

Tab B - Cover memo and memo at Tab B: Podesta Ricchetti



7-31-00

RECENT INFORMATION ITEMS
FOR THE WEEK ENDING
JULY 28, 2000

7-31-00

THE WHITE HOUSE
WASHINGTON

July 29, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ADAM ROSMAN *AR*
JUSTIN COLEMAN *JC*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- (A) **MacKay memo re: Mexico and Panama trip report** -- Buddy reports on his recent travel to Mexico, where he met with President Zedillo, President-Elect Fox and Foreign Minister Greene; and Panama, where he extended greetings to President Moscovo and met with Foreign Minister Aleman. In Mexico, Zedillo focused on unresolved economic issues from your earlier meeting, acknowledging that negotiations are continuing on sugar, tuna labeling, and trucking disputes and expressing hope that they will be resolved before his term ends in December. In his meeting with Fox, Buddy confirmed that you will meet with the President-Elect in Washington on August 24th, and offered briefings on any topic, including organization of the EOP and substantive issues. In Panama, Buddy had an extended discussion with Foreign Minister Aleman, who expressed Panama's frustration at being "blacklisted" by Treasury, OECD and others. In response, Buddy recommended that they set out to make Panama a model of good banking regulation.
- JP* (B) **Wofford memo re: National Service** -- Harris reports that he is optimistic about reauthorization for AmeriCorps and national service but notes that he will need your help in the final push after the August recess. He reports that 46 governors have now signed a letter in support of the reauthorization legislation -- a strong show of bipartisan support that should help the legislative effort. (A copy of the letter is attached.) At this point, Harris sees no strong opposition to bill, but believes it is crucial that you let the leadership know that you expect Congress to pass the legislation this fall.
- (C) **NYT article re: Quantum Mechanics (via Lane)** -- Neal forwards an article on the famous "Schrodinger cat" thought experiment that offers an unusual, but insightful way of understanding quantum computing.

THE WHITE HOUSE

WASHINGTON

July 28, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE-PRESIDENT

FROM: Kenneth H. MacKay, Jr. *KHM*

SUBJECT: Special Envoy for the Americas Mexico & Panama Trip Report

MEXICO: I traveled to Mexico July 17-19, where Ambassador Davidow and I met with President Zedillo and President-Elect Fox. In each case, I delivered your personal letter of congratulations.

In the meeting with President Zedillo, I emphasized the legacy of democracy that he leaves, as well as our desire to continue to work closely with him over the next five months. President Zedillo focused the conversation on the unresolved and economic issues from your earlier meeting and acknowledged that the negotiations and dispute resolution regarding sugar, tuna labeling and trucking were continuing. He asked that I convey to you his personal sense of urgency that these issues be resolved, if possible, before the end of his term, December 1, 2000. I assured him I would convey his message, and let him know that Ambassador Fisher of USTR would be in Mexico City on July 23. I also reminded him of your corresponding sense of urgency on the telecommunications dispute with Telmex.

My conversation with President-Elect Fox was also straightforward and productive. His primary concern was to set an August date to meet with you and we were able to confirm with him the August 24th date. I offered briefings on any topic, ranging from the organization of the Executive Office of the President to substantive issues and will follow-up with Maria Echaveste and Arturo Valenzuela on this. Fox is keenly interested in helping small business throughout the country, which was a major campaign commitment. We agreed to facilitate a meeting with Aida Alvarez of SBA, George Munoz of OPIC, James Harmon of Ex-Im Bank, Larry Harrington at the IDB, and others. We also provided information on the Vice President's anti-corruption initiative. Fox also said he will travel to meet with Chile's President Lagos and will explore Third Way initiatives with him.

In addition, I met with Foreign Minister Greene who was feeling victorious for having paved the way for Italy's Parliament to give political approval for the Mexico-EU FTA. Mexico now has FTAs with 27 countries and is negotiating with Panama and Japan. Greene confided that she will not attend the inauguration of President Fujimori and that Mexico's Ambassador will be present. In meetings with members of the American Chambers of Commerce, the U.S. Mexico Business Council, the Inter-American Dialogue, and various journalists we discussed the political challenges facing the PAN and PRI, trade disputes, and labor's changing role.

PANAMA: I also traveled to Panama July 19-20, where Ambassador Ferro and I had an extended discussion with Foreign Minister Jose Miguel Aleman. The topics covered included remaining Panama Canal issues, but particularly Panama's frustration at being "black-listed" by

Treasury, OECD and others. My response was that this issue is central to their aspirations to become the "Hong-Kong of the Americas," and I strongly recommended that they undertake to make Panama a model of good banking regulation.

I also extended greetings to President Moscoso who participated in OPIC's Central American and Caribbean Initiative Investment forum with me. George Munoz brought together CEOs of major corporations from the United States and the Caribbean Basin to explore opportunities for investment and create new partnerships. This was a highly successful meeting.

7-31-00

July 28, 2000

MEMORANDUM TO THE PRESIDENT

From: Harris Wofford *Harris*
Subject: Reauthorization of National Service

Good

JP/SK
What about
that - what's
80 (must do)

As the fall legislative season looms, I want to report very good news on our progress in getting AmeriCorps and national service reauthorized, and to alert you that we will need your very strong help in the final push. With the bipartisan support we have built and the necessary pressure from you directly with the Congressional leadership, we can win reauthorization this year.

copied
Podesta
Ricciardi

You may have heard that the bill passed out of the Senate Labor Committee last week on a voice vote (with only one voice against – Senator Sam Brownback of Kansas). Senators Kennedy and Jeffords (who are piloting the bill) had some hope that it would pass the Senate Friday by unanimous consent procedure. In the rush to recess on Thursday, that could not happen, and so we are now looking for action in September.

As I have reported in previous memos, we have had a number of breakthroughs in our longstanding effort to develop bipartisan support. One major announcement will occur sometime in August. Through the personal efforts of our new Board member Governor Marc Racicot, 46 Governors have now signed a letter in support of the reauthorization legislation. For your information, I enclose the text of the letter. Governor Racicot is working hard to secure the few Governors who have not yet signed the letter. When he completes his work, this letter will be an extraordinary demonstration of the strength AmeriCorps has around the country and a very important boost for the legislative effort.

At this juncture, no strong opposition to the bill has surfaced – though there is a diminishing coterie of opponents in the House. Our challenge is to get enough attention to the bill in the final days to make sure it gets passed. Our Senate and House sponsors will be pressing the leadership for action, and the Governors' letter will be a powerful impetus. But our key legislative supporters (including John Kasich and Chris Shays, as well as Ted Kennedy and Jim Jeffords) believe that now is the time crucial for you to indicate to the leadership that you want and expect Congress to pass this legislation this fall.

You and all of us here have worked long and hard to reach this point. Success is within our reach. To get reauthorization enacted this fall is just the right upbeat and forward-moving note to close this chapter of your great Presidential leadership on service. With your timely help, we can do it.



July 10, 2000

The Honorable Trent Lott
Majority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Thomas A. Daschle
Minority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Richard A. Gephardt
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Senator Lott, Senator Daschle, Speaker Hastert, and Rep. Gephardt:

As Governors, we have long been involved in and concerned with volunteer efforts in our respective states. We have seen the progress of young people inspired by older students, the importance of trained hands helping after a disaster, and the pride of a senior sharing his or her time with a child in need of mentoring.

For these reasons and many more we write in support of reauthorizing and extending AmeriCorps and other national service and volunteer programs administered by the Corporation for National Service.

Governors have built an outstanding state-federal partnership in operating national service programs. Governor-appointed state commissions that direct financial resources and membership within states are successfully administering AmeriCorps.

As Governors, we recognize the value of national service as a tool in meeting important needs in our states. We have seen national service at work in our states. We do not want to lose this force for good in our communities, states, and country.

We fully support the National and Community Service Amendments Act of 2000 and strongly urge Congress to pass this legislation.

Sincerely,

Assistant to the President
for Science and Technology

July 27, 2000

Mr President:

Thought you might enjoy this nice writeup on the famous "Schrödinger's Cat" thought experiment, that illustrates the weirdness of quantum mechanics. But it's precisely that weirdness that makes such things as quantum computing feasible.

Best,

Neal

Refining the Cat's-Eye View of the Cosmos

By GEORGE JOHNSON

STARTLING as life in the subatomic realm can seem, with particles existing both here and there or darting to and fro at the same time, people have been able to take some small comfort in knowing that the "real" world doesn't work that way. Though made of the very same stuff that marches to the dictates of quantum theory — the laws that explain how particles behave — solid objects obediently occupy one place at a time and are never seen moving in two directions at once. It may be hard to tell whether a torpid cat, barely blinking its eyes, remains among the living. But that is a far cry from the mythical cat in the physicist Erwin Schrödinger's oft-recited thought experiment, which is placed in a state of being dead and alive at the same time.

When quantum rules are applied to the domain of creatures and things, the result is nonsense. "When I hear about Schrödinger's Cat," Stephen Hawking once grumpily de-



Finding links between the subatomic realm and the 'real' world.

clared, "I reach for my gun."

Last week, the taunting feline (along with the image of Dr. Hawking pulling a revolver from a holster on his wheelchair and blasting the poor kitty to bits) was evoked once again. Experimenters at the State University of New York at Stonybrook showed more decisively than ever that quantum effects can indeed exist in the larger world — you just have to know how to look for them.

One of the most pressing questions in science is why the universe seems to operate according to two sets of laws. If scientists are so sure of quantum theory, one of their proudest creations, then why is it so flagrantly spurned here in the ordinary world? The new experiment may nudge theorists closer to an answer.

While physicists have yet to produce a quantum cat or even a quantum microbe, the Stonybrook team showed that a tiny wire loop a little wider than a human hair — but monstrous by subatomic standards — can indeed hover in the kind of ambiguous state Schrödinger puzzled over. As reported in the British journal *Nature*, the researchers cooled the ring to near absolute zero and

showed that a current consisting of billions of electrons could be coaxed to spin around it in two directions at once, clockwise and counterclockwise.

Other scientists had already demonstrated that single atoms or molecules could be placed in the catlike condition known as quantum superposition. By achieving what is known in the trade as a macroscopic quantum state, the Stonybrook researchers have raised the bar much higher. As a headline in *Nature* put it, "Schrödinger's cat is now fat."

Most physicists, in fact, are surer than ever that everything, no matter how portly, is quantum at heart. Why then don't we see these weird juxtapositions?

In Schrödinger's fantasy, a cat is placed in a box with a vial of deadly hydrogen cyanide gas and a lump of some radioactive substance like uranium. If the uranium decays, it will shoot out a piece of nuclear shrapnel, triggering a Rube Goldberg device that smashes the vial and releases the poison. With a 50-50 chance that this reaction will occur, Schrödinger proposed, the

cat could be thought of as being simultaneously dead and alive.

Schrödinger was perfectly aware that when he opened the box and peered inside, the cat would have to be one way or the other. Some physicists have proposed that it is the very act of observation that conjures up the hard edges of the familiar world. Most theorists insist that the observation need not be made by a conscious being — an insentient measuring device will do. Hook an electroencephalograph to the cat to monitor its brainwaves and the continuous act of measurement would keep it from slipping into quantum limbo. Or would the EEG itself fall into an ambiguous state, its needle twitching out "dead" and "alive" at the same time? Then something would have to observe it. Dr. Hawking, get your gun.

It has been tempting to think that as things get bigger, quantum effects somehow disappear on their own. But that begs the question of where nature draws the line. With more and more evidence that size doesn't matter, other ideas are gaining ground. Maybe the quantum fuzz snaps into focus when a collection of particles passes some threshold of complexity.

Most bets now are being laid on a different possibility: that it is simply the interaction with an environment that solidifies the macroscopic world. The particles that make up the cat are constantly jostling each other and being bombarded with air molecules and photons of light. These tiny "measurements" may be all that's needed to keep Schrödinger's Cat at bay.

The feline would be in good company, with everything in the universe — stars and trees as well as scientists — engaged in a buzzing orgy of mutual measurement, keeping the cosmos in line.



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Schrödinger was perfectly aware that when he opened the box and peered inside, the cat would have to be one way or the other. Some physicists have proposed that it is the very act of observation that conjures up the hard edges of the familiar world. Most theorists insist that the observation need not be made by a conscious being — an insentient measuring device will do. Hook an electroencephalograph to the cat to monitor its brainwaves and the continuous act of measurement would keep it from slipping into quantum limbo. Or would the EEG itself fall into an ambiguous state, its needle twitching out “dead” and “alive” at the same time? Then something would have to observe it. Dr. Hawking, get your gun.

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THE WHITE HOUSE
WASHINGTON

July 24, 2000

7-31-00

MEMORANDUM TO THE PRESIDENT

FROM: BETH NOLAN *Bn*
BRUCE LINDSEY
MEREDITH CABE *MC*

SUBJECT: Executive Clemency in Capital Cases

100 JUL 31 2000

The Counsel's Office has been working with the Department of Justice on protocol for filing petitions for executive clemency in capital cases. The proposal is outlined below.

I. Background

Because no execution has taken place in the federal system since 1963, procedures for allowing prisoners on death row to petition the President for clemency have had to be established. Current procedures for applying for clemency in other contexts do not address the special circumstances of capital cases (e.g., that they have a necessary time limit).

Note that some of these procedures will function as internal Department of Justice/Bureau of Prisons guidance, and will not appear in the clemency regulations that are published in the federal register (and eventually in the CFR). The regulations that do appear are advisory only and do not limit your authority, so these procedures can be changed, or waived in an individual case.

II. Procedures

A. Setting an Execution Date

We expect that the Bureau of Prisons will set execution dates as a matter of regular practice – although, as is clear from the Garza case, the sentencing judge also has the authority to set a date. The Bureau of Prisons will set a prisoner's execution date within 60 days after that prisoner's judicial remedies are exhausted (this is defined as when the direct appeal and first habeas petition are decided; if a petitioner does not file a habeas petition, "exhaustion" will occur after his time to file has expired). The Bureau of Prisons will notify the prisoner and his counsel simultaneously of the date that has been set, and of the procedures for applying for executive clemency. Victims' families will also receive notification that a date has been set.

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Nolan
Lindsey
Cabe
Podesta

B. Timing for Clemency Process

The execution date will be no fewer than 120 days from the date the prisoner receives notice that an execution date has been set. The clemency process, then, can take 120 days. Once an execution date has been set, a petitioner will have 30 days in which to file a petition, and 15 more days in which to submit any additional paperwork. The Department of Justice review of the petition and your consideration of the petition will take place in the time remaining.

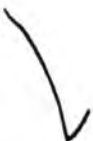
C. Clemency Petitions

Capital clemency petitioners will fill out a standard application form, and will submit character affidavits and other information, as petitioners in other contexts do now.

D. Process for Evaluation/Consideration of Petitions

Petitioners' attorneys will have an opportunity to make an oral presentation to the Pardon Attorney's office as part of the clemency process. Families of victims will receive notice of the filing of a clemency petition, and will also be afforded an opportunity to express views, either to the prosecutor in the case or to the Pardon Attorney's office directly. Neither presentation has a prescribed time limit; the regulations will provide for a "reasonable duration."

If a court orders a stay of execution for a reason other than to permit the clemency process to be completed, the clemency proceedings themselves may be stayed. Victims' families will be notified of the ultimate decision on the clemency petition. The regulations also provide that petitioners will be limited to one request for clemency absent a clear showing of exceptional circumstances.

DECISION:**APPROVE****DISAPPROVE****DISCUSS**

7-31-00

[Faint handwritten notes and scribbles]

cc Stark will
might want to do
p. 24 definition
can do library work

This year at the State Convention the AFL-CIO, Judge Ed Miller and Arthur Gochman gave me a retirement party for going off the DNC, 2000 people came and I think a thousand spoke! It was so nice and I never heard so many good things said about me. I think I have been doing something wrong. I have been cussed, throw out of conventions, called every name in the book. Now

page 2

I am so respectable I can hardly stand it. At the convention they honored me read a proclamation and I received a standing ovation from 9,000 delegates

Now I am feeling important and I am hard to live with. Also I supported a person to replace me who is a good liberal Democrat. Her name is Sue Lovell she served on the State Committee and as a Precinct Chair and she was chair of the Harris County Gay and Lesbian Caucus. They have never had an openly gay person on before, so I thought it was about time. She is not a one-issue person but is a really strong Democrat. She did have opposition but she won and I am happy.

I am working on having the Texas Delegation at the Convention be a Texas Truth Team. We will wear buttons that are shaped like Texas and will say Ask Me About My Governor. We are printing materials that will tell the real record of Bush, we have a lot of good stuff. We will pass it out to other states and maybe some of our people will go to state caucuses to speak to them about Bush. I think we can get news coverage and can really provide information for grassroots Democrats to take home and use.

Now for the November event I wrote you about. Sue Schechter our county chair and everyone else who wanted you to be our guest. Your people told Sue that you did not do things for local parties. I thought that you could have a fundraiser as well for your library or for paying off campaign debts. I feel sure the good old boys (women as well) would put something together. We are still hopeful that you can come after the election.

Under separate cover I am sending you information about a conference that Dr. Richard Murray ask me to give to you. They will be getting hold of you. They also want you to speak at their conference December 7 & 8th maybe the 9th. Maybe we could have Sue's event at the same time.

This letter is turning into a book. You know I am a woman of a few thousand words. Maybe I'll see you in LA. Let me know if I can do anything to help you.

Love,

Billie
Billie Carr

Love you!

Democratic National Committee
Ms. Billie Carr
5307 Beechnut St.
Houston, TX. 77096

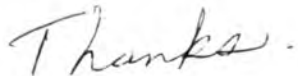
Ms. Nancy Hernreich
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Nancy,

A new letter for the president, Thank you for making sure he gets my letters. I am going to LA for our convention the time is getting closer for Bill to leave. It makes me sad but not as sad as I would be if Bush gets elected. I will be doing what I can for Gore I do think he will win.

Thanks again.


Billie Carr
FOB





JC -

pls have EB do
reply; coordinate
w/ Minyon's office
J (pls call up there
yourself 1st) re:
J footage + getting it to
J the president. Let minyon
I know we'll do reply (unless she
I feels strongly she wants to) @ 7-20-00

n Iris Martin

7/31/00

To EB
for reply

Bruce Lindsey

J 7/17
J 7/17
CC: Minyon M
CC: Steve R

[Handwritten signature/initials]

Dear Mr. President:

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extreme

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you.

I have been in daily contact with
him with the Convention piece.
generous with his advice and su

I hope that you have a great we

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CELL

MAIN RESIDENCE: 807 Black Rock Road

SUMMER RESIDENCE: 550 Crowells Bog Road, Brewster, MA 02601 • 508/896/4011 F

WINTER RESIDENCE: 4295 Columbine Road, Windstream 7 & 8, East Vail, CO 81657 • 970/477/2324 H, 970/476/7186 F

TO JC

7-24

Will you talk to me
about this please, Tex. AR

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am

ith
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d of

7-19-00

Biscuit -

I spoke with
Mary Morrison and
she said Minyon has
footage and said I
should just send to
Minyon - Should I?

o assist

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Yes _____
No X

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/642/7321 F

7-19-00



A Note From Iris Martin

July 14, 2000

William Jefferson Clinton
The President of the United States
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20502

Handwritten:
to 'U.S. President
1/14/00

Handwritten:
7/17 CC: Bruce Lindsey
7/17 CC: Minyon M
7/17 CC: Steve R

Dear Mr. President:

I hope this finds you energized by the Vietnam agreement (what a transmutation!) and progress with the Middle East leaders. I wanted to thank you for the gift of your documentary for the WJC Presidential Foundation. It is an amazing opportunity, and a project that I am deeply moved to be responsible for. You know this has been my dream, and I am extremely grateful to you.

I have spoken to Jordan at the Foundation, and we are moving ahead with production. Next week, I'm dropping off footage we shot with Bob Rubin, Laura Sullivan (Americorp), a Republican Police Commissioner, a Police Inspector, a Pediatric Oncologist and two families (Family Medical Leave Act) that is extremely powerful and will make you very happy and proud. You have changed the world one person at a time, as well as systemically. This is no longer a concept; I have the footage to prove it. I'm so proud of you.

I have been in daily contact with Harry, and will do everything I can to assist him with the Convention piece. He has been a real friend, and very generous with his advice and support--and Minyon was extraordinary.

I hope that you have a great weekend.

CELL PHONE: 610/529/3295

MAIN RESIDENCE: 807 Black Roack Road, Gladwyne, PA 19035 • 610/642/3350 H, 610/642/7321 F

SUMMER RESIDENCE: 550 Crowells Bog Road, Brewster, MA 02631 • 508/896/4370 H, 508/896/4011 F

WINTER RESIDENCE: 4295 Columbine Road, Windstream 7 & 8, East Vail, CO 81657 • 970/477/2324 H, 970/476/7186 F

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Nolan
Lindsey
Cabe
Podesta

THE WHITE HOUSE
WASHINGTON

7-31-00

July 28, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: BETH NOLAN
BRUCE LINDSEY
MEREDITH CABE

SUBJECT: Death Penalty

I. Federal Death Row

Currently, there are 19 inmates on federal death row. Thirteen are black, 4 are white, 1 is Hispanic, and 1 is Asian. Five were Bush Administration prosecutions. The convictions occurred in the following states: Alabama, Arkansas, Colorado, Georgia, Illinois, Kansas, Missouri (2), Pennsylvania, Texas (6), and Virginia (4).

Three more individuals whose juries recommended the death penalty await formal sentencing. One is white, two are black/Hispanic. They were convicted in Arkansas and Missouri (2).

II. Department of Justice Statistical Survey

The Department of Justice has completed a survey of the racial/ethnic composition of defendants and their victims in death penalty-eligible cases that have been submitted by U.S. Attorneys to the Attorney General's capital case review committee.¹ The DOJ survey currently covers the 633 cases submitted between January 27, 1995 (when the review process was put into place) and February 14, 2000.² The DOJ survey therefore does not include data on pre-1995 federal cases;³ cases in which the federal government does not charge a defendant with a death-

¹ The survey covers cases in which a U.S. Attorney has charged a defendant with an offense that can carry the death penalty. Under the Department's death penalty protocol, U.S. Attorneys should submit to the Attorney General for review "all federal cases in which a defendant is charged with an offense subject to the death penalty," regardless of whether the U.S. Attorney intends to request authorization to seek the death penalty. Prior to 1995, U.S. Attorneys submitted cases only when they wished to seek the death penalty.

² Only 12 of the prisoners currently on death row were sentenced during the survey's reporting period. (A total of 15 defendants were sentenced to death during the reporting period, but 3 have since had their death sentences vacated.) Five were charged before the current review process was in place, and 2 were convicted after end of the study period.

³ DOJ is working to include pre-1995 data in the survey, so the final version should be more complete in its coverage.

Q. but if we currently have
inmates for the death row
in, what is the justification
for not having a justification
for the death row?
BS

eligible offense, either out of deference to a state prosecution or for another reason; or cases with a ~~death-eligible charge in which the death penalty is foreclosed as part of a plea agreement.~~

Supra

The DOJ survey includes data at each stage of the Attorney General's review process: submission of a case to the Attorney General's review committee; review of the case and decision by the Attorney General whether to authorize the U.S. Attorney to seek the death penalty; and trial and sentencing. The DOJ survey also includes statistics on defendants broken down by the geographic districts of the U.S. Attorneys' offices that prosecuted the defendants.

In brief, the DOJ survey shows that, of the cases submitted, 19% of defendants were white, and 82% were minorities.⁴ The Attorney General authorized seeking the death penalty against 143 defendants, 29% of whom were white, and 71% of whom were minorities. Of the 143 defendants against whom the Attorney General authorized seeking the death penalty, 49 pleaded guilty prior to trial, and the death penalty authorization was withdrawn. Of those who pleaded guilty and avoided the death penalty, 43% were white, and 57% were minorities.⁵ With respect to geographic disparity, of the 633 total cases submitted to the Attorney General's review process, 267 (or 42%) came from just 5 of the 94 districts. Twenty-five districts did not submit any cases to the Attorney General during the survey period.

DOJ has noted that, while the statistics show the Attorney General's review process is not racially biased – the Attorney General authorized seeking the death penalty against a lower percentage of minority defendants than the percentage of minority defendants whose cases she reviewed – they are aware that many homicide cases are not submitted to the review process at all. And, despite the apparent fairness of the review process, the statistics on federal death row (although limited to 19 cases) do not compare favorably with state statistics. For example, only Maryland has a higher percentage of black prisoners on death row, and no state has as low a percentage of white prisoners on death row.

A brief summary of some of the DOJ survey's findings is attached, as well as a preliminary draft of the survey itself. Also attached is state-by-state information on the race of defendants on death row and a recent article from the *Chicago Tribune* about racial disparity in plea bargaining in the federal system.

III. Matters for Response/Further Study

The Department of Justice has identified questions about the role of race and geography that we currently lack sufficient information to answer.

- A. Why do five U.S. Attorneys' offices submit cases to the Attorney General at a much higher rate than the other 89 offices, including 25 offices that have not submitted any cases to the Attorney General since the protocol went into effect? A study might look at the pattern of submissions by the U.S. Attorneys' offices

⁴ Percentages may not total 100 because of rounding.

⁵ The statistics on pleas also show that 51% of all white defendants against whom the Attorney General authorized seeking the death penalty entered into plea agreements foreclosing the death penalty. By contrast, only 27% of black defendants against whom the death penalty was authorized pleaded guilty.

taking into consideration, among other things, the charging practices of nearby U.S. Attorneys' offices and state and local prosecutors.

- B. Why are some homicide cases that could carry death-eligible charges not submitted to the Attorney General's review process? Representative rural, suburban, and urban areas could be analyzed to determine the ways in which, and the reasons why, homicide cases are (1) directed to the state or federal system and (2) charged with either capital or non-capital offenses.
- C. Why is there a disparity between the racial makeup of those for whom the death penalty is authorized and those who plead guilty prior to trial as part of plea bargains under which the death penalty is foreclosed?⁶

IV. Who Should Perform Study

Further study could take two basic forms: either (1) a "blue-ribbon commission," like that appointed by Governor Ryan, or (2) the Attorney General could conduct further study. A commission could probably be created by Executive Order, but would require funding to operate. It also seems that it would take far longer for a commission to be created, appointed, funded, and to start its work, much less reach any meaningful conclusions.⁷ Given those considerations, we recommend that the Department of Justice execute a study, or studies, of these issues. In either case, DOJ has estimated that a study of these issues probably could not be completed in 6 months, and is more likely to take at least a year.

DECISION:

AGREE

DISAGREE

DISCUSS

⁶ DOJ is also evaluating steps it could take internally to begin to address some of the issues raised by the statistical survey. Among the options currently under consideration are: (1) directing the Criminal Division and the Attorney General's Advisory Committee of U.S. Attorneys to develop guidelines for deciding which homicide cases to prosecute in the federal system; (2) requiring U.S. Attorneys to submit all capital-eligible cases, regardless of whether the U.S. Attorney intends to charge a capital-eligible crime; (3) and, in cases in which the Attorney General has authorized seeking the death penalty, requiring U.S. Attorneys to seek the Attorney General's permission before entering into a plea bargain that forecloses the death penalty.

⁷ A DOJ study could also have a "commission" element; for example, at the Attorney General's direction, the director of the National Institute for Justice appointed a National Commission on the Future of DNA Evidence to carry out a study of DNA evidentiary issues, including post-conviction testing. That study was supported by a DOJ component but had the input of several "outside" commissioners.

THE WHITE HOUSE
WASHINGTON

Lynne Cutler

can't we get her
a nice surprise
loan from somewhere?

BS

Copied
Podesta
Cutler

7-31-00

Blue Bird 1/7
Add
P.O.
clerk of Lyn Cutler

THE WHITE HOUSE
WASHINGTON

July 27, 2000

Ms. Geraldine Blue Bird
Post Office Box 1705
Pine Ridge, South Dakota 57770

Dear Geraldine:

Thank you for your kind letter. I'm always glad to hear from you, and I appreciate your update. I'm sorry things aren't going so well for you right now, but I want you to know that I've shared your concerns with Lynn Cutler and sent your request for assistance to the Small Business Administration.

The health, comfort, and confidence of my friends on the Pine Ridge Reservation are very important to me. I have wonderful memories of my visit there a year ago and of our chat while sitting on your front porch, and I'm glad that you realized one of your dreams when you moved into your new home.

Best wishes to you and your wonderful family.
You all remain in my thoughts and prayers.

Sincerely,

Bill Clinton

6-23-00

Dear Mr. President

I hope this letter finds you in the best of health. It's been almost a year now since you have been here and before you leave the office I wanted to say Thank you for all you have done for us. I never thought some thing like this would ever happen to people like us. you have given people and the kids on my street so much. By you coming here you have ^{made} my kids feel good about them selves and given hope to them by making them a ^{little} ~~small~~ part of history you have made us feel special and that means alot to people who have so little and have to live day to day: also meeting special people like you, Lynn, Dennis and the Reporters. We have the house and all the beautiful furniture it's better than winning the lottery we were dancing in the street when we got the house for the 1st time we have lots of room it's like a dream I still cant believe it. your friends are wonderful people and I tried to Thank

them the only way I knew how I especially
like Beth she is nice to talk to. I had
friends of mine help me to show them
a little about our culture and gave them
gifts of bead work they have given me
so much a better life. I ~~can~~ have
room for all my machines even a
hospital bed. I never got before because
I had no room for. now its been a big
help. I keep trying to have congested
heart failure. so with the bed it keeps
me relaxed so I sleep a lot better. you
will always be remembered here for ever.
I especially liked your state of the union
address and I want to thank you for
trying to help my people. I had high
hopes for every thing. I would have
like to see got training programs &
jobs for our children I look at Kenny
his 11 and thought 10 yrs from now
he could be working here at a factory
not sitting around or getting in trouble.
but now after you have offered us so
much and a chance at a better future
by letting the world know how life is
here and I had hoped we would
start to take what was offered and be-

7
I
gan a better future for our ~~people~~^{people} and
give them hope. but right on the heels
of your visit we started having trouble
And now it seems like we're going to
lose what you tried to help us with
I'm very disappointed in our tribe I
knew the embargement had to be taken
care of but now it seems to have be-
come personal we lose the focus and
now it's not good. to began with we
had very little and now we have even
less at least we could get \$50.00 for
emergencis but not ^{now} we cant even get
that. when my grandson got hit by a
car 3 wks ago we couldn't even get
\$50.00 to help my son because he
stayed with his boy and needed to
eat till he got help from up there
at the hospital. you will always have
a special place in my heart because
you are a very caring person and
when I shook your hand and you
gave me a hug it made me cry I
knew you really understood the pain &
dispair that we live with here.
I also want to let you know that

Philips Being him back passed
away in may and he had your
picture with him by his bed side
he was so proud to have met you
its things like this that's what you
have given us I just wanted to say
Thank you and also ~~so~~ I'd like to
say I'm very ^{sorry} we never got to met
your wife that will always be our
loss and also to thank you for the
books I gave 2 to the Pine Ridge
High ^{up} library and put the other away
for my granddaughter. Also ~~and~~ I was
wondering if you knew of any grant
programs or some body that would
like to support someone like me
in getting a business started I have
been to the economic development
program & also the empowerment zone
and can't seem to get help from
any where I even went to the banks
but they wanted me to put up my
funds and I won't even ^{consider} ~~consider~~
that at all every thing is going up
and its getting harder to live espec-
ally gas & propane I'm bearylly getting

by with just the basics and no
extras at all. I have been thinking
about a smoke shop I know it would
work if I could get it going I would
do any thing to get back on my own
I feel I'm so tired of just living
day to day month to month I have
been setting up stands at Pow-wows I
tried one June 9-11 but I just broke
even so now I'm going to another one
July 1-4 I have to start on my kids
school clothes now so I will have them
by the time school starts. Well ~~I~~ ~~am~~
~~overwhelmed~~ ~~with~~ I appreciate all
the help you can give me once again
thank you for every thing may God
Bless and watch over you & your
family may only goodness come to
you always

Thank you
your friend from the
Rez
Geraldine Blue Bird
605-861-5687



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July 13, 2000

VINOD GUPTA

CHAIRMAN & CHIEF EXECUTIVE OFFICER
DIRECT LINE 402/593/4575

William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20502

7-31-00

Dear Mr. President:

I have noticed with interest your opposition to the elimination of "estate tax". I firmly believe that estate taxes should be repealed and you should drop your opposition.

"Estate tax" is a double taxation. First, income taxes are paid on our income, and then we pay taxes again in the form of "estate tax". This is confiscatory in nature. There is no room for "estate tax" in today's environment.

During the days of "Robber Barrons", we created "estate tax" so that families could not hoard wealth and transfer to generations to come. But those days are gone. Today, in this country, anyone can be successful and create wealth. Once we pay our income taxes it is not the governments business what is done with our money.

Therefore, I believe that "estate tax" and the "gift tax" should be eliminated. Even a country such as India, a third world country, has repealed "estate tax" and "gift tax". This confiscatory tax costs us more money for accountants, attorneys, and phony insurance scams to get around this "estate tax". If it were eliminated, it would make our lives simpler.

I would suggest that the capital gains tax be increased slightly to make up for the elimination of "estate tax".

I would like to discuss this matter in more detail, if you are interested.

Best regards,

Vinod Gupta



7-31-00

~~1~~

See
- with a head
- need a reply,
PR

cc Terry MCA

copied
Spaulding
Podiatry
Burkhardt
(original for
reply)

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-0509

PUBLIC DOCUMENT

OFFICIAL BUSINESS

Steve R
This is not a comment
to her - this is just
can be kept -

Barbara Lee
M.C.

~~BB~~
The Honorable Bill Clinton
President
The White House

Copied
Ricchetti
Podesta
Brain
Crouch

7-31-00



BARBARA LEE
9TH DISTRICT CALIFORNIA

COMMITTEES
BANKING AND FINANCIAL SERVICES
INTERNATIONAL RELATIONS

REPLY TO
OFFICE CHECKED

414 CANNON H.O.B.
WASHINGTON, DC 20515
(202) 225-2661
1301 CLAY STREET
SUITE 1000 N
OAKLAND, CA 94612
(510) 763-0370



WASHINGTON OFFICE
SANDRE R. SWANSON
CHIEF OF STAFF
DISTRICT OFFICE
ROBERTA CHEFF BROOKS
DISTRICT DIRECTOR

Congress of the United States
House of Representatives
Washington, D.C. 20515-0509

July 27, 2000

7-31-00

The Honorable Bill Clinton
President
The White House

Dear Mr. President:

I am writing to you to request your assistance in securing funding under the FY01 Energy and Water Appropriations bill for the Port of Oakland's 50-ft Dredging project and the Hamilton Airfield Wetland Restoration Project (Port of Oakland-Hamilton Project). Total funding for the two projects is \$23 million.

This project provides funding for the deepening of the Oakland channels and maintenance at the Port of Oakland and utilizes environmentally safe dredge material to the Hamilton Airfield for wetland restoration. The two projects depend upon one another and are vital for maintaining our nation's capacity to engage in international trade. I have attached copies of my request letters, which includes more information.

The current Port of Oakland-Hamilton Project is modeled after the very successful efforts of utilizing dredge material for reconstructing wetlands at the Sonoma Baylands Wetlands Restorations Project, for which you and many Administration officials were instrumental in initiating. The current project provides the same opportunity to combine economic development with environmental restoration.

The Port of Oakland-Hamilton Project is important for the nation and for my district. The Port of Oakland is a significant gateway for international trade for U.S. agricultural products and manufactured goods. Oakland is positioned to play a significant role in U.S.- Pacific Rim trade. If the Port of Oakland-Hamilton Project is not funded, we risk the potential for West Coast foreign shipments being directed to Mexico or Canada, instead of directly to the U.S. This project is pro-environment, pro-economic development, pro-labor and pro-trade. As you are aware, due to funding constraints neither the Senate nor the House bills included funding new starts, including the Port of Oakland-Hamilton Project.

Again, I am requesting your continued assistance and respectfully request that this project is included among the Administration's priorities as the appropriations process moves forward this year. I also want to express my appreciation to John Podesta and Steve Richetti for their attention to this issue.

With best wishes, I am

Sincerely,

A handwritten signature in black ink that reads "Barbara Lee". The signature is written in a cursive, flowing style.

Barbara Lee
Member of Congress

BL/scc

Enclosure


 COMMITTEES
 BANKING AND FINANCIAL SERVICES
 INTERNATIONAL RELATIONS

Congress of the United States
 House of Representatives
 Washington, D.C. 20515-0509
 March 31, 2000

 OFFICE
 333 CANNON TOWER
 WASHINGTON, DC 20540
 202-225-2061
 CHIEF CLERK
 SUITE 1000
 OAKLAND, CA 94612

The Honorable Peter J. Visclosky, Ranking Member
 Subcommittee on Energy and Water Development
 House Appropriations Committee
 1016 Longworth House Office Building
 Washington, DC 20515

RE: FY 2001 Appropriations for U.S. Army Corps of Engineers projects

Dear Ranking Member Visclosky:

As Members of the Northern California Delegation, we are writing to request the Subcommittee provide funds in its FY 2001 Energy and Water Development appropriations bill for two 1999 WRDA-authorized Army Corps of Engineers projects: **\$3 million for the wetlands restoration project at the former Hamilton Army Airfield, and \$20 million for the Port of Oakland 50 foot dredging.**

In addition, we also support inclusion of the following funds to complete studies associated with managing these programs and the federal-state Long Term Management Strategy (LTMS) for Dredge Disposal program: **\$200,000 to complete the LTMS; \$200,000 for a reconnaissance level study to expand the Hamilton project to include adjacent property; and \$200,000 to NOAA to evaluate opportunities for habitat enhancement using dredged materials in the San Francisco estuary area.**

For a decade, a bipartisan consensus has existed among the Northern California delegation that the economic vitality of the region – and the Nation – depend on the effective and reliable dredging of northern California's port facilities. In addition, we have agreed that the gridlock that has sometimes held up such dredging, which has resulted in adverse economic impacts, can be broken through innovative dredge disposal solutions. For this reason, although they are separate projects, the Hamilton and Oakland projects are vitally and importantly related.

As you know, the Nation's economy and economic growth depends in substantial measure on our ability to ensure efficient and cost-effective transshipment of the intermodal freight that carries so much of our import and export commodities. Projections indicate that growth of such cargo with nations on the Pacific Rim will eventually overwhelm the ability of West Coast U.S. ports to handle the traffic efficiently. Unless capacity on our West Coast expands, such traffic will eventually migrate to Canada or Mexico, or be bogged down by substantial delays. The Port of

Oakland project is a critical component of a strategy to boost this aspect of our national infrastructure.

To meet this requirement, the U.S. Army Corps of Engineers' proposes to dredge the Port of Oakland channels in northern California to a depth of 50 feet. This deepening will accommodate the newest generations of deep-draft container ships, and allow them to arrive in Oakland fully laden with cargo, rather than sailing light or waiting, inefficiently, for the tides to create sufficient water to handle the draft of the vessels. At its own expense, the Port will invest more than seven hundred million dollars in infrastructure that will both double the size of its facilities and include a state-of-the-art "joint intermodal terminal" facility to facilitate container transfer to rail for transcontinental shipment. This combination of improvements taken together creates the synergy necessary to maximize the benefits of the Port of Oakland "gateway" for the Nation.

The cost/benefit analysis on this project demonstrates the robust return that the Nation will receive on its investment. This is no marginal project -- it is critical to our national economic well-being. For this reason, the Corps of Engineers has worked closely with the Port to move the dredging project forward on an accelerated schedule. Congress agreed that the project was vital and last year included it in the Water Resources Development Act of 1999.

In order to get construction started in a manner that is timely to this urgent national requirement, we must get started in FY 2001 to meet the urgent timetable. To do that, Congress must appropriate the funds to start construction in the 2001 Fiscal Year appropriation cycle.

The second project would develop the former Hamilton Army Airfield as a wetland restoration project. The Corps of Engineers, working with the State Coastal Conservancy as a local sponsor, would utilize dredge material to restore the property to a tidal marsh. This is a key element of the federal-state partnership known as the Long Term Management Strategy for Dredge Disposal.

Earlier this decade, Congress authorized and appropriated funds to construct the very successful Sonoma Baylands Wetlands Demonstration Project. That project demonstrated that we can use dredge material to jump-start wetland restoration processes throughout the Bay. This can lead to critical habitat restoration and provide a proper balance of growth and environmental protection. One essential element of that plan is to use material at Hamilton from the Oakland harbor-deepening project -- the most significant dredging project in the San Francisco Estuary for some time to come. These projects constitute one of those areas where industry and the environmental community have come together in common cause. It is truly a win-win for both, and the Congress has taken the lead in collaboration with the Corps in moving this strategy forward.

Despite the overwhelming merit of the two projects and the strong support by the Corps of Engineers, the administration has disappointingly declined to include either project in its budget submission for FY 2001. We urge the Subcommittee to correct this

unfortunate shortcoming, and put these projects back on schedule as envisioned doing in WRDA 1999. Very seldom do we have such a clear opportunity to accommodate economic growth and improve the environment simultaneously.

We thank you for your thoughtful consideration of this request. We cannot overstate how important these projects are to the economic well being of the Nation and our State. They are modest investments in the future of our economy, but ones that will create enormous dividends for current and future generations of Americans.

Sincerely,

Barbara Lee

Lynn Woolsey

Mike Thompson

Inna G. Eshoo

Pete Stark

Cal Dooley

Ellen Tauscher

Tom Lantos

George Miller

Robert J. Matsui

Tom Emphull -

Nancy Pelosi

cc: Chairman Ron Packard, House Energy and Water Appropriations

7/29

Joe L

Joe Conaton says
he has been calling
~~for~~ with several times
no one return -

He wants to come see
us - I want to do -
Pls stop soon

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Lockhart
Street
Podesta

7/30

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7-31-00

California Rep. Martinez Ready to Switch to Republican Party

By JULIET EILPERIN
Washington Post Staff Writer

Eighteen-year veteran Rep. Matthew G. Martinez (D-Calif.) is planning to switch parties today, according to Republican sources.

A longtime liberal from the Los Angeles suburbs who was defeated in a primary in March, Martinez bucked congressional Democratic leaders after he lost to state Sen. Hilda Solis.

While the switch has no immediate impli-

cations for the close battle over control of the House—Solis is heavily favored to win the majority-Latino district—it demonstrates the extent to which the parties are jockeying for the majority.

House leaders have showered Martinez and Rep. James A. Traficant Jr. (D-Ohio), who also faced a primary this spring, with favors for months. Traficant announced recently he would support returning House Speaker J. Dennis Hastert (R-Ill.) to the speakership next year.

Martinez declined to return calls yesterday, but Republicans said he would make his announcement with Hastert after the GOP's regular conference meeting this morning.

As a senior Democrat on the House Education and Workforce Committee, Martinez resisted centrist Democrats' efforts to promote federal support for charter schools. An ally of labor who received an 87 percent rating from the American Civil Liberties Union in 1998, he sponsored President Clinton's National Community Service Bill and has supported

funding for Head Start and student loans.

Though House Democratic leaders remained neutral in his primary fight, Martinez, like Traficant, has publicly attacked them for abandoning him.

"The Democratic leadership made me a free agent when they turned their back on me," he told the Pasadena Star-News. "Now I can keep voting according to my beliefs and not worry about what the leadership thinks."

House leaders allowed Martinez and Traficant to offer a successful amendment this

spring boosting the minimum wage by \$1 over two years and have regularly conferred with the two on close votes. Martinez supported the GOP's bill to eliminate estate taxes and the party's prescription drug plan.

In light of these recent votes, Democrats said they were not surprised to learn Martinez was considering switching.

"I don't think it's a shock, but whenever you lose somebody in the flock, it's always hurtful," said Rep. John B. Larson (D-Conn.).

Plea Bargains Favor Whites in Death Penalty Cases, Study Says

By MIKE DORNING
Chicago Tribune

White defendants are more likely than black defendants to work out plea bargains saving them from the death penalty in federal cases, according to an analysis of 146 cases prosecuted since Congress reinstated federal capital punishment in 1988.

An analysis of data collected by a private group that works with defense lawyers in federal cases comes as the Justice Department conducts its own study of geographic and racial disparities in the imposition of the death penalty.

Among federal cases in which the Justice Department decided to pursue the death penalty and that reached a courtroom on the issue, 60 percent of white defendants have avoided capital punishment through a negotiated settlement. Typically, those plea bargains result in life sentences or long prison terms but spare the life of the defendant.

By contrast, 41 percent of black defendants in those cases have reached such an agreement with prosecutors, according to an analysis of data collected by the Federal Death Penalty Resource Counsel Project, which tracks federal capital cases for federal public defender organizations.

Questions about the role of race in the imposition of the death penalty have been an enduring source of controversy. Many civil rights leaders and members of the African American community have expressed suspicions that subtle influences or outright discrimination lead the justice system to place a lower value on the lives of black defendants and victims. Surveys consistently show much lower levels of support for the death penalty among blacks than within other racial groups.

President Clinton signed a major expansion of the federal death penalty in 1994. His administration has overseen

prosecution of most of the capital cases brought since the federal death penalty was reinstated in 1988.

But last month, Clinton voiced his concern at a White House news conference over "the disturbing racial composition" of the federal prison system's death row.

Of the 21 federal inmates awaiting execution, 13 are black, according to the Federal Death Penalty Resource Counsel Project. Four are white, among them Timothy J. McVeigh, who was convicted of carrying out the Oklahoma City bombing.

This month, Clinton ordered the postponement of the first federal execution in

40 years, which was scheduled for Aug. 5, until the Justice Department could establish clemency procedures and complete a review of racial and geographic disparities in death penalty cases.

"Plea bargain numbers alone can be misleading," said Justice Department spokesman Myron Marlin. "They do not show how often pleas are offered or the rates at which they were rejected or accepted."

"By just looking at the plea bargain numbers, one cannot tell the severity of the offense involved, the strength of the case or considerations affected by judicial rulings during the course of the trial."

7-31-00

~~Blinsky~~

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Lindsey
Podesta

7-31-00

House Approves a Compromise Measure To Give Economic Relief to Impoverished

By JIM VANDEHEI

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The House approved a plan to provide economic relief to the nation's poor and then launched a campaign aimed at embarrassing Vice President Al Gore—all with an eye on the coming conventions.

The House voted 394-27 for unique legislation that would allow Republicans and Democrats to simultaneously test their ideas to spread prosperity to the nation's poorest cities and rural communities.

The compromise, which President Clinton and Speaker Dennis Hastert of Illinois struck after months of intense meetings, would offer businesses tax and regulatory incentives to invest in poor areas. Overall, it would reduce federal revenues by \$21 billion over 10 years.

For Republicans, the measure would establish 40 "renewal communities" to test their belief that tax incentives will lure business to inner cities and spur economic growth. The most tantalizing part for businesses is the elimination of capital-gains taxes on any asset held for five years in these renewal zones.

Republicans also won a concession to allow faith-based organizations to receive federal funds to help eradicate drug use in renewal communities, an idea touted by Texas Gov. George W. Bush, the Republican presidential candidate.

Tax Incentives and Public Funding

The Democrats, meanwhile, will apply their solution—a mix of tax incentives and increased government funding—to 40 "empowerment zones," a proposal long advo-

cated by Mr. Gore, the Democratic presidential candidate. Democrats believe their plan to offer "new market tax credits" to people who invest in their zones will generate \$15 billion in new private equity.

President Clinton is expected to sign this legislation as soon as it clears the Senate, which will likely happen when Congress returns from its five-week August break.

"Despite the strongest economic growth in this nation's history, too many people living in America's poorest neighborhoods are still being left behind," said GOP Rep. J.C. Watts of Oklahoma, a sponsor of the legislation.

A Move to Embarrass Gore

Meantime, Republicans slipped in a vote on legislation that would bar states from executing pregnant women, a move clearly aimed at harassing Mr. Gore, who had recently bumbled his response to a question about such executions. The legislation passed 416-0.

On "Meet the Press" two weeks ago,

Mr. Gore was asked about his position on executing a pregnant woman. Mr. Gore responded: "Well, I don't know what the circumstances would be in that situation. I would, you know, it's an interesting fact situation. I'd want to think about it." A day later, he held a news conference to declare his opposition to executing a pregnant woman and said he would give her the option of delaying her death until the child is born.

Mr. Bush, by comparison, said he would support postponing such an execution "because there's a second life involved."

Under the current "innocent-child principle," the federal government is barred from carrying out a death sentence of a pregnant woman. It doesn't, however, apply to executions carried out by the states.

Talking Points Are Distributed

The GOP distributed talking points to lawmakers showing that the provision was timed to embarrass Mr. Gore.

"If a member agrees with Al Gore that it is permissible for the government to kill

the unborn child if the mother doesn't request a delay in her execution, then he or she should vote against the bill," the talking points read.

Tomorrow, Republicans will hit Mr. Gore for his tie-breaking vote in 1993 that increased taxes on upper-income Social Security recipients. Over the weekend, Majority Whip Tom DeLay of Texas hit the talk-show circuit, repeatedly calling the tax increase the "Gore tax"—the same label Republicans used earlier this year when they blamed the vice president for casting the decisive vote to raise gasoline taxes in 1993.

The Republican bill, which cleared the Ways and Means Committee with only one Democratic vote, would free wealthier seniors from paying taxes on their Social Security benefits.

Currently, seniors who earn more than \$32,000 are forced to pay taxes on as much as 85% of their benefits. About 22% of Social Security recipients pay this tax, which, on average, cost them nearly \$1,200 a year.

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CAMPAGNE PRESIDENTIELLE 2000
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Wsc - FYI - R

Bonivert Claude
Candidat à la Présidence
600 N Pine Island Road, Suite 450
Plantation FL 33324

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Podesta.

THE PRESIDENT HAS SEEN

7-31-00

THE WHITE HOUSE

WASHINGTON

July 28, 2000

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Spesling
Podesta
Richetti

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORT

New Markets - House Action: On Tuesday, the House passed the negotiated package of New Markets / Empowerment Zone / Renewal Community legislation (394-27). The bill includes your complete New Markets Initiative (New Markets Tax Credit, APICs and New Market Venture Capital Firms); extension and expansion of current Empowerment Zones and 9 new Round 3 Zones; the Republican "Renewal Community" proposal with tax incentives for 40 communities; an increase in both the Low Income Housing Tax Credit and the Private Activity Bond cap; and a "charitable choice" provision clarifying that faith-based organizations can compete for grants from HHS for drug abuse counseling. In order to bring the bill directly to the House floor, Speaker Hastert conceded to Chairman Archer that the increase in the Low Income Housing Tax Credit would not be immediate, but would be phased-in over 6 years; that DC would convert to a "Renewal Community" upon the expiration of existing DC tax incentives in 2002; and that the zero capital gains tax for EZ investments rolled over into other EZ firms would apply only to new EZ investments going forward. Speaker Hastert has given us a private commitment to improve the LIHTC and DC incentives in conference.

There was considerable House debate on the so-called "charitable choice" provisions for drug abuse counseling. These provisions clarify that religious organizations may apply for grant funding from HHS' Substance Abuse and Mental Health Services Agency on the same terms as other organizations. NEC, DPC, WH Counsel and DOJ staff negotiated protections for program beneficiaries, assured that alternative non-religious providers will be available, and preserved States' rights to set licensing requirements for drug abuse counselors. The most contentious issue is whether religious organizations retain their Title VII exemption that allows them to prefer hiring members of their own religion. We adopted the same approach embodied in the Welfare Reform Act, i.e. that this bill does not affect whatever existing Title VII exemption may apply in this context. DOJ's Office of Legal Counsel and WH Counsel advise that this area of the law is unsettled, but that the Administration's approach is constitutional; the most vocal dissenters, such as Rep. Bobby Scott, contend that this bill suggests that publicly funded organizations may discriminate in their hiring.

On Friday, Bill Marshall, Bruce Reed, and I meet with fifteen different representatives from various Civil Rights and Religious Groups, including Wade Henderson and Rabbi David Sapperstein, who are very concerned about the Charitable Choice provision. Their main concern is that the provision could be interpreted as setting a Bob Jones like precedent for federally funded religious discrimination by allowing Title VII exemptions to faith based organizations receiving federal funds. They claimed that even Floyd Flake has now taken their position. We explained to them just how essential a compromise on this specific issue was in the overall New Markets agreement between you and the Speaker, but we pledged to continue to work with them as we move forward on Senate negotiations.

New Markets - Senate Action: On Wednesday, Senator Robb introduced his version of the New Markets legislation (with 15 co-sponsors) at an event where John Podesta and I offered remarks. In addition to the House-passed package, the Robb bill *includes*: 10-year mandatory funding for Round 2 Empowerment Zones (we support, but negotiated \$200 million of funding in the House); immediate increases and cost-of-living indexing for LIHTC and Private Activity Bonds (we support, and did not receive these provisions in the House bill as explained above); authorization for the Delta Regional Authority (an Administration initiative); a new grant program for trade-impacted communities (we support the goal, but believe this is more ambitious and expensive than Administration alternatives that Congress has previously rejected); a homeownership tax credit for lenders that provide low-cost second mortgages to low-income homebuyers (we support the goal, but have concerns about the mechanics); a historic home renovation tax credit for homeowners that renovate historically significant residences (we are concerned about the disproportionate benefit to higher-income people); and a tax credit for the donation of computers to schools in low-income areas (we support the goal, but prefer the Administration's proposals in this area). The Robb bill *excludes* the charitable choice provisions discussed above, and replaces them with a requirement that HHS establish an outreach office for religious organizations and other nonprofits, and that the IRS provide technical assistance to such organizations that would like to establish separate corporations to operate programs funded by the federal government. NEC staff closely assisted Robb's office with the provisions dealing with New Markets; we did not work with them on the additional material.

On Wednesday, the Senate Small Business Committee marked up the portions of the other Senate New Markets bill (lead co-sponsors are Santorum/Lieberman) dealing with New Markets Venture Capital program. By amendment, the Committee narrowed the eligible investment area in metro areas only, by reducing the eligible income levels from tracts with median income equal to <80% of area median to tracts with median income equal to <60% of area median. We are concerned that this diminishes the economic viability of NMVCs and interferes with the coordination between the New Markets Tax Credit and the NMVC program. We are beginning to strategize about how bring Santorum/Lieberman and Robb together.

Bankruptcy: Following up on your conversation with Senator Lott, Chuck Brain and I met with Senator Lott's staff to explain how they could address the concerns you raised in your June 29th letter. We provided them with language that would: (1) drop the Fair Debt Collection Practices Act (FDCPA) amendment; (2) include a cap on homestead exemptions of \$250,000; and (3) include a revised version of the Schumer amendment without specific reference to reproductive health or abortion. On Tuesday, Lott's staff called to say that they were proposing instead to: (1) drop the FDCPA amendment; (2) include a homestead cap of \$500,000; (3) drop the Schumer amendment and the Hyde alternative language currently in the conference report (i.e., maintain

current law; this is a small step backward from even the Hyde language); and (4) include a "means test safe harbor" that would provide that below median income debtors would not be subject to the means test analysis. The safe harbor provision would make a modest difference in streamlining the bankruptcy process for these debtors (few if any of whom will be found to have sufficient income to repay any debts), but this does not address our fundamental concerns with the inflexibility of the means test. However, it is a significant symbolic move.

In addition, although there are rumors that Rep. Arney wants to include a bankruptcy provision sought by the Rent-to-Own industry that was rejected by the Democrats (and Chairman Hyde) during conference negotiations, Senator Grassley has assured White House staff that the Rent-to-Own language is not part of the Republican counteroffer. Senator Hatch, the proponent of the FDCPA amendment, has also made numerous press statements noting that he has not agreed to drop his amendment. In an effort to clarify exactly what is in and what is not in the counteroffer, we have asked the Republicans to outline their offer on paper. Until we receive such a paper offer, we do not intend to formally respond.

The response to the Republican counteroffer on the Hill has been mixed. Senators Leahy, Schumer and Kennedy continue to urge you to oppose the bankruptcy bill, because the Republicans have not addressed the clinic violence issue. On the other hand, Senator Johnson is circulating a letter for his colleagues' signature urging the Congress and you to support the counteroffer. Senator Johnson's staff claims that they have five Senators whom have thus far signed on to their letter.

Medicare Prescription Drugs: In the Senate, there has been very little progress on the Medicare prescription drug front. Two weeks ago, Senator Roth offered a prescription drug proposal that rejected the House Republican private insurance model and instead established a drug benefit within Medicare. The plan did raise a number of significant concerns. It requires Medicare beneficiaries to accept additional cost sharing for other Medicare services, such as home health, in order to receive the drug benefit. In addition, it does not provide generous drug coverage, requires a \$500 deductible and omits a stop-loss. Nonetheless, Senate Democrats were heartened that Roth had taken a good first step in proposing a Medicare drug benefit. Senate Finance Democrats also sent a letter to Roth, supporting his efforts and asking that he eliminate the higher cost sharing and improve his drug benefit by providing more funds.

However, instead of strengthening his plan, Roth apparently bowed to pressure from Republican leadership and was forced to backpedal. At the next Finance Committee meeting on July 27th, Roth merely provided three Medicare drug benefit options for consideration by the Committee in advance of a possible mark-up in September. The first option was a version of his original plan. The other two options (both preferred by Republican leadership) are the Breaux-Frist plan, which adopts the House Republican private insurance model, and a block grant program for States, at their option, to provide drug coverage only to low-income Medicare beneficiaries. Clearly, neither of these plans meets your principles for a drug benefit: a voluntary and universal Medicare benefit that is affordable, meaningful and accessible. While Finance Republicans have not publicly supported Breaux-Frist, it appears more and more likely that the Breaux-Frist plan will be the plan marked-up by Finance, because it is preferred by a majority of Finance Republicans, Breaux and possibly Kerrey (who is a co-sponsor of Breaux-Frist).

Immigration: Over the last week, the NACARA and late registry issues that are part of the H-1B proposal heated up, particularly in the Senate. We have been working very closely with Hispanic Caucus and Senate Democrats to find the best strategy for passing these measures and showing Republican transience on these measures. The good news is that there is now significant coordination between, the Hispanic Caucus, the Senate Democrats and the White House on the importance of a highly visible fight on these issues. There still remains, however, some division beneath the surface on the best strategy for getting there. The White House and the Hispanic Caucus are still inclined to insist on a fairly tight linkage between movement of the H-1B and the two Hispanic immigration provisions. The Senate Democrats and high-tech House Democrats are more focused on strategies to de-link the two measures, raise their profile, and, hence are hoping that the White House can somehow prevail on them in some end game package. Our concern is that their strategy may simply be a convenient way for some democrats to give in on H-1B and simply shift the responsibility for passing NACARA and late registry to the White House. Despite this underlying tension, there was a strong unified press conference on Thursday, that included Senate Democrats (Reid, Kennedy, Durbin,), the Hispanic Caucus (Roybal-Allard, Becerra, and Gutierrez) and the White House (Sperling, Echaveste). Roybal-Allard read a letter from the Vice President and Maria read a statement from you. Senate Democrats who have packaged their provisions into the "Latino and Immigrant Fairness Act of 2000" were very clear in stating that the Republicans refusal to allow a vote on this proved that the Republicans only talk the talk when it comes to Latinos issues. Maria and I will hold a strategy session this week to discuss how to further get out our message.

Follow-up on Global Digital Divide: We will be meeting next week with the U.S. private sector to discuss follow-up to the Okinawa summit on the global digital divide. We hope to set up a meeting with you and high-tech CEOs to build on the momentum generated by the G-8. We are also meeting internally to decide how to best include the private sector and developing countries in the Digital Opportunities Taskforce (the "dot force.")

Release of the Commerce Steel Report: On July 26, I joined Commerce Secretary Norman Mineta in holding a press briefing on the Commerce Department's report on the U.S. steel crisis of 1998. You instructed Commerce to prepare the report as part of your 1999 Steel Action Program. The report chronicles how a surge of steel imports during the second half of 1998 caused severe problems for the U.S. industry, resulting in six U.S. steel companies going bankrupt and more than 6,600 steel workers losing their jobs. The report also explains that the 1997 international financial crisis triggered the steel crisis. The downturn of economies in Asia, Russia, and Brazil caused domestic demand for steel to plummet in affected countries. In contrast, the robust U.S. economy created increased demand for steel here. While imports increasing due to changing economic conditions ordinarily would be unobjectionable, the report demonstrates that the 1998 steel import surge was fueled by widespread unfair trade practices – improper low-pricing (or dumping) and foreign government subsidies. The situation was exacerbated by long-term problems in foreign countries – such as government efforts to prop-up failing steel companies.

Sen. Hollings and Deutsche Telekom: The NEC has held several interagency meetings on Sen. Hollings' rider to the CJS appropriations bill, which would, in effect, bar the takeover of a U.S. telecom firm by any foreign firm that is more than 25% government owned. Hollings' immediate goal is to block Deutsche Telekom's proposed acquisition of VoiceStream, a wireless telecom carrier. USTR believes such legislation would be in violation of our commitments in the 1997 WTO telecom agreement. We also believe the legislation is unnecessary, because we can deal with the concerns Hollings is raising through existing regulatory and antitrust processes. Nevertheless, there is considerable support for Hollings' approach in the Congress. We are working with CEA staff to analyze the merits of Hollings' arguments and the likely effects of his legislation. We will use the August recess to brief congressional staff and in other ways try to head off a legislative battle.

THE PRESIDENT HAS SEEN
4-31-00

THE WHITE HOUSE

WASHINGTON

July 28, 2000

'00 JUL 28 PM5:02

MEMORANDUM FOR THE PRESIDENT

FROM: TERRY EDMONDS
THROUGH: JOHN PODESTA
SUBJECT: NEW SPEECHWRITER

*Call to him
bring him to office
at 10:30 AM*

As you know, Lowell Weiss recently left the Office of Speechwriting to join the political consulting firm, Voter.Com. We have a candidate we would very much like to hire, John Pollack.

Pollack spent several years as a speechwriter for David Bonier, where he developed a special expertise in the areas of science, technology and the environment. Before that, he was a writer and spokesman for the League of Conservation Voters. He has also been a reporter and has also authored a book on journalism. A graduate of Stanford, John also has the distinction of being the 1995 World Pun Champion. *gon*

John has been a finalist in our office several times before. We are happy that he was available for the current opening, and feel that he will bring a lot of energy, creativity and political savvy to the job.

We would like to offer you the opportunity to meet with John before we make him a final offer. If you do not have time, please let us know, and we can proceed to hire him. For your reference, we have attached his resume and a selection of writing samples. Thank you.

*copied
Edmonds
Podesta*

John D. Pollack
1628 19th Street NW, #40
Washington, DC 20009
(202) 986-3462
jdpollack@aol.com

Experience

- 2000 Communications Consultant**
- Clients include nonprofits, Internet companies and the U.S. Department of State.
- 1997-1999 Speechwriter for the Democratic Whip, U.S. House of Representatives**
- Wrote all prepared remarks for Democratic Whip David Bonior, including House floor debate, policy speeches, rallies and press conferences.
 - Drafted op-eds for publication in national media.
 - Worked closely with policy aides and political advisers to develop message strategy.
- 1997 Author, *The World On a String: How to Become a Freelance Foreign Correspondent***
- Published by Henry Holt and Company, New York.
 - Used as a journalism text at Columbia University and the University of Missouri.
- 1996 Campaign Manager, League of Conservation Voters**
- Directed independent expenditure campaign on conservation issues against U.S. Rep. Helen Chenoweth, in Idaho.
 - Developed political and press strategy, organized grass-roots campaign and served as campaign spokesman to state and national media.
- 1994-1996 Project Manager, Henry Ford Museum & Greenfield Village**
- Directed planning, construction, operation and marketing of a new Amtrak station at major American history museum in Dearborn, Michigan.
- 1993-1994 Communications Director, U.S. Senate Campaign**
- Developed political and press strategy for \$1.2 million U.S. Senate primary campaign in Michigan, serving as spokesman to state and national media.
 - Directed opposition research and drafted written campaign materials.
 - Worked previously as field organizer on gubernatorial, U.S. House and Senate campaigns in Michigan (1988, 1990).
- 1991-1993 Foreign Correspondent, Spain**
- Staffed Madrid bureau of the Associated Press as a stringer covering breaking news, politics, business and sports. Also filed for AP Radio.
 - Wrote regularly for the *Los Angeles Times* as its designated Spain stringer, and filed for the *Miami Herald*, *USA Today* and *Advertising Age*.
 - Worked as a production assistant for CNN, ABC News and NBC Sports.
- 1989-1990 Correspondent, *Hartford Courant***
- Covered daily news in central Connecticut for statewide paper.
- 1984, 1985 Strolling Violinist**
- Performed as solo musician in summer resort restaurant on Mackinac Island, Michigan.

1983, 1987

Field Assistant, Geophysical Expeditions to Africa

- Conducted scientific studies and did manual labor on summer research expeditions to Botswana, Zimbabwe and Tanzania.

Education

Stanford University, BA in American Studies, with Distinction, 1988.

- News Editor, *The Stanford Daily*.
- Organized student exchange with the University of Novosibirsk in the USSR.
- Sailing Instructor.

Other

- Fluent in Spanish.
- Extensive travel on seven continents. Lived in Africa and Europe.
- 1995 World Pun Champion.
- Currently building the world's first cork boat.

**Statement by
Congressman David E. Bonior (D-MI)
Ebenezer Baptist Church
Atlanta, Georgia
February 18, 1998**

As I stand at this pulpit today, I am humbled.

Humbled to be speaking in a sanctuary made holy not simply by more than a century of worship within its walls, but also made holy by the memory of a singular, eloquent voice for justice.

A voice for justice that even today echoes in our minds, stirs our souls, and makes our hearts ache.

One might be tempted to say that everything which could be said about justice from this pulpit probably has been said, and more eloquently than I can ever hope to say it.

But America's journey to justice is not over, and so we come together today to stand up and speak out ... to raise our voices for economic justice.

A justice built upon the essential promise of opportunity that lies at the heart of the American covenant. A promise of opportunity that too often eludes those who work the hardest, and those who need it most.

This promise of opportunity brings to mind the book of Exodus.

Let me read Chapter 23, Verse 10.

"For six years you may sow your land and gather in its produce. But the seventh year you shall let the land lie untilled and unharvested, that the poor among you may eat of it and the beasts of the field may eat what the poor leave."

For six years now, America's economy has grown, and many in this country have prospered. For that I am thankful, and I do not suggest that we now lay down our tools, nor step out from behind the plow.

But if we contemplate this passage as it applies in today's world, we must acknowledge that not everyone has enjoyed the fruits of this prosperity.

Not everyone has a stock portfolio.

Not everyone carries a laptop computer.

Not everyone is confident of their place in a world that gets more crowded, and more complicated, every single day.

So as we enter a new century, we must be mindful of those who are not yet getting ahead, but instead barely getting by.

People who go to work every day.

People who are raising their families.

People who pack a lunch, punch a clock, and pour their heart and soul into every single paycheck.

People who wonder if their job will still be there next week, next month, or next year.

Now is the time for them to share in America's prosperity.

Now is the time.

We come together in a period of great change.

No longer is our prosperity governed merely by the ebb and flow of local, state or even national economic tides. In the new global economy, capital moves in swift and mighty waves. And as we have recently seen, economic storms halfway around the globe can threaten us here at home, too.

As we navigate these uncertain waters, we are guided by the constellation of our values. Values that sustain us. Values that have always inspired American democracy.

We need to invoke these values once again.

Last fall, when we stood up against those who would have us rush our trade agreements through on a Fast Track, we called for a new kind of engagement with the global economy.

Engagement built on democratic values.

Engagement based on a respect for human rights.

Engagement grounded in the fundamental belief that global prosperity and human dignity are not mutually exclusive, but two sides of the same coin.

Do not underestimate what we accomplished in stopping Fast Track. We began to change the terms of debate over how the United States should engage the new global economy.

Good wages, labor rights, the environment, food safety. We said these have to be a part of America's international agenda.

And the public agrees with us.

We said America must develop trade agreements that help not just the speculators and multinational corporations, but also working families.

Working families like those from Wilton, Maine, where G.H. Bass & Company made shoes for 122 years, until last week when the company announced it was moving production abroad in search of cheap labor.

Working families like those right here in Atlanta, where AT&T closed down its phone repair facility and sent hundreds of jobs to Mexico, as soon as NAFTA

made it profitable.

Working families like those all across America, who have seen thousands of textile jobs – jobs with decent wages and health benefits – disappear over the horizon.

America can do better than that.

And we will.

Ours is not an easy journey, but we do not travel this path alone.

Yes, others have come before us.

It wasn't so long ago that people like John Lewis – who honors us with his presence today – braved billy clubs and snarling dogs to stir a nation's conscience.

We have come a long way, and we have a ways to go.

As I said, others have broken the trail for us.

Almost 100 hundred years ago, America was confronting a new century. It was a time of great economic and social upheaval. Many of the standards we have today were still being forged in a great furnace of change.

Today, most Americans take their right to a safe workplace for granted.

But it wasn't always so.

It took a deadly, raging fire inside a New York sweatshop to ignite the movement for workplace safety.

Today, most Americans take an 8-hour day for granted.

But it wasn't always so.

In 1913, thousands of Colorado miners had to strike for an 8-hour day.

Their tent camp was burned and 11 children were killed. All for an 8-hour day!

Today, most people just assume the food they buy at the supermarket is safe to eat.

But it wasn't always so.

At the turn of the century, crooked meat-packers were selling rotten beef to a powerless public. It took *The Jungle* – a novel by Upton Sinclair – to expose this deadly fraud and spark a movement for food safety.

That was an era of great change. Our history teaches us that unchecked market forces are no guarantee of social progress. Indeed, they only tend to concentrate wealth and power, not foster greater democracy.

Today, as we approach the 21st century, we are grappling with these very same issues, but in a global context. And unless we stand firm, unless we think creatively, unless we speak out, the gains of an American century will soon get washed away in the riptides of global finance.

In the wake of Fast Track, many experts in Washington and on Wall Street are starting to consider this argument more carefully. They no longer find their own explanations convincing. Grudgingly, they acknowledge that America does need a new approach to the global economy.

We don't have all the answers yet.

But we know that American workers shouldn't have to compete with people making a dollar a day.

We know that pollution won't just stop at a dotted line on the map. When factories in Juarez dump their waste into the Rio Grande, the pollution turns up in the water Texans use for drinking, washing and irrigating crops.

We know that our health is threatened by imported produce. Produce sprayed with illegal pesticides and cultivated with dirty water.

We don't have all the answers, but we know there is a better way.

Just this morning, we visited an auto plant right outside Atlanta that is a model of productivity.

Management and the Union work hand in hand, cooperatively, to build some of the world's finest cars.

Productivity doesn't demand a race to the bottom.

Good wages, labor rights, a clean environment, food safety – these are the building blocks of a better future. In today's global economy, they cannot be separated from issues of international trade and finance.

The journey we embark upon today is a journey to make these connections clear. This is a journey to listen to real people, not just the economists, the think tanks, and the experts who tend to dominate Washington.

The journey we embark upon today is not simply a bus trip from Atlanta to Columbus, or from Tallahassee to Wacahoota. No, this is a part of something much greater.

It's the start of a journey toward understanding.

A journey toward hope and renewal.

A journey toward a better future.

A better future not just for people here in the United States, but for working people around the world. Because there are people around the world, good people, who are risking their lives every day for the rights we Americans already enjoy.

We need to be on their side.

We need to stand in solidarity with people like Muchtar Pakpahan, the labor leader in Indonesia who spoke out for labor rights and was jailed by a corrupt dictator.

We need to stand in solidarity with the brave young workers at Han Young, a chassis factory in Tijuana, who have been organizing the very first independent union among the 2,700 maquiladora factories on the U.S.-Mexican border.

We need to stand in solidarity with Wei Jingsheng and Wang Dan, the Chinese dissidents who have championed human rights even in the face of prison, torture, and death.

Their struggle is our struggle.

Because we can make a difference.

We helped pressure South Africa with economic sanctions, until the walls of Apartheid crumbled, and a great leader like Nelson Mandela walked free.

I will be the first to admit: these things may seem far away -- Johannesburg and Jakarta are a long way from Georgia.

But as Dr. King wrote once wrote: "Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all indirectly."

Never have those words been more true than today.

In an age when global capital races at the speed of light over all the barriers that once separated nations and populations, in an age when the very fabric of our environment seems stretched to its limit by a demanding world, we do find ourselves tied in that "single garment of destiny."

There are those who tell us not to worry.

There are those who tell us to be patient.

Let the torrents of global capital run their course, they say, and all boats will eventually rise. Just give it time.

Dr. King was very perceptive about such arguments for the status quo.

"It is the strangely irrational notion," he wrote, "that there is something in the very flow of time that will inevitably cure all ills..."

"We must come to see that human progress never rolls in on wheels of inevitability. It comes through the tireless efforts and persistent work of men willing to be co-workers with God, and without this hard work time itself becomes an ally of the forces of social stagnation. We must use time creatively, and forever realize that the time is always ripe to do right."

Yes, now is the time to do right.

Now is the time.

I will concede that doing right is not always easy.

We see that in life.

We know it from the Bible.

In the Book of Numbers, Chapter 13, we find the story of the 12 scouts. In it, God commands Moses – who had led the Jews out of slavery in Egypt – to send 12 scouts ahead, to the top of a mountain, to survey the Promised Land.

Upon return, they brought Moses a cluster of grapes, and told him: “We went into the land to which you sent us. It does indeed flow with milk and honey, and here is its fruit.”

But they were afraid, and added words of caution. “All the people we saw there are huge men, veritable giants,” the scouts said.

“We felt like mere grasshoppers, and so we must have seemed to them.”

Only two of the scouts, Joshua and Caleb, were optimistic.

“The country which we went through and explored,” they said, “is a fine, rich land. If the Lord is pleased with us, he will bring us in and give us that land, a land flowing with milk and honey.”

God was angry with the doubters, and he punished them. It was the optimists, those of faith, who went on to inherit the Promised Land.

That ancient story is analogous to the situation we confront today.

Many people say that the forces arrayed against us are giants.

Indeed, they sometimes cast daunting shadows.

But under the noontime sun, these shadows will disappear.

So today we stand at the dawn of new opportunity.

And though we will surely have to sweat through the summer heat,

Though our legs will tire and our feet will blister,

Though we may get thirsty and curse in the desert of frustration,

At the end of our journey – at the end of our journey – the mighty dam will burst, and the floodwaters of economic justice will surge into the valley of hope and opportunity.

We board the bus today knowing that our journey for economic justice – a journey for human dignity in a changing world – is not new.

We merely carry the torch on one leg of a much longer journey, a journey we cannot hope to complete in a week, a month or a year.

But we take this opportunity to listen, to learn, and to gather inspiration.

As we set off today, we are grateful to those who came before us.

We go forth secure in the knowledge that – guided by the compass of our values – we are heading in the right direction.

Justice may still lie over the horizon.

But the world is getting smaller, and our pace is quickening.

Market Scene

Trail Coming to an End for Spanish Shepherds

■ Migratory routes give way to highways and railroads. But legislation aims to preserve a piece of the past.

By JOHN POLLACK
SPECIAL TO THE TIMES

POBLADURA DE ALISTE, Spain—In this isolated hamlet where stooped women still plow rocky plots with yoked oxen, the day that the shepherds return triumphant each year from distant summer pastures may soon pass into village history.

Smelling as earthy as their language, seven weary shepherds have just spent two months in the mountains, herding about 6,000 sheep and a score of goats along a winding, nationwide network of trails that a Spanish king granted their forebears some seven centuries ago.

These aging shepherds—like a dwindling number of others throughout Spain—have made few concessions to the modern world over the years, and the modern world has treated them in kind.

Now, the trails they regularly follow have been crisscrossed by busy highways, blocked by illegal construction and despoiled by illicit dumping. Slowly but

surely, many such trails are fading from the Spanish landscape.

And as the old shepherds die, the trails they have walked are fading from memory too.

"It's ending," said head shepherd Antonio Pascual Calvo, at 49 among the group's youngest. "It's too bad."

Spain's Agriculture Ministry, concerned that an important element of Spanish culture may soon vanish forever, is working on new legislation to protect the estimated 78,000 miles of trails from further encroachment. Its passage may come next year.

"We've reached a critical point. Either we protect them now, or we won't have the migratory routes," said Jose M. Mangas Navas, who is coordinating the project under the auspices of the National Institute for the Conservation of Nature.

Recognizing that fewer than 2% of Spain's estimated 23 million sheep ever use these routes—*vias pecuarias*—one plan calls for turning some routes into a network of hiking trails.



JOHN POLLACK / For The Times

Atllano Silva Calvo, 66, said he has been herding sheep for half a century.

Shepherding has a history in Spain stretching back thousands of years. According to historian John A. Crow, the great seasonal migrations of ancient days were interrupted by the Moorish invasion in AD 711, then resumed in the 13th Century as Christian forces reconquered vast tracts of land in their march south.

During this period, a powerful shepherds' union secured extensive rights of way from



King Alfonso X (1252-1284), and the annual migration, or *trashumancia*, became the stuff of Spanish song and legend.

Today, many of these rights of way still stand, but the great migrations have given way to railroads, industrial farming techniques and a predominantly urban society. Mangas said only about 300 sheep herders make the long journeys along the trails today, exact numbers are not known. Still, an estimated 400,000 sheep and a relative handful of cattle and goats are driven along the old trails every year.

Manolo Santos, 28, a local shepherd's son who works as a waiter in Madrid, said the shepherd's life is just too hard. Like other young men, he has moved to a modern city in pursuit of shorter hours, better pay and a

more comfortable lifestyle.

Home to help separate his father's animals from their woolly look-alikes, he gets nostalgic about the shepherding tradition—but only to a point.

"You can come here for a month of vacation, but you can't live this way. It's slavery," he said.

The lack of young shepherds to replace those retiring is perhaps a greater threat to this way of life than the depressed price of lamb on the world market.

"If things keep going the way they are, in 10 years there won't be a *trashumancia*," said Javier Teres Landata, an environmental biologist who is helping document the situation for the Agriculture Ministry.

With relatively few written records to go on, the ministry has sent aerial photographers aloft and researchers out in four-wheel-drive vehicles, tracking down old shepherds and transcribing their meandering memories onto modern maps.

"It's a slow and difficult process," said Mangas, whose researchers must first gain the trust of shepherds who perceive them as nosy city slickers.

Shepherd Atllano Silva Calvo, 66, who carries a curved crook oiled smooth from the wool of countless sheep, said he has trekked to and from the distant mountains for half a century but that none of his four children are following in his footsteps.

"You do it because you have to," he said, brushing aside some buzzing flies. "In good weather, it's OK. In bad weather, it's bad."

For Silva and his fellow shepherds, ominous clouds loom. A few bureaucrats and politicians are doing what they can to save the pathways, but they can't halt the march of time.

Los Angeles Times

Sept. 29, 1992



7/31/00

www.arktimes.com

Arkansas

THE PRESIDENT
Butt
 ARKANSAS TIME
are more like him, we ought to get them out - RBC

*copied
 Lindsay
 Podesta*

■ JULY 14, 2000

ARKANSAS'S WEEKLY NEWSPAPER OF POLITICS AND CULTURE



**Salute to
 Coward**
PAGE 19

**Juanita's
 big shows**



**'Scary'
 send-up**
PAGE 27

Castings—Page 26

THE INSIDER

City politics

Paura Graves, the queen of Little Rock, will be throwing her nightie at the Little Rock arena soon.

Graves has decided to run for the Little Rock Board of Directors in November, hoping to unseat City Director Paul Kelly.

Developers and other big business types who are tired of Kelly's opposition to Little Rock business-as-usual encouraged Graves to run. She has a moderate political voice, high name recognition and isn't readily identifiable with the developers who have been mortified by Kelly's work on urban sprawl, inadequately justified



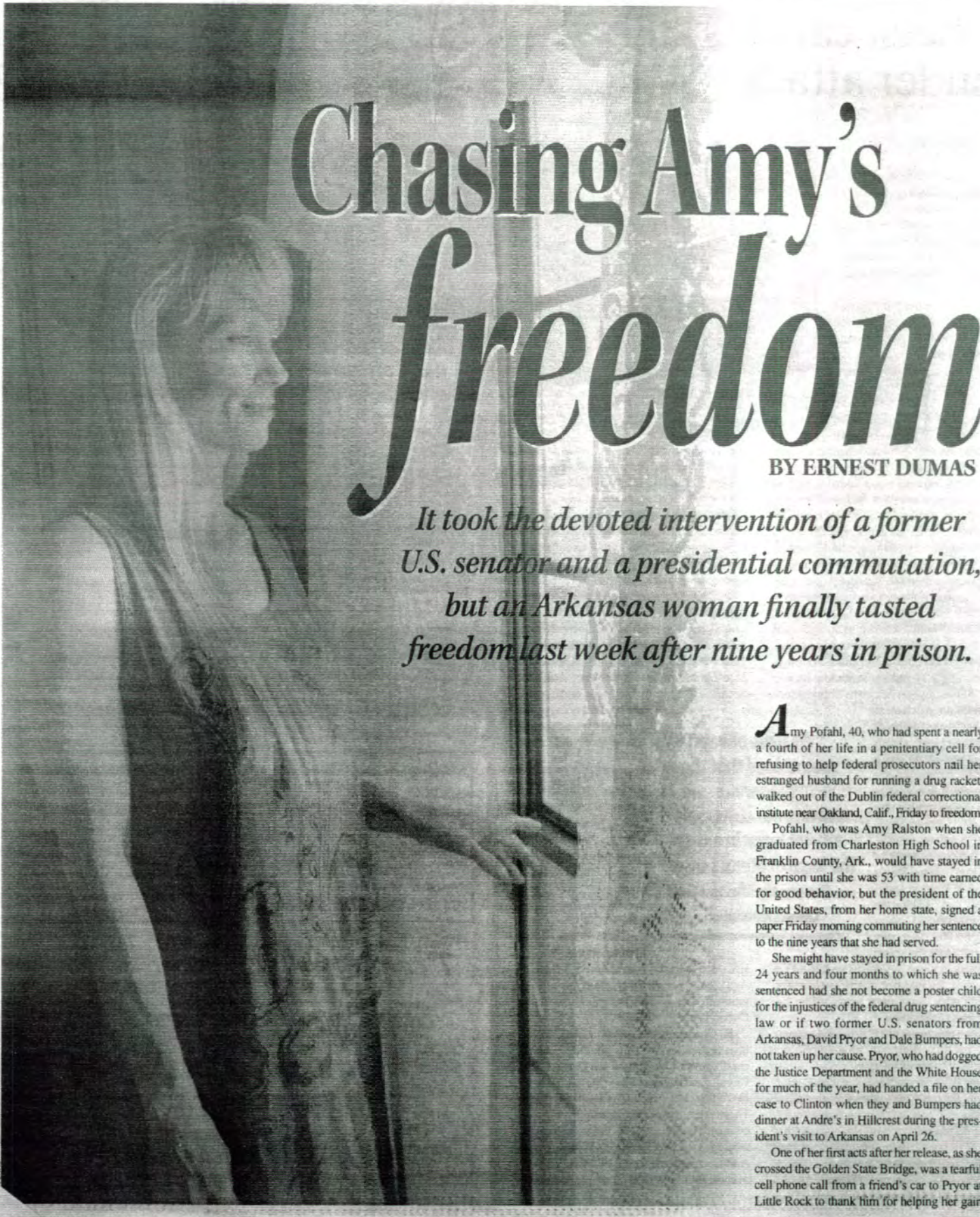
See page 3

Arkansan Amy Poehler became a symbol for injustice against women in husband-wife crimes. Now, thanks to David Pryor and President Clinton, she's free.

PAGE 10

FREE AMY

BY ERNEST DUMAS



Chasing Amy's *freedom*

BY ERNEST DUMAS

It took the devoted intervention of a former U.S. senator and a presidential commutation, but an Arkansas woman finally tasted freedom last week after nine years in prison.

Amy Pofahl, 40, who had spent a nearly a fourth of her life in a penitentiary cell for refusing to help federal prosecutors nail her estranged husband for running a drug racket, walked out of the Dublin federal correctional institute near Oakland, Calif., Friday to freedom.

Pofahl, who was Amy Ralston when she graduated from Charleston High School in Franklin County, Ark., would have stayed in the prison until she was 53 with time earned for good behavior, but the president of the United States, from her home state, signed a paper Friday morning commuting her sentence to the nine years that she had served.

She might have stayed in prison for the full 24 years and four months to which she was sentenced had she not become a poster child for the injustices of the federal drug sentencing law or if two former U.S. senators from Arkansas, David Pryor and Dale Bumpers, had not taken up her cause. Pryor, who had dogged the Justice Department and the White House for much of the year, had handed a file on her case to Clinton when they and Bumpers had dinner at Andre's in Hillcrest during the president's visit to Arkansas on April 26.

One of her first acts after her release, as she crossed the Golden State Bridge, was a tearful cell phone call from a friend's car to Pryor at Little Rock to thank him for helping her gain

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PHOTO: KELLY

Amy Pofahl

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"This is an extremely important development. One can hope that this is the beginning of the release of hundreds, if not thousands, of low-level offenders from the federal prison system."

"The way this law has been applied is a scandal and an outrage. Overwhelmingly, the Department of Justice has focused the enormous firepower of these laws against low-level and medium-level offenders." He said the sentencing law had filled the prisons with wives, girlfriends and others with marginal functions in the drug trade while the big dealers escaped punishment or negotiated short terms and probation by cooperating with the government.

Amy Pofahl's attorney, David Parker of Rockwall, Texas, noted the effect in the Pofahls'

separate cases. Sandy Pofahl had much to tell prosecutors — he apparently did come completely clean, naming everyone in the manufacturing and smuggling operation that he had directed — so the government negotiated a plea in which he served no prison time and reported to a probation officer for three years. Amy had little to tell them, Parker said, and the full weight of the government came down on her.

Amy Pofahl's prosecutors tell another story. Charles Strauss of San Antonio, one of her prosecutors, says he's still convinced that Amy had plenty to tell but just never did. He doesn't believe her protestations and those of her champions that she knew nothing about the manufacturing and sales operations until her husband told her after his arrest.

"It's just bunk," Strauss declared Monday. He had filed a brief with the Justice Department opposing her commutation. "I

always felt that it was stupid that she insisted on being tried instead of cooperating with the government and thus subjected herself to that type of punishment. But it was her stupidity, not the government's."

It did not help, Parker said, that Pofahl was egregiously represented by a court-appointed attorney at Waco. (The government confiscated all her assets so she went to trial as a pauper.) Parker, who took her case several years ago at the request of his former law teacher in California, said he was appalled by the legal errors and disinterest in the course of her trial and afterward that he discovered in the record of the case.

"Amy would have been better off if she had gone out and gotten the first cab driver off the street to represent her," Parker said Sunday. "She wouldn't have gotten a day more time."

Amy reported to her probation officer at Fort Smith Monday afternoon. She must undergo supervised probation for five years and pay the \$10,000 fine that was added to her prison sentence. She said she would stay at her parents' home at Charleston for a spell — her father, Bob, was the town's mayor for a while and her mother, Nancy, was once the editor of the weekly newspaper.

"There's a lot of healing that needs to take place," she said. She was merely thankful to be out of the tiny cell she has been sharing with two women since the medium-security prison became crowded with a surge of illegal aliens. Most of the women there are drug offenders.

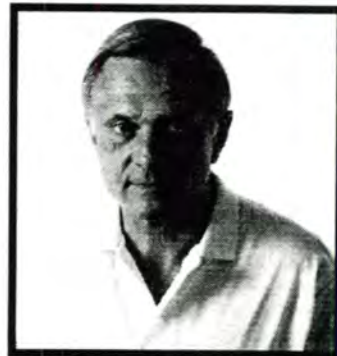
Without the president's clemency, she would have gotten out of prison in 2012, presuming she continued to earn 54 days a year against her sentence for good behavior. In the nine years and three months at FCI Dublin, she received only two official reprimands — one for making a three-way telephone call and the more serious when a guard came around the corner of her barracks and caught her opening a can of sardines to feed to stray cats. The prison was trying to rid the grounds of strays.

AMY RALSTON BY HER ACCOUNT was a shy girl more interested in the 4-H Club than in boys when she went to high school at Charleston, a small town (pop. 2,100) east of Fort Smith whose most famous son is Dale Bumpers, the governor and U.S. senator.

At 19, after a year of college, she went to Dallas hoping for a modeling career. She was 25 when she met Sandy Pofahl, a 44-year-old business tycoon. Pofahl had received a law degree from Stanford University but built a Texas fortune in banking, real estate, petroleum and computers. He took her to dinner and introduced her to Ecstasy, a psychedelic drug that was legal at the time. The balding Pofahl was not a swashbuckling figure, but he was urbane, gallant and generous. She fell in love and they were married in the fall of 1985.

They lived the good life in Dallas: a ritzy home in fashionable Highland Park, nice cars, travel. He made her a vice president of Commonwealth Bancorp, one of his enterprises.

MDMA, or Ecstasy, had been produced since the 1920s and was sold as a diet aid and promoted by marriage therapists because it gave people a feeling of warmth and intimacy. It was, and still is, popular at nightclubs. Before they



"If there was ever a case that cried out for clemency, this is it." —David Pryor

were married, Sandy Pofahl saw the business potential in marketing the drug so he and a Dallas chemist, Dr. Morris Key, formed Ecstasy International Export and Import Organization and set up an organization to manufacture, market and distribute the tablets.

It was the first time that Pofahl's sense of business timing failed him. In 1986, as their Ecstasy business began to take off, Congress passed the minimum-sentencing law to crack down on the burgeoning cocaine and heroin trade on big-city streets. That October the federal Drug Enforcement Agency added Ecstasy to the schedule of illegal drugs, placing it in the highest category with heroin and cocaine.

Amy says that she and her husband continued to get the pills and use them although they were banned, but she maintains that she did not know that her husband had moved the manufacturing operations offshore and set up a smuggling operation. The pills were made in Guatemala and Germany. She says she just presumed he had a supplier.

In January 1988, the Pofahls separated — a result of his drinking and flirting, she said. She moved to California and started a career as a nightclub promoter. She developed friendships in the entertainment industry.

After a year on the West Coast, her husband visited her and they reconciled. He arranged to rent a house that they would share on his visits. But he first had to make a business trip to Germany. It was there the next week, in February 1989, that German agents arrested him for violating German laws prohibiting the manufacture of unlawful drugs. He and Dr. Key would maintain that they thought the vague German laws permitted Ecstasy. Key was arrested in New York and extradited to Germany to stand trial.

Her husband sent her coded messages by fax pleading for her help and directing her to where he had money. He would need cash to make bail and to pay attorneys. She was eager to get him out of jail and to help him any way she could. It was a fatal mistake. She rounded up the money, ultimately more than \$750,000, but the German courts denied bail and she kept the money hidden.

Federal agents kept her under surveillance and searched her house from time to time. In September 1989 federal drug agents raided her house and seized six Ecstasy tablets from a coat left by her husband and \$7,000 in cash. One agent told her she was in deep trouble.

Agents and prosecutors questioned her and, she maintains, wanted her to visit Sandy in



HAPPIER DAYS: Amy Pofahl with her ex-husband, Sandy, whose drug smuggling led to her nine years in federal prison.

Germany and wear a body microphone. She refused. She told them nothing about the money she had gathered for him or anything else about his business. She says she considered it immoral for a wife to betray her husband, whatever he had done.

"They asked me to cooperate and get my husband. It went totally against my grain."

Sandy was convicted of violating German drug laws and was sentenced to six years. He served only four. He agreed to cooperate fully with the U.S. agents. In a debriefing statement he detailed the whole operation from the start, naming more than a dozen collaborators in the manufacture and distribution of the pills in the United States. He told agents that he had shielded Amy from knowledge of the operations until his arrest, when he sent her messages about it and arranged for her to round up money for his bail and legal defense. He then sent her a message saying he had owned up to everything and that she should go to attorneys and tell them everything, including where the money was. She says she didn't trust them and didn't do it.

When Amy was charged, Sandy and Dr. Key offered to testify that she was kept ignorant of the scheme but her court-appointed attorney said they would not be needed. He would maintain later, when he was accused of aiding and abetting, that he thought they were credible witnesses.

Her account of her rounding up money for the scheme had stashed it sufficiently implicated her in the scheme. The investigation of Amy Pofahl, who lost her job after agents questioned her fellow employees and her friends about her activities. She began hiding the money she had hidden for her husband in Florida for three months.



AMY POFAHL: A poster child for the injustices of the federal drug sentencing law.

When she returned, she was arrested on March 27, 1991, and charged with money laundering and conspiracy to manufacture, import and distribute an illegal drug.

Although the drug activity had not occurred at Waco and she had never been there, the government moved to have her tried there, where the court was celebrated for drug convictions. The government had seized all her assets, including her car, bank accounts and credit cards, so federal

Judge Walter Smith appointed John Hurley, a Waco lawyer, to represent her. Hurley advised her to plead guilty and get the best deal she could from the government, but she insisted on a trial. She says she would have pled guilty to the money-laundering charge, which would have earned her a five-year sentence, because she did find and hide the money and perhaps even to aiding and abetting her husband but that she was charged under the conspiracy statute with running a gigantic illegal drug operation.

The government prosecutor says she was stupid to insist on a trial because they probably would have arranged a reduced sentence if she had pled guilty. "I don't think it's the kind of thing that's appropriate in a democracy," Amy said this week. "I exercised my right to go to trial so I got sacked. I don't think that's the way the system is supposed to work. The kingpin got three years probation and I received 24 years in prison. What's wrong with this picture? How do they answer that?"

Her trial was short. The law was on the government's side. Under the 1988 conspiracy statute, all the government had to do to prove a conspiracy was to show that she had some role, no matter how small, in the operation. The jury of eight women and four men found her guilty on all three counts. The government contended at various times that her husband and Key had brought either 1.4 million or 2.8 million tablets into the country after MDMA became illegal, so she was sentenced as if she was responsible for all of them.

Parker, who took her case several years ago
Continued on next page



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Thousands of inequities

Author of law now wants to change it.

ERIC STERLING, who helped draft the 1986 federal act under which Amy Pofahl was convicted and sentenced but who advised against some of its draconian provisions, said it had produced thousands of inequities, though few as extreme as Pofahl's.

Sterling, president of the Criminal Justice Policy Foundation, said he had encouraged the committee to take approaches that would not lead to the injustices the system has produced, to keep punishment linked to the severity of the crime.

"Amy Pofahl's case," he told the *Times*, "is a very dramatic example of many similar kinds of cases."

"The United States Sentencing Commission in its 1995 report to Congress pointed out that fewer than 11.2 percent of all the federal drug offenders that they studied were high-level offenders. More than 55 percent of the offenders were described as street-level offenders, bodyguards, couriers and mules."

"When the mandatory sentences were written in 1986, the federal prison population was 40,000. Today it's more than 143,000. More than 80,000 are there for drug offenses. Congress simply did not consider in 1986 that in less than 15 years the prison

population would more than triple and that more than half the prison population would become drug offenders. It has been a profound injustice, a horrendous misuse of

precious taxpayer resources and perhaps most tragically of all it has been an utter failure in achieving its objectives.

"In 1998, high school seniors said that heroin and marijuana were easier for them to obtain than at any point since we had

began asking them that question back in 1975. The number of people who have died from drugs each year has increased every year and is now more than twice what it was in 1979. The number of people going to hospital emergency rooms for drug abuse

"Congress simply did not consider in 1986 that in less than 15 years the prison population would more than triple and that more than half the prison population would become drug offenders."

emergencies has never been greater. The purity of heroin and cocaine in the streets is as great as it has ever been and the price is near record lows. And we still have 3 million untreated hard-core drug addicts wandering our streets today."



Amy Pofahl

Continued from previous page

at a former teacher's request after she had filed her own pro se appeal for post-conviction relief, says he has rarely encountered such ineffective representation. The transcript is filled with missed opportunities to destroy the government's flimsy case. He said the jury should have been allowed to hear testimony from her husband, Dr. Key and others that they had shielded her from knowledge of the operation. He said the government produced no evidence that she had any knowledge of the smuggling before her husband's arrest.

Strauss, one of the two prosecutors, says it's not so. He said they proved that she was supplying pills to a friend at Dallas and that she gave the friend's name and address to her husband when she left for California so that the friend could continue to get the pills. And to this day, Strauss said Monday, Amy still has not accounted for all the money to his satisfaction. Amy says she did supply pills that her husband gave her to a friend and she knew they were illegal, but that Sandy had told her repeatedly simply that he had a source for them.

Parker said Pofahl's attorney did not challenge the government's effort to confuse the jury into believing that her supplying of MDMA

to people while it was still legal actually occurred after the drug was banned.

Eight months after her conviction, the U.S. Sentencing Commission recognized the injustice of sentencing people for the full scope of a conspiracy when they had marginal roles so the law was changed. Sentencing had to match the relevant conduct. It would have drastically altered her sentence.

The remedy was still available but her attorney did not assert it in her appeal to the Circuit Court of Appeals. Pofahl says she does not think it was intentional but that her attorney did not notice it in the rush to perfect her appeal. After that, it was too late. "Several of us got caught in that time frame," she said.

After her sentencing, Amy heard no more from her husband until he filed for divorce, citing irreconcilable differences. He visited her in prison three years ago when he was attending a class reunion at the nearby Stanford Law School. She said he was interested only in small talk and she wanted him to explain why he had been disloyal.

GLAMOUR MAGAZINE DID A BIG STORY about the injustices women suffer under the minimum-sentencing law, which featured Pofahl's case. She said her ex-husband was angered by the article and complained to her attorney, Parker,

about the way she had treated him in the piece.

Since then, she has waged a campaign from her cell, writing members of Congress and judges about the injustice of the law. Twenty-one members of Congress have written letters in her behalf to the Justice Department or the White House, although none as doggedly as Pryor. "Free Amy" web sites cropped up on the Internet. A Washington-based organization called Families Against Minimum Sentencing features Pofahl's case. A federal judge wrote the Justice Department saying she represented many women who were incarcerated unjustly for marginal roles in drug crimes. Both Parker and Pofahl maintain that Strauss acknowledged an injustice having been done in her case in a visit to the prison that Parker arranged two years ago. He and an agent questioned her about the money and whether she had any knowledge that she had not shared with them and Pofahl and Parker said the government people were convinced that she was truthful. They said Strauss tried subsequently to arrange a hearing to provide relief from her sentence but was rebuffed by his co-prosecutor in the case, Jake Snyder of Waco, and the judge. But Strauss says he never told them he thought there was an injustice and he still believes the government's conduct was proper and that she received a fair trial.

Pofahl said Strauss backed off because of Snyder. "My life was hanging in the balance while these two grown men bickered over who had jurisdiction of my case," she said.

Pryor said he became interested in her case when he was commiserating with Schaffer, a mid-level executive at Tyson Foods, who has been convicted of violating an old meat-inspection law by inviting the U.S. agriculture secretary to a birthday party at Russellville. His was the only conviction by a special prosecutor appointed to investigate gratuities to the agriculture secretary.

Pryor said Schaffer told him that his case paled compared to that of another Charleston native. So he investigated her case and was appalled at the injustice.

"If there was ever a case that cried out for clemency, this is it," Pryor said. "If there is no profit to anyone in keeping someone in prison, if they have paid their debt and are no threat to society, then the government ought to let go. This is such a case."

Pofahl said she was touched at Pryor's help.

"Society treats people like me as the untouchables, so you don't find many people, especially on that level, who care," she said. She's especially grateful that Clinton acted because she had begun to fear that George W. Bush would be elected president, which would mean that she would almost certainly have to finish her term. Despite his "phony compassionate conservatism" he's gone so far to the right that "he's over the cliff," she said.

"President Clinton has always been genuine about giving people a second chance, from the time he took office," Pofahl said. "With a Republican majority in Congress there was no way for him to do anything without looking like he was soft on crime. But I'm hopeful that the country is taking a turn away from the Howard Stern mentality — making fun of people who are suffering."

She said she would stay at Charleston at least for a while while she got her life back in order. She looks forward to being united with her boyfriend, Mark Balsiger of El Paso, a victims rights advocate who learned of her case, worked in her defense and fell in love with her in the process.

"I'm a fortunate young lady ... although I guess I'm not so young anymore. I lost my 30s."

Another wife pardoned

SERENA DENISE NUNN of Minneapolis, who was granted clemency along with Amy Pofahl, had served 10 years of a 16-year sentence for conspiracy to possess cocaine with the intent to deliver, possession of cocaine with intent to deliver it and abetting an attempt to possess cocaine with intent to distribute it.

She had fallen in love at 19 with the son of a drug dealer, who drew her into the business by having her drive him to meetings with fellow dealers. It was enough to convict and sentence her under the conspiracy statute. Her boyfriend got a 25-year sentence but a partner in the enterprise received only seven years after being caught and informing on others in the ring. Owing to her relatively minor role in the enterprise, President Clinton judged her sentence to be disproportionate to those of others in the case.

A rare pardon

PRESIDENT CLINTON, who suffered political fallout from the granting of pardons in his first time as governor, has not repeated the political mistake as president, which makes the Amy Pofahl case even more unusual.

In 7 1/2 years, he has released only 21 prisoners, far fewer than any other modern president. He has granted clemency in only 3.4 percent of cases, the least since Dwight D. Eisenhower and far lower than the 12.6 percent rate of Ronald Reagan. Clinton has released more terrorists than nonviolent drug offenders.

Free Amy Petition Page

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PETITION TO FREE AMY POFAHL

I support clemency for Amy Pofahl, who has filed a petition for the pardons office. Amy has served more than 10 years in an MDMA (ecstasy) prison.

1) Name: [] Signature: [] Email: []

2) Address: <http://www.famf.org/>

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FREE AMY POFAHL!

age 37, serving 24 years

charged with conspiracy to import and distribute MDMA (ecstasy), money laundering

Amy Pofahl has been incarcerated since 1991

"If the laws do not change, I will spend the majority of my adult life in prison. Is that fair to me, my family or the taxpayer? Who does it benefit? Please investigate my case and others. Vote to change these unjust laws."

Featured in *GLAMOUR MAGAZINE* - June 1999

Doing hard time for her husband's crime

They were married for a few years, until she could no longer handle his alcohol problem.

In 1989, they had been separated for a year and Amy had her own promotional company, Prime Time, in Los Angeles, when her nightmare began. She found out that her estranged husband had been arrested in Germany for manufacturing and distributing ecstasy (MDMA). He was charged with conspiracy to import and distribute MDMA (ecstasy), money laundering.

Amy went about helping her husband out during his early confinement and told. As a result, she also became a target of the U.S. government. Friends and business clients of her husband, new company was intimidated by agents. The agents told people that Amy was a drug dealer and her court-appointed attorney, who failed to present certain evidence or call witnesses in her case, as she requested. Further, the prosecutor was able to move the trial to Waco, Texas where the judge's court was reputed to have a 100 percent conviction rate.

Amy refused to plea bargain or "cooperate" in giving information that she didn't have. On top of that, she was mistreated about her rights by her husband received a six year prison sentence in Germany, of which he served four. Incarcerated since 1991, Amy is still serving a 24-year guilty in my case was based on his freedom in exchange for testimony.

"I can only speak for myself, but I am a witness to the type of women this drug war has created and victimized, and most do not bring in benefits! Please investigate my case and others. Visit a federal institution and witness for yourself who is filling these overcrowded prisons. You will be shocked. Please vote to change these unjust laws."

Internet zone

"Free Amy" web sites cropped up on the Internet.

EVAN
FINKELSTEIN
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CHASS NY 10514

7-31-00

MR CLINTON

As do you
letter to the
little boy
/summit/

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10514-9
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P.S.

7-31-00

you. And
do something
or send me

After you have seen,
we will send to Bush
for reply.

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drop me

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liggett

Evan Finkstein

THE PRESIDENT HAS SEEN

7-31-00

Dear Bill,

My name is Evan. I am 17 years old.
My phone number is 1-577-0517 and my address
is 2035 1st Ave. #10514. How
are you doing? I am fine. It's been nice
to hear from you. Bye!

p.s. On 7/29/00 I might be
in. And one more thing, this time
do something personal like drop me
or send me an autograph.

Sincerely, your biggest fan

Evan Finkstein

Will deliver
to Ty to
Alan S. — cc USC

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Op Ed Piece for the Jewish Press

Alan D. Solomont

Initially journalists had a hard time figuring out the second Camp David summit. They prefer deeming peace summits success or failure, a victory or defeat. But Camp David 2 defies this type of labeling.

It ended without agreement so, at first, the headlines spoke of the "failed summit." It took only a week for it to be obvious in Camp David 2 we had the unique spectacle of a successful summit that ended inconclusively. In the words of an editorial in the Jerusalem Post, "When other summits failed to produce agreements, the post-summit feeling was one of crisis and a frozen peace process. This time, the prevailing mood is one of a temporary setback that is likely to be corrected with one final push in a short time, perhaps even next month."

We should stop thinking of Mideast negotiations as if it were a sporting event. We have to think of this summit as part of a long process, a step-by-step effort which will only yield results over time. That should not dismay us. The century old Israeli-Palestinian conflict, long considered the most intractable of all international conflicts, does not lend itself to a quick fix.

Let's take the long view.

If someone had fallen asleep 9 or 10 years ago and awakened to this Camp David summit, they would be astonished to see Yasir Arafat sitting with the Prime Minister of Israel and the President of the United States dealing with the region's most complicated issues in an atmosphere of civility if not yet total trust. He would be amazed to learn of the progress since the Madrid conference in 1991, of the treaties and the agreements and the contacts which have already occurred. He would recall the violence and hostilities which dominated life in Israel as recently as a decade ago. The current scene would look benign indeed.

He would rub his eyes at the vision of Camp David, the first time the leaders of Israel and the Palestinians sat down to deal with all the most difficult issues that divide them. For all the contacts and the exchanges since the Oslo Accords, dealing with the issues of Jerusalem and the refugee problem directly and at the highest levels is unprecedented. Some may compare this summit to the Camp David meeting which created peace between Israel and Egypt, but the issues then were far easier. Carter, Begin and Sadat only succeeded by ducking the very questions which this summit is confronting directly. It is easy to criticize and easier still to forget the enormous courage it shown by all three leaders -- Barak, Arafat and Clinton -- to make this attempt.

Prime Minister Barak in particular deserves credit for the seriousness of his commitment, the ingeniousness of his strategy, and his daring. After all, it is Barak who pushed hardest for the meeting, and it is he who had the most to lose from failure. Beset with a divided country -- a horrendous division of parties more tribal than political -- he suffers skeptics galore who think he cannot succeed -- and pray that he does not.

He alone risks losing power from a failure. President Clinton deserves enormous credit for the indefatigability with which he approaches the pursuing of Middle East peace. When the long history of the Jewish people is written, President Clinton, the peacemaker, will have an honored place.

Just because all problems were not solved in the Maryland mountains does not mean this summit did not have significant value. For the first time, both sides engaged seriously in discussing refugees, borders, water and Jerusalem. Areas of agreement were isolated, areas of disagreement were defined. Each side has a better understanding of the other's vital interests and vital needs. Any mediator will tell you that clearing the underbrush is a necessary prelude to agreement.

Ever since the peace process began in earnest after the 1973 Yom Kippur War, there have been many setbacks. When future progress seemed hopeless, dramatic steps were taken forward, a few weeks or months or years after the very foundation built by the earlier "failure."

The same will occur this time, because neither side has a choice. Israel's security and prosperity depends on peace, and the Palestinians will have no national future unless they accept the generous conditions Prime Minister Barak has offered. It may take time for the lessons of the intense negotiations just concluded to settle in, but they will eventually be absorbed, and the parties will move forward again. The very fact that they stayed at the summit as long as they did is testimony to the fact that both parties do indeed understand these simple truths.

What can we American Jews do to help? We must make it clear that we support the Israeli people in their heroic effort to achieve peace. We must not allow anyone to portray American Jews as opposed to peace -- just as we must not allow anyone to blame Israel for any current impasse. Our task is clear: to affirm again and again that continued pursuit of the peace process is the only way to assure Israel's enhanced security and prosperity. We must also try to convince the skeptics in our community they do not understand their policies commit Israel to interminable conflict and tragedy. Only if we are firm and clear in our convictions can we be effective advocates for our brothers and sisters in Israel.

Meridian
- Duty to Honor
- cc Stacy
Bc

7-31-00

Tab A - Entire Report: Bailey/Podesta
Tab D - Entire Report: Reed/Chow/Podesta
Tab F - Entire Report: Ballentine/Podesta
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pg 1: Ricchetti/Daley

4-31-00

WEEKLY REPORTS
FOR THE WEEK ENDING
JULY 28, 2000

7-31-00

THE WHITE HOUSE
WASHINGTON

July 28, 2000

MR. PRESIDENT:

Attached are the following weekly reports:

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

Lisel Loy

7-31-00

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

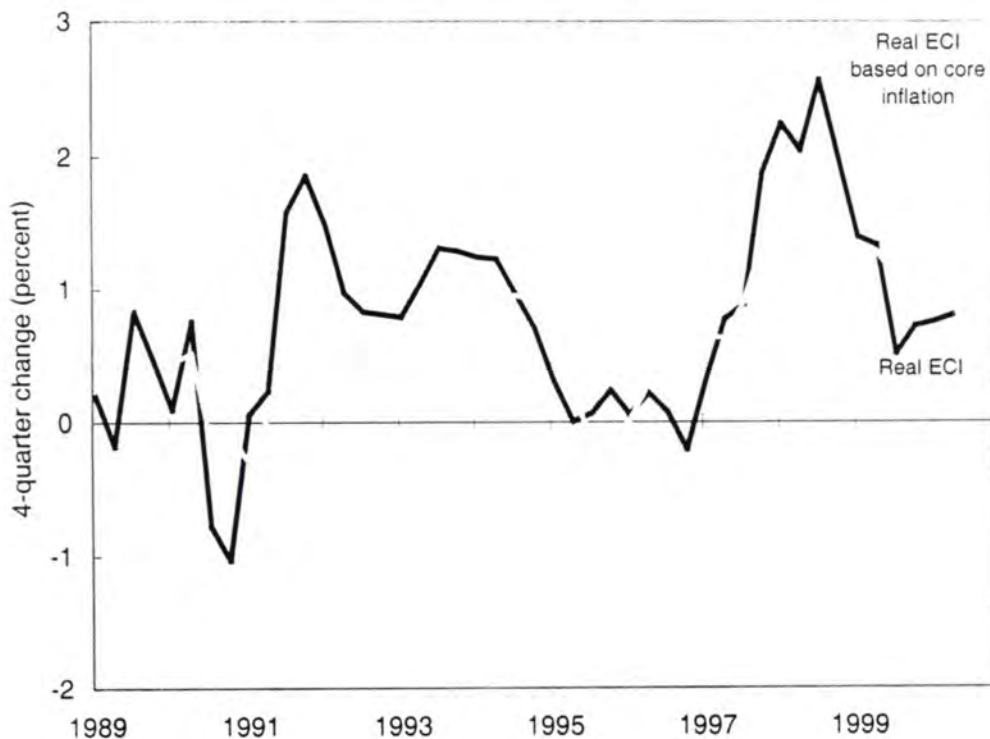
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

July 28, 2000

*copied
Barry
Rosteta*

CHART OF THE WEEK

Growth in Compensation and Real Wages



Data released this week show that private compensation as measured by the employment cost index (ECI) rose 0.8 percentage points faster than inflation over the year ending in June. Fluctuations in consumer price inflation due to oil prices raised real wage growth in 1998 and lowered it in 1999 and this year. Growth in real ECI compensation measured using the core CPI (which excludes food and oil) generally shows an acceleration since 1995.

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"I never should have tried to take my accounting to the next level."

CURRENT DEVELOPMENT

GDP Scorecard: Second Quarter 2000

Real GDP is estimated to have increased at a 5.2 percent annual rate in the second quarter. Consumption slowed significantly from its previous pace, and much of domestic demand was met by imports. Second-quarter growth was supported by strong gains in business investment and stockbuilding, as well as a rebound in Federal purchases. Inflation, as measured by the price index for GDP, was 2.5 percent at an annual rate in the second quarter, up from 1.8 percent during the previous four quarters.

Component	Growth*	Comments
Total consumer expenditures	3.0%	Consumption slowed from 6 percent growth during the previous four quarters. The slowdown was concentrated in goods, especially motor vehicles.
Equipment and software	21.0%	Business purchases of computers grew at a 63 percent annual rate. Other major categories of equipment and software investment grew at strong or solid rates.
Nonresidential structures	13.0%	Investment in structures has picked up in the first half of 2000 after stagnating in 1999.
Residential investment	3.9%	Growth in residential investment was accounted for by real estate brokers' commissions. Construction of residential structures was flat.
Inventories (change, billions of 1996 dollars)	\$60.3	The pace of stockbuilding picked up in the second quarter, accounting for 1 percentage point of real GDP growth. Even so, inventories remain lean in relation to sales.
Federal purchases	17.5%	Defense purchases have been erratic, increasing sharply in the second half of 1999, crashing in the first quarter, and rebounding in the second.
State & local purchases	0.5%	Highway building, which had boomed in the previous two quarters, edged down in the second quarter.
Exports	7.3%	This was the fifth consecutive quarter of strong export growth, which suggests continuing expansion among our trading partners.
Imports	17.0%	Growth was especially strong for imports of capital goods.
*Percent real growth in the quarter at annual rates (except inventories). This advance estimate is subject to substantial revision—especially for exports, imports, and inventories, where the estimates are based on only 2 months of data.		

SPECIAL ANALYSIS

Do Accounting Rules Matter?

A recent proposal by the Financial Accounting Standards Board (FASB) to change the way that accountants treat mergers and acquisitions has ignited a firestorm of controversy. The FASB argues that its proposal will make it easier for investors to interpret the balance sheet of merged firms; critics, often from high-tech New Economy firms, argue that it will hurt their ability to grow.

Everybody out of the pool? Under current practices, business combinations can be recorded either as “purchases,” in which one firm acquires the assets of another, or “poolings of interest,” in which assets are simply combined into a common balance sheet. Under the purchase method, any acquisition premium (the difference between the purchase price and the book value of the target firm) is typically recorded as an intangible asset called “goodwill,” which is depreciated and charged against earnings over time. Because pooling allows the balance sheets of the two firms to be combined directly without any charges against earnings, acquirers can often report higher incomes by using this method.

According to one estimate, pooling accounting was used for only 5 percent of all acquisitions in 1999, but these acquisitions represented 36 percent of the total value of mergers and acquisitions during the year. Many of the largest recent U.S. deals were pooled, including Exxon-Mobil, Citicorp-Travelers, and Bell Atlantic-GTE. The FASB argues that pooling accounting allows firms to “hide” acquisition premiums from investors, and recommends that pooling be eliminated and all business combinations be treated as purchases.

Will high-tech firms be left high and dry? Critics swiftly charged that such a rule change would harm firms making acquisitions, particularly in the high-technology sector, and in March the Senate held a hearing where these concerns were aired. For companies with substantial intangible assets—human capital, technical blueprints, brand-name recognition, corporate culture, and the like—market value will substantially exceed book value. When such companies are acquired under the purchase method, this extra value must be treated as a cost that is then depreciated, resulting in significant charges against earnings over time. Such charges are not incurred under the pooling method, allowing reported earnings to be higher. This may be especially important for firms already struggling to achieve short-term profitability.

Are the critics of pooling all wet? The assumption behind the pooling method is that there has been no exchange of economic resources, but rather a combining of equity interests. Two firms have joined forces to better serve their combined clientele; neither has “purchased” the other. The FASB argues that few business combinations meet this criterion. Acquisitions are purchases, and any purchase—whether inventory or software or a patent—is recorded at the price paid and generally charged against earnings over its useful economic life. By this

argument, acquisitions should be treated the same way, with goodwill premiums treated as intangible assets that depreciate over time. In cases where companies are purchased at share prices well above the market prices that prevailed prior to acquisition, the FASB is concerned that the pooling method effectively disguises these acquisition premiums from shareholders.

The FASB argues further that the coexistence of two accepted practices is confusing and can mislead investors. Additionally, firms that decide to use pooling must accept potentially harmful restrictive criteria (such as financing the merger with stock, rather than cash or debt) to achieve the perceived gains from higher reported earnings. Pooling may also impose a burden on regulators: the SEC Chief Accountant has said that his staff spends a large share of its time interpreting the complicated pooling-of-interests criteria. Finally, eliminating the pooling method would bring U.S. practices in line with those of most other countries and help harmonize accounting standards around the world.

Does it really matter anyway? Economic reasoning suggests that the value of the firm should be determined by future cash flows, which are not affected by the accounting treatment of acquisitions. Indeed, despite many efforts, academic researchers have failed to find compelling evidence that investors can be systematically misled by accounting practices. It is thus difficult to explain the intensity of the reaction to the FASB recommendation. Some investors may be misled by accounting practices, but the evidence suggests that, as long as there *are* standards, the market as a whole is not.

ARTICLE

Achieving Healthy Productivity Growth in Japan

While most economists have focused on weakness in demand to explain Japan's sluggish growth in the 1990s, a new study by a large consulting firm looks at problems of productivity and supply. The study finds that the Japanese economy generates considerable employment, but outside the export-driven manufacturing sector productivity is low. Overall, hours worked per capita in Japan were 11 percent higher than in the United States in 1999, but GDP per hour worked was only 69 percent of the U.S. level, even with 13 percent more capital per worker.

Japan's dual economy. Although overall productivity is low in Japan, the export-driven manufacturing companies have become household names and fierce competitors around the world. Labor productivity in the Japanese automobile industry, for example, was 45 percent higher than in the U.S. auto industry in 1999. The study estimates that, on average, this competitive sector of the

Japanese economy was 20 percent more productive than the same U.S. industries in 1999. However, this productive part of the economy represents only about 10 percent of employment. The part of manufacturing that competes only domestically and the service sector each had labor productivity of only 63 percent of the U.S. level in 1999 (see chart).



Why is productivity so low? The study finds that Japan is rife with protection for inefficient companies and even provides subsidies to help them stay in business. An example of a low-productivity service industry is retailing, which has 55 percent of employment in traditional mom-and-pop stores (the U.S. figure is 19 percent). Efficient large-scale retailers are prevented from expanding by local committees that must approve development. These committees include owners of the small stores that would be put out of business. In addition, loans and grants have been provided by the government to keep the small stores operating. The study argues that the lack of consolidation in retailing spills over into food processing—a large manufacturing industry that competes domestically. This industry is fragmented and operates plants with only a tenth of the scale of U.S. plants, on average, which results in much lower efficiency. Foreign competition is prevented by protective trade barriers.

Raising productivity: A deep dilemma. When evaluating how to increase productivity, the study confronts the serious dilemma that removing regulatory barriers and restructuring industries will lead to large-scale job losses in the short run. Even though the Japanese still work very long hours, labor input fell in the

1990s and unemployment rose. An important reason that Japan hangs on to its over-regulated economy is that it is afraid of worsening its already weakened labor market and scaring consumers who already are reluctant to spend.

Developing new opportunities. The study proposes a novel solution to this dilemma: generate a million new health care jobs. The study reaches this conclusion as a result of a detailed comparison of the U.S. and Japanese health care sectors. While Japan enjoys higher life expectancy, this appears to reflect factors such as diet and lifestyle differences; Japan's health care system provides inferior services. It is slow to use new technologies, provides far too little outpatient care, and overuses prescription drugs—a patient going to see a doctor waits in a long line, sees the doctor for 5 minutes, and comes out with a sheaf of prescriptions. Investment in improving service would seem to be worthwhile.

No panacea. If the Japanese economy is ever to achieve the combination of full-employment and high productivity that the United States enjoys, it will have to deregulate its markets in ways that both force restructuring and consolidation of old companies and encourage investment and job creation in new companies or lines of business. New jobs must be created to offset the inevitable job losses, and these potential jobs do exist, whether in health care or elsewhere. However, achieving sustained economic growth in Japan will require increases in both supply and demand, and the study is too dismissive of problems on the demand side arising from a fragile financial system and perceived constraints on monetary and fiscal policy.

The study may be correct, however, in suggesting that even if demand-increasing policies are successful, they may not be enough (after all, fiscal expansion did stimulate growth in 1996). Sustained growth will require restructuring to open up new productive investment and employment opportunities.

Conclusion. Japanese policymakers thus far have favored only incremental policy changes and seem content with a continuation of slow growth. Some Western economists have suggested more radical approaches on the demand side, such as monetizing part of the government debt. On the supply side, one can argue that deregulatory “shock therapy” may be needed to break the power of vested interests and open up new opportunities. Of course the experience of countries like Poland illustrate that shock therapy can be very painful along the way.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

The Cost of Superfund Exemptions. Most businesses with Superfund liability are small firms or firms that contributed only a very small share of the toxic waste at a particular site. A recent study assesses the cost of exempting such firms from their liabilities in order to cut short the sometimes slow process of determining shares of liability when there are many firms involved. Sites with multiple firms are called generator/transporter sites. They make up just over half of the total number of sites, but they involve about 99 percent of total firms with Superfund liability and about 75 percent of total Superfund cleanup costs. For such sites, the study found that transferring the liabilities of firms with 75 or fewer employees to the Superfund Trust would cost the government about \$100,000-225,000 per firm, or a total of \$6-12 billion. The study estimates that a blanket exemption for small businesses, which would include owner/operators with exclusive responsibility at some sites, would cost \$3-6 million per firm at such sites, or another \$1.2-1.7 billion. A different and perhaps complementary approach would be to exempt firms that contribute only a small amount to any site from liability at that site. The costs of any of these proposals would have to be weighed against their effectiveness in speeding up the cleanup process.

Crime Doesn't Pay (Enough). Improved labor market conditions over the past 7 years are an important reason for the decline in crime, according to a recent study. Offenders and ex-offenders are often low-wage workers with limited employment opportunities. Decreasing unemployment and strong economic growth have provided more jobs, and thus increased the opportunity cost of devoting time to crime. The study estimates that decreases in unemployment between 1992 and 1997 accounted for 30 percent of the decrease in crime over that same period. Therefore, policies promoting full employment, a higher minimum wage, improved educational and job-training opportunities, and expansion of work support (such as the Earned Income Tax Credit) may be valuable tools in lowering crime rates. Undoubtedly increased policing and "get tough" laws help to reduce crime. However, debates over crime reduction should not ignore the important link between crime and labor market opportunities.

Merchant Trafficking in Food Stamps Remains Small. About 3½ cents of every dollar of food stamps issued between 1996 and 1998 were illegally redeemed for cash instead of food, according to a recent USDA study. About 12 percent of stores illegally traffic in food stamps, but among the large groceries and supermarkets, which redeem 84 percent of food stamps, only 2 percent do so. Stores in poorer neighborhoods are more likely to redeem stamps for cash. As a result of increased activity since 1993, rural stores have become as likely as urban stores to traffic in food stamps. Overall, trafficking has decreased by ½ cent per food stamp dollar since 1993. The total number of households receiving food stamps has declined by 24 percent, the total amount of food stamps issued has declined by 11 percent, the number of retailers authorized to accept food stamps has declined by 16 percent, and half of food stamps issued have been converted from paper coupons to electronic benefit transfer cards.

INTERNATIONAL ROUNDUP

Preparation for Euro Is Slow. The European Commission reports that firms and individuals are slow in preparing for the euro launch on January 1, 2002. While use of the euro rose to 25 percent of the value of firm transactions, such payments were only 2.4 percent of transaction volume. Only 20 percent of large companies and 15 percent of small and medium enterprises reported having switched entirely to the euro, with a respective 40 and 25 percent expecting to change over by the end of 2001. Likewise, the first quarter of 2000 saw only 2.4 percent of transaction volume paid in euros by individuals. The Commission noted that while dual pricing was widespread in EU member countries, there appeared to be little effect on consumer knowledge of the euro. To aid implementation, the EC urged public administrations to ensure the adequacy of their own preparations and to intensify efforts to educate small and medium enterprises and the general public for the turnover.

Average Hospital Stays Are Falling in the OECD. Lengths of hospital stays have been falling in all OECD countries in the last two decades, but they have fallen faster outside the United States, which always had the shortest stays. This is the featured finding in the OECD's latest release of comparative health figures. Other countries appear to be converging gradually toward U.S. levels. Differences remain, however: the average stay for appendicitis in Germany is still almost 7 days (down from over 12 in 1980), while it is less than 4 days in the United States. OECD data provide a wide range of other findings. For example, people are generally becoming healthier in the OECD area; the share of health spending in GDP has stabilized, on average, since the early 1990s; the United States is still by far the largest spender on health care, both per capita and as a share of GDP; and the United States and Korea are the only two OECD countries in which private health care spending still exceeds public.

Undernourishment Should Decline Significantly by 2030. World per capita food consumption will grow significantly, from less than 2,800 calories per day in 1996 to 3,100 calories per day in 2030, according to the Food and Agriculture Organization of the United Nations. Above all, this change will reflect rising food availability for consumption in developing countries (the basis for calorie estimates). The proportion of the world's population living in countries with per capita consumption above 3,000 calories per day will rise to 75 percent, compared with only 21 percent in 1996. However, 412 million people (6 percent of the world's population) will still be living in countries with very low levels of food consumption in 2015. Sub-Saharan Africa will remain the most undernourished region. With the highest projected population growth rate, it should also experience the greatest growth in demand for agricultural products—a demand that is projected to exceed slightly the rate of growth of production in the region. Growth of both aggregate demand and production of agricultural products in industrial countries is projected to continue to slow.

RELEASES THIS WEEK

Gross Domestic Product

****Embargoed until 8:30 a.m., Friday, July 28, 2000****

According to advance estimates, real gross domestic product grew at an annual rate of 5.2 percent in the second quarter of 2000.

Employment Cost Index

The employment cost index for private industry workers increased 4.6 percent for the 12-month period ending in June.

Advance Durable Orders

Advance estimates show that new orders for durable goods increased 10.0 percent in June, following an increase of 7.0 percent in May.

Consumer Confidence

Consumer confidence, as measured by The Conference Board, rose 2.5 index points in July, to 141.7 (1985=100).

MAJOR RELEASES NEXT WEEK

NAPM Report on Business (Tuesday)
Leading Indicators (Wednesday)
Employment (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1999	1999:4	2000:1	2000:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.9	5.0	8.3	4.8	5.2
GDP chain-type price index	5.2	1.6	1.6	3.3	2.5
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.7	3.7	6.9	2.4	N.A.
Real compensation per hour:					
Using CPI	1.0	1.7	0.9	0.2	N.A.
Using NFB deflator	1.5	2.9	1.8	1.8	N.A.
Shares of Nominal GDP (percent)					
Business fixed investment	11.4	12.9	13.0	13.4	13.8
Residential investment	4.5	4.3	4.3	4.3	4.3
Exports	8.2	10.6	10.8	10.8	10.8
Imports	9.2	13.4	13.9	14.2	14.5
Personal saving	6.6	1.6	1.1	0.1	0.2
Federal surplus	-2.8	1.2	1.2	2.1	N.A.

Note.—Revised data for Federal surplus are not yet available.

	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	0.6
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**.

GDP data **embargoed until 8:30 a.m., Friday, July 28, 2000. Data revised beginning 1997.**

FINANCIAL STATISTICS

	1998	1999	May 2000	June 2000	July 27, 2000
Dow-Jones Industrial Average	8626	10465	10580	10583	10586

Interest Rates (percent per annum)

3-month T-bill	4.78	4.64	5.79	5.69	6.04
10-year T-bond	5.26	5.65	6.44	6.10	6.02
Mortgage rate, 30-year fixed	6.94	7.43	8.52	8.29	8.13
Prime rate	8.35	8.00	9.24	9.50	9.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level July 27, 2000	Percent Change from Week ago	Year ago
Euro (in U.S. dollars)	0.933	0.4	-12.2
Yen (per U.S. dollar)	109.2	1.2	-6.1
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	97.94	0.0	2.8

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	6.0 (Q2)	4.0 (Jun)	3.7 (Jun)
Canada	4.9 (Q1)	6.6 (May)	2.9 (Jun)
Japan	0.7 (Q1)	4.6 (May) ^{2/}	-0.7 (May)
France	3.4 (Q1)	9.8 (May) ^{2/}	1.7 (Jun)
Germany	2.3 (Q1)	8.3 (May)	1.9 (Jun)
Italy	3.0 (Q1)	10.8 (Apr)	2.7 (Jun)
United Kingdom	3.0 (Q1)	5.7 (Mar)	3.3 (Jun)

U.S. GDP data **embargoed until 8:30 a.m., Friday, July 28, 2000.**

1/ For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics, except as noted in footnote 2.

2/ Data from OECD standardized unemployment rates.



THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

00 JUL 28 PM 7:47

July 28, 2000

MEMORANDUM FOR THE PRESIDENT

7-31-00

FROM: Stuart E. Eizenstat *Stu*

SUBJECT: Update on Global Markets
The Week Ending July 28, 2000

- The market now seems to be caught between two views on the U.S. economy. On the one hand, some recent data releases seem to generally reinforce the perception that U.S. economic growth is slowing toward a more sustainable pace and that inflationary pressures remain subdued. The second quarter's Employment Cost Index rose by only 1.0%, lower than expected, and oil prices have fallen to about \$25/barrel (OPEC's basket price). Interest rates continue to decline: the thirty-year Treasury yield has fallen 45 basis points to 5.79%, a three-month low, since its near-term peak of 6.24% in early May. Chairman Greenspan's testimony before the Congress appeared to reinforce receding expectations for further monetary tightening. However, a number of other recent indicators suggest the U.S. economy is still growing at a strong pace, which may leave the market vulnerable to a reversal of sentiment regarding the receding prospect of further Fed rate hikes. Durable goods orders for June rose by 10.1% (against forecasts of a slight decline) and Q2 GDP rose 5.2% (against consensus forecasts of a 3.7% rise).
- In contrast, sentiment about Japan's recovery has become significantly more negative. The principle sources of concern include declining retail sales, a rise in the unemployment rate, still-declining prices, the government's growing debt burden and fears of an imminent ratings downgrade on that account by Moody's, rising anxiety about additional corporate bankruptcies and attendant rises in bank's non-performing assets, and fears about the potentially negative impact of ending the zero interest rate policy. Since its recent peak at about ¥104.5 on June 22nd, the yen has depreciated by about 4.8% versus the U.S. dollar; so far this year, the Nikkei 225-Index has declined by 17%.
- The weakening yen, in combination with political uncertainties and concern about lack of progress in reforms, has cast a pall on emerging Asian currencies, particularly the Thai baht, Philippine peso, and Indonesian rupiah, which have depreciated by 2% to 5.7% in July.
- The Indian rupee has faced a significant degree of downward pressure recently, consistent with concerns about the country's large fiscal deficit, on-going political difficulties, dwindling balance of payments surplus, and heavy outflows of foreign funds from the Bombay Stock Exchange in recent months. In response, the Reserve Bank of India has hiked the bank interest rate by 100 basis points to 8.0%, tightened liquidity conditions for banks, and on Monday, intervened in the foreign exchange market.

Weekly Market Indicators for the Week Ending:
3:58 PM

July 28, 2000

Major International Markets							
<i>Changes are Friday to Friday</i>							
	Exchange Rates		Index	Equities		Ten-Year Government Bond Yields	
	Level	% change		Level	% change	%	BP change
Japan	109.62	0.6%	<i>Nikkei</i>	15839	-5.8%	1.67	-4
Euro	0.92	1.7%					
Euro-yen	101.22	-0.8%					
Germany			<i>Xetra-Dax</i>	7128	-3.3%	5.21	-5
U.K.			<i>FT-SE 100</i>	6336	-0.7%	5.25	10
France			<i>CAC-40</i>	6416	-0.7%	5.36	-4
Italy			<i>MIB 30</i>	45883	-4.9%	5.56	-3

^ U.S. dollar depreciation/appreciation

Emerging Markets							
	Exchange Rates		Index	Equities		Emerging Market Sov. Bond Spread*	
	Level per USD	% change (local ccy)		Level	% change	BP	BP change
Korea	1116.75	-0.4%	<i>Kospi</i>	693	-11.5%	212	8
Indonesia	8950.00	-0.3%	<i>JSE</i>	499	-2.0%	504	-4
Thailand	41.43	-2.4%	<i>SET</i>	292	-4.7%	179	-4
Hong Kong	7.80	0.0%	<i>Hang Seng</i>	17184	-4.1%	207	-4
Brazil	1.78	0.9%	<i>Bovespa</i>	16480	-4.8%	719	21
Argentina	1.00	0.0%	<i>Merval</i>	497	-4.5%	579	26
Mexico	9.38	-0.2%	<i>Bolsa</i>	6330	-5.8%	438	3
Russia	27.82	-0.6%	<i>RTS</i>	191	0.7%	958	40
India	44.89	-0.4%	<i>BSE 200</i>	466	-4.0%	n/a	n/a
Turkey	635570.00	-0.8%	<i>ISE 100</i>	14130	3.9%	429	-24
South Africa	6.96	-0.6%	<i>JSE</i>	7776	-1.9%	315	-31

* spread on U.S. dollar-denominated sovereign debt to 10-year U.S. Treasuries

Source: Reuters

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

00 JUL 28 4:27

July 28, 2000

7-31-00

MEMORANDUM FOR THE PRESIDENT

FROM: MARTIN N. BAILY

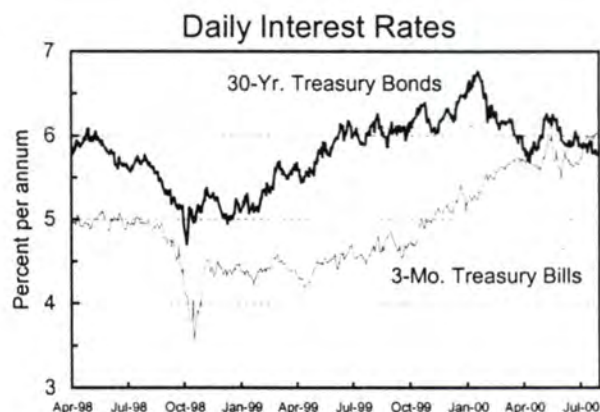
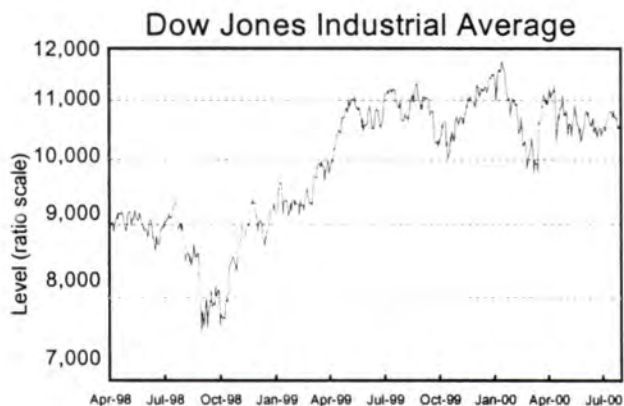
SUBJECT: Stock Prices and Interest Rates for the Week Ending Friday, July 28, 2000

Major stock indexes fell this week, led by steady declines in telecommunications and computer stocks. A broader fall in stock prices occurred on Friday, following the release of stronger-than-expected second quarter GDP growth. The NASDAQ and S&P 500 indexes are at their lowest levels since the beginning of June 2000.

Index	Change from 7/21/2000 (percent)	Change from 12/31/99 (percent)
Dow Jones Industrial Avg.	-2.1	-8.6
S&P 500	-4.1	-3.4
NASDAQ Composite	-10.5	-10.0

Treasuries were mixed this week. Yields for longer-term bonds fell on Thursday following a Treasury debt buyback. Yields for 10-year notes rose slightly on Friday as the announcement of second quarter GDP growth increased market expectations of a future interest rate hike. Meanwhile, yields on 3-month bills continued to climb, and are up 0.39 percentage point from their level in mid-June.

Treasury securities	Close 7/28/2000 (percent)	Change from 7/21/2000 (percentage points)	Change from 12/31/99
3-month bills	6.02	+0.07	+0.85
10-year notes	6.04	+0.03	-0.41
30-year bonds	5.78	-0.01	-0.70



7-31-00

THE WHITE HOUSE
WASHINGTON

July 28, 2000

*copied
Reed
Chow
Podesta*

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow

SUBJECT: DPC Weekly Report

1. Health Care -- Patients' Bill of Rights: On Thursday evening Senator Kennedy and Congressman Dingell reported that a compromise agreement on the Patients' Bill of Rights had been worked out with Speaker Hastert. Senator Daschle and Congressman Gephardt advised caution, and by Friday afternoon, Hastert's office was already backing away from the compromise. Although the compromise is at least temporarily on hold, it may still serve as the foundation for a future agreement, and we are reviewing it to finalize a recommendation to you. The compromise appears promising in many respects; the major outstanding question on may be whether we would accept a \$5 million cap on non-economic damages for violations of administrative protections that would fall under Federal jurisdiction. Under the proposed compromise, the jurisdiction over health plans is split between Federal and state courts, with the states being responsible for any dispute requiring an evaluation of medical facts and Federal courts having jurisdiction over administrative disputes. Senator Kennedy, Congressman Dingell, and the Departments of Labor and Health and Human Services believe that this provision is acceptable because it does not impose caps on any state laws, explicitly affirms that state laws have jurisdiction over disputes dealing with medical decisions (the great preponderance of cases), and provides for an expansion under Federal law for administrative disputes. Your advisors within the White House have made no final determinations on this or any other part of the legislation, but will be doing so in the near future.

2. Education -- RAND Report on NAEP Tests and State Reforms: On Tuesday, the RAND Corp. released an analysis of state scores from the National Assessment of Educational Progress (NAEP). The RAND report concludes that education reforms are working, but that progress is not uniform among the states. The report affirms your "invest more, demand more" education agenda with its conclusion that money matters to student success, and that accountability systems recently put in place will only benefit students if they are accompanied by significant investment. The report specifically cites smaller classes, access to preschool and resources for teachers and teacher working conditions as the most effective investments for improving student performance. High-performing states tend to invest in these priorities and target funding to disadvantaged students. The study also found that master's degrees, teaching experience and teacher salary all

seemed to have comparatively little effect on student achievement scores. Texas ranks at or near the top in almost every measure of progress, but the report credited reforms adopted in the late '80's and early 90's. Governor Bush highlighted the report as support for his success in Texas and his educational agenda for the country. The Vice President noted that the report confirmed the importance of his education agenda, smaller classes, universal preschool, and enhancing teacher quality.

3. Education -- New York City Seeks to Turn Failing Schools Into Charters: New York City Schools Chancellor Harold Levy announced plans this week to convert some of the City's worst-performing public schools into charter schools and hand them over to private companies or nonprofit agencies beginning in the fall of 2001. Of the approximately 50 schools designated as failing, the Board plans to focus on 5-7 schools next year and as many as 20 in 2002. Mayor Guiliani has pushed for privatizing the management of the city's worst performing schools. The United Federation of Teachers opposed the move, calling it an unproven strategy for turning around schools. School privatization experiments have had mixed results. Large-scale efforts in Baltimore and Hartford failed decisively, while efforts where private companies have managed a few schools in a district have proved workable and relatively successful.

4. Education -- University of Georgia Affirmative Action Policy Ruled Unconstitutional: A federal judge ruled Tuesday that the University of Georgia's admissions program is unconstitutional because it discriminates in order to admit more black students. UGA admitted approximately 90% of its students based strictly on academic achievement. The rest were accepted on a combination of up to 12 characteristics, including race and gender. US District Judge Avant Edenfield, a Carter appointee, wrote that "to base racial preferences upon an amorphous, unquantifiable and temporarily unlimited goal is to engage in naked racial balancing." He ruled in favor of three white women who were denied admission in 1999. He ordered the university to offer the women admission and to compensate them for having to pay more money to attend other schools. UGA is considering an appeal of the decision to the 11th Circuit Court of Appeals. This decision joins the Hopwood case in Texas and Proposition 209 in California in undermining the ability of institutions of higher education to use race as a tool in making admissions decisions.

5. Crime -- Brady Law Studies: Next Wednesday, the Journal of the American Medical Association will publish a study indicating that the Brady Law has had no impact on the reduction in gun homicides. The study compares gun homicide totals in the 18 states that had background checks systems prior to the Brady Law with those in the 32 States that adopted background checks systems as a result of the Brady Law ("Brady States."). While the study found no difference in homicide reductions in Brady versus non-Brady States, it does conclude that the law helped to reduce gun suicides among the elderly. An important caveat is that the study does not evaluate whether the Brady Law affected the overall homicide rate by reducing illegal gun trafficking between States – an important measure of its impact on crime according to Handgun Control's prior research. Yesterday, in an attempt to blunt the JAMA study, Handgun Control released a new report which links passage of the Brady Law to a reduction in gun deaths. The report shows that since passage of the Brady Law, the gun-related crime rate has dropped faster than the overall violent crime rate. From 1994-98, an estimated 9,368 fewer people were

murdered with guns because the percentage of robberies and assaults committed with guns fell each year after passage of the Brady Law.

6. Crime -- Bulletproof Vest Legislation: On Wednesday, the House passed legislation (413-3) to extend the bulletproof vest grant program through FY 2004, and to double the currently authorized funding level to \$50 million per year. You announced your support for this bipartisan legislation at this year's Peace Officers' Memorial on May 15. The legislation has the strong support of all of the major law enforcement organizations. The Senate Judiciary Committee has passed companion legislation but there is a Republican hold on the bill.

7. Welfare Reform -- Evaluation of Welfare-to-Work Strategies: Next week, Los Angeles County will release the final evaluation of its Jobs-First GAIN program, conducted by the Manpower Demonstration Research Corporation and partially funded by HHS. Jobs-First operated from 1995-98 with a strong work-first message and tough enforcement of sanctions. After two years, the program led to a 17 % increase in employment and significantly higher earnings across single and two-parent families and various racial/ethnic groups, including families with limited English proficiency. The current CalWORKs program has added time limits and more comprehensive supports for families moving from welfare to work. HHS will release a statement highlighting the Los Angeles findings, along with its own report compiling previously-released results from 20 large city welfare-to-work programs. Like the LA study, the results show clear increases in employment and earnings and reductions in welfare costs for a wide range of welfare families, with impressive gains for the most disadvantaged families. The programs that focused on employment had better results— particularly for the most disadvantaged families — than those that primarily focused on education.

8. Welfare Reform -- California Welfare Caseloads: The Public Policy Institute of California recently released a report analyzing welfare caseload trends in California. The report notes that the state's 30% caseload decline since 1994 was smaller than the national average of 47%, in part due to the high level of child-only cases in the State. Two key factors appear to be responsible for the increase in child-only cases: (1) immigration trends in the early nineties increasing the number of recipients who are citizen children of undocumented immigrants and (2) state policy that allows children to continue receiving assistance even if their parents are sanctioned for failing to meet work requirements. California also has a disproportionate number of two-parent cases. If child-only and two-parent cases are removed, California caseload trends closely track national trends. The report also highlights significant regional differences within the state.

9. Welfare Reform -- New York City Court Case: On July 24, a New York district court judge ruled on two motions in a year and a half old lawsuit, *Reynolds v. Giuliani*, in which New York Legal Services charged the City with illegally deterring eligible people from accessing needed cash, food, and medical assistance. The judge: (1) found no reliable evidence that the City's welfare-to-work job centers had corrected the problems raised in the suit and therefore continued the injunction prohibiting the conversion of additional welfare offices to job centers and (2) granted the case class-action status, allowing the plaintiffs to sue both the city and state for violations of their civil rights on behalf of all poor New Yorkers who have sought or will seek aid at job centers. In late 1998, USDA conducted a formal investigation of the City's food

stamps policy and instituted a corrective action plan. As you know, both USDA and HHS have also taken a number of steps to enforce existing laws, provide guidance to states on how to improve practices, and propose bonuses to states that improve participation of eligible families in food stamps and Medicaid.

10. Housing -- HUD Fair Market Rents Proposal: Secretary Cuomo plans to send you a memo recommending raising the Fair Market Rent (FMR) used to determine the limit on Section 8 rental assistance. HUD believes that in certain markets, raising the FMR will increase the number of people who are able to find housing with a Section 8 voucher. A recent Washington Post story highlighted difficulties with using Section 8 vouchers in booming markets such as Northern Virginia. Where local conditions limit voucher holders' success in finding an apartment, HUD proposes automatically approving a Public Housing Authority's request to increase the FMR from the 40th to the 50th percentile of local rent levels. (Currently, HUD requires PHAs to develop substantial justification to raise their payment standards). The announcement would be an opportunity to press Congress to fund the \$50 million Voucher Success Fund included in your FY 2001 budget that PHAs could use to help address these issues. The memo may also present HUD's proposal on how to spend FHA surplus funds. As you directed in March, we've been working closely with OMB and HUD to assess available funds and develop proposals for using these funds to expand affordable housing; however, we have not yet reached a final consensus.

Wrote letter
on something
be shared by
Housing
ASAC

THE NEC WEEKLY

WILL BE FORWARDED



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

7-31-00

July 28, 2000

MEMORANDUM FOR THE PRESIDENT

100 JUL 28 PM 5:01

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *DES for*

SUBJECT: CEQ WEEKLY REPORT

RESOURCE STEWARDSHIP

Pacific Salmon Recovery

I held a press conference with other Federal officials in Portland yesterday to outline further details of the Administration's salmon recovery initiative. The Administration plan includes measures to restore salmon habitat, improve hatchery operations and develop objective performance standards to determine whether endangered salmon runs are rebounding and to assess the need for dam breaching in the next few years. Senator Murray, Representative Dicks and Governor Kitzhaber issued statements cautiously supporting the Administration plan. The environmental community and tribes, however, denounced our plan, arguing that dam breaching is the only way to successfully restore salmon populations. Earlier this week, Governors Kitzhaber, Locke, Kempthorne and Racicot released a set of consensus guidelines that are similar to our plan, but which was silent on the question of dam breaching.

Oceans Act

Congress passed an Administration-supported Oceans Act, which calls for the creation of a Commission to review federal oceans policy and report to the President and Congress on its findings. The bill should be available for your signature shortly. This bill will lay the foundation for governance changes needed to implement sound oceans policy, as was discussed at the National Oceans Conference that you attended in Monterey, California in 1998.

Northwestern Hawaiian Islands

In response to your directive announced at Assateague Island, the Departments of Commerce and the Interior are conducting meetings throughout the main Hawaiian Islands this week to seek public views on how best to protect the unique and isolated coral reefs of the Northwestern Hawaiian Islands. There has been good turnout for these sessions among Native Hawaiians, environmentalists and fishing industry representatives. Final recommendations are due to you by the end of August.

Land Conservation Legislation

The House passed several important land conservation bills this past week, which were supported by the Administration. On Tuesday, the House passed legislation sponsored by Representative Mary Bono to create the 280,000-acre Santa Rosa and San Jacinto Mountains National Monument near Palm Springs, CA. The House also passed a bill sponsored by Representative Scott McInnis to protect 200,000 acres of canyon land in western Colorado. These bills were passed in part to avoid the Administration's use of the Antiquities Act to protect the lands. Also this week, the House Resources Committee approved a bill sponsored by Representative Lois Capps to establish the 250,000-acre Carrizo Plain National Conservation Area in California.

Total Maximum Daily Loads

This week, the Senate Committee on Environment and Public Works unanimously voted to pass the TMDL bill, sponsored by Senator Crapo. As amended, the bill would provide significant new funding for state water quality programs, including funding for developing TMDLs and controlling polluted runoff. The bill also requires studies by the National Academy of Sciences (NAS) and by the National Academy of Public Administrators on the TMDL program. In addition, Congressman Stenholm introduced a new TMDL bill this week with bipartisan co-sponsorship. The bill would provide for another 120-day public comment period on the final rule, require an NAS study and additional analysis of the rule, and require the Administrator transmit to Congress an explanation of the Administrator's decision to change or not to change the final rule. Neither of these bills specifically calls for a delay in the effective date of the Administration's final rule, which is currently October 1, 2001.

7-31-00

THE WHITE HOUSE

WASHINGTON

July 28, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

copied
Ballentine
Podesta

Climate Change

Press, Science and Industry

Scientists have discovered increasing concentrations of a recently identified gas that "traps heat more effectively than all other known greenhouse gases" *The New York Times* reported (7/28). A study published in the journal *Science* (7/28) reveals that although the gas, trifluoromethyl sulfur pentafluoride (SF₅ CF₃), is extremely rare, concentrations are rising quickly and will have a lasting impact as the gas may take more than 1,000 years to break down.

As widely reported, The Ford Motor Company announced that it will increase the average fuel economy of its sport utility vehicles by 25 percent over the next five years. The increase amounts to approximately five miles per gallon and would be the most significant change in the fuel economy of a passenger vehicle class in nearly 20 years. The improvement will be on a fleet-wide average, with some of the decrease coming from the introduction of a new, smaller SUV and from the phase down in production of its largest SUVs.

Hydrofluorocarbons (HFCs), once touted as alternatives to ozone-destroying chlorofluorocarbons (CFCs) in refrigeration equipment, have been condemned for their role in global warming, *The Financial Times* reported (7/26). Coca-Cola's recent announcement that it will phase out HFC usage in its cold-drink equipment has greatly publicized the HFC debate, and sparked further discussion about alternative refrigerants. HFCs are controlled by the Kyoto Protocol, and the UK and Danish governments recognize their use as "unsustainable".

Legislative

The Treasury Department testified this week on behalf of your climate tax package at a Senate Finance Subcommittee hearing held by Senator Orrin Hatch (R-UT) on energy and environmental taxes. In addition, many of our climate change tax proposals have been included in legislation introduced this week by Senators Jeff Bingaman (D-NM), Tom Daschle (D-SD), Robert Byrd (D-WV), Carl Levin (D-MI), and John Rockefeller (D-WV).

✓ Senator Sam Brownback (R-KS) introduced his second bill on climate change. The International Carbon Sequestration Incentives Act was introduced on Thursday, with Senator Tom Daschle (D-SD) as the lead cosponsor. Additional cosponsors include Senators Robert Byrd (D-WV), Dick Lugar (R-IN), Bob Kerrey (D-NE), Chuck Grassley (R-IA), and Mike DeWine (R-OH), and supporters include Environmental Defense, the Nature Conservancy, and American Electric Power. The bill would provide either a domestic tax incentive, a guaranteed International Monetary Fund loan, or project insurance for agricultural conservation and carbon sequestration projects undertaken by U.S. entities both at home and abroad.

International

We had extensive meetings with a delegation from the Government of India. The meetings were the first follow up to the clean energy and environment agreement signed during your trip to that country. Discussions centered on the Kyoto process as well as on many other issues dealing with the promotion of clean energy trade and development.

Lands Legacy

The Senate Energy Committee reported the Conservation and Reinvestment Act on a bipartisan vote of 13-7, with Senators Frank Murkowski (R-AK), Gordon Smith (R-OR), Jim Bunning (R-KY) and Peter Fitzgerald (R-IL) voting with the Democrats. The approved version of the bill is significantly improved from the version that passed the House, although we still seek some changes, particularly regarding the permanence of the funding mechanism. Opponents of the legislation have vowed to use all rules and options to prevent the bill from reaching or clearing the Senate floor.

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



7-31-00
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

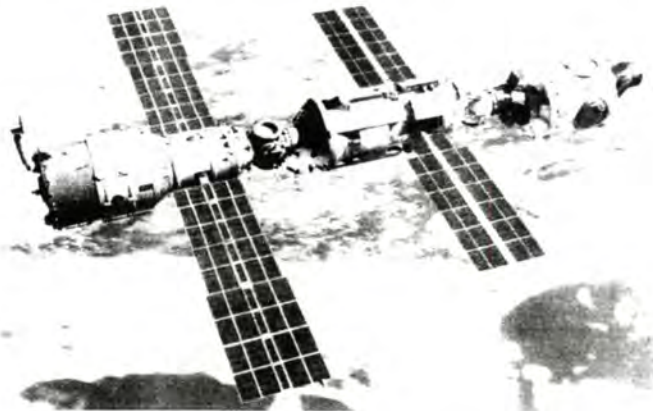
July 28, 2000

MEMORANDUM FOR THE PRESIDENT

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

Space Station Grows

On Tuesday night (7/25) at 8:55 p.m., the Russian Service Module, Zvezda, successfully docked with the International Space Station (ISS). The Service Module is the keystone of the infant International Space Station and will provide propulsion and life support systems for the five year construction phase, and for at least an additional ten years of operation. Within a few days, Zvezda's computers will take full control of maintaining the station's orbit.



Docking of the Service Module, which was done remotely from ground control, paves the way for a period of intense activity in the assembly and construction of the Station. More than 15 U.S. and Russian launches are planned over the next 12 months that will include sending two 3-person crews, the U.S. Laboratory Module, and the ISS robotic arm. The International Space Station will be a fully operational laboratory in a little more than six months from now. Following a shuttle flight in September to supply the outpost, the first ISS crew, Expedition One, heads to the station in late October or early November to begin the permanent human presence on the station. The crew will stay on the station about four months to activate life support systems and experiments, while continuing stowage and checkout of the new station. They also will assist with the continuing assembly and conduct the first station-based spacewalks from Zvezda's forward airlock. The first crew will return to Earth on a shuttle, leaving the Soyuz that launched them docked at the station as an emergency "lifeboat" for the next crew.

Meanwhile, the space station is scheduled to get a lot bigger: Between late 2000 and the end of 2001, construction crews in spacesuits are to install a truss assembly, giant solar panels, the U.S.-built Destiny laboratory module and an airlock. By the time the airlock is put in place, the ISS would be bigger and more powerful than any other orbiting spacecraft, with roughly the same volume as a three-bedroom house. Each addition to be made to the ISS will make the space station more easily visible from Earth. Today, reflected sunlight could make the station appear nearly as bright as the star Sirius under just the right conditions, with Zvezda's hull and solar panels providing an extra glimmer. Eventually, the station could shine as brightly as Venus on a good night. NASA has developed several Web-based programs to help observers around the world track the International Space Station as it crosses the sky.

Congress Heads on Month Long Recess Leaving Deep Cuts in S&T

Congress will head home later today leaving nearly a \$2 billion deficit in your Science and Technology Initiative request. Earlier today John Podesta, Jack Lew, David Beier, Chuck Brain, Tom Kalil and I met with a group of 35 scientific and academic leaders regarding the S&T budget. They expressed the science community's great appreciation for your historic S&T request and repeated their support for seeing it enacted. After voicing grave concern over Congressional numbers for R&D, the group pledged to continue to urge support for a balanced science and engineering R&D portfolio, with specific emphasis on the cuts at DOE (\$320M from Science Accounts, \$67M from Solar & Renewable) on a bill that passed the House with 407 votes in support. OSTP will continue to work with other WH offices to see that we turn around these cuts that threaten to imperil our economic prosperity.

Crime Tech Initiative

The Technology Division of OSTP held a very successful Crime Technology Initiative forum this week. I joined Attorney General Janet Reno, and U.S. Representative Sherwood Boehlert in keynote speeches urging the approximately 80 participants to work together and explore new ways in which the benefits of technology can be brought to bear on the problem of crime in our society. Currently local, state and federal governments spend about \$100 billion for policing, incarceration, and the judicial system. This initiative is being designed to reduce these costs which are predominantly borne by state and local governments. The participants represented local, state, and federal law enforcement and corrections professionals, members of the state and federal judicial branch, and forensic scientists. OSTP will be working with 10 Federal agencies to create a coordinated research and development program.

New Greenhouse Gas Discovered In Antarctic Snow

Today's *Science* Magazine includes a report entitled "A potent greenhouse gas identified in the atmosphere: SF_5CF_3 " which is also described in the *New York Times* (p. A1). The article describes a new greenhouse gas detected in the upper atmosphere and in snow in Antarctica. The amount of this gas (trifluoromethyl sulfur pentafluoride, or " SF_5CF_3 ") in the atmosphere is very small – one tenth of one part per trillion. This means that it has a negligible effect on global warming, despite the fact that the compound has a very high heat trapping capacity on a molecule by molecule basis – 18,000 times more than carbon dioxide (CO_2). The new gas appears to account for less than 1/100 of one percent of the overall warming from greenhouse gases, compared to about 70 percent accounted for by CO_2 , the most common greenhouse gas produced by human activities. In terms of emissions, burning of fossil fuels adds 6 billion tons of carbon to the atmosphere each year. SF_5CF_3 is currently being emitted at the rate of about 270 tons a year – an increase of about six percent per year. It is clear that the reductions in CO_2 emissions that we are pursuing through your Climate Change Technology Initiative and International Clean Energy Initiative should remain our top priority. At this point our primary concern with this new gas is that it has a long atmosphere lifetime, perhaps 1,000 years before breaking down. Further research should help us identify the source, which may be an industrial manufacturing process, and determine if emissions are increasing.

New Moon Around Jupiter Discovered – Waits to be Named

Astronomers believe they have discovered another moon of Jupiter, the first to be found in a quarter of a century. Astronomers at the University of Arizona and the Smithsonian Astrophysical Observatory in Massachusetts appear to have discovered Jupiter's seventeenth moon – and the smallest known satellite of any of the nine planets in our Solar System. The tiny moon – just three miles in diameter – is known currently only as S/1999 J1, but will get a name once follow-up observations confirm the finding. Jupiter and its moons are currently too close to the sun to allow follow-up observations immediately, but they should be possible within the next few months.

7-31-00
THE WHITE HOUSE
WASHINGTON

July 27, 2000

Copied
Ibarra
Podesta

MEMORANDUM FOR THE PRESIDENT

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

STATE OFFICIALS

Governor Mike Huckabee (R-AR): On July 24, Governor Huckabee wrote to request that you review HCFA's rejection of the State's Medicaid waiver request for ARKids. The attached editorial from the *Arkansas Democrat-Gazette* emphatically supports HCFA's decision stating, "The Federal government is right."

Attorney General Janet Napolitano (D-AZ): Arizona Attorney General Janet Napolitano underwent successful surgery for breast cancer yesterday. Surgeons advise that all cancer was removed, and Attorney General Napolitano will not require chemotherapy or radiation. Prior to being elected Attorney General, Napolitano served as U.S. Attorney for Arizona. Correspondence is preparing a get well wish for your signature.

Governor Howard Dean (D-VT) and Governor George Pataki (R-NY): IGA notified both governors that you had approved their disaster declaration requests for storm damage and floods that occurred in Vermont two weeks ago and in New York during May and June. The Governors were very appreciative.

Governor Ronnie Musgrove (D-MS): Governor Musgrove called you regarding several personal matters, including a request for you to introduce him to Kweisi Mfume. IGA prepared a call request for you to return his call on July 25th.

LIHEAP GRANTS

Responding to the disaster declaration request of Governor Tony Knowles (D) due to the salmon crisis, Alaska received \$6.75 million in Low Income Housing Energy Assistance funds (LIHEAP). Additionally, the U.S. Department of Agriculture granted \$300,000 to the Alaska Department of Education for disaster food assistance. The Governor is very pleased with the Administration's responsiveness. Other states receiving LIHEAP grants on July 25th, totaling \$35 million, included AL, AR, GA, MS, SC, TN and TX.

JP
This is a terrible
time to be doing
this

UPPER PAYMENT LIMITS/ MEDICAID

On July 26, the Department of Health and Human Services (HHS) sent a letter to all state Medicaid Directors regarding the Department's intent to close the loophole which allows states to draw down excess federal Medicaid funds. IGA contacted the offices of governors Siegelman, Davis and Vilsack because this issue significantly affects their states. Today, IGA and HHS staff attended a meeting at the National Governors' Association to brief the representatives of the affected 17 states. As expected, many expressed concerns. We will continue to partner with HHS, DPC, OMB, and others to respond.

CITY/COUNTY OFFICIALS

Conservation and Reinvestment Act : On July 26th, President of the USCM, Brent Coles (R-Boise), Mayor Menino (D-Boston), and a delegation of eight mayors attended a White House CARA meeting. CARA was reported out of the Senate Energy Committee, on July 25th by a vote 13-7. The mayors were briefed by John Berry of Interior and Roger Ballantine regarding the current status of CARA. The mayors stressed that cities across the country would greatly benefit from the Bill, however, they adamantly insist that the UPARR program funding of \$75 million must be increased to at least \$125 million.

Mayor Jimmie Yee (Sacramento): On July 27, IGA and OMB met with Mayor Yee and Sacramento County Commission Chair, Supervisor Roger Dickerson (D), to discuss the status of appropriations for flood control projects authorized in last year's Water Resource Development Act (WRDA). Despite your \$5 million request for modifications to Folsom Dam, neither the Senate nor the House has included any funding for the project in their Energy and Water Appropriations bills.

Mayor Carleton Finkbeiner (D): Today, in response to a request from the mayor, IGA met with General Services Administration officials regarding a dispute over a federal land exchange. GSA and Toledo officials have agreed to resume discussions in pursuit of an agreement.

Mayor Masiello (D-Buffalo):. Mayor Masiello was in Washington on July 25th. He called to express his best wishes and to tell you that the First Lady is doing a great job in New York.

National Association of Counties' (NACO) Exchange Program: IGA met with representatives of NACO on July 26th to discuss funding sources for their International Exchange Program. NACO wants to conduct a series of meetings in Indonesia between American county officials and Indonesian federal, regional, and local officials to address the pressing issues facing Indonesia's efforts to decentralize and democratize.

INSULAR AREAS

Puerto Rico Status Choice: House Resources Committee Chairman Don Young (AK) sent a positive letter about the meeting you held to clarify Puerto Rico's status options. He asked for the Administration's views on the options.

A Senate-House committee that produced omnibus legislation, which includes appropriations for the Executive Office of the President, joined the House in failing to approve any of the funding you requested to support a status choice for Puerto Rico. Governor Pedro Rossello, Steny Hoyer (MD), Jose Serrano (NY), and Carlos Romero-Barcelo (PR) expressed deep disappointment. We will continue to object to the lack of funding.

A Federal judge in Puerto Rico ruled that the Federal Death Penalty Act of 1994 is inapplicable in Puerto Rico because Puerto Ricans did not have voting representation in its enactment and the insular constitution prohibits capital punishment. Attorney General Reno had authorized the death penalty to be sought in the case. The ruling calls into question the ability of the Federal Government to apply laws to the territory.

At Governor Rossello's request, we sent a message on your behalf for Puerto Rico's anniversary celebration of the raising of the U.S. flag in the islands and the Federal-Commonwealth governing arrangement. The message reiterated your commitment to clarifying the islands' status options and establishing a mechanism to continue the effort in the future. An editorial in *The San Juan Star* praised your commitment.

Guam Bill: The House passed an omnibus bill relating to Guam that would give foreign investors in Guam the lower withholding tax rates that apply in the U.S., transfer surplus federal land to the government of Guam for public use, and allow the export of betel nuts from Guam into the United States. Federal agencies are concerned that the House bill could have the following negative effects: investors could escape all taxation; the federal lands could be misappropriated to individuals without payment to the Guam government; and, betel nuts have been linked to cancer. The Administration will work to improve the bill in the Senate.



RETURN to Editorial Section / Tuesday, July 25, 2000

Poor kids and politics: *The feds strike back*

THE FEDERAL government is right. Now *there's* a sentence you don't hear every day, unless it's said in a sarcastic tone. But we're not kidding. The feds are right to make the state of Arkansas follow the rules on Medicaid and Medicaid Lite--the successful, aggressively marketed, can't-turn-on-the-tube-without-seeing-the-Guv-tout-it ARKids First program.

ARKids was supposed to be for families who make too much money to qualify for Medicaid but not enough to afford their own insurance. But a lot of families who are eligible for basic Medicaid are choosing ARKids First.

What we have here is a good idea that's still a good idea but has been confused beyond recognition. And the feds, who provide three-quarters of the money for all Medicaid programs, noticed.

So after all kinds of bureaucratic back-and-forth between Arkansas and Washington, the director of HCFA (the Health Care Financing Administration) broke the bad but inevitable news in a letter Friday to the state's Medicaid director--the able but short-fused Ray Hanley.

Call it a Dear Ray letter. As in Dear Ray: Stop it. Stop letting folks who qualify for straight Medicaid, with all its free benefits, sign up for ARKids First, which costs a few bucks and provides less coverage. And, no, you don't have permission to start doing it in the future.

To quote the letter from Tim Westmoreland in Washington, "Your requested change would remove important safeguards designed to assure that children receive the protections and benefits for which they are eligible." Among the benefits, say the feds, are hearing aids, physical therapy and hospice care, which aren't covered by ARKids.

Bill Clinton has it right this time, "The Medicaid waiver that allowed ARKids was designed to build on Medicaid, not replace it."

There's little virtue in guiding families into ARKids First if the kids would benefit more from basic Medicaid. The object is to help the kids isn't it?

GOVERNOR Mike Huckabee--and Ray Hanley, too--say some folks would prefer to participate in ARKids and pay a few bucks rather than deal with the stigma attached to accepting traditional Medicaid. (Welfare has become a bad word.) They say it's pride, and government should do what it can to encourage this kind of individual responsibility, not squelch it.

They've got a point. But haven't they now put even regular Medicaid under the ARKids label--in hopes of peeling away the stigma? Isn't it all called ARKids now? Why not just do what's best for the patient?

The state's pride-and-responsibility argument would hold up better if the state's own bureaucrats could provide some relevant facts and figures showing that, yes, lots of folks really do insist on ARKids over

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Medicaid.

Instead, we've gotten little but anecdotal evidence--and a lot of showboating from the Guv. (Remember that yellow ribbon he put around the bust of Bill Clinton at the Governor's Mansion?) There is a familiar whiff, an almost faubusian odor of defiance, in some of the Guv's comments, and we're sure the governor doesn't want to leave *that* impression. Mike Huckabee is at his best when he rises above partisan prejudices, not when he starts exploiting them.

Lost in this political game has been any real sharing of the facts--at least with the public. It would be useful to know the answers to a few questions. For example: Just how many families do balk at accepting Medicaid, anyway?

The state's given out some old figures about the number of children enrolled in ARKids who qualify for general Medicaid. (Some 26,000 as of September 1999.) But what the state hasn't provided is the number of families who preferred ARKids to straight Medicaid. For all we know, those families were just reacting to the half-million-dollar ad campaign for ARKids--and may not have realized they could have got better benefits with plain old Medicaid.

If folks signed up for ARKids when they could have had Medicaid plain, was it because (a) they really wanted to, (b) didn't know any better, (c) didn't want to fool with additional paperwork, (d) were overcome by sheer Arkie pride (aka cussedness), or what? Does the state keep tabs on this? If not, it should.

No amount of orating can substitute for the facts. Does anybody in this dispute know what those facts are? To question the details of ARKids First is not to condemn the program. Or to be Staunchly for the Welfare State. It's just to want the facts, and to want what is best for the kids.

If some parents would rather have no coverage for their children at all rather than accept it free, maybe we need an ARKids III program for them--both of them. Because how many of those can there be, exactly? Does anybody know?

People shouldn't be slapped down for asking some questions. Not even government employees at the Health Care Financing Administration in Washington. They wanted to know why Arkansas started this program as a way to help families caught between welfare and low wages, but then expanded it so that it now threatens to supplant Medicaid and deprive kids of benefits. Fair question. We wondered ourselves. The folks at HCFA did, too. (We don't know if they're faceless, but they sure are courteous over the phone.)

IT'S ALWAYS easy to blame the feds for red-taping a good program to death. But the Huckabee administration has overplayed its Faceless Federal Bureaucrat card. The Feds have never changed their position; they've always insisted that ARKids be a distinct, separate program--not a pay-more, get-less substitute for Medicaid.

Thanks to the feds' interest--and the state's initiative--both ARKids First and Medicaid in Arkansas may soon get more user-friendly. There'll be less paperwork, more applying by phone, and the name of all the Medicaid programs will be changed to ARKids . . . those are good

ideas. Inexpensive ideas. Efficient ideas. Nobody should quarrel with all that.

And there should be no problem with allowing families to pay a little if they insist on it--and if they're making a fully informed decision. *Just as long as their kids get everything we all want kids to have.* Most parents we know will do anything, including swallowing some pride, to help their kids.

Besides, it's We the People who are paying for most of this program, and we ought to insist that every child in Arkansas gets every benefit that child is entitled to, whether it's a hearing aid or physical therapy or something else that could make all the difference in the kid's still young life.

What isn't a good idea is for the state of Arkansas to start bending the rules, even a little bit, even in the name of pride and individual responsibility. If the Huck and his minions are so sure they're right on this, then they do have an option: They can work to get the rules changed. Jay Dickey, the congressman from the Fourth District, says he'll help. But in the meantime, let's remember whom we're supposed to be helping here. It's the kids--not anybody's tough-talkin' reputation.

This article was published on Tuesday, July 25, 2000

RETURN to Editorial Section

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THE WHITE HOUSE
WASHINGTON

July 28, 2000

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Marshall
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MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
July 22 - 28, 2000

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **ADA 10th Anniversary Celebration:** This week, members of your Cabinet and sub-Cabinet participated in events and media outreach to highlight Administration disability rights accomplishments and to amplify your message commemorating the 10th anniversary of the ADA. Fifteen Cabinet and sub-Cabinet members will have participated in the Spirit of ADA Torch Relay, reaffirming the Administration's commitment to principles of the ADA and the Individuals with Disabilities Act by the time the torch reaches its destination in NY next week. Cabinet Affairs and the White House Press Office coordinated with the agencies to reach out to more than fifty media markets for amplification following your ADA Anniversary event on July 26. In addition to outreach via radio and print media, the following Cabinet members hosted or attended ADA anniversary events across the country this week: Secretaries Glickman, Shalala, Slater and Richardson, Administrator Alvarez, Director Lachance, and Commissioner Apfel. The agencies also worked closely with DPC and OMB to develop deliverables related to disability rights for announcement during the ADA anniversary celebration.

DEPARTMENT OF THE TREASURY

- **Southeast Europe:** On July 26, Deputy Secretary Eizenstat spoke at a signing ceremony for a Southeast Europe Equity Fund established by the Overseas Private Investment Corporation to provide investment capital for new business development, expansion, restructuring, and privatization in the region. Eizenstat discussed economic conditions in the region and the importance of improving the investment climate in order to stimulate more foreign investment in the region. The Fund's aggregate size will be \$15M, and will be managed by Soros Private Funds Management. The ceremony, along with a parallel announcement of a \$150M U.S. Trust Fund for the development of small and medium enterprises in Southeast Europe, marked the anniversary of the initiatives that were pledged at the Sarajevo Summit.

- **HIPC:** On July 26, Secretary Summers met with the Congressional Black Caucus (CBC) to discuss his recent trip to Africa, the HIPC debt relief initiative, and the vaccines tax credit. CBC members expressed strong support for HIPC and the vaccine tax credit, and indicated that these are issues supported by the Democratic base. Also on July 26, Secretary Summers participated in a briefing for approximately 40 business community representatives to discuss the HIPC program, the vaccines tax credit, and other international development programs. On July 24, Secretary Summers hosted a dinner to introduce IMF Managing Director Kohler to key members of Congress. The urgency and progress of the HIPC program was among the key topics of discussion.
- **New Markets:** On July 25, by a vote of 394-27, the House passed the Community Renewal and New Markets Act. The legislation includes: the New Markets Tax Credit (NMTC), a tax incentive for investments in low-income areas; America's Private Investment Companies and New Markets Venture Capital Firms, which will be structured as private investment companies that will provide equity and long-term debt to businesses in low-income areas; Renewal Communities, Federally designated communities that will receive tax benefits and regulatory relief; and nine new Empowerment Zones. There are several issues which must be addressed in the Senate, such as whether the low-income housing tax credit will be phased in immediately, whether the DC Zone incentives will be extended to 2009, and whether technical corrections to the NMTC and other provisions will be included in the final legislation.
- **Taxes:** On July 27, the House approved, by a vote of 256-159, legislation to repeal the 1993 increase in the maximum proportion of Social Security benefits subject to the individual income tax. On July 25, Secretary Summers sent a letter to the Congressional leadership opposing the legislation and stating that your senior advisors would recommend that you veto it. On July 27, the House Ways and Means Committee approved, by a vote of 34-1, legislation replacing the U.S. foreign sales corporation tax regime. The legislation, which has bipartisan support, is necessary because of a WTO ruling that the current foreign sales corporation regime does not meet WTO rules. The legislation provides an exemption for foreign sales income regardless of whether the product from which the income is derived is manufactured in the U.S. or abroad, reduces incentives to use low or no-tax jurisdictions, eliminates administrative pricing rules, and ensures that the U.S. business community will not be at a disadvantage to foreign competitors. The U.S. could face significant trade retaliation beginning on October 1 if legislation replacing the current foreign sales corporation regime is not enacted.

DEPARTMENT OF JUSTICE

- **Salt Lake Olympic Officials Indicted:** On July 20, a 15-count indictment was returned against the former president and vice president of the Salt Lake City Olympic Bid Committee (SLBC) in connection with Salt Lake City's bid to host the 2002 Winter

Olympics. According to the indictment, the officials secretly paid an official of the U.S. Olympic Committee (USOC) to assist in winning the designation as the USOC's candidate city; personally diverted \$130,000 in SLBC income; offered and paid \$1M to influence the votes of more than a dozen International Olympic Committee members; and falsified SLBC's books, records, and other publicly available documents so as to conceal their activities.

- **Hearing on Independent Agency to Investigate DOJ:** On July 27, a House Judiciary subcommittee will hold a hearing on the Fair Justice Act, introduced by Representative Traficant, which would establish an independent agency to investigate and prosecute alleged misconduct, including criminal activity, by DOJ officers and employees. DOJ expects to send a panel of witnesses to express objections to this proposal. The FBI has not yet determined whether it will send representatives.
- **White Supremacist Guilty Plea:** On July 12, four self-proclaimed white supremacists pleaded guilty to conspiracy against rights of citizens, damage to religious property, and use of fire or explosive to commit a felony in connection with the attempted firebombing of Temple Emanu-El Jewish synagogue in Reno, NV. On November 30, 1999, the defendants threw an explosive at a window of the synagogue, damaging but not breaking the window. Within three days of the incident, the defendants were identified and arrested. Another co-defendant, who was not present during the attack but furnished the others with a gasoline can, pleaded guilty to the conspiracy and two other charges.

DEPARTMENT OF THE INTERIOR

- **CALFED Bay-Delta Program:** The final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) was recently released on the CALFED Action Plan, a long-term, comprehensive plan to restore ecological health and improve beneficial uses of the Sacramento-San Joaquin/San Francisco Bay system. The document addresses the impacts of the plan for restoring ecological health in the Bay-Delta, providing a reliable water supply, improving water quality, and fixing the levee system in the Delta. It is one of the principal milestones in five years of collaboration among state and Federal agencies and stakeholders. After a 30-day period, a Record of Decision will be issued and other final requirements met.
- **CA Central Valley Project:** BOR has increased water allocations by five percent to urban and agricultural users south of the Delta in CA. This amounts to a 65 percent supply for agricultural water service contractors and 90 percent for urban contractors. The ability to make the increase came about because of water made available by this year's unique demand pattern. The water user community has been informed that the increased allocation may have an impact on Federal storage in San Luis Reservoir for 2001, depending on hydrologic conditions. It will not affect this year's Delta operations.

- **Amphibian Die-Offs:** USGS is investigating the causes of 14 different amphibian mortality events occurring around the U.S. The number of cases, species involved, and wide geographic distribution of events is noteworthy. The events are occurring on Federal, state, and private lands in ND, ME, CA, OR, TN, NC, MN, CO, and MA. USGS is analyzing tissue samples and results are expected soon.
- **Congressional Drought Briefings:** On July 27, Representative Tom Davis will sponsor the sixth USGS briefing in the “Science for Safer and Healthier Communities” series, titled “Water Management During Drought: Lessons Learned.” Drought has had significant social, economic, environmental, and political impact on many areas during the past two years. The briefing will examine how USGS, NOAA, USDA, and other Federal agencies and academic institutions have worked closely with water resource managers to develop a new generation of water resource management products that are helping regional, state, and local governments plan for drought mitigation.
- **AK Salmon:** The extremely weak returns of chinook and chum salmon into the Yukon and Kuskokwim Rivers in western AK have prompted regulatory actions by both AK and Federal fisheries managers. DOI is responding with a three-pronged approach by recommending that up to \$5M be provided from the BIA emergency account, up to \$400,000 from USGS for research for the Yukon/Kuskokwim for spawning and migration studies, and funds from FWS for regional Native organizations along the Yukon/Kuskokwim to hire six or seven people to conduct monitoring and other activities.

DEPARTMENT OF AGRICULTURE

- **Africa Trip:** From July 29 to August 7, Secretary Glickman will lead a mission to Africa, highlighting opportunities for international cooperation on hunger, nutrition, and health-care issues. He will discuss your \$300M Global Food for Education (GFE) pilot program, hold meetings with government officials and international business executives on joint aid programs, and tour agricultural production and international aid facilities in Nigeria, Kenya, and South Africa. On July 26, Glickman met with representatives of private voluntary organizations and the World Food Program to brief them on the GFE program and to seek their support and input. On July 27, he testified on GFE before the Senate Agriculture Committee. Last week, Glickman announced that USDA will donate to drought-afflicted and war-torn African countries an additional 350,000 metric tons of farm commodities, worth some \$145M. This will bring total donations to Africa for the year to one million metric tons of food, nearly tripling last year’s total.
- **Protecting Market Competition:** Secretary Glickman will soon announce that the Grain Inspection, Packers, and Stockyards Administration (GIPSA) will develop new rules addressing producer concerns about a lack of transparency in market transactions, and the impact of growing concentration in the livestock, poultry, and meat-packing

industries. Specifically, under the Packers and Stockyards Act, the GIPSA initiatives will clarify record-keeping requirements for packers, clarify contract terms and disclosure provisions for livestock and poultry producers, and foster competitive pricing for individual livestock sellers.

- **Compliance Officers Memorial Service:** On August 8, USDA will host a Food Safety Inspection Service (FSIS) memorial for two slain FSIS compliance officers at USDA headquarters. The employees were shot and killed while inspecting an Oakland, CA plant on June 21. Numerous USDA and FSIS officials will attend the service.
- **Commodity Markets:** Wheat prices fell across the board, driven by weak cash corn prices and sluggish export markets. Increased farmer selling led cash corn prices lower, but futures rose on ideas that the market was oversold. Soybean cash and nearby futures fell as the crop continues to develop ahead of schedule, but new-crop futures rose amid a spate of commercial buying and optimism on exports. Rice cash prices were unchanged, but weather concerns sent new-crop futures up slightly. Heat and drought stress from TX through AL boosted cotton prices. Cattle prices fell in light trade, pressured by declining boxed beef prices. Lower product prices led to a drop in hog prices. Cheese prices were down fractionally in seasonally light trade. High stock levels depressed butter prices.
- **International School Lunch Program:** On July 27, Secretary Glickman testified before the Senate Agriculture Committee on the international school lunch program, amplifying your announcement during the G-8 summit.
- **Loans to HI:** In mid-August, USDA will present Hawaii with \$8.35M in rural development loans to create and sustain jobs in depressed communities. Specifically, the HI State Office will receive \$2M to build-out an abalone agriculture facility in Kailuakona, HI; \$3.6M to facilitate a 100 percent stock purchase, debt refinancing, and working capital for a solvent recycling and equipment leasing facility in Kapolei, HI; and \$2.75M for permanent working capital, purchase of a building, leasehold improvements, and purchase of equipment for a seafood importer/exporter.
- **Nutrition and Health Promotion Center:** On July 28, during his commencement address to the school, Secretary Glickman will announce the creation of a USDA-sponsored Center of Excellence in the area of food, nutrition, and health promotion at Southern University and A&M College in Baton Rouge, LA. The Center will design and test culturally appropriate nutrition intervention strategies to reduce hunger among poor children and families in the lower Mississippi Delta area.

DEPARTMENT OF COMMERCE

- **Mineta Swearing-In:** Norman Mineta was sworn in as Secretary of Commerce on July 21. He was ceremonially sworn in by the Vice President during a July 25 ceremony at the Washington Renaissance Hotel.
- **China Trade Relations:** On July 27, the Senate voted cloture on the motion to proceed to China Permanent Normal Trade Relations. The issue will be taken up in September.
- **Census Office Fraud Allegations:** An investigation of fraudulent activity in a Bronx, NY Local Census Office (LCO) does not support claims made by four former enumerators to a local ABC television affiliate in NY. The employees alleged that LCO managers ordered more than 2,000 enumerators to falsify data on census forms, and to alter data entries in administrative computer logs to cover up the falsification. Senior Census Bureau staff members conducted an investigation at the Census Bureau LCO, including a review of payroll records, administrative logs, data records, and interviews with more than two dozen staff, and found the allegations to be unsubstantiated.
- **Census Recruiting and Selection Procedures:** Nationwide, the Census Bureau has hired managers, partnership specialists, media specialists, crew leaders, and enumerators. Approximately 200,000 enumerators will be employed for the Coverage Improvement Followup operation which began on July 6 for 342 local census offices. For the week ending July 14, the Jobs Line received more than 19,027 telephone calls. As of July 14, the Census Bureau had hired a total of 37,285 welfare-to-work employees. Both the Jobs Line and the Internet site will suspend activity on July 31.
- **Mexico E-Commerce:** The International Trade Administration, in partnership with the U.S.-Mexico Chamber of Commerce, is organizing a July 26-28 Washington visit by a delegation of Mexican officials engaged in the development of e-commerce policy. The group's purpose is to begin a dialogue on experiences related to e-commerce, discuss the challenges confronting governments, businesses, and consumers, and identify mutually beneficial approaches to e-commerce issues. The Mexican delegation will meet with U.S. government and corporate officials.
- **Foreign-Owned Carriers:** Senator Hollings included language in DOC's appropriations bill that would prevent the FCC from approving a license or operating authority for those foreign-owned carriers (defined as more than 25 percent government-owned) that wish to buy U.S. telecommunications companies. This action is designed to thwart a move by Deutsche Telekom, or any other company wholly or partly owned by a foreign government, to acquire U.S. telecommunications companies. This bill passed out of committee on July 18. Senator McCain objects to the inclusion of this language for both substantive and procedural reasons.

DEPARTMENT OF LABOR

- **Philadelphia AFSCME Union Negotiations:** Blue-collar AFSCME workers employed by the City of Philadelphia reached a tentative agreement with city officials on July 25, one day after their strike deadline expired. The four-year agreement covers sanitation workers, 9-1-1 operators, prison guards, and water department employees. It provides an immediate \$1,500 bonus for each worker, as well as annual pay raises of three percent. White-collar city employees, also represented by AFSCME, resumed negotiations with city officials on July 25. These employees also had a strike deadline of July 24.
- **Bell Atlantic Union Negotiators:** Communications Workers of America members voted overwhelmingly to authorize a strike against Bell Atlantic if a new contract is not reached by the August 5 expiration of the current agreement. CWA represents some 72,000 Bell Atlantic workers in 13 mid-Atlantic and northeastern states. Key issues include job security, contracting out, and mandatory overtime. Strike authorization votes are ongoing among 14,000 other Bell Atlantic employees who are represented by the International Brotherhood of Electrical Workers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **International Tobacco Conference:** On August 6-10, Secretary Shalala, Surgeon General Satcher, and other senior HHS officials will participate in various sessions of the 11th International World Conference on Tobacco or Health in Chicago, IL. The Conference is aimed at developing strong international, regional, national, and community-based efforts and strategies to significantly impact tobacco use globally. Ministers of Health, WHO officials, and other multilateral organizations will participate. On August 9, Dr. Satcher will release the 25th Surgeon General's Report on Tobacco. The report, "Reducing Tobacco Use" will provide a comprehensive review of the various methods used to reduce and prevent tobacco use.
- **Mental Health Program Success:** The week of August 14, HHS's Center for Mental Health Services will issue a report to Congress on the Comprehensive Community Mental Health Services for Children and Their Families Program. The report summarizes evaluation findings that children and adolescents with serious emotional disturbances participating in the program show marked improvement in school performance and attendance, reduced contacts with the law, and lower levels of severe behavioral symptoms. The program is based on a system-of-care approach that includes not only mental health care, but also social, educational, and other supportive services.
-  **Nursing Home Medicare Payments:** On July 25, HCFA announced that Medicare will increase payment rates to nursing homes substantially starting October 1 when payment rates for skilled nursing facilities take effect. The increased payment rates for Medicare's

prospective payment system will help ensure that Medicare pays appropriately for the care of elderly and disabled beneficiaries requiring skilled nursing care. HCFA will publish a final rule including the new rates in the July 31 *Federal Register*.

- **West Nile Virus:** Monitoring systems to detect the presence of West Nile Virus (WNV) continue to function well. The virus has now been detected in birds in three NJ counties (Bergen, Hudson, Middlesex) and six NY counties (Nassau, Rockland, Suffolk, Westchester, Queens, and Staten Island). The virus has also been detected in mosquitoes in NY and CT. The number of specimens (mosquito pools, submitted birds) being processed in these states is increasing. In response to these findings, focused ground spraying of synthetic pyrethroids has been taking place in NY and CT. On July 31, Dr. Ostroff, HHS's WNV coordinator, will participate in a roundtable symposium hosted by Representative Gejdensen in New London, CT, on international aspects of emerging infectious diseases, using WNV as an example. On August 1, Ostroff will participate in two symposia in NY to discuss the clinical aspects of WNV: one at New York University Medical Center in Manhattan, the other in Nassau County, NY. The Symposia are being hosted by Senator Charles Schumer; Representative Nita Lowey and Representative Joseph Crowley will participate. Other participants will include representatives from the State and local health departments and clinicians who treated WNV patients last year.
- **Genetic Testing:** On August 4, the HHS Secretary's Advisory Committee on Genetic Testing will meet in Bethesda, MD, to discuss topics presented at its June 5-7 meeting and plan a course of action for future projects. The Committee will also hear a report from a working group that will meet August 3 to develop a methodology for classifying genetic tests for review purposes.
- **American and AK Natives Programs:** On July 31, HHS and other Federal agencies will participate at the National Indian Council on Aging to present a model education and outreach program to better serve American Indians and AK Natives. The Federal agencies represented at the meeting will collaborate on ways to communicate with and educate Indian people regarding Federal benefit programs.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Racial Discrimination Judgment:** An administrative law judge awarded more than \$1.1M in damages to a fair housing advocate who received death threats by a hate group leader on his web site. The decision stems from threats made by a Philadelphia neo-Nazi group against Bonnie Jouhari and her teenage daughter. Jouhari's job was to promote fair housing, including helping housing discrimination victims file complaints under the Fair Housing Act. HUD brought the suit against the group for violating the Act. It is one of only a few published decisions involving emotional distress damages from Internet hate.

- **Hope VI Grants:** After issuing the appropriate Congressional notifications, conference calls were initiated to begin the process of awarding HUD's HOPE VI grants to communities across the nation. This year's grants will total over \$513M and will go to 18 recipients in 14 states.
- **NC Disaster Relief Funds:** Secretary Cuomo informed members of the NC Congressional delegation of \$25M in funding to help NC families whose homes were destroyed or severely damaged during Hurricane Floyd in September 1999. NC will use the funds for rental assistance and for new construction and reconstruction of rental units and single-family homes. In addition to the funding, HUD accelerated \$34M in Community Development Block Grant funds and \$12M in HOME Partnership Funds. Waivers were granted to NC that provided greater flexibility in responding to homeowners' needs.
- **NJ Disaster Relief Funds:** Secretary Cuomo informed Governor Whitman and members of the NJ Congressional delegation of \$11M in funding to NJ families whose homes were destroyed or severely damaged during Hurricane Floyd in September 1999. NJ will use the funds for rental assistance and new construction and reconstruction of rental units and single-family homes for low-income families displaced by flooding. HUD has granted waivers of HOME program requirements, including a waiver of the 25-percent match requirement, to speed the state's disaster relief efforts. These waivers apply to rental projects and tenant-based rental assistance.
- **Chinese Delegation in Washington:** Following up on your direction to establish a bi-national initiative, a Chinese Construction Ministry delegation visited Washington, DC, from July 24-28 to take part in a Study Tour to learn more about the U.S. mortgage markets. The visit followed up on Secretary's Cuomo's visit to China in May, where he announced the housing finance pilot. HUD will also establish externships for Chinese officials with private companies in the U.S. The week concluded with presentations on findings, questions, and planning for HUD's August comparative study in China.
- **Best Practices and Technical Assistance Symposium:** HUD and community leaders from across the country will come together on August 7-10 at HUD's second annual Best Practices and Technical Assistance Symposium. The theme, "Building a Better Tomorrow: Sharing, Preparing and Succeeding," represents a celebration of the Best Practices making a difference in America today. "Best Practices" are HUD-funded programs that maximize resources by using innovative methods to make a significant difference in the lives of the people in the communities they serve. More than 2,800 nominations for "Best Practices" awards were received this year in the following categories: Fighting for Fair Housing, Increasing Affordable Housing and Homeownership, Reducing Homelessness, Promoting Jobs and Economic Opportunity, Empowering People and Communities, and Restoring Public Trust.

- **AK Salmon Crisis:** AK Governor Knowles and the AK Inter-Tribal Council have requested Federal assistance for the villages affected by the poor return of salmon to the Yukon and Kuskokwim River drainages to ease local economic hardship. HUD participated in your Interagency Group on the 1997-2000 Western AK salmon run disasters for the Kuskokwim and Yukon Rivers. HUD announced Community Development Technical Assistance Funds targeted to assist communities and agencies with housing, homelessness, and community and economic development activities throughout AK. The demand-response grants are locally administered by the AK Housing Finance Corporation and Rural Community Assistance Corporation under HUD's AK office.

DEPARTMENT OF TRANSPORTATION

- **U.S.-Turkey Code-Share Services:** On July 20, DOT tentatively selected Northwest Airlines, United Airlines, and Delta Air Lines to use the three third-country code-share opportunities and 21 weekly frequencies available under the aviation agreement with Turkey. Objections to DOT's tentative decision are due by July 27. By separate action, DOT also granted the uncontested application of American and THY, a Turkish airline, to operate reciprocal bilateral code-share services in the U.S.-Turkey market.
- **Priceline.com Ticket Sale Procedures:** During the week of July 17, Priceline.com agreed to modify its Internet airline ticket sale procedures to avoid misleading consumers. This issue was the subject of a recent DOT investigation. Consumers purchasing airline tickets online at Priceline.com will now be given a specific all-inclusive price or price range before the ticket purchase is finalized. Previously, ticket purchasers bid a price on Priceline.com and were often surprised to find after receiving an itinerary or receipt that costly fees and taxes were added to the bid price.
- **National Urban League:** On July 29, Secretary Slater will attend the National Urban League Annual Conference in New York, NY.

DEPARTMENT OF ENERGY

- **Village Power 2000:** On August 8, DOE, the White House Millennium Council, and the Discovery Channel have tentatively scheduled an event to celebrate the return of 17 students from Uganda and Tanzania. The students will have completed the 1000th solar installation at a school in Uganda. Other installations have been placed at orphanages, clinics, hospitals, and homes.
- **Tau Neutrinos:** The Direct Observation of the Nu Tau (DONUT) experiment, a collaboration of 54 physicists from the U.S., Japan, Korea, and Greece, working at DOE's Fermi National Accelerator Laboratory (Fermilab), announced the first direct

evidence for the subatomic particle called the Tau Neutrino on July 21. The tau neutrino is an almost massless, particle carrying no electric charge and barely interacting with surrounding matter. While earlier experiments had provided convincing indirect evidence for the particle's existence, there had previously been no direct observation of the tau neutrino. The tau neutrino is the third and last neutrino predicted by the Standard Model of elementary particles, a theoretical description of the basic constituents of matter and the fundamental forces of nature. All three neutrinos have been discovered at DOE-supported facilities.

Bioenergy Executive Order Anniversary: August 11 is the one-year anniversary of your Executive Order on Bioenergy and Biobased products. DOE and USDA are working on a commemoration where they will highlight significant accomplishments from the past year. The celebration will announce Bioenergy Vision and the establishment of the DOE National Bioenergy Center.

- Gasoline Prices Mixed, Stocks Up:** Gasoline spot and futures price movements were mixed last week, as a rise in world crude oil prices was offset by U.S. crude and product stock builds for the week ending July 7. West Coast gasoline markets posted the greatest declines, as refinery operations continued to improve. The New York Harbor spot price for conventional regular gasoline rose 0.83 cent on July 17 to 90.63 cents per gallon, while the Los Angeles CARB RFG spot price fell 8.50 cents to 102.50 cents per gallon. (The spot price for West Texas Intermediate crude oil at Cushing, OK went from \$29.51 to \$30.71 per barrel during the same time period.) The U.S. average retail price for regular gasoline fell for the fourth straight week, dropping 4.7 cents to 154.6 cents per gallon as of July 17. The average has declined by 13.5 cents since June 19, but stands 37.7 cents per gallon higher than a year ago. Prices declined for most regions and formulations, led by further decreases of more than 10 cents per gallon in the Midwest. Total motor gasoline stocks increased for the seventh consecutive week to 205.6 million barrels on July 14, up 0.5 million barrels from the previous week, but 6.0 million barrels below the level for the same week last year.
- Secretary's Travel:** On August 9, Secretary Richardson will visit DOE's Brookhaven National Laboratory on Long Island, NY. On August 12, Secretary Richardson will deliver remarks to the Labor Council for Latin American Advancement in Chicago, IL.

DEPARTMENT OF EDUCATION

- National Education Research and Statistics Act:** On July 26, DOE sent to Congress for consideration the National Education Research and Statistics Act, the Administration's proposal to revise and extend the statutory authority for the educational research and statistical programs of DOE. The proposal specifies three broad priority areas for education research supported by the National Institute for Education Research:

the teaching and learning of reading, writing, and mathematics to students from diverse backgrounds; improving the ability of schools, districts, and states to implement reforms successfully; and using new knowledge from research to design effective strategies and policies. The proposal also emphasizes the crucial role of the National Center for Education Statistics to provide accurate, up-to-date statistical information needed to reform the nation's education system while meeting challenges to increase diversity, improve U.S. standing in global competition, and ensure that all students learn to high standards.



DC College Access Program: On July 24, the *Washington Post* reported that more than 2,400 students have signed up for the DC College Access program that helps DC students pay in-state rates at any public college or university in the country, with the Federal government making up the difference. Many area colleges and universities are expected to see a significant surge in the enrollment of DC residents this fall. Supporters of the program are trying to fend off a House GOP plan to cut some of the funding for the program. House leaders cut the program's budget from \$17M to \$14M. Representative Tom Davis will work to restore the program to the full \$17M in conference.

- **ADA Celebration:** On August 7, Secretary Riley will deliver remarks at the Americans with Disabilities Act 10th Anniversary Torch Relay Celebration at the UN.

DEPARTMENT OF VETERANS AFFAIRS

- **Online Employee Training:** Nearly 300 professionally-related training courses will be available to VA employees under a six-month pilot program with Vcampus Corp. About 9,000 VA employees at ten locations will initially have access to the courses. The virtual campus offers material on personal development, information technology, and management skills.

ENVIRONMENTAL PROTECTION AGENCY

- **Willamette Clean Air Case:** On July 20, EPA and DOJ announced the settlement of a major environmental suit alleging that Willamette failed to control the amount of air pollution released from its wood product factories in four states. The settlement resolves allegations that Willamette failed to install pollution controls, accurately report air emissions, and obtain air emissions permits for 13 of its facilities. As a result, thousands of tons of pollution were illegally released into the air. The settlement covers more facilities than any other case ever brought under the Clean Air Act provision designed to ensure that air quality does not deteriorate in areas that previously deemed to have clean air. Under the provision, companies in the designated areas must install air pollution controls before building new plants or modifying old ones. The new pollution-control equipment required by the settlement, with an estimated cost of \$74M, will prevent

Willamette's factories from releasing an estimated 27,000 tons of pollutants, resulting in significantly cleaner air in the surrounding communities. LA, AR, and SC are joining the Federal settlement and will share in the \$90M civil penalty that Willamette must pay.

- **FTC Report on Gas Prices:** The Administration has initiated a number of actions to determine the cause of the precipitous increase in Midwest gasoline prices during May and June (primarily in Chicago and Milwaukee). On June 15, Secretary Richardson and Administrator Browner requested that the FTC formally investigate the pricing situation in the Midwest. In testimony before the Senate Energy Committee on July 13, the FTC estimated its investigation could take as long as a year to complete. FTC testified it would announce its initial status report concerning the investigation on July 28.
- **Plutonium Levels at Hanford:** EPA has completed detailed radio-chemical analyses on 16 of 63 samples obtained during offsite air monitoring at the DOE Hanford facility immediately after the recent brush fires there. While preliminary screening analyses of all EPA and DOE samples indicated no radiation levels above background, EPA's in-depth analysis of the 16 samples show elevated levels of plutonium associated with five air. Although these results are above background levels, the elevated plutonium levels are still below EPA's protective action guides for emergency situations. These results are also within or below EPA's acceptable risk range for protecting public health and the environment. EPA samples were taken from a total of 23 locations, including on tribal lands and other populated areas immediately adjacent to the Hanford Reservation and up to 80 miles away. The results from the radio-chemical analyses of the remaining samples will be available by August 1.

U.S. MISSION TO UNITED NATIONS

- **East Timor:** On July 28, the UN will consider the current situation in East Timor, drawing from the nine-month report of the Secretary-General. USUN expects the Council to approve a Presidential Statement noting progress, expressing condolences over the July 24 killing of a New Zealand peacekeeper, and urging the Government of Indonesia to do more in East Timor.
- **Sierra Leone:** On July 25, the UK introduced a resolution to bolster the strength of and restructure the peacekeeping mission in Sierra Leone. The resolution also asks the Secretary-General to make an assessment on the number and force structure needed. USUN hopes to vote on this resolution within the next few days and will introduce a resolution on a special court for Sierra Leone soon.
- **Ethiopia/Eritrea:** By July 31, USUN will adopt a U.S.-drafted resolution authorizing the deployment of 100 military observers to key border areas between Ethiopia and Eritrea. The observers are intended to bolster the cessation of hostilities agreement.

UNITED STATES TRADE REPRESENTATIVE

- **U.S.-Jordan Free Trade Agreement (FTA) Talks:** From July 29-August 4, Ambassador Barshefsky will lead the U.S. delegation for talks with Jordan on a bilateral FTA with the U.S. While in Jordan, Ambassador Barshefsky will consult with King Abdullah and Jordanian officials on various aspects of the FTA. The agreement is not expected to be finalized during this visit.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Club Drugs Conference:** On August 1, Director McCaffrey will give the keynote address at the DEA's Club Drugs Conference. This conference will bring together a variety of Federal, state, and local officials, substance abuse experts, health professionals, and law enforcement officers to share information about the emerging threat of club drugs and develop a strategy for addressing this problem. The use of club drugs, such as MDMA (Ecstasy), GHB, Rohypnol, ketamine, methamphetamine, and LSD, has rapidly gained popularity among young people in recent years, especially in connection with night clubs and all-night dance parties. Recent research indicates that most users are unaware of the dangers these drugs may pose.
- **World Anti-Doping Agency:** From August 1-5, ONDCP's Deputy Director Vereen will be in Lausanne, Switzerland, to chair a quarterly meeting of the World Anti-Doping Agency (WADA) Ethics and Education Committee. WADA was created by the International Olympic Committee to oversee drug testing of Olympic athletes and combat the growing use of performance-enhancing drugs in sports.

SMALL BUSINESS ADMINISTRATION

- **Automakers Agreement:** The Big Three Automakers have submitted a preliminary consolidated report showing the results of SBA's pilot program for 1999. The report shows that the combined purchases from small disadvantaged businesses totaled \$9.7B. Ford purchased the most with \$4.3B, General Motors purchased \$3.3B, and Daimler Chrysler purchased \$2.1B. These preliminary results suggest that the pilot program has been successful.

OFFICE OF PERSONNEL MANAGEMENT

- **Employment of Individuals with Disabilities:** OPM worked with a group of human resource managers to review current Federal hiring patterns, information about the future pool of disabled job applicants, and outreach efforts, and collaboratively developed guidance to accompany and amplify your July 26 executive order on hiring individuals with disabilities in the Federal government.

- **Federal/Military Health Benefit:** On July 25, the Senate passed the Long-Term Care Security Act by unanimous consent. The bill creates an OPM-run program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees. As amended by the Senate, the bill also authorizes the rectification of instances where federal employees were erroneously enrolled in the wrong retirement system by their agencies. Both legislative initiatives were developed and advanced by OPM. The House is expected to pass the Senate-amended bill.

GENERAL SERVICES ADMINISTRATION

- **ACES Certificates:** As part of the Access Certificates for Electronic Services (ACES) contract, GSA awarded VA 100,000 digital signature certificates, electronic identification which establishes one's credentials when doing business or making other transactions on the Internet. A digital certificate contains a person's name, digital signature, and other information. VA will use the certificates to help veterans apply for educational, pension, and vocational rehabilitation benefits.

SOCIAL SECURITY ADMINISTRATION

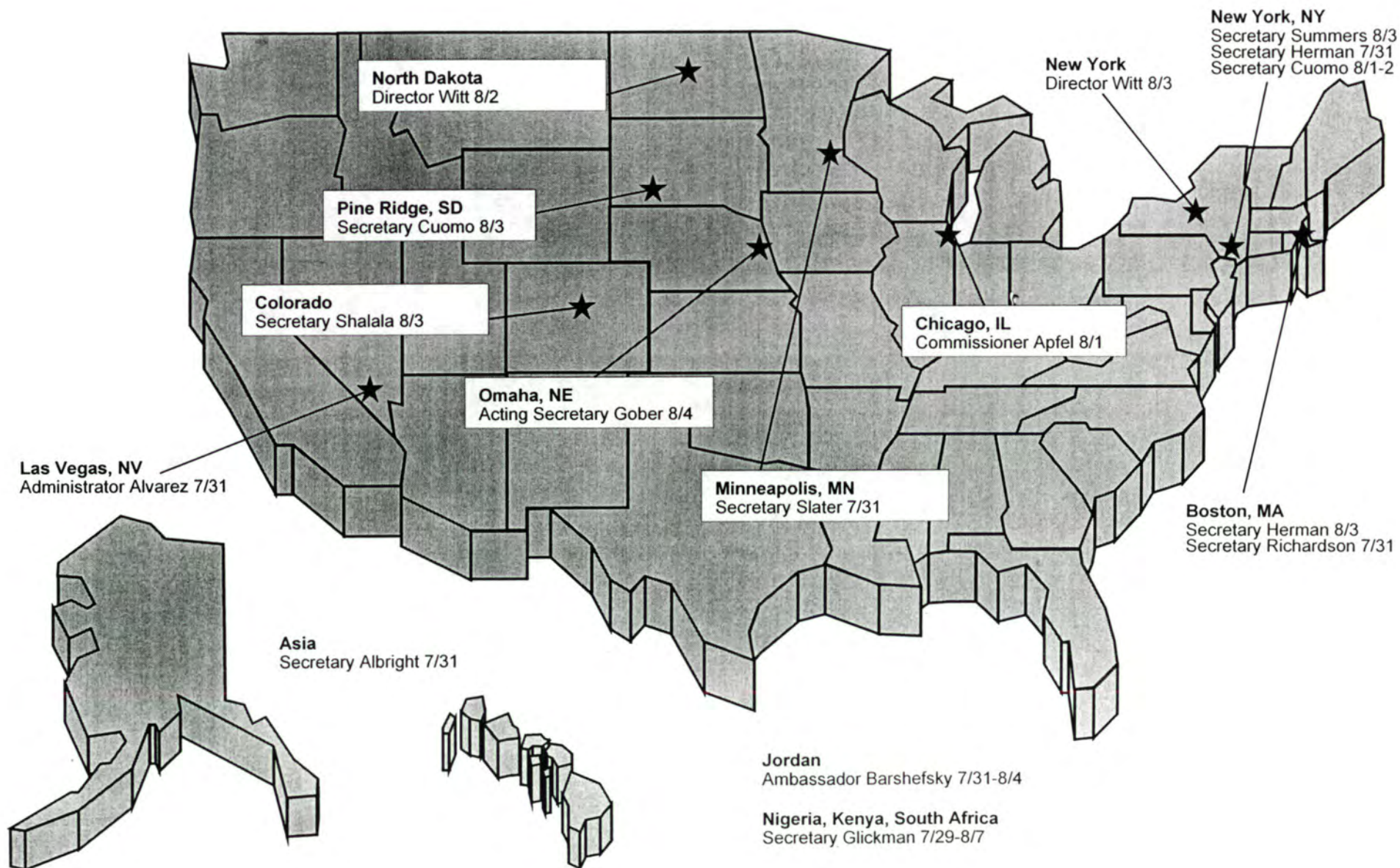
- **National Payroll Reporting Conference:** On August 3, SSA and IRS will jointly host the annual National Payroll Reporting conference at SSA's headquarters in Baltimore, MD. The conference was established as a forum for Federal agencies and the business community to identify, discuss, and resolve common wage and tax reporting issues. Approximately 275 corporation representatives, tax filing services and insurance companies will attend the conference, including two of the nation's largest payroll organizations, the American Payroll Association and the American Society of Payroll Management, which represent a combined membership of more than 35,000 employers.

PEACE CORPS

- **Senator Coverdell Memorials:** In conjunction with Senator Paul Coverdell's former Peace Corps staff and family members, the Peace Corps is planning to honor the former Peace Corps Director in ceremonies in September. The Peace Corps is determining appropriate venues and programs which may be appropriate to rename after Senator Coverdell that were created, improved, and developed during his tenure as Director.

Cabinet Affairs Travel

Monday, July 31 - Sunday, August 6, 2000



cc:

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

THE WHITE HOUSE
WASHINGTON

731-00

MEMORANDUM

July 28, 2000

TO: THE PRESIDENT

FROM: LORETTA UCELLI
STEPHANIE CUTTER

RE: Communications Weekly Report

Overview

This week, we transitioned from focusing the nation on your leadership in the Middle East peace negotiations to your domestic agenda. We made progress in pushing out the message that, in contrast to the costly tax cuts passed by the Republican Congress, you have a plan which maintains fiscal discipline, invests in key priorities and provides tax relief for America's families. Next week, against the backdrop of the Republican Convention, we will continue communicating this message to the American people through events and other message vehicles.

Monday, July 31 – Medicare Prescription Drug Event

We are working with the Chief of Staff's Office, the Press Office, DPC and others to plan an event at a senior center in Tampa, Florida with Rep. Jim Davis and Insurance Commissioner Bill Nelson, who is running for the U.S. Senate in Florida. We will use this event to highlight the message that Republican tax cuts risk our fiscal discipline and leave nothing for priorities like a voluntary Medicare prescription drug benefit. To further demonstrate that America needs a prescription drug coverage benefit that is both affordable and accessible to all Medicare beneficiaries, we will release a White House report documenting the need among disabled Americans for prescription drug coverage.

Budget and Domestic Agenda

During the week following the Republican National Convention, we will have a greater opportunity to focus attention on our domestic agenda. The week of August 7th provides the next significant opportunity for us to contrast our targeted middle class tax cuts and fiscally disciplined economic strategy with risky Republican plan. That week is also the seven-year anniversary of the signing of the Clinton/Gore economic plan in 1993 and the third anniversary of the signing of the Balanced Budget Act. We are looking at using these anniversaries, as well as a series of executive actions on student loans, retirement savings and other areas, as pegs to help get that message across to the American people.

Democratic National Convention

We are working with Political, Scheduling and other offices on your events and speeches for the Democratic National Convention. We're coordinating with speechwriting and others to prepare for your Monday night keynote address. We also are working with the Vice President's office on the Tuesday event that follows your speech. Similar to your post State of the Union event in Quincy, Illinois, we are working to plan this event in a medium sized city in the Midwest that symbolizes the enormous progress and prosperity we have achieved throughout the nation under the Clinton/Gore leadership. This event will demonstrate what is at stake this November in terms of continuing this prosperity and keeping the nation on the path of fiscal discipline.

THE WHITE HOUSE
WASHINGTON

July 28, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: CHUCK BRAIN *CMB*

SUBJECT: LEGISLATIVE WEEKLY REPORT

Bills Cleared for Signature

Department of Defense Appropriations: On Thursday, the Senate passed (90-10) the Conference Report to accompany H.R. 4576, the Department of Defense Appropriations bill.

Religious Liberties bill: On Thursday, both chambers passed (by unanimous consent) S. 2869, the Religious Land Use and Institutionalized Persons Act of 2000. This bill, sponsored by Senators Kennedy (D-MA) and Hatch (R-UT) and Representative Canady (R-FL), was a narrowly-tailored and hard-fought compromise version of the Religious Liberty Protection Act (RPLA). RPLA, which passed the House last session, was intended to reinstate the "strict scrutiny" test, as it applies to the States, to laws of general applicability that infringe upon a person's or entity's free exercise rights. RPLA was necessary because in 1997 the Supreme Court struck down the Religious Freedom Restoration Act, a bill designed to achieve the same purpose. RPLA, however, was strongly opposed by the civil rights community, because they felt it could be used to override civil rights laws in certain circumstances. Senators Kennedy, Hatch, and we, therefore, drafted S. 2869 to affect only the most egregious areas where religious rights are being infringed -- land use/zoning and the treatment of institutionalized persons. In addition, by starkly narrowing the scope of the bill, we avoided the areas in which the protections of RPLA could conflict with the protections of the civil rights laws; thus, the civil rights community again became strong supporters of the bill. The only significant groups that still oppose the measure are the state and local governments and the historic preservation community, who believe that the strict scrutiny test will allow religious entities to circumvent their authority and endanger historic landmarks.

Conference Activity

Bankruptcy: Following up on your conversation with Senator Lott (R-MS), we met with his staff to explain how they could address the concerns you raised in your June 29th letter. We provided them with language that would: (1) drop the Fair Debt Collection Practices Act (FDCPA) amendment; (2) include a cap on homestead exemptions of \$250,000; and (3) include a revised version of the Schumer (D-NY) amendment without specific reference to reproductive health or abortion. On Tuesday, Senator Lott's staff called to say that they were proposing to: (1) agree to drop the FDCPA amendment; (2) include a homestead cap of \$500,000; (3) drop the Schumer amendment and the Hyde (R-IL) alternative language currently in the conference report (i.e., maintain current law; this is a small step backward from even the Hyde language); and (4)

include a "means test safe harbor" that would provide that below median income debtors would not be subject to the means test analysis. The safe harbor provision would make a modest difference in streamlining the bankruptcy process for these debtors (few if any of whom will be found to have sufficient income to repay any debts), but this does not address our fundamental concerns with the inflexibility of the means test. However, it is a significant symbolic move. Since Senator Hatch (R-UT), the proponent of the FDCPA amendment, has made numerous press statements noting that he has not agreed to drop his amendment, we have asked the Republicans to outline their offer on paper. Until we receive such a paper offer, we do not intend to formally respond. The response to the Republican counteroffer on the Hill has been mixed. Senators Leahy (D-VT), Schumer, and Kennedy (D-MA) continue to urge you to oppose the bankruptcy bill, because the Republicans have not addressed the clinic violence issue. On the other hand, Senator Johnson (D-SD) is circulating a letter for his colleagues' signature urging the Congress and you to support the counteroffer. Senator Johnson's staff claims that they have five Senators who have thus far signed that letter.

House of Representatives

On Monday and Tuesday, the House considered dozens of measures under suspension of the rules. Most notably, the House passed (394-27) H.R. 4923, the Community Renewal and New Markets Act. The bill represents your agreement with Speaker Hastert which combines your New Markets initiative with the Watts/Talent community renewal legislation. The only opposition to the measure in the House centered on the charitable choice elements of the package. Representative Bobby Scott (D-VA) and approximately a dozen or so other House Democrats deeply object to those provisions.

The House also took the following action:

Vietnam Trade: By a vote of 91-332, the House rejected H. J. Res. 99, which would have disapproved the extension of trade relations with Vietnam.

District of Columbia Appropriations: On Wednesday, the House began consideration of H.R. 4942, the District of Columbia Appropriations Act for FY 2001, but failed to complete action. The House debated a Souder (R-IN) amendment to prohibit the use of federal funds for needle exchange programs and a Norton (D-DC) amendment to strike a provision prohibiting the implementation of the Health Insurance for Contraceptives Act of 2000. Roll call votes on both amendments were postponed until the House reconvenes in September.

Social Security Tax Relief: By a vote of 265-159, the House passed H.R. 4865, the Social Security Benefits Tax Relief Act. Minority Leader Gephardt, Ways and Means Ranking Member Rangel and Minority Whip Bonior successfully waged a vigorous campaign to produce a veto sustaining vote against the bill. In the end, 156 Democrats and three Republicans voted "no." We are preparing a letter from you thanking each of the Democratic Members for upholding your position.

Legislative Branch/Treasury Postal: By a vote of 214-210, the House passed the rule for a conference report consisting of the Legislative Branch and Treasury/Postal appropriations bills for FY 2001 and legislation repealing the federal telephone excise tax. Four Republicans voted against the rule. Earlier, by a vote of 213-212, the House tabled an Archer (R-TX) procedural

motion invoking the constitutional role of the House to originate revenue legislation. Approval of this motion would have sent the bill back to conference. Five Republicans voted against their party's position to table the motion. The Republican Leadership apparently concluded that there were not sufficient votes to pass the conference report, and it was not taken up. OMB estimates preliminarily that the conference report added about \$1.22 billion to the House-passed bill, leaving it about \$900 million below our request. (The Senate began consideration of the Treasury bill on Wednesday and has not yet completed action on it.) Riders were generally stripped from the bill. The Administration took no position on the bill.

Week Ahead

The House has adjourned for its August recess when Members will attend the presidential conventions. The House will next convene for legislative business on Wednesday, September 6, 2000.

United States Senate

Senator Miller: On Thursday, Zell Miller (D-GA) was sworn in and then he delivered a eulogy for the late Senator Paul Coverdell (R-GA).

China PNTR: On Thursday, the Senate invoked cloture (86-12) on the motion to proceed to H.R., 4444, the China PNTR Act. Senators Bunning (R-KY), Byrd (D-WV), Campbell (R-CO), Helms (R-NC), Hollings (D-SC), Inhofe (R-OK), Mikulski (D-MD), Sarbanes (D-MD), Smith (R-NH), Specter (R-PA), Thurmond (R-SC), and Wellstone (D-MN) voted against the cloture motion. Senators Domenici (R-NM) and Frist (R-TN) did not vote.

Week Ahead

The Senate has adjourned for its August recess when Senators will attend the presidential conventions. The Senate will next convene for legislative business at 12:00 pm on Tuesday, September 5, 2000.

China PNTR: At 2:15 pm on Tuesday, September 5th, the Senate will begin thirty hours of post-cloture debate on the motion to proceed to H.R. 444, the China PNTR Act. It is expected that the Senate will consider the China PNTR Act during the morning sessions throughout the week.

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

7-31-00

THE WHITE HOUSE
WASHINGTON

JULY 28, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARY BETH CAHILL
DIRECTOR, OFFICE OF PUBLIC LIAISON

SUBJECT: WEEKLY REPORT (July 22 to July 28)

Copied
Cahill
Podesta

I. ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES:

CHINA PNTR

Leaders of business organizations supporting trade with China welcomed last night's procedural vote in the Senate which clears the way for consideration of Permanent Normal Trade Relations with China in September. Secretary Norm Mineta spoke to approximately sixty members of the Business Coalition for US China Trade on Monday to encourage them to keep up their campaign in the Senate. Steve Ricchetti and I met with the leadership of the Business Roundtable, the US Chamber of Commerce, NAM, ECAT and other major trade organizations to discuss communications and legislative strategy for the final push for passage of the bill.

II. CONSTITUENT OUTREACH AND OTHER ISSUES:

AFRICAN AMERICAN OUTREACH

Bishop T. D. Jakes will issue a statement of support on the President's and Vice President's Administration. Despite favorable comments made about Governor Bush on CNN this week, communication aides to Bishop Jakes stated he would make a public statement of support within the week to highlight his continued support of you and the Vice President.

ASIAN AMERICAN OUTREACH

Norman Mineta Sworn In by Vice President. Excitement over the first Asian Pacific American Cabinet Member continues in the APA community as demonstrated by the large turn out of APA community leaders, appointees and activists at the swearing in ceremony for Secretary Mineta held this week. Vice President Gore administered the oath of office before an audience of about 300 people here in Washington DC. The Asian Pacific American community will be hosting a celebration honoring Secretary of Commerce Mineta on August 7th.

OPL hosts Meeting with Filipino Veterans on VA Study. OPL hosted a meeting with Filipino Veterans to share information on the Executive Memorandum released this week to direct the Department of Veterans Affairs to produce a study with specific options on providing health care benefits to Filipino veterans. The study is a result of meetings conducted by OPL with the Chief

of Staff's office, OMB, VA and Members of Congress to find ways the Administration can move this issue forward in the absence of the legislation needed to provide such benefits. The Filipino Veterans are supportive of the study as a step in the right direction, however hope that legislation providing health care will be passed this year.

DISABILITY OUTREACH

Disability Rights Advocates Hail 10th Anniversary Celebration. Participation this week by all four principals is the highest-level exposure the disability community has ever received. Advocates particularly appreciated having disability rights linked to the broader civil rights struggle and the initiative regarding federal employment and social security benefits. OPL will continue to amplify the administration's message with a 3,000-person mailing and conference calls.

GAY/LESBIAN OUTREACH

Civil Rights and Gay Activists are pleased with the speedy passage of the Religious Liberty Protections Act. The House and Senate unanimously passed a narrowed down version of RLPA this week. Activists are very appreciative of the Administration's role in crafting compromise legislation that will not threaten existing state and local protections for gay and lesbian Americans. They look forward to your signature on this important piece of legislation.

In light of your recent Executive Order to ban discrimination in Federal education and training programs, Federal Agencies review their relationship to the Boy Scouts. The Department of Interior met with the Department of Justice, Civil Rights Division, to discuss their participation in the Boy Scouts Jamboree and various outreach programs. DOI along with DOD and USDA, have a long-standing relationships with the Boy Scouts of America. The agencies provide education and training programs, resources and personnel to assist in scout development. USDA is considering whether or not they should participate---given that the Boy Scouts support a policy that discriminates against gay men.

7-31-00
JUL 28 2000

THE WHITE HOUSE
WASHINGTON

July 28, 2000

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

SUBJECT: OFFICE OF THE PRESIDENT'S INITIATIVE FOR ONE AMERICA
WEEKLY REPORT

ACTIONS

I spoke with Wade Henderson, and learned that he and a group of prominent Americans are planning to attend a meeting next week in Geneva to present a Call to Action to the United Nations. They are seeking support from the international community to dismantle segregation and racial discrimination in the United States. The bulk of their petition focuses on the criminal justice system. Please see attached petition and signatories.

OUTREACH

CAMPUS DAYS OF DIALOGUE

We hosted a briefing for education organizations regarding the third annual Campus Days of Dialogue Week, scheduled for October. Judith Winston and I addressed approximately fifty educational organization representatives who have agreed to work with their constituents to organize programs to educate students on racial reconciliation and college opportunity. This year's theme is *Many Paths, One Journey: Building One America*.

BRIEFING FOR IRISH STUDENTS

Our office addressed a group of Protestant and Catholic youth from Northern Ireland. The visit was organized by the American based Children's Friendship Project of Northern Ireland. The Project brings together students from Catholic and Protestant communities and all socio-economic levels. They participated in a yearlong program of activities including a six-week summer stay with a host family in the U.S. They were here to learn more about reconciliation efforts in the US.

PHILANDER SMITH COLLEGE

We briefed 75 students from Philander Smith College's Upward Bound program on our One America initiatives. We provided the students with copies of the One America Dialogue Guide and instructed them on how to use it to start discussion projects with students of other racial backgrounds.

CABINET RACE INITIATIVE WEEKLY

Department of Commerce

Native American Business Development Training: MBDA's San Francisco Regional Office is planning a training event in September in Seattle. Entitled "Exporting Basics for Indian Country," the training will cover product readiness, pricing, market research, legal and cultural aspects of exporting, logistics, and financing. It is being organized in cooperation with the MBDA-funded Northwest Native American Business Development Center.

Minnesota: On July 17, EDA awarded a \$1.5 million grant to the Red Lake Band of Chippewa Indians to aid in the purchase and installation of equipment needed to establish a water bottle manufacturing plant.

Department of Energy

Labor Council for Latin American Advancement: On August 12, Secretary Richardson will deliver remarks to the Labor Council for Latin American Advancement in Chicago, IL.

Department of Health and Human Services

Model Programs to Benefit American Indians and Alaska Natives: On July 31, Indian Health Service (IHS), Administration on Aging (AoA) and the Health Care Financing Administration (HCFA), in collaboration with other federal agencies, will represent the Department at the National Indian Council on Aging to present a model education and outreach program to better serve American Indians and Alaska Natives.

Department of Housing and Urban Development

Million Dollar Award Sends Message Against Racial Discrimination On the Internet: An administrative law judge awarded more than \$1.1 million in damages to a fair housing advocate who received death threats by a hate group leader on his web site. Ryan Wilson and his Philadelphia-based neo-Nazi group ALPHA HQ made threats against Bonnie Jouhari and her teenage daughter. Jouhari's job was to promote fair housing, including helping housing discrimination victims file complaints under the Fair Housing Act. HUD brought the suit against Wilson and his group. The award – which totaled \$1,166,863 -- includes the largest emotional distress award by a court to a single victim in a federal fair housing case. It is one of only a few published decisions involving emotional distress damages from Internet hate.

OSM Awards Hopi Abandoned Mine Lands (AML) Program: OSM has awarded \$200K to the Hopi AML Program for construction of a sewage lagoon for the Hopi Village of Kykotsmovi. Total estimated cost of the project is \$1.22M. Several other entities, including Indian Health Service, Village of Kykotsmovi, BOR, and the Hopi Tribe are sharing the costs of this project.

Department of Transportation

DOT Hosts Delta Transportation Symposium For Small and Disadvantaged Business Opportunities: On July 19, DOT's Office of Small and Disadvantaged Business Utilization sponsored the Delta Transportation Symposium in Jackson, MS to provide education, training, and assistance for Small and Disadvantaged Businesses, including women- and minority-owned enterprises. The symposium is part of DOT's national outreach program and is a follow up to the *Delta Vision, Delta Voices - Mississippi Beyond 2000: A National Conference* held in May. Symposium participants included DOT Chief of Staff Malone, SBA, the City of Jackson, and the MS Economic Development Council.

Small Business Administration

Rainbow/PUSH National Convention: On July 28th, Administrator Alvarez participated in a CEO Roundtable at the Rainbow/PUSH National Convention in Chicago. IL.

White House Initiative on Educational Excellence for Hispanic Americans: On July 18, SBA attended the Inter-Departmental Council Meeting. According to the Initiative's "General Overview of FY 99/00 Annual Performance Report on Executive Order 12900," SBA ranked third among 27 agencies with the largest percent increase in support of Hispanic Serving Institutions from 1998 to 1999.

A CALL TO ACTION TO THE UNITED NATIONS

Whereas, fifty-three years ago civil rights leaders from the United States of America presented a petition to the United Nations seeking support from the international community to dismantle segregation and racial discrimination in the United States,

Whereas, more than a half century later, although segregation has ended, persons of color in the United States of America continue to face pervasive and persistent patterns of racial discrimination and bias that threaten their livelihood, their liberty, and even their lives,

Whereas, on-going racial discrimination in the United States is particularly pernicious because its new forms are often obscured under guises such as the “war on drugs” and crime prevention,

Whereas racial discrimination is endemic within the U.S. criminal justice system from initial suspicion to sentencing,

Whereas, racial profiling – the use of race as a presumption of guilt without evidence of criminal conduct – is routinely used against people of color, at numerous locations, such as international ports of entry, on highways, in schools, and outside their homes, and subjects them to arrests, police brutality, and even death,

Whereas, racial disparities in sentencing and incarceration in the United States of America have grown to such an extent that African-American men comprise 50% of the United States prison population despite representing only 6% of the U.S. population, and that nearly 1.4 million African-American men are disenfranchised from the political process and from employment opportunities,

Whereas, there is overwhelming evidence that the use of the death penalty in the U.S. criminal justice system is tainted by race and class bias exemplified by police and prosecutorial misconduct and bias in the courts, and resulting in 42% of the death row inmates being African-American and 80% of executions being for cases involving White victims,

Whereas, youths of color are substantially more likely to be arrested, sent to court for trial, convicted, and given longer prison terms than whites, such that black youths now make up 40 percent of the juvenile prison population and 58 percent of all juveniles in adult prisons, and are up to 48 times more likely than white youths to be sentenced to prison for some offenses,

Whereas, women of color are subjected to forms of racial discrimination that are compounded by gender discrimination, are particularly vulnerable to racism in economic, social, cultural, civil and political fields of life, and face inequities in the criminal justice system,

Whereas, the Government of the United States of America has not upheld its obligations to “pursue by all appropriate means and without delay a policy of eliminating racial discrimination in all its forms” despite ratification of international human rights instruments including the International Convention on the Elimination of Racial Discrimination in 1994,

Whereas, the United Nations has established mechanisms to address racism and criminal justice issues that are crucial to eliminating racial discrimination and bias in the United States of America,

We urge the United Nations and member States to:

1. Call upon the Government of the United States of America to honor its obligations under the International Convention on the Elimination of All Forms of Racial Discrimination and other human rights treaties, remove its reservations, and submit timely and accurate reports specifically noting the issue of racial discrimination and race bias in the criminal justice system;
2. Examine the human rights violations of racial discrimination and race bias in the U.S. criminal justice system, and consider a mission to the United States of America by the relevant Special Rapporteurs; and
3. Expressly include the issues of racial discrimination and race bias in the U.S. criminal justice system as an agenda item for the World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance.

We, the undersigned, respectfully submit this petition to the United Nations on August 4, 2000:

Baye Adolfo & Desiree M. Ferguson

National Co-Chairs

National Conference of Black Lawyers

Anthony G. Amsterdam

Judge Edward Weinfeld Professor of Law

NYU Law School

Barbara R. Arnwine

Executive Director, Lawyers' Committee for
Civil Rights Under Law

Mary Frances Berry

Geraldine Segal Professor of History,

University of Pennsylvania and

Chair, U.S. Civil Rights Commission

Julian Bond

Chair, NAACP

Steve Bright

Director, Southern Center for Human Rights

Kerry Kennedy Cuomo

Founder, Robert F. Kennedy Memorial
Center for Human Rights

Dr. Bob Edgar

General Secretary

National Council of Churches/USA

James F. Fitzpatrick

Chair, International Human Rights Law Group

Dr. John Hope Franklin

James B. Duke Prof. of History,

Duke University

Dr. Robert Franklin

Interdenominational Theological Center

Margaret Fung

Executive Director, Asian American Legal

Defense and Education Fund

Ira Glasser

Executive Director, ACLU

Ronald E. Hampton

Executive Director

National Black Police Association

Antonia Hernandez

President and General Counsel

Mexican American Legal Defense and

Educational Fund

Wade J. Henderson

Executive Director
Leadership Conference on Civil Rights

Lynn Walker Huntley

Executive Vice President
Southern Education Foundation

Jesse Jackson, Sr.

President and Founder,
Rainbow PUSH Coalition

Stewart Kwoh

Executive Director, Asian Pacific American
Legal Center of Southern California

Shelton J. "Spike" Lee

Film Producer

Judith L. Lichtman

President, National Partnership for
Women & Families

Hala Maksoud

President, American-Arab
Anti-Discrimination Committee

Karen K. Narasaki

Executive Director, National Asian Pacific
American Legal Consortium

Charles Ogletree

Jesse Climenko Professor of Law
Harvard Law School

John Payton

Co-Chair, Lawyers' Committee for
Civil Rights Under Law

john a. powell

Executive Director, Institute on Race & Poverty
University of Minnesota Law School

Hugh B. Price

President, National Urban League

Professor Speedy Rice

Gonzaga Law School

Randall Robinson

President, TRANSAFRICA

Sullivan Robinson

Executive Director
The Congress of National Black Churches, Inc.

Kenneth Roth

Executive Director, Human Rights Watch

Theodore M. Shaw

Associate Director Counsel, NAACP Legal
Defense and Education Fund, Inc.

Jane E. Smith

President and CEO
National Council of Negro Women

Andrea P. Taylor

Co-Chair, ABA Committee on Race
& Racism in the Criminal Justice System

Roger Wilkins

Robinson Prof. of History & American Culture
George Mason University

Raul Yzaguirre

President, National Council of La Raza

James Zogby

President, Arab American Institute