Congress of the United States

Washington, DC 20515

'00 SEP 11 PM2:31

9-11-00
Send to Legislative Affrs.

September 11, 2000

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

Dear Mr. President:

We are writing to respectfully ask that you support the Energy Employees Compensation legislation that was included in the Senate Defense Authorization Act. These veterans of the cold war, who were civilian nuclear workers, deserve our deep gratitude and should be fully compensated for the harm inflicted upon them years ago by the government and its contractors.

We appreciate the support for these workers shown by Secretary of Energy Bill Richardson and others in the Administration to date. The language included in the Senate Defense Authorization Act will provide eligible workers with a lump-sum payment of $200,000 and lifetime benefits. This is consistent with the Federal Employees Compensation Act, where federal employees are eligible to receive both a lump sum payment and medical benefits. We understand, however, that the Administration is considering support for either a lump-sum payment or health benefits, but not both.

Many beryllium and atomic weapons production workers live in Pennsylvania and are in desperate need of both a lump-sum payment and health benefits. These workers were employed in beryllium factories that have closed long ago, such as the Kawecki-Berylco plant in Hazelton, Pennsylvania. We have worked with the Administration on acceptable legislative language to compensate beryllium and radiation exposed workers like Al Matusick, who has beryllium disease. Mr. Matusick is past the point where he could qualify for wage replacement, yet his life - and those of many others - have been irreparably damaged by chronic beryllium disease due to their service in the government's nuclear weapons mission. People like Mr. Matusick, who are out of the workforce and will not qualify for workers compensation under Pennsylvania law, deserve both a lump sum and medical benefits.

Further, sick workers should not be denied judicial review of a claim that has been denied by the Department of Labor. The right of appeal is a basic check and balance on our system of government and must not be denied to these deserving Americans.

In closing, we respectfully ask that the Administration support the Senate language, enabling our civilian nuclear workers to receive both the compensation and medical benefits that are long overdue.

Sincerely,

RON KLINK
Member of Congress

PAUL KANJORSKI
Member of Congress

cc:

The Honorable Bill Richardson, Secretary of Energy
The Honorable Alexis Herman, Secretary of Labor
The Honorable Jack Lew, Director, Office of Management and Budget
Mr. John Podesta, Chief of Staff, The White House
Mr. Charles Burson, Office of the Vice President

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

RON KLINK
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House of Representatives
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To: President Clinton

From:

X Honorable Ron Klink
___ Joe Brimmeier
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___ Jennifer Keaton
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___ Emmett O'Keefe
___ Charles Territo

Date: 9/11/00

Fax Number: 456-1210

Subject: Defense Authorization Act

Number of Pages, including cover: 3

Comments:

09/11/00 14:12 FAX 002

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CALIFORNIA

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Justin Cooper

COMMITTEES:
BUDGET
ENVIRONMENT AND PUBLIC WORKS
FOREIGN RELATIONS

September 11, 2000

The President
The White House
Washington, D.C.

'00 SEP 11 PM3:35

Dear Mr. President:

The Department of State recently ordered a denial of American musician Ry Cooder's application to participate in recording sessions in Cuba with elderly Cuban musicians as a follow-up to their work in the *Buena Vista Social Club* recordings. The purpose of this project is to help preserve music which is of great cultural and historical importance.

As you know, travel to Cuba by Americans is severely restricted by the United States' economic embargo against Cuba. The law prohibits an American from spending any money relating to travel to Cuba unless he or she first receives a license from the Office of Foreign Assets Control (OFAC) of the Department of Treasury.

The State Department apparently ordered OFAC to deny Mr. Cooder's application for a license because the recordings that will result could end up producing income for Mr. Cooder. On the other hand, the Department also apparently advised Mr. Cooder that it is willing to grant him a license if he will agree not to make any profit off the recordings that will result, **even though the Cuban musicians would be allowed to keep their royalties.**

This reasoning, Mr. President, is patently absurd and contradicts the clear intent of the law. The purpose of the economic embargo against Cuba is to keep hard currency out of the hands of the Cuban government -- not to keep American

9-11-00

Send to Legislative Afrs?

Yes ✓

No ____

Moreover, the law was amended a few years ago
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Mr. President, as a musician yourself, you must k
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but in all cases, Mr. Cooder's commitment has resulted i
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Washington, D.C.

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This reasoning, Mr. President, is patently absurd and contradicts the clear intent of the law. The purpose of the economic embargo against Cuba is to keep hard currency out of the hands of the Cuban government -- not to keep American dollars out of the hands of Americans!

Moreover, the law was amended a few years ago (the so-called "Berman Amendment") to clarify that importation of 'information and informational materials' is exempt from the embargo, 'whether commercial or otherwise,' as long as the material is not newly created. We understand that the author of this amendment, Congressman Howard Berman, has informed State Department officials that the Ry Cooder project is precisely the type of activity his amended is intended to cover.

Mr. President, as a musician yourself, you must know that Ry Cooder has spent much of his life studying and preserving certain styles or traditions of music with cultural or historical significance. In some cases, this has led to the production of commercially successful recordings, but in all cases, Mr. Cooder's commitment has resulted in saving for future generations music and artistry that might otherwise have been lost forever.

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The musicians of the *Buena Vista Social Club* recordings are elderly -- *in their* 70s, 80s, even 90s. They are talented artists whose music is of an important pre-Revolutionary Cuban tradition. They are, as Ry Cooder has called them, "not museum relics, but living treasures whose great gift is their power to touch and inspire people." If Mr. Cooder is not permitted to return to Cuba to make more recordings with them, their vast repertoires and special musical magic could be lost for all time.

Last year, Mr. President, you announced new policies toward Cuba which are intended to help open up Cuban society to the outside world. Ry Cooder's work in *Buena Vista Social Club* has already produced the kind of results that you hoped for when you announced your 'people–to–people' policy.

While the Castro Government has not allowed sales of the album or video in Cuba, nonetheless, as the Cuban people have learned about this music through contact with tourists and others, the popularity of the *Buena Vista Social Club* musicians has grown in their native land.

A few weeks ago, the Cuban government allowed these artists to perform in public for the first time. Clearly, Ry Cooder's work has contributed, not to the enrichment of Castro, but rather to the artistic liberalization of Cuba.

We urge you to ensure approval of a license for Ry Cooder to return to Cuba make further recordings with the *Buena Vista Social Club* artists, without giving up his right to earn his livelihood in the process.

Sincerely,

Christopher J. Dodd
U.S. Senator

Barbara Boxer
U.S.Senator

Patrick J. Leahy
U.S. Senator

BARBARA BOXER
CALIFORNIA

COMMITTEES:
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From
SENATOR BARBARA BOXER
Washington, D.C. Office

Date: September 11, 2000

To: Betty Currie

Fax: 456-1210

From: **Monica Dee Martin**
Assistant to the AA/LD

Total number of pages **including** cover: 3

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Tab A -	Entire Report: Baily/Podesta Pg 1: R. Ballentine Pg. 7: Ricchetti Pg. 8: Sperling
Tab C -	Sperling/Podesta
Tab D -	Reed/Chow/Podesta
Tab E -	Entire Report: Podesta/Frampton Pg. 1: Street/Brain
Tab F -	Ballentine/Podesta
Tab G -	Lane/Podesta
Tab H -	Ibarra/Podesta
Tab I -	Entire Report: Marshall/Balderston/Podesta Pg. 5: Berger/NSC West Wing Desk
Tab L -	Entire Report: Cahill/Podesta Pg. 1: Cohen (for reply)
Tab M -	Johnson/Podesta
Tab N -	Podesta/Cutler/Echaveste
Tab O -	Nash/Podesta
Tab P -	Moore/Podesta

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9-11-00

WEEKLY REPORTS

FOR THE WEEK ENDING

September 8, 2000

THE PRESIDENT HAS SEEN
9-11-00

September 9, 2000

'00 SEP 9 PM5:05

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) **Presidential Personnel**

(P) **Political Affairs**

Lisel Loy

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9-11-00

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

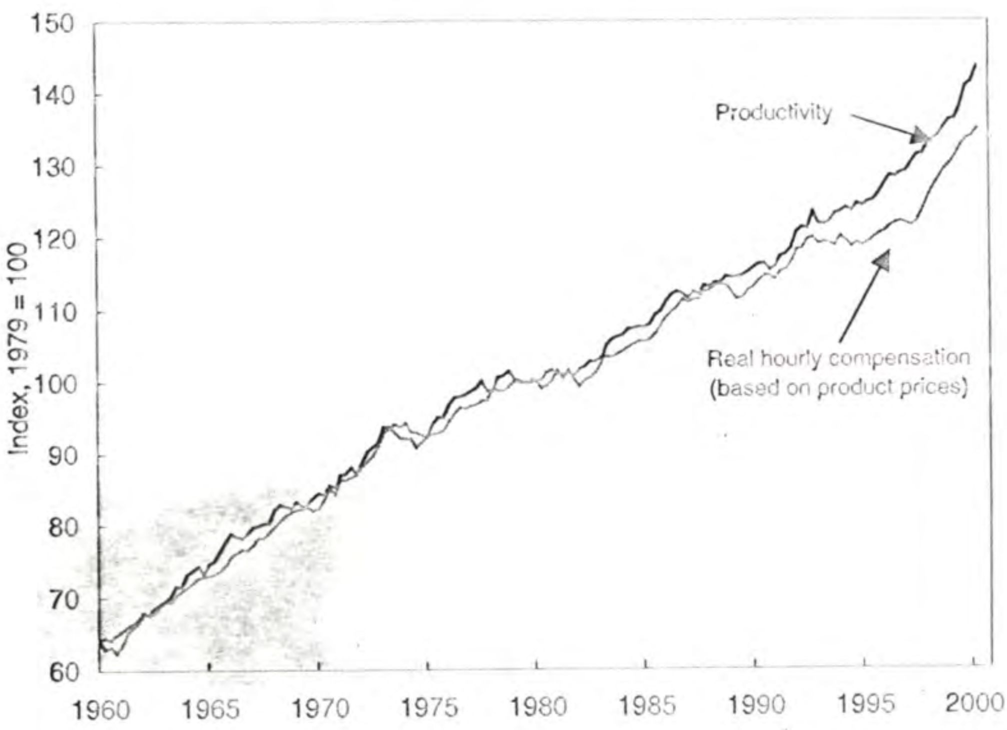
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

September 8, 20)

copied
entire report.
Baily
Podesta
pg 1.
Ballentine
pg 7:
Ricchetti
pg 8
Sperling

CHART OF THE WEEK

Nonfarm Productivity and Real Hourly Compensation



In the long run, real hourly compensation paid by employers (compensation deflated by product prices) tends to track productivity. However, real hourly compensation grew more slowly than productivity for a while in the 1990s, and the resulting gap has not closed despite recent sharp increases in hourly compensation. Unless the resulting widening of the markup of prices over unit labor costs (and concomitant decline in labor's share of national income) is permanent, ongoing productivity gains imply further large gains in compensation.

cc R.B. Martin
How Do we mitigate other gases?

THE PRESIDENT HAS SEEN
9-11-00

copied Ballentine

Multi-Gas Approaches to Climate Change Mitigation

A recent study by an eminent climate change scientist suggests that global warming observed thus far has been due mostly to emissions of non-CO_2 greenhouse gases. The study does not imply that concern about CO_2 emissions may be misplaced—as some press coverage has suggested that it does. Nonetheless, along with recent economic analysis, it does bring attention to the view that climate change mitigation efforts should consider all six types of greenhouse gases targeted by the Kyoto Protocol.

The emerging impact of CO_2. So far, the effects of CO_2 on the climate have been counteracted by another product of fossil fuel combustion: aerosols such as SO_2. While CO_2 has a warming effect on the climate, aerosol concentrations in the atmosphere have a cooling effect. As a result, the observed climate change may mainly reflect the additional warming effect of the non-CO_2 greenhouse gases: methane, nitrous oxide, SF_6, HFCs, and PFCs. Over time, however, the counteracting effect of aerosols is likely to decline. First, aerosols have a much shorter residence time in the atmosphere than CO_2, hence existing concentrations of aerosols will diminish faster than those of CO_2. Second, many countries are actively reducing aerosol emissions because of their adverse health effects. Thus, the ratio of aerosol emissions to CO_2 emissions will decline in the future, and the observed impact of CO_2 will grow relative to that of other greenhouse gases.

Cost-effective reduction strategies. While the relative importance of non-CO_2 gases will subside over time, the new scientific study complements recent economic analysis emphasizing the importance of considering abatement opportunities for all six greenhouse gases. Most economic analyses have only focused on CO_2 abatement. This is partly because CO_2 accounts for the vast majority of the U.S. greenhouse gas emissions (85 percent in 1995, weighted by warming potential). Furthermore, emissions patterns and abatement opportunities for the other five greenhouse gases are not so well understood. Nevertheless, new evidence indicates that incorporating reductions of other greenhouse gases into a climate change mitigation strategy would be cost-effective. A recent economic analysis, which does not take the possibility of international permit trading into account, finds that a strategy involving all six greenhouse gases could reduce U.S. compliance costs by roughly 50 percent relative to the cost of abatement strategies that only target CO_2. Reductions of non-CO_2 emissions would make up roughly a quarter of overall reductions.

The effects of trading. When international permit trading is allowed, the inclusion of all six gases in abatement strategies would lead to additional savings, compared with focusing just on carbon. However, the magnitude of those savings is unknown. If an international market for carbon permits existed, the United States would pursue all emissions reduction options that cost less per ton of carbon equivalent than the price of a permit and then buy permits for the remaining emissions that exceed its target. Cost savings from considering all six gases could be realized in two ways. First, to the extent that some non-CO_2 gases can be abated at less than the permit price, the United States will need to buy fewer permits. Second, incorporation of all six gases into abatement strategies worldwide could lower the price of the permits we do buy.

Conclusion. Recent scientific and economic evidence has focused attention on the contribution of non-CO_2 greenhouse gases to climate change. But even though a multi-gas strategy may yield significant cost savings, efforts to mitigate CO_2 emissions remain paramount. After all, reductions in CO_2 emissions would most likely still account for a large fraction of overall emissions reductions in a multi-gas strategy.

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9-11-00

SPECIAL ANALYSIS

Gifts to Children and Estate Tax Avoidance

The majority of parents name their children as beneficiaries in their wills, and for very wealthy parents the amount bequeathed can be reduced substantially by the estate tax. One of the simplest ways to reduce this tax burden is to take advantage of a provision in the tax code that allows certain tax-free transfers while the parents are still alive. Recent studies suggest, however, that this provision is significantly underutilized. Apparently, many wealthy parents are willing to forego substantial tax savings in order to hold on to their wealth until they die.

Tax-saving incentives. Yearly gifts of up to $10,000 per recipient per year to relatives or non-relatives can be made without affecting the lifetime gift and estate tax exemption of $675,000 (scheduled to rise to $1 million in 2006). Aggregated over a number of years such transfers can be substantial. For instance, a married couple with two married children and four grandchildren could each transfer $80,000 per year to these heirs (including their children's spouses) for a total of $160,000. If the combined life expectancy for the couple is 30 person-years (typical for a couple in their late 60s), the potential reduction in their taxable estate is $2.4 million. At a top marginal tax rate of 55 percent, such strategic giving would save $1.32 million in taxes and thus increase transfers to heirs by that amount.

Taxpayer responses. At first glance, the wealthy do seem to respond to these incentives to make "early bequests." One recent study showed, for example, that while 30 percent of parents with wealth below the estate tax limits made a cash transfer to a child in the past year, nearly 60 percent of parents with greater wealth did so. Other work indicates that the magnitude of the transfer increases with the expected tax rate, suggesting that individuals are responding to the cost of leaving a bequest.

However, despite the increased probability of making transfers to children, the vast majority of wealthy parents fail to take full advantage of this tax-savings device. First, as the results above imply, 40 percent of wealthy parents did not make any transfers to their children. Other research has found an even larger fraction of non-givers. Second, only 7 percent of wealthy parents transferred $10,000 to each of their children, and even fewer, just 3 percent, took full advantage of the exclusion and transferred an amount greater than or equal to $10,000 for each child, spouse of a child, and grandchild. Finally, even among those who made some transfer, the fraction transferring an amount at least equal to the tax-exempt limit was only 5 percent.

Why do people voluntarily pay taxes? Assuming that wealthy individuals intend eventually to transfer assets to their heirs, why do they, in effect, voluntarily pay additional taxes by waiting until they die for the transfer to take place? Since nearly one-half of the wealthy parents who are giving less than

$10,000 per child reported that they had used a financial planner, lack of information is unlikely to be an explanation for the shortfall in giving. One reason might be that the elderly enjoy holding wealth for the respect or power it confers; giving up wealth before their deaths could result in a reduction in the position they hold in their family or society. Another explanation might be that some elderly are concerned about giving away "too much," and having insufficient wealth should they live much longer than expected or incur substantial medical bills or other expenses. This second explanation is unlikely to hold for those with extremely large estates, but it could certainly justify the behavior of those with wealth near the taxable limits.

Conclusion. Both early bequests and estate taxes reduce the control the elderly have over the distribution of their assets; in one case the timing of the transfer is affected, in the other, the amount. Perhaps surprisingly, wealthy individuals are willing to forego substantial tax savings in lieu of *inter vivos* giving. One set of projections indicates that the amount of wealth subject to tax could be reduced by 23 percent if the opportunities for tax-free giving to children were fully exploited. Similar estimates show that by maximizing early bequests to children, spouses of children, and grandchildren, the number of estates owing taxes could be reduced by nearly 80 percent and the total amount owed by 65 percent relative to the situation with current giving patterns. Nevertheless, these opportunities go unexploited, suggesting either that the estate tax is less of a concern to many people than current rhetoric would suggest or that wealthy individuals have other reasons for holding on to their wealth that are more important than avoiding taxes.

THE PRESIDENT HAS SEEN
9-11-00

JP can we spend this up before we go?

ARTICLE

Third-Generation Wireless Technology

A new wireless technology, "third generation" or 3G, offers exciting possibilities for U.S. consumers and businesses. However, the United States is currently a year or two behind many other countries in the allocation of spectrum to this technology, and delay is costly.

Advantages of 3G. The new technology combines two of the fastest growing technologies of the 1990s, digital wireless telephones and the Internet. Today's digital wireless phones can access the Internet, but at speeds so slow that special software—or complete redesigns of existing websites—are required to make the content accessible. Third-generation devices, by contrast, transmit data at much higher speeds, essentially creating "broadband" connections to the Internet or other communications networks. At these speeds, 3G technology lets consumers access the full power of the Internet through wireless devices such as phones, handheld computers, devices embedded in automobiles, and other as-yet-undeveloped applications.

Quantifying the benefits of new technologies. Like many new technologies, 3G may well bring substantial benefits to its producers and consumers, as well as spillover benefits to sellers and buyers of related goods and services. First, firms producing and distributing 3G devices and applications will likely earn significant profits. The exact size of these profits is uncertain. However, the recently completed auctions for 3G spectrum in Germany and the UK provide a measure of the order of magnitude of possible producer benefits. These auctions raised \$46 and \$35 billion, respectively, representing total payments in excess of \$500 per inhabitant in these two countries. If U.S. firms were to bid as much per capita, a U.S. auction could raise as much as \$135 billion.

Consumers of 3G technologies can also reap substantial gains. Economists often measure consumer benefits in terms of "consumer surplus," the difference between the prices consumers actually pay and the maximum amounts they would be willing to pay for particular goods or services. Again, the gains from 3G are unknown, but one prominent economist estimated that the consumer surplus created by the introduction of analog or "first-generation" (1G) cellular service was in the range of \$31 billion to \$50 billion *per year* in constant 1994 dollars.

Costs of delay. Each year of delay in introducing 3G will deprive consumers of whatever surplus that technology will generate. Other costs of delay may be equally important but even harder to quantify. History suggests that first-mover advantages are important in developing services and applications that use new technologies. Knowledge spillovers among firms and between firms and academic institutions are particularly important in high-technology industries. One recent study used patent citations to show that these spillovers tend to be geographically localized, even after controlling for pre-existing research activity.

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9-11-00

In the technology sector much of the relevant knowledge is "tacit" rather than explicit, making close social ties (such as those between entrepreneurs and venture capitalists) all the more important. Consequently, location is often important in the early stages of these industries. Silicon Valley is an obvious example. Moreover, a vibrant cluster of startups devoted to developing commercial applications for 3G and existing digital wireless technologies has emerged in Finland—which allocated its 3G spectrum in March 1999. (The box provides further examples of wireless Internet applications developed outside the United States.) Because location is so important, delays in creating a domestic market for 3G applications can be very costly.

Use of the spectrum by the DoD and other incumbents. Domestic 3G spectrum auctions will not take place until fall 2002 at the earliest. One reason the U.S. lags behind other economies is that portions of the relevant spectrum are currently in use, most notably by the Department of Defense. Other agencies such as the FAA and private firms also use smaller parts of this spectrum. To the extent that it is expensive for the DoD or others to convert equipment to use other communication bands, their concerns would have to be addressed before 3G spectrum auctions could be accelerated.

Conclusion. 3G applications promise substantial benefits, but in the United States, parts of the spectrum suitable for 3G applications are already in use. In judging the costs of delaying 3G development it is important to take into account not only the expected revenues from auctioning spectrum licenses, but also the expected consumer benefits from using the technology.

Innovation in Mobile Services

The following are drawn from recent press accounts:

i-mode. DoCoMo, a subsidiary of Nippon Telephone and Telegraph (NTT) has launched a service known as i-mode in Japan. This service recently surpassed 10 million subscribers. Subscribers receive an i-mode phone with which they can send and receive e-mail as well as access Web sites that have been tweaked to fit on tiny screens. With a thumb-controlled joystick, subscribers can tap into online news, browse through restaurant guides, buy tickets on Japan Airlines, and trade stocks via DLJdirect.

Phones operating as electronic wallets. Using WAP (wireless application protocol), several firms have turned phones into electronic wallets, allowing customers to pay for goods and services via their mobile phone bill rather than via credit cards or cash. Finnish consumers can make vending machine purchases via their mobile phones. A Finnish bank is launching a service that will allow users to pay rent, phone, or electricity bills via their mobile phones. An Estonian firm allows users to pay for parking spaces via their mobile phones.

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9-11-00

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Flexible Schedules Are Growing More Popular. More than 25 million workers (27.6 percent of all full-time workers) reported keeping flexible hours in 1997, almost double the proportion working flexible schedules in 1991, according to a recent study. White workers were more likely than black or Hispanic workers to have flexible work arrangements, a variation only partially explained by occupational differences. Men and women were about equally likely to have flexible work arrangements. However, men were increasingly likely to have such arrangements the older they were, while women were less likely. The study also looked at work outside traditional business hours, such as evening or night shifts. In 1997 more than 15 million workers (16.8 percent) had such arrangements, which was about the same proportion as in 1985 and 1991. Most said that they did so because of the nature of their work; protective service providers, for example, were the most likely to work alternative shifts. Men were more likely than women, and black workers were more likely than either white or Hispanic workers to work nontraditional hours. For all these groups, the likelihood of maintaining such a work schedule generally declined with age.

copied Ricchetti

Race and Wealth. A new study of wealth holding in 1998 continues to find a sharp racial divide, with the average net worth of blacks only 18 percent that of whites and median bl[illegible]k net worth only 12 percent that of whites. These percentages are even lower for financial net worth (which excludes assets like houses and cars). More than a quarter of black households had zero or negative net worth, double the comparable percentage of whites. Growth in the median net worth of blacks between 1983 and 1998 was encouraging, but average net worth fell slightly. Turning to Hispanics, the study found that average net worth in 1998 was higher than that of blacks (but still only 25 percent that of whites), while median net worth was smaller than that of blacks (zero for nonfinancial net worth). This difference suggests sharp disparities in the distribution of net worth among Hispanic households. Indeed, 36 percent of Hispanic households reported zero or negative net worth, and the median net worth of Hispanics stagnated between 1983 and 1998 even though average net worth grew.

Reilly — Ricci G. gret — ~~[illegible]~~ send to [illegible]

In Hollywood, R is for Risk. At least one critic of Hollywood's fascination with trashy movies has suggested that they also are a poor investment. And a recent economic study supports this view. The study finds that a studio executive who wanted to trim the "downside" risk and increase the "upside" possibilities in the studio's film portfolio could do so by shifting production dollars out of R-rated movies and into G, PG, and even PG-13 movies. The study reports that more than half of all movies released in the past decade are R-[illegible]ed and only 3 percent are G-rated; about a fifth are rated PG and a quarter PG-13. While the number of R-rated movies that are box-office successes is high, this reflects the large number that are made rather than their superior probability of success. In fa[illegible] according to the study, only about 6 percent of R-rated movies are financially successful, while the success rate for all other types is twice that high.

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9-11-00

INTERNATIONAL ROUNDUP

Countries Still Face Barriers to E-Readiness. Apart from the major developed economies, many countries still face barriers to participating fully in the digital economy, according to a new study. The study assesses 42 countries based on five characteristics: network infrastructure, e-leadership (government and industry commitment to developing the networked world), protection of intellectual property and information security, human capital, and e-business climate. While Latin America has shown improvements in promoting its digital economy and has strong human capital, weak infrastructure and lack of investment incentives are concerns. Similarly, Asia's inadequate information security remains the region's greatest drawback. Also, eight of the ten Asian economies examined receiv l the lowest possible infrastructure rati g. Central and Southern Europe is the most e-ready region considered, ranking high in information security but with its strength lying primarily in its human capital. Overall, however, 25 countries, representing 3.6 billion people, still require substantial infrastructure improvements.

copied Sperling

Internet Use Increases Trade. A recent study provides formal evidence that the spread of the Internet has led to increased international trade. Poor countries appear to gain more from expanded Internet access than rich countries: doubling the number of Internet hosts in a country raises exports by around 10 percent for a developing economy, somewhat more than the approximate 8 percent gain of an industrial nation, suggesting that access to the Internet can compensate for infrastructure shortcomings that may hinder trade. In other words, bridging the international digital divide between rich and poor countries has measurable economic benefits. The Internet was found to have had no effect on international trade in 1995 or 1996, but increasing effects in each subsequent year. The results cover only trade in goods and do not include items such as financial services, music, computer software, or education, all potentially important components of e-commerce. If anything, then, the effect of the Internet on international trade is likely to be larger than what is suggested by these initial results.

Gene S 4th-country question

Study Assesses Causes of Low Earnings in the EU. About 15 percent of paid employees in the EU had low monthly earnings (60 percent of their country's median monthly earnings), according to a recent study using 1996 household data. About 37 percent of these employees worked full time (at least 30 hours a week) but earned low wages. Another 43 percent had wages such that that they would not have experienced low earnings if they had worked at least 30 hours a week, but they worked less (some by choice and some because they could not find full-time work). The rest had hourly pay near or below the low-wage threshold and did not work full time. The study also found substantial cross-country differences in the proportions of workers with low earnings and the reasons for those low earnings. The UK, for example, had the highest overall proportion of employees with low earnings (21 percent) but more than half were part-time workers. Belgium and the Netherlands also had high proportions of part-time workers. By contrast, low pay tended to be much more important in "southern" countries.

RELEASES THIS WEEK

Productivity

According to revised estimates, nonfarm business productivity rose at an annual rate of 5.7 percent in the second quarter of 2000. Manufacturing productivity rose 5.4 percent.

MAJOR RELEASES NEXT WEEK

Producer Prices (Thursday)
Retail Sales (Thursday)
Industrial Production and Capacity Utilization (Friday)
Consumer Prices (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	5.3
GDP chain-type price index	5.2	1.6	1.6	3.3	2.6
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.7	4.1	8.0	1.9	**5.7**
Real compensation per hour:					
Using CPI	1.0	2.2	1.3	0.0	**1.7**
Using NFB deflator	1.5	3.3	2.9	1.1	2.9
Shares of Nominal GDP (percent)					
Business fixed investment	11.4	12.9	13.0	13.4	13.7
Residential investment	4.5	4.3	4.3	4.3	4.2
Exports	8.2	10.6	10.8	10.8	11.0
Imports	9.2	13.4	13.9	14.2	14.6
Personal saving	6.6	1.6	1.1	0.1	0.2
Federal surplus	-2.8	1.3	1.5	2.4	2.4

	1970-1993	1999	June 2000	July 2000	August 2000
Unemployment Rate (percent)	6.7**	4.2**	4.0	4.0	4.1
Payroll employment (thousands)					
increase per month			57	-51	-105
increase since Jan. 1993					21989
Inflation (percent per period)					
CPI	5.8	2.7	0.6	0.2	N.A.
PPI-Finished goods	5.0	2.9	0.6	0.0	N.A.

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

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1998	1999	July 2000	August 2000	Sept. 7, 2000
Dow-Jones Industrial Average	8626	10465	10663	11015	11260
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	5.96	6.09	6.02
10-year T-bond	5.26	5.65	6.05	5.83	5.76
Mortgage rate, 30-year fixed	6.94	7.43	8.15	8.03	7.94
Prime rate	8.35	8.00	9.50	9.50	9.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level September 7, 2000	Percent Change from Week ago	Year ago
Euro (in U.S. dollars)	0.874	-1.6	-17.4
Yen (per U.S. dollar)	105.1	-1.5	-5.2
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. $)	99.97	0.5	6.5

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)	4.1 (Aug)	3.5 (Jul)
Canada	5.3 (Q2)	6.8 (Jul)	3.0 (Jul)
Japan	0.7 (Q1)	4.7 (Jul)	-0.5 (Jul)
France	3.4 (Q2)	9.8 (May) [2]	1.7 (Jul)
Germany	3.6 (Q2)	8.3 (Jul)	1.9 (Jul)
Italy	3.0 (Q1)	10.8 (Apr)	2.7 (Jul)
United Kingdom	3.1 (Q2)	5.5 (May)	3.2 (Jul)

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.

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THE WHITE HOUSE

WASHINGTON

September 7, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORT

Prescription Drugs: On Thursday, Senator Roth introduced his latest prescription drug proposal: a four-year federal block grant, outside the Medicare program, for States to offer prescription drug coverage to low-income Medicare beneficiaries. States, at their option, would furnish coverage to beneficiaries with incomes below 175 percent of poverty ($14,600 for singles, $19,700 for couples). By definition, this non-Medicare benefit would not cover 48 percent of the elderly and disabled currently without any drug coverage. It would also not help middle-income beneficiaries with high drug costs or unreliable drug coverage (such as Medigap or Medicare managed care). Roth would provide up to $30 billion to fund the block grant. The proposal is very similar to Bush's "Immediate Helping Hand" block grant campaign proposal.

This proposal represents a serious retreat by Roth. As you know, Roth initially proposed a universal Medicare prescription drug benefit, albeit a seriously underfunded one, for consideration by the Finance Committee. You noted that it was a good first step in establishing a Medicare drug benefit and in rejecting the House Republican plan which relies on private insurers. However, under criticism from Republican leadership, Roth in late July also entertained the private insurance model and a low-income block grant. Now, after announcement of the Bush plan, he is focusing exclusively on a low-income benefit. Senator Lott has indicated support for this approach. While Roth has not yet announced a mark-up of this legislation in Committee, a mark-up may occur in two weeks. It is likely that all Senate Finance Democrats with the exception of Senators Breaux and Kerrey will vote against Roth's plan. Neither Breaux nor Kerrey has taken a position yet but Kerrey has expressed interest in the past for helping low-income beneficiaries first. We are working with Senate Democrats to oppose the block grant in both the Committee and the Senate generally.

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Pensions: The Senate Finance Committee voted out the Graham-Grassley pension bill (the Senate version of the House Portman-Cardin bill) this past Thursday. It includes the pension portability and simplification provisions we strongly support, but also virtually all of the House provisions increasing contribution limits and benefits, and other provisions that arguably help higher end workers and executives, such as relaxation of certain nondiscrimination and top-heavy rules for tax-qualified pension plans. As a counterweight (and to attract Democratic support), Roth also included a modest RSA package ($10 billion over 5 years, providing a nonrefundable tax credit). However, we view this RSA proposal as an ineffective way of blunting more credible plans, not a serious first step. Roth's proposal also included changes to federal law governing cash balance pension plans; these provisions, however, did not go as far as the disclosure reforms you proposed last fall, and did not include protection for early retirement benefits that the Administration, AARP and national labor groups support.

The bill was voted out unanimously. Democrats had little appetite to object, given the lopsided House vote on Portman-Cardin and Moynihan's request that Democrats refrain from offering amendments. NEC, Leg Affairs and Treasury have begun work with staff for Senators Kennedy, Robb and Harkin on possible procedural and substantive amendments, in particular to the cash balance provisions, that could be offered when the bill reaches the floor later this month.

Given the inevitability of passage with overwhelming support, our talking points on the bill now emphasize our interest in expanding retirement savings and the portions of the package from your pension proposals -- but we continue to note concerns including that the size of the package is growing, uncertainty about whether it can fit in a fiscally disciplined framework, and whether it does enough to help those without pension coverage or could even erode coverage for low wage workers.

[illegible] to speed this up

Third-Generation Wireless: Tom Kalil of my staff and OVP have been meeting with the private sector on third-generation wireless technologies. Unlike the current second generation technology, "3G" would allow people to send and receive video and high-speed data using wireless technology. The problem for U.S. companies is that much of the spectrum that could be used for this service is already occupied by the Defense Department, other government users, or the private sector. Europe and Japan do not face this problem. We are preparing an Executive Memorandum for your signature to urge agencies to work closely with the private sector to find a solution.

Economic Agenda for the Visit of Indian Prime Minister Vajpayee: Prime Minister Vajpayee's state visit runs from next Friday through next Sunday. Following up on my visit to India two weeks ago, we have been actively engaging with the Indian Prime Minister's Office, especially with his top economic adviser, N.K. Singh, on the economic agenda for the visit. The Prime Minister wants his trip to have a high-tech focus, and one key issue we are working on is a joint statement on high-tech trade issues. Our goal is to get the Indians to commit to extend their moratorium on duties on e-commerce and to recognize the WTO as the legitimate forum for e-commerce issues. We are also trying to agree on a market access package whereby India would lower tariffs on U.S. soda ash, corn, and other products, and we in return would offer increased GSP preferences for Indian goods. There has been considerable congressional pressure on the soda ash issue, and we are working hard to resolve it.

THE PRESIDENT HAS SEEN
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For their part, the Indians are eager to have some easing of our restrictions on their textile exports, and we have arranged for them to send a textile negotiating team here this weekend to try to have some resolution of this issue by the time of the visit. My relationship with N.K. Singh is a good one and he is among the most reform-oriented Indian officials, but he is fighting internal battles with a protectionist bureaucracy. Thus, while we have made progress on a number of important issues -- for example, a joint statement endorsing a science-based approach to biotechnology -- we are continuing to press for agreement in other areas where the Indians remain reluctant to move forward.

International Child Labor: Last year, you issued an Executive Order requiring that the Departments of Labor, State and Treasury develop a list of products they had "reasonable basis to believe" were produced with forced or indentured child labor, and publish the list in the Federal Register. A preliminary draft of the list included products from Burma, India, Indonesia, Pakistan and Nepal.

In connection with your trip to India, the GOI appealed to us not to include any Indian products. During my recent trip to India, I finalized an agreement, developed by Karen Tramantano and my staff, which commits GOI and USG to commit $20 million each to eliminate abusive child labor in India. As a result of this agreement, we revised the criteria used to determine what products would be on the list, so as to take into account specific, credible commitments to address the problem in a given country and industry. The revised list, published last week in the Federal Register, consists of a number of Burmese products and one from Pakistan.

We expect some criticism over how few countries and products are on the Executive Order Product List. Senator Harkin is somewhat upset over the scant list. Apparently, his office received a very early internal draft of the list, which represents the universe of country/product combinations considered in the interagency process. However, in applying the definition of "forced and indentured child labor" – a particularly extreme form of child labor – and winnowing out old or unreliable allegations, this list shortened considerably. As to the Indian products, we still believe that the agreement with India is the best result that could be anticipated out of the Executive Order. Since it is doubtful than many, if any, of the products on the list are actually procured by the Federal Government, the products list serves more to motivate countries to act than to actually prevent procurement of the products. In the case of India, that goal has been accomplished.

China: China PNTR debate began in the Senate this week, following an overwhelming 92-5 vote in favor of a motion to proceed. Together with agencies and departments, we have contacted virtually the entire Senate to convey our strong view about the need to avoid adding amendments to the House Bill being debated. As of Thursday, no amendments had come close to succeeding in debate. We are working with State, Labor and Commerce to frame the "Rule of Law" programs specified in the House Bill. These programs would entail US Government efforts to help China cope with the dramatic legal reforms it needs, thereby demonstrating to the Senate our commitment to such efforts.

NEC coordinated development of the economic items for your Friday bilateral meeting with Chinese President Jiang Zemin, as reflected in your talking points and background materials. A team from the U.S. Trade Representative's office, meanwhile, worked in Beijing to prepare for the next round of WTO Accession Working Party talks in Geneva beginning September 11. Your discussions with President Jiang will help inform our posture in Geneva.

WTO FSC Dispute: We face an October 1 deadline to modify our FSC tax provisions to comply with the WTO's ruling. Treasury sent a letter to Pascal Lamy in late July regarding our proposed new legislation, which the House is likely to consider as early as next week. Last week, Lamy announced that that the EU views the new legislation as incompatible with WTO rules. Lamy maintained that the proposal provides lower tax rates for exports and goods sold abroad than for items manufactured domestically and sold here. In other words, Lamy believes that the replacement measure is the same WTO-inconsistent export subsidy disguised in another form.

The stakes here are quite large: If we fail to institute a replacement measure, the EU can begin to take steps toward what the EU claims would amount to $4 to $26 billion in retaliation in October or November. Deputy Undersecretary Eizenstat drafted an op-ed piece for today's *Financial Times*-- in part an attempt to reach out directly to the EU Member States. The article attempts to cast us the party willing to compromise and work this issue out and hopefully will put some pressure on the EC to sit down with us and actually negotiate.

I chaired an interagency meeting this week to discuss our overall trade relationship with the EU, including the FSC dispute. We are considering, among other things, whether to try to reengage negotiations with the EU and whether to try to get the EU to extend the October 1 WTO deadline for implementation we now face. Some believe that the EU wants to strike a "grand bargain" on FSC, carousel, bananas, beef, and Boeing. Whether this is true or not, it will at the least be quite difficult to strike such a bargain given the competing interests involved.

Sen. Hollings' Bill on Foreign Investment in Telecom: Reflecting an Administration position agreed to during an interagency meeting that I chaired on Tuesday (Sept. 5), Deputy USTR Richard Fisher testified yesterday (Sept. 7) before a House Commerce Committee hearing on a bill initially introduced by Senator Hollings that would block the FCC from allowing more than 25% investment in a US telecom license holder by a foreign government-owned company. Fisher testified that 1) the USG already possesses effective regulatory tools to deal with the competition and national security concerns raised by the bill; 2) key premises underlying the bill (e.g., that foreign government-owned entities have easier access to capital or inflated stock prices) are not borne out by economic evidence; and 3) the legislation risks undermining the enormous benefits that the U.S. has derived from years of hard work in opening up foreign telecom markets. Fisher faced hostile questioning from Reps. Markey, Dingell and (to a lesser extent) Tauzin. The members support language Sen. Hollings inserted in the Senate CJS appropriations bill which would block the FCC from considering Deutsche Telekom's proposed takeover of VoiceStream, a small wireless provider, and other transactions involving foreign companies that are partially government owned.

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Both the Chamber of Commerce and the Communications Workers of America strongly oppose the Hollings legislation (Deutsche Telekom is a labor-friendly company, and CWA sees the merger as a plus in its effort to organize the wireless sector). But AT&T and MCI, despite having benefited from our aggressive efforts to open foreign markets (most recently, we opened a WTO proceeding against Telmex at their urging), have refused to oppose the bill (they cite their need to stay on Hollings' good side) and may even be quietly promoting it. USTR has raised this inconsistency with AT&T but as yet to no avail (it may need to be elevated). We are also working with our labor and industry allies to get the help of key congressional leaders in keeping the Hollings language out of the final appropriations bill.

Vietnam: NEC is spearheading a process to explore and qualify bilateral initiatives between the United States and Vietnam that may ripen into announcements or result in the signing of agreements over the next several months. In particular, initiatives involving environmental cooperation, trade, education, and a labor dialogue are being tracked and encouraged. NEC will convene an interagency meeting on Vietnam the week of September 25 to assess these various projects, helping us to determine which could be highlighted in the event that you choose to travel to Vietnam this year.

APEC: This week NEC chaired an interagency meeting on APEC in order to prepare for the Leaders Summit to be held in Brunei, November 15-16. We elicited views from Treasury, USTR, State, Commerce and others on the most promising areas for achievement at this year's summit. Regional interest in maximizing the benefits of the "New Economy" appears to be the key issue. This theme encompasses the commercial promise of the internet, the need to address the digital divide, and support for economic fundamentals including human resource development. We are assessing support among the 21 APEC economies for such "New Economy" policies, which would build upon those included in July's G-8 Leaders Communiqué.

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THE WHITE HOUSE

WASHINGTON

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September 8, 2000

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow

SUBJECT: DPC Weekly Report

1. Youth Violence - - FBI Monograph: On Wednesday, the FBI released a monograph presenting a systematic procedure for threat assessment and intervention designed to be used by educators, mental health professionals and law enforcement agencies. The use of this assessment/intervention model could help school authorities identify and deal with high-risk threats, and respond to less serious threats in a measured way. The initial press response focused on concerns that such a document would be used to profile students, potentially stigmatizing them unfairly. However, the document specifically disavows the usefulness of "profiling" children. Thursday's stories recognized the FBI's intent, although some concerns continue to exist.

2. Youth Violence - - National Campaign Event: On Thursday, you will participate in an event with the National Campaign Against youth Violence (a separate briefing memo will provide more details). The Campaign will be launching its new PSAs as well as providing a report to the Board members and other supporters of the Campaign.

3. Crime/Guns - - Preventing Gun Sales to Unlicensed Individuals: The ATF has nearly completed creation of a new system that will allow gun manufacturers and gun dealers to ensure that they do not transport firearms to criminals or juveniles who present fake federal firearms licenses in attempts to illegally acquire firearms through the mail. Current law prohibits gun manufacturers and gun dealers from mailing firearms to unlicensed individuals, and requires them to obtain a copy of a valid federal firearms license before shipment of any guns. However, there is currently no way for them to ensure the validity of those licenses without a phone call to

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the ATF. This new system will create a new, easily accessed ATF website where the validity of licenses may be checked online. The system was created in response to the recent attempt by two New Jersey teenagers to order guns over the Internet and have them shipped to their home using a fake federal firearms license. Their attempt was prevented by a UPS worker who became suspicious of the shipment when he realized that the recipients were underage. We are currently working with Treasury on a possible announcement of the launch of this new system.

4. Welfare -- Child Support/Fatherhood Bill: Last week, the House passed the Child Support Distribution Act by a vote of 405-18. This bill, spearheaded by Representatives Nancy Johnson and Ben Cardin, contains child support provisions that are very similar to those proposed in your budget, allowing states to pass through more child support payments directly to children and simplify child support distribution rules. The bill also includes Fatherhood grants to communities. While these grants have a somewhat different focus and delivery system than your Fathers Work/Families Win grants, there is considerable common ground. You issued a statement commending the House for this bipartisan action and urging the Senate to take action before it goes home. We will work closely with all parties toward a final bill that contains the key elements of these bills and our proposals.

Good!

3. Education -- Secretary Riley's Back to School Speech: Secretary Riley gave his annual back-to-school address at the National Press Club on Thursday morning. The Secretary highlighted the success of your education agenda; released a report showing that your class size reduction initiative has benefited 1.7 million children; and echoed the legislative priorities you outlined on Tuesday. The main theme of Secretary Riley's speech was the importance of transitions in the lives of school-aged children and how parents, schools, communities, and the government can support all children as they go through these difficult periods. He concluded by announcing the creation of the Commission on the Senior Year of High School, led by Governor Paul Patton of Kentucky, to evaluate possibilities for helping more kids graduate from high school prepared for college or the workplace

4. Health Care - - Nursing Home Quality Report and Legislation: Next week, you are tentatively scheduled to release a new HHS report assessing our success in assuring quality care in nursing home settings. You will also unveil a new legislative initiative designed to provide further incentives for improvements in this area. The report concludes that there is significant progress in improving quality of care within nursing homes. It validates the importance of Federal nursing home standards, but will recommend that the Federal government do more to improve this record. The new, $1 billion five year grant proposal provides funding to encourage states to hire larger numbers of better qualified nursing home professionals; accelerate physical plant upgrades to ensure patient safety and quality of life; provide continuing education and training of nursing staff; and convert outdated nursing homes to assisted living facilities. It will also provide grants to states to reward nursing homes that meet the IOM recommended staffing levels for registered nurses or have not had a serious standard of care violation for three to five years. This legislation could be integrated in any provider give-back initiative and is fully funded within the previously non-specified portion of the Administration's $40 billion provider restoration initiative you unveiled earlier this year.

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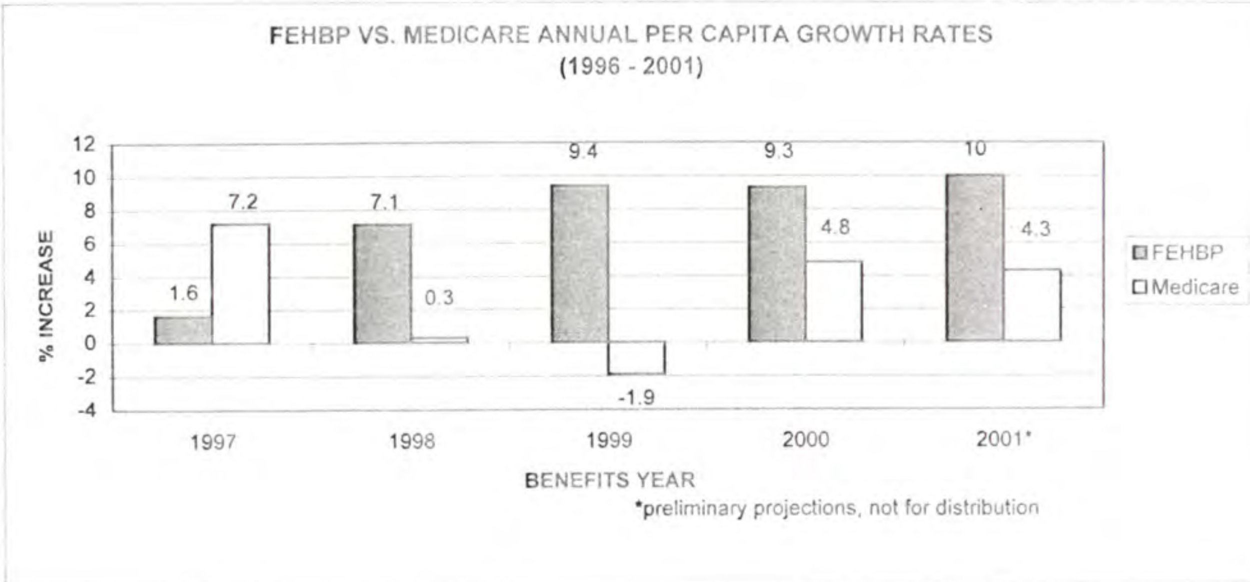
Health Care - - Update on Bush Prescription Drug Proposal: In the aftermath of Governor Bush's prescription drug initiative, Senator Lott and Finance Committee Chairman Roth indicated that they intend to have the Committee mark-up a low-income prescription drug benefit modeled along the lines of a portion of the Bush proposal. The Republicans are taking the position that the only responsible action to take this fall is to make a serious downpayment on the prescription drug benefit so that those "most in need" can receive assistance. Although at first glance, a low-income first approach might be attractive, close scrutiny of state experience in setting up and running these programs demonstrates otherwise. Such an approach will not work for the 20 million beneficiaries over 125 percent of poverty ($14,600 for a single) who would be explicitly ineligible, but also poorly covers the target population of low-income beneficiaries. This is because state based programs for seniors have a notoriously poor record of covering eligible populations. In fact, comparable programs only cover between 15 and 45 percent of the eligible population. Moreover, state based programs would result in severe limits in the number and types of drugs covered, and would produce a large disparity amongst the states in the benefit offered and delivered. In addition, because Senator Roth is only dedicating $1.3 billion to this program in 2001, and allowing states to buy out the programs they currently have up and running, virtually every dollar allocated will almost inevitably be used to buy out the base. And finally, a Medicare drug benefit, which now covers 98 percent of all eligible seniors, could be implemented more quickly and effectively than 50 state based programs that the NGA is already on record as opposing. For these reasons, even advocates for the poor have rejected this policy. However, we are not taking this proposal lightly, and are working to ensure that Democrats (Breaux, Kerrey, and Baucus) on the Finance Committee do not support this initiative.

Health Care - - FEHBP premiums to increase by 10 percent next year: In the upcoming week, OPM will announce that for the fourth straight year, premiums within the FEHBP will increase by amounts that more than double Medicare growth rates / premium increases. Forty percent of this year's increase is attributable to increasing prescription drug prices. The remainder is a combination of utilization increases, demographic changes, and the new mental health parity provision (1.3 percent). Ironically, although FEHBP has been touted as the great hope for a Medicare model, Medicare growth rates have been substantially lower than FEHBP in each of the last four years (see chart). OPM believes that they could do better in constraining costs if they could use selective contracting purchasing mechanism to help purchase particular benefits, such as dental and prescription drug benefits, and limit the number of health plans permitted to participate in the program through higher quality standards. We are working on legislative proposals on Capitol Hill to do both, but have seen little interest by the Congress and the insurance industry and providers in this policy. The lack of success in constraining health care costs within FEHBP has the potential to undermine those in the Congress advocating FEHBP type solutions for Medicare reform.

JP we should push this



Health Care - - Update on Patients' Bill of Rights: Next week, you are scheduled to participate in a bipartisan event with several members from both houses with Families USA. The advocacy organization will unveil a new electronic tote-board that updates the number of patients harmed by health plan actions each day the patients bill of rights fails to be enacted into law.

In addition, Speaker Hastert, Congressman Norwood, and Congressman Ganske, and other Republicans, are working with the Senate in an attempt to attract more Republicans towards a Norwood-Dingell model of the Patients' Bill of Rights. As they work to develop compromises that could attract additional Republicans, Senator Daschle and Senator Kennedy are planning a floor amendment strategy to continue the pressure on the Senate to move a real and enforceable Patients' Bill of Rights.

Children and Families – Urban Institute Report on Child Care and After-School. On Monday, the Urban Institute will release a new report, *Child Care Patterns for School-Age Children with Employed Mothers,* as part of their comprehensive study of child care in America. This report finds that 4 million 6-12 year-old children with employed mothers are regularly without adult supervision when they are not in school and still more children are caring for themselves for at least part of the time they are out-of-school. The report also highlights the difference in child-care and after-school patterns along a variety of family characteristics, including income, race and ethnicity and parental work schedules, as well as how arrangements differ from state to state. The report concluded that higher-income parents are more likely to rely on self-care, as are whites and parents who work traditional hours. The report speculated that this finding could be due to the fact that lower-income communities may rely more heavily on relative care due to safety concerns that could deter parents from leaving their children alone.

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

THE PRESIDENT HAS SEEN
9-11-00

September 8, 2000

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

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

SUBJECT: CEQ WEEKLY REPORT

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RESOURCE STEWARDSHIP

Longhorn Pipeline

CEQ recommended yesterday that EPA and DOT conclude the environmental analysis for the Longhorn pipeline by finishing the Environmental Assessment (EA) and preparing a Finding of No Significant Impact. The recommendation is contingent upon not discovering any significant environmental impacts as the agencies finalize the EA and underlying studies, and the Fish and Wildlife Service concludes the Endangered Species Act consultation. EPA and DOT are completing a comprehensive EA and the extensive mitigation measures are expected to minimize potential environmental impacts. Members of Congress from Houston and El Paso, including Congressmen Reyes, Ortiz and Green and members of the Hispanic Caucus, support finalizing the EA to open the pipeline in the near future. They believe an EIS will unnecessarily delay the flow of fuels to El Paso and other southwest markets. However, political leaders from Austin, including Congressman Doggett and Mayor Kirk Watson, support taking additional time to prepare an EIS in order to re-examine public health and safety impacts.

Pipeline Safety

This week, the Senate passed comprehensive pipeline safety legislation by unanimous consent. The Vice President issued a statement commending the Senate's action on this important issue, and urging the House to act expeditiously so that strong pipeline safety legislation could be enacted before the end of the year. Interest in the pipeline safety issue has been spurred by the recent, fatal accidents near Carlsbad, New Mexico, and in Bellingham, Washington, which killed a total of 15 people, including eight children.

Everglades Restoration

This week we reached agreement on additional changes to the S. 2767, legislation authorizing the Administration's Comprehensive Everglades Restoration Plan, that has now won the full support of the agricultural, urban and business interests while maintaining the support of the State and environmental community. The legislation is expected to be on the Senate floor as early as next week with the strategy of acceptance by the House as non-controversial legislation.

Columbia River Basin Salmon Recovery

Next Tuesday, I will give congressional testimony regarding the Administration's salmon recovery strategy released in July. The plan calls for detailed performance standards to evaluate the environmental and economic success of our restoration efforts and confirms that dam breaching will only be considered if those actions fail. The major environmental groups have said that the plan sets forth a "workable" framework but needs significant improvement.

INTERNATIONAL LEADERSHIP

Japan Whaling

Next week, likely Wednesday, Secretary Mineta will certify Japan under the Pelly Amendment for undermining the effectiveness of the International Whaling Commission through its expanded "research" whaling program. This certification starts a 60 day clock for you to consider trade sanctions against Japan. Secretary Mineta, in consultation with relevant agencies, will also likely recommend to you that you direct additional analysis of options and that you act to preclude future Japanese access to fishing in U.S. waters (no foreign fleet access is current allowed, but new allotments of herring and mackarel are expected next year.)

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September 8, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

More evidence of long-term global warming has been found by a team of scientists studying lake and river temperatures, according to a study published in the journal *Science* and covered by the *Washington Post, AP* and others (9/8). On average, lakes and rivers in the Northern Hemisphere are freezing about nine days later and thawing about ten days earlier than they were 150 years ago. The researchers found that this warming trend was occurring before the human-induced build-up of greenhouse gases, but that the trend has accelerated in the last 100 years.

The Kyoto Protocol

This week and next, negotiators are meeting in Lyon, France to attempt to narrow differences in the negotiating text on key issues for UN's Sixth Conference of the Parties (COP6) on climate change November 13-24. These issues include the nature of the Kyoto Protocol's compliance regime, the extent to which the U.S. and other developed countries may meet their targets using carbon sinks, and the rules for the Protocol's flexibility mechanisms.

Legislative

The Senate Energy and Water Appropriations Bill included report language indicating Committee support of efforts to increase international market opportunities for the export and deployment of advanced clean energy technologies. However, the Committee said that it was providing *no* funds for your International Clean Energy Initiative, arguing that the Administration must first "improve the Federal Government's role in the national and international development, demonstration, and deployment of advanced clean energy technologies by establishing an interagency working group jointly chaired by the Departments of Energy and Commerce and the U.S. Agency for International Development." This office, in fact, has drafted an Executive Memorandum designed to coordinate such federal efforts. The Bill passed the Senate 93-1 on Thursday.

THE PRESIDENT HAS SEEN
9-11-00

During Senate deliberations of PNTR, Senator Byrd introduced an amendment to support the deployment of United States clean energy technologies in China. During his remarks, Senator Byrd said:

> Sales of such clean technology helps U.S. firms, of course, but also provide a mechanism for the Chinese to improve their air and water quality, a necessary step if China is ever to step up to what should be leadership role for her among the world's developing nations with regard to climate change.

The amendment was rejected, 31-65.

Initiatives

This week, the Washington Metropolitan Area Transit Authority (WMATA) voted 7-1 to purchase 100 natural gas buses, subject to funding. *The Washington Post* credited your personal interest in this effort as critical.

Lands

Bipartisan support and pressure continues to grow for action on the Conservation and Reinvestment Act, with Dear Colleague letters and other communications currently circulating on Capitol Hill. House and Senate staff is meeting to work through differences between their respective bills, although Senate floor time is unlikely.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

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

THE PRESIDENT HAS SEEN
9-11-00

September 8, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *Neal*

CC: JOHN PODESTA

SUBJECT: OSTP WEEKLY REPORT

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Information Technology Advisory Committee Reports on E-Government

On August 31, PITAC released the report *Transforming Access To Government Through Information Technology*. The report highlights how the government can provide leadership in solving key technology challenges to improve public access to federal resources as well as re-engineering and simplifying government transactions. It has recommended an aggressive research program to address long-term technology issues such as security and privacy, data integration, software development and quality. Short-term IT roadblocks to information integration across the Federal government should be addressed by establishing pilot projects and Emerging Technology Centers (ETCs).

The report also responded to Congressional proposals to create a Federal Chief Information Officer by calling instead for the establishment of an Office for Electronic Government within OMB to promote innovative IT efforts and policies across the Federal government. A companion Government IT Innovation program should also be created to identify and fund high-risk, exploratory, and experimental IT projects. This recommendation to strengthen existing capabilities within OMB – rather than creating a centralized "IT czar" – is fully consistent with Administration testimony which will be offered by Sally Katzen, OMB Deputy Director for Management, before the House Subcommittee on Government Management, Information, and Technology on September 12.

Science, Math, Engineering Mentors Receive Presidential Award

Yesterday, ten individuals and ten institutions received your Presidential Award for Excellence in Science, Mathematics, and Engineering Mentoring. The individuals and institutions were rewarded for their exemplary work that encourages minorities, women, and persons with disabilities to pursue careers in scientific and technical fields. You established this award in 1996 to recognize the efforts of individuals and organizations that inspire and mentor young people to succeed in the fields of science, math, and engineering.

The NSF administered annual award includes a commemorative Presidential certificate and a $10,000 grant. The individual awardees this year were: Daniel Akins, NY; James Cotter, MN;

Vallie Guthrie, NC; Glenn Kuehn, NM; Juan Lopez-Garriga, PR; Abdulalim Abdullah Shabazz, PA; Carlos Spaht II, LA; Michael Summers, MD; Luis Villarreal, CA; and Maria Elena Zavala, CA. The institutional awardees were the: American Society for Microbiology, Board of Education and Training; Committee on Institutional Cooperation (Big Ten), Summer Research Opportunities Program; Humboldt State University, Indian Natural Resources, Sciences and Engineering Program; North Carolina State University, College of Engineering Programs for Minorities and Women; University of Alabama at Birmingham, Office of Minority and Special Programs; California Mathematics, Engineering, Science Achievement; University of Michigan, Women in Science and Engineering; University of New Mexico, Minority Engineering, Mathematics and Science; Washington Mathematics, Engineering, Science Achievement; and Western Interstate Commission for Higher Education, Compact for Faculty Diversity.

Ice Cover Records Reflect Warming Earth

An article in the current issue of *Science* describes evidence of increasing ice-free periods on lakes and rivers around the Northern Hemisphere, based on time series longer than 100 years. It includes 39 time series of 150 years between 1846 and 1995. For that period, 38 of the 39 records show earlier thaw and later freeze-up over time. Thaw dates advanced 6.5 days per century, and freeze-up dates 5.8 days per century, corresponding to an air temperature increase of about 1.2 degrees C per century. Interannual variation also increased in the second half of the 20^{th} century; 12% more variation in freeze dates and 5% more in thaw dates occurred in 1971-1990 than in 1951-1970. Three much longer records (from Finland, Siberia and Japan) suggest that long-term increases in ice-free periods were already occurring before 1846, though at much slower rates. This article may become one of the landmark indicator studies in global change, and has already started to gain wide publicity (*USAToday, WashingtonPost, AP, CNN.Com*) in part because of the recent spate of stories on Arctic ice thinning, open water at the North Pole, and melting of the Greenland Ice Cap. Skeptics will use the data on pre-1846 warming to cast doubt on humans' influence on climate change. As you know, climate scientists acknowledge that approximately half of current warming may be due to "natural" climate change, with the other half attributable to anthropogenic sources.

Atlantis Launch

Today NASA launched the space shuttle Atlantis, whose crew will complete outfitting the International Space Station (ISS) for its first crew. Five American astronauts and two Russian cosmonauts aboard the Shuttle will dock with the ISS on September 11, and spend a week inside the ISS unloading supplies to prepare Zvezda for the arrival of the first crew in late October and the start of a permanent human presence on the new outpost.

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THE WHITE HOUSE
WASHINGTON

SEPTEMBER 8, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: MICKEY IBARRA

SUBJECT: OFFICE OF INTERGOVERNMENTAL AFFAIRS WEEKLY REPORT

LEGISLATIVE PRIORITIES

IGA is planning a coordinated series of meetings, conference calls and other outreach efforts to communicate your budget and other legislative priorities to our allies at the state and local level. We will ensure that they understand your agenda in the remaining days of the Congress and underscore the importance of these initiatives to their own budgets, priorities and constituents. Moreover, we are in the process of compiling a list of the top state and local priorities for the budget which we will pass to John Podesta, Jack Lew and other Administration negotiators. In addition to these planned meetings, I addressed the League of California Cities Latino Caucus today and will address the League of California Cities plenary luncheon in Anaheim tomorrow.

SOUTHWEST BORDER

Good

The President's Interagency Task Force on the Economic Development of the Southwest Border is conducting MOA signings events in the four chosen pilot communities along the Southwest Border: Eagle Pass, TX; Imperial County, CA; Nogales, AZ; Deming, NM. IGA will travel and participate in three of the four signing ceremonies this week and next along with officials from various Federal agencies and local elected officials.

LONGHORN PIPELINE

IGA completed notification calls regarding the CEQ decision to advise DOT and EPA to proceed with completion of the Environmental Assessment (EA) and Finding Of No Significant Impact (FONSI) to key local elected officials who have a stake in the outcome. Predictably, El Paso officials are delighted with the decision. They are convinced that the added supply of refined fuel products from the reopening of the pipeline will reduce the very high price of gasoline for their community and stimulate other economic development. On the other hand, Mayor Kirk Watson of Austin remains concerned about environmental and safety issues. However, the tone of the conversation with Mayor Watson was respectful and thoughtful. We expect the EA and FONSI to be completed within 4 to 5 weeks.

CITY/COUNTY OFFICIALS

Towns and Townships Conference: Deputy Secretary of Transportation, Mort Downey addressed more than 800 local officials at National Association of Towns & Townships' Annual Conference in Washington, DC on Wednesday, September 6th. He outlined the Administration's Rural Transportation Initiative as well as highlighted Vice President Gore's commitment to expanding enterprise communities that are inclusive of rural towns.

Section 8 Housing: Mayor Sharon Sayles Belton of Minneapolis, MN announced the Minneapolis Public Housing Authority's new "Moving Home" program. This homeownership program will enable 50 Minneapolis families to use the Section 8 rent assistance towards purchasing a home – it is the first program of its kind in the country. The "Moving Home" program was made possible by HUD's new "Moving to Work" demonstration program. Last month, Janie Coats, her husband and her four children became the first family in America to buy a home with this program. Qualified families who are accepted in the program will be required to move off of Section 8 assistance in five years.

INSULAR AREAS

Puerto Rico U.S. Attorney: Governor Rosselló asked the Justice Department to consider whether or not it was appropriate for a court-appointed U.S. Attorney to link the Statehood Party to corruption charges of the bipartisan, independent municipal collections agency. The Party was neither named in the indictment nor as a target of the investigation which was undertaken at the request of Rosselló appointees.

Vieques: A panel of House and Senate conferees on the Defense Authorization bill agreed on Vieques provisions that are mostly consistent with your agreement with Governor Pedro Rossello. However, this agreement would transfer the conservation areas of the Navy's land on the western side of the island to the Interior Department instead of to Puerto Rico. If the Viequenses vote for the Navy to end training altogether, the panel would also transfer to Interior the land on the eastern side of the island. The Governor wants us to join him in pressing Senate Chairman Warner to make the legislation more consistent with your Directives.

Meanwhile Representative Luis Gutierrez (D-IL) told Puerto Ricans your Vieques Directives would not really result in the Navy ending training on the island. On the other hand, Senate Readiness Subcommittee Chairman James Inhofe said the Directives' limitation on training at Vieques contradicted your Democratic Convention statement that the U.S. has the world's best-trained military.

Puerto Rico Presidential Vote: Puerto Rico's House approved the bill to put the presidential candidates on the ballot this year. Governor Rosselló is expected to sign it.

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THE WHITE HOUSE

WASHINGTON

September 8, 2000

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MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
September 2 - 8, 2000

DEPARTMENT OF THE TREASURY

- **Estate Tax:** On September 7, by a 274 to 157 vote, the House failed to override your veto of the legislation repealing the estate and gift taxes. Thirteen Democrats who had originally voted in favor of the legislation voted to sustain the veto. Secretary Summers spoke at a House Democratic Caucus urging members to sustain your veto.

- **Foreign Sales Corporation Tax:** On September 7, Deputy Secretary Eizenstat appeared at a bipartisan caucus of the House of Ways and Means Committee to discuss the Foreign Sales Corporation legislation approved by the Committee in late July. He discussed the European Union's negative reaction to the legislation, and urged enactment prior to October 1, which is when the WTO could begin to discuss retaliatory measures. The legislation is expected to be considered by the full House on September 12.

- **Pensions:** On September 7, the Senate Finance Committee unanimously approved the Retirement Security and Savings Act of 2000, a companion bill to the House-passed measure sponsored by Representatives Portman and Cardin. The legislation significantly increases the allowable tax-preferred contributions to voluntary retirement plans, generally increasing IRA contributions to $5,000 and 401(k) contributions to $15,000. In addition to increasing these limits, which generally only restrict contributions of highly compensated individuals, the legislation weakens the rules designed to ensure that employer-provided plans do not disproportionately benefit higher-income employees. The legislation includes a scaled-down version of the Retirement Security Account and the employer credit for plan contributions.

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- **Oil and Heating Oil:** Treasury's Office of Economic Policy continues to play an active role in Administration efforts to address high prices and low inventories of home heating oil. The high price of oil was discussed at the APEC Finance Minister's Meeting in Brunei on September 9-10, which Secretary Summers attended.

- **U.S.-India Forum:** On September 14, Secretary Summers will hold the first Cabinet-level meeting of the U.S.-India Financial and Economic Forum with Indian Finance Minister Sinha. During the meeting, they will discuss macroeconomic and financial-sector developments, receive a report on sub-cabinet discussions held in June by the sub-cabinet co-chairs, and identify areas for future discussion. Secretary Summers will also raise the Administration's continuing concern about bilateral tax disputes under the U.S.-India bilateral tax treaty and will urge India's Finance Minister to work to resolve these disputes. Indian Prime Minister Vajpayee has asked to meet with Secretary Summers.

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- **HIPC:** On September 5, the Boards of the World Bank and IMF discussed progress on the enhanced Heavily Indebted Poor Countries (HIPC) debt relief initiative. One of the primary concerns about the initiative was financing. The U.S. representatives noted that a top Congressional priority is to seek support for Treasury's $435M FY2001 appropriation request and authorization to use the remainder of the income from the investment of profits from off-market gold sales to finance the IMF's participation. On September 12, Secretary Summers will address the Bretton Woods Committee, a group of business representatives interested in international finance policies, as part of Treasury's HIPC outreach. On September 14, Secretary Summers will host a luncheon with the CEOs of five firms, including Texaco and McDermott International.

DEPARTMENT OF JUSTICE

- **Four Corners Indian Country Conference:** The U.S. Attorneys' offices for AZ, CO, NM, and UT will co-sponsor the Four Corners Indian Country Conference in Durango, CO. This ninth annual conference will be held September 13-14, and will focus on violent crime in Indian Country, with an emphasis on homicide. The presenters will offer plenary and workshop sessions on alcohol abuse in Indian Country, jurisdictional issues, law enforcement training on crime scene processing and evidence collection, victim services, and violence prevention.

DEPARTMENT OF THE INTERIOR

- **Underground Railroad National Landmarks:** On September 17, NPS Director Stanton will participate in the National Historic Landmark Dedication ceremonies for properties in New Bedford, MA, associated with the Underground Railroad. Among the 18 sites recently designated as National Historic Landmarks are the Nathan and Mary (Polly) Johnson Properties in New Bedford, MA, which includes the first home Frederick

Douglass after his escape from slavery. The Johnsons played an important role in the antebellum effort to eradicate slavery and assisted other slaves escaping from the South on the Underground Railroad. The black abolitionist couple also owned the former meeting house for the New Bedford Society of Friends, thought to be the site of the city's first anti-slavery lecture.

- **Middle Rio Grande Endangered Species and Water Management:** BOR continues to pursue activities agreed to after eight days of mediation between parties in the *Rio Grande Silvery Minnow* v. *Martinez* lawsuit. Although a strict confidentiality agreement remains in effect, BOR believes that the agency's actions to date have been endorsed. Concurrently, BOR and FWS continue to meet in an attempt to resolve Endangered Species Act compliance activities within the terms of the agreement. Necessary river flow conditions are the focus of these discussions.

- **Hawaiian Native Self-Determination Report:** A draft report issued by DOI and DOJ calls for Native Hawaiian self-determination within the parameters of Federal law. The latest report is the result of statewide reconciliation hearings on how the U.S. should make amends to Native Hawaiians in light of a Congressional resolution apologizing for the U.S. role in the 1893 overthrow of the Hawaiian monarchy. The report calls for Congress to support Senator Akaka's Native Hawaiian recognition bill, promote Native Hawaiian self-governance, and protect dozens of existing government-financed programs that benefit Native Hawaiians.

DEPARTMENT OF AGRICULTURE

- **Western Wildfires:** As of September 5, more than 72,900 wildland fires have burned 6.24 million acres of public land. The total number of acres burned so far this year is 230 percent of the ten-year average. Over 30,000 people are working to suppress the fires in the Northern Rockies, the Eastern and Western Great Basin, and the Rocky Mountain Area. Four military battalions (three Army and one Marine) are assigned to fires in MT and ID. During the week of September 3, a new Marine battalion from Camp Lejuene, NC, replaced the Marine battalion in ID. There are 798 people from Mexico, Australia/New Zealand, and Canada working with Federal and local firefighters to suppress the wildfires.

- **Food Security Improvement:** On September 8, while addressing the Second Harvest national conference in Tucson, AZ, Secretary Glickman discussed a new USDA report finding that the number of U.S. households experiencing food insecurity declined by 12 percent from 1995 to 1999, while the number of households experiencing hunger declined by 24 percent over the same period. Following this marked improvement, during the year ending April 1999, 10.1 percent, or 10.5 million of the country's nearly 105 million households, remain food insecure; 3 percent, or 3.1 million American households, experienced hunger. A food insecure household is one that is uncertain of having, or unable to acquire adequate food to fully meet its basic needs; a household with hunger has been unable to meet the needs of at least one member of the household.

- **\$5.5B in Supplemental Payments:** On September 1, the Commodity Credit Corporation (CCC) began distributing \$5.5B in supplemental payments to about 1.4 million producers. These payments are part of a \$7.1B relief package to help America's farmers. CCC will issue payments to those farmers who received a final FY2000 Production Flexibility Contract payment, sometimes called Agricultural Market Transition Act payments.

- **Commodity Markets:** Optimism about wheat exports and weather worries sent wheat prices climbing for the week. Soybean prices moved sharply higher on persistent reports of worsening crop conditions. Surging soybean prices sent corn prices up. Rice cash prices were unchanged, but futures rose in response to USDA's bullish August 28 *Rice Stocks* report, which showed lower stocks. Extreme heat and dry weather in TX and the Delta sent cotton prices crisply higher. Cattle prices dropped as Labor Day featuring ended. Falling pork prices and ample packer supplies sent hog prices lower. School openings gave a modest boost to cheese prices. The average butter price rose last week in volatile trade.

- **Global Food for Education:** On September 7, USDA published in the *Federal Register* a request for proposals for school feeding and related child nutrition projects, under your Global Food for Education Initiative. Under the \$300M first-year pilot program, surplus U.S. commodities will be provided to improve nutrition and access to basic education for as many as nine million needy children in developing countries. Proposals for conducting school feeding and pre-school nutrition projects may be presented until September 29, by private organizations with international aid experience, the UN World Food Program, and foreign governments.

DEPARTMENT OF COMMERCE

- **China Industry Seminar:** China's Ministry of Foreign Trade and Economic Cooperation has agreed to the week of October 23 for an export control seminar in Shanghai. DOC's Bureau of Export Administration has been trying to arrange an industry-government outreach program in China for almost a year. Chinese export control officials came to the U.S. twice in 1999 to participate in working-level licensing workshops. The exchanges have helped to expand understanding of each country's export control system and build confidence between the two sides. Senate failure to approve PNTR would likely have negative consequences for the bilateral relationship, especially in the area of cooperative exchanges on export controls.

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- **Community Networking Report:** On September 5, Secretary Mineta released a DOC report entitled *Community Connections: Preserving Local Values in the Information Age*. The report is the sixth in a series of reports from DOC's National Telecommunications and Information Administration that explores the experiences and lessons learned by its Technology Opportunities Program. The stories featured in this report discuss the continued importance of closing the digital divide, particularly as related to community and economic development.

- **Digital Inclusion Tour:** On September 7, Secretary Mineta launched his Digital Inclusion tour at the Philadelphia Senior Center by discussing the importance of seniors learning to use computers and going online. He will announce the national launch of Generations on Line (a software product geared toward teaching seniors how to use the Internet) and celebrate Grandparents' Day by encouraging children to send their e-mail addresses to their grandparents.

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Radar Systems to Syria: On August 28, officials from DOC's Bureau of Export Administration hosted an interagency meeting with a U.S. owned Canadian company to discuss the company's proposed $30M sale of three radar systems to civil aviation authorities in Syria. Transfer of the radar systems to Syria would substantially benefit civil air safety in the region. The U.S.-origin items included in the radar systems are limited, but key to the operation of this system. The system has been under review for some time, but the only remaining issue is the inclusion of three remote monitoring sites for the radars. These remote-monitoring sites may have military uses. Since Syria is designated as a state sponsor of terrorism, the proposal must be carefully reviewed, and may require Congressional notification.

- **Tidal Datum Workshop:** As part of DOC's goal to foster a regional approach to decision-making for safe navigation and coastal protection, DOC's Office of Response and Restoration will host a workshop on September 12-14 to bring together a diverse audience to discuss tidal datum elevations in the context of wetland restoration. The audience will include managers from regulatory and resource agencies with permit authority over proposed restoration projects, technical practitioners and staff who will perform much of the restoration work, and experts in geodesy, tides, and related disciplines from government, academia, and industry.

DEPARTMENT OF LABOR

- **Bridgestone/Firestone Labor Agreement:** On September 4, Negotiators for the United Steelworkers Union reached a tentative agreement with Bridgestone/Firestone Tire Co., after a session of around-the-clock bargaining following union postponement of a September 1 strike deadline. The three-year agreement, covering about 8,000 workers, provides for significant pay and pension increases that could range as high as 25 percent

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over term. This includes a $1.60 an hour retroactive cost-of-living raise supplemented by an additional 20 cents an hour when the contract is ratified. The ratification vote is expected to be finished by the end of this week.

- **Women's Labor Rights Project:** DOL and the Costa Rican Ministry of Labor (MOL) will kick-off the Women's Labor Rights Project, a bilateral initiative to help end gender discrimination in the Costa Rican workplace. The project, led by DOL's Women's Bureau and the Bureau of International Labor Affairs, aims to raise awareness about the rights of working women and empower women with the tools needed to challenge gender discrimination. As part of the project, on September 11-15, in San Jose, Costa Rica, representatives from the Women's Bureau will facilitate a training session to help refine the organization of the new women's office in the Costa Rican MOL.

Department of Health and Human Services

- **Summer Olympics:** On September 11-20, Secretary Shalala will lead the U.S. Delegation to the Summer Olympics. She will participate in an arrival statement, a press conference with Director McCaffrey to announce the $3.3M included in the 2000 Supplemental Budget for Salt Lake City Olympics anti-doping activities, and a Smoke-Free Soccer press event organized by the Australian Health Minister. Also, HHS, in coordination with DOD and State, will provide pharmaceutical supplies and technical support to the Government of Australia during the Olympic Games.

- **West Nile Virus (WNV) Congressional Briefing:** On September 11, HHS, USGS, EPA, and USDA will brief interested Congressional members and staff in a series of Congressional briefings on the WNV outbreak. As of September 6, there have been nine human cases of WNV reported this transmission season and no deaths. Eight cases are from New York, NY (seven cases in Staten Island, one case in Brooklyn), and one case is from Jersey City, NJ. This time last year, 37 cases had been identified with onset of illness before September 6, 1999. The lower number of cases suggests that prevention and control measures taken in affected areas during this year are having an impact.

- **New Grants for the Uninsured:** On September 7, the Health Resources and Services Administration announced that 23 local networks of health care providers, hospitals, community health centers, and local governments have been awarded about $22M under a new Federal program designed to improve access to health care for uninsured Americans. The Community Access Program grants will help grantees in 22 states build integrated health care systems among local partner organizations, all of which are committed to expanding health services to uninsured individuals.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Low Income Rental Assistance:** Secretary Cuomo recently awarded rental assistance vouchers that will help 60,000 very low-income families live in housing they otherwise could not afford. Cuomo awarded the vouchers to about 500 housing authorities in the U.S., Puerto Rico, Guam, the Virgin Islands, and the Commonwealth of the Northern Marianas Islands. The $347M in "Fair Share" Section 8 rental assistance vouchers were awarded competitively based upon community needs. Almost 700 housing authorities submitted applications requesting more than 111,000 vouchers.

- **Dominican Republic Hurricane Reconstruction:** Secretary Cuomo and President Hipolito Mejia of the Dominican Republic announced more than $2.8M in HUD assistance to help the Caribbean country rebuild from the devastation caused by Hurricane Georges. The assistance, to be used initially in metropolitan Santo Domingo, the capital, will help 12,500 Dominican households affected by the September 1998 storm and provide for repairs to more than 2,500 housing units. In addition to the HUD funding, President Mejia announced that the Dominican National Housing Bank will provide $1M in loans and guarantees, doubling the amount of money available to help very low-income people with the reconstruction of their homes. Cuomo and Mejia signed an agreement to formalize the cooperation between the U.S. and the Dominican Republic and agreed that a mission from HUD will travel to the Dominican Republic to work with Dominican National Housing Bank experts on the development of primary and secondary mortgage markets.

- **Frankfort, KY Gun Buyback:** The Housing Authority of Frankfort, KY, will reprogram $2,000 of its FY1999 Public and Indian Housing Drug Elimination Program grant funding and will receive $860 in matching funds from HUD for a total of $2,860 for its Gun Buyback Initiative. The Housing Authority anticipates in taking approximately 40 guns off the street at the cost of $50 each.

DEPARTMENT OF TRANSPORTATION

- **Firestone Tires Investigation:** On September 1, NHTSA issued a consumer advisory affecting an additional 1.4 million tires not included in Firestone's August 9 recall. NHTSA continues its investigation, which may result in an order directing Firestone to recall these and any other defective tires. As of August 31, NHTSA has received reports of over 1,400 incidents of tire failure resulting in 88 fatalities and over 250 injuries. DOT is preparing a legislative proposal to address needed changes in authority and resources, and will work closely with Congress throughout the hearing process and on possible legislative initiatives. On September 6, NHTSA Administrator Bailey testified on the issue before the Senate Transportation Appropriations Subcommittee and a joint hearing of the House Commerce Oversight and Investigations Subcommittee and the

Telecommunications, Trade, and Consumer Protection Subcommittee. Administrator Bailey has been asked to testify before the Senate Commerce Committee on September 12.

- **Airline Service Initiative:** As part of ongoing efforts to achieve improvements in the quality of air service, Secretary Slater continues to hold on-site sessions at U.S. airports around the country with airport officials, front-line employees, air travelers, and state and local consumer groups and governments. The purpose of these meetings is to develop short- and long-term solutions to improve on-time performance, customer satisfaction, and information flow. Initiatives currently underway are the formation of a task force on airline service quality performance, an effort that will identify "best practices" in providing service and information to consumers, and an FAA effort to expedite investment in technology and infrastructure modernization. Additional initiatives may be instituted. On September 14, Secretary Slater is scheduled to present testimony before the Senate Commerce, Science, and Transportation Committee on the issues of flight delays and aviation customer service.

- **School Bus Brake Recall:** On July 21, NHTSA received a letter from Bendix Corporation notifying them of a safety-related brake defect, affecting approximately 300,000 trucks and buses, including an estimated 40,000 school buses. The defect can, at low speeds, cause a temporary loss of braking in one or more wheels. Three school bus manufacturers, as well as several truck manufacturers, have notified NHTSA that their vehicles contain this defect. While the manufacturer did not plan to issue the recall until mid-September, NHTSA has insisted that vehicle manufacturers notify school bus fleet owners immediately. Bendix has assured the Agency that the likelihood of a brake failure is "minimal" once the inspection and wiring repair is complete. The company will begin supplying parts to repair the component problem in mid-September, with priority given to school buses and emergency vehicles.

- **Drivers' Hours of Service:** On September 25-26 and 28-29, and October 5-6, DOT will hold roundtables on its proposal to modify the Hours of Service regulations for drivers of commercial motor vehicles. The rule regulates the number of hours drivers of large trucks and buses can operate without resting. DOT continues to work aggressively to eliminate a provision from the Senate Appropriations Bill that would ban DOT from funding changes to the Hours of Service regulations. The information collected during the roundtable discussions, in conjunction with findings from eight public hearings held around the country and other comments will be evaluated as the DOT rulemaking process proceeds. The comment period on the Hours of Service rulemaking has been extended until December 15.

- **Youth Traffic Safety:** On September 12, Secretary Slater, NTSB Chairman Hall, and NHTSA Administrator Bailey will participate in a media event to announce a traffic safety agenda for children, youth, and young adults at Sligo Creek Elementary School in Silver Spring, MD. The event will promote traveling to and from school safely in school buses, on bicycles, walking, in vehicles, and by other modes of transportation.

Department of Energy

- **Human Genome Project:** DOE's Walnut Creek, CA, Joint Genome Institute has deemed September as Microbe Month, when it will devote all of its considerable sequencing firepower to determining draft sequences for some 16 microbes involved in carbon sequestration, bioremediation, and agricultural losses. In September, the Institute will sequence a total of up to 60 million bases of microbial DNA. As part of the Human Genome Project, the JGI to date has completed draft sequences for human chromosomes 5, 16, and 19. Even when running at only 60 percent of its theoretical maximum capacity, the Institute now can produce more raw DNA sequence in one week than it could in its entire first year of existence, based on technological and organizational improvements and their 84 capillary sequencers. The Institute expects to finish human chromosome 19 by the end of 2000 and to finish chromosomes 5 and 16 by the end of 2001.

- **U.S. Conference of Black Mayors:** On September 10-11, DOE and the National Conference of Black Mayors will co-sponsor a workshop in Memphis, TN, that will focus on how DOE can help local governments improve local energy efficiency efforts. Approximately 75 mayors will attend the workshop, the result of a series of meetings Secretary Richardson has had with the Conference of Black Mayors. Secretary Richardson will keynote the workshop.

- **U.S.-Russia Radiation Meeting:** A U.S.–Russia Joint Coordinating Committee for Radiation Effects Research meeting will be held on September 13-14 in St. Petersburg, Russia. Representatives from DOE and the Russian Ministry of Emergencies will lead the meeting, which will address new and ongoing population and worker health studies, new emergency response activities, public involvement, independent scientific review, and the scope of future joint research.

- **Historically Black Colleges and Universities:** As part of the celebration of National Historically Black Colleges and Universities (HBCU) Week, DOE, USDA, and NASA will sponsor a Millennium Awards for Excellence in Teaching and Research program to recognize HBCU faculty and researchers who have made significant contributions to HBCUs through partnerships with Federal agencies.

- **Deepwater Offshore Drilling Technology Workshop:** On September 28, DOE's National Energy Technology Laboratory (NETL) and Minerals Management Service will sponsor a workshop in Houston, TX on Deepwater Offshore Drilling Technology. The purpose of the workshop is to review drilling systems currently under development and how they will address potential drilling problems. Participants will also focus on potential application of a technology developed by Maurer Engineering, a Houston-based small business sponsored by DOE's NETL. The technology is primarily a drilling-mud additive to reduce mud density and to minimize formation damage.

DEPARTMENT OF EDUCATION

- **Educational Technology Conference:** On September 11-12, DOEd will host its fourth annual conference on educational technology, spotlighting schools from all 50 states. The schools will share success stories about the positive impacts technology is having on teaching and learning. Secretary Riley will deliver the keynote speech and discuss the e-rate program.

- **International and Distance Education:** On September 13, DOEd will host a major international conference on postsecondary education and the challenges and opportunities related to using technology to expand global connections and distance learning. The conference will provide a forum for discussion among policymakers and leading distance education practitioners. Discussions will focus on quality assurance, licensure, access, intellectual property, and the cultural and technological aspects of the international digital divide.

- **Improving America's Schools:** On September 18-20, DOEd will kick off the seventh annual regional conferences on Improving America's Schools in Sacramento, CA. These conferences will provide state and local participants with information about how to coordinate Federal programs; integrate Federal programs with state and local efforts; access DOEd's technical assistance network; and use resources to implement comprehensive school reform. Conferences will also be held in Louisville, KY, on October 2-4 and in Washington, DC, on December 13-15.

- **Achieving High Standards for All:** On September 21-22, DOEd and the National Academy of Sciences will host "Millennium Conference: Achieving High Standards for All." The conference will provide educators and policymakers with information on what works to raise educational achievement for all students.

- **Class-Size Report:** DOEd will soon release a report entitled, *The Class-Size Reduction Program: Boosting Student Achievement in Schools Across the Nation*, which explains how smaller classes of no more than 18 children result in higher academic achievement levels, fewer discipline problems, and more personal attachment to teachers and classmates.

DEPARTMENT OF VETERANS AFFAIRS

- **Online Applications:** A pilot program is underway for a new system that will allow veterans to apply online for a wide range of VA benefits, including disability compensation, pensions, and vocational rehabilitation. The program will reduce administrative costs and improve service for veterans. The pilot program began in August. VA plans to make the system available to more veterans in the coming months.

ENVIRONMENTAL PROTECTION AGENCY

- **Racial Discrimination Class Action:** EPA has been notified that a class complaint alleging racial discrimination has been initiated against the Agency. EPA is currently taking a number of steps to address the issues of fairness and equal opportunity in the workplace. In the coming weeks, Administrator Browner will be meeting with Agency program staff, members of the Congressional Black and Hispanic Caucuses, and several national civil rights organizations.

- **Reformulated Fuels Act:** On September 7, the Senate Environment and Public Works Committee will mark up the Federal Reformulated Fuels Act. This bill allows Governors to waive the two percent oxygen requirement of the Reformulated Gas (RFG) Program for gasoline sold or dispensed within the state. The Governor must notify EPA of this action and states that the exercise of such a wavier must adhere to all other provisions of the RFG program. The bill also bans the sale of gasoline containing methyl tertiary butyl ether (MTBE) effective four years after enactment, unless EPA determines a ban is not necessary to protect air quality, water quality, or human health.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Summer Olympics:** On September 14-17, Director McCaffrey will travel to the Olympic Games as a member of the Delegation. On September 15, he will attend a meeting of the World Anti-Doping Agency. While in Australia, Director McCaffrey will further international cooperation on drug-free competition, highlight the dangers of drugs in sports, and draw attention to recent successes in the Olympic anti-doping movement.

Small Business Administration

- **Electronic Legal Clinic:** SBA is launching a program to assist small businesses by providing online legal information on issues required to successfully establish and grow a business. SBA has identified approximately 20 of the most important legal issues pertaining to starting and growing a small business. The emphasis will be on providing legal information, not legal advice. The site will also link small businesses to nearby sources of in-person legal and business development assistance. The online legal clinic should be available to the public by the end of January 2001.

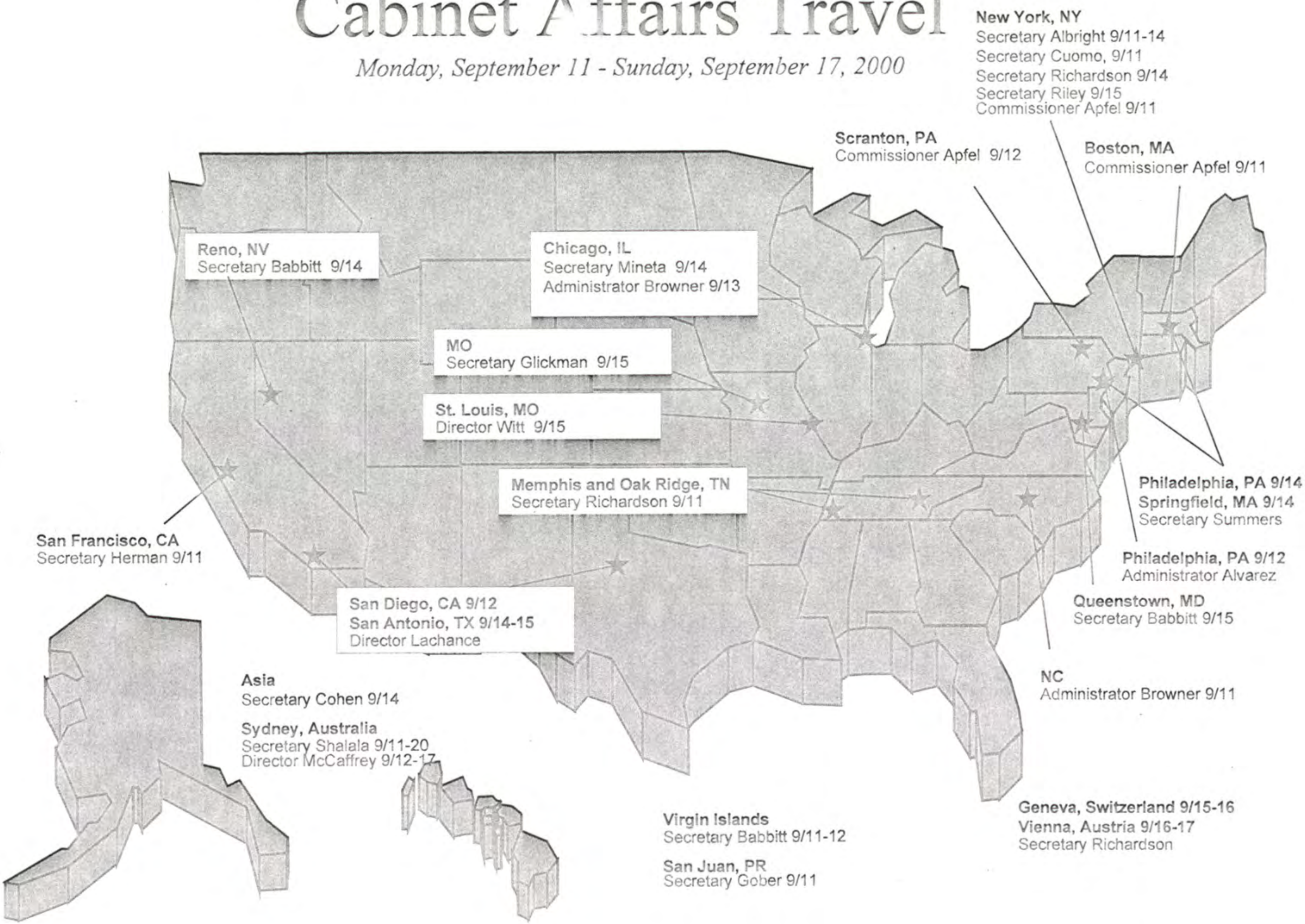
- **Women-Owned Business Virtual Trade Mission:** An online international trade mission sponsored by SBA and the Canadian Consul General posted in Atlanta, GA, will begin on September 11, with 50 businesswomen from the two countries participating. Women-owned firms in the healthcare and business services industries located in the southeastern U.S. will join this high profile U.S.-Canada trade mission. The entire mission will take place on the Internet. Interested firms will pay a small fee to participate, making this initiative an exceptionally affordable way to conduct international trade. A face-to-face videoconference in October and an Atlanta signing ceremony in November are highlights of the project.

General Services Administration

- **Computers to Schools:** GSA recently donated 432 Pentium computers to 32 schools in WA.

Cabinet Affairs Travel

Monday, September 11 - Sunday, September 17, 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

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN 9-11-00

SEPTEMBER 8, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

copied entire report: Cahill Podesta

FROM: MARY BETH CAHILL
DIRECTOR, OFFICE OF PUBLIC LIAISON

Pg 1: Cohen (for info)

SUBJECT: WEEKLY REPORT (September 2 to September 8)

CONSTITUENT OUTREACH AND OTHER ISSUES:

ASIAN PACIFIC AMERICAN OUTREACH

OPL Hosts Meeting with APA Community and President's Advisory Commission on Asian Americans and Pacific Islanders. The meeting sought to foster greater collaboration between the Commission and major national APA groups. The meeting also served to highlight your recent Executive Order on access to federal programs of Limited English Proficient individuals, and how the APA group could assist federal agencies in its implementation. Earlier this week, Commission members met with the Federal Interagency Working Group under the White House Initiative on Asian American and Pacific Islanders.

JEWISH OUTREACH

World Jewish Congress Dinner Touted as "Poor Taste and Partisan." The *Forward, Washington Jewish Week, New York Post,* and *Baltimore Jewish Times* have covered the controversy over the First Lady being honored for her work on Holocaust Restitution, with no invitation being extended to Rep. Lazio. A group called the Jewish Action Alliance is planning to protest in front of the Pierre Hotel prior to your arrival at the dinner on Monday.

Positive Feedback from Appointment of David Nasatir. Several Jewish community leaders have written to express their strong support for your appointment of Nasatir to the Board of Directors of the State Justice Institute.

Leadership Change At The Jewish War Veterans. Ronald Ziegler, a Vietnam veteran, has been named the new National Commander.

LATINO OUTREACH

OPL Organizes Activities for Hispanic Heritage Month. OPL has worked with Cabinet Affairs, Political Affairs, and IGA to schedule briefings and meetings throughout Hispanic Heritage Month (September 15 to October 15), which will highlight your initiatives' importance to the Hispanic community. On September 20, you and the Vice President will be the keynote speakers at the Congressional Hispanic Caucus Institutes Dinner. On September 29, OPIC, in conjunction with DOE, will host an Interagency Kick-Off Event that will honor Federal employees who have provided exemplary public service to the Nation or have strengthened ties between the Federal Government and the U.S. Hispanic community. OPL will continue coordinate events for the month, and provide you with updates of scheduled events and meetings.

RELIGIOUS OUTREACH

Religious Freedom in India. Anticipating your meeting with Prime Minister Vajpayee, the U.S. Commission on International Religious Freedom has requested that you raise the issue of protecting religious freedom and religious minorities in India. American Sikhs had raised this issue before your trip to India.

WOMEN'S OUTREACH

OPL Hosts Meeting on Reauthorization of VAWA. This week senior White House staff meet with representatives of the domestic violence/sexual assault coalition to discuss moving forward on the Reauthorization of the Violence Against Women Act. VAWA has passed the Judiciary Committee in both the House and Senate but has been referred to the Commerce Committee and the Education and Workforce Committee in the House. On Thursday, domestic violence groups held a press conference on the hill which proved extremely successful. The Women's office will hold weekly conference calls with domestic violence groups, HHS/DOJ and White House legislative affairs to discuss strategy.

Advocates Seek Support of Domestic Family Planning. Representatives of the domestic family planning community have sent you a letter outlining their priorities for FY2001. Their top issues are Title X funding, policies related to abstinence-until-marriage education, a Helms amendment on emergency contraception and problematic language concerning human papilomavirus embedded in breast and cervical cancer legislation.

'00 SEP 8 PM 4:55

THE WHITE HOUSE

WASHINGTON

9-11-00

copied
Johnson
Podesta

SEPTEMBER 8, 2000

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

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

ISSUES

Racial Profiling

You may already be aware of this, but Bob Nash and Janis Kearney came face-to-face with the reality of racial profiling on Tuesday evening. At approximately 10:00 pm, they were returning from Jude Kearney's home in Maryland when their vehicle was surrounded by Montgomery County police cars on Georgia Ave near Silver Spring, Md. Bob and Janice were ordered out of their vehicle and handcuffed. Both were dressed in their business suits. The officers trained at least three shotguns and over 9 handguns on them. As it turns out the police were looking for a stolen black SUV, and Bob was driving a blue SUV. Furthermore, the suspect being sought was a light-skinned black male with a receding hairline. After producing his license and registration, the police admitted to their mistake and removed the cuffs at Bob's request. Needless to say, both Bob and Janice were traumatized by this shoddy and overzealous police activity. This type of police behavior is one of the reasons that Martin L. King III came to the White House last week, requesting you issue an executive order that would penalize police departments for repeat offenses on innocent citizens.

Black Farmers

There is a growing controversy around some farmer discrimination claims. At the Black Farmers Convention in Richmond, Department of Agriculture officials announced that the Justice Department would review hundreds of decisions where the adjudicator had found for the farmer. It appears that the Justice Department intends to file a petition to review at least 495 claims where the adjudicator had ruled in favor of African American farmers. Here is the problem: according to sources in the Dept. of Agriculture, the Justice Department does not intend to notify the farmers who have received a letter that his or her claim had been upheld and that the $50,000 settlement was forthcoming. Because of rumors, farmers are angry and have gone to Congresswoman Eva Clayton demanding action. Additionally, I was advised that Senator Lugar is planning to hold a hearing on agriculture civil rights issues next week.

ACTIONS

B'nai B'rith International: We spoke at the kickoff event for the Enlighten America program sponsored by B'nai B'rith International. The program, among other things, includes a nationwide petition to support hate crimes legislation. They are also organizing youth essays, an arts contest, and individual pledges to promote tolerance. On Thanksgiving night, every family involved in the program will turn on a porch light, or a light in a window facing their street. They also plan to join together to recite a statement on tolerance.

Youth Network of Alliances Bridging Race and Ethnicity: The Joint Center for Political and Economic Studies launched the Youth Network of Alliances Bridging Race and Ethnicity ("Youth NABRE") website. Youth NABRE provides an electronic forum for youth-oriented diversity projects across the country, and a few internationally. Through this website, diversity groups can share ideas and learn from each other's experiences. In October, the Joint Center plans to use the Internet to launch a similar nationwide bridge-building project for community leaders.

CABINET RACE INITIATIVE WEEKLY

Department of Agriculture

Tribal Water Grant: On September 6, USDA presented a $400,000 grant to the Chief of the Ute Tribe in Provost, UT. The grant will be used to help fund the cost of a new water system, benefiting 250 families.

Department of Commerce

Partnering with Hispanic Serving Institutions (HSI): On September 13-14, DOC will host a summit meeting with HSI partners to discuss ways of increasing Hispanic representation in the Department's workforce and programs. To date, DOC has entered into memoranda of understanding (MOU) with the University of Texas at El Paso, New Mexico State University, University of Puerto Rico, and Florida International University. DOC is finalizing MOUs with Robert Morris College in Chicago, University of Texas at San Antonio, California State University at Los Angeles, and California State University at Dominguez Hills.

Hudson Group Offers Support: On August 23, DOC's Minority Business Development Agency (MBDA) staff met with representatives of the Hudson Group in Atlanta. The Hudson Group is interested in funding a pilot project to create and develop groups of athletes and other celebrities to assist in minority business development and improvement. Such groups would offer assistance to existing businesses to make them more competitive in their current location and/or opportunities for expansion into other areas. The Hudson Group was informed of MBDA's budgetary constraints, but agreed to continue the dialogue in an attempt to further explore possibilities of MBDA's involvement.

Princeville, NC, Recovery: Princeville, NC, is one of the oldest U.S. towns founded by African Americans. The town and its 2,100 citizens were devastated by floods caused by Hurricane Floyd in September 1999. In response, several Federal agencies, including DOC's Economic Development Administration, have begun repair and recovery efforts. Your Executive Order 13146 created an Interagency Council on the Future of Princeville. On August 8, the Council submitted draft recommendations for further action, one of which was the Princeville Telethon. The head of each Federal agency was asked to contribute a short video clip praising the Princeville community's spirit of recovery, as well as their own agency contributions to the effort. These clips will air during the course of the six-hour telethon scheduled for September 17.

Native American Initiative: On August 22, DOC staff members attended a White House briefing on the Hill regarding the Administration's Native American Initiative. Discussion was focused on your request for $49 million for DOC's Economic Development Administration, but the House and Senate have tentatively offered $15 million, $34 million short of your request.

Department of Energy

U.S. Conference of Black Mayors Workshop: On September 10-11, DOE and the National Conference of Black Mayors will co-sponsor a workshop in Memphis, TN, that will focus on how DOE can help local governments improve local energy efficiency efforts. Approximately 75 mayors will attend the workshop, the result of a series of meetings Secretary Richardson has had with the Conference of Black Mayors. Secretary Richardson will keynote the workshop.

Historically Black Colleges and Universities: As part of the celebration of National Historically Black Colleges and Universities (HBCU) Week, DOE, USDA, and NASA will sponsor a joint event. The Millennium Awards for Excellence in Teaching and Research program will recognize HBCU faculty and researchers who have made significant contributions to HBCUs through partnerships with federal agencies.

Department of Education

TX Higher Education Desegregation: On August 24, DOEd met with the TX Governor's office and the TX Higher Education Coordinating Board to discuss in further detail the state's revised recommendations for enhancement of TX's historically black colleges and improvement of minority participation at public universities. During the meeting, TX agreed to submit an implementation plan to DOEd for comment by September 10. By October 9, DOEd may file official written comments with TX on the acceptability of the measures contained in the plan.

Department of Housing and Urban Development

Neighborhood Networks Center in DC's Hispanic Community: The new Latin American Youth Center is one of four Neighborhood Networks centers to open in DC. Nationwide, more than 600 centers are in operation. The new center will break down societal barriers by providing public housing and offering training and access to computers for information on wellness, jobs, and education to low-income residents.

Housing Discrimination: HUD has developed a Spanish language version of its Housing Discrimination claim form, and is currently working on a pamphlet entitled "Fair Housing: It's Your Right" to be released in Spanish. In addition, HUD is translating the Claim Form into Chinese, Vietnamese, and Korean.

Department of Interior

BOR Agreement with MO River Indian Tribes: BOR and the Mni Sose Intertribal Water Rights Coalition, an organization that represents the water resource interests of 28 Native American tribes in the MO River Basin, will sign an agreement that provides water development assistance in the amount of $600,000 per year for three years. This assistance will be used by the Coalition to help tribes develop the capability to manage tribal water resources effectively.

Indian Substance Abuse and Violence Summit: On September 6-7, BIA co-hosted the Indian Self-Determination Summit on Tribal Strategies to Reduce Alcohol and Substance Abuse and Violence in Washington, DC. The purpose of the conference was to assist tribal leaders and program administrators with developing prevention and intervention techniques to address the many problems among tribal populations. BIA-funded schools were an important focus of the meeting. Many of the BIA-funded students came from areas with high incident rates of substance abuse.

Issues Vital to Native Peoples: On September 1-3, USGS scientists, academia, and Navajo Nation representatives gathered in Flagstaff, AZ, to discuss a proposed multi-disciplinary study on climate change and land-use in the Hopi Buttes area of the Navajo and Hopi Reservations. The Navajo and Hopi people live within the most arid and ecologically sensitive region of the southwest. Rapid population growth among this largest group of native people, coupled with potential climate variability, will increasingly stress the carrying capacity of lands upon which they are dependent for their livelihood. The goals of the workshop were to organize research efforts on water quality, examine land-use history and its relationship to landscape evolution (including vegetation and surficial processes), and establish avenues for public education, communication and awareness about the importance of climate variability in future planning efforts.

USGS and Sinte Gleska: On August 31, USGS signed a Memorandum of Understanding with officials of Sinte Gleska University, located on the Rosebud Sioux Reservation in Mission, SD. The agreement established a cooperative arrangement with the tribal college to promote earth science careers and professional development among students, and strengthen relationships with the Federal government and private industry. This agreement supports your Executive Order to increase tribal college access to Federal opportunities and expand their participation in Federal programs nationwide.

Underground Railroad National Landmarks: On September 17, NPS Director Stanton will participate in the National Historic Landmark Dedication ceremonies for the Nathan and Polly Johnson properties in New Bedford, MA, which include the first home of Frederick Douglass after his escape from slavery and the meeting house of the abolitionist New Bedford Society of Friends. The Johnson's played an important role in the effort to eradicate slavery and assisted many runaway slaves on the Underground Railroad.

BIA 175th Anniversary: The DOI's Bureau of Indian Affairs will celebrate its 175th Anniversary on September 8 with the theme "Reconciling the Past, Trusting the Future: A Renewed Commitment to Indian Tribes in the 21st Century." Assistant Secretary Kevin Gover will dedicate his corridor at DOI as the "Hall of Tribal Nations" and will place flags of tribal governments on permanent display.

Hawaiian Native Self-determination Report: A draft report issued by DOI and DOJ calls for native Hawaiian self-determination within the parameters of federal law. The latest report is the result of statewide reconciliation hearings on how the U.S. should make amends to native Hawaiians in light of a congressional resolution apologizing for the U.S. role in the 1893 overthrow of the Hawaiian monarchy. The report calls for Congress to support Senator Akaka's native Hawaiian recognition bill, promote native Hawaiian self-governance, and protect dozens of existing government-financed programs that benefit native Hawaiians.

Department of Justice

Four Corners Indian Country Conference: The U.S. Attorneys' offices for AZ, CO, NM, and UT will co-sponsor the Four Corners Indian Country Conference in Durango, CO. This ninth annual conference will be held September 13-14, and will focus on violent crime in Indian Country, with an emphasis on homicide. The presenters will offer plenary and workshop sessions on alcohol abuse, jurisdictional issues, law enforcement training on crime scene processing and evidence collection, victim services, and violence prevention.

Department of Labor

Equality in the Workplace: A workshop entitled "Affirmative Action Works, Equal Pay Matters: What is it? Where is it? How does it affect you?" will be held at the DOL Auditorium on September 11, featuring EEOC Chairwoman Ida L. Castro, Professor Frank Wu of Howard University, Vice President John Navarro of the Council for Tribal Employment Rights Organization, and three DOL officials.

Hispanic Heritage Month: DOL will sponsor its Hispanic Heritage Month Program on September 27. The theme for this year's celebration is "Children: Our Hope for the Future." The program will feature Dr. Manuel J. Fernos, President of the Inter-American University of Puerto Rico.

Environmental Protection Agency

NAACP Rally against EPA Discrimination: On August 29, the NAACP held a rally at Freedom Plaza in response to an August 18 federal court ruling in favor of a woman who sued EPA for race and sex discrimination. EPA has reached out to the NAACP to establish a constructive dialogue on how to work together on these important issues. Since 1993, EPA has recommended that ten minority members be nominated as Presidential appointees, including six women and two African-American men. In 1993, minorities represented four percent of the senior management at EPA. Today, 15 percent of the EPA senior managers are minorities. In 1993, 20 percent of EPA senior managers were women. Today, that percentage has grown to 30 percent.

Racial Discrimination Class Action: EPA's Office of Civil Rights has been notified by an Equal Employment Opportunity counselor that a class complaint alleging racial discrimination has been initiated against the Agency. The Office of Civil Rights will now determine whether the case is appropriate for processing as a class action. EPA is currently taking a number of steps to address the issues of fairness and equal opportunity in the workplace. In the coming weeks, Administrator Browner will be meeting with Agency program staff, members of the Congressional Black and Hispanic Caucuses, and several national civil rights organizations.

Office of National Drug Control Policy

Indian Substance Abuse and Violence Summit: On September 6-7, BIA co-hosted the Indian Self-Determination Summit on Tribal Strategies to Reduce Alcohol and Substance Abuse and Violence in Washington, DC. Director McCaffrey delivered the keynote address on September 6 concerning abuse in the Native American population. His remarks focused on the importance of substance abuse prevention and treatment efforts and highlight federal initiatives to help Native Americans address drug abuse in their local communities.

Small Business Administration

Strategic Alliance with Bank One and Hispanic Chamber of Commerce: On August 28, SBA helped to launch ALIANZA-Gateway to Capital, a strategic alliance among SBA, Bank One and the U.S. Hispanic Chamber of Commerce (USHCC). The alliance includes a proprietary venture capital fund for Hispanic-owned businesses. As the lead investor, Bank One committed to invest $10M to provide access to capital markets for Hispanic entrepreneurs throughout the U.S. Other initiatives include a USHCC-branded business credit card issued by First USA, Bank One's credit card company, and an affinity rewards program for USHCC members. SBA hopes to approve a venture capital fund with SBIC status to participate in the alliance.

Asian Americans and Pacific Islanders: Administrator Alvarez will participate in the town hall meeting of the President's Commission on Asian Americans and Pacific Islanders, which will take place at New York University on September 18. She will announce and sign agreements with five national Asian-Pacific-American organizations, part of SBA's ongoing outreach efforts to the Asian-Pacific-American community.

National Indian Business Association: SBA will sign a Memorandum of Understanding with the National Indian Business Association (NIBA) to enhance economic development among Native American and Alaska Native small business owners and their participation in SBA programs.

Commission on Asian Americans and Pacific Islanders: Administrator Alvarez will participate in the town hall meeting of the President's Commission on Asian Americans and Pacific Islanders, which will take place at New York University on September 18. Administrator Alvarez will announce and sign agreements with five national Asian Pacific American organizations, part of SBA's ongoing outreach efforts to the Asian Pacific American community.

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THE WHITE HOUSE

WASHINGTON

9-11-00

September 8, 2000

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER

CC: MARIA ECHAVESTE

SUBJECT: WEEKLY REPORT

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SUMMIT ON ALCOHOL AND SUBSTANCE ABUSE IN INDIAN COUNTRY

- This week, a very important conference was held on developing strategies to combat alcohol and drug abuse in Indian country. The co-sponsors were: the Department of Justice, the Department of the Interior, the Department of Health and Human Services (Indian Health Service (IHS) and the Substance Abuse and Mental Health Services Administration (SAMHSA)), the Department of Housing and Urban Development (Office of Native American Programs (ONAP)), and the Department of Transportation.

- General McCaffrey spoke and unveiled the new ads ONDCP is using to target Indian youth. He was well received and really did a great job in the follow up discussions.

- I brought your greetings and spoke about the budget needs. The following statistics help to underscore the need to pass your budget and to get re-enactment of the Violence Against Women Act:

  - American Indians are the victims of violent crimes at more than twice the rate of all U.S. citizens. Alcohol and drug use was a factor in more than half of violent crimes against American Indians.
  - An estimated 3 in 4 Indian victims of family violence reported that they perceived the offender to have been drinking at the time of the offense.
  - Substance abuse, especially alcohol, among Indian youth is a serious problem in many tribal communities. The problem is already manifesting itself through alcoholism death rates for Indians aged 15-24. The Indian rate is 5.5 deaths per 100,000 compared to .3 per 100,000 for the entire population. Indian youth are also more likely to die from accidents and suicide than youth in the general population.

THE PRESIDENT HAS SEEN
9-11-00

MEMORANDUM TO THE PRESIDENT
PAGE TWO

BLACKFEET TRIBE TO BUILD WIND POWER PROJECT

- Just in time to help ease the pain that the Blackfeet are suffering from the fires on their reservation, they have signing an agreement with SeaWest WindPower, Inc. to develop a 22-megawatt wind power project. This will be the first utility-scale wind energy project built on tribal lands. It will deliver affordable and clean renewable energy by capturing the strong winds that blow across the Reservation from the Rocky Mountain front onto the Great Plains. I hope that we will see more of these--we know that there is great potential in the plains states.

OMB MEETING WITH TRIBES

- Over twenty-five tribal leaders met with Wesley Warren and others from OMB this week. The tribal leaders came from all regions of the country. Sec. Kevin Gover, members of his staff, and representatives from Indian Health Service also joined us. Among other things, the leaders were looking for reassurance that we would be fighting for your budget as we go in to the final weeks of the Congressional session. I told them I would bet my five (soon to be six) grandchildren on your commitment and our diligence in working on these issues. I also asked if they were having a similar meeting with Senator Lott and Speaker Hastert.

VIOLENCE AGAINST WOMEN ACT

- I participated in the meeting we held with the advocacy groups working on re-enactment. We have had some better news on the prospects of the legislation this week, but it continues to be a struggle.

175th ANNIVERSARY OF THE BUREAU OF INDIAN AFFAIRS

- Today there was a celebration of the 175th anniversary of the BIA at the Interior Department. It was a truly moving event. I read a letter from you that I am attaching. The most wonderful moment of the day was the speech by Assistant Secretary Kevin Gover. It is historic in scope and sentiment. I am attaching it because it is so extraordinary. You might want to send him a note because it was so unusual and brave. Everyone in the room knew they had been part of history.

FOOTNOTE ON CONVENTION

Gore!

We had 90 Native American delegates to our convention, which is more than our friends on the other side had in African American delegates (80). The Gore campaign worked hard to ensure representation in their state delegations.

EXECUTIVE ORDER

- We still have to sign and move on the Executive Order on Consultation in Indian Country. I've been thinking that you might want to do a large event, in which you sign the Order and make your final speech as President to Indian Country. It could be a replication of your historic meeting with the tribes in 1994, when you affirmed the government to government relationship.

September 5, 2000

Warm greetings to everyone celebrating the 175th anniversary of the Bureau of Indian Affairs. I am pleased and proud to join Secretary Babbitt and Assistant Secretary Gover in saluting the dedicated men and women of BIA who strive each day to sustain the government-to-government relationship between the United States and tribal governments and to bring a better life to all American Indians and Alaska Natives.

American Indians were our country's first people, and they have long upheld the timeless values of sovereignty, peace, goodwill, and harmony. In the past, these principles were too often ignored or abused; but today, my Administration is working hard to repair past mistakes by keeping faith with American Indians and by encouraging new cooperation, healing, and renewal.

When I took office in 1993, I made a commitment to establish partnerships with the tribes to empower them to achieve self-determination and improve the overall quality of life for all American Indian and Alaska Native people by building strong reservation economies, improving education and health, creating opportunities for tribes to administer their own welfare-to-work programs, and creating access to better housing and telecommunications services. One of the main agencies I have relied upon to assist me in achieving these goals has been the Bureau of Indian Affairs.

Today, we can be proud that, after almost two centuries of challenge and change, the Bureau of Indian Affairs is poised on the threshold of a promising new era in the long relationship between the federal government and American Indian and Alaska Native people. I thank the outstanding men and women of the Bureau for upholding the highest standards of public service, and I extend best wishes to all for a memorable anniversary celebration.

Remarks of

Kevin Gover, Assistant Secretary-Indian Affairs

Department of the Interior

at the

Ceremony Acknowledging the 175th Anniversary

of the Establishment of the

Bureau of Indian Affairs

September 8, 2000

In March of 1824, President James Monroe established the Office of Indian Affairs in the Department of War. Its mission was to conduct the nation's business with regard to Indian affairs. We have come together today to mark the first 175 years of the institution now known as the Bureau of Indian Affairs.

It is appropriate that we do so in the first year of a new century and a new millennium, a time when our leaders are reflecting on what lies ahead and preparing for those challenges. Before looking ahead, though, this institution must first look back and reflect on what it has wrought and, by doing so, come to know that this is no occasion for celebration; rather it is time for reflection and contemplation, a time for sorrowful truths to be spoken, a time for contrition.

We must first reconcile ourselves to the fact that the works of this agency have at various times profoundly harmed the communities it was meant to serve. From the very beginning, the Office of Indian Affairs was an instrument by which the United States enforced its ambition against the Indian nations and Indian people who stood in its path. And so, the first mission of this institution was to execute the removal of the southeastern tribal nations. By threat, deceit, and force, these great tribal nations were made to march 1,000 miles to the west, leaving thousands of their old, their young and their infirm in hasty graves along the Trail of Tears.

As the nation looked to the West for more land, this agency participated in the ethnic cleansing that befell the western tribes. War necessarily begets tragedy; the war for the West was no exception. Yet in these more enlightened times, it must be acknowledged that the deliberate spread of disease, the decimation of the mighty bison herds, the use of the poison alcohol to destroy mind and body, and the cowardly killing of women and children made for tragedy on a scale so ghastly that it cannot be dismissed as merely the inevitable consequence of the clash of competing ways of life. This agency and the good people in it failed in the mission to prevent the devastation. And so great nations of patriot warriors fell. We will never push aside the memory of unnecessary and violent death at places such as Sand Creek, the banks of the Washita River, and Wounded Knee.

Nor did the consequences of war have to include the futile and destructive efforts to annihilate Indian cultures. After the devastation of tribal economies and the deliberate creation of tribal dependence on the services provided by this agency, this agency set out to destroy all things Indian.

This agency forbade the speaking of Indian languages, prohibited the conduct of traditional religious activities, outlawed traditional government, and made Indian people ashamed of who they were. Worst of all, the Bureau of Indian Affairs committed these acts against the children entrusted to its boarding schools, brutalizing them emotionally, psychologically, physically, and spiritually.

Even in this era of self-determination, when the Bureau of Indian Affairs is at long last serving as an advocate for Indian people in an atmosphere of mutual respect, the legacy of these misdeeds haunts us. The trauma of shame, fear and anger has passed from one generation to the next, and manifests itself in the rampant alcoholism, drug abuse, and domestic violence that plague Indian country. Many of our people live lives of unrelenting tragedy as Indian families suffer the ruin of lives by alcoholism, suicides made of shame and despair, and violent death at the hands of one another. So many of the maladies suffered today in Indian country result from the failures of this agency. Poverty, ignorance, and disease have been the product of this agency's work.

And so today I stand before you as the leader of an institution that in the past has committed acts so terrible that they infect, diminish, and destroy the lives of Indian people decades later, generations later. These things occurred despite the efforts of many good people with good hearts who sought to prevent them. These wrongs must be acknowledged if the healing is to begin.

I do not speak today for the United States. That is the province of the nation's elected leaders, and I would not presume to speak on their behalf. I am empowered, however, to speak on behalf of this agency, the Bureau of Indian Affairs, and I am quite certain that the words that follow reflect the hearts of its 10,000 employees.

Let us begin by expressing our profound sorrow for what this agency has done in the past. Just like you, when we think of these misdeeds and their tragic consequences, our hearts break and our grief is as pure and complete as yours. We desperately wish that we could change this history, but of course we cannot. On behalf of the Bureau of Indian Affairs, I extend this formal apology to Indian people for the historical conduct of this agency.

And while the BIA employees of today did not commit these wrongs, we acknowledge that the institution we serve did. We accept this inheritance, this legacy of racism and inhumanity. And by accepting this legacy, we accept also the moral responsibility of putting things right.

We therefore begin this important work anew, and make a new commitment to the people and communities that we serve, a commitment born of the dedication we share with you to the cause of renewed hope and prosperity for Indian country. Never again will this agency stand silent when hate and violence are committed against Indians. Never again will we allow policy to proceed from the assumption that Indians possess less human genius than the other races. Never again will we be complicit in the theft of Indian property. Never again will we appoint false leaders who serve purposes other than those of the tribes. Never again will we allow unflattering and stereotypical images of Indian people to deface the halls of government or lead the American people to shallow and ignorant beliefs about Indians. Never again will we attack your religions, your languages, your rituals, or any of your tribal ways. Never again will we seize your children, nor teach them to be ashamed of who they are. Never again.

We cannot yet ask your forgiveness, not while the burdens of this agency's history weigh so heavily on tribal communities. What we do ask is that, together, we allow the healing to begin. As you return to your homes, and as you talk with your people, please tell them that time of dying is at its end. Tell your children that the time of shame and fear is over. Tell your young men and women to replace their anger with hope and love for their people. Together, we must wipe the tears of seven generations. Together, we must allow our broken hearts to mend. Together, we will face a challenging world with confidence and trust. Together, let us resolve that when our future leaders gather to discuss the history of this institution, it will be time to celebrate the rebirth of joy, freedom, and progress for the Indian Nations. The Bureau of Indian Affairs was born in 1824 in a time of war on Indian people. May it live in the year 2000 and beyond as an instrument of their prosperity.

'00 SEP 8 PM3:31

THE WHITE HOUSE

WASHINGTON

9-11-00

September 8, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: BOB J. NASH, ASSISTANT TO THE PRESIDENT AND DIRECTOR OF PRESIDENTIAL PERSONNEL

SUBJECT: OFFICE OF PRESIDENTIAL PERSONNEL WEEKLY REPORT ENDING September 8, 2000

NEW ISSUES

Baca Ranch

We are looking into David Fleischaker's candidacy for the Baca Ranch Commission. One of the qualifications we are looking into relates to residency, since 5 of 7 members must be residents of New Mexico. Additionally, as you know, the negotiation process is already well under way with the all the interested parties, including community organizations, Council on Environmental Quality and the New Mexico delegation.

We will do our best to address Pam Fleischaker's request from her August 6 letter. As you are aware Ms. Fleischaker is a member of the Holocaust Council.

Health Care Finance Administration, Department of Health and Human Services

Nancy Deparle, Administrator of HCFA, will be leaving at the end of September. The Deputy Administrator Michael Hash will take over as Acting Administrator upon her departure.

Jennifer Dunham

Jennifer wrote you a letter, per the advice of David Leopoulos on in early July, asking for a position in the Administration. She is now working in the scheduling office at ONDCP.

Michael F. Conners

Michael Conners was recently granted admission to the department of Science and Technology Studies as a Doctor of Philosophy student beginning Fall semester 2000.

Raymond C. Pierce

Raymond Pierce, Deputy Assistant Secretary, Office for Civil Rights of the Department of Education, is considering running for mayor of his hometown of Cleveland, Ohio.

copied
Nash
Podesta

ONGOING ISSUES

Fannie Mae, Freddie Mac, Sallie Mae

Podesta, Lindsey and I met a couple weeks ago and discussed the candidates we recommend you approve of for Fannie Mae, Freddie Mac and Sallie Mae. For the two slots on Fannie Mae, the recommendations are Eli Segal and Esteban Torres. For the three slots on Freddie Mac, the recommendations are Jim Free, Joel Ferguson and Harold Ickes. For the three slots on Sallie Mae, the recommendations are Mari Carmen Aponte, William "Bill" Kennedy, and Jerry Abramson.

Marjorie Margolies-Mezvinsky declined an appointment to any Mae or Mac. I am working with her on her private sector interests.

United Nations General Assembly Representatives

Because we were not able to vet and nominate Larry Carp, Jay Snyder and Dick Gardner as Representatives to the United Nations General Asssembly, State Department sent them on your behalf as Senior Advisors to the Secretary.

John F. Kennedy Center Board of Trustees

You currently have a decision memo for the JFK Center Board of Trustees.

Key Individuals Approved by the President and sent to the desk of the White House Clerk for Appointment this Week:

- Harold Holzer, Member, Abraham Lincoln Bicentennial Commission
- James Oliver Horton, Member, Abraham Lincoln Bicentennial Commission

Key Nominations Sent to the Senate this Week:

- David A. Nasatir, Member, Board of Directors of The State Justice Institute
- Frederick Slabach, Member, Board of Trustees of the Harry S. Truman Foundation
- Senator Joseph R. Biden, Jr., U.S. Representatives to the 55th Session of the United Nations General Assembly
- Senator Rod Grams, U.S. Representatives to the 55th Session of the United Nations General Assembly
- Marian M. Johnston, U.S. District Court for the Eastern District of California
- Valerie K. Couch, U.S. District Court for the Western District of Oklahoma

Key Confirmations by the Senate this Week:

- Larry Levitan, Member, Internal Revenue Service Oversight Board
- Steve Nickles, Member, Internal Revenue Service Oversight Board
- Robert Tobias, Member, Internal Revenue Service Oversight Board
- Karen Hastie Williams, Member, Internal Revenue Service Oversight Board
- George Farr, Member, Internal Revenue Service Oversight Board
- Charles Kolbe, Member, Internal Revenue Service Oversight Board

- Nancy Killefer, Member, Internal Revenue Service Oversight Board
- Delmond Won, Commissioner, Federal Maritime Commissioner
- Ross Wilson, Ambassador to the Republic of Azerbaijan
- Karl William Hofmann, Ambassador to the Togolese Republic
- Janet Sanderson, Ambassador to Algeria
- Donald Yamamoto, Ambassador to the Republic of Djibouti
- John Limbert, Ambassador to the Republic of Mauritania
- Roger Meece, Ambassador to the Republic of Malawi
- Mary Ann Peters, Ambassador to the Republic of Bangladesh
- John Edward Herbst, Ambassador to the Republic of Uzbekistan
- E. Ashley Wills, Ambassador to Sri Lanka and the Republic of Maldives
- Carlos Pascual, Ambassador to the Ukraine
- Sharon Wilkinson, Ambassador to the Republic of Mozambique
- Owen James Sheaks, Assistant Secretary of State for Verification and Compliance
- Pamela E. Bridgewater, Ambassador to the Republic of Benin
- Michael Kozak, Ambassador to the Republic of Belarus
- Debbie Branson, Member, Federal Aviation Management Advisory Council
- Frank Henry Cruz, Member Bd. of Directors, Corporation for Public Broadcasting
- Ernest Wilson, Member Bd. of Directors, Corporation for Public Broadcasting
- Katherine Milner Anderson, Member Bd. of Directors, Corporation for Public Broadcasting
- Kenneth Tomlinson, ,Member Bd. of Directors, Corporation for Public Broadcasting
- Francis Duggan, Member, National Mediation Board
- Nina Federoff, Member, National Science Board, National Science Foundation
- Diana Natalicio, Member, National Science Board, National Science Foundation
- John White, Member, National Science Board, National Science Foundation
- Jane Lubchenco, Member, National Science Board, National Science Foundation
- Warren Washington, Member, National Science Board, National Science Foundation
- Robert Rogers, , Member, Bd. of Directors, Corporation for National and Community Service
- Carol Kinsley, Member, Bd. of Directors, Corporation for National and Community Service
- Robert Walker, Under Secretary, Veterans Affairs for Memorial Affairs
- Thomas Garthwaite, Under Secretary, Department of Veterans Affairs for Health
- Norman Bay, US Attorney for the District of New Mexico
- James Baker, Judge, US Court of Appeals for the Armed Forces
- Roger Kallock, Deputy Under Secretary of Defense for Logistics and Material Readiness
- Sen. Joseph Biden, DE, Representative to the 55th Session of the UN General Assembly
- Sen. Rod Grams, Representative to the 55th Session of the UN General Assembly

Number of Individuals Approved by the President and Currently Being Vetted by the White House General Counsel's Office:

Presidential Appointees *with* Senate Confirmation (Full-time & Part-time)	107
Presidential Appointees *without* Senate Confirmation (Full-time & Part-time)	138
Total	**245**

Status of 2000 Nominations and Confirmations:

Status of All (Including Judges)

	Number
Current Nominations	175
Nominations on the Executive Calendar	37
Confirmed in 2000	165
Confirmation Percentage	49%
Grand Total (Nominated or Confirmed)	**340**

Judges Only

	Number
Currently Nominated	38
Nominations on the Executive Calendar	4
Confirmed in 2000	35
Confirmation Percentage	48%
Grand Total (Nominated or Confirmed)	**73**

cc: John Podesta
Maria Echaveste
Beth Nolan

September 8, 2000

'00 SEP 11 AM11:20

President William Jefferson Clinton
The White House
Washington, DC 20500

Dear Mr. President:

In the excitement of my transition to my new position in the Office of the Vice President (OVP), I neglected to submit my letter of resignation. This letter is an attempt to compensate for that oversight.

In July, I joined OVP, thus ending more than eight years of service to you, first as a senior policy adviser on your 1992 campaign in the War Room in Little Rock followed by seven years wonderful years at the Domestic Policy Council. I wanted to write and express my most heartfelt thanks for the incredible opportunity you gave me these past years. The chance to work on issues of profound significance and to help you create real change for our country has been an indescribable experience. I am proud that I was able to help you enact and make better so many important programs that help people meet the challenges they face everday: from the Community Development Financial Institutions Fund, Empowerment Zones; reform of the Community Reinvestment Act; welfare-to-work housing vouchers; expansion of the Low-Income Housing Tax Credit; and the "brownfields" program to the Unfunded Mandate Reform law and the Lobby Disclosure Act. I also take great satisfaction in having revamped the Domestic Policy Council (DPC) during your second term as Chief of Staff under Bruce Reed. DPC staffers are among the hardest working individuals in the White House and they serve you faithfully each and every day.

When I joined your Presidential campaign in the winter of 1992, I never imagined this day. As I start a new journey, I will take with me the lessons I have learned: to work for the American people every day and fight to bring opportunity to all.

With warmest regards,

Paul J. Weinstein Jr.

Paul J. Weinstein Jr.
Senior Advisor to the Chief of Staff for
Policy Planning and Coordination
Office of the Vice President
Eisenhower Building
Room 214
Washington, DC 20502

9-11-00
Send to Cohen's
Yes ✓
No

CD

9-11-00

'00 SEP 11 AM9:09

Send to Cohen

Yes ✓

No

9/9/00

Dear Mr. President,

After almost three years of writing an autobiography that is out this Christmas, I pray that I can keep this missive to the point considering the first draft of my memoir was about 100,000 pages and I do have a tendency to talk a lot. One of the greatest Presidents in our country's history was known to have the same tendency. You might know him.

Anyway, your note I received so soon after we saw one another briefly in Los Angeles at *your Gala* in August, was amazingly considerate of you and meant the world to me.

I think you know how much it has meant to me, by now-- to do whatever it was I could do to get out your message out from day one. I am writing now to tell you that *after* you leave your Presidency—when no doubt you will have other goals that you will want to achieve --please know that I will *always* be on "your team"-- so never hesitate to personally or your staff to reach out to me for any assistance.

I now, of course, continue to spread the word for the Vice President and the First Lady, in what I anticipate will be a huge win for both of them in November and likewise for the Democrats in the House and the Senate.

You are an astonishing man *and a great President* and I eagerly look forward to perhaps one day actually breaking bread and sharing a few laughs.

In fact, when we both get old and gray, and if I'm still performing live, you have an open invitation to co-headline with me with your band, anywhere, anytime, any venue---for charity of course. Hey, the letter was getting too serious—I tried to sneak in a little humor—oh, and—now that I think of it, how grandiose of me—I certainly should be the opening act—unless I can persuade Roger to open—then I'll do 45 minutes—then intermission—and then you come out and bring the house down. Oh-oh—I'm starting to ramble. Have joy and health and gratitude—you so deserve it.

With Endless Respect,

Richard Lewis

PS: FYI—for your staff—

Phone—3238519626

Fax ----323 8741855

(spokeswoman) Michelle Marx 3106459717"

U. S. Department of Justice

Office of the Deputy Attorney General

THE PRESIDENT HAS SEEN
9-11-00

Beth/Bob
when answer on this?

copied
Nolan
Lindsey
Podesta

Associate Deputy Attorney General

[...]ington, D.C. 20530

MELANNE VERVEER
This is the memo that went from the Sec. for the NSC's forthcoming memo to the President. See p. 7 on Brian Pearson

August 20, 2000

MEMORANDUM

TO: Beth Nolan
Counsel to the President

THROUGH: THE DEPUTY ATTORNEY GENERAL EH

FROM: James E. Castello J.E.C.
Associate Deputy Attorney General

H. Bradford Glassman HBG
Counsel to the Deputy Attorney General

We have been asked to review the cases of six Irish aliens whose deportation proceedings were suspended in 1997, and to analyze what options might be available if the President or the Secretary of State determined that the ongoing peace process in Ireland would be benefitted by a change in the government's litigating positions (or other administrative action) in those cases. The proceedings were suspended in September 1997, at the Attorney General's direction, after the Secretary of State issued a Foreign Policy Statement finding that a suspension of the proceedings could benefit the peace negotiations.

Overview

All six aliens have been determined by the Immigration and Naturalization Service (INS) to be deportable. If the suspension of their deportation cases were now lifted, INS's normal course would be to continue to pursue deportation. If the INS instead determined (once the suspensions were lifted) to alter its course in these cases, there are two alternative approaches to resolving the cases that INS could -- at least as a purely theoretical matter -- pursue. The first would be to try to identify and support some form of relief from deportation, especially relief that would result in permanent residence in the United States for the six aliens. At this stage of the proceedings, whether to grant any immigration relief to these aliens lies within the discretion of the immigration courts, rather than the INS.[1] However, the INS could influence such decisions

[1] The procedural posture of the Brian Pearson case is different from that of the other five Irish cases, because Pearson was granted asylum and adjustment of status by the immigration judge, and INS appealed to the Board of Immigration Appeals. We discuss this case further below.

by either not opposing or even stipulating to certain requested relief.[2] The second approach would be to exercise the INS's prosecutorial discretion in some fashion to avoid deportation -- either by moving to terminate the immigration proceedings now or by granting "deferred action" upon issuance of an order of removal. Such action would permit these aliens to remain in the country and, in the case of deferred action, could even lead to work authorization, but it would not provide any immigration status to the aliens.

Although either of these approaches is theoretically possible, they are in practice subject to very substan l constraints, given the particular facts of the six Irish aliens' cases. With respect to the first approach (supporting immigration relief), each of these aliens has one or more prior convictions for significant crimes implicating one or more grounds of ineligibility for immigration relief. In some cases, these grounds of ineligibility are based on objective facts, such that they cannot be avoided. In other cases, the grounds of ineligibility hinge on a more subjective standard (such as whether an alien has persecuted others), leaving some room for discretion in particular cases. Nevertheless, even that discretion is constrained by the Department's obligation to execute the laws faithfully, the interest in applying a given term consistently among similar cases, and the danger of creating an adverse precedent that will have unwanted repercussions in the future. Finally, even if grounds of ineligibility could somehow be avoided, two questions remain: whether each alien satisfies the basic criteria for a particular form of immigration relief (e.g., could demonstrate a "well-founded fear of persecution" upon return to his home country for purposes of claiming asylum) and whether he is the type of person who warrants the favorable exercise of discretion that underlies a grant of such relief.

With respect to the second possible approach to resolving these cases (namely, exercising prosecutorial discretion to forestall deportation), again there is the question whether failure to carry out deportation could be reconciled with the Department's obligation to execute the laws faithfully and to act consistently in similar cases. Those questions are sharply presented in cases such as these, where the exercise of discretion not to deport would require an about-face from the position that the government has previously espoused in the very same cases. While such a reversal is conceivable, it could probably only be justified by substantial foreign affairs objectives.

Immigration Relief Resulting in Permanent Resident Status

The respondents in these six cases have applied for several forms of relief from deportation: adjustment of status (based on marriage to a U.S. citizen or permanent resident), suspension of deportation (based on a claim of extreme hardship to the individual or his family), asylum (based on the claim of a "well-founded fear of persecution" upon return to the home country), withholding of deportation (based on the stronger claim of a likelihood of persecution

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[2] Moreover, in the event that the immigration courts ruled against an unopposed or stipulated request for relief, the Attorney General could overturn a final decision by the immigration courts. (Whether she can intervene before a final decision is reached is less certain.)

upon return), protection under the Convention Against Torture (based on the claim of a likelihood of torture upon return), and voluntary departure. Three of these forms of relief -- adjustment, suspension, and asylum -- lead to permanent status in the United States.[3] As indicated above, however, there are essentially four types of hurdles to overcome in obtaining these forms of relief: specific, factual eligibility bars; broader, standard-based eligibility bars; affirmative factual predicates for relief (e.g., a "well-founded fear of persecution" for asylum); and the requirement of a favorable exercise of discretion to grant relief. We examine each of these in greater detail below.

1. First, with respect to each type of relief, Congress has established certain absolute bars to eligibility based on specific, objective facts about the alien's status or past conduct. For example, an alien is ineligible for adjustment of status if he falls within one of the categories of inadmissible aliens set forth in the Immigration and Nationality Act (INA), and one absolute (i.e., non-waivable) ground of inadmissibility is conviction of murder or attempted murder. Two of the six aliens have such convictions. Aliens admitted under the Visa Waiver Pilot Program (VWPP), as four of the six Irish aliens were, are also barred from applying for certain forms of relief such as suspension. Similarly, asylum cannot be granted to persons convicted of crimes designated in the INA as "aggravated felonies."

2. The second type of bar depends upon the application of less objective statutory standards to facts about the aliens' past conduct. For example, Congress has mandated that asylum not be granted to an alien who has persecuted others, see INA § 101(a)(42), 8 U.S.C. § 1101(a)(42) (1994), and the BIA has construed this term in the context of crimes committed by PIRA members. See Matter of McMullen, 19 I. & N. Dec. 90, 95 (BIA 1984) (denying asylum and withholding because "the respondent, by his active and effective membership in the PIRA, participated in the persecution of others").[4] Similarly, under the law applicable to these cases, an alien is barred from adjustment, suspension, asylum, or withholding if the alien has engaged in terrorist activity.[5] Terrorist activity, by statutory definition, includes any unlawful act that

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[3] We focus on the types of relief that lead to permanent residence. Among the other forms of relief, withholding and protection under the Torture Convention provide only a quasi-status that forecloses deportation to the home country but allows for deportation to a third country. Generally speaking, these forms of relief confer fewer privileges than a grant of deferred action (discussed below) or present greater legal obstacles. Voluntary departure simply affords the alien a period of time to arrange his affairs and leave the country voluntarily in lieu of being deported.

[4] Withholding is also subject to some of these broader, standard-based eligibility bars. For example, withholding is unavailable to aliens who have persecuted others, have committed a "serious non-political crime," or have been convicted of a "particularly serious crime."

[5] The bar is only presumptive with regard to asylum and withholding. Under the statutory provisions applicable to these cases, the Attorney General could (in the absence of other impediments to relief) grant asylum to an alien despite his having engaged in terrorist activity if

involves, inter alia, hijacking a vehicle, assassination, using an explosive device or firearm with the intent to endanger a person or damage property, or providing material support to another person engaging in such activities. See INA § 212(a)(3)(B), 8 U.S.C. § 1182(a)(3)(B) (1994). The crimes of the six Irish aliens involve murder (Gaynor), attempted murder (Morrison), bombing (Pearson), attempting to purchase Stinger missiles (Megahey), theft of a car used for a murder (McDade), and possession of firearms with intent to cause harm to persons or property (McErlean).

Obviously, statutory eligibility standards that depend on terms such as "persecution" or "terrorist activity" by their nature provide the adjudicator with some interpretive discretion, but that discretion has been greatly restricted by the BIA precedent with respect to the first term, and by the statutory definition with respect to the second. See 8 C.F.R. § 3.1(g) (2000) (making BIA decisions binding on immigration court and INS unless overruled on certification by Attorney General). Interpretive discretion is further constrained by the obligation of the Executive to take care that the laws are faithfully executed. In addition, the INS has already taken positions in these cases to the effect that the aliens' prior crimes constituted terrorist activity and persecution of others. Thus, granting relief would mean not only adopting the view that the crimes at issue do not constitute terrorist activity or persecution of others (a view that would be difficult to square with the statutory text and case law), but also reversing well-established positions to the contrary. We would be reluctant to opine on the ultimate legality of recharacterizing the crimes at issue in this manner without a formal review by the Office of Legal Counsel (OLC).[6] We think, nevertheless, that such an action would be extremely problematic.

3. We believe that all of the six Irish aliens are ineligible for relief on at least one of the grounds set forth in paragraphs 1 and 2 above.[7] Even if they were not ineligible on these grounds, however, there is yet a third hurdle that the aliens must surmount to obtain relief. Each alien must satisfy the basic requirements for the form of relief sought. For example, the fundamental predicate for a grant of asylum is that the applicant must demonstrate a "well-founded fear of persecution" on account of race, religion, nationality, political opinion, or membership in a particular social group.[8] In order to grant asylum, the adjudicator would have to

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the alien demonstrated that he posed no danger to the United States.

[6] We are providing a copy of this memorandum to OLC.

[7] Although we have made the best assessment we can based on the facts as we know them, we are still awaiting a final memorandum from INS with a definitive analysis of the facts of these cases. The interplay between the extremely complex recent amendments to the INA and the extensive factual records in these cases has impeded the swift completion of INS's analysis.

[8] There is an exception to the "well-founded fear" requirement for aliens who, though lacking any prospective fear of persecution, have suffered "under atrocious forms" of past persecution, Matter of Chen, 20 I. & N. Dec. 16, 18 (BIA 1989), or can otherwise demonstrate "compelling"

believe, and find, that the applicant has demonstrated such a "well-founded fear" of persecution upon return to his home country (and is not otherwise barred). Especially in light of the current conditions in Ireland as we understand them, we believe it would be very difficult for INS to accept such a claim, and once again the agency has taken a contrary position in the cases thus far.

4. The fourth and final requirement for obtaining immigration relief that can lead to permanent residence is a favorable exercise of discretion by the Attorney General or her delegate. Serious crimes have traditionally militated against a favorable exercise of discretion. See, e.g., Matter of Burbano, 20 I. & N. Dec. 872, 878 (BIA 1994) ("[I]t has been long understood that as an alien's crimes become more serious, there will be less likelihood that he or she will be able to establish that a favorable exercise of discretion is warranted."). Moreover, a grant of relief despite the factors that militate against favorable discretion could expose the Administration to criticism of its enforcement policies, including renewed complaints from Islamic and Arab-American groups alleging unequal treatment based on ethnic origin or nationality. See generally Reno v. American-Arab Anti-Discrim. Comm., 525 U.S. 471 (1999) (dismissing selective enforcement claims of PFLP supporters in deportation proceedings on jurisdictional grounds and allowing proceedings to resume after more than a decade of litigation).[9]

Prosecutorial Discretion

As we noted at the outset, the INS's normal course if the suspension of the six cases were lifted would be to resume its efforts to obtain a final deportation order and to execute that order. If the INS were successful in obtaining a final order of deportation (and defending the order against any court challenges), it would still have the option of granting what is called "deferred action," an act of administrative convenience that de-prioritizes the case and stays enforcement of the deportation order indefinitely. Although it is possible to grant work authorization to someone who has received "deferred action," the alien would not have any immigration status and would, essentially, remain in limbo indefinitely.

Alternatively, instead of pursuing the deportation cases to their conclusion once the suspension of the cases has been lifted, the INS could move the immigration court or the Board

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reasons, arising from the severity of their past persecution, not to return, see 8 C.F.R. §208.13(b)(1)(ii) (2000). We doubt these doctrines have any application here, however, because they deal with persons so traumatized by egregious persecutory acts that their repatriation would itself be inhumane. We note that several of the six respondents have recently sought permission to return home to visit ailing relatives. The bars to asylum would apply equally in the context of a past persecution claim of this kind.

[9] Although American-Arab generally forbids the courts to entertain collateral attacks against deportation proceedings based on selective enforcement claims, it also leaves open the possibility of the "rare case in which the alleged basis of discrimination is so outrageous" as to warrant judicial intervention. 525 U.S. at 488.

of Immigration Appeals (BIA) to terminate the proceedings. The effect of this action would vary depending upon the procedural posture of the case. In the one case (Pearson) in which the immigration judge has granted relief from deportation and the case has been appealed by the INS to the BIA, the effect of the INS's action in abandoning the deportation case would be to confirm the immigration judge's grant of asylum and adjustment of status to the alien. In the other five cases in which the immigration judge either has ordered deportation or has issued no final order, the likely effect is more difficult to determine, because the immigration judge or BIA ultimately decides whether termination is appropriate, and that decision may, in turn, be influenced by the alien respondent's position with regard to termination. The judge might decline to accept termination and continue to entertain the alien's request for relief such as asylum, suspension, or adjustment of status, or the judge might terminate the proceedings, in which case the alien would be left to renew whatever requests for relief could be presented directly to INS.[10] In either case, unless some relief were ultimately granted, the effect of dropping the charge of deportability would again be to leave the alien without any immigration status.

Both "deferred action" and a motion to terminate deportation proceedings would require an exercise of prosecutorial discretion. While the Attorney General has broad authority to exercise prosecutorial discretion in a particular case, that authority is also constrained by her obligation to take care that the laws are faithfully executed. In 1997, the Attorney General exercised prosecutorial discretion in suspending deportation proceedings in these cases, determining that sufficient foreign policy interests existed to warrant such an action. The Secretary of State's 1997 Foreign Policy Statement, on which that action was based, seemed to indicate that termination of the deportation proceedings was not warranted, at least based on the situation at that time. The Secretary stated only that a "suspension of U.S. efforts to deport" these aliens "*could* contribute to the peace process" (emphasis added). She then qualified that suggestion by noting that "we do not . . . accept the legal arguments against deportation that have been advanced in some of their cases" and urged that the suspension of proceedings be "without prejudice to the Administration's legal position" in the cases. In order to undertake any further exercise of prosecutorial discretion to terminate the proceedings or defer action, the Attorney General would again have to be satisfied that the proposed course of action -- the exercise of discretion in the particular case -- is supported by adequate foreign policy interests and is sufficiently tailored to those interests. Moreover, the exercise of discretion would be highly unusual in the current circumstances since it would amount to reversing a previous decision that particular criminal aliens should be deported. Prosecutorial discretion is more commonly exercised by refraining from prosecution in the first place.

An exercise of prosecutorial discretion in favor of the six Irish aliens would also raise the concerns noted above in the discussion of discretion to grant permanent status. Most significantly, the extremely serious nature of the past crimes in these cases would militate against such action, and would have to be overcome by some distinct and foreseeable benefit to the

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[10] Some forms of relief, such as suspension of deportation, are available only in deportation proceedings (with some exceptions not applicable here).

Nation's foreign policy interests. Secondarily, the Administration would have to convince its critics that its actions were driven by legitimate foreign policy interests and not by ethnic or national favoritism. Finally, despite the Supreme Court's decision in American-Arab, supra, a favorable exercise of prosecutorial discretion might embolden some lower courts to review prosecutorial decisions of the INS in other cases where non-Irish aliens have similar criminal records and the INS has insisted on deportation.

Brian Pearson

As noted above, the procedural posture of the government's case against Brian Pearson is unique in that the immigration judge has granted asylum and adjustment of status over the INS's objection, and the INS has appealed the decision to the BIA. Withdrawal of the INS's appeal at this point would result in a final grant of permanent residence to Pearson.

The INS has taken the position in the litigation that Pearson is barred from adjusting his status, inter alia, because he has engaged in terrorist activities and is barred from asylum as a persecutor of others, as an aggravated felon, and as one who has engaged in terrorist activities and who constitutes a danger to the security of the United States. The immigration court nevertheless granted asylum and adjustment. The court avoided the terrorism bar to adjustment and asylum by creating an implied "political offense exception" to that bar. The immigration court held that an action can be either terrorism or a political offense, but not both, and that Pearson's participation in the bombing of a police barracks was an attack on a "legitimate target." Decision of the Immigration Court at 34.

Similarly, the immigration court found the various bars to asylum inapplicable in Pearson's case. It held that his crimes were not "aggravated felonies" for purposes of the INA because they were "purely political." It held that Pearson did not persecute others, because his acts were "a classic example of necessary military tactics designed to undermine the bastions of British oppression which he opposed." Id. at 39. Finally, the court held that Pearson had a well-founded fear of persecution in Northern Ireland (and averred that he would also have a well-founded fear if deported to the Republic of Ireland).

We believe most knowledgeable observers of immigration jurisprudence would agree that the immigration court's decision in the Pearson case is contrary to the statute and case law. To begin with, there is no "political offense exception" for terrorist activity in the INA, whereas such exceptions do exist elsewhere in the statute. Moreover, where such exceptions do exist, they have not been applied in the manner that the court did in this case. In particular, the court held Pearson's crimes to be "political" simply because they were motivated in some degree by political objectives. The BIA has held to the contrary, finding that even where a political offense exception expressly applies under the statute the alien's political motive by itself is insufficient to trigger that exception, and the Supreme Court has upheld that view. See INS v. Aguirre-Aguirre, 526 U.S. 415, 429-430 (1999) (affirming BIA's denial of withholding of deportation on the ground that the alien -- who had joined other Guatemalan activists in burning buses, assaulting passengers and vandalizing private property -- had engaged in "serious non-political crimes" because these crimes were disproportionate to his political motive). The INS views the holding of the immigration court in Pearson's case as very troubling and has a strong interest in reversing it on appeal. The INS has filed an appeal, but the parties have not submitted appellate briefs because of the suspension of the proceedings.

In sum, permanent status is more likely to be feasible for Pearson than for the other Irish aliens, since he has already been granted adjustment by an immigration judge. We would again defer to OLC on the ultimate legal question whether INS's withdrawal of its appeal in the Pearson case would require the same level of foreign policy justification as would its filing of motions to terminate deportation proceedings or grants of "deferred action" in the other five Irish cases. Regardless of the answer to that question, however, we believe that withdrawal of this appeal would prompt some of the same criticisms alleging national favoritism that we have already discussed. Perhaps more importantly, withdrawal of INS's appeal in the Pearson case would put the Administration in the extremely awkward position of raising expectations of similar treatment with respect to the other five Irish aliens, without any clear legal authority to satisfy those expectations. If Pearson were to obtain permanent status by INS's acquiescence and the INS were unable to bring about a similar result for the other five, the discrepant dispositions would likely beg questions about the fairness of the process and the consistency with which the Administration's foreign policy objectives have been pursued.

THE PRESIDENT HAS SEEN
9-11-00

IENLEY
H STREET
E 481
CALIFORNIA 90403

Maria
Pls check this
out w/ Franklin [illegible]
admin — [illegible]
BC

President Bill Clinton

Via Federal Express

Save Our Heritage, a preservation
husetts. The attached letter deals with a
gard to what is, arguably, the most
. Please review this urgent request. Your
al.

copied
Echaveste
Podesta

THE PRESIDENT HAS SEEN
9-11-00

DON HENLEY
1158 26TH STREET
SUITE 481
SANTA MONICA, CALIFORNIA 90403

THE PRESIDENT HAS SEEN
9-11-00

September 1, 2000

President Bill Clinton
c/o Capricia Marshall
The White House
1600 Pennsylvania Avenue
Suite 204, East Wing
Washington, DC 20500

Via Federal Express

Dear Bill,

I am a member of the Advisory Board of **Save Our Heritage**, a preservation organization located in Concord, Massachusetts. The attached letter deals with a matter of the utmost importance with regard to what is, arguably, the most historically significant area in our nation. Please review this urgent request. Your intervention in this matter is most critical.

copied
Echaveste
Podesta

All the best to you and yours.

Sincerely,

Don Henley

Don Henley

Encl.
DH:kp

Save Our Heritage

Minute Man National Park
Walden Woods
Lexington Green
The North Bridge
The Old Manse
Orchard House
Estabrook Woods
Great Meadows
The Hanscom Project

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

Dear Mr. President:

As a member of the Advisory Board of Save Our Heritage, I am writing to request your immediate attention on a matter of great urgency. With a single phone call, you could save an irreplaceable part of America's heritage for future generations.

The FAA is about to make a decision that could seal the fate of more than 1,000 national landmarks surrounding Hanscom Field in Massachusetts. The landmarks under threat, all located within three runway lengths of Hanscom, include:

- Minute Man National Historical Park. Access to Hanscom is through the Park, along the historic Battle Road – the very resource the Park was created to protect.
- Orchard House, the recent recipient of a $400,000 grant from Save America's Treasures.
- The historic homesteads of Hawthorne, Emerson and Thoreau.
- Walden Pond and Walden Woods.
- Great Meadows National Wildlife Refuge.
- Over 1,000 sites on the National Register of Historic Places.

FAA Administrator Jane Garvey is now considering whether to allow service between Hanscom and LaGuardia Airport. If the two airlines that seek to provide this service commence it at the levels they have proposed, there will be six times more commercial traffic at Hanscom than there was when such operations started there less than a year ago, and a pattern of destructive expansion will be irreversibly established.

Section 106 of the National Historic Preservation Act and Section 4(f) of the Department of Transportation Act mandate a public review of the impact on historic sites before such a drastic step is taken. Senators Kennedy and Kerry and the three congressmen representing the Hanscom area have called for such review. Nevertheless, we are deeply concerned that the FAA may bypass Section 106 and Section 4(f).

Mr. President, we ask you to join us in taking stewardship of these irreplaceable treasures. **Please call Administrator Garvey and tell her that you believe these sites are important to the American people, and indeed to the whole world, and must be preserved for future generations.** Only through the historic review process required by law can this goal be achieved.

Sincerely,

Don Henley

57 Main Street Concord MA 01742 phone: 978-369-6662 fax: 978-369-6712
e-mail: info@saveourheritage.com web: www.saveourheritage.com

Newsday (New York, NY)

September 8, 2000, Friday

ALL EDITIONS

SECTION: NEWS;

Page A64

LENGTH: 154 words

HEADLINE: TRUMAN GRANDSON, HIT BY TAXI, DIES

BYLINE: THE ASSOCIATED PRESS
BODY:

A grandson of President Harry S Truman has died from head injuries sustained when he was knocked down by a taxi outside his mother's Manhattan home.

William Wallace Daniel, 41, was the son of Truman's only child, novelist Margaret Truman, and former New York Times managing editor Clifton Daniel, who died in February.

He was hit by a yellow cab on Park Avenue on Saturday and died on Monday at New York Hospital, his family said.

Daniel, the second of four brothers, was a psychiatric social worker at Columbia University. He was crossing Park Avenue at East 76th Street, a few feet from his mother's apartment building, when he was struck at 2:40 a.m. Saturday, according to a copy of the police report the Timesobtained from the family.

"In addition to his mother, Daniel is survived by three brothers, Clifton Truman Daniel, Harrison Gates Daniel and Thomas Washington Daniel.

LANGUAGE: English

LOAD-DATE: September 8, 2000

9-11-00
Betty had called me this morning - & got info from Library - Send to Cohen for reply?

Yes ✓

No ___

Cal

St. Louis Post-Dispatch

September 7, 2000, Thursday, ILLINOIS FIVE STAR EDITION

SECTION: METRO, Pg. B4

LENGTH: 215 words

HEADLINE: GRANDSON OF PRESIDENT TRUMAN DIES AFTER CAB HITS HIM IN NEW YORK; WILLIAM DANIEL, 41, WAS STRUCK WHILE CROSSING STREET NEAR HIS MOTHER'S HOME

BYLINE: The Associated Press

DATELINE: NEW YORK

BODY:

A grandson of President Harry Truman has died from head injuries suffered when he was knocked down by a taxi outside his mother's Manhattan home.

William Wallace Daniel, 41, was the son of Truman's only child, novelist Margaret Truman, and former New York Times managing editor Clifton Daniel.

The elder Daniel died in February. William Daniel was hit by a cab on Park Avenue on Saturday and died Monday at New York Hospital, his family said.

Mr. Daniel, the second of four brothers, was a psychiatric social worker at Columbia University. He was crossing Park Avenue at East 76th Street, a few feet from his mother's apartment building, when he was struck at 2:40 a.m. Saturday, according to a police report.

"He was just coming to spend the night, to sleep in his old bed," his oldest brother, Clifton Truman Daniel, told the Times. "We have no clue what happened."

The cabdriver, Mohamed Dawoud, 29, told police that Mr. Daniel was crossing against a traffic light, the report said.

A spokesman for the cab's owner, Kinky Cab Corp., refused to comment.

At the New York State Psychiatric Institute at Columbia University, Mr. Daniel was the head researcher for a study aimed at reducing risky sexual activity among mentally ill men in danger of HIV infection.

LANGUAGE: English

LOAD-DATE: September 7, 2000

The News and Observer (Raleigh, NC)

September 8, 2000 Friday,

FINAL EDITION

SECTION: OBIT;

Pg. B6

LENGTH: 443 words

HEADLINE: A Truman grandson, William Daniel, 41

SOURCE: NEW YORK TIMES

BODY:

NEW YORK -- A grandson of President Harry S. Truman died on Monday from injuries he suffered when a cab hit him on Park Avenue over the weekend, his family said. The accident is still under investigation.

The victim, William Wallace Daniel, 41, was the son of the novelist Margaret Truman, the only child of President Truman, and Clifton Daniel, a Zebulon native and the former managing editor of The New York Times, who died in February. The second of four brothers, Daniel was a psychiatric social worker at the N.Y. State Psychiatric Institute at Columbia University.

The police would not discuss the investigation, but Daniel's family provided a copy of the police report, which said Daniel was trying to cross Park Avenue at East 76th St. at 2:40 a.m. Saturday when the yellow cab struck him.

Daniel was hit just a few feet from the Park Avenue apartment building where his mother lived, said his oldest brother, Clifton Truman Daniel of Chicago, who flew to New York after the accident. "He was just coming to spend the night, to sleep in his old bed," he said. "We have no clue what happened. We don't know how fast the cabbie was driving or whether he was even speeding."

Daniel died Monday from a head injury at New York Hospital, family members and a spokeswoman for the hospital said. Besides his mother and older brother, he is survived by two other brothers, Harrison Gates Daniel of Manhattan and Thomas Washington Daniel of Starksboro, Vt.

The cab driver, Mohamed A. Dawoud, 29, of Manhattan, did not return telephone calls to his home Tuesday, but he told a police officer that Daniel was crossing against the light, according to the report. A spokesman for the cab's owner, Kinky Cab Corp., declined to comment.

Daniel's friends and colleagues recalled his good humor. "He was always the captain of everyone else's good time," said Mimi

Gaber, his girlfriend. "He was always arranging something or doing something spontaneous; the kind of guy who would hang glide across the Grand Canyon if someone challenged him."

At the psychiatric institute, Daniel was the coordinator and a chief researcher for a study aimed at reducing risky sexual behavior among mentally ill men at risk of HIV infection, said Dr. Ezra Susser, who is overseeing the study. Susser, who is chairman of epidemiology at the Mailman School of Public Health at Columbia, said Daniel's co-workers only just learned he was Truman's grandson.

"We had no idea who he was," Susser said. "He never told anyone. I guess he wanted to be known for his work, not his family background."

LANGUAGE: ENGLISH

LOAD-DATE: September 8, 2000

Pers. file

A SALUTE TO
Bruce Vento
a man for all seasons

THE [illegible] HAS SEEN
9-11-00

July 11, 2000

President William Jefferson Clinton
The White House
Washington, D.C. 20502

Dear President Clinton:

I would like to convey to you how deeply I was touched by your attendance at the dinner establishing the Bruce F. Vento Science Educator Scholarship Fund. Your ever so kind and gracious comments are deeply appreciated by me and by my family.

It was an evening to behold. Your participation transformed what otherwise would have been a very successful evening, into a spectacular and special event that will be remembered by all in attendance for years to come.

I am especially humbled, and appreciative, by your attributing Henry Adams thoughtful insight on the value of teaching to me. I must say, however, that you too, Mr. President, have taught our nation a great deal about the value of teaching by example; about compassion, commitment, sacrifice, grit and resilience; of vision and leadership. On behalf of a grateful nation let me thank you, and the First Lady for all you have given of yourselves over these past seven and a half years.

Finally, Mr. President, let me again thank you for all the kindness and friendship you have shown me. I am most appreciative.

Sincerely,

Bruce

Bruce F. Vento
Member of Congress

copied
Personal file
(original)
Podesta
Leg Affrs

Gala Offices ◆ 5910 Gloster Road ◆ Bethesda, MD 20816 ◆ 301.229.2046 ◆ fx: 301.229.8364

9-11-00

WILLIAM JEFFERSON CLINTON CULTURAL CAMPUS
ARKANSAS

P. O. BOX 1584
HOT SPRINGS
ARKANSAS 71902
501 / 624-1964
FAX 501 / 624-1974
EMAIL wjccc@ipa.net

August 23, 2000

Counsel's Office
(would OK the
letter) [illegible] of OA
w you — TB

Ms. Lynda Dixon
Executive Director and Liaison to the White House
DNC Arkansas Office of the President
111 Center Street, Suite 1500
Little Rock, Arkansas 72201

Hi Friend:

I want to hear al about your trip to L.A.—I bet you have some really good stories….I've enclosed a letter from a sculptor who has really p[illegible] together an amazing project---HUGE busts of all 42 presidents, that are displayed outdoors. His name is David Adickes, from Houston, and I recently met with him along with other folks here about placing this project in Hot Springs. His story was recently featured in People magazine and the project was originally slated to be installed at Williamsburg, Virginia. The busts are made of concrete and most are around 20-25 feet tall. Though the bust of President Clinton doesn't really capture him the right way, (my opinion), all of the others are historically accurate and incredible to see.

He is asking for a letter of support from the President, and I told him that I'd run his request "up the flagpole" to see if it could be done. I've enclosed two letters that he's already received, one from George Bush and the other from Gerald Ford. If possible, the WH can just forward to his home address. No problem if this can't be done!

9/11/00

After you have seen
we will send to
Cohen for reply.

Carol

Warm Regards,

Mark

Mark M. Johnston
Executive Director

copied
Counsels Ofc
Cohen (original)
Podesta

P.S. Reply Should Be
Coordinated w/ Counsel

9-11-00

WILLIAM JEFFERSON CLINTON CULTURAL CAMPUS
HOT SPRINGS ◆ ARKANSAS

P. O. BOX 1584
HOT SPRINGS
ARKANSAS 71902
501 / 624-1964
FAX: 501 / 624-1974
EMAIL: wjccc@ipa.net

August 23, 2000

Counsel's Office
(Wash OK to do
letter) ok w/ me &
w/ you — TB

Ms. Lynda Dixon
Executive Director and Liaison to the White House
DNC Arkansas Office of the President
111 Center Street, Suite 1500
Little Rock, Arkansas 72201

Hi Friend:

I want to hear al about your trip to L.A.—I bet you have some really good stories….I've enclosed a letter from a sculptor who has really put together an amazing project—HUGE busts of all 42 presidents, that are displayed outdoors. His name is David Adickes, from Houston, and I recently met with him along with other folks here about placing this project in Hot Springs. His story was recently featured in People magazine and the project was originally slated to be installed at Williamsburg, Virginia. The busts are made of concrete and most are around 20-25 feet tall. Though the bust of President Clinton doesn't really capture him the right way, (my opinion), all of the others are historically accurate and incredible to see.

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Hope to talk to you soon---

Warm Regards,

Mark.

Mark M. Johnston
Executive Director

copied
Counsel's Ofc
Cohen (original)
Podesta

FOR MARK JOHNSTON
CLINTON CULTURAL CAMPUS

Dear Mark,

Paul Boynton suggested you might be of help in obtaining a "to whom it may concern" letter from President Clinton expressing his belief that education of our young people is of paramount importance. I am enclosing this letter from Former presidents Ford and Bush for your records.

David Adickes
2409 Kingston
Houston, Texas 77019

GERALD R. FORD

July 10, 2000

To Whom It May Concern:

I write to endorse the Presidential Park Museum on the basis that it will be a most attractive vehicle for teaching all Americans, especially students about each of the U.S. Presidents.

Although I have not personally visited the studio of the sculptor, David Adickes, or seen first hand the six Presidential busts, I trust the good judgement of President George Bush who fully endorses the Presidents' Park in York County. President Bush and I strongly believe the "Presidents' Park will provide all visitors, but especially children, with a unique and interesting history lesson."

I would deeply appreciate affirmative consideration of the Presidents' Park proposal.

Gerald R. Ford

Since we met there has been progress on defining the educational aspect of Presidents Park. We will form a Sec 501 C-3 entity to be called "History of The Presidents Foundation" which will be housed at the park, rent free, to accept and teach scholarship students from ~~a...~~ across the country, sent by se[rv]ice clubs such as American Legion, VFW, Rotary Kiwanis, etc, very similar to the F[re]edoms Foundation of Valley Forge.

All best, David Adickes

GEORGE BUSH

May 19, 2000

To Whom It May Concern

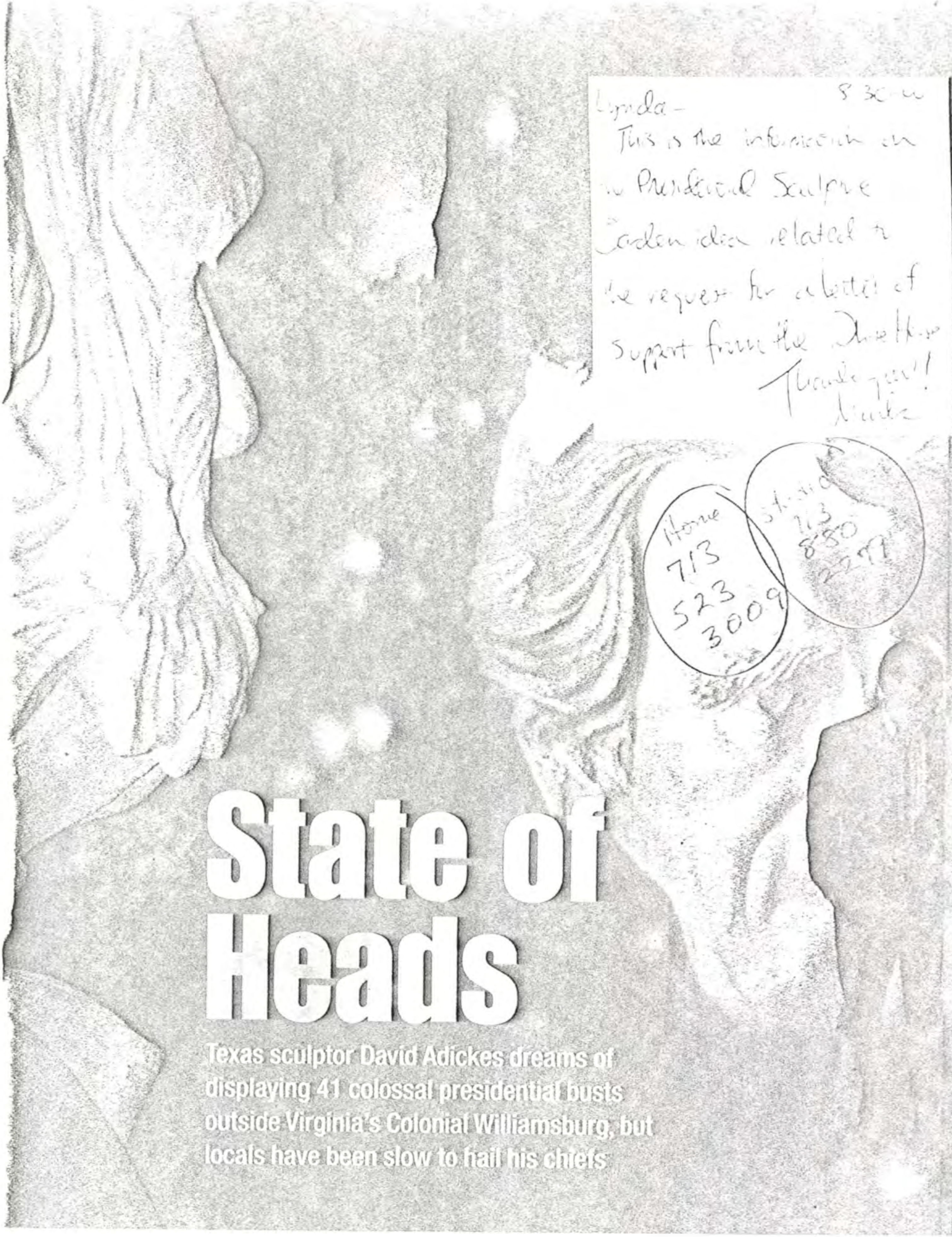
I am both a fan and a friend of David Adickes, whom I believe to be one of the most talented sculptors in our country today. Several years ago I visited his studio in downtown Houston and was overwhelmed when I saw the busts he was doing of all 42 American Presidents. I agreed with him that the project was not only artistically important, but also one of historical significance for our country. When completed, the Presidents Park will provide all visitors -- but especially children -- with a unique and interesting history lesson.

Houston and Texas have always felt blessed to count David as one of their citizens, especially since his work graces our city and state. I would hope that York County would feel fortunate to host the Presidents Park, perhaps David's best work ever. It will make an outstanding addition to what already is one of the most historic, educational, and interesting areas to visit in our great country. I think everyone involved will be quite pleased with the benefits the Presidents Park will bring the entire area.

Thank you for your time and attention.

With all best wishes,

P. O. BOX 79798 · HOUSTON, TEXAS 77279-9798
PHONE (713) 686-11[illegible] FAX (713) 683-0801



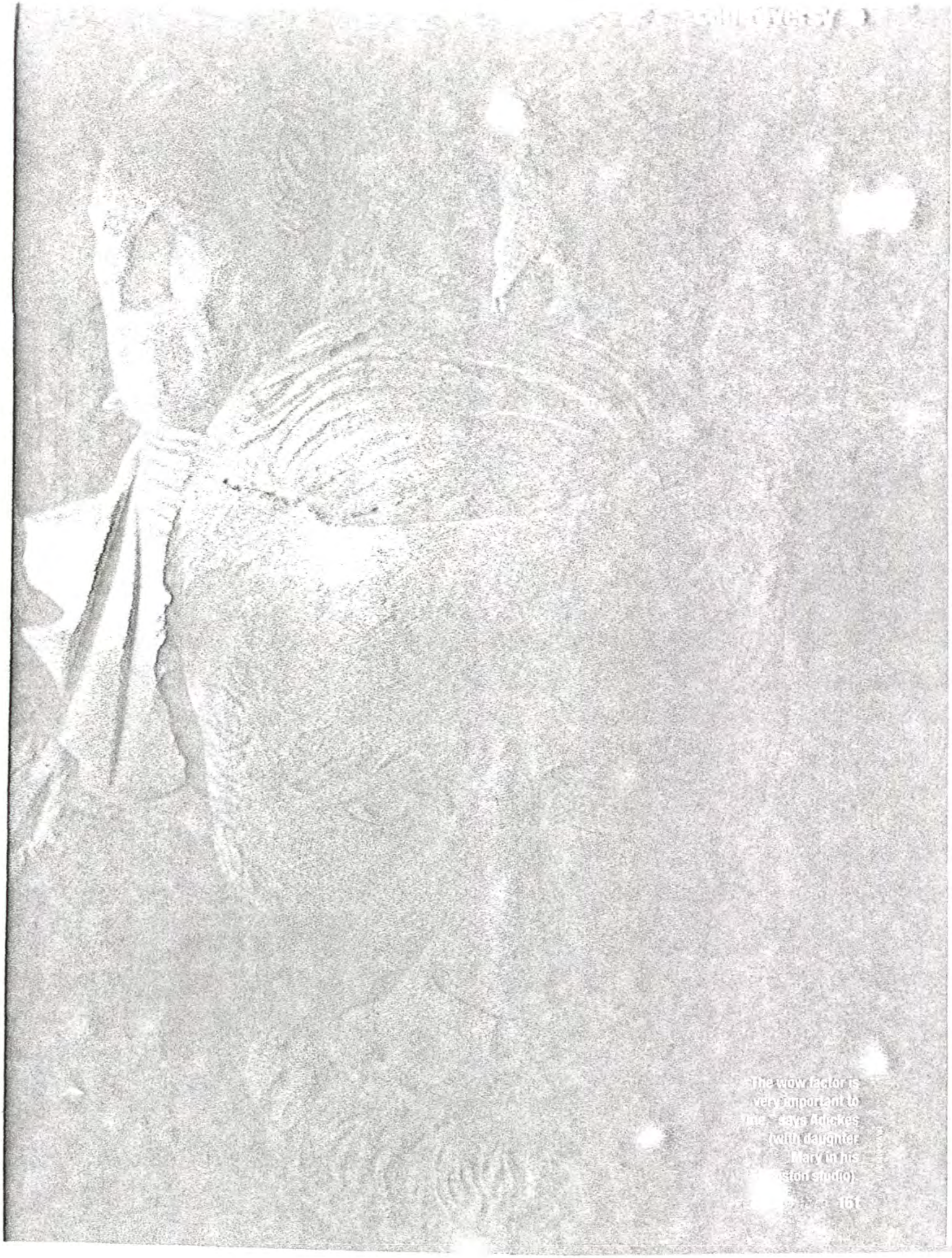
Lynda - 8:30 a
This is the information on the Presidential Sculpture Garden idea related to the request for a letter of support from the White House.
Thank you!
[illegible]

Home 713 523 3009

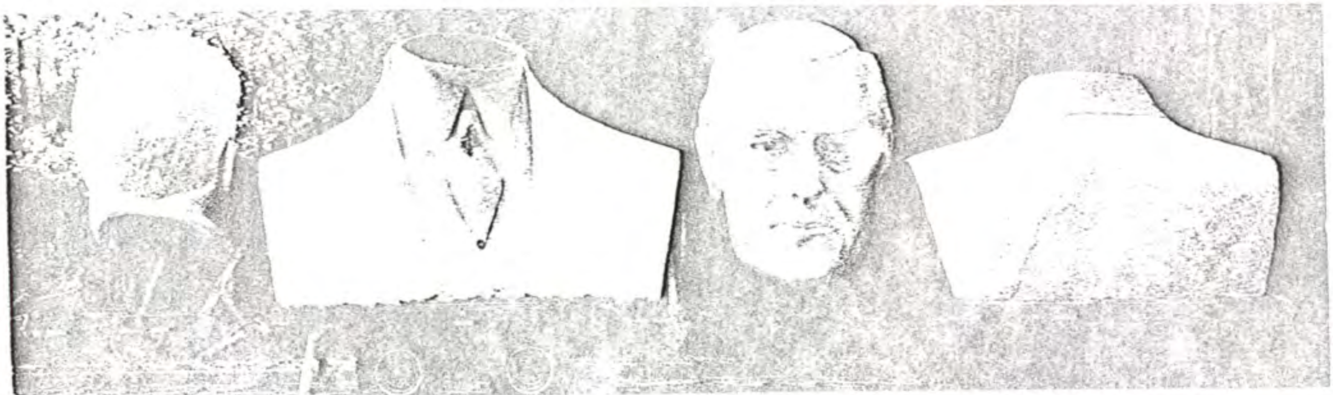
Studio 713 880 2277

State of Heads

Texas sculptor David Adickes dreams of displaying 41 colossal presidential busts outside Virginia's Colonial Williamsburg, but locals have been slow to hail his chiefs



"The wow factor is very important to me," says Adickes (with daughter Mary in his …ston studio).



Presidents Kennedy (left) and Wilson waited on a flatbed truck in Virginia for two months while Adickes tried to find them a home.

The majestic scale of Mount Rushmore's granite Presidents stunned David Adickes in 1994. Bugged him too. "You can't get close—you're about a quarter of a mile away," says the sculptor. Driving back from South Dakota's Black Hills to his home in Houston, he thought, "Wouldn't it be great to have Mount Rushmore on the ground, or at eye level, or in a garden?"

Colonial Williamsburg, said one bust-buster, "needs to be respected."

Sure, and while you're at it, why not lay Lady Liberty on her side and let kids slide down her nose? Even *that* concept probably wouldn't daunt the fearlessly grandiose Adickes, 73, known in Texas for Huntsville's 76-ft. Sam Houston statue. In 1995 Adickes set up shop in a derelict factory and, with more than $1 million of his own earnings, set to casting concrete busts—19 to 23 ft. tall, more than three tons each—of all 41 Presidents, from deep-furrowed Honest Abe ("If you can't do Lincoln, then go home") to the less distinctive Gerald Ford ("He doesn't have features you can grab hold of"). Looming over them would be a 92-ft.-tall George Washington, britches and all. "It's in my DNA to think big," says the twice-married Adickes, father of a daughter, Mary Van Pelt, 28, an employee of Manhattan's Museum of Modern Art.

Sometimes, though, it pays to think ahead. Working with Virginia real estate developer Everette Newman III, Adickes decided the ideal site for his busts would be 11 acres of greenery in York County, outside another historic tourist hub, Colonial Williamsburg.

Even before Adickes arrived in March with three trucks bearing six busts for an official look-see, his Presidents Park had locals firing verbal muskets. Williamsburg's *Daily Press* described the project as "P.T. Barnum meets Easter Island." County officials forbade Adickes to unload the busts, and a zoning administrator declared that what the artist envisioned as an admission-charging outdoor museum sounded like an amusement park, requiring special permits and hearings. "The FDR Memorial, the Jefferson Memorial—I don't believe *they* entertain you," a baffled Newman said. "They inspire you, educate you."

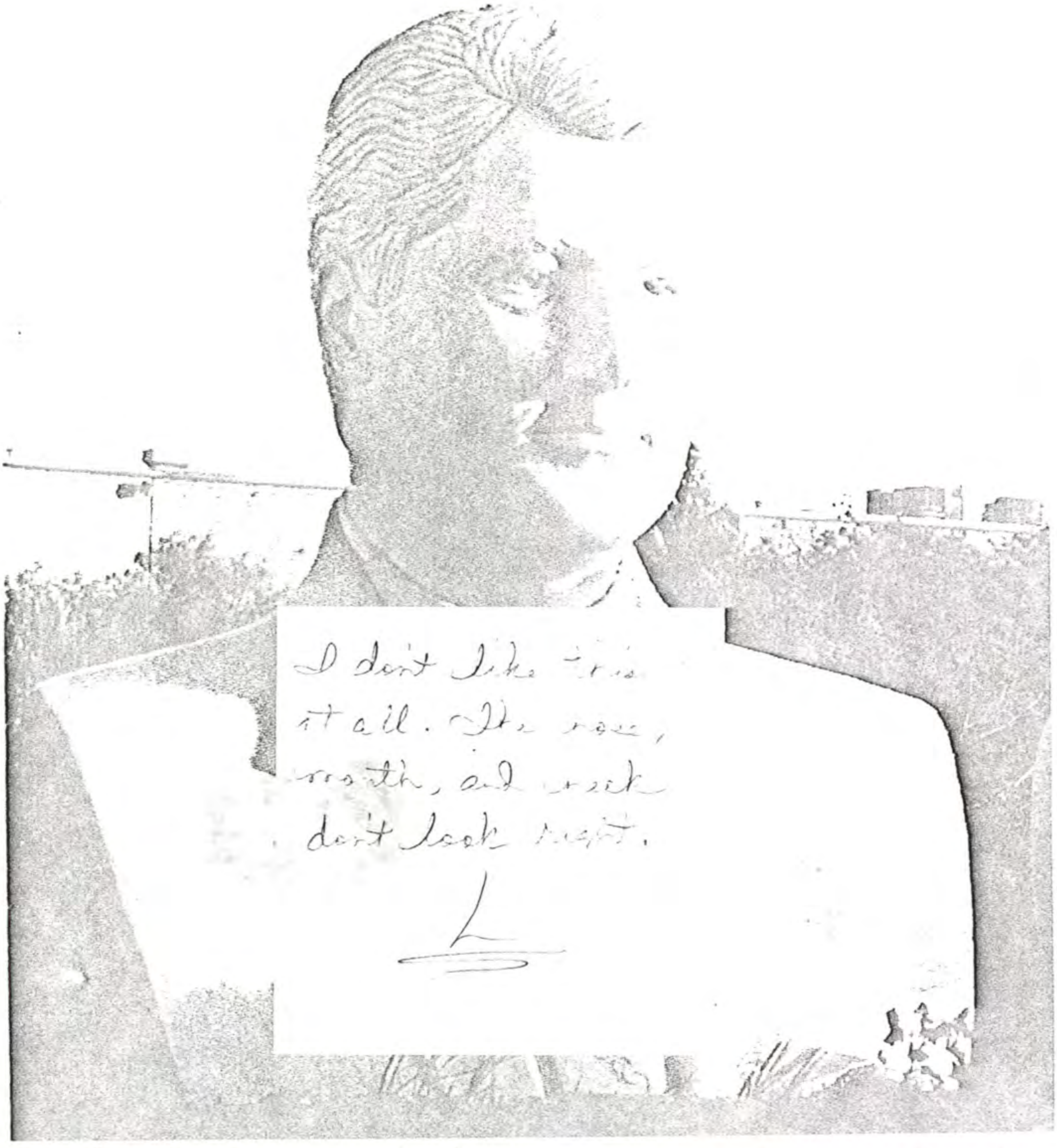
"It's been a long journey," says Adickes (perched on JFK with Ronald Reagan behind).

Still, the project may not be a bust after all. Opposition began to fade after Adickes agreed to drop Jumbo George, and on June 14 county planning commissioners recommended letting the project go forward (on condition, among other stipulations, that the heads don't rotate). The final hurdle will be a meeting of the board of supervisors scheduled for July 18. For now, Adickes's six chiefs, including Woodrow Wilson and Martin Van Buren, have a temporary home 40 miles away at the Norfolk Botanical Gardens, where, says spokeswoman Esther Knox, "we recognize that art is an individual taste." But things seem to be heading the sculptor's way. "I think they're going to have a home at last, poor guys," says Adickes.

• Tom Gliatto

• Margery Sellinger in Virginia

PRESIDENT BILL CLINTON



I don't like this
it all. The nose,
mouth, and neck
don't look right.
L

Note: The head comes off the bust for travel. When reassembled, part lines between

THE PRESIDENT HAS SEEN
9-11-00

September 10, 2000

'00 SEP 10 PM2:39

MEMORANDUM FOR THE PRESIDENT

FROM: LISEL LOY
ADAM ROSMAN

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **OMB Sequestration Update Report** – Jack forwards the FY01 report on the status of discretionary spending/limits; it estimates that congressional actions to date would result in significant sequesters of discretionary and mandatory programs if offsets are not enacted or the caps and pay-as-you-go scorecard not addressed. Jack submitted the same report to Congress yesterday, indicating we will work with them to avoid an unintended sequester. A final sequestration report will be issued after Congress adjourns.

(B) **Baily memo re: Deficit Reduction and Interest Rates** -- Martin reports that there has been some confusion among outsiders regarding the Administration's assumptions about the relationship between deficit reduction and interest rates, and that it is therefore important to distinguish between (1) the path of interest rates in the Administration's forecast, which assumes ongoing fiscal discipline that balances the budget by 2012; and (2) the likely +¾ to 1 percentage point increase in interest rates if fiscal discipline were abandoned.

(C) **Berger/Sperling memo re: Joint U.S.-Japan Report on Foreign Direct Investment (FDI) in Japan** -- Sandy and Gene forward a report issued by State and Japan's Ministry of International Trade and Industry, which notes that FDI has increased rapidly since 1997, encouraged by structural reforms by the Japanese government, strengthening our business presence in Japanese markets and reducing many barriers facing American companies there. The report concludes, however, that more work is required in the areas of shareholder governance, regulatory transparency, and corporate taxation.

(D) **Article re Global Warning** -- Roger forwards an a[rticle from the Harvard Business] *Review* entitled, "What Every Executive Needs to K[now] ... he says is "right on the Clinton message."

Tab C - cover memo - pg 1 + memo at Tab C

copied Berger, NSC wwdesk, Sperling, Podesta

Lincoln letter returned separately

Tab E original to D. Cohen, copied Leg. Affairs, Podesta

(E) **Congressional Correspondence (via Casstevens)** -- Kay forwards letters from (1) **Sen. Earnest Hollings (D-SC)**, thanking you for your expression of sympathy on his brother's death; (2) **Sen. Daniel Moynihan (D-NY)**, thanking you for awarding him the Medal of Freedom and for your remarks; (3) **Sen. Blance Lincoln (D-AR)**, informing you about the death of Jeff Helm, from Alexander, AR (we will draft an appropriate response for your signature); (4) **Rep. Jerry Costello (D-IL)**, wishing you a happy birthday; (5) **Rep. Benjamin Gilman (R-NY)**, thanking you for your good wishes during his recent stay in the hospital; and (6) **Rep. Bruce Vento** (D-MN), thanking you for attending the dinner for the Science Educator Scholarship Fund established in his name.

Items executed on your behalf:

(A) **Convention for the Unification of Certain Rules for International Carriage by Air (the Montreal Convention)** -- based on the joint recommendation of Chuck, Sandy and Gene, we transmitted the Air Carriage Convention to the Senate for ratification; it is the culmination of over 4 decades of work by the U.S. and other countries to consolidate and modernize the patchwork of international agreements governing air carrier liability. The Convention removes the cap on carrier liability to accident victims; imposes strict liability on carriers for the first 100,000 SDR (Special Drawing Rights – a basket of currencies developed by the IMP); provides for U.S. jurisdiction for most claims brought on behalf of U.S. passengers; and preserves the benefits in modernization achieved for air carriers in earlier agreements. The Convention has broad support from groups representing families of aircraft accident victims, carriers, manufacturers, and lawyers specializing in aviation accidents.

(B) **Letter to Senators Byrd and Stevens and Representatives Obey and Young re: National impaired driving standard of .08 blood alcohol content (BAC)** – while you were in New York, we sent a letter conveying your strong support for a provision in the FY 01 Transportation Appropriations bill that would set a national impaired driving standard at .08 BAC. Among other things, the letter noted that over 15,700 Americans lose their lives each year in alcohol-related crashes, and that studies have shown that a nationwide limit of .08 BAC could save an estimated 500 lives a year.

THE PRESIDENT HAS SEEN 4695
9-11-00
'00 SEP 5 P5:16

THE WHITE HOUSE

WASHINGTON

September 5, 2000

Copied
Berger
NSC wndesk
Sperling
Podesta

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
GENE SPERLING

SUBJECT: Joint U.S.-Japan Report on Foreign Direct Investment in Japan

The Department of State and Japan's Ministry of International Trade and Industry have issued the attached report on foreign direct investment (FDI) in Japan.

The report notes that FDI in Japan has increased rapidly since 1997, encouraged by structural reforms from the Japanese government. This jump in FDI has strengthened America's business presence in Japanese markets and, according to separate comments by the American Chamber of Commerce in Japan, has reduced many barriers facing American companies there. The report concludes, however, that more work is required to solidify these gains, especially in the areas of shareholder governance, regulatory transparency, and corporate taxation.

Attachment
Tab A Report: "Investment-in-Japan Symposium 2000"

cc: Vice President
Chief of Staff

July 17, 2000

Report to the President of the United States and Prime Minister of Japan On the Discussions and Recommendations of the "Investment-in-Japan Symposium 2000"

Dear Sirs:

Since the May 1999 "Report of the Working Group on Investment and Buyer-Supplier Relationships, Under the Framework for a New Economic Partnership," there has been an encouraging upward trend in foreign direct investment in Japan. Foreign direct investment plays an increasingly significant role in stimulating Japan's economy, contributing to job creation and promoting structural reforms and imports of foreign goods and services. The dramatic growth in inward investment is an indicator of the progress the Government of Japan has made to date in improving the investment climate for foreign business.

In March 2000, the Department of State, the Ministry of International Trade and Industry and the Japan External Trade Organization co-hosted the "Investment-in-Japan Symposium 2000." Japanese and American representatives from business, academia, and government participated in the symposium, and discussed measures to improve the investment environment in Japan, focusing in particular on the promotion of mergers and acquisitions (M&A). The symposium highlighted the importance of foreign direct investment in Japan and provided a unique opportunity for the private and governmental sectors to exchange views.

The Department of State and the Ministry of International Trade and Industry have prepared the attached summary of the views and recommendations made by Japanese and American private sector representatives at the symposium. They praised the economic structural reforms undertaken by the Government of Japan, which have improved Japan's investment environment, and pointed out the need to continue these efforts and undertake some further measures. In addition, reference also was made to the private sector's responsibility to implement some changes on its own, especially in the area of corporate governance.

The results of the symposium have been reported to the Working Group on Investment and Buyer-Supplier Relationships, as reference material for discussion.

The Department of State and the Ministry of International Trade and Industry believe it important that the leaders of the United States and Japan be informed of our private sector's perspectives on Japan's progress in enhancing its investment climate. To this end, we submit the attached report.

Signed,

Alan Larson

Alan P. Larson
Under Secretary for Economic, Business and Agricultural Affairs
Department of State

H. Arai

Hisamitsu Arai
Vice-Minister for International Affairs
Ministry of International Trade and Industry

Improving Japan's Investment Climate – The Views of U.S. and Japanese Business
A Summary Report to the President and Prime Minister from
The U.S. Dept. of State and the Japanese Ministry of International Trade and Industry

The U.S. Department of State and the Japanese Ministry of International Trade and Industry (MITI) today released a summary report they jointly submitted to the President and Prime Minister regarding the environment for foreign direct investment (FDI) in Japan. The document presented the views of U.S. and Japanese business leaders, who applauded the successful legislative and regulatory changes recently undertaken in Japan but called for further measures to improve Japan's climate for foreign investment. The U.S. business community, in particular, sees an increased U.S. presence in Japan as a necessary platform for boosting the sales of U.S. goods and services to the Japanese market.

More than thirty U.S. and Japanese business leaders and government representatives made the suggestions in Tokyo at a March conference jointly sponsored by the State Department and MITI entitled "Investment-in-Japan Symposium 2000." The business leaders from both countries were virtually unanimous in their calls for Japan to implement greater regulatory transparency, better corporate governance and accountability to shareholders, the liberalization of professional services, and a comprehensive review of tax policies, including the need for a newly-negotiated U.S.-Japan Tax Treaty. More than five hundred people attended the conference, co-sponsored by the American Chamber of Commerce in Japan and the Japan External Trade Organization.

Foreign direct investment in Japan has grown very rapidly in the last three years, mostly owing to the "Big Bang" reforms in financial regulations, improvements in the climate for mergers and acquisition (M&A) and changing Japanese attitudes toward the presence of foreign firms. FDI in Japanese fiscal year 1998 was double that of JFY 1997, and JFY 1999 saw another 79% growth. Despite this increase, Japan experiences levels of foreign investment among the lowest of developed economies.

The governments of both the United States and Japan recognize that more efficiently-functioning capital, land and labor markets for domestic and foreign firms will be critical to fostering sustained economic recovery in Japan – a necessary precondition for spurring growth of Japanese imports of foreign goods. In his opening remarks for the conference, U.S. Ambassador to Japan Thomas S. Foley noted, "In the global economy, there is neither foreign investment, nor domestic investment – there is only investment. The challenges facing a Japanese firm trying to restructure are the same ones confronting foreign firms trying to invest."

Business leaders speaking at the conference made more than twenty specific proposals for change, which are enumerated in the jointly drafted summary for the President and Prime Minister and spelled out in more detail in an annex reporting the symposium's findings. They also praised significant improvements over the last year in Japan's laws and regulations regarding bankruptcy, accounting, corporate restructuring and labor mobility, which are now facilitating an unprecedented restructuring of the Japanese economy.

"Investment-in-Japan Symposium 2000"
A Report of Conference Discussions and Recommendations

Table of Contents

"Investment-in-Japan Symposium 2000"
A Report of Conference Discussions and Recommendations

Executive Summary of Symposium Findings

Symposium Reflects a New Era for Investment in Japan

On March 1, 2000, the Ministry of International Trade and Industry of Japan, the U.S. Department of State and the Japan External Trade Organization jointly hosted the "Investment-in-Japan Symposium 2000," in Tokyo. The symposium brought together more than 30 leading experts on investment and business from the corporate, academic and government sectors of both countries.

Before an audience of approximately five hundred people, these experts discussed in detail Japan's current investment climate, including the many significant and effective measures Japan has undertaken in recent years to improve its investment climate for both domestic and foreign firms. The business and academic leaders, Japanese and American, also respectfully presented suggestions for further measures which the Japanese Government and business community could undertake to make Japan even more attractive to foreign and domestic investors. Observers were struck by the convergence of views between the American and Japanese business communities, regarding which measures were most needed. As one of the hosts remarked, "In the global economy, there is neither foreign investment, nor domestic investment -- there is only investment. The challenges facing a Japanese firm trying to restructure are the same ones confronting foreign firms trying to invest."

Representing positive and productive cooperation between the governments and business communities of both countries, the symposium was held at a time of real excitement in foreign and domestic business circles about an unprecedented boom in foreign direct investment (FDI) in Japan. As measured by the Ministry of Finance, FDI in JFY 1998 topped 1.34 trillion yen (approximately US$10.4 billion), double the figure in JFY 1997. And in JFY 1999, as published after the symposium, FDI hit 2.39 trillion yen, 79% more than JFY 1998 in yen terms. In JFY 1998, the growth of FDI was outstanding in the finance/insurance sector, where investment jumped 2.8 times higher than 1997, thanks in part to the "Big Bang" financial reforms. In JFY 1999, although investment inflows in the financial service/insurance sector maintained their high level, *growth* of FDI was strongest in the telecommunications and machinery sectors.

The keynote speakers and the panelists made clear that Japan is entering a new era of significant change, and as FDI and mergers and acquisitions (M&A) are undertaken, "we are all setting precedent as we go along." Continued growth in FDI will be good for Japan as well as its foreign partners. As one of the hosts remarked, the level of Japan's corporate work force employed by foreign-invested firms is only one-eighth the level in the U.S. A good portion of Japan's current 4.7% unemployment could be eliminated just by raising employment by foreign firms in Japan to levels approaching those in the U.S. or other OECD countries, he said.

Symposium Panelists Applaud Japan's Recent Improvements to Investment Climate

Panelists gave much credit for the growth in investment in-flows to regulatory reforms the Government of Japan has carried out in the last few years. Universally praised by both Japanese and American business people were legislative or regulatory changes made in recent years which revised corporate accounting, changed bankruptcy proceedings to focus on reconstructing companies rather than liquidating them, made it possible to undertake mergers and acquisitions through exchanges of shares, facilitated corporate divestitures ('spin-offs') and introduced significant flexibility into labor regulations and labor dispute settlement.

Specifically, panelists praised progress in the following areas:

Accounting: Reform to Japan's accounting system was widely praised, including the introduction (for listed firms) of consolidated and tax-effect accounting in JFY1999, and new disclosure rules and market-value accounting of financial instruments and land holdings in JFY2000. These changes greatly enhance transparency and bring Japan's accounting system closer to international standards.

Bankruptcy Law: Also highly praised was the new Civil Reconstruction Bill, which the Diet passed in December 1999. The law has aspects similar to U.S. Chapter 11, with a new focus during bankruptcy proceedings on reconstructing companies, rather than liquidation of assets, as in the past. Ministry of Justice plans to implement it beginning JFY2000 (note: the law came into effect on April 1, 2000). The law is seen as a very positive step in promoting corporate reconstruction. One of the keynote speakers noted these positive changes in Japan's bankruptcy law will promote creative reconstruction of firms, thus benefiting the enterprise, its employees and its investors.

Legislative Reforms: In August 1999 the Diet passed a major revision to the Commercial Code which now allows exchanges of shares between companies for M&A, and the provision of st options schemes for employees of companies listed in Japan. The new Industrial Revitaliza Law, also passed in August 1999, reduced required processing time and registration taxes when spinning-off companies and subsidiaries. A system for splitting companies (including corporate divestiture), which will newly allow two different types of corporate divisions, will be introduced through revising the Commercial Code (note: this bill was enacted in May 2000).

Labor: Japanese and American human resources experts complimented the Government of Japan for positive revisions to several important labor laws, and noted that the proposed legislation to allow for portable pensions, which was submitted to the Diet in March 2000, would help to increase labor mobility, while protecting employees' hard-earned pensions.

In 1999, the Diet passed revisions to the:

- Labor Standards Law, which allow more flexible overtime and work time, provide for the Prefectural Labor Offices to mediate labor disputes rather than courts, and allow temporary employment contracts for some jobs to be extended to three years rather than the previous one year.

- Dispatching Workers Law, which significantly expand the list of jobs to which temporary workers can be assigned. A new "negative list" excludes only a few job categories, such as construction, stevedoring, medical and security services.

- Employment Security Law, which loosen previously tight regulations for private fee-charging employment agencies and allow job placement agencies ('headhunters') and labor dispatching ('temp') agencies to combine their services within one company.

Land: After the collapse of the economic bubble, the fall in the price of land and the structural changes in the real estate market have led to an improvement in the investment environment in Japan. The following measures have already been taken: revision of the land lease and house lease system, and the introduction of the Special Purpose Corporation (SPC) law, allowing for the securitization of real estate assets.

Panelists Recommended Measures to Ensure Further Progress

A growing sense exists of the potential for economic growth and recovery, if further changes are implemented. Panelists and keynote speakers pointed out that, despite dramatic increases in foreign direct investment, Japan has the lowest level of FDI of all the major OECD countries, as a percentage of GDP. Speakers noted that improving Japan's investment climate – whether for domestic or foreign firms -- would help Japan stimulate its economy, re-organize its corporations and provide increased employment, at a time when Japan needs to do all those things.

Seeking to build upon the major progress already achieved by the Government of Japan, the panelists shared their recommendations regarding further changes to Japan's legislative, regulatory and tax systems which would facilitate both Japanese and foreign firms' investment in Japan. They also recognized the importance of the private sector's initiatives to improve corporate governance.

Changes suggested Japanese and American speakers included:

M&A-related Issues

1. Improving Japan's Corporate Governance Environment – Increasing the transparency and accountability to shareholders of Japan's corporate management, by:

- Encouraging (and perhaps mandating for listed companies) independent boards of directors (including outside directors);

- Reducing cross-shareholding between companies through strict implementation of new accounting changes and tax relief for appropriate divestiture of cross-held shares.

- Tightening the Government of Japan's auditing of securities disclosure statements.

- Further improving Japan's corporate accounting system to enhance corporate disclosure, including improvement of disclosure in English.

2. **Further improving the corporate legal system, by:**

- Removing the legal and tax barriers which prevent foreign companies from using exchanges or transfers of shares (stock swaps), using the corporate divestiture system and providing stock options to employees.

- Introducing a cash-merger system to compel sell-offs by minority shareholders.

3. **Addressing tax issues, by:**

- Implementing consolidated taxation quickly, to facilitate flexible reorganization of companies.

- Removing the legal and tax barriers which cause unavoidable double-taxation of U.S. ci[illegible] employees' 401(k)-type pension plans.

- Negotiating a new United States-Japan Income Tax Treaty, and reviewing transfer-price taxation.

- Reconsidering local enterprise tax on loss-making companies , which obstruct the recovery of the Japanese economy.

4. **Enriching M&A-related services, by:**

- Enhancing the quality, as well as increasing the number of foreign and Japanese la[illegible] accountants, human resources experts, actuaries, investment bankers and other professio[illegible] service providers.

- Allowing partnerships between foreign lawyers (*gaikoku-hojimu-bengoshi*) and Japanese lawyers.

5. **Increasing Japan's Regulatory Transparency – Clarifying laws and regulations and reducing bureaucratic discretion in their interpretation and implementation, by:**

- Introducing "no-action" letters to provide in advance clear, authoritative and written government answers to firm's inquiries.

- Extending the newly-adopted public comment period from the current 30 days to perhaps 60 days, to allow for translation and analysis of complex Japanese-language legislation.

- Implementing Japan's Freedom of Information Act.

Labor-related Issues

- Implementing quickly portable pensions and defined contribution pension schemes, while providing to employees a range of investment vehicles and sound, ethical investment advice.
- Improving skills and training (including English-language education) for Japanese workers.
- Extending the time limit on all white-collar employee contracts to three years.
- Improving the labor dispute mechanism.
- Reviewing provisions of the worker dispatching law.
- Enhancing social resources, to enrich worker's quality of life.

Land-related Issues

- Encouraging the land and real estate market by improving securitization of land and real estate through improving the SPC law and the Japanese REIT system.

07/18/00
10:11 AM

"Investment-in-Japan Symposium 2000"
A Report of Conference Discussions and Recommendations
Annexes 1 and 2

Annex 1

Participants in the Investment-in-Japan Symposium 2000

Opening Addresses by Sponsors

Mr. Hiroyuki Hosoda, Senior State Secretary, Minister of International Trade and Industry
Ambassador Thomas S. Foley, United States Ambassador to Japan
Mr. Noboru Hatakeyama, Chairman & CEO, JETRO

Keynote Speakers

Mr. Dennis D. Dammerman, Chairman & CEO, GE Capital Services
Mr. Shigeji Ueshima, President and CEO, Mitsui & Co., Ltd.

Moderator: **Prof. Haruo Shimada**, Keio University (Chairman, The Expert Committee of the Japan Investment Council)

Luncheon Host: **Mr. Robert F. Grondine**, President, American Chamber of Commerce Japan & Partner, White & Case LLP, Tokyo

Japanese Business/Academic Representatives

Prof. Tokunosuke Hasegawa, Dept. of Real Estate Science, Meikai University
Mr. Yoichi Kuze, Partner In-Charge, KPMG Corporate Finance
Mr. Kiyoharu Matsuura, Director General, Japan Trade Union Confederation (Rengo)
Mr. Masayoshi Morimoto, Senior Executive Vice President, Sony Corporation
Mr. Hiroshi Ono, Managing Director, Manpower Japan
& Chairman of the Temporary Work Services Association of Japan
Prof. Takaaki Wakasugi, University of Tokyo Graduate School of Economics & Co-Director of Mitsui Life Financial Research Center, Univ. of Michigan Business School
Mr. Masamoto Yashiro, Representative of New LTCB Partners
Mr. Masaaki Yoshida, Chairman and CEO, RECOF Group

United States Business Representatives

Ms. Sakie T. Fukushima, Managing Director, Korn/Ferry International, Japan
Mr. Robert F. Grondine, Partner, White & Case LLP, Tokyo, & President of ACCJ
Mr. Sonny Kalsi, Vice President, Morgan Stanley Dean Witter Japan
Mr. Leo Lawless, President, B. Cube Ltd. & Chairperson, ACCJ Human Resource Management Committee
Ms. Kathy Matsui, Managing Director and Chief Strategist, Goldman Sachs Japan, Ltd.
Mr. Thierry Porte, President, Morgan Stanley Dean Witter Japan, Ltd.
Mr. Gary M. Thomas, Executive Partner, White & Case LLP, Tokyo
& Chairman, ACCJ Taxation and Legislation Committee

Japanese Government Representatives

Ministry of International Trade and Industry

Mr. Yoshiake Umemura, Deputy Director General, Minister's Secretariat

Ministry of Finance

Mr. Tadashi Iwashita, Senior Deputy Director General, International Bureau
Mr. Toshio Kobayashi, Director, International Finance Division, International Bureau
Mr. Yoshiake Shinhara, Controller of the Tokyo Stock Exchange, Financial Planning Bureau

Ministry of Justice

Mr. Nobuyuki Koike, Deputy Director General, Minister's Secretariat

Ministry of Labor

Mr. Isao Aoki, Vice Director General for Employment

Ministry of Health and Welfare

Mr. Naohito Takahashi, Director, Office of Corporate Pensions, Pension Bureau

Annex 2
Detailed Proceedings of Investment-in-Japan Symposium 2000

I. Overview

A New Era for Investment in Japan…

The March 1 Symposium on Foreign Direct Investment and Mergers and Acquisitions in Japan was held at a time of real excitement in foreign and domestic business circles about recent changes to Japan's investment environment. Additionally, a growing sense exists of the potential for economic growth and recovery, if further changes are implemented. Participants in the symposium cited statistics showing that foreign direct investment to Japan had nearly doubled in Japanese fiscal year 1998 to Yen 1.34 trillion (US$ 10.4 billion) and that preliminary figures for 1999 indicated another likely doubling. (Statistics released after the conference indicated that in JFY 1999 FDI hit 2.39 trillion yen, 79% more than JFY 1998 in yen terms.)

President and CEO Shigeji Ueshima of Mitsui & Co. noted that recent, unprecedented cases of corporate mergers and acquisitions (M&A) had driven home the realization to both Japanese and foreign business people that Japan has "entered a new era," with the pace speeding up even since August of 1999. Ueshima cited the takeovers of Nissan and the Long Term Credit Bank of Japan (LTCB) by foreign companies, and the mergers of several major Japanese banks, as proof of really new and significant change. Ueshima also made the point that in the new environment, ideas are as important as money: NASDAQ will be opening in Japan in June this year, with only about 50% of its total capital invested from the U.S. (only about Y 300 million/ US$ 2.86 million). But the NASDAQ venture, if successful, will represent a new force for change in Japan's entire business and industrial paradigms.

Thierry Porte, President of Morgan Stanley Dean Witter Japan, remarked that Japan was undergoing an "enormous amount" of positive structural change compared to other industrialized countries, citing bankruptcy reforms, improvements in disclosure, the debate on corporate governance, creation of the 'Mothers' and NASDAQ Japan exchanges, and stock-for-stock swaps. All of this was making Japan a more attractive environment for both domestic and foreign investment.

MITI Senior State Secretary Hiroyuki Hosoda commented that the trend of ten years ago – with Japan investing heavily in the U.S. – was now being reversed because people saw excellent opportunities in Japan. Hosoda pledged that the Government of Japan (GOJ) would do its best to facilitate foreign investment. He welcomed U.S. investment as a means to boost mutual economic development and strengthen our relationship. Pointing out that the U.S. and Japan had the world's two largest economies, Hosoda remarked that the occasional trade frictions reported in the mass media are like "thorns in the feet of elephants" – irritants which ultimately do not threaten an important and complex bilateral relationship.

According to Noburo Hatakeyama, Chairman and CEO of JETRO, the Government of Japan was working to accelerate the investment trend, not because of foreign pressure, but because of its effect on employment. Mr. Hatakeyama noted that 4.8% of the U.S. corporate work force was employed by foreign-invested firms, compared to only 0.6% of Japan's corporate workforce. A good portion of Japan's current 4.7% unemployment could be eliminated just by raising employment by foreign firms in Japan to levels approaching those in the U.S. or other OECD countries, he said.

The new business environment was reflected in changes in attitude not only of management, but labor as well. Vice Director General for Employment Isao Aoki of the Ministry of Labor (MOL) reported that nowadays in Japan one out of five workers is a part-time or temporary employee, far more than in the past. And when new hires are surveyed, half say they have no intention of staying with one company their entire career – a huge shift from the past. Even the representative of the Japanese Trade Union Confederation (Rengo), Director General Kiyoharu Matsuura, stated that labor unions accept the need to cope with competitive pressures brought by globalization, and even welcomed more flexible labor mobility -- if society can ensure that workers' legitimate interests are protected.

GE Capital CEO Dennis Dammerman, whose company has invested some US$15 billion in Japan, said in his keynote speech at the Symposium that GE Capital was learning how to do mergers and acquisitions "deal by deal, sector by sector," in Japan's new environment. Mr. Dammerman noted that the GOJ –"including the regulators, the Diet, the courts and their appointed trustees" -- has been very helpful to GE's attempts to invest in Japan, even in the face of occasional industry resistance. Reform-oriented regulations have been enacted with increasing speed and real restructuring of firms is taking place: Mr. Dammerman cited GE's just-completed take-over and rescue of Toho Life Insurance -- reportedly the first transaction completed under the revisions of the Insurance Business Law which created a framework to rehabilitate failed life insurance companies.

It has proven difficult for Japanese companies to consider selling off unproductive assets, which was a problem not just for foreign firms but for investment by other Japanese companies as well. GE recognizes that there will be ups and down during this learning process. Nevertheless, "for size and potential, there are no greater opportunities than here in Japan."

...But We Should Not Become Complacent

Despite the apparent magnitude and positive effects of recent social, financial and legislative change, panelists warned against becoming complacent. American Chamber of Commerce in Japan (ACCJ) President Robert Grondine (a partner of White and Case LLP) recalled that in 1984, after a takeover of a large Japanese pharmaceutical concern by a foreign investor, everybody thought that M&A activity in Japan had "become possible," but then it died out. He urged domestic and foreign business to "keep pushing forward;" Japan needs more "practical steps for real transactions, not theoretical advances," he added.

Mr. Porte also cautioned that virtually all M&A activity in Japan so far has involved takeovers of distressed companies. "But Japan won't see FDI and M&A activity similar to that in the U.S.

and Europe until strategic concerns drive this activity. When we see a great Japanese listed company and a great U.S. listed company merge, with a board comprised of both Japanese and American executives, and external directors as well, we will have achieved real M&A. Then we'll declare victory!" This comment drew much applause from the audience.

Change, Deregulation and Risk -- "Moving Faster Might be Less Risky than Doing Nothing"

Panelists – and several members of the audience, during question periods – also voiced concerns that the drive by the Government of Japan for economic reform and deregulation seemed to be facing increased opposition. Several of the panelists, both Japanese and American, highlighted the need to take significant risk to be successful, whether in business or policy-making, as well as the right of the persons taking the risks (i.e., shareholders) to share in decision-making and profits.

In response to a question from the audience about the Government of Japan's commitment to further deregulation, Ministry of International Trade and Industry (MITI) Deputy Director General Yoshiaki Umemura commented that the government remains committed to deregulation and reform, with the objective of making Japan a highly attractive place to do business. Japanese corporate behavior, he added, must become globalized and deregulation always requires some pain but should not be stopped.

University of Tokyo Professor Takaaki Wakasugi, however, voiced concern over what he described as the Japanese government's "current backsliding" on its commitment to economic reform and deregulation. ACCJ President Grondine noted that vested interests will always resist reform – a phenomenon seen in the U.S., as well. Grondine acknowledged that change entails risk, but the world is moving rapidly and "doing nothing is also a policy decision which is risky, maybe the riskiest policy decision. In fact, moving faster might be less risky than doing nothing." Grondine expressed his hope that his friends in the Japanese Government and Diet could analyze relative risks and seize current opportunities, with a view to where Japan n[illegible] be 10 or 20 years from now.

II. Current Trends of FDI and M&A Activity

Foreign Direct Investment (FDI)

Virtually all of the panelists mentioned the tremendous growth over the last two years in inflows of foreign direct investment to Japan. JETRO Chairman Hatak[illegible]erview of statistical trends. As measured by the Ministry of Finance, FDI i[illegible]illion yen (approximately US$10.4 billion), double the figure in 1997. And in [illegible] of JFY 1999 (April-September) FDI hit 1.33 trillion yen, almost the amount of [illegible] 1998, and 126% over the same period of 1998. Much of that growth was in the finance/insurance sector, where investment jumped 2.7 times higher in 1998 than 1997, th[illegible] the "Big Bang" financial reforms, said Hatakeyama. (As noted above, statistics released after the conference showed FDI in JFY 1999 hit 2.39 trillion yen, up 79%. In JFY 1999, although investment inflows in the financial service/insurance sector maintained their high level, *growth* of FDI was strongest in the telecommunications and machinery sectors.)

Mitsui President Ueshima attributed this dramatic growth in FDI to three main factors: significant progress of deregulation of the Japanese economy, particularly in the second half of the 1990's ("the sectors attracting investment are the deregulated ones"); the globalization of Japan's economy; and, "revolutionary changes" brought about by information technology.

Mergers and Acquisitions (M&A)

The vast majority of foreign direct investment into Japan is in the form of foreign companies' mergers with and acquisition of Japanese firms, rather than the creation of brand-new companies. RECOF Group Chairman and CEO Masaaki Yoshida remarked on the massive upswing in the last three years in the number of M&A cases in Japan wherein foreign firms acquired interests in Japanese companies. In 1997 only 5I such cases occurred; in 1999, almost triple the number with 129. In 1998-99, American companies accounted for 55% of the M&A involving foreign firms.

Yoshida analyzed Japan's M&A activity over the last decade as progressing in four distinct phases:

1987-91 – The "Bubble Economy" -- 60 % of M&A activity was Japanese companies acquiring overseas property to utilize overliquidity in Japanese economy. Virtually all of the remainder was M&A between Japanese firms.

1991-93 – M&A activity declined dramatically from peak in 1990; by 1993 M&A deals were reduced to 397 cases, about half of 1990.

1994-97 – Activity began to increase again; by 1997, number of cases hit level of 1990. With new reforms, unlisted companies began to take initiative, accounting for 60% of M&A.

1997-99 – Because of further regulatory reform, number of foreign firms acquiring stakes in Japanese firms rises dramatically. 1999 saw record-breaking activity, with about 1,170 cases. Despite the unprecedented 129 foreign cases, M&A between Japanese firms still accounted for the lion's share with 61%.

III. Recommendations for Further Measures to Improve the Investment Environment

Mr. Dammerman observed that everyone, "including GE, its Japanese partners and the regulators," is basically a newcomer to this changed environment, and "we are all setting precedent as we go along." Japan's laws sometimes unintentionally hinder investment as many were written before this foreign investment activity started and never anticipated FDI. The Ministry of Justice Deputy Director General Noboyuki Koike mentioned that Japan's Commercial Code, which had been modeled on Germany's, celebrated its one hundredth anniversary in 1999. The Code has always been focused on reconstruction and protecting the creditors of companies (rather than the shareholders), said Koike, and has undergone change in almost every year since 1990. He noted that in 1997, the Code was revised to simplify mergers and lift the ban on holding companies.

Nevertheless, Mr. Dammerman and the other industry participants, both Japanese and American, were in broad agreement about the need for further changes. While lauding Government efforts to date to improve the investment climate, panelists provided many specific recommendations for further legal, regulatory or taxation measures which would benefit both domestic and foreign investors. Some of these changes are perceived to be urgently needed to facilitate the wide-ranging restructuring of the Japanese economy necessary for economic revitalization. Government panelists discussed these measures, often indicating that the government was reviewing these ideas but had not yet decided on the appropriate course of action.

By far the most frequently recommended changes were in the realm of improving Japan's **corporate governance**: transparent company management and responsiveness to shareholders' interests were seen as the prerequisite for improving companies' profits and assisting in their re-organization.

Panelists, including Mr. Dammerman, also called for changes from the Government of Japan itself in how it communicates with and regulates the public and corporations – essentially, increasing **government regulatory transparency** and responsiveness.

Finally, panelists called for a wide range of **regulatory and taxation changes** – some quite technical – necessary **to facilitate the corporate revitalization** and restructuring of Japan's inefficient company structure.

III., A. Corporate Governance

1) Management Accountability to Shareholders

Several panelists pointed to the need to improve the structure and responsiveness of the boards of directors of Japanese companies. Although changing, the boards of many Japanese companies traditionally have been dominated by management insiders who emphasized the interests of management and employees over company profitability and shareholders' interests. This can cause them to reject prematurely offers to merge or be acquired. "Lack of shareholders' governance is the cause of Japan's lack of M&A activity," according to Professor Wakasugi.

Mr. Dammerman in his keynote speech said that companies should make their directors genuinely accountable to shareholders, noting that GE actively seeks out differing perspectives in its boards of directors. Mr. Porte echoed this theme; while some boards in Japan were undertaking reforms, most remained far too dominated by insiders, in his view. His own company, Morgan Stanley Dean Whitter has 16 directors, with only two from inside the company. Mr. Porte disputed the notion common in Japan that outside directors will be less sensitive to the well-being of companies' employees and are looking only at the bottom line: "It is wrong to think that money considerations alone will drive decisions by independent boards. It is understood that a company has got to take care of its people."

Professor Wakasugi said, "Shareholders are the owners of companies and they take the risk. Shareholders should be able to control what they own and optimize their interests. Mergers and acquisitions between foreign and Japanese companies allow the Japanese to create shareholder value."

2) Management Transparency

Part of improving corporate governance and responsiveness to shareholders is increasing the transparency of company management. Keiyo University Professor Haruo Shimada (moderator of the Symposium and Chairman of the Japan Investment Council) commented that while the notion of corporate governance exists formally in Japan, its real "spirit" is not well understood. He believes that the private sector must take the initiative to promote good corporate governance. Professor Wakasugi warned that many of Japan's managers intentionally ignore the urgent need to establish good corporate governance, which will be critical considering the liberalization of the global financial sector. Wakasugi noted the need for management transparency by remarking that Japan's accounting system was becoming relatively advanced, but until accounts accurately reflected a corporation's real picture, the accounts would be less meaningful.

3) Independence of Board of Directors

The independence of boards of directors also must be increased, said several panelists. Kathy Matsui, managing director and chief strategist, Goldman Sachs, presented evidence of Japan's dismal rating among industrialized countries for corporate governance as well as proof of the superior performance of those Japanese companies with independent external directors on their boards. Ms. Matsui cited an assessment by an independent private firm (Davis Global Advisors) of eleven key indicators of countries' corporate governance environments. While Japan scored very well on some of the items (ten out of a possible ten on "existence of split Chairman/CEO positions" and "voting rights"), Japan scored *zero* out of ten on "board independence," and only one out of ten on "accounting standards" and "takeover barriers." With an overall score of 3.5 (out of ten), Japan came in last when compared with the U.K., U.S., France and Germany. U.K. was first at 8.3 overall.

Attitudes in Japan are changing, said Ms. Matsui, and companies that reform are benefiting: the stock prices of those corporations which have independent external directors outperformed the Topix index by about 40 percentage points from the beginning of 1999 through late February 2000.

Ms. Matsui strongly recommended that the Government of Japan take measures to encourage good corporate governance, including incorporating corporate governance principles such as independent executive directors, as part of exchange listing requirements, as in New York and

London. MOF Representative Shinhara differed, believing "it is still too soon to introduce (having outside board members) as a listing requirement."

Sony Corporation's Senior Executive Vice President Masayoshi Morimoto reported on the changes which Sony has made in its board of directors, key among them a new executive officer system and nominating committee. Sony's reform efforts are premised on the principles of "efficiency, soundness and transparency." While strongly supporting improved corporate governance, Mr. Morimoto suggested that a "foreign model of corporate governance" might not be suited for Japanese companies, as management in each country must take into account that country's culture. Foreign directors may not be suited to run Japanese companies, he suggested.

Masamoto Yashiro, Chairman of Ripplewood Japan Industrial Partners, reported that his new firm (which just took over the faltering Long Term Credit Bank) is addressing positively the issue of outside directors on its board – out of 15 directors, he expects that perhaps one-third will be from outside the company. He indicated that the auditing committee will be made up totally of outsiders and outsiders will also be included on the nominating and compensation committees.

4) Accounting, Disclosure and Due Diligence

While applauding the accounting reforms already undertaken by Japan (as noted above) several panelists called for vigilance in observing how these reforms are actually implemented and recommended further measures to make corporate accounting, due diligence and disclosure more transparent. Mr. Porte made the point that corporate disclosure has improved, but much more needs to be done. "Japan shouldn't worry about hostile takeovers," joked Mr. Porte, "anybody would have to be crazy to try take over a Japanese company based on publicly available information."

Mr. Dammerman also emphasized the need for better disclosure; its absence hurt both the acquiring firm and the Japanese firm attempting to sell off unneeded assets; "Although the trend in financial disclosure is positive, there is still a great deal of uncertainty as to the real value of assets being acquired and – very significantly – liabilities being assumed. This is not just an issue for the investor, who may not do the deal at all without the required level of certainty. It's also an issue for the Japanese deal partner, since uncertainty can result in a lower final deal price for the seller."

In Japan M&A's, Mr. Porte commented, prices are negotiated first, then due diligence is done, opposite of other countries. Yoichi Kuze, Partner in Charge of KPMG corporate finance, affirmed this reversed situation. Mr. Kuze believes the lack of company disclosure information, and especially the paucity of this information in English, hampers M&A activity. Foreign companies just can not find out enough about Japanese companies. Mr. Kuze recommended that companies "over a certain size" should probably be required to provide disclosure in English. Other panelists, including those from the Japanese Government, disagreed with this. Yoshiake Shinhara, Controller of the Tokyo Stock Exchange at the Ministry of Finance (MOF), responded that companies which are interested in attracting foreign capital are free to produce English-language promotional materials, but the government should not legislate use of English because it would be a burden on companies.

Mr. Shinhara re-emphasized the real progress Japan has made in accounting and disclosure, "our corporate accounting system is coming close to international standards." He cautioned however, that a country could not change its accounting system overnight because corporations need time to prepare for the changes. Mr. Shinhara further stated that Japan needs to ensure that corporate financial disclosure and auditing procedures are done carefully and correctly. The U.S. Securities Exchange Commission, he said, implements very strict auditing of securities disclosure statements, often done electronically. The GOJ, however, does not have sufficient personnel for such close auditing and also needs to further develop standardized auditing expressions and definitions. Once approved by the Diet, said Shinhara, Japan will start using an internet-based system for public access to the disclosure information.

5) Government Support of Corporate Governance

Many panelists expected that changes in Japan's corporate financing system (e.g., companies increasingly raising capital through equity and debt markets) would naturally compel improvements in transparency and corporate governance. Panelists also recognized that the initiative to improve corporate governance must be taken up by the private sector. Several panelists stated, however, that the Government of Japan could play a very useful role in encouraging these changes. Kathy Matsui recommended that independent directors and other corporate governance requirements should be prerequisites for firms listing in Japan, as in N[illegible] York and London. MOF's Mr. Shinhara, quoted above, indicated that the Government of Japan could beef up scrutiny of audits and disclosure as a measure which would help corporate governance.

III., B. Regulatory Transparency

For firms considering investing many millions of dollars in Japan through complex mergers or acquisitions, government regulatory transparency is crucial – they have to be able to determine beforehand the legal and tax implications of the anticipated deal and future operations of the invested firm. Bureaucratic discretion in implementing often vagu[illegible] was cited as a problem by a number of panelists, including human resources expert L[illegible]sident of B-Cube Ltd. in Japan and tax attorney Gary Thomas, of White and Case, LL[illegible]

Panelists, including Mr. Dammerman and Ms. Matsui, recommended the following [illegible] measures the government could undertake to improve government regulatory transparenc[illegible] the investment/regulatory climate:

1) "No Action" Letters

Mr. Dammerman called for "advance, written (government) rulings based on specified sets of facts – whether in tax, securities, consumer lending or other regulation." Ms. Matsui said

Japan's lack of a formal process to get from government offices authoritative written answers to firms' queries is "a big impediment to completing transactions. Lack of no action letters keeps people from undertaking deals." While Ms. Matsui had heard that Japan's Financial Supervisory Agency (FSA) was considering issuing no action letters on a trial basis in JFY 2000, she recommends it be implemented government-wide. (Note: FSA reportedly is still studying this issue.)

2) Public Comment Period

Ms. Matsui lauded the government for its adoption in 1999 of public comment periods on proposed new laws and regulations. But Matsui believes that the current 30-day time limit on the comment periods is too tight, especially considering the need for foreign entities to translate and analyze these complex documents in Japanese. Mr. Dammerman also recommended "meaningful" public comment periods. Ms. Matsui suggested GOJ could consider publishing proposals in English and other languages.

3) Freedom of Information Act

Mr. Dammerman called implementation of Japan's Freedom of Information Act, which came into effect in May, 1999, a step which could be helpful in improving the regulatory environment.

III., C. Corporate Revitalization and Structural Reform

Since the collapse of the Bubble Economy in 1991, Japan has experienced very low average levels of economic growth. Facing a seemingly stagnant domestic economy, and a drying up of traditional bank loans, companies – across virtually all sectors – have struggled to restructure become more profitable. They are burdened with excessive labor supply, under-utilized productive capacity (plants and equipment) and massive debt overhang (collateralized by over-valued real assets).

At the same time, aspects of Japan's taxation system, financial and labor regulations/traditions, complex cross-holding of shares amongst companies, and non-transparent, illiquid real estate markets all conspire against rapid and thorough corporate restructuring, which must entail divestitures, bankruptcies, mergers and acquisitions. A further obstacle is an acute shortage of the professional service providers (lawyers, accountants, auditors and actuaries) necessary to analyze, engineer and carry out complex reorganizational deals, whether between Japanese companies or Japanese companies partnered with foreign firms.

Panelists made several suggestions on measures which would facilitate the economic restructuring Japan needs, while protecting the interests of Japan's workers.

1) Professional Services

Many speakers bemoaned a massive under-supply of international-quality professional service providers – "From GE Capital's point of view," said Mr. Dammerman, "no deal can be approved without a thorough review of the financial status of the targeted company. That means due diligence in all that company's business, as provided for by lawyers, accountants, human resource and compensation consultants, tax advisors and investment bankers… These resources are in short supply relative to the size of the market and the potential opportunity. Simply stated, global merger and acquisition activity requires global professional services." ACCJ President Robert Grondine estimated that Japan needs as many as "five times" more lawyers and accountants, given the level of business activity. Mr. Porte remarked on the shortage of lawyers and other professionals with experience both in Japan and with M&A activity. Sony's Mr. Morimoto cited the current legal ban on partnerships between foreign attorneys and Japanese lawyers as a major obstacle and said Japan should eliminate it.

Mr. Shinhara from the MOF said that his ministry, along with academics and the Japan Institute of Certified Public Accountants, were now studying how to both increase the numbers of accountants and improve their quality. MOF's Deputy Director General Tadashi Iwashita remarked that people say the U.S. has too many lawyers and Japan has too few -- maybe Japan should aim for something in between.

2) Cross-shareholding

Traditionally, most of the outstanding stock of Japanese companies have been held by other companies within their *keiretsu* group. This was designed in part to prevent takeovers of Japanese companies by foreign firms and provide for an 'understanding' shareholder pool which would not demand much return on equity. Unwinding this cross-shareholding will be crucial to Japan's corporate restructuring. Ms. Matsui reported a positive secular trend of cross-shareholding unwinding: Goldman Sachs estimates that in 1991, 52% of shares were held by other companies within the keiretsu. That share is now down to 39%, with a fairly steep downward curve. This trend will be accelerated, Ms. Matsui believes, if Japan faithfully implements mark-to-market accounting for cross-held shares and the proposals to allow companies to transfer cross-held shares to their (severely) underfunded pension plans. She also recommended Japan consider a German proposal to deal with the same problem: eliminating capital gains tax on sales of cross-held shares. Professor Wakasugi also emphasized that the problem of cross-shareholding will be "resolved automatically if corporate governance is established."

3) International Stock-for-Stock Swaps

Exchanges of equity shares ("stock-for-stock swaps") are the main mechanism for carrying out mergers and acquisitions around the world – as in the Daimler-Chrysler case. In August, the Diet approved Article 352 revising the Commercial Code to allow firms in Japan, for the first time, to undertake stock-for-stock swaps between enterprises for M&A purposes. Capital gains tax liabilities on the shares swapped are waived – but only for firms listed in Japan. According to Gary Thomas, Executive Partner of White and Case LLP Japan and Chairman of the ACCJ tax

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WASHINGTON, DC 20510

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
ENERGY AND NATURAL RESOURCES
SPECIAL COMMITTEE ON AGING

August 28, 2000

THE PRES[illegible]
9-11-00

William J. Clinton
President
The White House
Washington, D.C. 20500

Dear Mr. President,

I am writing on behalf of my constituent, Diane Helm, to let you know that her husband, Jeff Helm, recently passed away.

Jeff was paralyzed and helped found the Rolling Razorbacks. Jeff was a big supporter of yours and I understand that you knew him from a visit you once made to his home in Alexander, AR. Jeff's wife, Diane, thought you would want to know of his passing.

Diane can be reached at the following address: Diane Helm, 39 Pointer Drive, Alexander, AR 72002.

Please feel free to contact me if I can be of further assistance regarding this matter.

Sincerely,

Blanche L. Lincoln

Blanche L. Lincoln

BLL: jr

9-11-00

After you have seen we will send to Delia Cohen for reply

cc: Leg Afrs?
Yes ____
No ____

cd

Do letter to her

Copied
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coped
Cahill
Shea
Podesta

9-11-00

THE WHITE HOUSE
WASHINGTON

'00 SEP 8 PM1:19

SEPTEMBER 8, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: MARY BETH CAHILL
MAUREEN SHEA

SUBJECT: SELECTION OF THOSE TO OFFER PRAYERS AT RELIGIOUS LEADERS BREAKFAST SEPTEMBER 14

BACKGROUND: In preparation for the breakfast, we are seeking your advice regarding those to be asked to offer the blessing of the food and the closing prayer. We are planning to follow our past format with open press for your first remarks and the opening prayer, and closed press thereafter.

In the last three years, we have had four Protestant ministers, one Catholic nun, and one rabbi offer the prayers. Of the four ministers, one was African-American, another Native American, and the third, Korean. The rabbi was a gay woman.

Given the leadership of the religious community in pursuing Jubilee 2000 and the reduction of Third World Debt, we are suggesting that your opening remarks address that issue. A number of the religious leaders from that effort are attending.

RECOMMENDATION:

Blessing of the Food:

Bishop Vashti McKenzie: She is the first woman bishop in an African-American denomination. The new Bishop is an excellent speaker who heads an activist church with a number of successful social programs.

Closing Prayer:

Rev. Philip Wogaman: As this will be your final religious leaders breakfast, we thought it could be a nice personal touch, as well as recognition of your life in the District of Columbia, if the rector of the church you have attended during your Presidency offered the benediction.

9-11-00

Other Suggestions:

Archbishop Theodore McCarrick: In recognition of the Pope's leadership in Jubilee 2000.

Dr. Brian Harbour: Like Wogaman, the choice of Harbour would highlight the importance of this event to you personally.

DECISION:

__✓__ **Approve** _____ **Approve as amended**

YOUR TABLE

Donald Abramson, Board Chair
American Jewish World Service
San Francisco, CA
While the leadership of Jubilee 2000 has been primarily Christian, American Jewish World Service is one of the Jewish groups that has been very active.

Professor Leila Ahmed
Professor of Women's Studies in Religion
Harvard Divinity School
Cambridge, MA
A Muslim and respected author, Ahmed is the first professor women's studies in religion at Harvard.

Dr. Don Argue, President
Northwest College
Kirkland, WA
Argue continues to be very helpful to us in the evangelical community and feels particularly close to this White House.

Rev. Henry Brinton, Pastor
Calvary Presbyterian Church
Alexandria, VA
Rev. Brinton writes periodically on religion for the Washington Post Outlook section. His pieces are insightful on a variety of issues, particularly multicultural worship, facing churches today.

Rev. Dr. Amos Brown
Third Baptist Church
San Francisco, CA
Your longtime supporter and friend would undoubtedly be especially pleased to be at your table.

Rev. Anthony Mangun, Senior Pastor
The Pentecostals of Alexandria
Alexandria, LA
Mangun was interested in traveling to Nigeria with you but very understanding when that was not possible.

Bishop Vashti McKenzie
AME Church
Baltimore, MD
There was great excitement, and extensive news coverage, of McKenzie's elevation to Bishop. We suggest she offer the blessing of the food.

Sr. Christine Vladimiroff, Board Chair
Bread for the World
Erie, PA
As you know, Bread for the World has played a key role in the Jubilee 2000 effort as well as the Hunger Relief Act.

Rev. Dr. Philip Wogaman
Foundry Methodist Church
Washington, DC
We sugest he offer the closing prayer.

DECISION:

_____**Approve** _____**Approve as amended**

WHITE HOUSE RELIGIOUS LEADERS BREAKFAST

SEPTEMBER 14, 2000

FRIENDS AND PREVIOUS GUESTS

Those with an * have not responded to date.

Dr. Don Argue, President – Northwest College – WA
Rev. Calvin Butts- Abysennian Baptist Church - NY
Father Robert Drinan – Georgetown University Law School - DC
Dr. James Dunn – Baptist Joint Committee Foundation - DC
*Rev. James Forbes - Senior Pastor, Riverside Church - NY
Rabbi Menachem Genack – Union of Orthodox Jewish Congregations of America - NY
Janet Hall - VA
Rev. Brian Harbour – First Baptist Church - TX
*Rev. Dr. Beecher Hicks – Metropolitan Baptist Church - DC
*Rev. Bill Hybels – Willow Creek Community Church – IL
Rev. Dr. Barbara King – Hillside Chapel – GA
Rev. Billy Kyles – Monumental Baptist Church - TN
*Ambassador and Mrs. Phillip Lader
Rev. Anthony Mangun – Pentecostals of Alexandria – LA
Pastor Jack Marcom – Ft. Washington Baptist Church - MD
Rev. Dr. Edward Matthews – First United Methodist Church – AR
Rev. Dr. Otis Moss, Jr. – Olivet Baptist Church - OH
Bishop Chandler Owens - Presiding Bishop, Church of God in Christ – GA
Rabbi David Saperstein – Religious Action Center - DC
Dr. Philip Wogaman – Foundry Methodist Church – DC

JUBILEE 2000 LEADERSHIP

Don Abramson – Board Chair – American Jewish World Service – CA
Revs. Granger and JoAnn Browning – Ebenezer AME Church – MD
Ms. Marie Dennis – Religious Working Group on the World Bank - DC
Ken Hackett – President, Catholic Relief Services – MD
Dr. Kathleen Hurty – Church Women United – NY
Rev. Wesley Granberg-Michaelson-General Secretary, Reformed Church in America - NY
Susan Mark Landis – Minister of Peace & Justice, Mennonite Central Committee - OH
Archbishop Theodore McCarrick – Archdiocese of Newark – NJ
Bishop William Oden – Council of Bishops, United Methodist Church - TX
Dr. Dorothy Peck - Women's Missionary Society of the A.M.E. Church - DC
Rev. Syngman Rhee – Moderator, Presbyterian Church (USA) – KY
Russell Silverman – Chairman, Union of American Hebrew Congregations - FL

*Richard Stearns – President, World Vision – WA
Sister Christine Vladimiroff, OSB – Chair of the Board, Bread for the World – PA
Earl Joel Volk – Executive Director, Friends Committee on National Legislation – DC
*Rev. Dr. Andrew Young – President, National Council of Churches - GA

ADDITIONAL CHRISTIAN

Dr. Charles Adams – Hartford Memorial Baptist Church – MI
Bishop John Hurst Adams – Presiding Bishop, AME Church – SC
Rev. Wendell Anthony – Fellowship Chapel Baptist Church – MI
Rev. Willie Barrow – Operation PUSH – IL
*Bishop Charles Blake – Church of God in Christ – CA
Rev. Henry Brinton – Calvary Presbyterian Church – VA
Rev. Dr. Amos Brown – Third Baptist Church of San Francisco – CA
Rev. Drs. Jo Ann and Grainger Browning – Ebenezer AME Church – MD
*Rev. Juanita Bynum – Morning Glory Ministries – GA
Rev. Jeffrey Champlain – St. Bartholomew's Episcopal Church - AR
*Rev. Young Choon Chang – Korean American Presbyterian Church of Queens - NY
Dr. Mary Pamela Chinnis – Past President, Episcopal House of Deputies – DC
Sister Joan Chittisler – Benedictine Sisters of Erie – PA
Archbishop Oshagan Choloyan – Prelate, Armenian Apostolic Church – NY
Rev. Richard Cizik – National Association of Evangelicals – DC
*Rev. Elizabeth Conde-Frazier – Andrew Newton Theological Seminary – MA
Chaplain Jeni Cooke – Director, Chaplain Services, VA – DC
*Father Daniel Coughlin – Chaplain, U.S. House of Representatives – DC
*Rev. Dr. S. C. Cureton – National Baptist Convention, USA – SC
*Rev. C. Mackey Daniels – President, President, National Baptist Convention – KY
Rev. Herbert Daughtry – House of the Lord Churches – NY
Father Irinez Mirko Dobrijevic – Serbian orthodox Church – OH
Rev. Chris Doss – Center for Study of Law and Church - AL
Bishop J. Delano Ellis, II – Pentecostal Church of Christ – OH
*Dr. Elaine Flake – Allen AME Church – NY
Bishop Willard Graves – CME Church – TN
Rev. R. Michael Guarino – St. John Vianney Church - MA
*Bishop Barbara Harris – Episcopal Archdiocese of Massachusetts – MA
*Dr. Wallace Hartsfield, Jr. – Chairman, Congress of National Black Churches – MO
*Rev. Louis-Charles Harvey – Metropolitan AME Church – DC
Rev. Edwin Hernandez – Pew Charitable Trusts – PA
Rev. Rickey Hicks – Connor Chapel AME – AR
Col. Janet Horton – Executive Director, Armed Forces Chaplains Board – DC
*Bishop Thomas Hoyt, Jr. – CME Church – LA
*Bishop T.D. Jakes – The Potters House – TX
*Rev. Wallace Johnson – Calvary Church of God in Christ – AR
*Rev. N. Edward Jones – President, National Baptist Convention of America – LA
*Rev. Odell Jones – President, Michigan Clergy United – MI
Rev. Cheryl Kirk-Duggan – Graduate Theological Union – CA

*Rev. Luis Leon – St. John's Church Lafayette Square – DC
Dr. JoAnne Lyon – Executive Director, World Hope International, Inc. – MO
Rev. Daniel Matos-Real – Coalition of Latin American Ministers
Bishop Vashti McKenzie – Payne Memorial AME Church – MD
Elder Alfred McClure – President, General Conference -Seventh-day Adventist Church - MD
Rev. Dr. Calvin McKinney – Calvary Baptist Church – NJ
Rev. John Modest Miles – Morning Star Baptist Church – MO
*Bishop Donald Ming – AME Zion – PA
Bishop Paul and Rev. Debra Morton – Greater St. Stephen Full Baptist Church – LA
*Rev. Mary Nelson – Bethel New Life – IL
Sister Virginia O'Connell – Sisters of St. Joseph - MA
*Dr. Lloyd Ogilvie – Chaplain, U.S. Senate - DC
*Dr. Albert Reyes– Hispanic Baptist Ministry - TX
*Bishop John Ricard – President, National Black Catholic Congress - FL
*Pastor Don Schneider – President, NA Division, Seventh-day Adventist Church – MD
Rev. Dr. William Shaw – President, National Baptist Convention, USA – PA
*Rev. Barbara Skinner – Leadership Institute – MD
*Dr. W. T. Snead – President, National Baptist Missionary Convention – CA
*Rev. Kenneth South – Interfaith Service, National Gay & Lesbian Task Force – DC
*Msgr. Kevin Sullivan – COO, Catholic Charities of NY – NY
*Dr. Susan Thistlewaite – President, Chicago Theological Seminary – IL
Rev. Hugh Tobias – Riverside Baptist Church – FL
*Rev. Carlton Veazey – Religious Coalition for Reproductive Choice - DC
Rev. Dr. Daniel Vestal – Cooperative Baptist Fellowship - GA
*Bishop George Walker – Presiding Bishop, AME Zion – CT
Rev. J. Brent Walker – Executive Director, Baptist Joint Committee - DC
*Dr. Renita Weems – Prof. of Religion, Vanderbilt University – TN
Rev. Dr. James "Mel" White – Soulforce Inc. – CA
*Bishop Roy Winbush – Chairman, Congress of National Black Churches – LA
Rev. James Winkler – General Board of Church & Society, United Methodist Church – DC
Rev. Dr. Jeremiah Wright – Trinity United Church of Christ – IL
Rev. Barbara Brown Zikmund – Hartford Seminary – CT

ADDITIONAL JEWISH

Rabbi Yosef Adler – Congregation Rinat Israel – NY
Rabbi Hanan Balk - Golf Manor Synagogue – OH
*Rabbi Steven Carr-Reuben – Kehillat Israel – CA
Rabbi Edward Cohn – Congregation Temple Sinai – LA
Rabbi Paul Drazen – Congregation Beth El – NE
Rabbi Jerome Epstein – United Synagogue of Conservative Judaism – NY
Rabbi David Goldstein – Touro Synagogue – LA
Rabbi Charles Kroloff – Central Conference of American Rabbis – NJ
Rabbi Eugene Levy – Congregation B'nai Israel – AR
Rabbi Robert Slosberg – Congregation Adat Jeshurn – KY
*Rabbi Toba Spitzer – Congregation Dorshei Tzedek – MA

*Rabbi Brian Walt – Mishkan Shalom – PA
Rabbi Andrew Warmflash – Temple Emanuel – MA
Rabbi Tzvi Weinreb – Congregation Shomrei Emunah – MD
Rabbi Eric Yoffie – President, Union of American Hebrew Congregations - NY

MUSLIM

Prof. Leila Ahmed – Harvard Divinity School – MA
Imam Plemon El-Amin – Masjid of Al-Islam Shabazz – GA
Imam Johnny Hasan – Islamic Center for Human Excellent – AR
*Dr. Farouk Khan – American Muslim Alliance - NY
*Dr. Abdullah Khouj – Islamic Center of Washington - DC
Imam Warith Deen Mohammed – Muslim American Society – IL
Imam Wali Abdel Ra'oof – Masjid of Al-Islam – LA
Dr. Sayyid Syeed – Islamic Society of North America - IN

OTHER RELIGIONS

Dr. Robert Henderson – Baha'is of the United States – IL
*Prof. Orens Lyons – Turtle Clan – NY
Dr. Uma Mysorekar – Secretary Treasurer – Hindu Temple Society of NA – NY
Manjit Singh Kohli – Sikh Mediawatch – MD