were down sharply, following Asia prices lower, but new-crop futures were boosted by ideas that the 2000 crop will be smaller than USDA inventory forecasts. Cotton cash prices dropped slightly despite worsening conditions in the Southeast, as the TX and CA crops made good progress. Cattle prices were up slightly as retailers bought briskly for the July 4 holiday. Heavy packer purchases at the start of the week sent hog prices up, but futures dropped with lower belly prices. Broiler prices slumped as poor retail demand more than offset good movement into food service uses. Cheese prices surged as milk production slowed seasonally. Reports of large deliverable stocks at the Chicago Mercantile Exchange sent butter prices sharply lower.
- **Chicken Recalled for Glass Contamination:** On June 16, Allen's Family Food's Inc., of Seaford, DE, recalled approximately 387,000 pounds of fresh chicken products after the discovery of glass in packing/shipping ice. Product had been distributed to wholesalers in CT, DE, DC, ME, MD, MA, NH, NJ, NY, PA, RI, and VA. No reports of injury associated with the recall have been received.

DEPARTMENT OF COMMERCE

- **Meeting with Qualcomm:** On June 8, Secretary Daley met with the President and COO of Qualcomm, Richard Sulpizio. Sulpizio noted that China appeared to be backing away from a public commitment to commercially deploy Qualcomm's Code Division Multiple Access (CDMA) technology.
- **Excessive Heat Outlook Products:** On June 1, DOC's Climate Prediction Center (CPC) released a suite of operational excessive heat products. This set of heat-related products completes the trio of new climate products Secretary Daley promised during the Northeast drought and heat of 1999. The other two products were the weekly Threats Assessment, which includes heat threats, and the U.S. Drought Monitor and Drought Outlook

- **Critical Infrastructure Assurance Conference:** DOC will host a legal conference on June 21 to explore ways to enhance Internet security and protect U.S. cyber systems. The conference, to be held at the White House Conference Center, will examine liability, security, and privacy issues affecting the continued expansion of e-commerce in the face of increasing threats such as malicious computer virus attacks and cyber-terrorism.
- **Census Recruiting and Selection Procedures:** Nationwide, the Census Bureau has hired managers, partnership specialists, media specialists, crew leaders, and enumerators. To date, there have been more than 6.8 million calls on the Jobs Line and more than 10 million hits at the Jobs 2000 website. Both the Jobs Line and the Internet site will suspend activity on July 31. As of June 9, the Census Bureau has hired a total of 36,228 welfare-to-work employees.
- **Census Nonresponse Followup:** The objective of Nonresponse Followup (NRFU) is to obtain completed questionnaires from 42.4 million households in the mailback areas that did not return their questionnaires. As of June 8, 94 percent of the NRFU workload had been completed in the field and checked in to the local census offices, of which 83 percent had been checked out to the data capture centers. The Nonresponse Followup operation is progressing ahead of schedule for a substantial number of local census offices.
- ✓ **China WTO Compliance:** More than 40 trade associations are expected to attend DOC's June 29 China Compliance Briefing. DOC officials will brief participants on current market access problems and priorities in the China market. Chinese officials are currently reviewing the team's technical training proposal, which covers areas of Commerce expertise including intellectual property protection, standards, and subsidies/dumping. As for surge and dumping protection, team members are cooperating on the construction of commodity databases for Chinese trade.
- **Public Meeting on All-Hazard Warnings:** DOC, in partnership with the All-Hazard Warning Inter-Agency Working Group, will host a July 17 public roundtable discussion to explore hazard warning systems. Recent technological advances are fostering new and innovative methods of bringing warning messages to the public. Partnerships between government agencies and public and private parties will assure that hazard warnings are provided through a variety of forms of communication. A *Federal Register* notice requests public comment on developing optimum hazard warning systems.
- **High-Tech Meeting in China:** From July 7-16, DOC's Under Secretary for Technology Shavers will travel to China to meet with their Executive Vice Minister of Science and Technology (MOST) and chair the inaugural meeting of DOC's Technology Administration (TA)/MOST Civil Industrial Technologies Joint Coordinating Committee. In addition, Shavers will serve as the keynote speaker at a conference at

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Qinghua University that will seek to develop relationships among U.S. companies and emerging Chinese high-technology small- and medium-sized enterprises and entrepreneurs. Shavers will also explore with government and industry representatives opportunities for expanding business linkages during roundtables with local Chambers of Commerce and visits to regional R&D centers.

- **EU Postpones Encryption Announcement:** The EU has again delayed the announcement of its new dual-use regulations, which would create a 23-country license-free zone. An “intangible technology” issue unrelated to encryption caused the United Kingdom to put a hold on the regulation while it consults its Parliament. No new date for release of the pending regulations has been set.

DEPARTMENT OF LABOR

- **Welfare-to-Work Grants:** Little Rock, AR, a first-round Welfare-to-Work grantee, submitted revised projections of expenditures through the end of its grant period. Although a June 5 on-site review found that Little Rock has made significant progress in meeting its corrective action performance benchmarks, there is still concern about its ability to spend \$5M within the remaining twelve months.
- **Birth and Adoption Unemployment Compensation:** Birth and Adoption Unemployment Compensation Regulations were published in the *Federal Register* on June 13. These regulations, which provide States with the flexibility to use their unemployment compensation programs to provide benefits to parents on leave to care for a newborn or newly-adopted child, will become effective as a rule on August 12.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Cigar Labeling:** On June 26, the Surgeon General and FTC Chairman Pitofsky will hold a press conference announcing a consent order that will require the display of five rotational warning labels on cigars and in advertising, including the first Federal warning on the health risks of environmental tobacco smoke. The new warnings will be more prominent and readable than the existing warnings for cigarettes and smokeless tobacco.
- **Tobacco Cessation Guideline:** On June 27, the Public Health Service will release a tobacco cessation guideline that identifies new, effective therapies to help people who want to quit tobacco use. The guideline concludes that tobacco dependence treatments are both clinically effective and cost-effective relative to other medical and disease prevention interventions.

- **National HIV Testing Day:** A newly-released report finds that CDC-funded HIV counseling, testing, and referral sites have been an integral part of national HIV prevention efforts since the first HIV antibody tests became available in 1985. Voluntary counseling, testing, and referrals are offered to persons at risk for HIV infection at approximately 11,000 sites, including dedicated HIV counseling and testing sites, sexually transmitted disease clinics, drug-treatment centers, hospitals, and prisons. To increase use of these services by those at risk for HIV infection, the National Association of People with AIDS designated June 27 as National HIV Testing Day.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Congressional Measures to Halt Gun Safety Efforts:** Secretary Cuomo, Representative Gephardt, and other Members of Congress have denounced efforts to halt HUD initiatives to reduce gun violence, along with efforts to reduce your FY2001 budget request for HUD by \$2.5B. Amendments proposed to the appropriations bill for HUD's FY2001 budget would deny HUD any funds to administer the Communities for Safer Guns Coalition, which has grown to more than 400 communities since it was launched three months ago, and would also prevent HUD from enforcing, implementing, or administering the provisions of the landmark gun safety agreement that Secretary Cuomo and other government officials signed with Smith & Wesson on March 17.
- **Budget:** The House Appropriations Committee reduced HUD's FY2001 budget request by \$2.5B, significantly cutting spending that you requested for HUD programs. Funding for many HUD programs would fall below the current year's level under the budget approved by the Committee. The Committee eliminated 120,000 new rental assistance vouchers from HUD's new proposed budget, \$400M from Community Development Block Grants, \$37M for the America's Private Investment Companies Act, \$30M for the Community Gun Safety and Violence Reduction Initiative, \$20M for faith-based and community groups, \$180M for homeless assistance programs, and \$69M for elderly housing.
- **Gun BuyBack:** The MS Regional Housing Authority VIII will reprogram \$30,000 of its FY1999 Public and Indian Housing Drug Elimination Program grant funding and will receive \$12,900 in matching funds from HUD for a total of \$42,900 for its Gun Buyback Initiative. The Housing Authority anticipates in taking approximately 858 guns off the street in exchange for \$50 each in cash. Additional incentives of discounts or extra merchandise made available by businesses participating in the initiative may also be offered.
- **Los Alamos Wildfires:** HUD's Office of Special Actions has confirmed that FEMA is negotiating temporary housing in the North Mesa area outside Los Alamos. The site has infrastructure in place and could handle 115 mobile homes. Over 400 households

estimated to include 1000 people have been displaced by fire. The mobile home park will be in place for a minimum of 18 months and a maximum of three years. HUD has also issued a vacancy list of available housing units in Santa Fe and Las Vegas, NM to the FEMA regional office for Los Alamos and the Los Alamos Disaster Recovery Center.

- **DE Neighborhood Networks Center:** The Bethel Villa Neighborhood Networks Center at Bethel Villa Apartments in Wilmington, DE has created programs of the highest standards that help residents of all ages find success through technology literacy. As of December 1999, the center has had more than 240 graduates and a job placement rate exceeding 90 percent. A few residents have not only completed the program and gained employment, but have completed the states first-time home buyer program and have moved from Section 8 housing to self-owned homes.

DEPARTMENT OF TRANSPORTATION

- **FAA Lowers Compliance Rating for El Salvador:** On June 13, the FAA announced that El Salvador does not comply with international safety standards set by the International Civil Aviation Organization (ICAO), giving the country a Category 2 rating. FAA will continue to work with the civil aviation authority of El Salvador to address the safety and operational oversight issues that do not meet ICAO safety standards.
- **Seat Belt Use among African Americans:** On June 26, Secretary Slater, in a DOT partnership with Meharry Medical College, will meet with members of the *Blue Ribbon Panel on Seat Belt Use Among African Americans*. He will address the panel, comprised of key leaders in the African-American community, urging action to identify strategies to increase seat belt use among African Americans. Panel members will discuss and identify effective strategies to generate national awareness of this problem. In addition, the panel will identify ways in which the various sectors of society can increase seat belt use and traffic safety among African Americans. Recommendations by the Blue Ribbon Panel are due in mid-October. This initiative is part of your goal of achieving a national seat belt use rate of 85 percent by the end of 2000.
- **Coast-to-Coast Intermodal Tour:** Secretary Slater is working toward improving the safety, efficiency, and performance of America's transportation system in his coast-to-coast intermodal tour. The tour, which the Secretary began with the First Lady at the Merchant Marine Academy commencement in Kings Point, NY, includes stops in Washington, DC; Wilmington, DE; Philadelphia, PA; Boston, MA; Chicago, IL; Sacramento, San Diego, North Hollywood, Oakland, San Francisco, and Berkeley, CA; and Colorado Springs, CO. Secretary Slater will review a variety of intermodal programs and projects that apply new transportation technology and concepts, as well as those that contribute to future innovation by building a knowledge-based workforce and contribute to a climate that fosters innovation.

- **Runway Safety National Summit:** From June 26-28, the FAA will host a Runway Safety National Summit in Washington, DC, to explore ways to improve safety on runways, particularly at the nation's busiest airports. Attendees will include aviation safety experts and airline representatives, pilot and air traffic controller unions, general aviation groups, and airport administrators.
- **Hurricane Evacuation Workshop:** On June 26-28, DOT's Federal Highway Administration, in cooperation with the FEMA and the American Association of State Highway Transportation Officials, will host a workshop in Atlanta, GA, for state, county, and city emergency management officials on transportation operations during major evacuations. The working-level workshop will explore areas such as the development of uniform safety guidelines and design standards for contra-flow operations, information sharing between states, and the use of intelligent transportation systems.

DEPARTMENT OF ENERGY

- **U.S. Enrichment Corporation (USEC) Plant Closure:** On June 21, USEC announced its intent to close the Piketon, OH, Portsmouth Gaseous Diffusion Plant in June 2001. The Portsmouth Plant employs two thousand people. USEC will continue to operate its other enrichment plant in Paducah, KY. Last week, USEC gave notice to Treasury that the downgrade in its credit rating permitted them to shut one of its two plants before 2005. Treasury and DOE publicly expressed concern over a decision to shut down a plant. DOE is currently examining how to mitigate job losses from the plant closure with other decontamination and decommissioning missions. In addition, over 600 USEC jobs will be cut on July 15, evenly distributed between the plants.
- **Travel to Russia:** Secretary Richardson is scheduled to travel to Russia during the week of July 16. He is planning to stop on Sakhalin Island to meet with representatives from Exxon, Mobil, Texaco, and Marathon, as well as the Governor and other senior government officials. The U.S. Ambassador and the Russian Energy Minister may join Secretary Richardson.
- **Final Rule on Electric Vehicles (EVs):** The final rule on the Petroleum Equivalency Factor (PEF) for EVs will be published in the *Federal Register*. The PEF provides procedures for vehicle manufacturers to calculate and claim Corporate Average Fuel Economy (CAFE) credits for EVs that they sell. Because the petroleum equivalent fuel economy of EVs will be relatively high, this rule provides an incentive for manufacturers to produce and market EVs. The PEF regulation has been under development within the Office of Transportation Technologies for several years and is eagerly awaited by the automotive industry. Although the number of EVs sold each year is very small, the CAFE credits that they generate are a valuable commodity.

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Strategic Petroleum Reserve: On June 16, Secretary Richardson approved two agreements to exchange oil from the Strategic Petroleum Reserve to avert temporary closure of two LA refineries (Conoco Inc. and CITGO Petroleum Company). The refineries were cut off from normal tanker deliveries during the week of June 12 when a commercial dry dock collapsed into the shipping channel just north of the Intracoastal Waterway. Although some oil is being withdrawn from tankers and moved around the blockade by barges, the quantities are relatively small. Providing oil from the Strategic Petroleum Reserve helped keep both refineries operating at capacity while the Coast Guard worked to remove the collapsed dock. Under both contracts, the companies agreed to resupply the Strategic Petroleum Reserve with an equivalent value of crude oil after the shipping lanes are reopened.
- 
Milwaukee Motor Gasoline Supplies: At the request of the WI congressional delegation, DOE conducted visits with industry officials in Milwaukee to assess the gasoline situation and to gain first-hand knowledge of gasoline markets in the area. Since early May, reformulated gasoline supplies in the Milwaukee and Chicago areas have been extremely tight and more recently retail prices have averaged over \$2.00 a gallon. The representatives met with officials from the WI Petroleum Marketers Association and WI Petroleum Council, as well as retailers, jobbers, wholesalers, and terminal operators of four major oil companies.
- Gasoline Prices Mixed, Stocks Up:** Gasoline spot and futures prices rose early last week, following crude oil, then mostly turned lower as world oil markets declined ahead of the OPEC meeting starting June 21. Chicago spot prices showed the sharpest drops, falling over 10 cents per gallon from recent high levels. The NY Harbor spot price for conventional regular gasoline fell 1.90 cents for the week to 94.60 cents per gallon on June 19, while the Los Angeles CARB RFG spot price climbed 3.00 cents to 104.50 cents per gallon. (The spot price for West Texas Intermediate crude oil at Cushing, OK went from \$31.76 per barrel to \$31.57 per barrel during the same time period.) The U.S. average retail gasoline price rose for the seventh straight week, increasing 5.0 cents to \$1.681 per gallon, an all-time high, as of June 19. The average was 55.7 cents per gallon higher than a year ago. Prices rose for nearly all regions and formulations, led by an increase of 9.0 cents per gallon for conventional gasoline in the Midwest. Significantly higher production and demand levels left stocks nearly unchanged last week. Total motor gasoline stocks were up 100,000 barrels to end the week at 202.8 million barrels.

DEPARTMENT OF EDUCATION

- Prayer at Football Games:** On June 19, the Supreme Court issued a decision holding that the school district's policy of permitting student-led, student-initiated prayer at high school football games violates the Establishment Clause of the First Amendment. The decision did not address the constitutionality of student-led, student-initiated prayers at

other school events. There remains a split in the circuits on the issue of the constitutionality of student-led, student-initiated graduation prayers, as the Court declined to review the portion of the Fifth Circuit's decision that upheld that practice.

- ✓ **Suspension and Expulsion Rates:** On June 15, the *Washington Post* reported on a study by the Advancement Project, an advocacy group led by civil rights lawyers, which contends that "zero tolerance" policies have exacerbated a long-standing pattern of black and Latino students being suspended and expelled from school more frequently than white students. The article also cited data collected by DOEd on suspension and expulsion rates by race/ethnicity, which is collected as part of a survey on a wide range of civil rights issues in our nation's public schools. Recent data indicates the following: from 1974 to 1998, suspension rates have increased for all students (from 1.7 million to 3.2 million); racial disparities exist in student suspension rates, specifically with regard to black male students, (black students comprised 17 percent of the nation's students, but made up 33 percent of students suspended in 1998); this disparity has remained roughly consistent over time (since 1974, black students have constituted 15-17 percent of student enrollment and 29-33 percent of students suspended); and a similar disparity is also reflected in student expulsion rates (0.19 percent of all students were expelled, and of those approximately 31 percent were black).
- Early Childhood Summit:** On June 23-24, DOEd is hosting the Early Childhood Summit, which is based on the National Research Council's forthcoming report, *Eager to Learn: Educating Our Preschoolers*. The summit will focus on how best to provide young children with the skills and experiences needed to succeed in school. Secretary Riley will deliver opening remarks.

DEPARTMENT OF VETERANS AFFAIRS

- 50th Anniversary of the Korean War:** On June 25-26, Secretary West will participate in events sponsored by the Republic of Korea in Seoul commemorating the 50th Anniversary of the Korean War. Secretary West will join the President of Korea in welcoming veterans and guests at the opening ceremony that will be held at the Korean War Memorial. The commemoration ceremony in Korea will coincide with ceremonies in Washington, DC, and Honolulu, HI.

ENVIRONMENTAL PROTECTION AGENCY

- High Gas Prices:** As the price increment for cleaner-burning reformulated gasoline (RFG) over conventional gas remains much higher than expected in the Chicago and Milwaukee areas, EPA continues to investigate the inflated prices and remains committed to protecting consumers. Earlier this week, the FTC followed up on last week's request by EPA and DOE and announced a full-scale investigation into possible antitrust

activities related to the gas prices. EPA had already begun providing FTC investigators with information gathered by EPA's field inspectors. On June 19, EPA participated in a Chicago field hearing of a House Commerce subcommittee to look at the factors related to the recent rise in gasoline prices. On June 20, EPA also met with Unocal Corporation, whose patents for RFG have been cited by several refiners as a cause for the higher gas prices. Though Unocal has yet to collect royalties on gas sold in the Midwest, they state that any such royalties would add less than two cents per gallon to gasoline prices.

- **Bonn Climate Change Negotiations:** Two-weeks of climate treaty negotiations in Bonn, Germany, ended on June 16 with some progress made toward the goal of agreement this November on the rules and guidelines needed to flesh out the Kyoto Protocol. EPA serves on the State Department-led delegation on subjects such as greenhouse gas monitoring, international emissions trading, credit for forest and farm "sinks," and compliance rules. While maintaining ties to key allies (e.g., Japan, Canada, Australia, Russia), the U.S. team made progress off-line with the EU on aspects of emissions trading rules and the mechanism for receiving credit for climate-friendly investments in developing countries. Following up on the Presidential summit in June, a bilateral meeting is scheduled in August to press Russia again to establish a climate-friendly investment fund for their revenues from emissions trading, a step that would favorably resolve an important area of contention with the EU. Saudi Arabia, which hopes to thwart the negotiations over demands for compensation for lost oil revenue, remains the biggest obstacle to success at November's ministerial conference in The Hague. Representatives from roughly 150 developed and developing countries around the globe participated in the Bonn negotiations.
- **Title VI Proposal:** EPA released for public comment combined draft civil rights and environmental protection guidance in its effort to protect public health and economic progress while ensuring that pollution does not unfairly and disproportionately affect minority communities. The guidance comes under Title VI of the Civil Rights Act of 1964 and EPA's Title VI regulations. Title VI bars intentional discrimination on the basis of race, color, or national origin in all programs or activities that receive Federal funding.

GENERAL SERVICES ADMINISTRATION

- **Women-Owned Businesses:** GSA will begin a five-month, ten-city tour to provide tips to women-owned businesses on how to submit offers to become Federal Supply Schedule Contract Holders. GSA's procurement with women-owned business has gone up from \$97M in 1992 to \$352M last year, and the Office of Enterprise Development expects this tour will increase these numbers even further. Tour stops will include Hartford, CT; Anchorage, AL; Sacramento, CA; Charlotte, NC; Honolulu, HI; Tampa, FL; Phoenix, AZ; San Antonio, TX; and Seattle, WA.

SOCIAL SECURITY ADMINISTRATION

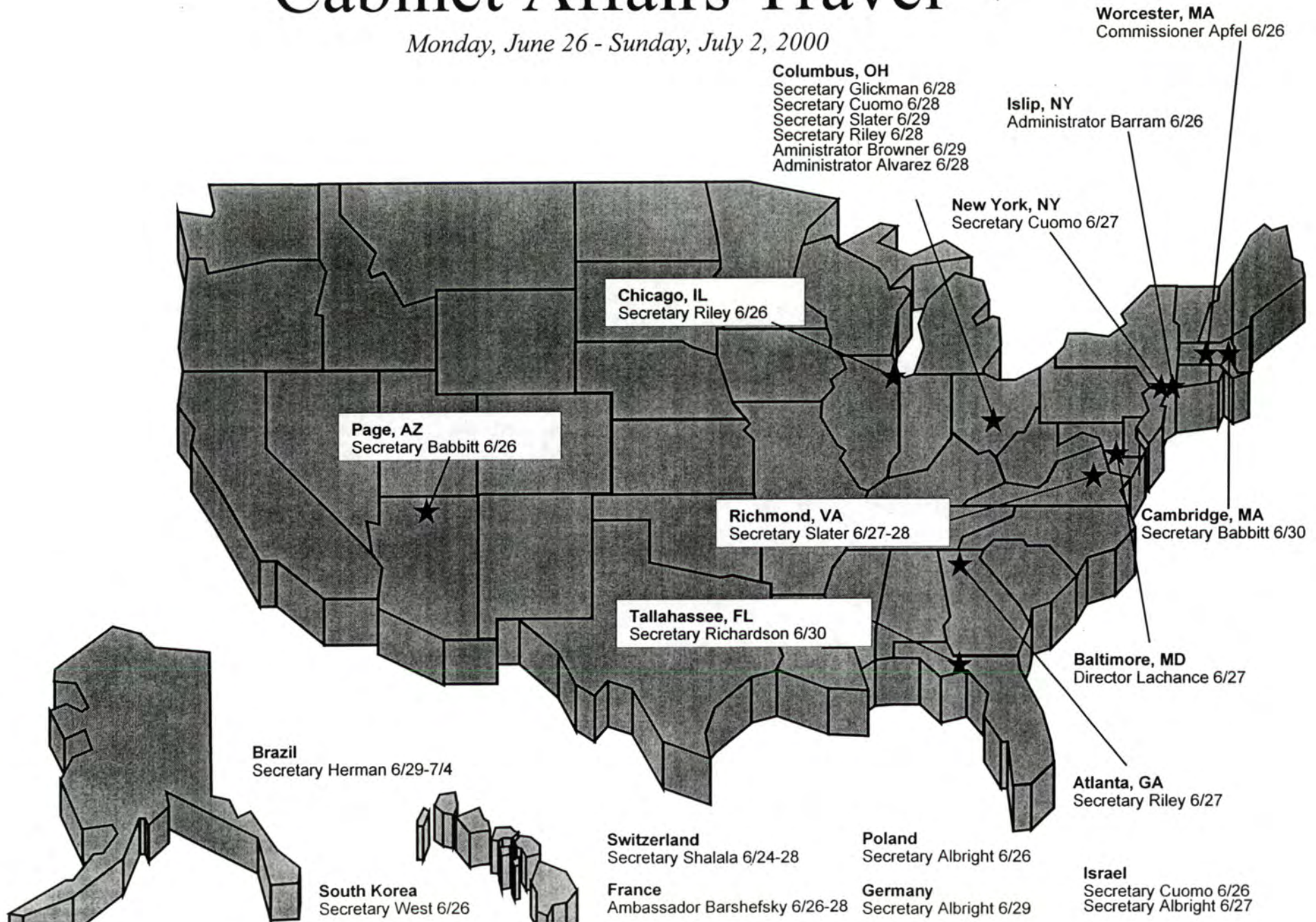
- **Internet Medicare Replacement Card:** Beginning June 24, the public will be able to request Medicare replacement cards via SSA's website on the Internet. Authentication will be accomplished by verifying the Social Security number, name, and date of birth of customers. In addition, the customer must either provide information about their payment amount and the month of last payment or provide their mother's maiden name and their place of birth. The Medicare card will be mailed to the address of record by the HCFA.

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

Cabinet Affairs Travel

Monday, June 26 - Sunday, July 2, 2000



6-26-00
THE WHITE HOUSE

WASHINGTON

June 23, 2000

Copied
Brain
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: CHUCK BRAIN *CMB*

SUBJECT: LEGISLATIVE WEEKLY REPORT

House of Representatives

Floor Activity

On Monday and Tuesday, the House passed several measures under suspension of the rules. Notable among them include (418-5) H.R. 4601, the Debt Reduction and Reconciliation Act of 2000, (420-2) the Social Security and Medicare Safe Deposit Box Act, and H.R. 2815, awarding a congressional gold medal to Apollo 11 astronauts Neil Armstrong, Buzz Aldrin and Michael Collins.

The House took the following action on appropriations measures under open rules:

VA/HUD Appropriations: The House passed, 256-169, H.R. 4635, the VA/HUD Appropriations Act for FY 2001. Forty-three Democrats supported the bill. After initially failing (197-207) earlier in the week, a revised Waxman (D-CA) amendment passed (voice) which would allow Veterans Administration operating funds to be used by the Justice Department to prosecute its tobacco litigation. A Hostettler (R-IN) amendment prohibiting HUD from using funds to administer the Community for Safer Guns Coalition passed, 218-207. A second Hostettler (R-IN) amendment failed, 206-219, which would have prevented funds to be used for enforcing the agreement between the government and Smith & Wesson. In other key votes, the House passed an amendment to increase the Housing Opportunity for People with AIDS (HOPWA) program by \$18 million and an amendment stating that any limitation on EPA funds relating to the Kyoto Protocol must be consistent with current law. A Hinchey (D-NY) amendment to strike language prohibiting the EPA from using dredging technologies and from enforcing drinking water standards for arsenic failed, 208-216.

Legislative Branch Appropriations: The House passed, 373-50, H.R. 4516, the Legislative Branch Appropriations Act for FY 2001. The House passed (voice) a manager's amendment increasing funding by \$95.8 million, which averted controversy regarding cuts in the bill.

Commerce/Justice/State Appropriations: The House began consideration of H.R. 4690, the Commerce, Justice, State Appropriations Act for FY 2001. The House is expected to complete consideration of C/J/S late Monday. During consideration on Thursday and Friday, the following action occurred on several key items:

- In a major victory against the tobacco industry, the House passed another Waxman (C-CA) amendment which essentially allows the Justice Department to continue its suit against Phillip Morris. More than 50 Republicans joined the majority of Democrats in support of the amendment.
- A Lowey-McCarthy-DeLauro-Stabenow amendment proposing \$150 million for your gun enforcement initiative was ruled out of order on technical grounds.
- The Democrats offered a series of amendments to increase funding for civil rights enforcement which were rejected. However, the House passed a Serrano (D-NY) amendment adding \$134 million for the Legal Services Corporation.

In addition, the House also considered:

Broadcasting Freedom Act: The House passed, 264-159, H.R. 4201, the Noncommercial Broadcasting Freedom of Expression Act broadening the eligibility requirements for nonprofits to hold radio or television licenses.

WTO Membership: The House rejected, 56-363, H. J. Res. 90, proposing that the US withdraw from the World Trade Organization. Twenty-one Democrats supported the bill.

Week Ahead

The House will reconvene on Monday, June 26th for legislative business, with votes expected after 6:00 pm. The House will remain in session until Friday afternoon when it begins a week long July 4th recess. In addition to suspension bills and three appropriations bills (C/J/S, Energy & Water, and Agriculture), the House is scheduled to consider the following:

Prescription Drugs and Medicare Givebacks: H.R. 4690, the Medicare and Prescription Drugs Act of 2000, was approved by the House Ways and Means Committee on Wednesday on a party line vote. Democrats unsuccessfully tried to include the "Allen Plan" to the Republican bill. In addition, they offered their own alternative, which costs \$100 billion over five years and includes a direct Medicare benefit, and your \$21 billion package of Medicare givebacks. Democrats are pressing Republican leaders to permit consideration of their alternative during next week's Floor consideration, even though budget rules might otherwise preclude such an alternative.

Section 527 Organizations: The House is scheduled to consider H.R. 4717, a bill that requires greater disclosure by so-called section 527 organizations and certain other 501(c) entities (including labor unions, advocacy groups and trade associations.) The Republican leadership shut down the effort by Representative Amo Houghton (R-NY) to develop a bipartisan plan modeled after proposals by Representative Lloyd Doggett (D-TX) and Senators McCain (R-AZ), Lieberman (D-CT) and Feingold (D-WI). On Wednesday, the House Ways and Means Committee approved the bill on a party line vote. Democratic attempts to broaden the scope of covered election activities and to include corporations were spurned by the majority.

Collective Bargaining for Health Care Professionals: H.R. 1304, the Quality Health-Care Coalition Act, would extend collective bargaining rights to health care professionals. The bill,

sponsored Representative Tom Campbell (R-CA), has 220 bipartisan co-sponsors, including Representative Conyers (D-MI). Your Administration has deep concerns about the bill.

House Notes

Gas prices: On Wednesday, Administrator Browner attended a meeting hosted by Speaker Hastert (R-IL) with representatives from the oil industry and a bipartisan group of members from the midwest to discuss the reasons for the recent price spikes in retail gasoline. The Speaker continues to urge the Administrator to grant the RFG II waiver requests of the governors of Illinois and Wisconsin.

Democratic members are clamoring for the White House to take action to alleviate the situation. On Thursday, following your departure statement, you sent a letter to the Republican Congressional leaders expressing your concern about the gas prices. You also urged them to take action that you have called for in the past including, reauthorizing the SPR, creating a regional home heating oil reserve, enacting \$4 billion in tax incentives, fully funding your \$1.4 billion budget request for energy efficient and renewable energy sources, and enacting electricity reform.

Rep. Markey (D-MA) garnered almost half of the Democratic Caucus on a letter urging you to release oil from the SPR, despite the fact that the authority has lapsed due to Congressional inaction. Other Democrats, led by Rep. Frost (D-TX), want you to host a meeting at the White House with oil industry representatives. Next week when the Energy and Water Appropriations bill is on the floor, we expect a number of amendments from Democrats proposing some of the Administration's proposals. Many will not be germane to the spending bill. There will also be at least four House Committee hearings next week on this issue. DOE, EPA, and DOT have been called to testify.

United States Senate

Floor Activity

Defense Authorization: On Monday, the Senate resumed consideration of S. 2549, the National Defense Authorization Act for Fiscal Year 2001, taking the following action:

- tabled (50-49) a Murray (D-WA) amendment, which would have extended the right of women serving in the military overseas to have access to military hospitals, at their own expense, to obtain abortions.
- passed (50-49) a Hatch (R-UT) amendment to establish a federal grant program under which the states and municipalities could receive up to \$100,000 to assist in their investigation and prosecution of hate crimes. The amendment would also authorize a study to compare the problem of hate crimes in jurisdictions with local hate crimes laws to those without such local laws.
- passed (57-42) a Kennedy (D-MA) amendment to expand the federal Hate Crimes law to include crimes committed because of the victim's gender, sexual orientation, or disability. In addition, the amendment would create a federal grant and technical assistance program under

which states and municipalities could receive aid in their investigation and prosecution of hate crimes.

- tabled (59-41) a Dodd (D-CT) amendment to establish a national bipartisan commission to evaluate the U.S. policy toward Cuba.

Foreign Operations Appropriations: The Senate began consideration of S. 2522, the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 2001, and came close to passage, approving (95-4) a motion for "third reading." While under consideration, the Senate considered numerous amendments, including:

- tabled (89-11) a Wellstone (D-MN) amendment that would have shifted \$225 million from aid to Colombia to domestic drug treatment programs in the US.
- rejected (19-79) a Gorton (R-WA) amendment that would have cut aid to Colombia from \$934 to \$200 million.
- passed (by voice vote) a Sessions (R-AL) amendment that would have cut aid to Colombia. The amendment would provide additional conditions on assistance for Colombia under Plan Colombia.
- rejected (47-51) a Dodd (D-CT) amendment regarding Blackhawk Helicopters. The amendment would recommend that the procurement of helicopters for Colombia be decided by the Department of Defense.
- passed (by voice vote) a Feingold (D-WI) Sense of the Senate amendment recommending additional funding for international disaster assistance for Mozambique and Southern Africa.
- passed (by unanimous consent) a Chafee (R-RI) Sense of the Senate amendment that a bilateral and multilateral program of debt relief for the world's poorest countries should be authorized.
- passed (by unanimous consent) a Smith (R-NH) Sense of the Senate amendment that the Treasury Secretary should direct the executive directors of international financial institutions to oppose assistance to Russia if it delivers missiles to China.
- passed (by unanimous consent) a Nickles (R-OK) amendment to provide \$40 million to combat methamphetamine production and trafficking.
- passed (by voice vote) a Boxer (D-CA) amendment to increase spending on overseas, HIV/AIDS programs from \$225 million to \$255 million. The Amendment also includes an additional \$10 million for Mozambique flood relief.

Labor/Health and Human Services Appropriations: On Thursday, the Senate began consideration of H.R. 4577, the Labor, Health and Human Services, and Education Appropriations Act. While under consideration, the Senate took the following action:

- passed (57-41) an Enzi (R-WY) amendment to block OSHA from issuing a final ergonomics rule by the end of the year.
- rejected (44-53) a Robb (D-VA) amendment regarding prescription drugs. The amendment would amend title XVII of the Social Security Act to provide coverage of outpatient prescription drugs under the Medicare program.

Week Ahead

The Senate will convene at 1:00 pm on Monday, with the first votes expected on Tuesday.

Labor/Health and Human Services Appropriations: The Senate will resume consideration of H.R. 4577, Labor, Health and Human Services, and Education Appropriations Act, at 3:00 pm on Monday. Votes in relation to the bill are expected to first occur on Tuesday in a stacked series.

Department of Defense Authorization: The Senate may resume consideration of S. 2549, the National Defense Authorization Act for Fiscal Year 2001.

Estate Tax: On Monday, Senator Lott (R-MS) may file a cloture petition on the Estate Tax repeal for a vote on Wednesday.

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

6-26-00

THE WHITE HOUSE
WASHINGTON

JUNE 23, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARY BETH CAHILL
DIRECTOR, OFFICE OF PUBLIC LIAISON

SUBJECT: WEEKLY REPORT (June 17 to June 23)

copied
Cahill
Podesta

I. ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES:

MEDICARE PRESCRIPTION DRUGS

Leadership Council on Aging and the American Association of People with Disabilities Say Republican Proposal Fails Key Test of Affordability and Accessibility. Martha McSteen, President of the National Committee to Preserve Social Security and Medicare, recently took over leadership of the Leadership Council on Aging from the AARP. AARP has not yet issued a statement on the Republican proposal and is unlikely to comment until a House floor vote. OPL continues to work with the aging and disability communities to generate statements and work with their memberships in defining the differences between the two proposals.

PROVIDER RESTORATIONS

Provider Community Applauds Announcement on Provider Restorations. OPL and DPC coordinated a series of conference calls with the various provider communities – home care, nursing homes, teaching hospitals, and hospitals – in order to garner their support. The provider groups are pleased with your action this week and with the way the proposal was thoughtfully developed, both politically and with respect to policy. They view the restorations as an important first step in much-needed relief from the BBA of 1997. The provider community is now waiting to see whether House Republicans link the provider givebacks to their prescription drug proposal or keep the two issues separate.

HATE CRIMES

Senate Vote Empowers Gay and Civil Rights Groups; Law Enforcement Community Supportive. The strong margin of support for the Local Law Enforcement Act has reinvigorated efforts to seek passage in the House and the full Congress. Activists laud the Administration for keeping a steady focus on this issue and for your timely remarks in Texas with the Byrd family. On Monday, before the vote, OPL and White House Counsel held a conference call with representatives from the Law Enforcement Community, which is generally supportive of the Administration's efforts to obtain passage of the legislation. Plans are now underway to develop and implement a House and DOD conference strategy.

CHINA PNTR

Friends (Quakers) Committee Ready to Release Letter of Support with Additional Signatures. They plan to release the letter when debate begins in the Senate, but they can issue the statement earlier if that would be helpful.

Meetings with Key Business and Agriculture leaders continue to highlight China PNTR efforts. OPL hosted small group meetings to update these community leaders on our efforts in gaining passage in the Senate. They renewed their commitment to give this issue their highest priority.

DIGITAL DIVIDE TOUR

OPL Hosts Meeting to Discuss Strategy for Disability Component of Digital Divide Tour.

On Thursday OPL and NEC met with eight representatives of the disability community to discuss themes and possible deliverables. We have identified five main areas: 1) making IT products and services accessible to people with disabilities; 2) increasing employment in IT jobs; 3) promoting design-stage R&D; 4) making other digital divide initiatives accessible; and, 5) bridging the income gap within the disability community to afford IT products. OPL and NEC will now host additional meetings with the disability community, corporate sector, and government agencies.

II. CONSTITUENT OUTREACH AND OTHER ISSUES:

DISABILITY OUTREACH

Disability Groups Urge Attention to Community-Based Services and Supports. On Tuesday disability rights activists protested at the White House in support of home- and community-based attendant services and supports. Disability advocates view the increased surpluses and provider givebacks as an opportunity for the Administration to expand its support of community alternatives to institutional long term care.

GAY/LESBIAN OUTREACH

Gay Civil Rights Group Anxiously Await Supreme Court's Decision on Boy Scouts. The decision is expected next week. In the event that the Court rules in favor of the Boy Scouts, advocates will likely insist that the Administration respond in a manner consistent with our policies supporting non-discrimination against gays and lesbians.

LATINO OUTREACH

OPL Facilitates Outreach for Puerto Rican Elected Leaders Status Meeting. In preparation for your meeting on Wednesday, OPL conducted outreach calls to the leaders of the national

Puerto Rican organization and key Puerto Rican grassroots leaders and supporters. Each of the participants expressed their appreciation and their support for your continued leadership and efforts in addressing this issue, particularly in hosting the meeting. We will continue to work with the leaders from the Puerto Rican Community and elected officials to find a resolution.

Southwest Border (Arizona) Vigilantes Reportedly Arresting Undocumented Immigrants at Gunpoint. There have been at least 30 reported incidents of local ranchers detaining and arresting undocumented immigrants, and at least three migrants have been shot and killed. The groups' activities have been bolstered by the open support of extreme right-wing groups. The efforts have also been sanctioned by local sheriffs and advocated by a retired ex-Border Patrol spokesperson. National Hispanic and Immigration groups have expressed their concern that the civil rights of immigrants are being violated. Additionally, a number of groups have called on Attorney General Reno to address the numerous human tragedies resulting from increased border enforcement and vigilantism. OPL has scheduled a meeting next Wednesday for Arizona community leaders, INS, and DOJ to discuss the Administration's position and possible investigations into the vigilantes' actions.

RELIGIOUS OUTREACH

OPL Hosts Briefing for American Muslim Council. Eric Holder was the main speaker for their leadership group at a briefing in Presidential Hall on Friday. As expected, their primary concern was use of secret evidence. Thursday night the House voted by a margin of 239-173 (D, 164-32; R, 74-140) to remove \$173,000 from the Bureau of Prisons budget. That is the amount they spend to incarcerate people using secret evidence. While not having any practical impact, it is viewed as a highly symbolic act. The legislation to repeal secret evidence remains bottled-up in committee.

Working with Treasury and Opponents of Estate Tax Repeal. Only a few faith-based and advocacy groups have taken positions on the legislation, and those who have are relying on your veto to defeat the bill. We are working with Treasury to try to energize the groups.

Reaction to McGovern School Lunch Proposal. At a meeting with the board of Bread for the World, John Podesta asked their opinion of the idea of providing school lunches to children in developing countries. Bread for the World was receptive to the idea (they had not considered it before), but said they could only support such a program if it used available resources, such as surplus foods, and did not take money from debt relief and/or development (which they view as the best long-term approach to dealing with both hunger and education).

SENIORS OUTREACH

Older Women's League (OWL) and Howard University To Host Senior Women's Meetings in September. A series of three meetings around the country will focus on issues of importance to senior women, including Medicare prescription drugs, Social Security, long term care, and income security issues.

WOMEN'S OUTREACH

Women's Groups Prepare for Supreme Court's Abortion Rulings. Decisions could come as early as Monday on *Stenberg v. Carhart*, the late-term abortion case, and *Hill v. Colorado*, the Colorado Bubble bill, which mandates that protesters cannot come within eight feet of abortion clinic patients as they enter or leave a clinic. Women's groups are preparing statements in anticipation of the decisions.

OPL Hosts Meeting on GLOBAL Gag Rule. International family planning groups met with Steve Ricchetti, Legislative Affairs and White House Counsel on Wednesday. Groups seek a commitment that you would veto any bill threatening international family planning/abortion funding.

Members of Congress Active in Consideration of RU-486. Advocates asked for a meeting with the Administration a few weeks ago, and they are now monitoring the progress at FDA. Reps. Maloney, Woolsey, and Slaughter are organizing Members' meetings to discuss the issue, while Maloney has called for an additional meeting with the FDA.

6-26-00

THE WHITE HOUSE
WASHINGTON

June 23, 2000

00 JUN 23 PM 5:09

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER

CC: MARIA ECHAVESTE

SUBJECT: WEEKLY REPORT

*copied
Cutler.
Podesta
Echaveste*

Indian Initiative

- We met with the lawyer / lobbyist groups yesterday to push on the Indian Initiative. We have enlisted the help of many people who deal with Indian Country issues and everyone seems engaged.
- Jack Lew wrote a letter based solely on the Initiative which is a very unusual step.
- The full Senate Appropriations Committee reported the Interior bill late this week and we did better in the Senate on some of the funding. While we did better on the Initiative in the Senate there are still several pieces that are problematic. We are continuing to monitor this with the agencies.

Delta Initiative

- We are doing calls and closely monitoring the status of the funding for the Delta Regional Authority. We spoke with Governor Ryan's office this week. He will be meeting with the Speaker next week and will discuss this. On Monday we have organized a conference call with all of the Mayors from the region to gin up support.

*new to
figuring this out*

Pine Ridge

- The Youth Center, which you proposed and asked Sec. Glickman and Sec. Cuomo to help with, is just about ready to go with the assistance of the Boys and Girls Club of America, which has the lead on the project. USDA is reviewing the plans today. I am going to propose a symbolic ribbon cutting ceremony here since you wanted to cut the ribbon for the project before you left office and we are unable to go to Pine Ridge because of the state of the tribal government at present.

good

1/20 ARE

THE WHITE HOUSE
WASHINGTON

copied
HRC



June 27, 2000

Rona Malkin
11 Westminster Drive
Monroe, New Jersey 08831

Dear Rona:

Stick with the Vice President. He has been and will continue to be a great leader for this country. We're lucky to have him running.

I appreciate your kind words about me and the work I've done -- and also about Hillary. We are both grateful for your support.

Enjoy the summer, and please stay in touch.

Sincerely,

Bill Clinton

11 Westminster Dr.
Monroe, N.J.
08831
LB

Rona C. Malkin

Dear Mr. President:

I'm trying - Lord knows
I'm trying - but for the life
of me I cannot transfer the
enthusiastic support I feel for
you to the vice President.

I'm sure he's bright. I'm
sure he's a good man. I've
heard he has a terrific sense
of humor. And the thought of
"W" in The White House
makes me weep.

I'll vote for him. I'm
pulling for him. I really feel
for him. I do. One can only

be what one is and you're a terribly tough act to follow. But he seems so earnest, he makes me squirm.

The first lady, ~~on~~ the other hand, is becoming a terrific campaigner. She appears to be really enjoying herself. It makes me crazy when Lazio asks "what has she done for New Yorkers." The issues she has fought for transcend region. Support for children, for families matters to New Yorkers no matter where the battles are fought. We know her by her concerns and issues. We know what to expect from

her. And while her detractors use her healthcare effort to ridicule her, people are judged by the challenges they're willing to take on. She was willing to stick her neck out and at least try.

Why am I writing this to you?
That's really preaching to the choir!

Have you read Gene Lyons' book "The Hunting of The President"? Are Presidents barred from suing for libel? A Republican friend of mine (who voted for you so I try not to hold his party affiliation against him) showed me

a book he had received from one of those conservative slander peddlers (still promoting, among other things, the theory that Vince Foster was murdered) and they're really trash. Of course, it came with a request for money so that the publisher could continue to "get the word out". This just shouldn't be allowed. How can they be stopped unless they pay a price?

I wish you luck, Mr. President. No matter who wins in November, we'll miss you.

Sincerely, Rona Malkin

This can
be attached
to the letter
Malkin wrote

EB

Rona C. Malkin

Dear Mr. President -

This is more a post-script to
the letter I sent yesterday than
another "four-pager".

I've been trying, unsuccess-
fully to become involved in
the Democratic party here since
moving to New Jersey five months
ago.

I've left messages, offering
volunteer ~~surge~~ services, that
go unanswered; and, frankly, at
this point, I've lost interest.

But it occurs to me that this
is another downside of money and
television advertising in politics.
Campaigns aren't won with foot

advertisers and envelope stuffers any longer. They're won the way Jon Corzine won his primary: vast sums of money spent on television ads. (Which is why, I'm sure, my call to his office was never returned.)

It's a shame and a loss to the political parties. Volunteers invest so much of themselves in a party's (or candidate's) fortunes that their firm loyalty is assured.

When I moved to New York thirty years ago from Fayetteville, North Carolina, I called the Nassau County Democratic Committee to volunteer and they practically sent a car for me! I was an active volunteer for several years, but even when that activity ended (I moved to another county) my loyalty and support for the Democratic party remained firm.

Absent a galvanizing event,

What is there that will win young people to you with a life time commitment? If all our parties went from us is a check, they become just another nuisance.

I tried collecting names on a petition for the Vice President. I don't know if it was even done correctly. But what saddened me was how few people would sign. True, there were a lot of Bradley supporters here but most of the people to whom I spoke are independents now. And so the Democrats will become increasingly dependent on unions and Republicans on the NRA and religious right - and people

like me ~~will~~ become more and more alienated.

[For myself, I've begun doing volunteer work at Princeton Hospital which I find really rewarding. I'll always vote for Democrats. The face of the Republican party will always be Newt, Tom Delay and Bob Barr. But, I wonder where it will all end, when how much money one raises is all that determines the outcome of an election.

Sincerely

Rona Malkin

11 Westminister Dr

Monroe, N.J.

08831

THE ENVIRONMENTAL FINANCIAL CONSULTING GROUP, INC.

18 East 48th Street, 18th Floor

NY 10017

EF

Paul

Tel: (212) 752-2203

Fax: (212) 752-3080

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Pre

Th

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in

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W

undeveloped land in Pound Ridge, NY, Chappaqua!

June 22, 2000

In addition to traversing some pretty rugged and somewhat unique attributes:

- 1) It is being designed in such a way as to provide no indication of "civilization" (e.g. houses, roads, etc.) to New York City.

- 2) While most preserves focus on scenic views, while it covers, perhaps, 200 acres, it is made available through easements. We think we can get a much longer and more unusual experience for the visitor, as well as effectively preserve a wider area. (Most of the local preserves have relatively limited trails, with most of the property becoming inaccessible most of the year, due to being overridden by ticks, poison ivy and briars.)

Handwritten notes:
TODAN B.
FOR REPLY
COORDINATE
W/ COUNSEL,
CEQ.

Handwritten notes:
U-27-W

From a preservation perspective the trail has two

points on the trail can the visitor see any thing? This is pretty extraordinary given its proximity

to the city. And, this project focuses on creating a trail. The land will continue to be owned by the city through easements. By focusing on the trail, we

The land over which the trails will run includes property contributed by us, by Gary Trudeau and Jane Pauley, and by the Shimkin family (former owners of Simon & Shuster), as well as a number of other neighbors. We believe the trail will be one of the longest in Westchester County, and unique because of its "wilderness" attributes. Joanie, Renee and I will be underwriting the cost of building the trails themselves, as well as establishing a permanent trust fund for the Westchester Land Trust to maintain the trails. Not only do I think this will be an extraordinary conservation resource, but I think it will be one that can serve as a model for many other such undertakings throughout the country.

It would provide a great boost to the Westchester Land Trust, and to our efforts in creating this preserve, if you could drop me a quick note encouraging us in creating this unique type of preserve, and indicating, if possible, your willingness to consider participating in the dedication ceremony, which most likely will take place next spring.

We trust you and your family are well. We're excited about your settling in Westchester. We cherish our Christmas picture with your family. And, we thank you for your superlative job as our President!

Sincerely,

Handwritten signature of Paul J. Zofnass
Paul J. Zofnass

THE ENVIRONMENTAL FINANCIAL CONSULTING GROUP, INC.

18 East 48th Street, 18th Floor

New York, NY 10017

EFCG

Paul J. Zofnass, President

Tel: (212) 752-2203

Fax: (212) 752-3080



June 22, 2000

President Bill Clinton
The White House
Washington, D. C. 20500-2000

Dear Mr. President:

I am wondering whether you would consider providing what support you can to the land preservation project in Westchester County, NY that Joanie, Renee and I have initiated and spearheaded for the past four years. The project, which we refer to as the "Westchester Wilderness Walk", is being done under the auspices of the Westchester Land Trust. It entails the creation of a 5-mile walking trail over several hundred acres of undeveloped land in Pound Ridge, NY, about 50 minutes from New York City (and about 10 minutes from Chappaqua!)

In addition to traversing some pretty rugged, beautiful land, from a preservation perspective the trail has two somewhat unique attributes:

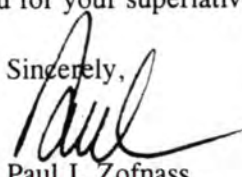
- 1) It is being designed in such a way, that from virtually no point on the trail can the visitor see any indication of "civilization" (e.g. houses, roads, etc.), which is pretty extraordinary given its proximity to New York City.
- 2) While most preserves focus on setting aside acres of land, this project focuses on creating a trail. While it covers, perhaps, 200 acres of land, much of this land will continue to be owned by the neighbors, and made available through conservation and trail easements. By focusing on the trail, we think we can get a much longer and more unusual experience for the visitor, as well as effectively preserve a wider area. (Most of the local preserves have relatively limited trails, with most of the property becoming inaccessible most of the year, due to being overridden by ticks, poison ivy and briars.)

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We trust you and your family are well. We're excited about your settling in Westchester. We cherish our Christmas picture with your family. And, we thank you for your superlative job as our President!

Sincerely,



Paul J. Zofnass

THE PRESIDENT HAS SEEN

6-27-00

A New Era Begins

Scientists have nearly finished sequencing the entire human genome, but putting all the bits of DNA in order is only the first phase in the effort to compile a complete operating manual of the human machine. A multifaceted analysis of the genome, already under way, is the next step.

The human genome is in hand. The set of instructions embodied in the ancient chemical deoxyribonucleic acid, at least 3.5 billion years in the making, has been made fully visible for the first time.

The manual with the specifications for the human species comes in 24 tapes of DNA, one for every chromosome, each carrying one long, punctuation-free sentence in evolution's four-letter programming code. On first inspection, these ancient texts are as incomprehensible as a message from another planet.

And the genome, as any message from another world, will surely change this one when its full meaning is understood.

Although exploration of the genome has already begun, it will be decades before every detail is thoroughly known.

The first practical impacts will be in health. The genome is widely expected to revolutionize the practice of medicine. Its sequence is already being mined for the levers of the body's own communications system, including the signals that direct cells to repair damaged tissue and fight off invaders. The use of these signals as drugs may develop into a new mode of therapy, one that Dr. William Haseltine, president of Human Genome Sciences, has termed "regenerative medicine."

Another predicted advance, though not so immediate, is that of personalized medicine — treatment and preventive programs that are tailored to the individual based on a genomic analysis.

But the genome's writ reaches beyond

We know now how DNA is arranged. But how does it do what it does?

medicine and will in time redefine knowledge of ourselves, our history, our innate capacities and our relationship to the rest of creation. The conditions of human existence, the reach of human abilities, the purpose of life — at least in a biological sense — have boundaries that are engraved in the genome's znomic text.

In defining the human species, the genome assumes distinctive flourishes in the major ethnic groups that developed as humans spread throughout the world, and specifies the genetic endowment of individuals. All individuals, save identical twins, are unique because their genomes are one of a kind. These underlying differences, for good and for ill, can now be spelled out for the first time.

In making the announcement yesterday at the White House, President Clinton emphasized the similarities, rather than the differences, inherent in the results.

"In genetic terms all human beings, regardless of race, are more than 99.9 percent the same," Mr. Clinton said. "Modern science has confirmed what we first learned from ancient faiths. The most important fact of life on this earth is our common humanity."

For the many who are fascinated by their origins and family history, the human genome will provide answers. Already a company that is called Oxford Ancestors (www.oxfordancestors.com) offers to tell people which of 30 founding human lineages

Continued on Page 4

Source: Dr. Eric Lander, Whitehead Institute for Biomedical Research, M.I.T.

Sarah Sloman and Steve Dunne/The New York Times

Most Ills Are a Matter Of More Than One Gene

Incomplete, Project Is Already Paying Off

MEMORANDUM

Via Hand Delivery and Facsimile

TO: THE PRESIDENT and THE VICE PRESIDENT OF THE UNITED STATES

FROM: Weldon H. Latham
 General Counsel, National Coalition of Minority Businesses
 Melvin E. Clark, Jr.
 Vice Chairman, National Coalition of Minority Businesses

DATE: June 26, 2000

RE: Urgent Need for Executive Order Supporting Minority Business

As a follow-up to Weldon Latham's previous Memoranda, dated April 13th and April 26th (see Tabs 1 and 2), we would like to renew our earlier request for a meeting with you to discuss issues facing minority businesses, in general and, more specifically, the need to institutionalize the Clinton/Gore Administration's legacy of unprecedented support for the minority business community. As you know, in April with senior members of your Administration, 6-27-00 DAN B - confirm this is original & fixed version of the request to minority businesses from the CBC/CHC meeting with an action plan for the Hispanic Caucuses ("CBC" education in federal contracts fact, it is our understanding to respond in 30 days of that

On behalf of N and private sector exp (see Tab 3). The prop treatment, equal acces Disadvantaged Busine procurement. This Or made on your behalf t

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Is Burkhardt for we received + responded to. (u) 7-3-00

cc: Scheduling? Yes — No ✓

a fixed copy came earlier

Task Force of government proposed Executive Order goal of inclusion, fair (a) concerns, Small enterprises ("MBE") in Federal respond to the commitment April 13th meeting.²

Since each of us have spoken to you about this meeting in recent weeks, we are anxious to arrange a time at your earliest convenience. As always, thank you for your assistance and continuing strong support for inclusion and diversity.

¹ NCMB members were quite impressed with the Community Empowerment Board's February Procurement Conference, an excellent demonstration of the Administration's continuing support of MBEs.

² Weldon Latham also has written an article that will appear in the next issue of the *Minority Business Entrepreneur* ("MBE") magazine about the need for greater activity from the White House on minority business issues, now, before the end of this Administration, to overcome bureaucratic recalcitrance to supporting MBE contracting.

MEMORANDUM

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On behalf of NCMB, and with the assistance of an *ad hoc* Task Force of government and private sector experts, we carefully developed and drafted a proposed Executive Order (see Tab 3). The proposed Order seeks to assure your oft stated goal of inclusion, fair treatment, equal access, and increased participation of Section 8(a) concerns, Small Disadvantaged Businesses ("SDB"), and Minority Business Enterprises ("MBE") in Federal procurement. This Order would appropriately and effectively respond to the commitment made on your behalf to CBC and CHC representatives at the April 13th meeting.²

Since each of us have spoken to you about this meeting in recent weeks, we are anxious to arrange a time at your earliest convenience. As always, thank you for your assistance and continuing strong support for inclusion and diversity.

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THE PRESIDENT and VICE PRESIDENT

June 26, 2000

Page 2

Attachments

cc: Honorable John D. Podesta
Chief of Staff to the President

Honorable Charles W. Burson
Assistant to the President and Chief of Staff and
Counselor to the Vice President

Honorable Minyon Moore
Assistant to the President and Director of Political Affairs

Honorable Alvin Brown
Executive Director, White House Community Empowerment Board

WHL:AMB 949774

MEMORANDUM

Via Facsimile

TO: Honorable John D. Podesta
Chief of Staff to the President

FROM: Weldon H. Latham

DATE: April 26, 2000

RE: *Ad Hoc* Task Force on Presidential Executive Order for Inclusion of
Minority Business Enterprises ("MBE") in Federal Procurement

To follow up on my April 13th Memorandum to the President and Vice President, a copy of which was sent to you (*see* attachment), this is to apprise you that (as the White House has encouraged in the past) I have met with senior DOT, DOD, Treasury, GSA, and SBA officials who are committed to implementing the President's policy of fairly including MBEs in Federal procurement. We are working as an *ad hoc* group to prepare a draft Executive Order intended to express the President's continuing support for MBEs and address the decline in MBE participation.

The Executive Order should seek to assure the inclusion, fair treatment, equal access and increased participation of Section 8(a) firms, Small Disadvantaged Businesses ("SDB"), and MBEs in Federal procurement. Our draft will address (1) prime contracting, (2) subcontracting, (3) bundling, (4) outsourcing, (5) e-commerce, (6) GSA schedules, (7) Government-wide agency contracts, (8) SBA, (9) department and agency self-assessment and corrective action, (10) developmental assistance, (11) accountability, and (12) mentoring.

The *ad hoc* Task Force has committed to the prompt completion of the draft Executive Order. We anticipate presenting it to the White House within the next 14 days, which will hopefully assist you in the process of responding to the commitment the White House made to Congressional Black and Hispanic Caucus representatives on April 13th.

Melvin Clark and I would also like to discuss the draft Executive Order at the meeting that the President stated he wanted to have with us on the subject of MBE policy, hopefully in the next several days.

Thank you in advance for your assistance.

Attachment

Hon. John D. Podesta

April 26, 2000

Page 2

cc: Honorable Charles W. Burson
Assistant to the President and Chief of Staff and
Counselor to the Vice President

Honorable Minyon Moore
Assistant to the President and Director of Political Affairs

Honorable Alvin Brown
Executive Director, White House Community Empowerment Board

Honorable Melvin E. Clark, Jr.
President, Metroplex Corporation

MEMORANDUM

TO: THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

FROM: Weldon H. Latham

DATE: April 13, 2000

RE: Need for Presidential Action to Mandate Federal Agency Procurement from Minority Business Enterprises ("MBE") and End the Recent Decline

When we spoke at the White House last week at the "National Call to Action" on the Digital Divide, Mr. President, I mentioned that I wanted to meet with you to share ideas on ways to improve the Federal Government's utilization of minority businesses (which has recently declined). I am anxious to meet with both you and the Vice President to discuss this important issue.

I recently learned that your staff is meeting later today with leaders of the Congressional Black and Hispanic Caucuses to discuss the downward trend in utilization of SBA's 8(a) Program and wanted to share a major recommendation. I strongly urge you to issue a new Executive Order to build on your pro-MBE policies, including Executive Order 12928. **A new Executive Order is urgently needed because (1) procurement streamlining (bundling), (2) the aftermath of the *Adarand* decision, and (3) actions of the majority in Congress – have all contributed to a growing mind-set within certain elements of *your* Administration that minority business procurement is not important.** The new Executive Order should, at a minimum:

1. Require that Departments and Agencies conduct annual reviews of the level of MBE participation, including utilization of 8(a)s, MBEs, and Small Disadvantaged Businesses ("SDB").
2. Require that agencies take concrete action to annually improve utilization and participation of 8(a)s, MBEs, and SDBs in Federal procurement.
3. Reiterate responsibility at the Cabinet, procurement, and policy levels to ensure increased MBE participation, including opening new opportunities in areas of procurement where 8(a)s, MBEs, and SDBs have heretofore been virtually excluded.
4. Direct GSA to expand inclusion of 8(a)s, MBEs and SDBs in GSA Schedule procurements and assist them in participating more fully in that program.

I look forward to arranging a time in the near future to meet with you to discuss these matters more fully. As you well know, institutionalizing these achievements of your Administration in MBE development, fairness and participation is imperative to maintain your legacy of inclusion.

THE PRESIDENT AND VICE PRESIDENT

April 13, 2000

Page 2

cc: Honorable John D. Podesta
Chief of Staff to the President

Honorable Charles W. Burson
Assistant to the President and Chief of Staff and
Counselor to the Vice President

Honorable Minyon Moore
Assistant to the President and Director of Political Affairs

Honorable Alvin Brown
Executive Director, White House Community Empowerment Board

WHL:MRH:crw:918689

E.O. _____

**Inclusion, Fairness, Equal Access, and Increased Participation of Section 8(a)
Program Participants, Small Disadvantaged Businesses, and Minority Business
Enterprises in Federal Contracting**

(Issued July __, 2000)

By the authority vested in me as President by the Constitution and the laws of the United States of America, in order to rigorously enforce the letter and spirit of public laws intended to remedy the exclusion and under-utilization in Federal contracting of Section 8(a) Business Development (BD) Program Participants (8(a)), Small Disadvantaged Businesses (SDB), and Minority Business Enterprises (MBE),¹ and that promote inclusion, fairness, equal access, and increased participation in Federal contracting, including applicable sections of Title VI of the Civil Rights Act of 1964, the Small Business Act (15 U.S.C. 637), the Small Business Reauthorization Act of 1997 (Public Law 105-135), the Armed Services Procurement Act (10 U.S.C. 2302), the Federal Property and Administrative Services Act (41 U.S.C. 252), the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355), the Office of Federal Procurement Policy Act (41 U.S.C. 401), and the Department of Transportation and Related Agencies Appropriations Act of 1996 (49 U.S.C. § 348 (b)(4)), it is hereby ordered as follows:

Section 1. Policy Statement. It is the policy of the United States Government that each department and agency with authority to procure goods and services has an obligation to ensure non-discrimination and equal access to Federal procurement opportunities generally and hereby is expressly directed to, among other things, assist 8(a)s, SDBs, and MBEs in gaining, developing and improving access to, and participation in, all levels of Federal procurement.

Given the importance of 8(a)s, SDBs, and MBEs to job growth and the economic competitiveness of the United States, it is also the policy of the United States Government to encourage the development of viable, self-sustaining 8(a)s, SDBs, and MBEs capable of producing goods and services and competing on an equal basis in the mainstream of the American economy. Access to Federal contracts is a vital part of that development.

Section 2. Prime Contracting. Each department and agency head must, as the highest priority, aggressively seek to maximize prime contracting opportunities for 8(a)s, SDBs, and MBEs, particularly in contracting areas within the departments or agencies

¹Minority business enterprise (MBE) is defined by Executive Order 11625, which authorizes the establishment and operation of the U.S. Department of Commerce's Minority Business Development Agency, as a business "owned or controlled by one or more socially or economically disadvantaged persons."

where these businesses historically have been excluded or underutilized. Enhancing subcontracting participation is important and should be fully exploited, but it is subordinate to the primary goal of maximizing prime contracting opportunities for 8(a)s, SDBs, and MBEs, to remedy their historical exclusion and underutilization in Federal procurement.

Section 3. Avoidance of Unnecessary Bundling.

(a) Requirements currently performed by 8(a)s, SDBs and other small businesses may not be considered for bundling unless, in accordance with the governing Small Business Administration regulations (13 C.F.R. § 125.2), the department or agency head determines that bundling of requirements is both necessary and justified and will result in measurably substantial benefits.

(b) SBA is hereby directed to revise 13 C.F.R. § 125.2 to expand its coverage over contract bundling to include: (i) requirements currently being performed by MBEs and (ii) new contract requirements, including but not limited to outsourcing, direct sourcing, and requirements that are developed under the implementation of Office of Management and Budget (OMB) Circular A-76.

(c) All proposed bundling of contract requirements or contract consolidations shall be reviewed and approved by the Director, Office of Small and Disadvantaged Business Utilization (OSDBU) of the department or agency in question. All such bundled or consolidated contracts let to other than 8(a)s, SDBs, or MBEs shall include minimum percentages for 8(a) and SDB subcontract participation based on the total contract value.

Section 4. GSA Schedules. SBA and the General Services Administration (GSA) will act promptly to expand inclusion and provide greater opportunities for 8(a)s, SDBs, and MBEs to participate in orders placed under GSA Schedules. Each department and agency and, in particular, GSA must ensure that procurement and program officials at all levels aggressively seek to utilize the GSA Federal Supply Schedule contracts of 8(a)s, SDBs, and MBEs. GSA will establish a blanket acceptance of GSA schedule contracts under the 8(a) Program to allow agencies to take credit towards 8(a) goals, but said awards shall be in addition to, not a substitute for, utilization of the 8(a) Program.

Section 5. Self-Assessment and Corrective Action. Given the history of denial of access and participation of 8(a)s, SDBs, and MBEs in Federal procurement, each department and agency must annually review, assess and report to the President, through the Office of Federal Procurement Policy (OFPP), on their good faith efforts to increase utilization of 8(a)s, SDBs, and MBEs, as prime contractors and subcontractors. Each department and agency must use these results to ensure the continued significant and increasing participation of 8(a)s, SDBs, and MBEs in Federal procurements, and,

whenever appropriate, take aggressive steps to improve areas of continuing exclusion, underutilization, or declining utilization of 8(a), SDB, or MBE participation identified in the reviews, including directing vigorous outreach efforts and expansion of prime contracting opportunities and enforcement of subcontract commitments by major prime contractors.

Section 6. Developmental Assistance. Each department and agency must take every reasonable step to assist 8(a)s, SDBs, and MBEs in succeeding as Federal contractors. Adequate time should be allowed for start-up companies, companies in their developmental stages, and those contractors performing in areas in which 8(a)s, SDBs, and MBEs historically have been excluded or underutilized, to enhance their skills and capabilities to more effectively perform Federal contracts.

Section 7. Small Business Administration.

(a) SBA will transition from a paper-based to paperless electronic application system with a decision support module, in order to reduce barriers to small firm participation in the 8(a) BD Program and the SDB Program.

(b) SBA will establish a pilot electronic commerce initiative that will allow Federal departments and agencies and the private sector to conduct simplified acquisitions via the Internet from 8(a)s, SDBs and MBEs.

(c) SBA will evaluate on a semi-annual basis, using the Federal Procurement Data System (FPDS), the achievement of prime and subcontract goals and actual prime and subcontract awards to 8(a)s and SDBs for each Federal department and agency.

(d) SBA will work with state and local governments and business organizations to identify similarities in certification requirements and seek reciprocal relationships with 8(a)s, SDBs and MBEs.

(e) SBA will ensure that Procurement Center Representatives (PCR) receive adequate training regarding the 8(a) and SDB programs and that they consistently and aggressively seek opportunities for maximizing the utilization of 8(a)s and SDBs in department and agency procurements. PCRs will coordinate and consult with the department or agency OSDBU Director prior to advising any department or agency program or procurement officials that a particular requirement is not appropriate for the 8(a) or SDB programs.

Section 8. Responsibilities of Federal Department and Agencies. To the fullest extent permitted by law, each Federal department and agency will work with SBA to ensure maximum participation of 8(a)s, SDBs and MBEs in the procurement process by taking the following steps:

(a) Prescribing procedures to ensure that acquisition planners, to the maximum extent practicable, structure acquisitions to facilitate inclusion of and competition by and among 8(a)s, SDBs and MBEs. These procedures should provide guidance on structuring acquisitions, including, but not limited to, those expected to result in multiple award contracts, in order to facilitate inclusion of competition within these groups.

(b) Offering industry-wide as well as industry-specific outreach, training and technical assistance programs for 8(a)s, SDBs and MBEs, including where appropriate the use of government acquisition forecasts, in order to assist 8(a)s, SDBs and MBEs in developing their products, skills, business planning practices and marketing techniques.

(c) Training of program and procurement officials of all departments and agencies regarding the Government policy of inclusion of 8(a)s, SDBs, and MBEs.

(d) Ensuring that department and/or agency heads provide OSDBU Directors – the departments and agencies focal points for interfacing with SBA – maximum authority and access to carry out their mission of ensuring inclusion and utilization of 8(a)s and SDBs in Federal procurements. In accordance with 15 U.S.C. § 644(k), the OSBDU Directors shall be appointed by, report directly to, and be responsible only to the department or agency head or the deputy of such head.²

Section 9. Subcontracting. Although it shall be the responsibility of department and agency heads and other Federal officials to maximize prime contracting opportunities for 8(a)s, SDBs, and MBEs, all Federal officials also must aggressively seek to facilitate significant 8(a), SDB, and MBE subcontracting opportunities by ensuring that major prime contractors benefiting from Federal contracts provide significant subcontracting opportunities to 8(a)s, SDBs, and MBEs. No subcontracting plan shall be accepted without the approval of the department or agency OSDBU Director and no subcontracting plan should be accepted at any percentage level below that which the awardee has achieved historically on similar contracts.

Section 10. Enforcement of Subcontracting and Teaming Commitments. Department and agency heads and other Federal officials shall take all reasonable steps to ensure that prime contractors meet or exceed Federal subcontracting goals, enforce subcontracting and teaming commitments, and prohibit predatory subcontracts with 8(a)s, SDBs and MBEs.

² The Director OSDBU for the Office of the Secretary of Defense “shall be responsible only to, and report directly to” the Secretary of Defense or the Secretary’s designee. 15 U.S.C. § 644(k)(3).

Section 11. Chief Information Officer. In recognition of the fact that more than half of all Federal procurements are information technology (IT) related, department and agency Chief Information Officers (CIO) shall take an active and aggressive role in ensuring substantial and meaningful 8(a), SDB, and MBE participation in information technology related procurements. Each department and agency head shall direct the CIO to establish goals for 8(a), SDB, and MBE participation in IT procurements and establish methods for evaluating the CIO's achievement of its goals as part of the CIO's performance evaluation.

Section 12. Accountability. Department and agency heads must hold all Federal officials, but particularly all program managers, procurement managers, supervisors, and other senior procurement personnel, as well as major prime contractors, directly accountable for implementation of this order and adherence to the letter and spirit of statutes and regulations supporting 8(a)s, SDBs, and MBEs in Federal procurement, including directing the inclusion of a corresponding evaluation factor in their personnel evaluation plans and in past performance evaluations of major prime contractors. A portion of the performance bonuses of senior managers, including CIOs, senior procurement executives, and all senior executive service (SES) personnel, shall be tied to their department's and agency's success in meeting or exceeding department and agency 8(a) and SDB goals, and the objectives of this order.

Section 13. Awards and Recognition for Superior Performance.

(a) To ensure that department and agency heads aggressively seek to meet the mandates of this order, I hereby establish The President's Award for Excellence in MBE Procurement. This award shall be presented annually to the department or agency head who best exemplifies the letter and intent of this order in ensuring the continued utilization and enhancement of 8(a)s, SDBs, and MBEs in Federal procurements, including establishing and taking aggressive action to meet or exceed 8(a), SDB, and MBE contracting goals. The President's Award will be presented by the President annually at a White House ceremony during the Department of Commerce/Small Business Administration Minority Enterprise Development (MED) Week.

(b) In addition, this order directs every department and agency head to establish a minimum of two (2) distinguished department or agency level awards to be presented annually to the department or agency program manager and procurement official who have made the most substantial contributions to 8(a), SDB, and MBE procurement within the department or agency.

Section 14. Mentoring. Department and agency heads must encourage the establishment of business-to-business mentoring and teaming relationships to foster the

development of technical and managerial capabilities of 8(a)s, SDBs, and MBEs and to facilitate long-term business partnerships.

Section 15. Applicability. This order shall apply, except to the extent expressly prohibited by statute, to all departments and agencies, independent agencies, and other instrumentalities of the Federal Government, including the Federal Aviation Administration, the United States Postal Service, and the Tennessee Valley Authority, among others.

Section 16. Implementation Process. The SBA Administrator shall be responsible for the administration and enforcement of this order. The SBA Administrator, after consultation with the Administrator of the OFPP, may adopt such regulations and issue such orders as may be deemed necessary and appropriate to achieve the purposes of this order.

Each contracting department and agency shall cooperate with the SBA Administrator and provide such information and assistance as the Administrator may require in the performance of the Administrator's functions under this order. Each contracting department and agency shall report to the SBA Administrator its actions to implement this order within 180 days of the date of this order.

The SBA Administrator shall review and evaluate agency experiences and performance under this order and report on any findings to the President within one year from the date of this order.

Section 17. Effective Date. This order shall be effective immediately.

FAX FORM
Belkis Leong-Hong
Knowledge Advantage Inc.
Telephone: 301-948-1682
FAX Number: 301-924-0755

✓ *Staff Sec*

E-MAIL: kaiblh01@aol.com

TO: The Honorable Mr. Bill Clinton

Title: The President of the United States

Organization: Office of the President

00 JUN 27 04:09

FAX Number: 202-395-4198 VOICE Number: 202-456-1414

e-mail: _____

MESSAGE:

Enclosed is a letter in SUPPORT OF THE APPOINTMENT OF THE HONORABLE NORMAN MINETA AS SECRETARY OF THE U.S. DEPARTMENT OF COMMERCE.

6/27/00
Surkhed for reply
Send to ~~Reed~~?
Yes ☒
No ☐
ce Nauh
Caul

Belkis Leong-Hong
1 Bayswater Ct
Gaithersburg, MD 20878
06/24/00

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I am writing in enthusiastic support of the Honorable Mr. Norman Mineta to be the next Secretary of Commerce.

Norm Mineta has had a long and brilliant career in public service, first in Municipal government, and later as a highly effective member of Congress. Now, as a Senior Vice President with Lockheed Martin, continues to make time to serve our Nation in various leadership positions in Presidential Commissions and Committees. Last month, he was sworn in as the Chairman of the first Presidential Commission on Increasing Asian American and Pacific Islander (AAPI) Access to Federal Programs. Norm exemplifies the spirit of Public Service: selfless devotion to Country, and exemplary service to his community. He is beloved and respected as a charismatic leader amongst his peers in Congress, industry, and the AAPI Community nationally.

Throughout his distinguished career, he has garnered many honors, and is a trailblazer, both in the public and the private sectors. To wit: he was the FIRST Asian American Mayor in the large California city of San Jose in 1971; he was the FIRST APA to chair a major Committee in Congress, the House Committee on Public Works and Transportation. His accomplishments are many in Congress, and the bills that he introduced, influenced, and managed through their passage, have long and lasting effect on the American people: the Reauthorization of the Voting Rights Act, the Americans with Disabilities Act, the Civil Liberties Act of 1988, to name a few.

Mr. President, we honor you for making every effort to have your Cabinet look like America. The appointment of Norman Mineta as the next Secretary of Commerce, will go down in history as another mark of excellence for the Clinton Administration legacy: as the First President to ever appoint an outstanding Asian American patriot to the Cabinet. Then, we can truly say that your Cabinet LOOKS like America.

Our APA community rises in support of Norm Mineta as the first Cabinet Secretary in the history of the United States. I add my voice to the chorus of supporters in urging you to appoint Norman Mineta as the next Secretary of commerce..

Sincerely,


Belkis Leong-Hong

Co-President of OCA/Greater DC Chapter
Special Advisor, Coalition of APA Democrats, Maryland
Founder, Asian American Government Executives Network

Cc: Mr. John Podesta, Chief of Staff

FAX FORM
Belkis Leong-Hong
Knowledge Advantage Inc.
Telephone: 301-948-1682
FAX Number: 301-924-0755

E-MAIL: kaiblh01@aol.com

✓ *Stacy*
100 JUN 27 1999

TO: The Honorable Mr. Bill Clinton
Title: The President of the United States
Organization: Office of the President
FAX Number: 202-395-4198 VOICE Number: 202-456-1414
e-mail: _____

MESSAGE:

Enclosed is a letter in SUPPORT OF THE APPOINTMENT OF THE HONORABLE NORMAN MINETA AS SECRETARY OF THE U.S. DEPARTMENT OF COMMERCE.

6/27/00
Burkhardt for
Send to ~~Flash~~? *reply*
Yes ☒
No _____

ce Nash

Carl.

ORGANIZATION OF CHINESE AMERICANS
Greater Washington DC Chapter
P.O. Box 34943
Bethesda, MD 20817
06/26/00

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

The Organization of Chinese Americans--Greater Washington DC Chapter enthusiastically supports the appointment of the Honorable Mr. Norman Mineta as the next Secretary of Commerce.

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Sincerely,


Belkis Leong-Hong
Co-President


Denise Cheung
Co-President

CHRISTOPHER J. DODD
United States Senator
Washington, D.C. 20510

June, 2000

John
C. Dodd
6/27/00

Dear Mr. President -

Thank you for
making last Monday night
such a special evening.
You were very kind to
my family - particularly
my sisters for which I
am particularly grateful.

You are my good friend,
and you have been a very
good to America. You made
an important night very special.
Thank you - Chris.

'00 JUN 27 AM 12:04

TO LEG
FOR
REPLY

(W)

6.27.00