COMMITTEE ON COMMERCE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
RANKING MEMBER
SUBCOMMITTEE ON TELECOMMUNICATIONS, TRADE AND CONSUMER PROTECTION
SUBCOMMITTEE ON ENERGY AND POWER

RON KLINK
Congress of the United States
House of Representatives
4th District, Pennsylvania

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To: President Clinton

From: X Honorable Ron Klink
___ Joe Brimmeier
___ Melany Hughes
___ Salena Matthews
___ Jennifer Keaton
___ Liza Mientus
___ Michael Nardelli
___ Emmett O'Keefe
___ Charles Territo

8-28-00

Send to Legislative Affairs –

Yes X

No ___

Date: 8/28/00

Fax Number: 456-1210

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Subject: energy prices

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Number of Pages, including cover: 3

Comments:

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Subcommittee on Oversight and Investigations
Ranking Member

Subcommittee on Telecommunications, Trade and Consumer Protection

Subcommittee on Energy and Power

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August 28, 2000

The Honorable William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I am writing to you about the upcoming energy crisis we will most surely face this winter. Despite Democrats every effort to be proactive on this issue, the Republican-controlled Congress has refused to act. Unless action is taken soon, families across the country will see their energy bills skyrocket in this upcoming home heating season. That is why I am asking you to do whatever you can administratively to create the Northeast Home Heating Oil Reserve and to increase the supply of natural gas available for the consumer market.

Last winter, our nation faced a price surge in gasoline and in home heating oil, which is now 50 percent more expensive than one year ago. To make matters worse, we are hearing reports that natural gas prices have doubled and that inventories are at a six-year low while demand is on the increase. I am most disturbed by analysts' predictions that if this situation continues, rationing might be necessary, and industry might be forced to shut down - jeopardizing both jobs and production.

Earlier this year, Congressional Democrats attempted to create the Northeast Home Heating Oil Reserve to help stabilize home heating oil prices. I was pleased that you supported our effort to establish this Reserve and that you have repeatedly asked the Republican-controlled Congress to do so. Unfortunately, while the House has passed HR 2884 to establish the Reserve, the Republican-controlled Senate has failed to act on the bill.

Because the Senate has blocked action on HR 2884, the House has included funding for the Northeast Home Heating Oil Reserve in the Energy and Water appropriations bill. The Senate had similar language added to the Interior appropriations bill by the adoption of a Lieberman amendment on voice vote. But neither of these bills have been enacted. Since winter is again just around the corner, I urge you to establish the Reserve by Executive Order and to work with us to make sure that funding is included in one of the remaining appropriations bills.

Natural gas prices are surging due to a lack of supply, which is easily disrupted by pipeline breaks and explosions. I ask you to do whatever you can to encourage the gas producers to respond to these sky-high prices by increasing exploration, in an environmentally-friendly manner, by maximizing production from the existing facilities, and by encouraging high users to use alternative fuels where possible. It is my understanding that power utilities themselves are some of the highest users of natural gas to produce electricity. I am concerned that natural gas price spikes might have a ripple effect on the price of electricity. Because Pennsylvania produces an abundance of clean coal, would it be possible to replace natural gas-generated power with coal-generated power as long as EPA air emissions standards are met? I would appreciate a Department of Energy (DOE) analysis of this option.

According to a study published by the Energy Information Administration, there are 1,300 trillion cubic feet of potentially recoverable natural gas resources yet to be tapped. In order to avoid future emergencies for natural gas customers, I ask you to do whatever you can to encourage gas producers to increase drilling in an environmentally-conscious manner.

Finally, I am concerned about the safety of our nation's oil and gas pipelines. During this Congress, I, along with House Commerce Committee Ranking Member John Dingell, have been pushing for improvements in our pipeline safety laws and for increased oversight. Unfortunately, despite promises, the Republican majority has not taken steps to accomplish either. It disturbs me that these pipelines are not checked regularly by the Department of Transportation once they are in place. In light of the recent tragedy in New Mexico, which took 11 lives, I want to know what action the federal government is taking to make sure these pipelines are safe and secure.

In closing, I want to thank you for working each year of your Administration to establish an energy policy to maximize conservation, the development of alternative sources of energy, and domestic sources of energy.

Sincerely,

Ron Klink

RON KLINK
Member of Congress

cc:
The Honorable Bill Richardson
Secretary
Department of Energy

THE WHITE HOUSE

Assistant to the President and
Staff Secretary 8-28-00

SYLVIA - (Mathews)

ATTACHED IS DRAFT MEMO GENE GAVE JOHN DIRECTLY ON FRIDAY. IT'S MY UNDERSTANDING THAT NEC IS REVISING IT (RON MINCK - IN VANCOUVER). I DON'T BELIEVE IT HAS GONE TO POTUS; AM TRYING TO CONFIRM W/ GENE THAT JOHN DID NOT YET GIVE IT TO HIM. I BELIEVE GENE JUST WANTED JOHN TO HAVE SOMETHING W/ HIM ON TRIP AND THAT THIS WAS NOT INTENDED TO BE FINAL.

-LISEL

DRAFT

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: Options to Address Prices/Shortages of Home Heating Oil This Winter

DATE: August 25, 2000

As we move towards winter, we face the possibility of higher than normal prices for home heating oil, and the possibility of heating oil price spikes in response to short term spikes in demand. Although it is important to recognize that we may be facing a period of higher prices that could last well beyond this winter, this memo identifies possible responses with respect to heating oil problems this winter. It is also worth noting that the price of natural gas is also rising, that production is essentially at capacity, and cannot be increased meaningfully before this winter. Accordingly, the availability of natural gas is more likely to aggravate the heating oil situation than offer possible solutions.

Outlook for Home Heating Oil

Low stocks of distillate (which includes diesel fuel home heating oil) as we enter the winter may lead to higher than average home heating oil prices, and increase the likelihood of price spikes or product shortages. Distillate stocks were low coming out of last winter, and have remained below seasonal averages since then as refineries have concentrated on making gasoline in response to its high price. Mid-August nationwide stocks of total distillate were about 111 million barrels compared to 141 million barrels last year at this time; the industry needs to build stocks of distillate by about 35 million barrels between August 16 and December 1 just to get to the 3 year average of 146 million barrels. This would require a build in inventories more than 2 times greater than any we have experienced in the last 5 years.

Nearly the entire distillate shortfall is in East Coast heating oil inventories, precisely the region that consumes much of the nation's heating oil. As of August 16, East Coast total distillate stocks were 36 million barrels, 44 percent below year-ago levels. Of this total, 6.3 million barrels were held in New England, 60 percent below last year. Heating oil inventories on the East Coast were even lower at 20 million barrels, 56 percent below last year; New England's heating oil stocks are 4 million barrels, 74 percent below last year.

Inventories of Distillate Fuel By Region, 1999 & 2000

Region	Inventory Aug '99	Inventory Aug '00	Current Inventory as Percentage of Year Ago Inventory
East	65.5	35.7	54.50%
New England	15.8	4.9	31.01%
Mid Atlantic	38.4	19.1	49.74%
Central Atlantic	11.4	11.7	102.63%
Midwest	30.0	31	103.33%
Gulf Coast	31.4	29.5	93.95%
Mountains	2.8	3.1	110.71%
West Coast	11.4	11	96.49%
National	**141.2**	**110.3**	**78.12%**

Although the cost of crude oil is an important factor in the cost of refining heating oil, the key to maintaining moderate retail prices of heating oil in a particular geographic region throughout the winter is to provide adequate supplies to the market, both by building stocks before the heating season and continuing to refine heating oil throughout the heating season. In recent months, however, the future price of crude oil has been lower than the current prices of crude oil (a situation referred to as "backwardation"), which discourages the storage of oil that could be less valuable in the future. High crude oil prices, combined with backwardation, reduce the economic incentive to store crude oil. Heating oil futures are prices as follows:

Heating Oil for Delivery in:	Cents Per Gallon
September	95.33
October	94.45
November	93.20
December	92.15
January	90.70

Given that the market is slightly backwardated for purchases of December and January contracts, there is little incentive to build inventories beyond those necessary to meet firm contracts. According to market participants, the market remains backwardated primarily because of the possibility that Saudi oil may come onto the market at some point over the next few months, significantly lowering the price of crude oil, and hence heating oil. Further, we are hearing from participants in the market that having been burned several times over the last few winters (by low prices in 1997/98 and 1998/99 and high prices in 1999/2000), distributors and retailers are purchasing sufficient oil heating oil to meet their firm contracts, but not levels beyond that. Because a significant proportion of customers are not under firm contract, however, a significant proportion of customers are at risk of price spikes or high prices.

Putting extra supplies of crude oil on the market could lower the price of crude oil and reduce (or eliminate) the level of backwardation of crude oil sufficiently to convince refineries to operate near peak capacity. That could, in turn, increase the stocks of heating oil before winter. Likewise, if heating oil customers entered into more contracts to purchase heating oil for delivery during the winter months, that would increase the future price relative to the current price, reducing the backwardation of heating oil.

With respect to the upcoming winter, we face two distinct (although related) possible problems. First, high prices for crude oil and low inventories of home heating oil could result in relatively higher prices. To the extent that we can encourage the building of heating oil inventories, we may be able to have some influence on its price. Second, if stocks are low when if first gets cold, there is the possibility of demand and price spikes. Options that would encourage the early filling of tanks and the pre-purchase of backup heating oil could reduce the likelihood of price spikes, by reducing the demand for gas when the weather first turns cold.

Policy Options

Option 1. Initiate an Exchange of SPR Crude Oil

You could direct that the Department of Energy (DOE) conduct a relatively large time exchange of crude oil from the SPR. Secretary Richardson possesses the authority to obtain crude oil for the SPR by exchange (in addition to his separate authority to sell oil from the SPR in the event of an energy supply emergency). He proposes offering a total of 30 million barrels of oil to oil companies in September and October in exchange for an obligation to return more oil to the SPR at a later time.

By putting additional crude oil on the market in the near future, Secretary Richardson hopes to increase the economic incentives for building home heating oil stocks. The price of oil for delivery in the short term is currently higher than the price of oil for later delivery (backwardation), which creates a disincentive to store stocks. Secretary Richardson hopes that putting 30 million barrels of oil on the market in the near future (500,000 barrels a day for 60 days) would lower the current price of crude oil relative to the future price, thereby increasing the likelihood that the industry would build home heating oil stocks faster and to a large volume than expected.

The SPR's authorizing statute allows for sale of oil from the SPR in the event of energy supply emergency. The only notable use of the SPR under its authorizing statute was a release of approximately 17 million barrels in 1991, after the fighting had begun in the Gulf War. (Oil from the SPR has been sold for budgetary reasons pursuant to other legal authorities.)

Pros:

- EIA estimates that a 30 million barrel SPR release could increase heating oil stocks by about 2.5 million barrels, helping to close the gap between stocks and expected demand.
- Demonstrates our relentless desire to seek solutions in response to potential home heating oil shortages. When combined with the establishment of a home heating oil reserve, a SPR exchange represents a significant effort to both lower prices and reduce price spikes.
- Initiating an exchange is more effective than home heating oil reserve in reducing risk of high prices or price spikes. A home heating oil reserve is a response to a crisis, but getting more oil on the market early may reduce the risk of the crisis ever occurring.
- Would demonstrate good management of the SPR by increasing the volume of oil in the SPR at the end of the time exchange.

Cons:

- Economic advisors are concerned that the SPR is an imprecise tool, and that its use may not have the desired effect. In fact, since this memo was first drafted, the justification for an exchange (reducing backwardation) has disappeared and reappeared as the price of oil fluctuated. An SPR exchange could be similar to an ill-founded currency intervention that failed, but established a bad precedent.
- The entire effect of an SPR exchange could be negated by a response by the Saudis or any OPEC member to reduce production. Further, it would undermine Saudi efforts to forge consensus within OPEC to increase production.
- Will fundamentally change the degree to which the SPR is perceived as an insurance policy against energy supply emergencies. Once oil producers believe that we may use reserves to influence the market in the future, they may adjust their production accordingly.
- Administration could take ownership of heating oil situation that we cannot control.

Option 1a. Decide to Initiate a Time Exchange, Notify the Saudis, and Reconsider Only in the Event of a Strong Saudi Reaction

Pros:

- Engaging in discussions with the Saudis reduces chance that our action will lead to OPEC or Saudi decision not to increase oil production.
- Pays proper attention to close relationship with Saudi Arabia.

Cons:

- If we wait too long, could delay exchanges into October and reduce likelihood of getting heating oil onto the market prior to winter.

Option 2: Early Release of LIHEAP Funds.

The Department of Health and Human Services could release emergency LIHEAP funds to states with low heating oil inventories as early as September. In doing so, we would be making it unambiguously clear that we are concerned about the effect of energy prices on low income households, and are ready to get ample assistance to consumers as quickly as possible. By acting early we would be raising awareness of the price risk that consumers face this winter, hopefully encouraging them to take steps available to reduce the risks and effects of high prices, such as filling their tanks early and/or entering into fixed price or price capped contracts. The size of such a release would need to consider evidence that other heating fuel prices, especially natural gas, are also increasing.

Pros:

- Not market intrusive. Cushions the effects of high prices on low income households while allowing price signals to allocate scarce supplies to areas most in need.
- Funds could be used for early fill of residential heating oil tanks, stimulating current demand and the building of inventories.
- Filling tanks in advance reduces the risk of demand spikes when it first gets cold.
- Funds could be used to encourage the use of fixed price or capped price contracts, which reduce the risk of price spikes or high prices, which can have a particularly burdensome effect of low income households.
- By entering into fixed price contracts, customers are effectively directing wholesalers to purchase forward contracts for heating oil during the winter. This would increase the futures prices, thereby lessening backwardation.

Cons:

- Will not achieve desired effect if program participants do not take advantage of program. LIHEAP is state run program and HHS is limited in its ability to dictate that States use funds for specific purposes, such fixed price contracts or early fill.
- Addresses consequences of high prices only for the most vulnerable households, without directly addressing the underlying prices, which are of concern to all heating oil consumers.

Option 3: Encourage Federal, State and Local Governments to Begin Filling Their Heating Oil Tanks Early and To Enter Into Firm Contracts For the Purchase of Heating Oil For the Winter.

The Federal government could work with state and local governments to encourage them to fill their own tanks in government buildings and schools as soon as possible. By stimulating current demand for home heating oil, we could increase the incentive for wholesalers to purchase home heating oil in the near future. That, in turn, would constitute an additional incentive for refiners to continue producing home heating oil at as high a rate as possible. To the extent that government purchases are made sooner rather than later, it also means that they will not be entering the market closer to winter when the market may be tighter.

We also could encourage state and local governments to enter into firm contracts for their heating oil needs throughout the winter. Because heating oil is backwardated, wholesalers are not building inventories beyond what is required to serve their firm commitments. They are reluctant to purchase heating oil that they may subsequently have to sell at a lower price. To the extent that we can promote the growth of firm commitments, wholesalers will enter into contracts for the delivery of heating oil throughout the winter to meet those contracts, and this will reduce the level of backwardation, while also helping customers by limiting their price risk.

Pros:

- Early purchases of heating oil will stimulate the supply chain, creating an incentive for wholesalers and retailers to increase their level of purchases.
- By purchasing oil early, customers would by spreading the demand over a longer period of time, giving the market a better opportunity to react and increase supplies.
- By contracting for heating oil for the entire winter, wholesales will have the assurance to purchase oil for delivery during the winter, thereby reducing the backwardation curve.
- The government would be leading by example by taking steps to reduce the risk of price spikes and to promote the building of inventories as we move towards winter.

Cons:

- Requires cooperation of states.
- States may not have funds available to purchase heating oil earlier than planned.
- States may be unwilling to enter into contracts that require them to forego the opportunity to obtain lower cost heating oil if the prices fall.

Option 4: Meet With Refiners and Encourage Them to Keep Refineries Operating at Utilization Rates After Gas Demand Drops.

As noted in the discussion above, although backwardation represents a disincentive for wholesalers to build stocks of home heating oil right now. It is, however, still profitable for refineries to produce home heating oil as a result of high margins. By the end of August they will be in position to reduce their output as the driving season comes to an end and the demand for gasoline declines. We could meet with refiners and encourage them to keep operating as near to capacity as possible in order to build heating oil stocks. We could attempt to exert some influence by indicating that we might consider doubling the size of the regional home heating oil reserve in the event that they do not produce heating oil at sufficient levels to build inventories before the winter.

Pros:

- If refiners keep producing at capacity after end of gas season, would build stocks and decrease risk of higher prices or price spikes.
- Refiners are perhaps best positioned to encourage the building of supplies of heating oil early in the season.
- Sets stage for identifying refiners as party responsible for meeting consumers' needs.

Cons:

- Refiners may indicate that notwithstanding our request for good citizenship, that the economic incentives do not exist to support operating refineries at full capacity.
- May be impossible to defer maintenance. We already asked refiners to defer spring maintenance to produce gasoline in advance of the summer.
- Unions may be concerned about safety consequences of deferring maintenance.
- Refineries will likely use the opportunity to point out that their operations are hampered by strict environmental regulations, which are making it more difficult to produce refined products and is raising their price.

Option 5: Interruptible Contracts, Encourage/Require Participants to Obtain Physical Stock on Premises or on Account

Among the factors leading to last winter's home heating oil price spikes was the entrance into the heating oil market of customers who were served by interruptible natural gas contracts. As noted above, such customers obtain a lower price for natural gas in exchange for the supplier's ability to interrupt supplies during peak demand. When their natural gas service is interrupted, many of these customers use heating oil as a backup fuel. Interruptible contracts are an efficient form on contracting because they prevent the natural gas system from having to be built to meet the peak capacity that may only be needed once every several years. However, when these customers all enter the heating oil market at once, they contribute to price spikes. As we saw this past summer in Chicago, when short term demand is inelastic (or, in this case, growing), and short term supply is constrained, even small increase in demand or decreases in supply can lead to significant price hikes as the market moves towards a market clearing price.

On August 16th, the New York Public Utility Commission issued an order requiring that natural gas customers with interruptible contracts maintain a backup supply fuel or enter into firm contracts to assure the availability of a backup fuel. That will keep them from immediately and simultaneously entering the heating oil market and spike demand for heating oil when their natural gas service is interrupted. We could meet with public utility commissions from the remaining affected states, and encourage them to follow New York's example.

To the extent that state and local governments enter into interruptible contracts, we could encourage them to also build stock of heating oil for use in the event of an interruption. Finally, we could call a meeting of large customers with interruptible contracts and explain that we expect them to act responsibly and build emergency stocks of heating oil so that they will not spike the market if their natural gas service is interrupted.

Pros:

- Would reduce severity or likelihood of price spikes in response to interruption of natural gas contracts.
- To the extent that the met the requirement through futures contracts, they would be reducing the backwardation in the heating oil market.

Cons:

- There exists no federal authority to require interruptible natural gas customers to obtain backup fuel. Only states can require this type of planning.
- Little incentive for private parties to incur the cost of obtaining more than a minimal volume of backup fuel unless required to do so.

Option 6: Tax Incentive to Purchase Heating Oil Early in Season

As discussed above, heating oil wholesalers lack the appropriate economic incentives to build stocks because heating oil is backwardated. Specifically, they risk losing money by purchasing heating oil this month that they will sell in the future at what the market predicts will be a lower price. We could attempt to remove this incentive in the fall by proposing a tax credit available to wholesalers base on the volume of hating oil that they purchase by specified deadlines. For instance, we could offer a $2 per barrel credit for heating oil purchased by October 15, $1.50 for heating oil purchased by November 15, and $1 for heating oil purchased by December 15. This would be much more direct and could less distortive than using the SPR. We would know for certain that we would only be spending the money if we obtained the desired effect, in contrast to a 30 million barrel SPR exchange that would only yield an additional 2.5 million barrels of home heating oil. Proceeding with this option would require some additional analysis to refine both the level of the incentive and its total cost.

Pros:

- Less distortive than using the SPR.
- Directly encourages the building of stocks, in contrast to SPR exchange which would is a more convoluted way of trying to encourage building of stocks, which may or may not work.

Cons:

- Would require legislation.
- Suggests a government willingness to intervene in commodity markets.
- Could be difficult to administer.
- Would be very expensive.

*　　　*　　　*

Staff also examined several other options, which we rejected because they each presented a particular problem. They examined doubling the size of the Northeast Home Heating Oil Reserve from 2 million to 4 million barrels to provide a larger cushion from price spikes should they occur. They rejected that idea because it would draw more heating oil away from private stocks, where it is needed badly, and because a previous DOE study indicated that a product reserve larger than 2 million barrels want not economically justifiable. Staff examined taking steps to discourage exports by waiving the Jones Act requirements that domestic shipments of heating oil be transported on U.S. flagged vessels, thereby reducing the cost of shipping by vessel. They rejected that idea because a primary pipeline used to ship heating oil to Northeast is currently operating well below capacity. Because pipelines are generally less expensive than vessels, it seemed unlikely that allowing foreign ships into the market would reduce the cost of transportation. Staff examined loosening the product specifications of home heating oil (sulfur content) to reduce the cost of producing it and to allow for increased imports. They rejected that idea because regulation of environmental criteria of heating oil is done at the state level (although it also requires EPA approval), and states may resist because it would be severely opposed by the environmental community. Staff also examined the possibility of seeking distillate from Asia and/or the Middle East. Staff rejected that idea because if such oil could be sold profitably to the United States, it would likely have already occurred, and it was unclear what the government could add.

THE WHITE HOUSE

WASHINGTON

Date 8·28·00

To: PODESTA, RICCHETTI, MATHEWS

From: The Staff Secretary

ANY COMMENT?

5279

THE WHITE HOUSE

WASHINGTON

August 25, 2000

8-26-00
package to clerk
MH

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER for
CHARLES M. BRAIN CMB

SUBJECT: Presidential Action Required for a Supplemental U.S. Contribution to KEDO

Purpose

Authorize the Department of State to initiate formal consultations with Congress concerning use of Presidential waiver authority to provide an additional $29.4 million to the Korean Peninsula Energy Development Organization (KEDO).

Background

The United States has provided $35 million in FY00 appropriated funds to KEDO, which KEDO has used toward the purchase of heavy oil for North Korea under the terms of the Agreed Framework. Due to increased oil prices, limited international contributions and a $20 million Congressional cut in our FY00 request, KEDO funding to complete the 2000 oil shipments will fall short about $40-45 million. Failure to complete these shipments could damage the Agreed Framework as well as our efforts to engage the North Koreans on Kim Chong-il's recent missile proposal and other important issues.

State proposes to reprogram the $29.4 million from the following accounts: $20.3 million from Nonproliferation, Antiterrorism, Demining, and Related Programs; $3.1 million from International Organizations and Programs; $2.5 million from Peacekeeping Operations; $2 million from prior-year Economic Support Funds; and, $1.5 million from Foreign Military Financing. They are continuing to look at other options for making up the remaining $10-15 million shortfall for FY00.

As you have done previously, you would use your waiver authority under section 614 of the Foreign Assistance Act ("FAA") to make

cc: Vice President
Chief of Staff

these funds available. Use of this authority requires you to determine that the $1.5 million Foreign Military Financing contribution is "*vital* to the national security interests of the United States" and the remaining $27.9 million is "*important* to the security interests of the United States." Because the provision of this assistance to KEDO would involve a transfer of funds, section 610 of the FAA requires you to determine that such a transfer is necessary for the purposes of that Act. Before you may exercise your authority under sections 610 and 614 of the FAA, you must consult with, and provide a written policy justification to, Congress. Madeleine requests that you authorize State to begin formal consultations with the appropriate congressional committees, including provision of a written justification explaining your intention to use the section 614 waiver authority and the section 610 transfer authority (Tab A).

Based on informal congressional consultations, State does not expect congressional opposition to this supplemental funding for KEDO.

RECOMMENDATION

That you authorize the Department of State to initiate consultations with, and provide a written justification to, the appropriate committees of Congress concerning your intention to use section 614 and 610 authority to reprogram $29.4 million in FY00 funds to KEDO.

Approve ______________

Disapprove ______________

Attachment
Tab A Justification for Intended Use of Section 614 Waiver

MEMORANDUM OF JUSTIFICATION
UNDER SECTION 614 OF THE FOREIGN ASSISTANCE ACT
TO PROVIDE A SUPPLEMENTAL U.S. CONTRIBUTION TO
THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

The President proposes to authorize an additional $29,407,385 contribution to KEDO to finance shipments of heavy fuel oil (HFO) to the Democratic People's Republic of Korea (DPRK). As outlined below, these funds are urgently needed to preserve the Agreed Framework as a viable mechanism for dealing with North Korea-related nonproliferation concerns.

Since the early 1990's, the United States has been faced with the prospect of a hostile North Korea armed with nuclear weapons. Negotiations to avert this situation led to the Agreed Framework, signed on October 21, 1994, under which the DPRK agreed to freeze and eventually dismantle its graphite-moderated nuclear reactors and related facilities at Yongbyon and Taechon, to allow international monitoring of the freeze by the International Atomic Energy Agency (IAEA), and eventually to come into full compliance with its IAEA safeguards agreement. The Agreed Framework's freeze prevented North Korea from accumulating enough fissile material for a significant number of nuclear weapons.

In order to ensure that North Korea continues to abide by its obligations under the Agreed Framework, the United States has to fulfill its own commitments. These include the commitment that we would organize an "international consortium" (KEDO) to finance and supply light-water reactors (LWRs) to the DPRK and to provide 500,000 tons of heavy fuel oil annually to North Korea until completion of the first LWR. Significant progress has recently been achieved on the LWR project with the conclusion of the Turnkey Contract on December 15, 1999, and the subsequent commencement of full-scale construction. The Republic of Korea Government and the Government of Japan have so far provided $211 million and $90.4 million, respectively, toward this project.

Shipments of HFO this year have been hampered by a steep rise in prices. The cost per metric ton of HFO has risen from about $100 in the first half of 1999 to an average of over $190 this year. As a result, KEDO has been faced with a serious shortage of funds for its HFO program. We estimate the total cost of delivering 500,000 metric tons of HFO this year will amount to over $90 million, as compared to an average cost of $60 million in past years.

While we have again made strenuous efforts at high levels to obtain HFO financing from other countries, the United States has consistently had to bear over half the cost of these shipments. KEDO has resorted to borrowing when necessary, utilizing in particular the $19 million collateral fund provided by the Japanese government for this purpose. Additional debt in the form of suppliers credits was paid off last year, and KEDO's HFO debt was reduced by year's end to $15.5 million in bank loans backed by the Japanese collateral fund.

In past years, our ability to maintain reasonably regular HFO shipments has enabled us to make progress in other areas, including two visits to the underground site at Kumchang-ni in 1999 and 2000 and the initiation of comprehensive talks on North Korea's nuclear and missile programs. Use of the $29.4 million in additional funds will enable KEDO to continue its 2000 schedule of HFO shipments. A small portion ($3.85 million) will also be used to cover the U.S. share of KEDO's administrative expenses; our previous $35 million contribution was devoted entirely to HFO expenses.

Of the $29.4 million:

- $20 million would be reprogrammed from unallocated funds in the FY 2000 Nonproliferation, Anti-terrorism, Demining, and Related programs (NADR) account reserve;
- $307,385 would be reprogrammed from NADR funds previously allocated but no longer needed to fund the FY 2000 contribution to the CTBT Preparatory Commission;
- $3.1 million in the FY 2000 International Organizations and Programs (IO&P) account would come from funds available for reprogramming pursuant to section 301 of the Foreign Assistance Act of 1961, as amended; section 516 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, as enacted in P.L. 106-113; and section 108(d) of the "Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001," as also enacted in P.L. 106-113;
- $2 million would come from prior year, unobligated Economic Support Funds (ESF);
- $2.466 million would come from FY 2000 Peacekeeping Operations (PKO) funds previously allocated to support the Israel-Lebanon

Monitoring Group ($550,000) and Haiti peacekeeping programs ($1.916 million); and

- $1.534 million would come from FY 2000 Foreign Military Financing (FMF) funds originally allocated for East Africa Regional requirements.

In his Congressionally mandated review of our North Korean policy, Dr. William Perry laid out a comprehensive approach toward dealing with the DPRK. Maintenance of the Agreed Framework remains an essential element of this comprehensive policy. It is a critical tool for engaging forcefully with the North on nuclear proliferation issues of vital concern. The continued funding of KEDO is thus critical to the achievement of the specific objectives of the Agreed Framework, as well as the general goals of promoting international nuclear nonproliferation and maintaining peace and security on the Korean Peninsula. Failure to fulfill our commitments under the Agreed Framework would imperil the freeze of North Korean nuclear facilities and the progress we and the ROK have achieved in engaging North Korea diplomatically.

For these reasons, and in accordance with section 614(a)(2), it is vital to the national security interests of the United States to provide the $1.534 million in FMF to KEDO, and, in accordance with section 614(a)(1), it is important to the security interests of the United States to provide $27,873,385 in NADR ($20,307,385), PKO ($2.446 million); ESF ($2 million) and IO&P ($3.1 million) funds from the NADR account, notwithstanding any provision of law within the scope of section 614.

In order to provide this assistance to KEDO, we also need to transfer the $6 million in FMF, ESF, and PKO to, and consolidate it with, the FY 2000 IO&P account using the authority of FAA section 610. Section 610 authorizes such a transfer if the President determines it to be necessary for the purposes of the FAA; the U.S. contribution to KEDO is authorized by the NADR account pursuant to section 301 (IO&P) of the FAA. In the present case, the transfer of FMF is necessary because FMF grant funds do not carry the administrative authorities needed to provide this assistance to KEDO. Similarly, PKO and ESF should be transferred to IO&P, as the most appropriate authority for providing contributions to international organizations resides in that account. Further, transferring these funds to IO&P is consistent with the management desirability of providing funding for this activity in a more consolidated manner, rather than from five separate accounts.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Presidential Authorization Regarding Supplemental U.S. Contribution to KEDO

This is to inform you that the President has authorized the Department of State to consult formally with, and provide a written justification to, the appropriate committees of Congress in preparation for the potential use of his authority under sections 610 and 614 of the Foreign Assistance Act to make available $29,407,385 in State Department FY00 funds for a supplemental contribution to the Korean Peninsula Energy Development Organization.

Robert A. Bradtke
Executive Secretary

S/S-200014859

United States Department of State

Washington, D.C. 20520

5279

August 17, 2000

SENSITIVE BUT UNCLASSIFIED

MEMORANDUM FOR ROBERT A. BRADTKE
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

SUBJECT: Use of the President's Special Authorities under Sections 610 and 614 of the Foreign Assistance Act to Provide Assistance to the Korean Peninsula Energy Development Organization (KEDO)

This memorandum requests that the President authorize the Department of State to consult formally with, and provide the attached written policy justification to, relevant committees of the Congress concerning the proposed waiver of restrictions on the provision of assistance to the Democratic People's Republic of Korea (DPRK) in order to provide $29,407,385 in funds as a contribution to KEDO. The funds will be used to continue KEDO's 2000 shipments of heavy fuel oil (HFO) to North Korea and cover the U.S. share of KEDO's administrative expenses.

U.S. support for KEDO is an integral component to implementing the 1994 Agreed Framework, wherein the DPRK agreed to freeze its graphite-moderated nuclear reactors and related facilities and to allow international monitoring of these facilities by the International Atomic Energy Agency (IAEA). In return, the United States agreed to organize an "international consortium" (KEDO) to finance and supply light-water reactors (LWRs) to the DPRK, and to provide 500,000 tons of heavy fuel oil (HFO) annually to North Korea until completion of the first LWR.

To fulfill our HFO commitments under the Agreed Framework, the President requested $55 million in FY 2000 for a contribution to KEDO. However, the near doubling of HFO prices over the last year, combined with meager international contributions and a Congressional appropriation of only $35 million for our FY 2000 contribution, has resulted in a shortfall of about $40-

AUG 18 8:28

45 million to fulfill current HFO requirements. Failure to complete these shipments in a timely manner risks a negative reaction from the DPRK, possibly including taking steps inconsistent with the Agreed Framework or its other bilateral nonproliferation commitments. It would also portend a more general setback to our efforts to engage the North Koreans on a wide range of critical nonproliferation issues.

To help address these needs, we have conducted extensive fundraising efforts at both the working and senior levels; our efforts have yielded disappointing results, netting new contributions or pledges only from Australia and Oman. Total foreign contributions for heavy fuel oil so far this year amount to almost $15 million, about $3 million short of last year's total. We will continue to examine ways to rectify the shortfall. In the meantime, we seek to reprogram up to $29,407,385 in FY 2000 funds to help bridge approximately two-thirds of the shortfall HFO funding, and to cover the U.S. $3.85 million share of KEDO's administrative expenses. (Our entire $35 million regular contribution has been used for HFO shipments.)

The $29.4 million reprogramming would come from the following accounts:

- $20,307,785 in FY 2000 Nonproliferation, Anti-terrorism, Demining, and Related programs (NADR) funds;
- $3.1 million in FY 2000 International Organizations and Programs (IO&P) funds;
- $2 million in prior-year Economic Support Funds (ESF);
- $2.466 million in FY 2000 Peacekeeping Operations (PKO) funds; and
- $1.534 million in FY 2000 Foreign Military Financing (FMF).

With the exception of the ESF and IO&P, these funds must be obligated by September 30 or they will expire.

Legal Authority

Because of various provisions of law that restrict assistance to North Korea, the President will need to exercise his authority under section 614 of the FAA to provide this assistance to KEDO. Section 614 authorizes the President to waive prohibitions on the provision of assistance to North Korea with respect to a maximum of $50 million in assistance in any given fiscal year; none of this authority has been used thus far this fiscal year. Potential legal restrictions on direct or indirect assistance to the DPRK include sections 307, 620A, and 620(f) of the FAA; section 530 of the Foreign Relations Authorization Act for Fiscal Years 1994 and 1995; and Title IV (under the heading "International Organizations and Programs") and sections 507, 523, and 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (FY 2000 FOAA), as enacted in P.L. 106-113.

To make the proposed funding available, section 614(a)(2) requires that the President find that it is "*vital* to the national security interests of the United States" to provide the $1.534 million in FMF, and section 614(a)(1) requires that the assistance be "*important* to the security interests of the United States" to provide the balance of $27,873,385. We believe the purpose for which this assistance is being provided, namely, to sustain the Agreed Framework and help ensure DPRK compliance with the Framework and other bilateral nonproliferation commitments, meets both requisite standards.

In order to provide this assistance to KEDO, we also will transfer the $6 million in FMF, ESF, and PKO to, and consolidate it with, the FY 2000 IO&P account using the authority of FAA section 610. Section 610 authorizes such a transfer if the President determines it to be necessary for the purposes of the FAA. In the present case, the transfer of FMF is necessary because FMF grant funds do not carry the administrative authorities needed to provide this assistance to KEDO. Although PKO and ESF funds may be used based on their own authorities (i.e., rather than transferring them to the IO&P account under the authority of Section 610), we believe that PKO and ESF funds should be transferred to IO&P as the most appropriate authority for providing contributions to international organizations resides in that account. Further, transferring these funds to IO&P is consistent with the management desirability of providing funding for this activity in a consolidated manner rather than from five separate accounts.

(NOTE: Attachment 3 is a draft Presidential determination pursuant to sections 610 and 614 provided for review purposes only. It should not be signed by the President until after the Department of State's consultations with Congress have been completed.)

Notification Procedures/Likely Congressional Reaction

Before the President can exercise his authority under sections 610 or 614 of the FAA, he must consult with, and provide a written policy justification to Congress. To comply with these requirements, and upon approval by the President, the Department would transmit to Congress a letter and memorandum of justification advising of the President's intent to exercise his authorities under sections 610 and 614. Both are attached to this memorandum.

In keeping with past practice, State consulted informally with staff of the House and Senate Appropriations Subcommittees on Foreign Operations, the House International Relations Committee and the Senate Foreign Relations Committee. On the basis of these informal consultations, carried out on July 27, 2000, we do not expect significant Congressional opposition to a proposal to reprogram additional funds for KEDO.

Section 634A of the FAA and section 515 of the FY 2000 FOAA require that we provide Congress 15 days' notification before these funds are available for obligation. The attached draft letter to Congress also contains language providing this notification.

In conclusion, we recommend that the President authorize the Department of State to consult formally with, and provide a written justification to, the appropriate committees of Congress. If the results of these consultations do not suggest a different course of action, we will forward an additional memorandum recommending that the President exercise his authority under sections 610 and 614 to permit a $29,407,385 contribution to KEDO.

Robert C Blake Jr for

Kristie A. Kenney
Executive Secretary

Attachments:
(1) Letters of Notification re: Sections 610 and 614
(2) Memorandum of Justification re: Sections 610 and 614
(3) Draft Presidential Determination under Sections 610 and 614

United States Department of State

Washington, D.C. 20520

Dear Mr. Chairman:

Pursuant to sections 614(a)(3) and 652 of the Foreign Assistance Act of 1961, as amended (the "Act"), and section 509 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, as enacted in P.L. 106-113 (FY 2000 FOAA), this letter is to inform you that the President proposes to exercise his authority under section 614 of the Act to authorize the use of $29,407,385 for a contribution to the Korean Peninsula Energy Development Organization (KEDO). At the same time, and as detailed further herein, the President proposes to exercise his authority under FAA section 610 to transfer up to $6 million in funds to the International Organizations and Programs account to facilitate this contribution. This letter also shall constitute the advance notification required under section 634A of the Act and section 515 of the FY 2000 FOAA.

The funds will be used to help pay administrative and heavy fuel oil expenses of KEDO, an international organization established to implement the Agreed Framework between the United States and the Democratic People's Republic of Korea (DPRK), signed on October 21, 1994. As described in more detail in the enclosed Memorandum of Justification, we believe that the use of the $29,407,385 in the manner described is essential to carry out the terms and conditions of the Agreed Framework. Meeting our Agreed Framework commitments will avoid providing the DPRK an excuse to renege on its own obligations, which would seriously endanger regional security as well as our high-priority nuclear nonproliferation objectives.

The Honorable
C. W. Bill Young, Chairman,
Committee on Appropriations,
House of Representatives.

Please do not hesitate to contact us if you believe we may be of further assistance.

Sincerely,

Barbara Larkin
Assistant Secretary
Legislative Affairs

Enclosure:
Memorandum of Justification.

THE WHITE HOUSE
WASHINGTON

Date 8·28·00

To: PODESTA, RICCHETTI, L. MARCUS

From: The Staff Secretary

ANY COMMENT?

THE WHITE HOUSE

WASHINGTON

August 28, 2000

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER K FM

SUBJECT: National Security Agency Deputy Director

Purpose

To obtain your approval for Secretary Cohen to designate William Black as Deputy Director of the National Security Agency.

Background

Mr. Black would return from private industry to replace Barbara McNamara, who is now NSA's senior liaison officer in London. He served in a variety of senior executive positions at NSA, including Special Assistant to the Director for Information Warfare. Mr. Black was most recently Assistant Vice President and Director of Information Operations for SAIC.

A graduate of the University of Maryland and the National War College, Mr. Black has received a series of awards for distinguished service as a federal executive.

RECOMMENDATION

That you approve Secretary Cohen's request to designate William Black to be Deputy Director of the National Security Agency.

Approve ________________

Disapprove ______________

Attachment
Tab A Letter from Secretary Cohen; Black Resume

cc: Vice President
Chief of Staff

5407

THE SECRETARY OF DEFENSE
WASHINGTON, DC 20301

AUG 24 2000

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Designation of Deputy Director, National Security Agency
ACTION MEMORANDUM

In accordance with National Security Council Intelligence Directive No. 6, I request you seek the President's approval to designate Mr. William B. Black as the Deputy Director of the National Security Agency. A biographical sketch of Mr. Black is attached for your information.

Bill Cohen

Encl:
a/s

8038 Forest Glen Drive
Pasadena, MD 21122
Phone (410) 255-6785

William (Bill) B. Black, Jr.

Summary of qualifications

Completed assignments in every aspect of National Security Agency (NSA) business, starting as an operational linguist/analyst and working up to Senior Executive Level management positions. Primary abilities focused on building new organizations or efforts, creating and designing new and efficient ways of doing business. Most noted for taking on tough assignments with no guidance and creating the way to success by leadership and managerial skills.

Managed large organizations with multi-skilled personnel as well as elite, specialized groups dedicated to a particular objective. Recognized areas of expertise include all aspects of cryptologic operations including support to military operations and, most recently information warfare operations.

Professional experience

Sept 1997 - Present SAIC/Information Operations Advanced Technologies and Solutions Group

Assistant Vice President and Director of Information Operations (IO)

- Active member of the U.S. Strategic Command (STRATCOM) Strategic Advisory Group (Since 1992) for Commander in Chief, STRATCOM, to include membership on the Intelligence Panel, the Scientific and Technologies Panel and the IO Panel. Have been the lead member and expert on Information Warfare and Advance Information technologies. Presently serving on the U.S. Space Command (SPACECOM) Advisory Group for Computer Network Defense and Computer Network Attack under General James McCarthy. Lead position in SAIC for IO research. Worked with the Information Operations Technology Center to establish the Institute for the Analysis of Complex Systems. The Institute develops advanced techniques for the analysis of networks and critical infrastructures. This work has involved a close relationship with members of Congress and educational institutions in the state of New Mexico.

1996 - 1997 NSA

Special Assistant to the Director, NSA, for Information Warfare

- Involved in dedicated efforts to educate internal and external U.S. government regarding Information Warfare (IW). Sought and received the required official authorities to establish a new mission within NSA. Established plans, programs and relationships with other organizations within the U.S. government for the establishment of this new mission. Effort was completed successfully on 3 and 4 March 1997 when all required official authorities were received from the Secretary of Defense and the Director of Central Intelligence.

1992 - 1996 NSA

Chief Analytical Production Organization

- Responsible for a geographic area. Personally orchestrated U.S. Signals Intelligence Response Architecture for Support to Southern Command and U.S. troops in Bosnia. Organization was comprised of some 2,000 professional individuals with skills to include computer scientists, linguists, analysts, reporters, etc.

1989 - 1992 NSA

Chief of NSA/CSS Europe

- Represented the Director of NSA to all U.S. Commands and the appropriate NATO organizations. Headquarters was located at Headquarters U.S. European Command, Stuttgart, Germany. During this period, the Berlin Wall came down on 9 November 1989 and the entire structure and organization of U.S. Forces and NSA's equities changed drastically. Finally led the effort in Europe to reconstruct and reduce size of entire NSA architecture.

1987 - 1989 NSA

Associate Deputy Director for Operations/Military Support

- First and last civilian to hold this position. Previous/subsequent Associate Directors have been U.S. military general officers. During this period, set the policy and program for all Signals Intelligence support to all military activities to include the initiation of a special satellite broadcast program.

1986 - 1987 NSA

Chief of the Office of Collection Management

- Responsible for the architecture and planning for all operational collection systems.

1979 - 1986 NSA

- Held several key positions in a newly formed NSA/CIA field organization. Responsibilities included worldwide operations, designing, planning and orchestrating operations in addition to personnel assignments of the organization.

1978 - 1979 National War College

Student

1975 - 1979 NSA

Chief of the Office of Customer Relations and Military Support

- Responsible for liaison to all Washington, DC area customers (i.e. White House, White House Situation Room, State Dept., U.S. Treasury, etc.). Initiated the first organization dedicated to support to military operations. Traveled extensively to U.S. Commands to talk to customers and determine needs.

Prior to 1975 NSA

Chief of Intelligence Support Staff, Headquarters NSA Europe

- Prior to 1975, served in various positions at NSA Headquarters, NSA European Headquarters, and the Pentagon. Member of the debriefing team that met the crew of the U.S. PUEBLO upon her return to the United States. Joined the National Security Agency in 1959 after three years in the Army.

Education

1979 National War College Ft. McNair, Washington

1978 - 1979 George Washington University

Masters Program

1971 University of Maryland College Park, MD

Bachelor of Arts/Political Science (Soviet Area Studies)

1957 U.S. Army Language School Monterey, CA

Russian Language

Awards received

1998 – Joint Intelligence Unit Citation for IW Staff

1997 – 2nd Exceptional Civilian Service Award

1996 - - National Intelligence Distinguished Service Medal

1992 - - Secretary of Defense Meritorious Civilian Service Award

1986 – Exceptional Civilian Service Award

1984 - - Senior Executive Service Presidential Rank Award

1974 – Meritorious Civilian Service Award

1959-80 elevated through the ranks to Senior Cryptologic Executive Service Level

Security clearance TOP SECRET/SCI

Richard North Patterson
P.O. Box 183
West Tisbury, MA 02575
Telephone: 508/696-0855 • Facsimile: 508/696-9247

00 AUG 22 PM 1:47

August 15, 2

TO DAN B.
FOR REPLY
coordinate w/
counsel

The Honorable William Jefferson Clinto
President of the United States
c/o Nancy Hernreich
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20600-0001

Dear Mr. President,

cc: Scheduling

First of all, great speech! "Clint
lot more powerful than the GOP can stan
gifted writer, "All's well that ends we

Thanks, as well, for assuring my w
to read *Protect and Defend.* The book is not in any sense a "legal thriller," but a novel of politics and law which deals with the controversial nomination of a female Chief Justice, whose confirmation is threatened by an incendiary abortion case--a trial pitting a fifteen year old girl against her pro-life parents. In the process, I take on the two most contentious abortion issues--late-term abortion and parental consent--in an effort to influence
the current public perc
confirmation fight betw
current dynamic of Supr
of public issues and pr

Basel -
Discuss w/ me
Unsure how to answer

I can well underst
this. But, if you do, I
promote the book among
communicating than you,
widest possible audienc

Again, I look forw
before. And, in the mea
things. You've done wha
to be proud.

→ corr. for reply - clear w/ counsel
→ cc: scheduling

B.C. sig

Warmest wishes,

Ric Patterson

Ric Patterson

Richard North Patterson
P.O. Box 183
West Tisbury, MA 02575
Telephone: 508/696-0855 • Facsimile: 508/696-9247

'00 AUG 22 AM11:47

August 15, 2000

The Honorable William Jefferson Clinton
President of the United States
c/o Nancy Hernreich
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20600-0001

Dear Mr. President,

First of all, great speech! "Clinton nostalgia" should be a lot more powerful than the GOP can stand. To quote a somewhat more gifted writer, "All's well that ends well."

Thanks, as well, for assuring my wife Laurie that you intend to read *Protect and Defend*. The book is not in any sense a "legal thriller," but a novel of politics and law which deals with the controversial nomination of a female Chief Justice, whose confirmation is threatened by an incendiary abortion case--a trial pitting a fifteen year old girl against her pro-life parents. In the process, I take on the two most contentious abortion issues--late-term abortion and parental consent--in an effort to influence the current public perception on both. I also deal with the confirmation fight between the President and the Senate; the current dynamic of Supreme Court nominations; and the confluence of public issues and private lives.

I can well understand that you may not have time to read this. But, if you do, I'd appreciate any advice you have on how to promote the book among opinion leaders. No one knows more about communicating than you, and I really want this book to reach the widest possible audience.

Again, I look forward to seeing you after January, if not before. And, in the meanwhile, I wish you continued success in all things. You've done what you set out to do, and have every right to be proud.

Warmest wishes,

Ric Patterson

Ric Patterson

'00 AUG 25 [illegible]

H.E. Mr William J. Clinton
President of the United States of America
Office of the President
The White House
1600 Pennsylvania Avenue, N.W.
WASHINGTON DC 20500
United States of America

Lausanne, 9 August 2000
Ref. no 1889/JAS/2000/mh

Dear Mr President,

The Olympic Movement is once again calling upon you to support the observance of the Olympic Truce on the occasion of the Games of the XXVII Olympiad which will be held in Sydney, Australia, from 15 September to 1 October 2000.

The United Nations General Assembly has, as in the past, adopted a resolution with 180 Member States as co-sponsors, among them the United States of America. The resolution urges Member States to abide by the Olympic Truce, individually and collectively, and to pursue, in conformity with the purposes and principles of the Charter of the United Nations, the peaceful settlement of all international conflicts through diplomatic solutions.

We believe it would be a gesture of great symbolic importance if, before the opening of the Games, you could kindly launch a solemn appeal to the leaders and political parties of countries engaged in armed conflict to observe the Olympic Truce. It is our sincere hope that the period of the Games and beyond will provide an opportunity for dialogue, reconciliation, and the search for durable solutions for the restoration of peace in all areas of conflict, where the first victims are the children, the youth and women.

Please accept, Mr President, the assurance of my highest consideration.

TO NSC
FOR
REPLY
@
8-28-00

Juan Antonio SAMARANCH
Marqués de Samaranch

PETER V. R. FRANCHOT
20th Legislative District
Montgomery County

Committee
Appropriations

Chairman
Transportation and the
Environment Subcommittee

Member
Capital Budget Subcommittee

Annapolis Office
424 Lowe House Office Building
410-841-3460 301-858-3460
E-Mail Peter_Franchot@house.state.md.us

District Office
7111 Sycamore Avenue
Takoma Park, Maryland 20912
301-270-4001

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401-1991

August 18, 2000

The Honorable William J. Clinton
President of the United States
Attn: Mickey Ibarra, Intergovernmental Affairs
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

Recently, I visited Strasbourg with the USA Thunderbolts youth soccer team. The trip was a wonderful success in large part because of the warm hospitality and personal attention we received from Consul General Mrs. Gayleatha Brown.

The USA Thunderbolts were hosted by the Racing Club De Strasbourg soccer team. For the more than 15 youth players from the United States that spent 10 days in France, it was an athletic and cultural experience. Our team participated in a gracious sports banquet hosted by Mrs. Brown that was attended by the Mayor of Strasbourg and other dignitaries. I presented the Racing Club with a gift of appreciation.

Our two nations benefit from this type of interaction, but none more so than our youth. We are planning a return trip next year and will be working with the Consul General and the Strasbourg Racing Club to work out the details. I hope you will join me in thanking the Racing Club and Mrs. Brown for their kindness and encourage continued relations.

Please do not hesitate to have someone on your staff contact me at 202-347-3157 if you have any questions.

Warmest wishes,

Peter

Peter V.R. Franchot

Great speech at the convention.
Peter

to ~~DAN~~ DELIA C.
FOR REPLY
@
8.28.00

cc: Mrs. Gayleatha Brown

THE WHITE HOUSE

WASHINGTON

Date 8.28.00

To: S. STREETT

From: The Staff Secretary

WILL PLAN TO FORWARD TO POTUS ON HIS RETURN — ANY COMMENT?

-USEL

00 AUG 7 P6:26

THE WHITE HOUSE

WASHINGTON

August 7, 2000

Mr. President –

Here is the formal invitation to the Progressive Presidents Conference. This will be a great event.

Sid

American Studies Program
42 McCosh Hall
Princeton, New Jersey 08544
609-258-4710
Fax 609-258-2765

August 4, 2000

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

In conjunction with the Woodrow Wilson School of Public and International Affairs, the American Studies Program at Princeton University is planning a conference on October 5 and 6 on The Progressive Tradition: Politics, History, and Culture. It will be a chance for several of the most preeminent scholars of the Progressive era to discuss intensively the Progressive tradition and its importance today.

I wish cordially to invite you to participate in the conference. Specifically, I would like to invite you to give the keynote address on the afternoon of October 5.

I need not tell you how exciting it would be for us all to hear what you have to say on this particular topic, one that I know interests you a great deal.

Among the scholars who have already agreed to participate are John Morton Blum, James M. McPherson, Christine Stansell, and Arthur M. Schlesinger, Jr. In short, this will be an auspicious scholarly event, which I hope we can entice you to attend.

With best wishes,

Yours sincerely,

Sean

Sean Wilentz
Dayton-Stockton Professor of History and
Director, Program in American Studies

SW:jsf

red dot

August 24, 2000

To Dan/Bob...

Honorable William Jefferson Clinton
President of the United States
White House
Washington, D.C. 20500-2000

for reply

coordinate w/ press
+ scheduling
(w)
8-28-00

Dear Mr. President,

It was so good to see you in Los Angeles. I was blow
Convention. We will miss you terribly once your
Constitutional Amendment on term limitations more

I have been asked by Gay.com to do a bi-monthly column of "Heroes and Leaders" of the Gay and Lesbian community. It is to be a very positive and exciting set of interviews. They will be people who deserve to be honored by my community as people who have created change, shown courage and improved our lives.

No one deserves more to be profiled as one of our heroes than you. I would be honored if you would agree to be my first interview, highlighting the series. You have done more to change and to improve our quality of life than any other individual in history.

I seriously hope you will agree to be interviewed by me.

I know that time is crucial so I have enclosed questions for you to answer at your convenience. I have a September 15th deadline and sincerely hope that we can make this work.

In addition to the interview, Gay.com will also do a "link" that will take readers to a detailed list of your impressive and historical accomplishments for our community.

I so look forward to working with you on this effort. Thank you for this and for everything over the last eight years. You remain one of my heroes and always a dear friend.

Sincerely,

David

David B. Mixner

DBM
DBM ASSOCIATES
356 HUNTLEY DRIVE, WEST HOLLYWOOD, CALIFORNIA 90048-191
TELEPHONE 310-289-1181 FACSIMILE 310-289-0504
EMAIL DMIXNER @ AOL.COM

August 24, 2000

Honorable William Jefferson Clinton
President of the United States
White House
Washington, D.C. 20500-2000

Dear Mr. President,

It was so good to see you in Los Angeles. I was blown away by your incredible speech to the Convention. We will miss you terribly once your term is up. Never have I hated the Constitutional Amendment on term limitations more than I do now.

I have been asked by Gay.com to do a bi-monthly column of "Heroes and Leaders" of the Gay and Lesbian community. It is to be a very positive and exciting set of interviews. They will be people who deserve to be honored by my community as people who have created change, shown courage and improved our lives.

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I so look forward to working with you on this effort. Thank you for this and for everything over the last eight years. You remain one of my heroes and always a dear friend.

Sincerely,

David

David B. Mixner

DBM ASSOCIATES
DBM
356 HUNTLEY DRIVE, WEST HOLLYWOOD, CALIFORNIA 90048-1914
TELEPHONE 310-289-1181 FACSIMILE 310-289-0504
EMAIL DMIXNER@AOL.COM

Presidential Interview Questions

1. Mr. President, it has been eight years since your election and enormous change has happened for the Gay and Lesbian Community since your election. This is the perfect time to reflect on your historical record. What accomplishment on behalf of the Gay and Lesbian community are you most proud of?

2. Sir, what do you wish you could have done differently and done over?

3. Mr. President, do you feel the battle over the policy of "Don't Ask, Don't Tell" made it more difficult for your administration on other issues regarding Gay and Lesbian civil rights?

4. Sir, when you became President, were you surprised at the extent of hatred and discrimination directed toward Gay and Lesbians in America?

5. Growing up in Arkansas, when did you become aware of the existence of Gays and Lesbians? Given that background, how did you become so good on this civil rights issue?

6. Mr. President, you and I are people of great faith. Our belief in God and a deep spirituality are very important in our lives. Some in organized religion have been very strong opponents to your actions in relationship to civil rights for Gays and Lesbians. How have you been able to reconcile your faith with your policies?

7. What message would you like to give to the opponents of Gay and Lesbian rights? What appeal would you make to them based on your journey with Gays and Lesbians, Mr. President?

8. You have been consistently against traditional marriage for Gays and Lesbians since I have known you. How do you feel about the Vermont decision granting legal protection to same sex unions and the issues of domestic partnerships?

9. Once again the Democratic Party has broken down another barrier in its selection of Senator Lieberman as the first person of Jewish faith to be on a national ticket. Do you think you will ever live to see the day where a Gay and Lesbian will be on a national ticket?

10. Sir, what message would you like to send to young Gay and Lesbians dealing with their sexuality?

11. How do you plan to continue your extraordinary leadership on the issue of Gay and Lesbian rights once you leave office?

12. How do you feel that you are one of the heroes of the Gay and Lesbian community? How would you like to be remembered by future generations of Gays and Lesbians?

DBM

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Comments/Special Instructions

Hi Betty – Mr. Jordan would like your help in getting a letter to a minister in Atlanta. The minister has been preaching for 25 years, 7th year at this particular church and his 42nd birthday is on Friday, 9/1. The letter should be addressed to Reverend Marty L. Henderson, Mt. Zion Second Baptist Church, 137 Boulevard, NE, Atlanta, GA 30312. Please forward the letter to Mrs. Zeda Sartor at 790 Kings Grant Drive, NW, Atlanta, GA 30318 so she can present the letter to the minister. Thank you so much and please call if you have any questions. Thanks a million.

Gayle

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