

FROM :

FAX NO. :

Aug. 31 1999 02:00PM F1

10
N. H. ...
From
Capricia

FAX TO: President Clinton, Attn: Capricia Marshall, 456-6244

FROM: One Day Foundation 1106 Constitution Ave NE
Washington, DC 20002, Telephone 202-544-8505

00 SEP 05 1999

SPH 92
JTB
SW

Dear Mr. President,

Please announce your support this week for H.Con.Res. 363 and the companion bill sponsored by Senators Wellstone, Lieberman, Kennedy, Moynihan, Landrieu, Reid and Levin (see attached May 15 and Sep 2 letters).

Also please ask our UN ambassador to co-sponsor the resolution below immediately upon the opening of the General Assembly and if possible, please mention it in your welcoming talk on Wednesday.

Resolution Designating January 1st each year as a day of peace and sharing

Whereas human progress in the next century will depend upon global understanding and cooperation in finding positive solutions to hunger and violence,

Whereas the millennial year offers unparalleled opportunity for humanity to examine our past, set goals for our future, and establish new patterns of behavior,

Whereas the people of the world acted with unprecedented cooperation and good sense during the 24 hour period designated by the United Nations General Assembly as "One Day in Peace, January 1, 2000" (General Assembly Resolution 54/29)

Whereas the example set on that day ought to be recognized globally, repeated, and improved upon each year, and,

Whereas celebration by the breaking of bread together has traditionally been the means by which individuals, societies and nations join together in peace:

Therefore be it Resolved by the General Assembly

That the Secretary-General is hereby authorized a inviting people around the world to gather each congregations or people of another culture to mak in the new millennium and to share a celebratory who are able are urged to match the cost of their at home or abroad in tangible demonstration of : sharing among the peoples of the earth.

Send to Cohen?

Yes ☒

No ☐

coordinate
w/ UN off. cd

9-13-00



1 to H. Marshall
N. Marshall
From Capricia

FAX TO: President Clinton, Attn: Capricia Marshall, 456-6244

FROM: One Day Foundation 1106 Constitution Ave NE
Washington, DC 20002, Telephone 202-544-8505

SEP 01 1999
00 SEP 01 1999

Dear Mr. President,

Please announce your support this week for H.Con.Res. 363 and the companion bill sponsored by Senators Wellstone, Lieberman, Kennedy, Moynihan, Landrieu, Reid and Levin (see attached May 15 and Sep 2 letters).

Also please ask our UN ambassador to co-sponsor the resolution below immediately upon the opening of the General Assembly and if possible, please mention it in your welcoming talk on Wednesday.

Resolution Designating January 1st each year as a day of peace and sharing

Whereas human progress in the next century will depend upon global understanding and cooperation in finding positive solutions to hunger and violence,

Whereas the millennial year offers unparalleled opportunity for humanity to examine our past, set goals for our future, and establish new patterns of behavior,

Whereas the people of the world acted with unprecedented cooperation and good sense during the 24 hour period designated by the United Nations General Assembly as "One Day in Peace, January 1, 2000" (General Assembly Resolution 54/29)

Whereas the example set on that day ought to be recognized globally, repeated, and improved upon each year, and,

Whereas celebration by the breaking of bread together has traditionally been the means by which individuals, societies and nations join together in peace:

Therefore be it Resolved by the General Assembly of the United Nations,

That the Secretary-General is hereby authorized and requested to issue a proclamation inviting people around the world to gather each January 1st with family, neighbors, congregations or people of another culture to make or renew a pledge of non-violence in the new millennium and to share a celebratory millennium meal. Further, that all who are able are urged to match the cost of their meal with a timely gift to the hungry at home or abroad in tangible demonstration of a desire for increased friendship and sharing among the peoples of the earth.



May 15, 2000 URGENT: By Hand

**Re: EXPEDITING A JOINT RESOLUTION, or
*How to pre-empt the arms-race-of-anger issue
while creating a long-lasting legacy that's fun***

Dear Mr. President,

Imagine having a happy, non-controversial presidential legacy that lasts a thousand years and encompasses the whole planet in good feelings every single year. Your support now for our initiative (about to be introduced by women in the House and Senate) could not only help make that happen; it might even cause Congress to commit comity and send them home with a better attitude. Here's ten reasons why we think you'll want to lead this initiative for a hopeful holiday on 01-01-01:

1. **Tipper Gore was our very first supporter** (she taped a PSA for us) and she's a friend of yours.
2. **One hundred nations supported "One Day in Peace January 1, 2000,"** pledging no war on that day. The US was not among them. We can make up for that now.
3. **It will delight every special interest group**—food producers, shippers, greeting card and seed companies, unions, trade associations, schools, the faith community, hunger groups, peace groups, both personal and planetary—all will benefit as gifts of food are sent around the world.
4. **There is a hormone released when we eat that promotes bonding.** This day of peace and sharing (maybe you can think of a good name for it) ought to be a time when every lonely and alienated person has somebody to be with, and every child feels welcomed into the human family.
5. **It fits naturally with work the White House is already doing, or has done.** Ben Johnson (I, too thought the centipede joke was funny) is bringing Americans of different cultures together; Hillary Clinton contributed enormously toward creating a millennium moment with meaning; John Koskinen helped turn a scary January first into our safest sanest New Years yet. All together, White House leadership helped guide the people of the planet through a baptism in togetherness. That needs to be recognized and remembered in years to come.
6. **Congress can be a role model** by unanimously adopting the measure, which they may do (since it's pretty hard to say you oppose peace and favor hunger). When the resolution is passed we plan an informal celebration on the Capitol lawn. Members will bring a symbolic gift of food from their district to share with a member they've disagreed with or may be facing conflict with in the fall campaign—showing the country Congress can end the "cycle of near-violence" that has recently afflicted it.
7. **The UN will be next to act.** Since the General Assembly passed a resolution declaring "One Day in Peace January 1, 2000," last year, action at this year's session to make it an annual event is likely.
8. **Millions of the hungry can find a place at the global table** this very first year of the universal holiday, and the year after that many more—without any public cost except what nations voluntarily contribute. Most food gifts can be generated locally once awareness is raised.
9. **Preparing for a time of peace and sharing every year can become a way of life.** We also envision that anytime in the new millennium people find themselves in conflict, they may get in the habit of sitting down to have a millennium meal together *before* trying to work things out.

10. **You may want a job** in years to come that beats watching the laundry go around. Like getting the people of the world together. You are uncommonly popular everywhere, and Clinton nostalgia ought to be put to good use. You've said that we are naturally afraid of people different from ourselves, and recently you observed that the people of different castes in that village in India had never even had *dinner* with one another. So you know it's important.

Please say you'll help. The turn of the millennium can still become a turning point for humanity—if we just use it right.

Yours for a world our children will want to celebrate,


Linda Grover

We're currently working with the offices of, Lieberman, Moynihan, Senator Kennedy, Gephardt, Jesse Jackson Jr., Rangel, Kucinich and Patsy Mink, with previous support from Hutchison for One Day in Peace, and Hatch for the Millennium Meal.

Thanks for your encouragement when we spoke Two years ago at 'RagTime'. It helped.

September 2, 2000

Dear Mr. President,

I am an eleven year old college sophomore at Randolph-Macon College in Ashland, Virginia, and I have pledged my life to work for peace. I am writing to you because we, the children of the world, need your support and endorsement for our proposed holiday,

OneDay

celebrated every future January first as **One Day in Peace and a Day of Sharing a Millennium Meal**. This annual celebration for all faiths and cultures will teach the children of the world about compassion and generosity.

Before the end of your presidency we ask you to take three practical steps that can help end hunger and create a lasting legacy of peace in our homes, communities and among nations.

1. Immediately announce your support for House Concurrent Resolution 363 (which has 20 co-sponsors in the House and is about to be introduced in the Senate by Wellstone, Lieberman, Kennedy, Landricu, Reid, Moynihan and Levin). We need your help to bring this resolution to the floor.
2. On Wednesday, September 6th, when you attend your last heads of state gathering as our leader, please persuade your colleagues to unanimously adopt the attached UN resolution. Last year 100 nations supported our OneDay in Peace January 1, 2000 program (General Assembly Resolution 54/29) and Mrs. Gore supported the Millennium Meal with an eloquent videotaped appeal, which led to the first Millennium Meal held by Israeli and Palestinian families at a West Bank refugee camp.
3. Lead the people of America this fall in hunger drives and plans for pledges of non-violence on 01-01-01 as we start a new era. Encourage everyone to celebrate this holiday of inclusion, and on January first, please celebrate your family's millennium meal with the family of the incoming president. Then in the years to come, help the holiday to grow more important in our lives each year, till we learn to live every day in peace and sharing.

As a youth peace leader I ask you to help me help my generation have the wisdom and courage to walk into a new millennium of generosity and compassion. The children of the United States and the world are looking to you, Mr. President, and our government for HUMANITARIAN LEADERSHIP. We need a HERO - a CHAMPION of our future. We need a statement that teaches the young and the old that we can begin anew - never forgetting what we have done - but learning from our mistakes and those of others - healing our spirits - bringing forth a Renaissance of Humanity!

Our nation and world need to join together in celebration,

A Holiday of Hope for all Humanity - OneDay! Please leave this legacy of Peace and Sharing for us.

Sincerely,

Greg Smith 804-960-6858 (office)
Grs4peace@aol.com
<http://www.gregorysmith.com>

Congress of the United States
House of Representatives
Washington, DC 20515

June 21, 2000

Dear Colleague:

Please take time in your busy schedule to consider signing on as a Co-Sponsor of the proposed Concurrent Resolution (see attached copy) to establish January 1st as a special day of peace and sharing gifts of food with others whose lives we normally do not touch in a personal way.

On the first day of the New Millennium, January 1, 2000, "*One Day in Peace*" was supported by over 100 nations, 25 U.S. governors, hundreds of mayors worldwide and over 1,000 organizations in nearly 140 countries. It worked. The Millennium Meal Project has been endorsed by the White House, members of both the House and Senate, the World Peace/Inner Peace Conference and the Jubileum World Conference on Religion and Peace featuring 19 diverse faiths.

Now these two initiatives have joined to have people all over the world reach out to one another for "*One Day in Peace*" by sharing a special meal. Breaking bread together has been a tradition since the beginning of mankind when people from opposing sides can sit down and learn about one another in a peaceful manner. Particularly, we, as Members of Congress, need to put aside our differences, on both sides of the aisle, to discover and celebrate our commonalities in order to prepare ourselves for working more harmoniously during the 107th Congress to solve the critical problems of both violence and hunger in our nation and globally. This has been the strongly expressed Will of the People during the past year. We know too painfully well that we have children going to bed hungry without enough to eat, and children are afraid to go to school.

Let us make this "*One Day in Peace*" a special time of reflection, to eliminate hunger and violence for children and families throughout the world, by sharing our prosperity and friendship with people from all backgrounds, beliefs and cultures. This day should be held high in importance to celebrate our diversities and differences, rather than emphasizing them as barriers between us.

So let us individually, and collectively, as Members of the 106th Congress, co-sponsor and give enthusiastic support to this great initiative: "*One Day in Peace*". For more information or to sign on as a cosponsor, you may contact Souheila Al-Jadda (Kucinich) at 55871 or Deanna Scallen (Conyers) at 313-961-5670.

Sincerely,



Dennis J. Kucinich
Member of Congress



John Conyers, Jr.
Member of Congress



Agg Sec.

CITY OF EL MONTE
CITY CLERK'S OFFICE
11333 VALLEY BOULEVARD • EL MONTE, CA 91731-3293
(626) 580-2016 • FAX: (626) 580-2274
www.elmonte.org

00 SEP 13 AM 9:09

September 6, 2000

President Bill Clinton
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500-2500

Dear President Clinton:

Enclosed is a certified copy of Resolution No. 8054 adopted by the El Monte City Council at their regular meeting held on August 22, 2000, entitled, "A Resolution of the City Council of the City of El Monte, California, Amending Resolution No. 8054, The United States Forest Service Adopting Alternatives 4 and D, of the Roadless Conservation Initiative Draft Environmental Impact Statement and Including the Tongass National Forest in Alternatives 4 and D."

If you need any additional information, please do not hesitate to contact this office at (626) 580-2016.

Sincerely,

Cynthia A. Hawkinson
Cynthia A. Hawkinson
Chief Deputy City Clerk

/ch
encl: (1)

9-13-00
Send to Cohen? ☒
Yes ☒
No ☐
Coordinate w/KEQ? ☒
Yes ☒
No ☐

CW

Visit Friendly EL MONTE

CYNTHIA A. HAWKINSON
Chief Deputy City Clerk

LORENE GUTIERREZ
City Clerk

M. HELEN LOPEZ
Assistant Chief Deputy City Clerk
Records Manager

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, AMENDING RESOLUTION NO. 8054, THE UNITED STATES FOREST SERVICE ADOPTING ALTERNATIVES 4 AND D, OF THE ROADLESS CONSERVATION INITIATIVE DRAFT ENVIRONMENTAL IMPACT STATEMENT AND INCLUDING THE TONGASS NATIONAL FOREST IN ALTERNATIVES 4 AND D

WHEREAS, the United States Forest Service (hereinafter USFS) has proposed a national plan that would generally prohibit new road construction or reconstruction in the unroaded portions of inventoried roadless areas on National Forest System lands; and

WHEREAS, the USFS proposal will establish procedures for use during the forest plan revision process requiring local managers to evaluate the quality and importance of roadless characteristics and determine whether and how to protect roadless characteristics in the context of multiple use objectives; and

WHEREAS, local USFS managers would use the procedures and the further public involvement as part of the forest plan revision process to make future decisions about what activities, such as recreation, timber harvest, and grazing would be appropriate in inventoried roadless and other unroaded areas; and

WHEREAS, a USFS decision on whether to prohibit new road construction in inventoried roadless areas on the Tongass National Forest would be postponed until the 5 year forest plan review scheduled for April 2004; and

WHEREAS, the USFS has requested public comment regarding the proposed plan; and

WHEREAS, the people of the City of El Monte, California, place a high value on the recreational, environmental and aesthetic benefits of wild forest; and

WHEREAS, these benefits rest upon the preservation of intact and undamaged pristine wild lands; and

WHEREAS, California is fortunate to have some of our nation's most impressive national forests; and

WHEREAS, Alaska's Tongass National Forest is among our nation's most impressive forests; and

WHEREAS, the public is legitimately concerned about the detrimental effects continued road building, logging, mining and other destructive practices will have on our last remaining wild lands; and

WHEREAS, roadless areas help recharge aquifers and are often in the headwaters of municipal watershed; and

WHEREAS, unlogged and unroaded areas protect private property from landslides and flood carnage; and

WHEREAS, protecting scenic wild land areas also makes sound economic sense in that the projected economic impact in the year 2000 of national forest recreation will be \$110 billion, compared to \$3.5 billion for logging; and

WHEREAS, preserving roadless areas of more than 1000 acres will in the long run lead to more public wealth than consuming them for extractive purposes; and

WHEREAS, the public interest is best served by a strong forest preservation policy that protects inventoried roadless areas of 1000 acres or more from the building of roads, logging, mining, commodity development and other destructive practices.

RESOLUTION NO. 8054

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, AMENDING RESOLUTION NO. 8054, THE UNITED STATES FOREST SERVICE ADOPTING ALTERNATIVES 4 AND D, OF THE ROADLESS CONSERVATION INITIATIVE DRAFT ENVIRONMENTAL IMPACT STATEMENT AND INCLUDING THE TONGASS NATIONAL FOREST IN ALTERNATIVES 4 AND D

WHEREAS, the United States Forest Service (hereinafter USFS) has proposed a national plan that would generally prohibit new road construction or reconstruction in the unroaded portions of inventoried roadless areas on National Forest System lands; and

WHEREAS, the USFS proposal will establish procedures for use during the forest plan revision process requiring local managers to evaluate the quality and importance of roadless characteristics and determine whether and how to protect roadless characteristics in the context of multiple use objectives; and

WHEREAS, local USFS managers would use the procedures and the further public involvement as part of the forest plan revision process to make future decisions about what activities, such as recreation, timber harvest, and grazing would be appropriate in inventoried roadless and other unroaded areas; and

WHEREAS, a USFS decision on whether to prohibit new road construction in inventoried roadless areas on the Tongass National Forest would be postponed until the 5 year forest plan review scheduled for April 2004; and

WHEREAS, the USFS has requested public comment regarding the proposed plan; and

WHEREAS, the people of the City of El Monte, California, place a high value on the recreational, environmental and aesthetic benefits of wild forest; and

WHEREAS, these benefits rest upon the preservation of intact and undamaged pristine wild lands; and

WHEREAS, California is fortunate to have some of our nation's most impressive national forests; and

WHEREAS, Alaska's Tongass National Forest is among our nation's most impressive forests; and

WHEREAS, the public is legitimately concerned about the detrimental effects continued road building, logging, mining and other destructive practices will have on our last remaining wild lands; and

WHEREAS, roadless areas help recharge aquifers and are often in the headwaters of municipal watershed; and

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL MONTE)

I, CYNTHIA A. HAWKINSON, Chief Deputy City Clerk of the City of El Monte, California, do hereby certify this to be a true and correct copy of: Resolution No. 8054 which was adopted at a Regular City Council Meeting held on August 22, 2000.



Chief Deputy City Clerk
El Monte, California

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA,
DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

Section 1. The USFS is urged to adopt Alternative 4, which bans road building and all logging in inventoried roadless areas except that public utility companies shall not be prohibited from accessing their property or equipment nor from building or maintaining any roads necessary to service such property and equipment to facilitate the need for the safe operation, maintenance, and repair of their facilities.

Section 2. The USFS is urged to amend and strengthen Alternative 4 to include a prohibition on road building, logging, mining, off road vehicles, oil and gas development and other destructive activities on all roadless areas more than 1000 acres.

Section 3. The USFS is urged to adopt Alternative D so that roadless qualities are considered immediately on a project-by-project basis until the next forest plan is complete.

Section 4. The USFS is urged to not postpone the decision on whether to prohibit new road construction in inventoried roadless areas in Alaska's Tongass National Forest.

Section 5. The USFS is urged to include and therefore protect the wild forest roadless areas in Alaska's Tongass National Forest by including it in the above alternatives.

Section 6. Separability. If any section, subsection, sentence, clause, phrase or portion of this resolution is held invalid or unconstitutional by any court of competent jurisdiction, such determination shall not affect the validity of the remaining portions of this resolution. The City Council declares that it would have enacted this resolution and each section, subsection, sentence, clause or phrase hereof irrespective of any determination of invalidity.

Section 7. The City Clerk of the City of El Monte is to certify adoption of this resolution and after certification, to send copies to the President of the United States, U.S. Senator Diane Feinstein, U.S. Senator Barbara Boxer and the United States Forest Service.

APPROVED AND ADOPTED THIS 22nd day of August, 2000.

By: Rachel Montes
Rachel Montes, Mayor

ATTEST: CITY CLERK

By: Lorene Gutierrez
Lorene Gutierrez

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF EL MONTE)

I, Lorene Gutierrez, City Clerk of the City of El Monte, hereby certify that the foregoing Resolution No. 8054 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of August, 2000 and that said resolution was adopted by the following vote, to-wit:

AYES: Mayor Montes, Councilman Barrios, Councilman Fellow
and Councilwoman Jimenez

NOES: Councilman Thurston

ABSENT: None

By: Lorene Gutierrez
Lorene Gutierrez, City Clerk

Dear Mr. President

VIA EMAIL

Today's papers are full of the expected problems with the coming winter. All of the stories are written from the perspective powered by fossil fuels. The fact of the matter is that any and now discredited paradigm is doomed to fail. Only an energy strategy based upon renewable energy supplies will have long term vitality.

If our political leadership will not address this fundamental reliance on fossil fuel powered central generating plants how can we expect young people to see any relevance in the perspective understand that all talk of a "digital divide" pales when we see who are simply excluded by the dire fact of not having access to modern communications?

But back to domestic challenges:

What starts in California generally rolls east sooner than a Times story [see below]:

"California has been made vulnerable by its status as an energy consumer 20% more power than it creates--" This probably holds for all major US cities with any economic vitality.

The main root of this problem is that we have been adding co-generation at industrial sites - rather than building new plants or adopting distributed solutions. The problem is now going critical as we have now run out of locations with waste heat we can convert to steam to drive co-generators. All of the low hanging fruit has been devoured. **And now we have an Energy gap.** [source, Dr. Charles F. Gay, former head of NREL.]

Building more fossil fuel powered central generating plants is not the answer.

You will note in the article below there is ZERO mention of:

distributed energy generation strategy
fuel cells
photovoltaics
any form of renewable energy.

Jeff
See
future
Sign

9-13-00

Send to Cohen?

Yes ☒

No ☐

BC Sig

Nancy-

From:

Jack Gill

{I printed}

The solution to the 20% energy "gap" is still, sadly, being posited as being based upon very large scale, central, fossil fuel fired technologies.

I would have hoped that by now the intellectual model, paradigm, so powerfully demonstrated by the internet - distributed, heterogeneous, chaotic networks, with edge-based bottom up transactions - would have been applied more broadly and more imaginatively. Esp. in California! Talk about Democrat vs Republican!

But no. As of yet the old Cartesian fantasy of centralized, homogeneous, stable networks with top down administration and control still holds sway.

Al Gore can clobber George W. on this one. The environment & Internet vs two Big Oil men from Texas. The 21st century vs the dinosaurs.

This is just more opportunity for us!

Best regards,

Jock

Officials Go From Cold to Hot on Power Projects
Energy: State's electricity crisis is greasing the skids for plant construction. Critics are raising a red flag.

By CHRIS KRAUL and NANCY RIVERA BROOKS, Times Staff Writers

In the seemingly long-ago 1990s, when California had electrons to spare and energy was the last issue on most people's minds, San Diego Gas & Electric tried to expand a 700-megawatt power plant in Chula Vista--and met with stony indifference from local government types.

The attitude bespoke the not-in-my-backyard opposition that such projects typically have faced around the state. SDG&E shelved the plan.

But the current is flowing the other way now: The state is in the midst of an electricity crisis, and the San Diego bedroom community is urging the plant's new operator not just to keep the facility running but, indeed, to make it bigger.

From the governor's mansion to city council chambers, officials are courting power plant projects and seeking ways to get them built faster--even as critics question the wisdom of promoting what they see as air-polluting eyesores that would be unnecessary if

Californians could instead find the will to conserve energy and promote cleaner ways to generate it.

But with electricity rates having doubled in some parts of the state and the overtaxed power grid narrowly dodging blackouts this summer, greasing the skids for new power plants is seen by many officials as the one sure way out of the mess.

"It shouldn't take us longer to permit a power plant than it took to win World War II," said U.S. Rep. Duncan Hunter (R-El Cajon), whose constituents are among those paying the highest electricity prices in the state. "All it takes is someone with the political will to get it done."

Prodded by Gov. Gray Davis, the Legislature on Thursday passed the California Energy Security and Reliability Act, which would shave months off the average gestation period for new power plants. The measure, AB 970, is designed to boost statewide generation by speeding up the construction of 13 major facilities and plant expansions that have been proposed in California. Construction has begun on five others.

It's only natural that solutions are most urgently sought in San Diego County. Customers of San Diego Gas & Electric, the first utility to fully deregulate under California's landmark 1996 legislation--and thus be allowed to pass increased costs for electricity on to ratepayers--have been jolted by bills that have doubled or worse. Southern California Edison and Pacific Gas & Electric rates are frozen for the time being. Customers of the Los Angeles Department of Water and Power, a municipal utility not part of deregulation, have not been affected by price spikes or electricity shortages.

Holding On to Existing Plants Is Paramount

With the realization sinking in that California has been made vulnerable by its status as an energy-sucking monster--one that consumes 20% more power than it creates--the last thing officials want is to lose a plant. Yet under terms of a 1999 deal in which Duke Energy Corp. took over the Chula Vista facility from SDG&E--which under deregulation was required to divest most of its generating properties--the plant was to be demolished by 2009.

Just a few years ago, some civic leaders viewed the facility as a polluter and eyesore. Now Chula Vista wants "an accelerated

replacement" of the plant on a site adjacent to the present operation. The city is attracted by a projected \$3 million a year in additional tax revenue and cleaner-burning gas turbine technology--and the hope that it would keep a long-term source of cheap electricity.

"Power is an important issue to us," said Assistant City Manager Sid Morris. Chula Vista has been seeking ways to improve energy efficiency for several years, he said, but higher energy prices have made it "a high priority to procure economically more feasible power."

Chula Vista's willingness to continue hosting the power plant is music to the ears of Mark A. Seedall, a Duke executive involved in negotiations to boost the facility's capacity by about 40%, to more than 1,000 megawatts, or enough to serve about 1 million homes.

"Community support is fundamental. It's hard to go against local constituents," he said, adding that Sacramento and the Port of Oakland have been similarly open to power plant proposals from the North Carolina-based energy firm.

Other signs abound that the not-in-my-backyard attitudes are softening. Rep. Hunter proposed that the state or unspecified local governments acquire up to 40 General Electric jumbo jet turbines to build an ad hoc power plant at the Miramar Marine Corps Air Station that would give the San Diego area "total electricity independence."

Whether novel or traditional, power plant proposals are sprouting in the state because of the double whammy fueling the crisis: surging Internet-fed consumption and a lack of enough new generating capacity to keep up. And the resulting high electricity prices now make such investments attractive.

No major plants were built in California in the 1990s. The utility monopolies were dissuaded by regulators, who were pushing the development of renewable energy, and by market realities of the time that made electricity cheaper to buy from neighboring states than to develop at home.

But since the 1996 deregulation law--which transferred the task of building and operating new power plants from the utilities to independent energy producers--about \$7 billion in major new or expanded projects has been proposed. The plants would add 25%

to the state's electricity capacity, or enough to light about 11 million additional homes. But none of this electricity has been produced yet because of the mountain of red tape the projects face and their complicated nature.

Major power plants in California can take four to five years from drawing board to first flow of current, which is one reason the state's largest independent power producer, Calpine of San Jose, is pursuing a project at a Palm Desert Indian reservation, where only federal red tape must be cut.

"The California permitting process is probably more rigorous than other states'," said Calpine spokesman Bill Highlander, who added that in Texas, where Calpine has eight projects underway, the permit process takes one-third as long as it does in California.

By law, power plant licensing in California is supposed to take 12 months and include review by the staffs of the California Energy Commission and other agencies, public hearings and a formal commission vote. But the clock doesn't start ticking until the developer's application is deemed "data adequate," and that can take several months, generators said. What's more, the clock stops any time a problem arises.

AB 970, which Davis has yet to sign, would set a six-month limit on the review of big power plants that pose few environmental problems and four months for "peaking plants," smaller generators that could be built in a few months and run part time during power shortages. The bill, which won the backing of some environmental groups, would establish a "green team" with representatives from several agencies to find more ways to expedite construction of clean electricity generation and would provide \$50 million to promote energy efficiency.

'This Is a Good Incremental Step'

Only two projects currently under review would be likely to qualify for the expedited process set up by AB 970, but three more that are expected to apply soon may qualify, according to the California Energy Commission.

"This is a good incremental step, and it may help," said Jan Smutny-Jones, executive director of the Independent Energy Producers Assn., which represents most of the state's power generators. Some of those corporations, however, are

reconsidering future investment because of the uncertain regulatory climate in the state, said Smutny-Jones, who is also chairman of the board of the California Independent System Operator, a nonprofit agency set up under deregulation to operate the electricity grid for about 75% of the state.

The California Energy Commission studied how it does the job on orders from the Legislature and in March concluded that the process is "fundamentally sound."

"California has a sophisticated and complicated Environmental Quality Act that everyone must comply with," said Claudia Chandler, assistant executive director of the California Energy Commission. "If we don't do it right, it won't hold up in court. Even shopping malls take time to be permitted and licensed."

Opposition Killed S.F. Bay Project

At the other pole of this debate are power plant opponents, who say they will not dim their efforts despite the harshness of California's energy woes. In fact, keen opposition from these groups helped swamp a recent plan by PG&E to ease the power crunch by anchoring a huge jet-fuel-powered electricity generator on a barge in San Francisco Bay.

These critics feel ill-served by the current licensing process and argue that an even shorter procedure would cheat the public of a chance to influence future projects.

"They're trying to cut the public out," said Joe Hawkins, who lives near eight power plants in the Northern California community of Pittsburg and has intervened on two proposed projects. "They're playing Russian roulette with people's health here."

Even California Energy Commissioner Michal Moore, who heads the agency's electricity committee, wonders about the risks of an expedited process.

What could be lost, he said, is a chance to air "environmental justice" and other concerns such as those already being raised by South Gate residents about a proposed plant in that city.

"Would that community want us to have this thing done in six months if it meant that all of their concerns didn't get considered? Probably not," Moore said.



J. Stuart Ryan, executive vice president in the San Francisco office of power plant developer AES Corp., said state law or even greater local political acceptance wouldn't be enough to speed power plant construction.

"There are a host of legal avenues available to people who want to appeal these sorts of things. And no one is talking about denying opponents access to the courts," Ryan said. Lawsuits are what "tend to make these things take years as opposed to months to get permitted."

Indeed, power plant foes vow not to be expedited away. Greenaction, one of the environmental groups that fought the PG&E barge proposal, had paid little attention to power plant issues but now has been energized by the fight, said Bradley Angel, executive director of the San Francisco-based organization.

"It was a wake-up call," he said, "to us and a lot of other people who are asking: Will the state pursue a path of ramming polluting power plants down the throats of Californians?"



Copyright 2000 Los Angeles Times

9.13.2000

Letter to widow

00 SEP 13 PM 5:27

Judith Turrentine

13729 Piscataway Drive

Fort Washington, Dr
20744

Lotus may sign.

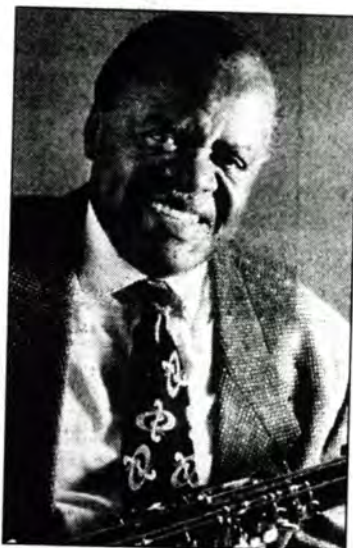
9-13-00

To Cohen for reply?
Yes ☒ No ☐
B.

jazzman known for creativity and innovation, whose honeyed sound on the tenor sax won him renown as "The Sugar Man," died yesterday at a hospital in New York City. Mr. Turrentine, who lived in Fort Washington, had suffered a stroke three days ago.

A brawny bear of a man, Mr. Turrentine blazed a jazz trail that stretched for half a century, winning four Grammy nominations and a reputation as one of the world masters of his instrument.

Born in Pittsburgh on April 5, 1934, into a family that played, listened to and lived music, Mr. Turrentine played with many of the jazz



FILE PHOTO

Stanley Turrentine was known as a musical synthesizer and originator.

Jazzman Stanley Turrentine Dies at 66

By MARTIN WEIL
Washington Post Staff Writer

Stanley Turrentine, 66, a veteran jazzman known for creativity and innovation, whose honeyed sound on the tenor sax won him renown as "The Sugar Man," died yesterday at a hospital in New York City. Mr. Turrentine, who lived in Fort Washington, had suffered a stroke three days ago.

A brawny bear of a man, Mr. Turrentine blazed a jazz trail that stretched for half a century, winning four Grammy nominations and a reputation as one of the world masters of his instrument.

Born in Pittsburgh on April 5, 1934, into a family that played, listened to and lived music, Mr. Turrentine played with many of the jazz greats and created a style of his own, becoming known as a synthesizer and originator.

Over the years, Mr. Turrentine produced more than 35 albums, including "In the Pocket," "Pieces of Dreams," "Stanley Turrentine."

"T-Time."

During the last 15 years, when he lived in the Maryland suburbs, Mr. Turrentine was an important figure on the Washington musical scene. His activities included playing gigs at Blues Alley, working with students at the Duke Ellington High School of the Arts and performing at annual benefit gospel concerts for Shiloh Baptist Church.

Few performers matched his reputation for versatility. He was admired as a composer of up-tempo pieces, a sax man at jam sessions, a gifted interpreter of classics of the jazz genre, a bluesman and a balladeer.

His name was associated with bebop, with rhythm and blues, and with a blended form known as "soul jazz."

Much of his virtuosity has been traced to his origins and upbringing. "My whole family plays music," he once said. "I was raised with it. My mother played piano. My father put a saxophone in my hands and taught me to play one note at a time."

It was at home that Mr. Turrentine was taught to not merely listen to the sounds coming from the family radio, but to actually hear them. Home was a place where Mr. Turrentine was called upon after dinner to identify by ear the artists playing solo on the air.

It was said that Mr. Turrentine went to sleep on many nights while listening to his mother play gospel piano at a church next door.

In high school, he had a band. Early performances came at school proms and at basketball games. At age 16, he went on the road with a blues band, beginning a long period of paying his musical dues.

"We played in little towns you'd never think of," he said. "We played in barns, yes, barns."

Those were the years of segregation and long night drives to bypass the hotels that would not take in the bandsmen.

At places Mr. Turrentine played, "they used to rope off the dance floor, blacks on one side, whites on the other side, but they were all dancing to the same music."

Later, he played for the Earl Bostic Big Band, then entered the Army and played for three years in an Army band.

He was a man who trusted his instincts and followed a personal vision. Beyond what technique made possible, he said, his music came from within. "I play from the gut," he once said.

Finding nothing in music to be alien, he was credited with a personal fusion of the old and the new, of almost anything musical that could be heard or played on the airwaves, or in the clubs.

"A lot of people ask me what I'm trying to do, and it's exactly that," he said.

THE WHITE HOUSE
WASHINGTON

9-13-00

September 12, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: SIDNEY BLUMENTHAL

SUBJECT: COLON CANCER

JP / Atkinson
(I'd really like to do
something on this -
How much of this
can we do -

BC

You have a great opportunity to save lives that would be lost to colon cancer, the number-two cancer killer of both men and women. When colon cancer is detected through early screening survival rates increase enormously. Currently, only about a third of colon cancers are diagnosed in the early stage, before the cancer has begun to spread. Less than 25 percent of Americans over 50 years of age are currently being screened according to American Cancer Society guidelines. The American Cancer Society estimates that colon cancer mortality could be cut in half within two years through screening awareness programs and mandating insurance companies to cover screenings for those individuals with average-risk (that is, those 50 years old or older).

copied
Podesta
Jennings

On Sunday, October 8, an alliance of foundations and groups devoted to fighting colon cancer will hold a rally on the Mall, a walk-a-thon and a concert by Paul Simon. The leaders of the event are Katie Couric, Rosie O'Donnell, Dennis Franz, and Lilly Tartikoff. Major corporations (Chrysler, US Airways, Sony, Viacom, NBC, Aetna, Merck, Dreamworks, etc.) are lending support. This high profile event would provide the occasion for a radio address on Saturday, October 7, on meeting the challenge of colon cancer. (Loretta Ucelli supports a radio address on this topic.)

Policies you could propose include:

- (1) Increasing public awareness by increasing funding for the Centers for Disease Control and Prevention. In FY 2000, the CDC received a bare \$2.8 million for promoting screening, the Colo-rectal Cancer Awareness Program. An increase

to \$25 million would begin to change nationwide participation rates. It would continue the effort started by the First Lady in September 1998, when she joined with Katie Couric at the White House to call attention to the importance of colon cancer screening.

(2) Support enactment of the Eliminate Colo-Rectal Cancer Act (HR 1816/S 1044) and the Cancer Screening Coverage Act (HR 1285/S 1641) that would provide access to screening for individuals with private health insurance who are currently prevented from getting screening. Some plans deny coverage to average-risk individuals and others even deny it to high-risk individuals. A majority of new cases of colon cancer are diagnosed in individuals considered to be at average risk. Both bills have bipartisan sponsorship. The Eliminate Colo-Rectal Cancer Act is co-sponsored in the Senate by Senator Ted Kennedy and Senator Jesse Helms.

(3) Support coverage under Medicare for colonoscopy screening for average-risk individuals. Currently, Medicare covers only high-risk individuals for this essential procedure.

(4) Support, once again, a real Patients Bill of Rights that establishes the right of access, for the first time, to clinical trials (including those under the auspices of the FDA), specialists, and a grievance and appeals process for those who have been unfairly denied care.

Colon cancer, of all cancers, is the one that can be defeated most directly and immediately. Bipartisan support exists for new policy. The insurance companies' exclusionary coverage is unacceptable and unpopular. The results of taking action are indisputable.

MEMORANDUM
OF CALL

Previous editions usable

TO:

Lisel

☒ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Chris

OF (Organization)

NEC

☒ PLEASE PHONE (Enter area code, if necessary) ☐ DSN

62807

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU
☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

*Spending has an
add'l article on oil for POTUS—
can it go to him tonight?*

RECEIVED BY

bb

DATE

9-13

TIME

5:11p

NSN 7540-00-634-4018
50363-111
UNICOR FPI-SST

OPTIONAL FORM 363 (Rev. 7-94)
General Services Administration

MEMORANDUM
OF CALL

Previous editions usable

TO:

Lisel

☒ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Karen T

OF (Organization)

☒ PLEASE PHONE (Enter area code, if necessary) ☐ DSN

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU
☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

*Ole to send oil memo
to POTUS, per Podesta*

RECEIVED BY

bb

DATE

9-13

TIME

5:15p

NSN 7540-00-634-4018
50363-111
UNICOR FPI-SST

OPTIONAL FORM 363 (Rev. 7-94)
General Services Administration

PHOTOCOPY
PRESERVATION

THE WHITE HOUSE
WASHINGTON

Date 9.13.00

To: **PODESTA; TRAMONTANO, RIKKETTI**

From: The Staff Secretary

ANY COMMENT?

Per nvisky cleared with :
Summers
Richardson
Lew
Berger
Bailey

OKM

THE WHITE HOUSE
WASHINGTON

00 SEP 13 PM 4:14

September 13, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: Additional Steps on Home Heating Oil

On Sunday morning, OPEC announced that it would increase crude oil production by 800,000 barrels per day. Although this will be allocated on a pro rata basis across OPEC members, countries other than Saudi Arabia may not have sufficient excess capacity to increase crude oil production. Accordingly, the markets are concerned that the actual production increase may be less than 800,000 barrels. On Monday, the price of oil for October delivery rose \$1.51 to close at \$35.14 per barrel based on market concerns that OPEC's production increase will not meet growing demand. On Tuesday it fell 86 cents to \$34.28.

In response to the possibility of high heating oil prices this winter, you approved last week a package to supplement the establishment of the home heating oil reserve in the Northeast. That package includes:

- Secretary Richardson meeting with refiners to discuss fall production issues;
- Encouraging federal, state and local governments to fill heating oil tanks early and contract for the purchase of heating oil for the winter;
- Announcing a substantial release of LIHEAP funds, while asking states to use the funds to encourage recipients to stock up early;
- Working with state utility commissions on issues surrounding interruptible natural gas contracts; and,
- Directing the Environmental Protection Agency to work with states on identifying flexibility in air quality plans to allow the use of heating oil with higher sulfur content.

In addition we will continue to work with the producers and major oil consuming countries to ensure that OPEC countries implement their recent decision to increase quotas and to get their commitment to further increase production if the market warrants it. Our overriding goal remains to get more oil on the market.

POSSIBLE ADDITIONAL STEPS

The interagency process has identified four policies that would be seen as more aggressive responses to the heating oil situation.

Policy 1: Initiate a Time Exchange of Strategic Petroleum Reserve (SPR) Crude Oil

You could decide to initiate a time exchange of crude oil from the SPR. The Department of Energy (DOE) could provide 30 to 60 million barrels of crude oil from the SPR to the market in September and October (500,000 to 1,000,000 barrels a day for 60 days) in exchange for commitments to return slightly more oil to the SPR next year or in 2002. By putting more oil onto the market in the near term, we hope to reduce the current price somewhat relative to the future price and encourage more near term production of refined products, including home heating oil, by reducing refiners' costs. However, despite the diplomatic groundwork laid by you and Secretary Richardson, this option could elicit a negative response from oil producing nations.

The Energy Information Administration estimates that a 60 million barrel exchange would increase U.S. distillate stocks by about 4.6 million barrels by December and decrease retail heating oil prices by 1.0 cent in December and 2.6 cents per gallon in January. The economic agencies are skeptical of these estimates. Although there is not consensus among the agencies whether this would actually happen, the move would nonetheless be seen as a significant attempt to increase supply and reduce prices of crude oil.

Policy 2: Sell SPR Crude in a Test Sale. Use Proceeds to Purchase Heating Oil to Sell on the Open Market

This approach was not included in our prior memoranda. Secretary Richardson could use existing legal authority to undertake a 5 million barrel test sale of SPR crude oil. The proceeds of the test sale could then be used to purchase heating oil, preferably produced at refineries outside the United States that are not operating at capacity so as not to divert current domestic production. DOE could then import the heating oil and auction it on the open market. (The proceeds of the sale would be used to repurchase crude oil for the SPR within one year, as required by law). By purchasing oil from underutilized foreign refineries, DOE would be adding to private U.S. stocks heating oil that would otherwise have never come to the United States, though paying the extra cost of bringing that heating oil to the United States. This option has the advantage of producing additional heating oil directly and then allowing the market to allocate it (rather than keeping it in the Heating Oil Reserve). Further, since it involves a much smaller sale of SPR crude (5 million versus 30 - 60 million barrels), it should reduce the concerns about precedential use of the SPR to affect world crude prices. However, it is administratively and logistically more complex than the simple SPR time exchange.

Policy 3: Increase the Size of the Regional Home Heating Oil Reserve

You could direct DOE to increase the size of the home heating oil reserve by exchanging additional crude oil from the SPR for heating oil produced at refineries outside the United States that are not operating at capacity so as not to divert current domestic production. This would build on and support a program that we have already begun, and provide the government with a larger cushion against the effects of heating oil shortages or price spikes. DOE probably would have to pay above the domestic market price to obtain such heating oil because of the additional cost of transporting it to the United States. Further, we would have to address the absence of effective criteria for the use of the reserve, because until Congress authorizes a home heating oil reserve with a workable trigger, the trigger for the reserve is an energy supply emergency, the same as the crude oil reserve. Enlarging the reserve also runs the risk of discouraging private stockpiling and of underscoring our dependence on foreign production.

Policy 4: Propose Tax Incentive to Purchase Heating Oil Early in Season

We can design a tax credit to reward home heating wholesalers for purchasing heating oil early in the season and either storing it themselves or selling it to customers. This would be a clear incentive to build private stocks. A very rough calculation by CEA suggested that a credit decreasing from about \$2 per barrel to about \$1 per barrel might increase distillate production by about 4 million barrels by December. It would, however, involve a substantial on-budget expense (depending on the design, up to \$500 million) and be difficult to administer. Further, it would be difficult to get enacted and even if enacted it could be difficult to implement quickly enough to provide short-term relief this winter; it might serve to shift responsibility to the Congress without providing actual relief. As we did with the tax incentives for oil producers last March, we could tie the passage of this tax incentive to passage of our conservation and energy efficiency tax credits.

AGENCY VIEWS

As noted above, all of your advisors supported moving forward with the five elements in the base package. Each of your advisors recognizes the imperative to take an additional substantial step in order to demonstrate responsiveness to the possible heating oil situation this winter. There is, however, no consensus *which* step you should take. The interagency process has identified three additional options:

1. Initiate a Time Exchange of SPR Crude Oil (Policy 1)
2. Use SPR Crude to Acquire Foreign Heating Oil and Sell It Domestically (Policy 2)
3. Enlarge the Heating Oil Reserve *or* Propose Tax Incentive to Support the Building of Heating Oil Stocks (Policy 3 *or* Policy 4)

Time Exchange of SPR Crude Oil: While your advisors have some disagreements regarding the other options, they disagree most intensely about initiating a significant SPR crude oil exchange. (Attached to this memorandum are one page memoranda from both Secretary Richardson and Secretary Summers in which they convey their strongly held views in their own words.)

Secretary Richardson believes that two market conditions – historically low heating oil stocks and concerns about available worldwide oil production capacity – warrant a bold response from the United States government. Moreover, he believes that the American people believe that the Federal government owns this problem, and expect us to provide a credible response. He supports a crude oil exchange, which would ultimately obtain more oil for the SPR in the future while helping address the short-term heating oil shortage. In his view, an exchange presents an opportunity to add nearly 5 million barrels of heating oil to inventories in the Northeast by lowering refinery costs (the cost of crude oil) and increasing refinery margins, thereby creating an incentive for refiners to maintain high levels of capacity utilization throughout the fall, a time when they historically reduce utilization as they move away from the peak driving season. Secretary Richardson notes that an exchange is allowed under the law, and that prominent oil market analysts have indicated that an exchange is desirable and could be the government's only option to increase home heating oil stocks and dampen market speculation at this point.

Secretary Summers, Chairman Baily, Director Lew and NEC Director Sperling strongly oppose a crude oil exchange. They believe that using the SPR at this time would be a significant policy mistake. They believe that any attempted portrayal of the exchange as a policy relating to the technical management of the SPR (the legal justification for an exchange) would simply not be credible in the current environment, and they find the estimated potential benefits to be negligible (2.6 cents per gallon of heating oil and 4.6 million additional barrels according to the DOE's own estimates). In addition, they see four significant risks: Undertaking a large SPR exchange would increase the sense of Administration ownership of oil prices; it would be seen as setting a new and ill-advised precedent of using the SPR to manipulate oil prices; despite the diplomatic efforts with the Saudis, there is a risk that it will attract a high profile that it will lead other OPEC countries to adjust their supplies in response because it looks like we are pushing them around; and, if we use the SPR now, using it in response to a subsequent disruption of Iraqi oil would place the SPR under unprecedented operational demand. The State Department also opposes a crude oil exchange because of uncertainty about the reaction of other key producers and the prospect for only a limited effect on heating oil prices.

The National Security Council (NSC) had expressed concern in recent weeks that this action could provoke a negative reaction from the Saudis. Following your conversation with Crown Prince Abdallah and Secretary Richardson's conversation with Foreign Minister Saud Faisal in Los Angeles on Saturday, however, the NSC believes that the Saudis will understand a decision to initiate a time exchange of SPR crude oil, so long as it is justified as dealing with a home heating oil crisis and not as an attempt to affect crude prices and so long as they are not cited as approving our ability to use it. The NSC and the State Department has expressed a concern, difficult to evaluate, on whether use of the SPR here will undermine our ability to use it later in response to the potential for more disruptive production cuts by Iraq.

Test Sale of SPR Oil: Secretary Summers, Chairman Baily, Director Lew and NEC Director Sperling each support the initiation of a SPR test sale, with the proceeds being used to purchase preferably foreign heating oil for sale in the United States, because it directly pursues our goal of increasing U.S. heating oil inventories. It is more directly related to building heating oil reserves than an SPR crude oil exchange, and according to Office of Management and Budget estimates is likely to increase heating oil inventories by 3.5 to 4 million barrels, almost as much as a 60 million barrel SPR exchange, without the concerns of policy and precedent raised by that option. Although heating oil markets are tight worldwide, the economic agencies believe that by paying a market price, the government can find heating oil on the market (if not, then none of these proposals would work). Unlike enlarging the heating oil reserve, it would place the stocks in private hands so that the market can direct the use of the heating oil.

Although this proposal is a test sale and not an exchange, because it represents a 5 million barrel removal of oil from the SPR rather than a 60 million barrel removal, and because it is narrowly targeted at finding heating oil instead of reducing the price of crude oil, it should be of less concern to the Saudis and other foreign producers. At the same time, however, it would demonstrate our ability and willingness to use the SPR, and might reduce market volatility by offering the markets, which are concerned about the availability of excess oil production capacity anywhere in the world, some assurance that we could initiate a larger exchange or release of SPR oil if necessary in the near future. The economic agencies acknowledge that there is a risk that some of the heating oil could be exported, but note that this same risk exists under the SPR crude swap proposal. Finally, it is less expensive and more likely to be accomplished than the tax incentive proposal.

Secretary Richardson strongly opposes this option on both policy and operational grounds. He argues that: 1) this is a totally untested SPR initiative; 2) even if it were workable, he believes it likely will net only three million barrels of distillate, after transportation and transaction costs are factored in, versus DOE's estimate of almost five million barrels for the SPR crude oil exchange; 3) there is no evidence that there is distillate available outside the normal U.S. supply chain (the Saudis, for example have represented that they have no distillate available); and, 4) even if there were distillate available somewhere in the world, in addition to the high transportation costs associated with physical transport of the product over long distances, 50 percent of this product would have to be transported on U.S.-flag tankers, pursuant to the Cargo Preference Act, for which waivers are usually only granted in emergencies, and which generally generate opposition from labor unions.

Secretary Richardson believes that time consuming or complex regulations that could take 60 to 90 days to issue (too late to respond to this crisis) would be required to ensure that there is actually a net-gain to U.S. heating oil supplies, and that there is no way to ensure that buyers of heating oil sold by the government will not export it. Finally, Secretary Richardson notes that an SPR sale is completely contrary to his representations to Saudi Foreign Minister Prince Saud Al-Faisal that we are only considering an exchange.

If you choose this option, both the NSC and the State Department request adequate time to discuss it with the Saudis before announcing it.

Enlarging Heating Oil Reserve or Tax Incentives: If you do not choose to undertake a test sale, then your economic advisors believe that you should either enlarge the heating oil reserve or propose a tax incentive to promote building inventories of heating oil. Secretary Summers and Director Lew recommend that you increase the size of the home heating oil reserve, because we can do it ourselves without legislation, it is less expensive than other remaining options, and it reminds people of what we have already done. Moreover, Secretary Summers is concerned that implementing tax incentives would be administratively complex. NEC Director Sperling recommends instead that you propose a tax incentive to support the building of heating oil inventories because it is most directly targeted at creating an incentive to build stocks of heating oil, which is the underlying problem. Moreover, he believes that as a new policy, such a tax incentive could attract significant public attention that could aid in its passage. Chairman Baily is comfortable with either option.

Secretary Richardson strongly supports the tax incentives because they will increase incremental stocks of heating oil, but does not believe that the tax incentives are sufficient to replace the SPR crude oil exchange option.

DECISION

Option 1: Initiate an Exchange of SPR Crude Oil

Option 2: Test Sale of SPR Crude Oil, Purchase Heating Oil With Proceeds

Option 3: Enlarge the Regional Heating Oil Reserve *or* Propose Tax Incentive

Let's Discuss



The Secretary of Energy

Washington, DC 20585

September 12, 2000

UNCLASSIFIED BUT SENSITIVE

MEMORANDUM FOR THE PRESIDENT

From: Bill Richardson *BR*
RE: Possible SPR Exchange

BACKGROUND

U.S. crude oil stocks are the lowest they have been since 1976; measured in terms of days of supply, they are at the lowest level ever recorded. Nationwide, stock levels of distillate are 20 percent lower than they were last year. Even more worrying, stock levels on the East Coast – the primary market for home heating oil – are 44 percent lower than they were last year.

- ◆ 8/99 distillate inventories nationwide: 140.0 million barrels
- ◆ 8/00 distillate inventories nationwide: 110.0 million barrels
- ◆ 8/99 distillate inventories in the Northeast: 65.5 million barrels
- ◆ 8/00 distillate inventories in the Northeast: 35.7 million barrels

Last year was a mild winter and a single cold snap sent heating oil prices over \$2.00 per gallon; another week of cold weather would likely have resulted in spot heating oil shortages. It could be much worse this year, because we are starting from a lower distillate inventory base line and crude oil prices are higher.

SPR EXCHANGE

As you know, we are currently authorized to do a time exchange of SPR oil in order to acquire more oil for the SPR at a future date. An example of how an exchange would work: ExxonMobil is awarded the winning bid to take 15 million barrels of oil at today's price of \$34 per barrel. Exxon contracts with DOE to return 16.5 million barrels of oil to the SPR starting in April 2002. Futures prices in April 2002 are \$26 per barrel. Exxon makes money on the spread between \$34 and \$26 and the SPR gets more oil.

The impact of an exchange would be to marginally lower crude oil prices and temporarily increase refiner margins, providing additional incentive to maximize production. Refiners in the United States are currently operating at 99 percent capacity, although under normal circumstances, they would cut back to around 92 percent in October, November, and December. Lowering the underlying price of crude oil would provide additional incentive for refiners to produce at maximum



Printed on recycled paper

capacity. If we decided to proceed with an exchange, we would meet with refiners to see about possible sequencing of refinery maintenance in order to maximize production.

An exchange would be temporary – we would announce from the outset the number of days the oil would be available and when we would start returning it to the SPR. We would be putting oil on the market now when demand is strong, and pulling it off the market in six or eighteen months, when demand is normally lower. A sale of SPR oil requires a Presidential finding of an energy emergency; an exchange is allowed under law. A sale is permanent and depletes the SPR; an exchange actually adds to our reserves.

We estimate that an exchange could add up to five million barrels of distillate to the market by December. This amount will not move us into the normal range for distillate stocks but it will help. The Northeast Home Heating Oil Reserve will also help and should be fully operational by the end of October.

SENSITIVITIES

Concern: A large exchange of SPR oil would be a major change in SPR policy.

Response: An exchange represents a change in how we have historically managed the SPR but it is an authority that exists under current law and would ultimately result in additional oil in the SPR. Historically low crude and heating oil stocks in the U.S. are a serious problem. This change in policy, while not radical (we have done small exchanges in the past) is warranted given current market conditions – this action would signal to the American public that we are prepared to change our policy to make certain there is heating oil this winter. All other significant options under consideration envision pulling supply off the market (e.g., doubling the size of the Reserve), which would place additional pressure on markets – and likely raise prices -- as we enter the heating oil season

Concern: An exchange might not work – a crude oil exchange is an extremely indirect way to impact heating oil stocks.

Response: Without exception, oil market analysts report that the fundamental problem with heating oil stocks is the underlying high price of crude. An exchange is the only option under consideration that would actually add supply to the market. A significant number of market analysts believe that the lack of worldwide production capacity is driving prices and are privately urging DOE to do an exchange of SPR oil.

DEPARTMENT OF THE TREASURY
WASHINGTON D.C.

September 13, 2000

SECRETARY OF THE TREASURY

00 SEP 13 PM 2:17

MEMORANDUM FOR THE PRESIDENT

FROM: Lawrence H. Summers *LH*
SUBJECT: Strategic Petroleum Reserve

Chairman Greenspan and I believe that using the Strategic Petroleum Reserve at this time, as proposed by DOE, would be a major and substantial policy mistake. Even DOE suggests its impact on heating oil prices would be quite small. Moreover, it would set a new and ill-advised precedent, and the claim that the exchange is nothing more than a policy of technical SPR management would simply not be credible in the current environment. If you are inclined to authorize a SPR exchange, I would like to speak with you before you make your decision.

The proposed sale of 60 million barrels is 3½ times as large as the largest previous such sale, which was during the Gulf War. Even DOE estimates that the proposed sale would reduce the price of home heating oil by only 2.6 cents per gallon by January. An effect of this size would be lost in day-to-day price fluctuations. In part, the modest size of the impact reflects the fact that refineries in the U.S. have only limited capacity, no matter what the availability of crude petroleum.

Chairman Greenspan and I believe, for a number of reasons, that even this modest effect overestimates the probable impact. In particular, DOE fails to take account of (a) any offsetting effect from the repurchase segment of the swap; (b) any offsetting reduction in privately held inventories; and (c) any reduction in supply, including a possible reduction in over-quota production by OPEC members.

The downsides of a SPR exchange outweigh the limited benefits.

- The current tight world oil market and the political problems that this is raising in a number of countries creates a situation in which Iraq might attempt to disrupt markets by withholding supplies. We need to be in a position to respond immediately and forcefully should Iraq do so. Using the SPR at this time diminishes its psychological value as a potential response to Iraqi mischief. More importantly, using the SPR to replace more than 2 million barrels per day in lost Iraqi production *in addition to* the proposed 1 million barrels per day exchange would place the SPR under unprecedented operational stress.

- Using the SPR at this time would be seen as a radical departure from past practice and as an attempt to manipulate prices. The SPR was created to respond to supply disruptions and has never been used simply to respond to high prices or a tight market. Given the substantial size of the proposed sale, and its proximity to both the OPEC meeting and the November election, it will be impossible to argue credibly that the proposed exchange is simply a technical SPR management policy.
- Despite the diplomatic efforts with the Saudis, there is a substantial risk that others will adjust their supplies in response. It will be impossible to exchange 60 million barrels without attracting considerable attention. Oil producers make ongoing adjustments. We cannot predict how this change in the equation will impact their judgements on balance. When combined with the diplomatic pressure that has been placed on OPEC by a number of consuming nations, producing nations are likely to believe that they will be perceived as bowing to U.S. pressure if they fail to respond adversely to this use of the SPR. Furthermore, using the SPR would expose us to valid charges of naiveté because we would be using changes in crude supply as a very blunt tool for dealing with the prospect of high heating oil prices.
- Engaging in a large SPR exchange would increase the sense of Administration ownership of oil prices. It would set a dangerous precedent that would put pressure on all future Presidents and call into question our commitment to the free operation of these markets.

I understand the salience of the oil price issue. There are alternatives available involving the SPR that are focused and targeted on the home heating oil issue. These would be less threatening to the Saudis because they are smaller and better targeted, and they would not jeopardize our capacity to respond to Iraqi mischief and set a much less dangerous precedent.



9-13-00

AUGUST 28, 2000

David H. Pryor, Jr.

DEAR MR. PRESIDENT & MRS. CLINTON —

IT IS WITH EQUAL PARTS SADNESS AND JOY TO
INFORM YOU I AM LEAVING THE OFFICE OF PROTOCOL
TO WORK FOR THE GOVT. AFFAIRS OFFICE OF FEDEX.

IT HAS BEEN A GREAT HONOR TO SERVE YOU
AND I WANT TO SINCERELY THANK BOTH OF YOU FOR
THE EXPERIENCES, THE EDUCATION AND THE MEMORIES.

WORDS WILL NEVER EXPRESS THE PRIDE AND SENSE
OF PRIVILEGE I HAVE ENJOYED DURING THIS TIME. —
PLEASE CALL UPON ME IF I CAN EVER BE OF SERVICE. —

Pryor

9-13-00

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

C.