

WHAT ON EARTH?

A WEEKLY LOOK AT TRENDS, PEOPLE AND EVENTS AROUND THE WORLD
BY DITA SMITH

E-Gov/Not Yet

JP - we should keep pushing this - yes

Government leaders in many countries have been praising the merits of online government services to make life easier for citizens and businesses and to cut costs. But in reality, governments have a long way to go to catch up with the e-economy. Even the most technically advanced governments

deliver only a fraction of their online service potential, a study by Andersen Consulting has found. Testers for the global management and consulting firm visited national government Web sites of 20 countries to find out which services could be obtained online.

The Andersen report broke down the results into three categories of e-government development:

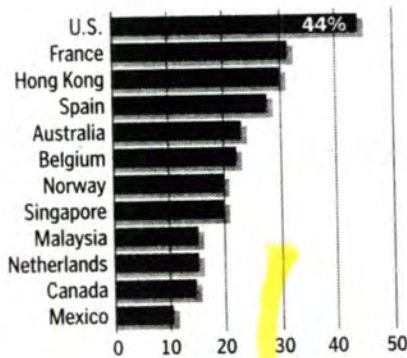
Publishing—

Information available online about government services, for example, rules or regulations and legislative bills passed.



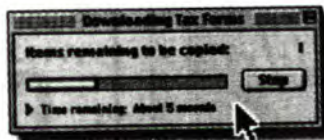
Percentage of information offered online by national governments

Countries ranked according to amount of data available online, as a percentage of potential.*



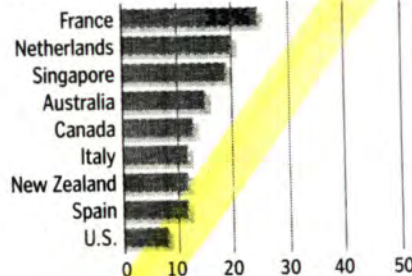
SOURCE: Andersen Consulting

Interaction—Exchange of information, such as tax returns, but without completion of an online transaction.



Percentage of interactive services offered online by national governments

Countries ranked according to quantity of online interactive services available, as a percentage of potential.*



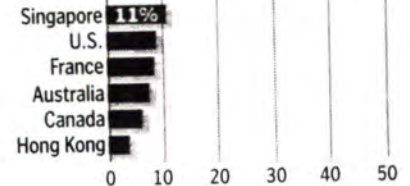
Transactions—

Completion of an action online, such as registering a business and paying applicable fees, filing and paying of taxes or receiving reimbursements.



Percentage of full transaction services offered online by national governments

Countries ranked according to quantity of transaction services available online, as a percentage of potential.*



*For this study, government publishing, interactions and transactions included 157 federal, or national, government services traditionally offered over the counter, by telephone or by mail. The services chosen were representative of what citizens and businesses require from their governments day to day. State and local government services were not included.

*copied
Podesta*

Your PC Is Watching

Programs That Send Personal Data Becoming Routine

By ANJANA BUNJUNG CHA
Washington Post Staff Writer

A

Keith Little, a computer technician who makes house calls on the apple farms of central Washington state, says more and more of his clients are asking him to take steps to protect their online privacy. So he scans their computers for any mischievous programs and installs security software.

What surprises people is how often Little finds programs designed to

funnel bits of their personal information from their computers and into giant corporate databases. He says more than half of the 20 or so computers he inspects each week are running stealthy programs he calls "spyware."

The electronic eavesdroppers usually come attached to the software people install on their personal computers. Whenever a user connects to the Internet, these programs take advantage of the opening to pass on information that has been stored on

the PC's hard drive. The data—it could be details of Web surfing habits or identifying personal information—are then typically sent to the manufacturer of the software or a marketer to be used in developing new products or advertising campaigns.

At a time when concerns about online privacy have spread from Internet bulletin boards to Capitol Hill, this tracking software has become a

flash point for the debates about how to balance consumer rights with the business models of the digital age.

Little has found the programs in children's software such as Mattel Interactive's Reader Rabbit and Arthur's Reading Games. Intuit Inc.'s financial planner Quicken, and dozens of other packages. The electronic hitchhiker also is part of a program associated with the Netscape browser that millions of people use to travel the Internet.

One Web site has identified more than 400 of these data-gathering and tracking programs. Most are free "shareware" that people download off the Web, but an increasing number are mainstream programs, even those people pay for.

"When people find out, they are livid," said Little, 42. "They say, 'Get it out of there.' Then they become very afraid to use their computers, afraid of what personal stuff it's sending out. The problem is that they were not informed."

The companies that use the programs say they were created not for nefarious reasons but to help tailor information consumers want. The programs work by collecting data from a hard drive or from the elec-

tronic "cookies" many users pick up when they visit Web sites. A marketing company might then use the information about what Web sites you frequent to decide whether you would be interested in an ad for a sporting-goods retailer or one for opera tickets. A software manufacturer often wants to know who has purchased its products so it can alert users to problems or update them about new goodies.

Most companies say they do not seek out information that would identify a person by name. Further, they say the information is not disseminated publicly, but only used for internal corporate purposes.

Privacy advocates, though, equate the programs to taps on phone lines. Rep. Edward J. Markey (D-Mass.) recently introduced a bill that would require companies to give "conspicuous notice" of any information they are collecting and to allow users to decline to participate. A New Jersey photographer last week filed a lawsuit against Netscape Communications, an America Online Inc. subsidiary, accusing the company of using its SmartDownload program to "eavesdrop."

Concern has grown in the past few months as more Americans, unsettled by high-profile accounts of spreading computer viruses and other hacker attacks, have installed security software—or "firewalls"—in their personal computers. The security programs typically alert users with warning messages whenever an unauthorized program is attempting to send information out into the Internet. Many users quickly discover how vulnerable they are.

Last winter, a Seattle company called RealNetworks Inc. came under fire after customers discovered its music player was collecting information about users' listening habits in order to personalize its services. The company has since stopped the practice and apologized. Intuit, meanwhile, has acknowledged using the tracking programs to target ads. And a few weeks ago, after parent complaints, Mattel Inc. officials apologized for adding a data-gathering program to more than 100 titles of its Learning Co. unit's educational programs for children.

Simson Garfinkel remembers that he was 40,000 feet in the air on a plane from London to Boston in May when he noticed that his laptop kept trying to connect to the Internet. The culprit: an educational program he had installed for his 3-year-old daughter. It was trying to send out the product's code number and other such informa-

tion to the company so it could better respond to consumer needs, according to Mattel spokeswoman Susan Salminen.

"I wouldn't call it spyware exactly. It was more like marketing ware. But even that conveys a lot of personal information to the folks at Mattel and it was upsetting," said Garfinkel, a computer network architect from Cambridge, Mass.

Mattel's Salminen said the program's intentions are benevolent but the company already had decided to eliminate it late last year from all new software because of "public concern around the privacy issue."

Earlier this month, a Netscape user named Christopher Specht filed a class-action suit in U.S. District Court in Manhattan seeking damages of a minimum of \$10,000 per person for violating consumers' privacy by tracking which files they download from the Internet.

A spokeswoman for Dulles-based AOL said the company is aware of SmartDownload's ability to gather customer data but it had "never used it to access or retain information about users or files."

"The lawsuit is without merit," said Ann Brackbill, a senior vice president. As every corner of the Internet becomes increasingly commercialized, many online companies are experimenting with new models for making money in the uncharted new economy.

One way is to give away products or sell them for below cost and

make money through advertising. The tracking programs allow these companies to tout their ability to target specific audiences to potential advertisers. At the same time, many software companies are trying to develop a continuing relationship with their customers, becoming in effect service-oriented companies. The tracking programs allow them to keep in touch.

For the most part, companies that track consumers say the information they collect is minimal and it's gathered anonymously so that the data cannot be linked to real names. But security professionals like Travis Haymore of Latham's Digital Systems International Corp. point out that some of the data streams leaving personal computers are so heavily cloaked, or encrypted, that it's practically impossible for anyone to verify or refute such claims. And the programs are more invasive than the electronic cookies that businesses use to track people on the Web because they potentially can scan documents and images on people's hard drives as well as track online habits.

Your tax records, what medical sites you've been looking at, your

1/2

The Washington Post

FRIDAY, JULY 14, 2000

online banking—If someone has spyware on your machine, they would have access to that data and it would be next to impossible to tell if it was leaving," said Haymore, a former federal government computer security investigator.

Irate computer users also have filled online bulletin boards with complaints about tracking programs that are impossible to remove (even when the original host program is deleted), that crash their computers or clog up their telephone or cable lines, slowing down their Internet connections.

Two technology marketing companies, Silicon Valley's Radrite.com and Sterling's Conducent Technologies Inc., which have developed "ad bots," software for the most popular ads targeting customers, have been at the heart of the online privacy debate. These ventures partner with software companies and share a cut of the advertising revenue.

Conducent's director of marketing, Robert Regular, says participation in its ad-driven programs is "voluntary" and offers consumers many advantages, including discounted or free software. People who purchase CD-ROMs made by eGames, for instance, can get six free programs if they choose to look at ads and give up some personal information. "We will show ads and will make use of the user's Internet connection and if they agree to that, great. If not, they don't have to use the software," he said.

Regular says the company always has required its partners to disclose in their privacy policies that the programs were "ad-supported" but only this month started making them flash separate screens during the installation process alerting users of the tracking.

Like other people in the industry, Regular disputes the "spyware" characterization.

"We don't spy on anyone. We don't know any personally identifiable information. We know they are an anonymous user. We don't look at anything that they do," he said. "Because we run in the background, people think we're doing something deceptive and don't understand that it's in order to refresh ads."

As stories of tracking software and other privacy concerns have circulated throughout the online

world in recent months, companies and independent programmers have scrambled to develop protection tools with names such as ZoneAlarm and OptOut. More than 1.1 million people already have downloaded OptOut, freeware that was developed by Stowe Gibson, a security consultant in California and a privacy advocate. And personal firewall software has been rushing off store shelves since last fall, with 40,000 to 50,000 copies being sold each month, according to research firm PC Data Inc.

But even unsophisticated programmers can easily get around the best available electronic firewalls, security experts say.

Symantec's Steve Cullen, the senior vice president for consumer business, said people using Norton Internet Security 2000, the most popular firewall program, for instance, can specify that their names, credit-card numbers and other sensitive information be blocked from leaving the computer. But if that information is electronically masked by one of many easy techniques, it can still get through.

"If it's really spyware, certainly encoding or encrypting is something that these guys could do and that makes it much trickier to catch it," he said.

Still, Cullen says that scenario is rare. He said about 80 percent of the time companies don't bother hiding the data and leave it as plain text, a format that is simple to filter.

Christopher Kelley, an analyst with Forrester Research, believes that the "sneakiness" with which some corporations are acting has exacerbated privacy concerns and damaged the industry's credibility—something that they may come to regret as an increasing number of angry citizens create technological tools that could topple the companies' entire business plans. Added Montreal computer consultant Gilles Lalonde: "Right now it's now a free-for-all. Anything goes. This is the kind of environment that permits these kinds of intrusive behaviors, allows them to flourish. If we don't start to define some ethical rules, before long people will lose their trust in all online companies and this great technological revolution just stops."

2/2

Bless / Gums
good argument
for our pilotage effort
for

7-18-00

Copied
Reed
Speaking
Podcasts

A16

7-18-00
SATURDAY, JULY 15, 2000 S DM VAcopied
Berger
Podesta~~World~~ **WORLD** *BS**In Brief*

BY AHN YOUNG-JOON—ASSOCIATED PRESS

A South Korean activist fires a toy rocket carrying water from Seoul's Han River to protest the U.S. military's dumping of formaldehyde.

ASIA**S. Koreans Protest U.S. Military Dumping**

SEOUL—Dozens of activists lobbed toy rockets filled with water into the main U.S. Army base yesterday after the U.S. military admitted dumping a toxic chemical into Seoul's Han River.

"Punish those responsible," they chanted, pumping their clenched fists into the sky during a rally in front of the U.S. Eighth Army headquarters base in Yongsan, central Seoul.

They used air pumps to boost 3-foot-long plastic toy rockets into the sprawling compound. The rockets were filled with water from the river, which bisects the South Korean capital.

Brief scuffles erupted when police tried to block the rocket launches. No injuries or arrests were reported.

Earlier, the U.S. military command acknowledged the dumping of 20 gallons of formaldehyde through a sewage system at the Yongsan base in February.

The U.S. Forces Korea regrets that this event occurred and will continue to strive to comply with all U.S. and South Korean environmental requirements," it said in a statement.

A South Korean environmental group, Green Korea, accused a U.S. Army mortuary on Thursday of dumping 59.3 gallons of the chemical down a drain emptying into the river on Feb. 9.

(Associated Press)

'hs to Death

with

PRESIDENT WILLIAM J. CLINTON
REMARKS TO 91ST NAACP CONVENTION
BALTIMORE, MD
JULY 13, 2000

Acknowledgements: Chairman, Julian Bond; President Kweisi Mfume, Rosalind Brock, Mrs. Rupert Richardson, Rev. Morris Shearin, Dale Charles, Adora Nweze, James Ghee, Myrlie Evers Williams, Elaine Jones, Rev. Jackson, elected officials, members of my cabinet and most diverse White House staff in history, including Minyon Moore, Thurgood Marshall, Bob Nash, Ben Johnson, who heads our One America Office, Terry Edmonds...

This has been a special week. As your conference got underway, Venus Williams became the first African American woman since Althea Gibson to win Wimbledon. And Baltimore's own Rev. Dr. Vashti McKenzie became the first woman bishop in the history of the African Methodist Episcopal Church.

For a moment it looked like the Middle East Peace summit would keep me from being here today. But, the Lord had other plans. He woke me up this morning and said, Bill, if you want to do your best for peace, you need to visit with your friends in Baltimore today. You need to touch the hem of freedom that has been woven on American soil by so many courageous men and women - from DuBois and Rosa to Thurgood and Martin...from Daisy Bates and Coretta to Medgar and Malcolm...from Jesse and John Lewis to Julian and Kweisi.

Obviously, the NAACP has a lot to teach us about peace and reconciliation. In March, on the 35th anniversary of Bloody Sunday, I was honored to walk with many of you across the Pettus Bridge in Selma. I said then that as a son of the South, the brave souls who marched across that bridge 35 years ago, set me free, too. Because the civil rights movement wasn't just about people who were oppressed finally gaining legal rights. You also taught us about overcoming pain and hurt, about forgiveness and healing, about letting go, moving on and giving our children a better future. That is why I wanted to come here especially during these peace talks - to draw strength from all of you and to take the spirit of the NAACP back with me to Camp David.

And I had to come, to thank my last opponent before you on this, but I am also here to say thank you for all that we have done together to turn America around. Eight years ago this week, at your national conference in Nashville, Al Gore and I pledged to give you "an administration that looks like America...one that knows the promise and the pain of this country...one that would rebuild, reunite and renew the American spirit." I think we have done that.

We have honored the American Dream.
I'm proud the American Dream is closer to more Americans than it was seven and a half years ago. With your help we have 22 million new jobs. The lowest unemployment and welfare rates in 30 years. Lowest crime rate in 25 years. Lowest poverty in 20 years. Lowest minority

As you know, this is a special week for me. But I wanted to be here today - First to share my appreciation to you, to the spirit of the movement, to the women who have joined with me in this life by

thru my own journey

unemployment rate ever recorded. Lowest female unemployment in 40 years. Highest homeownership in history. And the longest economic expansion in history.

MAKES good note almost = to what we have for 15 years + still not really on his track around all over there.

Our social fabric is also on the mend – especially the well-being of our children. Today, we are releasing the annual report on the status of America's children. According to the study, the teen birth rate for 15 to 17-year-olds has dropped to the lowest level ever recorded – the birth rate for African American adolescents has dropped by nearly one-third since 1991. The report also found that childhood poverty continues its decline and the rate of serious violent crimes committed by young people has dropped by more than half since 1993 to its lowest level on record. This is good news.

The question before us today is what are we going to do with this moment. After all, how a nation deals with its prosperity is just as stern a test of its judgement and its values as how it deals with adversity. Scripture reminds us, "In the day of prosperity, there is forgetfulness of affliction." [Ecclesiastics 11:25] We must not forget how we got here and we must not forget that there's more work to be done.

Why are we at a point where we have to be here? We have to be here because we have to be here.

We have choices to make. Are we going to keep this economic expansion going or are we going to go back to the failed policies of the past? In a few months you and the voters of America will have a chance to answer that question.

And I want to commend the NAACP for your current campaign to register 4 million new voters this year.

Now we need to get them to the polls, to choose & choose wisely.

With our economy the strongest it's ever been... with our social fabric on the mend and our national self-confidence so high, we have the best chance in a lifetime to build the future of our dreams for our children. We will never be forgiven if we do not seize this moment. We can get started on this now.

This is a big election & one on a big day between right & the cause.

There are big differences that I hope can be debated honestly. What are they? For the first time, we have a choice between two different visions of the future.

Education. We know that every child can learn. Children in poor neighborhoods are just as smart as kids anywhere else. Intelligence is equally distributed in the world, but opportunity isn't. We need to make opportunity as equally distributed as intelligence. That's why we're for demanding more and investing more in education – so we continue the progress we have made. We're for building or modernizing 6,000 schools and repairing another 25,000 over the next five years and they're not. We're for honoring our commitment to hire 100,000 teachers to lower class size in the early grades and they are not. Last year, for the first time, the African American high school graduation rate was the same as the rate for whites. We're for letting families deduct up to \$10,000 for the cost of college, and they are not.

Economic justice.

We're for Expanding the Earned Income Tax Credit and they're not. We're for equal pay for equal work for women and they're not. We're for raising the minimum wage a dollar over two years and they're not. There are still a lot of people who are just as smart and hard-working as we are who couldn't be here today. There are others who may be serving food or cleaning up the hall when we leave here. Their kids deserve a chance to go to college, too. They ought to be paid a decent wage, too. They ought to have access to health care, too.

We have not had this for many years. In my life, I have never had the future of our children so clear. That is what will make the difference. That is what we need to do.

I am sure of it. I am sure of it. I am sure of it.

For the first time, we have a choice between two different visions of the future. We have a choice between two different visions of the future.

Health Care. We are for a true Medicare prescription drug benefit – not an unworkable private insurance model that the insurance companies themselves say won't work. We're for a real, enforceable patients bill of rights for all Americans in all health plans – not a swiss-cheese patients bill of rights that is only available for some people in some plans. We're for expanding the Children's Health Insurance Program so that the parents of eligible kids can have health insurance too. And we are for closing the gaps and doing something about the fact that people of color suffer far higher rates of heart disease, cancer, AIDS and diabetes. The incidence of diabetes is 70 percent higher among African Americans than white Americans. Hispanics are twice as likely to suffer with it.

Type one diabetes, commonly known as juvenile diabetes, affects one million Americans alone, half of whom are children. But research has taken us to the threshold of a potential new breakthrough. Recently, researchers successfully transplanted insulin producing cells into seven individuals with Juvenile Diabetes – apparently curing them of the disease. These preliminary findings, if successfully replicated, may put a cure for juvenile diabetes within our reach. But this will require an even greater investment in research.

That is why today, I am announcing that the National Institutes of Health is investing \$5 million in 10 research centers to immediately attempt to replicate the results of this first study. This is part of a larger partnership between NIH and the Juvenile Diabetes Foundation. I am also pleased that we are committing another \$300 million over five years for research and prevention of diabetes. This funding will strengthen and supplement our major investment in NIH research. And it will build on the bipartisan commitment to juvenile diabetes research.

Civil Rights and equal justice. No American should face discrimination when it comes to finding a home, getting a job, going to school or securing a loan. No one should have to fear being the target of violence simply because of the color of their skin, the God they worship, or their sexual orientation. But those indignities are all too real for too many Americans. That is why I have proposed the largest investment in civil rights enforcement ever – to make sure agencies like EEOC, and the Departments of Health and Human Service and Agriculture have the resources they need to enforce our civil rights laws. And it is why we are still fighting for the passage of a strong hate crimes bill.

We also know that the quality of justice suffers when, for partisan political reasons, highly qualified women and minority candidates are denied an opportunity to serve in the judiciary. Just in the last year, the Republican majority, on a party line vote, defeated ~~Ronnie White's~~ ^{Thurman} nomination for the federal court. That vote was a travesty.

Thurman
He is the
sup

As we speak, there are *four* African American appellate nominees poised to make history – if only the Senate will stop standing in their way. They are Judge James Wynn, Roger Gregory, Kathleen McCree Lewis, and Judge Johnnie Rawlinson. To put these four nominees in historical perspective, Presidents Reagan and Bush appointed just *three* African American circuit court judges in twelve years. As I have said before, justice may be blind, but we all know that diversity in our courts, as in all aspects of society, sharpens our vision and makes us a stronger nation. That's why I have nominated two highly qualified candidates for the Fourth Circuit,

REVISED

7-18-00

which includes the State of Maryland and has the largest African American population of any circuit in the country. Remarkably, the Fourth Circuit has never had an African American jurist. We have a chance to right that wrong.

Two weeks ago, I nominated Roger Gregory, of Virginia to the Fourth Circuit. Gregory is a Richmond litigator of immense talent and experience. And almost a year ago, I nominated Judge Wynn for a North Carolina seat on the Fourth Circuit. But Jesse Helms has brazenly stood in Judge Wynn's way, claiming that he doesn't think there is any need for more judges on the Fourth Circuit. I'll leave it for you to decide whether that's Jesse Helms' only reason for blocking Judge Wynn's ascension to the bench.

He has stopped my efforts to get an African American on the bench - ended the progress

Unfortunately, women don't fare much better on the path to the appellate bench. There is simply no excuse for the Senate to refuse to give votes to such excellent nominees as Elena Kagan, Helene White, and Bonnie Campbell.

by Senate

Another travesty of justice is taking place in Texas. Fifth Circuit nominee, Enrique Moreno is a Harvard Law graduate who was named one the top three litigators in El Paso. Moreno has nevertheless been told by Senators Gramm and Hutchison that he's not qualified for the appellate bench -- even though the ABA *unanimously* gave Moreno its top rating. The leader of the Republican Party in Texas *has been silent* on this matter. As the civil rights struggle has taught us, silence in the face of injustice is not compassion, it is indifference or worse. So, for the sake of the strength of this country and its courts, I urge the Republicans to turn their so-called compassion into action and confirm these exceptional candidates to the appellate courts.

There are clear choices in issues and we all know that Al Gore is the one most likely to act on the issues we all care about. He has been the most influential Vice President in our history. He is the most likely to keep our economic expansion going. From his leadership in bringing hope to distressed communities through empowerment zones to his commitment to bringing the Internet within reach of every child in every school through the E-rate program -- he has shown that he understands the future and will work to bring everyone along.

Fifty three years ago, Harry Truman became the first President to address the NAACP when he stood on the steps of the Lincoln Memorial and said, "It is my deep conviction that we have reached a turning point in our country's efforts to guarantee freedom and equality to all our citizens... It is more important today than ever before to insure that all Americans enjoy those rights. When I say all Americans, I mean all Americans." Truman took a lot of flack for that speech, even from his own family. In a letter to his sister he wrote, "I've got to make a speech to the society for the Advancement of Colored People and I wish I didn't have to make it... Mamma won't like what I say because I wind up by quoting old Abe. But I believe what I say and I'm hopeful we may implement it."

So his L.T. so A.D.T.C. When he was my heart to do my part.

Truman meant what he said ~~and he did implement much of it~~. But we still have work to do. ~~And while this may be the last chance I have to speak with you as President, I want you to know that I will continue to stand with you in the on-going struggle to close the opportunity gaps, build a more perfect union and create the One America of our dreams. Thank you and God bless you all.~~

and for as long as the Gove Lord have been on earth I will stand with you in the on-going struggle to the most perfect union, the one true. of an American.

~~Truman~~ But the most urgent need for our effort today is the election of a new President. We must choose wisely. I urge you to choose a man who can lead the American people. But the best is still out there.

7-18-00

~~Handwritten notes and signatures, including "P/S" and "Specwriters".~~

copied
Specwriters
Podesta

7-18-00

Should we send a copy to
Specwriters?

Yes

No

cd

KATHIE BERLIN

Project

Send to Scheduling?

7-18-00

Yes ☒
No ☐

cc: scheduling
Carol

secretary
JH
HLL

July 14, 2000

President William Jefferson Clinton
White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

It was great seeing you at the VH-1 "Save the Music" event at the elementary school. It's really one of my favorite clients, and certainly my introducing you and Hillary to John Sykes was one of my good deeds.

Thank you for taking the time to seriously read and call me back about the ALS research I gave you about my friend, Jenifer Estess who has ALS and who founded Project A.L.S. with her sisters. I feel about Jenifer as I did about Elizabeth Glaser when I introduced her to you and Hillary. Stem cell research will be the major change in medical therapy for the 21st century. And it is imperative that we begin human trials in your remaining months as President. It should be part of your legacy.

In the short time since you and I spoke about our scientists' breakthroughs in stem cell therapy, much has happened. Everything has been set in motion to initiate the first human trial for stem cell replacement. Donna Shalala is working to ensure the NIH sets forth stem cell guidelines by the end of the summer. Project A.L.S. is collaborating on a regular basis with the NINDS under the direction of Gerald Fischbach, and the FDA to finalize safety measure for Neural Stem Cell Replacement. This week in Gaithersburg, the FDA held an open hearing to discuss stem cell replacement. Project A.L.S. was asked by the FDA to attend and address the conference. And thanks to the help of Katie Couric, on August 1st, Project A.L.S. is meeting with FDA Commissioner, Jane Henney, and acting director of the NIH, Ruth Kirschstein, to move this process along.

As I told you, Jenifer testified in April with Christopher Reeve before Arlen Specter's Sub-Committee on Health, Labor and Education in support of federal funding of stem cells. After a successful meeting with Senator Specter, we received a much-needed endorsement for human trial of stem cells from Orrin Hatch and James Jeffords. And last week we had a conference call with Al Gore's health policy team in Nashville. We are doing all the right things.

This is what I need you to do. We would like you to host a White House event on Neural Stem Cell Replacement honoring the vast achievements of Project A.L.S. who have created a new paradigm for disease research. It would be a simple and elegant affair. During a press conference on the White House Lawn, you would announce this exciting new frontier in research. In the same fashion that the White House celebrated the completion of the Human Genome Project, you can praise the vast achievements in stem cells and its tremendous potential.

FOUNDERS
Jenifer Estess
Meredith Estess
Valerie Estess
Julianne Hoffenberg

EXECUTIVE DIRECTOR
Dana Kind

BOARD OF DIRECTORS
Nancy Jarecki

Albert

ngell

aldwin

n

man

ss

kett

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

ft

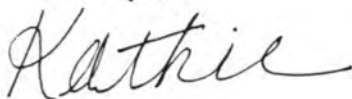
ft

page two

The afternoon event could be followed by a cocktail party or dinner inside. The science editor of Time magazine is currently developing a story on Project A.L.S. that they would like to become a cover story. An event at the White House would certainly ensure a cover. Because of Jenifer's producing background, we have staunch supporters in the entertainment world who have committed their time and energy to Project A.L.S. and would join us at the White House. These wonderful artists include Helen Hunt, George Clooney, Kevin Spacey, Sheryl Crow, Ben Stiller, Julianna Margulies, Marisa Tomei, Kristen Johnston, Nathan Lane, Sarah Jessica Parker, Matthew Broderick, and Billy Baldwin, who sits with me on the board of directors.

I have thought a great deal about our friend, Diane Blair. It is one of the reasons I have to move quickly for my friend, Jenifer Estess.

As always,

A handwritten signature in cursive script that reads "Kathie". The signature is fluid and elegant, with a long, sweeping underline.

Kathie

Profiles in Courage

By Joyce Wadler

In 1996, Jenifer Estess—with her long, dark hair, perfect skin and smart, funny New York mouth—was 35 and having the perfect career-girl summer. She was on Nantucket producing the first-ever Nantucket Film Festival, hanging out with the now famous actors who had been her friends for years, ever since her days as an off-Broadway producer: William Baldwin, Rob Morrow, Ben Stiller and Fisher Stevens. She was also falling in love, and while it didn't become permanent, it mattered, for finding love, and beginning a family, was important to Jenifer.

"I was on a mission," she says, "sort of a man mission. I had always been surrounded by friends, now it was time for some romance."



Jenifer Estess (center) with sisters Meredith and Valerie and friend Julianne Hoffenberg.

Wave Hearts Four Sisters Battle for Hope

It was during her summer on Nantucket that Jenifer began to notice some twitching in her legs. In the fall, when she returned to New York, she went to see both an internist and a neurologist.

"They attributed it to stress," Jenifer says wryly. "You ever notice how when women go to doctors, they always say it's stress? I was going to a shrink once a week. I showed the twitching to her. She told me it was all in my head."

The trembling grew more pronounced. Jenifer also started experiencing breathlessness and exhaustion. Climbing a flight of stairs, she felt as if she had run miles.

In March 1997, after nearly six months of indifference from the medical community, Jenifer pressed her internist for an answer. He sent her back to the neurologist. Accompanied by her sister

Valerie, and her mother, Marilyn, Jenifer had a test called an EMG, "a scary, painful procedure" in which needles were placed in her muscles.

Valerie recalls the moment that their mother knew something was very wrong—when a technician announced that he had to put a needle in Jenifer's tongue.

"At that moment my mother grabbed my arm," Valerie says. "It felt like she was an animal in the wild. It was just like a mother knowing."

The neurologist was not very good at breaking the terrible news to the family.

"He kept us waiting two hours, then, I swear, he would not look up from his folder," Jenifer says. "He said, 'It's in the motor neuron disease family.' We learned later that's a catch word for amyotrophic lateral sclerosis, the progressively crippling illness known as ALS, or Lou Gehrig's disease. At the time, we didn't know what it meant. I said, 'Will I be able to play tennis again?' He said, 'I don't know.' My sister said, 'Will she be able to walk?' He said, 'I don't know.' He was a neurologist, he should have known how to tell someone, 'you have a fatal illness.'"

Still unclear about what her sister's problem was, Valerie went on the Internet, where the mystery was solved.

"I can still see the words on the computer screen: 'Fatal. Two to five years,'" Valerie says.

Joyce Wadler is a reporter at "The New York Times" and a survivor of both breast and ovarian cancer.



Amiototrophic lateral sclerosis, according to the ALS Association, is a progressive degeneration of motor cells in the spinal cord and brain. Although a patient's mind stays alert, his motor cells can no longer send impulses to muscles, and there is increasing muscle weakness that affects movement, speech, swallowing and breathing.

In three years ALS has robbed Jenifer of the ability to walk, hold a cup of coffee, roll over in bed. If the disease races on with its customary speed, which it has so far in her case, she will be dead in two to three years. For Jenifer and the 30,000 other Americans who suffer from ALS, there is little treatment and no cure.

"Christopher Reeve is better off than you are," one of the experts whom Jenifer consulted told her.

Jenifer and her three sisters—Alison, Meredith and Valerie—have refused to accept that. In a fight for a cure reminiscent of the film *Lorenzo's Oil*, based on the true story of a mother who mobilized doctors to find a cure for another then-untreatable illness, the four women, who range in age from 35 to 40, have put their careers on hold and rallied together to beat ALS and save Jenifer's life. Joined by Julianne Hoffenberg, 33, Jenifer's roommate and friend, they have raised one and a half million dollars with star-studded fundraisers in both Los Angeles and New York.

Even more remarkably, the women have been bringing doctors together encouraging them to speed up their efforts to find a cure for the disease.

"I can't express what it is with me and my sisters, the strength of my bond with them," says Jenifer. "My sisters and I are like part of each other. We're connected in a mythic way."

The four Estess sisters grew up, along with their brother, Noah, in Harrison, a comfortable suburb of New York City. Their father was a stockbroker and the head of the school board, their mother a housewife for whom the children came first.

Born within five years of each other, the girls were always close, sharing friends, going to the same parties.

Their parents' divorce, when Jenifer was 13, made them even closer. The breakup, the sisters say, left their mother disconsolate and their own relationship with their father embittered.

The divorce, says Meredith, forced the girls to be independent at an early age. "We also realized you have to work for everything in life."

As adults, all were successful. Alison, the eldest, be-

came a lawyer for the city of New York. Valerie was a freelance advertising copywriter. Meredith, the youngest, went into fashion and at one time ran her own company.

Jenifer studied acting at New York University. Soon after graduation, she decided that she wanted to have more control over her career than acting would permit and helped create a nonprofit, off-Broadway theater group called The Naked Angels, which included the actors Rob Morrow and Marisa Tomei. It was at a Naked Angels production that Jenifer met her friend Julianne Hoffenberg, who was the show's stage manager.

First drawn to Jenifer by her energy and humor, Julianne grew to love her for her generosity of spirit.

"She sees your best potential," says Julianne. "Then she makes sure everyone else notices it."

Four months after Jenifer's diagnosis, in the summer of 1997, her sisters, all three of whom had married and had children, rented a house in the country, on the east end of Long Island. They brought their husbands and children, to

surround Jenifer with food and family and love. The sisters had never been particular fans of alternative medicine, but now they were des-

perate. Every week they drove Jenifer to a "psychic minister" who claimed she could heal with the laying on of hands; they flew a man up from North Carolina who said he had cured his own ALS with positive thinking and a "wet-cell" treatment, which he claimed would "realign" the body's cells. The wet-cell mechanism cost \$800 and required meditation and massage. Julianne and the sisters took turns massaging and helping bathe Jenifer.

Nothing helped.

"At the beginning of the summer, Jenifer was still pretty good," Meredith says. "She could walk; she could swim in the pool. But then things got harder. First, if we were all cooking dinner together, she had trouble cutting the vegetables; then she couldn't cut the vegetables. By our sixth week at the house, she was having trouble showering, she fell down, she couldn't get out of the pool herself."

When Jenifer returned to her walk-up apartment in Manhattan after Labor Day, she was too weak to climb the one flight of stairs. She gave up the apartment and moved in with Meredith in the suburbs. Meredith, with two young children, watched her sister progress from cane to walker, then, one year after her diagnosis, to a wheelchair.

As summer approached again, Jenifer, feeling cut off in the suburbs, returned to New York City and took an apartment with Julianne in the Village. But living a normal life was never a possibility.



People say this is a rare disease, but how do you judge rare? Is one sister rare? Is it rare if it happens to your mother? Thirty thousand is a lot of people.

►►►►►►►►



▶▶▶▶▶▶▶▶ From page 95

"You're too sick," Jenifer says. "Your muscles grow weak. You feel the life escaping from your body."

Jenifer had resisted using a wheelchair for as long as possible. Now she was forced to use one all the time.

"People are really afraid of people in wheelchairs," Jenifer says. "When I first was in a wheelchair, my arms still had movement. I'd be in the Village with one of my handsome actor friends wheeling me around, and women my own age would look at me with fear in their eyes. I'd tell them I had just had a baby and that I was so exhausted my husband was wheeling me around. There would be such re-



There's something about my sisters and their bravery that knows no obstacles. They are trying to create possibilities...to stop this disease.

lief. They'd say, 'Oh! Congratulations! Little did they know...'

Was she making up that happy story for herself, as well?

"Yeah, totally," says Jenifer. "Let's

face that music. It's what I should have been doing then, having a baby."

It was at this time that the determination to find a cure kicked in.

"I think when I realized there was nothing out there that would make me feel better, at the point we'd tried all the snake oils and the healers, that we formed Project ALS," Jenifer says. "My political side came up to save me. Thirty thousand men and women have this disease and most of them die within two to five years. People say this is a rare disease, but how do you judge rare? Is one sister rare? Is it rare if it happens to your mother? Thirty thousand is a lot of people."

Valerie stopped writing advertising copy and immersed herself in medicine. Julianne and Jenifer manned the phones. Alison advised on the law. Meredith, who had left fashion to become a full-time mother, took on Project ALS as a job, helping to bring in corporate sponsors such as Saks.

"There has never been a sense of urgency around this disease," says Va-

Photo: Patrick McMullan (right)

"Doggone it, I'm not the only one staining carpets around here!"



lerie. "We are injecting urgency, giving money to top researchers at six institutions to make them work together."

The institutions she is referring to are some of the finest in the world: Johns Hopkins University; Columbia University; Cornell University; Massachusetts General Hospital; Brigham and Women's Hospital; and Children's Hospital, Boston.

How can four women with no medical background have any impact on the medical establishment?

For one thing, Valerie notes, there is the money they have raised.

Then there is the sheer force of their collective will.

"We were told we could never have a gathering of the top ALS researchers every six weeks, that these people would be too busy," Valerie adds, "but we have."

"They're academics," Valerie says of the researchers. "They aren't used to a corporate structure being imposed on them. We're trying to impose a time and action line on their lives because we have a time line bearing down on us. We asked them, for example, to look at drugs already

approved by the FDA for other diseases, rather than taking the time to come up with new ones for ALS. Seems like a no-brainer, right? But it's never been done with this illness."

Last February Project ALS held a fund-raiser in Los Angeles. Jenifer, with a glittering gold scarf thrown over her shoulders, looked radiant. Old friends Ben Stiller and Kristen Johnston, the star of *Third Rock From the Sun*, were the co-hosts. *Entertainment Tonight* covered the event.

But, as is true for everyone who has ALS, the disease is moving quickly. Jenifer's hands have begun to atrophy and curl in. She knows it is only a matter of time before she loses the ability to speak, which terrifies her. Humor, she says, is how she "disarms" people, puts them at ease.

Is she scared?

"Yeah," says Jenifer. "I'm terrified. But I've learned to keep my eye on the ball: How am I going to pick up a fork? If somebody has to feed me, how do I do that with dignity? I need to get someone to shave my legs. I still want to feel like a woman."

Sometimes I think to myself, 'It's

Saturday night, what in the world am I doing inside?' My sickness has taken on such a fast pace, it's not like I can go out there and get myself a boyfriend. 'Single white female, dying of ALS...' It's not exactly a personal ad. But I have the same needs—for intimacy, for bearing children. ALS robbed me of all that."

Then she speaks of her sisters.

"There's something about my sisters and their bravery that knows no obstacles. They want to create possibilities beyond the diagnosis. They want to stop this disease. I hope my love for them is clear."

What does Jenifer now believe her chances are with ALS?

"I think right now I am timed to die in the next couple of years," she says. "My chance to live is small. But my chance to make a difference is enormous." ■

To find out about ALS or contribute to Project ALS, write Project ALS, Suite 341, 511 Avenue of the Americas, New York, NY 10011. Or call 1-800-693-8270. The ALS Association Hot Line is 1-800-782-4747.

There are a few party animals, too.
Spilling red wine, tracking in dirt.
Fortunately, there's one carpet cleaner made
to handle all kinds of tough carpet stains.

409® Carpet Cleaner.

For pet stains and so much more,
it's the only one you need.

GIDDYUP 409



NEW YORK, WEDNESDAY, JANUARY 27, 1999

Immobilized, and Energized, by an Illness

By JOYCE WADLER

JENIFER ESTESS was working on the New York Film Festival when she noticed involuntary trembling in her legs. The therapist she was seeing for help to get the six-figure salary, to get married, to make her — as Ms. Estess says with view-from-the-wheelchair amusement — “the perfect New York girl,” told her the trembling was stress-related. Perfection is viewed differently when in two years’ time you go from being a high-powered “Equinox girl” to a 37-year-old woman who lacks the strength to cut up her food.

The specialists Ms. Estess consulted, after a diagnosis of amyotrophic lateral sclerosis, the fatal illness commonly known as Lou Gehrig’s disease, also often failed her.

“I saw a doctor at John Hopkins who said: ‘Your motor neurons are dying; they will never be regenerated. You are in a worse situation than Christopher Reeve,’” Ms. Estess says in her Greenwich Village apartment, her speech still clear but her hands curled inward, her legs immobile. “It’s just such a fast-moving, terrible disease, and there is nothing for it.”

The battle cry:

“If you have A.L.S. you’re just expected to sit there and die, and that is unacceptable.”

A request to her sister, Valerie, who with another sister, Meredith, and a roommate, Julianne Hoffenberg, is in the room:

“Can you cross my leg for me?”

Amyotrophic lateral sclerosis, or A.L.S., is a degenerative muscular disease, affecting about 30,000 Americans. Life expectancy is two to five years; there is little treatment and no cure.

Ms. Estess and her three sisters — “think ‘Pride and Prejudice,’” a Jewish ‘Pride and Prejudice,’” Ms. Estess says — decline to accept that. Valerie Estess, 39, and Meredith Estess, 35, quit their jobs (Valerie was in advertising, Meredith in fashion) when Ms. Estess received the diagnosis of A.L.S. two years ago. Working with Ms. Estess, Ms. Hoffenberg and Alison Estess, another sister who is a lawyer, they have formed Project A.L.S. In the group’s first fund-raising event, last June, they raised more than a half-million dollars. They have also been bringing doctors together, trying to speed up research.

“I’m saying to them — and coming to them with large cash gifts — that if they come to this disease with a new way of thinking, we might make progress,” says Valerie, who met with Project A.L.S. researchers a few weeks ago. “It’s not chump



Frances Roberts for The New York Times

Jenifer Estess, despite her illness, is a fervent fund-raiser for research.

change. We gave grants of \$100,000.”

“My sister can speak at a level with the doctors,” puts in Meredith, in the overlapping conversation of the Estess sisters.

“I feel if the doctors reorient themselves, are infused with passion...” says Jenifer.

“There’s research, but it seems to me some of it has been too scattered, too academic,” Valerie says. “I feel like someone needs to bring these doctors together and light a fire under their...”

She completes the sentence, but there’s a reproachful look from Meredith. Then the sisters are laughing.

Ask the Estess sisters about their father and there is a momentary silence — not because the sisters are shy, but because two of the three present are crinkling their noses.

“Estranged,” says one.

“And strange,” says another.

THE Estess sisters (there is also a brother) grew up in Harrison, N.Y. Their father was a stockbroker, their mother a “real 50’s housewife type” who became a real estate agent after her divorce. Jenifer Estess studied acting at New York University. After college she was a co-founder and a producer of the Off Broadway company the Fallen Angels, which included the actors Rob Morrow and Marisa Tomei.

Jenifer Estess’s problem was diagnosed in April 1997. After a discouraging series of visits with specialists (one suggested Ms. Estess “max out” her credit card and eat junk food), the sisters briefly tried

alternative methods.

“The Estesses are Western girls for the most part,” Jenifer Estess says. “But we were desperate.”

By 13 months after the diagnosis, she was forced to use a wheelchair. She resisted as long as possible.

“I took the worst falls,” she says.

Now Ms. Estess cannot dress herself or brush her hair or walk or roll over in bed or cut her own food or hold a cup of coffee if it is more than half full. The progression of the disease, she will tell you, is well charted. She can recite it without losing too much emotional control:

First there is loss of motor function, beginning either with limbs or with speech. There is progressive loss of muscle, which robs one of the ability to walk, speak and eat. It is usually the loss of the muscles of the diaphragm, which controls breathing, that brings on death.

Recently, Ms. Estess started to feel some difficulty forming words. She does not take antidepressants or tranquilizers. She works 18 hours a day. The next benefit for A.L.S. will be in Los Angeles early next month, with Saks as the corporate sponsor and dozens of stars, including Ms. Estess’s old friends Ms. Tomei, Mr. Morrow and William Baldwin.

“Work is the way I get to hold out against the disease,” Ms. Estess says. “Like Chekhov said in ‘The Three Sisters,’ when the sisters are falling apart, when they’ve lost all their money and their dad died, the oldest sister says: ‘We have to return to our work. We still have our work.’”

For Immediate Release
Contact: Pat Harrington
Harrington Saunders & Associates, #212-581-0407

PROJECT A.L.S. REPORTS PROMISING PILOT DATA FROM HISTORIC ALS INVESTIGATIONS

Science Moves Closer to First Effective Treatments for Amyotrophic Lateral Sclerosis

(February, 2000) Project A.L.S. has announced that scientists participating in a series of first-time collaborations have moved substantially closer to treating and curing ALS (amyotrophic lateral sclerosis). Promising pilot data are now in on investigations including neural stem cell replacement in ALS; the rescue of respiratory motor neurons; gene chip discovery in ALS; and high throughput drug screening for potential ALS drugs, prompting investigators to intensify efforts in these areas immediately.

Progress Toward Human Trials With Neural Stem Cells

Pilot experiments are nearing completion in Neural Stem Cell Replacement in ALS, an historic collaboration that may result in effective treatments and a cure for ALS, and a range of neurological illnesses and injury, from Alzheimer's and Parkinson's to multiple sclerosis, epilepsy and spinal cord injury. Evan Y. Snyder, M.D., Ph.D. of Children's Hospital and Harvard Medical School is leading the team, which includes John D. Gearhart, Ph.D. and Jeffrey Rothstein, M.D., Ph.D. of Johns Hopkins University, Robert H. Brown, M.D., D. Phil. of Massachusetts General Hospital and Harvard Medical School, and Thomas M. Jessell, Ph.D. of the Howard Hughes Medical Institute, Columbia University. Dr. Snyder and colleagues report that upon introduction into ALS spinal tissue in culture and animal models of the disease, neural stem cells appear to migrate to areas of injury, engraft, and transform into what appear to be motor neurons and other support cells. In addition, the team has discovered that Dr. Snyder's neural stem cells exert a notable tropic effect on motor axons and on the simulated ALS environment in general. Work has already begun on the next phase of experiments, which focuses on optimal delivery methods. Design of the first human trials is well underway.

Prolonging the Life of Neurons That Control Breathing

In addition, scientists at Children's Hospital and Harvard Medical School, including Dr. Snyder and Yang D. Teng, M.D., Ph.D. are taking history's first look at the Rescue of Respiratory Motor Neurons in ALS. As the loss of the ability to breathe is the fatal component of ALS, the goal of this investigation is to prolong the longevity of those neurons that inform the diaphragm and other breathing muscles. Dr. Teng reports that his pilot work with a group

of serotonin agonists and compounds that stimulate the body's intrinsic growth factors in mice possessing the SOD-1 mutation has shown initial promise--the respiratory function of late-stage SOD-1 mice treated with the compounds has improved. Doctors Snyder and Teng are already in discussions with Project A.L.S.-funded clinician-researchers to bring these compounds to clinical trial.

Gene Chip Investigation Turns Up Exciting New Clues

With the mapping of the human genome nearly complete, first data is already in on possible new genetic addresses for ALS. Project A.L.S. has funded the team of Steven R. Gullans, Ph.D. of Brigham and Women's Hospital and Dr. Robert H. Brown, Jr. to analyze ALS tissue against microchips which contain approximately 100,000 known human genes. Project A.L.S. established Gene Chip Analysis in ALS in an academic setting, which assured that the project receive the full focus of investigators. The collaboration is now reporting an intriguing list of "gene hits" from pilot experiments. Doctors Gullans, Brown and their teams must now pursue each of these first leads. It is certain that in the process of this pursuit, the team will identify new therapeutics and important clues about the disease pathways.

Creation of Microassay for High Throughput Drug Screening

Dr. Robert H. Brown completed the first phase of work on a micro-assay suitable for the high throughput screening of candidate ALS drugs. Project A.L.S. funded the creation of Dr. Brown's cell-based assay, which he is currently transforming from a 96-well format to 394 wells per plate. This will allow for libraries of compounds to be tested against this particular approximation of the disease. Project A.L.S. is working closely with the NINDS/National Institutes of Health in gathering a panel of ALS assays that will allow for more accurate testing of potential therapeutic compounds.

About Project A.L.S.

Project A.L.S., a non-profit organization, was founded in 1998, by Jenifer Estess, her family and friends. Ms. Estess was a thirty-five-year-old theater and film producer when she was diagnosed with ALS, and saw the need for true maverick activism for ALS, a fatal neuromuscular disease for which there exists not one effective treatment. In a year-and-a-half, Project A.L.S. has formed a center without walls, uniting the world's leading scientists across disciplines and institutional and academic lines. With an applied combination of creative management skills, aggressiveness and over \$1.8 million to its research partnerships, Project A.L.S. has helped to forward investigations with unheard of speed and accuracy.

Project A.L.S.

Neural Stem Cell Replacement in ALS

A Collaboration Between Scientists at Harvard University, Johns Hopkins University,
Columbia University and University of California, San Francisco
Funded by Project A.L.S.

Principal Investigator:

Evan Y. Snyder, M.D., Ph.D.
Children's Hospital, Harvard Medical School

Co-Investigators:

Robert H. Brown, Jr., M.D., D.Phil.
Massachusetts General Hospital, Harvard Medical School

John D. Gearhart, Ph.D.
Johns Hopkins University

Thomas M. Jessell, Ph.D.
Howard Hughes Medical Institute, Columbia University

Jeffrey D. Rothstein, M.D., Ph.D.
Johns Hopkins University

Richard Sidman, M.D.
Harvard Medical School, New England Primate Research Center

Marc Tessier-Lavigne, Ph.D.
*Howard Hughes Medical Institute
University of California, San Francisco*

ALS (amyotrophic lateral sclerosis) is a fatal neurodegenerative disease that destroys motor neurons, which stimulate muscles involved in moving, speaking and breathing. Once damaged, motor neurons do not recover. But we may have found a way to replace them.

This historic collaboration, which has been formed and fully funded by Project A.L.S., may well demonstrate that neural stem cells effectively replace degenerated motor neurons in cell culture, animal models, and, ultimately, in people living with ALS. Neural stem cells may also represent a cure for a range of neurologic illness and injury, from Alzheimer's and Parkinson's to multiple sclerosis, epilepsy and spinal cord injury.

In March, 1999, Jay Lombard, M.D., a neurologist practicing in the Bronx, New York, told Project A.L.S. about Evan Snyder, a pediatric neuroscientist at Boston Children's Hospital, who was introducing his particular brew of neural stem cells--or progenitor cells--into the diseased spines and brains of animal models of devastating childhood neurological diseases like Tay-Sachs and various leukodystrophies (Lorenzo's Oil disease). Dr. Snyder was reportedly observing that the neural stem cells migrated to areas of injury in the animals, that the cells "engrafted" or took hold, and that they actually transformed into the types of neurons and support cells that the given disease situation required. In some cases, Snyder also observed the reversal of symptoms. For example, after having been treated with neural stem cells, Dr. Snyder's "shiverer mouse" stopped shivering.

Project A.L.S. visited Dr. Snyder's laboratory in March, was impressed with his data, so united him immediately with two of the world's leading neuroscientists with a concentration in ALS, Dr. Jeffrey D. Rothstein, M.D., Ph.D. (Johns Hopkins University) and Dr. Robert H. Brown, Jr., M.D., D. Phil. (Massachusetts General/Harvard Medical School). Doctors Rothstein and Brown were equally impressed with Dr. Snyder's data.

By the August, 1999, Project A.L.S. had launched Neural Stem Cell Replacement in ALS, with an eye toward speeding Dr. Snyder's basic science to human trial. The laboratories of Snyder, Rothstein, Brown and Dr. Thomas M. Jessell, a molecular biologist specializing in the characterization of motor neurons, began full-throttle pilot experiments with Dr. Snyder's cells at the level of cell culture, in mice and in primate models of neurodegeneration.

Project A.L.S. further enhanced the team to include the eminent Richard Sidman, M.D., Ph.D. (New England Primate Research Center/Harvard University), a neuroanatomist who is advising on the animal protocols, world renowned stem cell biologist John D. Gearhart (Johns Hopkins University), who is developing additional neural cell lines, and Marc Tessier-Lavigne, Ph.D., who is advising on motor axons, or the reconnections between neurons and muscles.

Project A.L.S. and the neural stem cell team enjoy the support of the NINDS/National Institutes of Health, and are currently negotiating guidelines for the first human trials of Neural Stem Cell Replacement in ALS with the Food and Drug Administration. Pilot data presented at an informal meeting in New York, in January, 2000, were so promising that the team has begun designing the human trials, which will commence well in advance of original projections.

If you wish to receive further details on Project A.L.S./Neural Stem Cell Replacement in ALS, please contact Valerie Estess, at 212-627-2568.

###

NATHANIEL WOODWARD

'00 JUL 18 AM 11:13

July 14, 2000

Ms. Betty Currie
Personal Secretary to the President
The White House
Washington, DC 20500

Dear Ms. Currie:

I am writing to make a very special request of President William Jefferson Clinton. As the time winds down on the final days of the Clinton Administration, I have found myself moved by all of the wonderful things the President has done for the everyday American people.

President Clinton has made it possible for the people on the sidelines of justice to sit on the Justice bench. The President has made it possible for those who were left to the bottom-line of education to stand on the top-line of productivity.

One of my life-long dreams has been to ride aboard Airforce One. As a life-long Democratic, I have worked for years helping candidates and elected officials. But never before have I met a President who really cared about the American people--All American People President Clinton does.

I would consider it a high privilege to witness first hand the greatest President to hold office in my years of living. I'm writing to request that special permission be given to me that I would have the privilege of accompanying President Clinton when he leaves office for his final ride aboard Airforce One.

You may contact me at 202.225.2201 work, 301.483.5602. I look forward to hearing from you.

Sincerely yours,

Nate Woodward

Nate Woodward

7-18-00
Send to Scheduling?

Yes ☒

No ☐

Carol

Chirac /tr
DL
7/5
cleared by [unclear] / [unclear]

Let him in -

[unclear]
1-1-2

THE WHITE HOUSE
WASHINGTON

copied
Currie

July 18, 2000

Dear Jacques:

Thank you very much for the art book. The Pavillon des Sessions sounds wonderful, and I know you must be looking forward to the opening of the Musée du Quai-Branly.

I am grateful for your continued thoughtfulness and friendship, and I send my best wishes.

Sincerely,

Bill

His Excellency
Jacques Chirac
President of the French Republic
Paris

White House Gift Record

Presented:

Gift ID: 5030394/DEFABIO

Arrival: 05/25/2000

Entered: 05/25/2000

6/2

Donor Information

His Excellency Jacques Chirac
President of the French Republic
Paris,

Acknowledged By: Pending BC Gift Draft

Comments:

Forwarded to the Gift Office by Room 94; gift was forwarded to them by NSC. A letter from the Ambassador of France to Samuel Berger requesting Berger to pass the gift to POTUS. Clear with NSC and dispatch through State. **BC Sig.**

Gift Information

Intended: President

Disposition: Archives Foreign

Description:

Location:

Hardcover book. "Sculptures: *Les Arts* ~~at the Louvre~~"

The gift is in Archives.

~~at the Louvre~~

Premiers au Louvre

Total Gift Value is \$48

*Ambassade de France
aux Etats-Unis*

*L' Ambassadeur
D^o 1173/AD*

Washington, May 15, 2000 ^{00 MAY 23 PM 1:24}

5123100

From RSC -

Send to Gift Unit

Yes ☒

No ☐

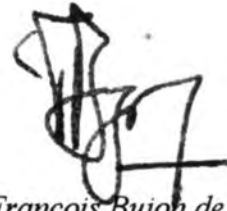
need TY

Dear Mr. Berger,

Please find herewith a letter and a present addressed by
Mr. Jacques Chirac, President of the French Republic, to President Clinton.

I would be grateful if you would be so kind as to convey this
Chirac's letter and present to the President.

With regards,



François Bujon de l'Estang

*The Honorable
Samuel R. Berger
Assistant to the President for
National Security Affairs
The White House
Washington, D.C. 20500*

Paris, le 03 MAI 2000

Monsieur le Président,

Cher Bill,

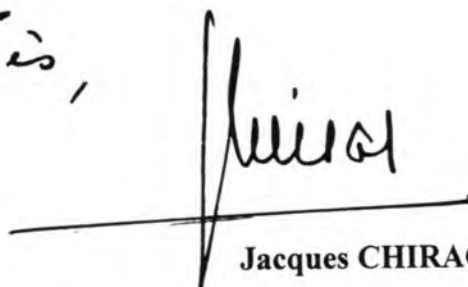
Ainsi que vous le savez, j'ai souhaité que les civilisations non-occidentales, jusque-là trop absentes des musées parisiens, soient représentées dans toute leur dimension, esthétique, ethnologique, scientifique, dans un nouveau musée qui prendra place, en 2004, au cœur de Paris.

Dans un premier temps, une centaine de chefs-d'œuvre issus de ces civilisations ont fait leur entrée au Louvre et j'ai inauguré, le 13 avril dernier, le Pavillon des Sessions, espace où ils seront désormais exposés.

J'ai grand plaisir à vous faire parvenir l'ouvrage d'art consacré à ces chefs-d'œuvre, qui méritent bien le nom "d'arts primordiaux" qu'André Malraux leur avait donné.

Je vous prie d'agréer, Monsieur le Président, l'expression de mon cordial souvenir.

Avec mes amitiés,


Jacques CHIRAC

UNOFFICIAL TRANSLATION

Mr. President, Dear Bill,

As you know, I have been particularly keen that non-Western civilizations, which have so far been under-represented in museums in Paris, should be represented in all their aesthetic, ethnological and scientific aspects at the new museum which will open in the heart of Paris in the year 2004.

As a start about a hundred works of art from these civilizations have entered the Louvre, and on April 13 I inaugurated the Pavillon des Sessions where they will be displayed from now on.

It's my great pleasure to send you the art book devoted to these master-pieces which well deserve the appellation "primordial arts" given to them by André Malraux.

[complimentary close]

Best regards (Handwritten)

Jacques Chirac

M S. BETTY M. BAKTIS

168 Poplar Drive
Bellefonte, PA 16823
HOME: (814) 353-8112
OFFICE: (814) 355-6700
June 30, 2000

00 JUL 18 AM 11:13

The Honorable Bill Clinton
President of the United States of America
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Clinton:

I must feel the way you felt when you met President Kennedy so many years ago! What an honor and a pleasure to finally meet you! From the bottom of my heart thank you and the White House staff who made it possible for me to meet you at University Park Airport, State College, Pennsylvania as you departed from the National Governors' Conference on Monday, July 10, 2000. A dream come true for me and a memory I will cherish forever! Something to share with my first grandchild who is on the way and due the beginning of October.

Our meeting was brief, and understandably so, because of your tight schedule. However, there was something I wanted to convey to you but did not get the chance to do so. My personal interest in you is because we share similar histrionics and I understand you because I understand myself. I am not just another "star struck" female in awe of you because you are the most powerful political figure on earth. My interest is deep compassion for a fellow human being who just happens to be, not only a male, but the President of the United States of America! I view you, Hillary, and Chelsea as ONE - a family unit - inseparable! So when I speak of my compassion and deep concern, it is for all three of you.

What has unfolded before the public's eyes via the media during your two terms as President has been the most despicable, disgusting thing I have ever witnessed. The intent of those to purposely destroy you and your family was absolutely UNCONSCIONABLE! I felt your pain and, at times, it was almost unbearable. Some where, some way, some how, "they (whoever they are) will get theirs!" And, as you know, that is not for you, the Democratic Party or anyone else to carry out. "Vengeance is mine, sayeth the Lord" and put in His hands, He will see to it they receive their appropriate and due punishment.

What better way than for us (the Democratic Party) to get to them than to ensure that AL GORE wins in November - to carry on the important work of our Country that began during your Administration! So, President Clinton, to use President Kennedy's words, "I ask not what my Party can do for me, but what I can do for my Party?" We (fellow Democrats) have our work cut out for us in Pennsylvania as you well know, and especially, if Governor Bush selects Governor Ridge as his running mate. If there is any way I can serve the Democratic Party in Central Pennsylvania between now and November, please put the right people in touch with me at home after 5:30p in the evenings or any time day or night on weekends. Since my job is with a County Board of Commissioners and representative of both parties, I must stay nonpartisan in the office.

Until, I remain a FRIEND to you, Hillary, and Chelsea - our Country's FIRST FAMILY - to be revered, respected, honored, and most of all, LOVED!

Betty
BETTY M. BAKTIS

/bb

7-18-00
Send to Political?
Yes ☒
No ☐

Weekly Reports, Week Ending July 15, 2000

OK (u)
7-18-00

Copies:

- Tab A - entire memo to Baily, Podesta;
p. 2 to Jennings
- Tab E - Frampton, Podesta
- Tab H - Marshall, Balderston, Podesta
- Tab M - MacKay, Podesta



7-17-00

WEEKLY REPORTS

Week Ending July 15, 2000

7-17-00

THE WHITE HOUSE
WASHINGTON

July 15, 2000

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC**
- (E) **CEQ/Office of Environmental Initiatives**
- (F) **OSTP**
- (G) **Intergovernmental**
- (H) **Cabinet Affairs**
- (I) **Communications**
- (J) **Legislative**
- (K) **Public Liaison**
- (L) **Race Initiative**
- (M) **Special Envoy for the Americas**
- (N) **Presidential Personnel**
- (O) **Political Affairs**

Adam Rosman *AR*

7-17-00

90.12.10.14.16

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

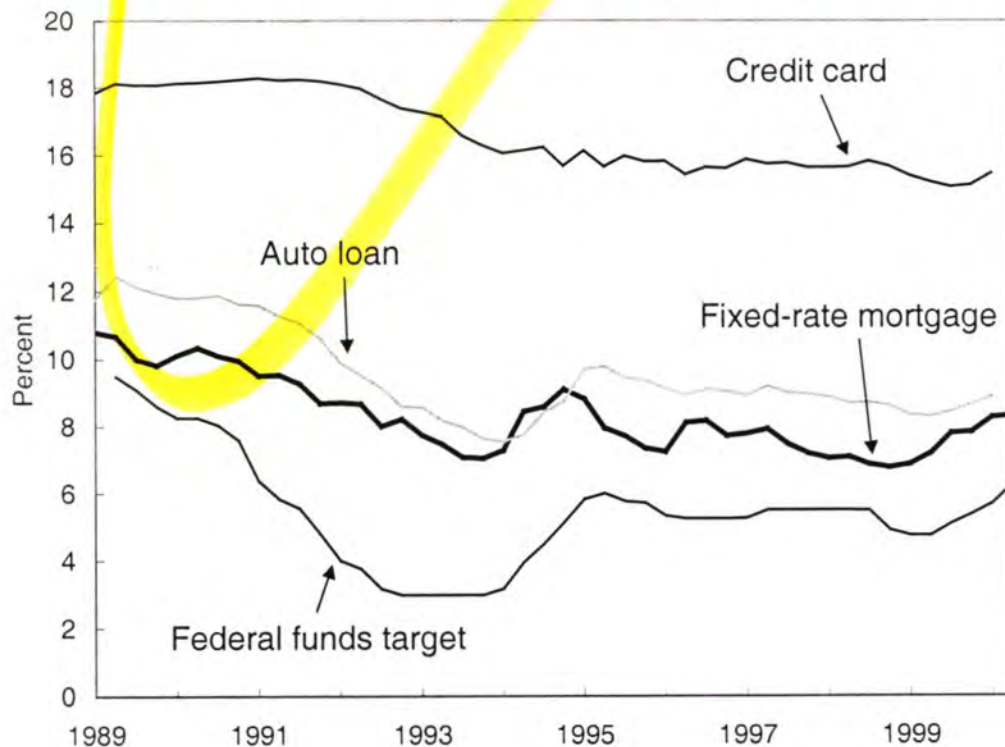
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

July 14, 2000

*Copied
Bailey
Podesta
p. 2 to Jennings*

CHART OF THE WEEK

Consumer Interest Rates and the Target Federal Funds Rate



Consumer interest rates, especially for mortgages, have increased since last summer as the Federal Reserve has tightened monetary policy. A similar sharp increase occurred in 1994 during the last major Fed tightening, but consumer rates subsequently came down once the Fed stopped tightening.

CONTENTS

SPECIAL ANALYSIS

Some Economics of Improving Infant Health Outcomes	1
What's in a Name?	3

ARTICLE

Deficit Reduction and Interest Rates	5
--	---

DEPARTMENTS

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



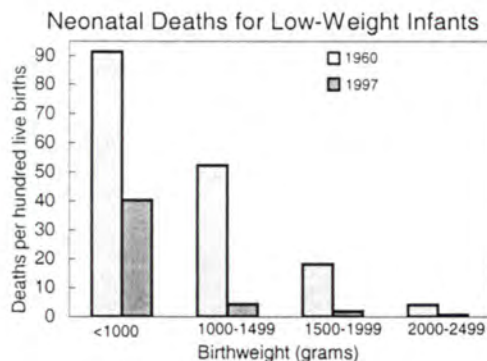
"First, they take my domain, then they take my domain name."

SPECIAL ANALYSIS

Some Economics of Improving Infant Health Outcomes

Prenatal care is currently underutilized, limiting its ability to improve infant health cost-effectively. Innovations in neonatal care technology can offset this problem by increasing life expectancy. But these gains have come with a high price tag. By increasing coverage of prenatal care, we may be able to take advantage of recent medical innovations, resulting in healthier infants at lower costs.

Trends in infant health outcomes. Neonatal mortality decreased dramatically for low-birthweight babies between 1960 and 1997 (see upper chart). And



underweight infants are not only living longer but also leading relatively healthy lives. Improved medical technology has been important, but the cost of neonatal care is high. Medical expenses for infants less than 1000 grams (about 2 pounds) are 10 to 20 times those of treating a normal-weight infant, and sometimes over \$100,000. Why then are people investing so heavily in neonatal care when prenatal

care could have the same outcome—healthier infants—at dramatically lower costs?

The bad news: efforts to increase prenatal care are often ineffective. Prenatal care is commonly believed to be the best way to improve infant health. At a relatively low cost of about \$400-500 per woman, medical screening and appropriate care could reduce the incidence of low birth weight by about 20 percent. However, accessibility to such care is often a problem, especially for women in lower income groups. Evidence suggests that when the income threshold for receiving Medicaid was raised in 1990, the number of women who received prenatal care increased, and fewer women delayed prenatal care beyond the first trimester. However, this increase in prenatal care did not appear to have much effect on birth weights. A likely explanation is that high-risk women continued either not to receive prenatal care or to receive it later into their pregnancy than did others. In addition, smoking and drug use may affect birth weight, especially in the high-risk group. Unfortunately, several studies have found that women who are likely to have unhealthy infants are more likely to go without prenatal care. Thus, despite attempts to increase use of prenatal care, the women who need it are often the least likely to receive it.

The good news: neonatal care is becoming more cost-effective. Gains in life expectancy suggest that improvements in neonatal care partially offset the underutilization of prenatal care. Neonatal technology involves a great deal of

medical machinery, such as incubators and machines to monitor blood gases, heart rate and rhythm, breathing rate, and blood pressure. In fact, improvements in ventilators allow better treatment for underdeveloped infants, lowering the risk of lung damage. But pharmaceuticals have also played an important role in lowering costs and increasing life expectancy. For example, the increased use of surfactant to treat respiratory distress syndrome, a major cause of death for many low-birthweight infants, has decreased the need for more intrusive medical intervention. Despite the high costs of neonatal care, the value of increased life expectancy produces an enormous benefit. For low-birthweight infants (those between 1000 and 1500 grams), the benefits of improved survival and quality of life are huge compared with the costs. One study that assigned a monetary value to each year of life found that the rate of return for low-birthweight infants was an enormous 1,880 percent.

Implications. The importance and effectiveness of neonatal care in countering the effects of low birth weight does not mean that we should forget about prenatal care. Thus, extending S-CHIP to parents may encourage the use of prenatal care. Because the program targets an increase in coverage to women who are at higher risk of low-weight births, those who most need prenatal care will be more likely to participate. Additionally, improvements in prenatal care allow even late-term intervention to decrease neonatal costs. For example, late-term prenatal steroids speed the development of a fetus in danger of being premature, decreasing the need for costly neonatal intervention. To the extent that cheaper prenatal care can substitute for much more expensive—albeit highly effective—neonatal care, the overall costs of achieving improved infant health outcomes will be reduced.

C. Jennings

*copied
Jennings*

SPECIAL ANALYSIS

What's in a Name?

Internet domain names (such as "ibm.com" or "whitehouse.gov") are valuable assets. In many cases, however, organizations and individuals find that names they would like to use have already been registered by other parties. Moreover, Internet domain names have always been issued to individuals, companies, and nonprofit organizations on a first-come-first-served basis. While economic theory suggests that this somewhat arbitrary assignment of domain names need not interfere with the efficient allocation of resources, the issue remains contentious in law and practice.

Ownership of domain names. The way domain names have been issued can lead to confusion and may not initially produce the best allocation. For example, entering "www.delta.com" into a web browser brings up Delta Financial Corporation, not Delta Air Lines ("www.delta-air.com"). Until recently, the popular search engine AltaVista could only be reached at "www.altavista.digital.com" because "altavista.com" was registered to Altavista Technology Inc. People looking for a particular web site might benefit from a different assignment of names, as might site owners seeking to attract visitors.

Who should own a particular domain name? Economic theory teaches that resources, when freely tradable in markets, tend to flow to their highest valued users. This is the rationale behind spectrum auctions, the creation of tradable SO₂ permits, and other market-based solutions to resource-allocation problems. Rather than deciding who should own a particular resource, courts and regulatory authorities often focus instead on assuring that the relevant property rights are clearly defined and protected, relying on exchange to determine ownership patterns. Nobel Prize winner Ronald Coase famously elaborated this insight in 1960. The "Coase Theorem" implies that the initial allocation of property rights need not affect the eventual allocation of rights, as long as such rights can be bought and sold. Of course, initial allocations do affect the distribution of wealth, and transaction costs can impede the efficient transfer of rights to their highest-valued uses. Nonetheless, Coase's approach provides a powerful framework for understanding liability and property issues.

A market for domain names? The Coase Theorem suggests a simple way for individuals and organizations to obtain the domain names they desire: buy them. (Compaq, AltaVista's parent, did just that, purchasing the "altavista.com" domain for a reported \$3.35 million in 1998). But what about "cybersquatting," the practice by which speculators register previously unregistered domain names merely to hold and then sell to the highest bidder? Some cybersquatters have been successful: according to *Web Developer's Journal*, the domain name "business.com" was recently sold for \$7.5 million; "loans.com" for \$3 million; "wine.com" for \$2.9 million; "autos.com" for \$2.2 million; and "drugs.com" for \$830,000. In other cases, however, domain name holders have been sued for

trademark infringement, particularly following passage of the Trademark Cyberpiracy Prevention Act, and the Courts have shown some sympathy (see box).

Conclusion. While cybersquatting has enriched a few individuals and consequently appears unfair to many, alternatives to the present system of assigning names have problems of their own. Domain names cannot be allocated by public auction, as with electromagnetic spectrum, because the number of potentially valuable names is effectively infinite. Resolving domain-name disputes by litigation also imposes substantial costs. Besides the administrative costs of the actual legal proceedings, it is difficult for courts to distinguish between opportunistic and legitimate use of domain names that may be similar to the trademarked names of companies and nonprofit organizations. The social costs of “wrong” decisions by courts can be particularly disruptive to individuals and small, startup companies who find themselves targets of a trademark infringement suit.

Cybersquatting Goes to Court

In December 1999 the New York Yankees filed suit against Brian McKiernan, owner of “newyorkyankees.com” since 1997. Citing the Trademark Cyberpiracy Prevention Act, the suit charges McKiernan with illegal cybersquatting, trademark infringement, false representation, and trademark dilution. (McKiernan’s attorney claims the Yankees offered his client \$450 million for the name before filing the suit.) In a similar suit, People for the Ethical Treatment of Animals (PETA), owner of “peta.com,” sued Michael Doughney for using his legally registered domain, “peta.org,” to host a PETA parody site. In June 2000, a U.S. District Court judged ruled in favor of PETA and ordered Doughney to turn over the domain name to PETA.

Recent court rulings in this area suggest that individuals may register and use domain names that are similar to company and organization names, but only if the domains are intended for artistic or political parody, not merely the expected gains from selling the domain. In the PETA case, for example, the court ruled that Doughney’s primary purpose was to mislead and confuse potential visitors to PETA’s site, and possibly to intimidate PETA into buying the domain name.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Homeownership Gains Are Widespread. The increase in homeownership rates since 1989 has been particularly notable among minority and low-income families, according to a recent study. While the homeownership rate among white families headed by someone aged 22-60 rose by 2.7 percentage points between 1989 and 1998, the comparable increases were 4.7 percentage points for black families and 3.7 percentage points for Hispanic families. Nevertheless, white families in this age group still had homeownership rates more than 50 percent higher than minority families. The study found that homeownership rates increased across all income quintiles, with the largest gains in the middle. In the upper income quintiles, the rise reflected family circumstances, such as increasing age, educational qualifications, and income, as well as changes in the number of adults and children per family. For families in the lower income quintiles, homeownership rates increased, even though they would have been expected to decline based on changes in these same factors. The authors suggest that the rise was due to two factors: the refocusing of the Community Reinvestment Act and Home Mortgage Disclosure Act; and changes in bank lending, such as the increase in the extension of higher-cost mortgages to "risky" borrowers and the rise of remote mortgage lenders. A strong economy has no doubt helped as well.

Small Businesses Appear to Have Greater Access to Credit. Changes in the information available to lenders appear to have increased small business's access to credit, according to a recent study. In particular, the study points to the rise of "infomediaries" such as credit bureaus, which collect information on firm payment and default histories that used to be available to a lender only after a long relationship with the borrower. As evidence of this greater access to credit, the study shows that the distance between small firms (those with fewer than 500 employees) and their lenders grew from an average of 51 miles for lending relationships that began in the 1970s to 161 miles for lending relationships that began in the early 1990s. Using data collected in 1993, before the rise of Internet transactions between businesses, the study found that some of the rise in distance was due to an increasing reliance on non-bank lenders. But small firms were also getting loans from banks whose nearest branches were increasingly far away. Methods of transacting loans also increasingly changed from personal contact to telephone or mail contact. The authors provide suggestive evidence that loans to distant firms are no longer limited to those with the highest credit quality, and thus that a wider and more distant cross-section of firms can now obtain funding.

Higher Minimum Wage Would Have Modest Effect on Food Prices. The food processing and restaurant businesses employ many minimum-wage workers. Nevertheless, current proposals to raise the minimum wage by \$1 per hour would raise the processed food prices paid by consumers by less than 1 percent, according to a recent study by the Department of Agriculture. Restaurant prices might increase by 2.27 percent. The study notes that these one-time price increases are smaller than the 2.8 percent annual increase in food prices observed between 1989 and 1999.

INTERNATIONAL ROUNDUP

Study Develops a New Warning System for Financial Crises. A small set of leading indicators, such as appreciation of the real exchange rate, decline in stock prices, and a fall in exports, perform well in anticipating countries' susceptibility to banking and currency crises, according to a book just released by the Institute for International Economics. Based on 1970-95 data for a sample of 25 large emerging economies, the authors use a weighted average of the better-performing indicators to create a composite vulnerability index. Applied to the 1996-97 period, the ordinal ranking of countries derived from this index is effective at identifying the countries hit by currency crises, with only Indonesia being misclassified as not highly vulnerable. The out-of-sample performance was less impressive for banking crises, however, with only two of the five countries classified as most vulnerable actually experiencing a crisis. Banking crises were also found to be more costly than currency crises, requiring more than 3 years for recovery compared with 2 years for a currency crisis. The study found that changes in sovereign credit ratings and interest rate differentials—two commonly used indicators—turned out not to be in the best performing group of leading indicators.

Is the Bank of Japan Looking to Raise Interest Rates? Recent data has increased speculation that the Bank of Japan will abandon its zero-interest-rate stance and raise the inter-bank-lending rate at its regular monetary policy meeting on July 17. First, the most recent Tankan Survey revealed that while perceptions of business conditions remained unfavorable overall, the net percentage of respondents reporting "favorable" conditions rose across all sectors in June. Large manufacturing enterprises led the shift, with a majority responding positively for the first time in 3 years. Smaller enterprises and non-manufacturing sectors remained more pessimistic. Second, the Bank may interpret recent price data as showing incipient inflation. After close to 3 years of deflation, domestic wholesale prices remained stable from May to June, and are 0.3 percent higher than a year ago, with petroleum and coal products rising 2.9 percent from the previous month. There appears to be a concern among outsiders that the Bank may be looking for a reason to raise rates in order to assert its independence.

RELEASES THIS WEEK

Industrial Production and Capacity Utilization

****Embargoed until 9:15 a.m., Friday, July 14, 2000****

The Federal Reserve's index of industrial production increased 0.2 percent in June following an increase of 0.5 percent in May. Capacity utilization fell 0.1 percentage point to 82.1 percent.

Retail Sales

****Embargoed until 8:30 a.m., Friday, July 14, 2000****

Advance estimates show that retail sales rose 0.5 percent in June following an increase of 0.3 percent in May. Excluding sales in the automotive group, retail sales rose 0.2 percent following an increase of 0.5 percent.

Producer Price Index

****Embargoed until 8:30 a.m., Friday, July 14, 2000****

The producer price index for finished goods increased 0.6 percent in June. Excluding food and energy, producer prices fell 0.1 percent.

MAJOR RELEASES NEXT WEEK

Consumer Prices (Tuesday)

U.S. International Trade in Goods and Services (Wednesday)

Housing Starts (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	5.5
GDP chain-type price index	5.2	1.6	1.1	2.0	3.0
<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	0.2
Federal surplus	-2.8	1.2	1.4	1.2	2.1
	1970- 1993	1999	April 2000	May 2000	June 2000
Unemployment Rate (percent)	6.7**	4.2**	3.9	4.1	4.0
Payroll employment (thousands)					
increase per month			410	171	11
increase since Jan. 1993					22099
Inflation (percent per period)					
CPI	5.8	2.7	0.0	0.1	N.A.
PPI-Finished goods	5.0	2.9	-0.3	0.0	0.6

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

New or revised data in **boldface**.

PPI data **embargoed until 8:30 a.m., Friday, July 14, 2000.**

FINANCIAL STATISTICS

	1998	1999	May 2000	June 2000	July 13, 2000
Dow-Jones Industrial Average	8626	10465	10580	10583	10789
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	5.79	5.69	6.00
10-year T-bond	5.26	5.65	6.44	6.10	6.01
Mortgage rate, 30-year fixed	6.94	7.43	8.52	8.29	8.09
Prime rate	8.35	8.00	9.24	9.50	9.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level July 13, 2000	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	0.934	-2.0	-8.2
Yen (per U.S. dollar)	108.3	0.8	-10.8
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	97.97	0.9	0.7

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	5.1 (Q1)	4.0 (Jun)	3.1 (May)
Canada	4.9 (Q1)	6.6 (May)	2.4 (May)
Japan	0.7 (Q1)	4.9 (Apr)	-0.7 (May)
France	3.4 (Q1)	9.5 (Apr)	1.5 (May)
Germany	2.3 (Q1)	8.3 (May)	1.4 (May)
Italy	3.0 (Q1)	10.8 (Apr)	2.4 (May)
United Kingdom	3.0 (Q1)	5.7 (Mar)	3.1 (May)

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



7-17-00
EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

July 14, 2000

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *GTFjr*

SUBJECT: CEQ WEEKLY REPORT

*Copied
Frampton
Podesta*

This is a joint report between CEQ and the Office of Environmental Initiatives.

BUDGET

Conservation and Reinvestment Act

Senators Murkowski and Bingaman reached agreement this week on a version of the Conservation and Reinvestment Act (CARA) – legislation to provide permanent conservation funding – that will permit the Senate Energy Committee to mark up the bill next week. While we are still reviewing the details of the agreement, it is clear that the bill is considerably improved from the version passed by the House. The Senate bill provides \$3 billion a year for federal and state land acquisition, coastal impact assistance, and wildlife habitat protection. Perhaps most important to the Administration, the Senate bill will remove the significant restrictions on federal land acquisition that exist in the House bill. We expect the bill to be approved by the Senate Energy Committee, primarily with Democratic votes next Tuesday or Wednesday.

Dear!!

Senate Interior Appropriations Bill

In floor debate this week, the Senate considered several controversial amendments to the Interior Appropriations bill. While Senator Craig agreed to drop a controversial amendment to delay the roadless initiative, the Senate adopted a substitute amendment offered by Senators Domenici and Feinstein relating to fuels reduction, roadless protection and other forest management issues. We have serious concerns over the Domenici-Feinstein rider, which could delay the roadless initiative, by imposing onerous reporting requirements. In another blow to the environment, the Senate voted against an amendment by Senator Durbin to delete an anti-environmental grazing rider sponsored by Senator Domenici. The Senate plans to take up the bill next week and may add other harmful anti-environmental riders preventing efforts to save endangered species in New Mexico and blocking the National Park Service's recent initiative to limit snowmobile use in National Parks.

RESOURCE STEWARDSHIP

Total Maximum Daily Load (TMDL) Rule

On Tuesday, EPA issued a new clean water rule which sidesteps a rider on the Military Construction bill that prohibits funding for new TMDL regulations. The rule will require states to develop comprehensive cleanup strategies for approximately 20,000 bodies of water over the next 15 years. The majority of the environmental community praised the action and we received very favorable editorial comment in the Washington Post (attached) and the San Jose Mercury News. However, some Members of Congress (Republicans and Democrats alike), the U.S. Chamber of Commerce, the utility industry, and the agriculture community accused the Administration of circumventing the appropriate process and threatening economic prosperity. Because EPA designated this a major rule, Congress now has 60 days to review it and an opportunity to vote on its repeal.

PROTECTING COMMUNITIES FROM TOXICS

Mercury Study

In a congressionally-mandated report released this week, the National Academy of Science concluded that EPA is justified in its existing guidelines for protecting the public from mercury contamination. The report found that methylmercury is highly toxic and causes neurodevelopmental defects in humans. Although most Americans face a very low risk of mercury exposure, the panel found that an estimated 60,000 children a year are exposed to methylmercury levels that could cause neurological and learning problems because their mothers consume large amounts of fish and seafood during pregnancy. EPA must now consider whether to limit mercury emitted by power plants, the primary source of mercury pollution, by the December 15 court-ordered. This will only be a regulatory determination; the Agency has an additional three years to issue a proposed rulemaking.

INTERNATIONAL LEADERSHIP

Environmental Reviews of Trade Agreements

This week, CEQ and USTR issued for public comment the draft guidelines to implement your November executive order requiring environmental reviews of major new trade agreements. We have already begun environmental reviews for the Free Trade Area of the Americas and the Jordan Free Trade Area agreements. Initial reactions from the environmental community have been very positive, as the guidelines are detailed and represent U.S. policy that goes further to incorporate environmental issues into trade agreements than any other country has done. We will hold a public hearing on the guidelines and finalize them in September.

CLIMATE CHANGE

7-17-00

Press, Science and Industry

A new study of the earth's climatic change over the last 1,000 years suggests that human activity is the dominant force behind the sharp global warming trend of the 20th Century. The results indicate that natural factors – like fluctuations in sunshine or volcanic activity – were powerful influences on temperatures in most of the last millennium. But the study found that these factors account for only 25 percent of the warming since 1900, with most warming attributable to human influences, particularly to rising levels of carbon dioxide and other heat-trapping “greenhouse gases” that come from the burning of fuels and forests.

* Researchers in Norway believe that the Northern icecap is melting so quickly that it could disappear each summer beginning in 50 years. The melting would open previously ice-clogged shipping lanes, but could have dire implications for the natural ecosystem of the Arctic.

The Atlantic Monthly ran a long article (July 2000) urging policy makers to focus on adaptation to climate change as way to obviate the debate over causes of climate change and likely impacts.

Greenland's ice sheet, the world's second largest, is a key factor in climate dynamics, *The Washington Post* reported (7/10). NASA researchers determined that during a five-year span in the mid-1990s, the ice sheet grew by 10 inches at the center but thinned by three to six feet per year at the perimeter because of global warming.

Legislative

Amended Kyoto rider language was added to two additional spending bills this week: the Agricultural Appropriations bill and Foreign Operations. Congressman Knollenberg, who authored the original rider first added for FY1999, introduced the amendment on both bills after striking a compromise with Congressman Visclosky and other Democratic members. The compromise language essentially negates the entire effect of the original Knollenberg language and has now been included on five of the six House-passed bills that contain the rider. During floor deliberations, Congressmen Visclosky and Olver both made statements clarifying the limited effect of the compromise language and challenging Knollenberg's much broader interpretation.

Attachment (1)

The Washington Post

AN INDEPENDENT NEWSPAPER

THURSDAY, JULY 13, 2000

The EPA Strikes Back

THE ENVIRONMENTAL Protection Agency stirred outrage this week by issuing a major set of clean water rules in the face of a congressional attempt to block them. Opponents thought they'd found a sure-fire way to head off the rule-making by attaching a rider to an appropriations bill that President Clinton didn't want to veto. But the administration issued the regulations before the president signed the bill—appropriately so, given congressional efforts to dictate environmental policy through the back door. The outrage is misplaced.

The rules in question have been open for review and revision for nearly a year. They would enforce a long-neglected part of the Clean Water Act involving what are known as TMDLs, total maximum daily loads of pollution that a body of water can absorb and still be considered clean. Until now EPA and the states have focused on reducing pollution from individual sources, like factories or sewage treatment plants. The method has brought substantial gains, but further progress depends on this broader approach.

Under the new rules states will have to conduct pollution surveys of about 20,000

bodies of water and develop plans for cleaning them up over the next 15 years. In the process, they will have to impose controls on the generalized urban and agricultural runoff that EPA says is the greatest remaining threat to America's waters. The rules drew strong opposition from business, agriculture and forestry interests. Anger ran so deep that last week the House voted to de-fund the office of the Agriculture Department's under-secretary for natural resources and environment because he had worked with EPA on the regulations. To accommodate industry concerns, the administration dropped some forestry and agriculture provisions. It also gave states more flexibility.

Opponents now say EPA has flouted the expressed will of Congress. But their prohibition was slipped into a bill already in conference, with no opportunity for a direct vote on the clean water question. If Congress wants to derail these regulations, it has 60 days to review the rules and openly vote to reject them. That would at least be confronting the issue through the front door. It would also, for the sake of the nation's waters, be the wrong thing to do.

7-17-00

100-101-37-27-1

THE WHITE HOUSE

WASHINGTON

July 14, 2000

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
July 8 - 14, 2000

*Copied
Marshall
Balderston
Podesta*

DEPARTMENT OF THE TREASURY

- **Taxes:** On July 12, the House approved Republican legislation eliminating the marriage penalty, which now moves to the Senate. The Democratic alternative, which would cost \$95B over ten years as opposed to \$182B under the Republican legislation, was defeated on a mostly party-line vote. The Administration opposes the legislation because it is too costly, exacerbates marriage bonuses, and is not well targeted to lower- and middle-income families. On July 13, the House Ways and Means Committee approved the Comprehensive Retirement Security and Pension Reform Act, which is based on a bill introduced by Representatives Portman and Cardin. The legislation increases the Individual Retirement Account annual contribution limit, allows for catch-up contributions, and increases the dollar limit on annual elective deferrals under section 401(k) plans and section 403(b) annuities, and weakens anti-discrimination rules. The Administration has expressed serious concerns regarding these provisions because they undermine pension coverage for rank and file workers and do not benefit low- and middle-income workers who lack pension coverage and other savings. Finally, on July 14, the Senate passed, by a vote of 59 to 39, legislation repealing the estate tax, which is identical to legislation passed by the House in June. You have stated that you will veto the legislation.
- **Money Laundering:** On July 8, at the G-7 Finance Ministers meeting in Fukuoka, Japan, the U.S. and its G-7 partners announced the issuance of advisories to domestic financial institutions, calling upon them to scrutinize transactions involving the 15 jurisdictions identified by the Financial Action Task Force as having deficient anti-money laundering regimes. The U.S. advisories notify financial institutions of the money-laundering risks they face in each of the 15 jurisdictions, and are meant to encourage the targeted jurisdictions to improve their anti-money laundering regimes. Those that do not

tighten their anti-money laundering controls could face sanctions or other restrictions from institutions such as the World Bank. As a result of the advisories, a number of identified jurisdictions are revising their anti-money laundering regimes to meet international standards. The jurisdictions subject to the advisories include Israel, Russia, Liechtenstein, Lebanon, the Bahamas, Panama, the Philippines, and various other Caribbean and Pacific island countries.

- **Holocaust Negotiations:** On July 17, Deputy Secretary Eizenstat is scheduled to travel to Berlin for a final plenary meeting of the parties in the negotiations on the establishment of the German Foundation which will make payments to former slaves, forced laborers, and other victims of the Nazi era. After the plenary, negotiators will sign the Concluding Joint Statement, which provides an assurance that they will request the U.S. courts to dismiss their cases, and the Executive Agreement between the U.S. and Germany, which provides that it would be in the America's foreign policy interest for the Foundation to be the exclusive remedy for the resolution of Nazi era claims against German companies. The target date for initial payments to victims is the end of this year.
- **Mexico:** On July 12, Mexico announced that it will treat its IMF standby arrangement as precautionary, meaning that it will not draw on the \$1.5B available under its IMF program except in the case of an emergency. It also announced that it is exploring with the IMF the possible early repayment of all of its outstanding loans, totaling \$3.6B. Mexico's decision reflects its favorable prospects for continued growth and stability during its transition to a new government. The change in Mexico's relationship with the IMF is consistent with the U.S. view that IMF lending to countries that normally have access to international capital markets should only be on a short-term basis, and only when those countries are experiencing financial difficulties.
- **National Conventions:** On July 12, DOT, the Secret Service, FBI, and the Metropolitan Police Department (MPD) joined with Attorney General Reno and the leadership of the DNC to discuss security for the upcoming Democratic National Convention. The Secret Service, FBI, and MPD briefed DNC representatives concerning the possible disruption of the events by large-scale demonstrations and the need to develop plans to deal with any disruptions. RNC representatives also joined the meeting, just as a DNC representative attended a similar meeting held previously with RNC convention planners.
- **Okinawa Summit:** In preparation for the July 21-23 Summit in Okinawa, Japan, the G-7 Finance Ministers met in Fukuoka, Japan, on July 8. The Finance Ministers released reports to Heads of State entitled *Strengthening the International Financial Architecture* and the *Impact of the IT Revolution on the Economy and Finance*. The G-7 Finance Ministers also prepared reports for Heads of State entitled *Actions against Abuse of the Global Financial System and Poverty Reduction and Economic Development* which will be released at the Okinawa Summit.

DEPARTMENT OF JUSTICE

- **Convicted Georgian Diplomat Transferred:** On June 29, former Georgian diplomat Gueorgui Makharadze was transferred from Federal custody to officials from the Republic of Georgia. here he will face continued incarceration for a 1997 drunken-driving conviction in DC that resulted in the death of a 16-year-old girl and injury to four other persons. Although Makharadze was protected by diplomatic immunity at the time of the offense, Georgian President Eduard Shevardnadze waived that immunity, thereby making possible Makharadze's prosecution.
- **NYPD Officers Sentenced in Louima Case:** On June 27, one NYPD officer was sentenced to fifteen years and eight months in prison and ordered to pay \$277,495 restitution for participating in the brutal police assault on Haitian immigrant Abner Louima. In addition, two other NYPD officers were sentenced to five years in prison for making false and misleading statements during the investigation of the assault. Previously, one officer was sentenced to 30 years in prison for his guilty plea related to the August 1997, assault.

DEPARTMENT OF THE INTERIOR

- **CALFED:** DOI and the state of CA will be releasing a final programming Environmental Impact Statement for the CALFED project within the next two weeks. Work is proceeding on finalization of a Record of Decision, based on the CALFED framework that was announced in June by Governor Davis, Secretary Babbitt, and Senator Feinstein. DOI is working to ensure that the 2001 budget includes funds for CALFED. Your budget requested \$60M.
- **Kuskokwim River Conservation:** The Federal Subsistence Board in AK has taken emergency action in response to chinook salmon returns in the Kuskokwim River drainage. In a move that parallels AK's emergency action on July 8, the Board adopted 60-day emergency regulations for Federal waters to restrict drift and set gillnet mesh size, and create a daily harvest and possession limit. These regulations apply to all subsistence fishing in Federal waters of the Yukon Delta National Wildlife Refuge in the Kuskokwim River drainage and are effective immediately. This is the second consecutive year with poor king salmon returns for the Kuskokwim River. Subsistence users are reporting very low catches of king salmon and all king salmon escapement monitoring projects are showing extremely poor king salmon returns throughout the Kuskokwim River drainage. Biologists, subsistence users, and the Board fear this may jeopardize the viability of future king salmon returns. Cabinet Affairs is coordinating an interagency meeting to respond to this situation.

- **NJ Offshore Sand and Gravel Sale:** Secretary Babbitt recently decided not to initiate preparation of an EIS or take any other steps toward conducting a commercial sand and gravel lease sale offshore northern NJ. The Minerals Management Service published a notice in the *Federal Register* on January 10, requesting comments and indications of interest about the proposal. Secretary Babbitt based his decision on the volume, breadth, and diversity of the objections raised by those in opposition to the proposal, as well as his responsibilities with regard to natural resources.
- **Bald Eagle:** The bald eagle was proposed for delisting on July 6, 1999. The Fish and Wildlife Service (FWS) is reviewing the information and comments received on the proposed delisting, as well as the scope of protections available after delisting under the Bald and Golden Eagle Protection Act and the Migratory Bird Treaty Act. With the arrival of the one-year deadline for publishing its final decision on the delisting, FWS is receiving numerous inquiries on the status of its decision. DOI has developed talking points to help FWS employees respond to questions about the bald eagle delisting, and expects to make a final decision on the bald eagle's status within the next two months.
- **CO River Delta Lawsuit:** Newspapers in southern CA, southern NV, and AZ reported widely on the June 28 filing of a lawsuit by several environmental groups against DOI and DOC. Environmental organizations want a dedicated supply of CO River water to flow to the river's delta area in Mexico. The lawsuit alleges that Federal agencies overseeing the river's operation and management of the nation's environmental species are violating the Endangered Species Act by failing to dedicate river water to save wildlife from extinction. The groups also want the Multi-Species Conservation Program, a plan under development by a consortium of state and federal agencies and Indian Tribes to protect and help recover endangered species and habitat along the river corridor in the U.S., to be extended into the delta area in Mexico.

DEPARTMENT OF AGRICULTURE

- **Prion Disease in VT Sheep:** On July 3, tests indicated the presence of a prion disease in three quarantined sheep in VT. The sheep are from one of two flocks that were imported from Belgium in 1996 and were quarantined by VT at USDA's request due to risks associated with transmissible spongiform encephalopathies in animals from Europe. USDA is working with other Federal agencies, VT, and the owners to take possession of the sheep, which will be destroyed to prevent any risk to the public.
- **Supreme Beef Case Judgment:** On July 12, a TX federal court issued a final judgment confirming its May 25 ruling that USDA is precluded from using *Salmonella* performance standards in deciding whether to close plants within its jurisdiction. The judgment stems from Supreme Beef's contention, after failing four successive *Salmonella* contamination tests, that the contamination cannot be used as a standard to justify

withholding marks of inspection under current statutes if the contamination cannot be traced directly to the plant's processing procedures. While the judgment precludes the closing of the plant for *Salmonella* failures, it takes no position on whether USDA can take those failures into account when buying products for its various nutrition and supplementary food assistance programs. Plants in other districts nationwide continue to meet the requirements of the testing program, and USDA will continue exploring additional means of enhancing food safety.

- **Pork Checkoff Referendum:** On July 13, the final rule for the Pork Checkoff Referendum was published. Producers and importers who have dealt in pigs, hogs, or pork products at any time from August 18, 1999, through August 17, 2000, are eligible to vote. The rule provides for in-person voting September 19-21, and for absentee voting from August 18 to September 21. Producer voting will take place at Farm Service Agency county offices. Importers will vote by mail to FSA headquarters.
- **Livable Communities Initiative:** On July 13, USDA held the first of four listening forums on farm, ranch, and forest land protection at the Dekalb County Farm Bureau Center for Agriculture in Dekalb, IL. USDA is seeking policy feedback and information on protecting land from urban sprawl. The next forum will be on July 21 in Davis, CA, with additional forums to be held this summer in Seattle, WA, the NJ highlands, and possibly Atlanta, GA.
- **Roadless Environmental Impact Statement (EIS):** On July 17, the public comment period will end on the Proposed Roadless Area Rule and Draft EIS. The Roadless Team is coordinating with the White House, USDA, and various Forest Service offices to help assure that any correspondence held in those offices is forwarded to the team. USDA has received more than 100,000 responses and has been notified of scheduled deliveries of more than 500,000 additional responses. A total of 424 public meetings have been held in connection with the comment period and 50,000 copies of the Draft EIS and Proposed Rule have been distributed.
- **Commodity Markets:** Wheat prices dropped sharply following USDA reports that indicated higher-than-expected spring wheat acreage and stocks. Continued beneficial rain in the Corn Belt drove corn and soybean prices down. Rice cash prices were unchanged, but futures rose on USDA's June 30 forecast of smaller rice acreage. Cotton prices fell slightly on signs that the cotton crop could be larger than the 19 million bales forecast by USDA in June. Lower boxed beef prices sent cattle prices lower in light trade. Cash hog prices slipped last week as rising temperatures in the Midwest hindered movement, but futures followed belly prices higher. Retail featuring helped boost broiler prices. Cheese prices changed little in light trade. Butter averaged up slightly in volatile trade.

- **Egg Safety:** On July 31, USDA and FDA will hold a public meeting to make available the agencies' analyses on necessary elements for proposed regulations ensuring egg safety. The analyses will be posted on the Internet. The agencies are participating in an Egg Safety Action Plan as part of your Food Safety Council, with the goal of ultimately reducing foodborne illness associated with *Salmonella* by 50 percent, by 2005, and eliminating egg-associated *Salmonella* illnesses by 2010. Under the action plan, FDA develops standards for the egg producer, while states provide oversight and enforcement on the farm; USDA develops standards for both shell egg packers and egg product producers, and provides inspection and enforcement for both; and FDA and CDC conduct surveillance and monitoring activities.

DEPARTMENT OF COMMERCE

- **Gulf of Mexico Aquaculture Study:** Scientists from the DOC-funded MS-AL and TX Sea Grant Programs have joined forces to study the potential of offshore aquaculture in the Gulf of Mexico. Researchers are working with Chevron to place a 48-foot high fish cage near an oil platform. The cage is similar to one used in projects launched by Sea Grant programs in ME, NH, and HI. Ultimately, the researchers hope to stock the cage with native, high-value species such as snapper, cobia, or amberjack. The goal of this study is to develop a socially and environmentally acceptable offshore aquaculture model that is appropriate to all stakeholders in the Gulf of Mexico region.
- **Lab Accreditation:** On July 13, DOC's National Institute of Standards and Technology and the non-profit National Cooperation for Laboratory Accreditation, signed a memorandum of understanding that marks a milestone in efforts to develop a national system for laboratory accreditation and should make it easier for U.S. companies to trade. The organizations aim to coordinate the more than 100 private-sector and government programs that assess and accredit U.S. testing and calibration laboratories. Lack of coordination has led to duplicate and sometimes contradictory accreditation requirements that disadvantage U.S. businesses relying on the services of accredited laboratories to make and sell products at home and abroad.

DEPARTMENT OF LABOR

- **Harvest Campaign:** On July 13, DOL announced the kick-off of the Fair Harvest/Safe Harvest campaign involving the distribution of more than 17,000 packets of information to farm worker advocacy groups, agricultural employer associations, and Mexican Consulates. The information includes a children's book illustrating hazards in the agricultural workplace, a wallet-sized card containing labor rights information, and a poster highlighting these issues.

- **Labor Relations:** Some 2,000 janitors represented by the Service Employees International Union (SEIU) ratified a new three-year agreement with a multi-employer group in the Seattle area on June 30. The agreement provided an immediate 50-cent-per-hour wage increase with an annual raise of 40 to 45 cents an hour in each of the next two years.
- **Veterans Workforce Investment Grants:** On July 14, Secretary Herman will announce that ten states will receive a total of \$6.2M in employment and training grants for veterans under Section 168 of the Workforce Investment Act.
- **H-1B Grants:** On July 19, Secretary Herman will award grants that are funded through the H-1B program to nine states (12 programs) totaling about \$29M to train individuals for high skilled jobs.

Sup Up the workers

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Emerging Infectious Diseases:** On July 16-19, CDC will host the second International Conference on Emerging Infectious Diseases in Atlanta, GA. The closing session on July 19 will be devoted to West Nile Virus.
- **West Nile Virus:** Two teams from CDC and the USGS will travel to NJ and NY to work with State and local officials to study the implications of recent findings of crows infected with West Nile Virus in the NYC metropolitan area. Crows appear to be highly sensitive to infection and the human health implications of these findings are not clear. The teams will address prevention and control activities including testing of live birds for West Nile infection, more intensive mosquito collection, and ecological mapping.
- **Influenza Vaccine:** In 1999, four manufacturers produced a combined total of 80 to 85 million doses of trivalent inactivated influenza vaccine. For the 2000-2001 influenza season, lower than anticipated production yields for this year's influenza A (H3N2) vaccine component and other manufacturing problems are expected to lead to a substantial delay in the distribution of the vaccine and possibly substantially fewer total doses of vaccine. A more precise estimate of the vaccine supply will be available as production progresses during the summer. Because many vaccine providers currently are planning their fall vaccination activities, CDC and the Advisory Committee on Immunization Practices (ACIP) are issuing the following adjunct influenza vaccination recommendations that are specific to the 2000-2001 influenza season. FDA, CDC, ACIP, NIH, and vaccine manufacturers will continue to work together to facilitate the availability of the influenza vaccine for the upcoming season and to minimize the adverse impact of an influenza vaccine shortage should one develop. If a vaccine shortage appears imminent, CDC and ACIP will issue further recommendations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **HUD Headquarters Named to Honor Robert C. Weaver:** On July 11, Secretary Cuomo presided over the renaming of the HUD Headquarters Building in Washington to honor Robert C. Weaver, the first HUD Secretary and the first African American member of a President's Cabinet. Secretary Cuomo was joined for the renaming by Senator Moynihan and Representative Rangel, who sponsored the legislation to rename the building the Robert C. Weaver Federal Building. The building was originally dedicated by Weaver on September 9, 1968.
- **Secretary Cuomo Hosts Delegation From Israel:** This week, Secretary Cuomo met in Washington with Israeli officials to continue efforts to increase the supply of affordable housing, create jobs, spark economic growth, and revitalize communities in both nations through a new commission. Officials from the Israeli Construction and Housing Ministry, the Israeli Finance Ministry, and two public housing companies met with Secretary Cuomo during a visit to the U.S. that includes stops in New York and Baltimore. The Israelis spent part of last week in Washington visiting affordable housing developments run by the DC Housing Authority to learn how HUD programs are used to provide housing to low- and moderate-income families.
- **Neighborhood Networks:** Donning caps and gowns, 89 students received diplomas from the Gateway at Edgewood Terrace Neighborhood Networks Center's Career Enhancement Program on June 7. The Class of 2000 is the largest graduating class in the history of the program, which has seen 80 percent of its former graduates enter the workforce. Graduates have been hired by major public and private employers such as Fannie Mae, Ernst & Young, and the DC government.

DEPARTMENT OF TRANSPORTATION

- **African-American Seat Belt Use:** On July 17, during the second meeting of the Blue Ribbon Panel on Increasing Seat Belt Use among African-Americans, panelists will set milestones and determine activities required to meet their objectives, and will develop a list of technical experts with whom to consult on traffic safety and injury prevention. The panel will direct its recommendations to government agencies and community organizations that can champion seat belts use. This effort supports the Administration's commitment to achieving 85 percent nationwide seat belt use by the end of 2000.
- **Intelligent Vehicle Initiative (IVI):** On July 19-20, Secretary Slater will participate in the first national IVI meeting, and will challenge the American automotive industry to establish three deployment goals.

DEPARTMENT OF ENERGY

- **Heating Oil Reserve:** Secretary Richardson directed DOE to offer an exchange of crude oil from the nation's Strategic Petroleum Reserve to companies willing to provide up to two million barrels of emergency heating oil stocks and the necessary storage facilities in time for this winter. DOE will offer the crude oil exchange through the Defense Energy Supply Center, an arm of DOD that routinely procures petroleum products for the nation's military.
- **DOE Appointee:** On July 12, General John Gordon was publicly sworn in as the Under Secretary for Nuclear Security.
- **Brush Fire at DOE Facility:** Lightning caused a brush fire in the southeast section of the Rocky Flats Environmental Technology Site buffer zone on July 10, causing the site to activate the Emergency Operations Center. The fire consumed between 10 and 12 acres and was completely contained within an hour. Five air monitors are located downwind of the fire and will be analyzed for isotopic results. The results will be available in two to three weeks. No contamination was detected on any of the firefighters.
- **U.S. Postal Service Electric Vehicles:** Ford and Baker Electromotive passed the U.S. Postal Service acceptance test and delivered the first six electric long life delivery vehicles to the Postal Service. These are the first of 500 electric delivery vehicles that the Postal Service purchased from Ford earlier this year. They will be delivered to CA for testing and evaluation by the Postal Service, Southern California Edison, with DOE. Starting in November, ten additional vehicles will be delivered each week until October 2001.
- **Energy Emergency Preparedness:** DOE sponsored meetings between state and Federal energy officials and industry to discuss regional plans for handling electricity blackouts. The meetings were held on July 10-11 in Reno, NV, and on July 13-14 in Newport, RI.
- **Gasoline Prices:** Gasoline spot and futures prices posted sharp declines in all U.S. markets last week, keeping pace with a similar drop in crude oil prices. Midwest gasoline markets again showed the largest drops, with Chicago spot prices down more than 20 cents per gallon. Prices declined for most regions and formulations east of the Rockies, led by continuing strong decreases in the Midwest. Prices on the West Coast continued to rise, reflecting earlier wholesale price increases there. Total motor gasoline stocks were up 0.6 million barrels from last week to 205.1 million barrels on July 7, but were 9.4 million barrels below the same week last year.

DEPARTMENT OF EDUCATION

- **Class-Action Settlement:** On July 6, DOEd settled a class action filed in 1991 by some of its employees. The complaint alleged that some of the employment practices at DOEd had the effect of denying promotional opportunities to African-American employees in the competitive service, grades 11-15. Approximately 1,100 current and former employees at DOEd's Washington office are included in the settlement agreement.
- **America Goes Back to School (AGBTS):** AGBTS, a nationwide initiative to encourage and support family and community involvement in improving children's learning, will run this year from July to October, emphasizing the importance of summer programs in strengthening students' skills for their return to school this fall. AGBTS offers numerous opportunities for education leaders and community members to highlight key education priorities.

DEPARTMENT OF VETERANS AFFAIRS

- **New VA Clinic Addition:** On July 24, VA will dedicate a new \$47M clinical addition at the VA Medical Center in Wilkes-Barre, PA,. The addition will provide over 250,000 outpatient visits per year to veterans in a 19-county area.

ENVIRONMENTAL PROTECTION AGENCY

- **Gas Prices:** The wholesale price for clean-burning reformulated gasoline (RFG) remains over one cent per gallon cheaper than conventional gas (CG) in Chicago and less than five cents per gallon more expensive than CG in Milwaukee. Meanwhile, press reports indicate that the two organizations in those states that had initially requested waivers from the new RFG requirements—the IL and Wisconsin Petroleum Marketers Associations—have now withdrawn support for waivers, since retailers have already stocked up on RFG. EPA continues to believe that gasoline supplies in the region are adequate and that the RFG program is not responsible for the unreasonably high prices that consumers in Chicago and Milwaukee have been paying for clean-burning gasoline. EPA estimates that RFG should only cost four to eight cents more than CG and actual prices are proving to be lower than that range in most of the country.
- **TX Air Quality:** Last week, EPA received a request from TX Governor Bush and the TX Natural Resource Conservation Commission (TNRCC) regarding the process of designating areas under EPA's eight-hour ozone standard. TNRCC asked EPA to delay the designation process until litigation surrounding the standard is resolved in the court system. EPA expects to respond to TX and other states that have raised concerns over the designation process for the eight-hour standard by early next week. Press reports indicate that citizen and environmental groups in TX are highly critical of the request.

U.S. MISSION TO UNITED NATIONS

- **HIV/AIDS:** On July 17, the Security Council is scheduled to hold an Open Debate on the impact of HIV/AIDS on international peace and security. The session stems from an initiative of Ambassador Holbrooke, who will be speaking during the session. The U.S. Mission hopes to adopt an HIV/AIDS resolution at that time, or soon thereafter, asking troop-contribution states to ensure they are taking precautions with the soldiers they send on peace-keeping missions.

UNITED STATES TRADE REPRESENTATIVE

- **Japan Talks:** On July 17, following up on your July 20 meeting with Prime Minister Mori, Ambassador Barshefsky will travel to Tokyo for talks on telecommunications and other deregulation issues related to the Enhanced Deregulation Initiative. On the issue of telecom interconnection, the U.S. rejected a proposal tabled by Japan that entailed small cuts over a long period of time. The Deputy USTR will travel to Japan mid-week with the goal of finalizing the text of the Third Joint Status report.

SMALL BUSINESS ADMINISTRATION

- **SBA's WebSite:** SBA's award-winning website reached a record of 9.5 million hits this week. By offering a wide range of products and services, the site has been an important resource for small businesses needing help to start or grow their business. Since its launch in 1994, the site has won 14 prestigious awards.

OFFICE OF PERSONNEL MANAGEMENT

- **Federal Career Intern Program:** On July 10, OPM unveiled the *Federal Career Intern Program*, a program designed to make the Federal government a more attractive employer. The intern program, established by your Executive Order, offers participants unrivaled professional experiences and training opportunities that are tailored to meet their professional goals. Individuals hired into the program will fill professional, administrative, or technical jobs in Departments and Agencies through excepted service appointments for up to two years at grades GS-5 through GS-9. Employees who successfully complete the internship are eligible for conversion to the competitive civil service.

SOCIAL SECURITY ADMINISTRATION

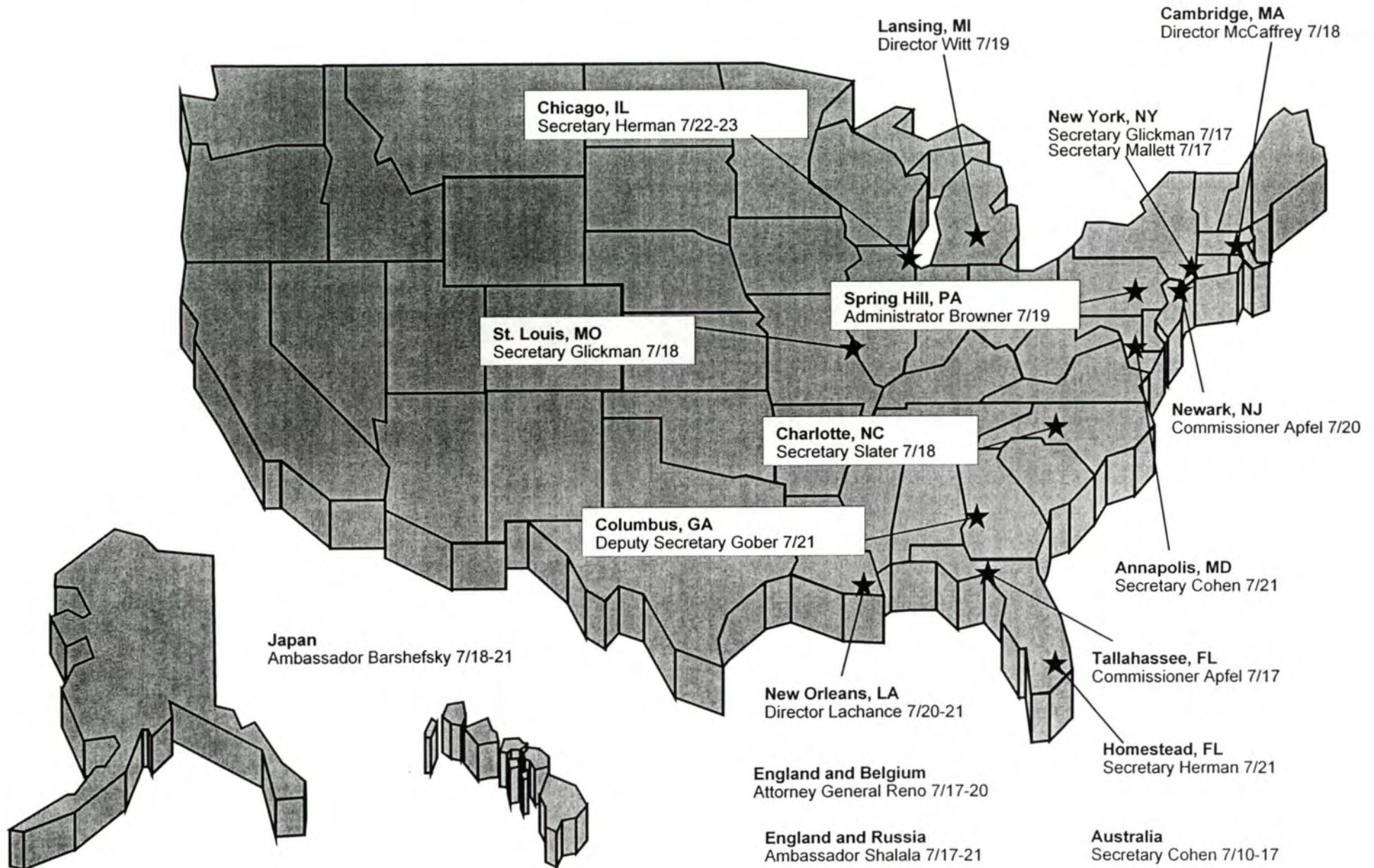
- **Internet Replacement Medicare Card Service:** On July 11, SSA and HCFA launched a new service through the Internet—replacement Medicare cards. Customers can now request replacement Medicare cards via SSA's website. In developing the site, SSA consulted privacy experts and added enhanced security features to allay privacy concerns.

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, July 17 - Sunday, July 23, 2000



7-17-00

00 JUL 14 PM 5:33

THE WHITE HOUSE
WASHINGTON

July 14, 2000

*Copied
MacKay
Padesta*

MEMORANDUM FOR THE PRESIDENT AND THE VICE-PRESIDENT

FROM: Kenneth H. MacKay, Jr. *KHM*
SUBJECT: Special Envoy for the Americas Weekly Report

*JP
idea for a book
for UNCTAD*

Chile Trip: I traveled to Santiago, Chile on July 7th through the 9th, meeting with President Lagos, Justice Minister Jose Antonio Gomez and others responsible for Chile's Judicial Reform. This is a priority of Janet Reno's and I have offered to assist in coordinating U.S. assistance with the ABA, as well as U.S. judges, prosecutors, and law schools. While in Santiago, I attended a Third Way conference with Al From which was hosted by Pres. Lagos. There is strong interest in a full-scale Third Way Conference for Latin America in November or December.

Uruguay: I met with Ambassador Fernandez-Faingold of Uruguay to discuss President Batlle's plans for improved economic integration with the U.S. and his plans to travel to several major U.S. cities over the next few months to highlight the benefits of increased trade. Both Ambassador Kit Ashby and Ambassador Fernandez-Faingold have talked to me about your expressed interest in meeting with President Batlle and are eager to organize such a meeting.

OPIC: On Wednesday, I joined George Munoz at an OPIC meeting for Central America and Caribbean Ambassador to discuss their foreign investment priorities in the region. I travel to Panama next week to promote small and large business investment in the region at OPIC's Central American and Caribbean Initiative Investment forum for U.S. investors. This forum is the first of its kind since you signed the CBI enhancement legislation and will be a good opportunity to emphasize continued commitment to the region and the FTAA. In addition to highlighting the services OPIC offers to investors, we will discuss a possible initiative to support the financing and construction of housing.

Mexico: On Monday, July 17, I travel to Mexico to meet with President Zedillo and President-elect Fox to deliver your letters, discuss the future of U.S.-Mexico relations, and the priorities for a Fox visit to the U.S. later this year. I will also meet with representatives of the business community and civil society to hear their assessment of the direction of our relations.

Haiti: I am working with the NSC and others in our Administration, as well as the Ambassadors to the Organization of American States, to address the shortcomings in Haiti's elections. CARICOM sent a mission to Haiti last week to meet with presidents Preval and Aristide and resolve the dispute over seven Senators designated as winners without all the ballots counted. The OAS pulled their mission from Haiti prior to the second round of elections in protest. The seven Senators give Aristide's party a super majority needed to change the constitution. CARICOM has taken an unprecedented leadership role in this international effort and intends to remain engaged on this, working with the OAS, the EU, and the Friends of Haiti.