

**THE TRIP OF
THE PRESIDENT
TO
DENVER, COLORADO; LOS ANGELES,
SACRAMENTO AND SAN FRANCISCO,
CALIFORNIA**

July 21 - 23, 1996

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MEETING WITH *AT THE TABLE* PARTICIPANTS

DATE: Sunday, July 21
TIME: 10 am - 7 25 pm
LOCATION: Denver, Colorado
The Home of Mary Frances Kelley
A single-divorced mom; and
partner in three-woman CPA firm
3936 South Magnolia Way
FROM: Betsy Myers *Betsy*

I. Purpose

- (1.) To relay the Clinton Administration's accomplishments for women and families to the 26 million readers of Family Circle magazine.
- (2.) To hear first-hand the concerns of 16 American women.
- (3.) To support the *At the Table* initiative, the flagship project of the White House Women's Office.

II. Background

The White House Office for Women's Initiatives and Outreach in November, 1995, launched *At the Table*, a major outreach effort of roundtables conducted by Presidential appointees throughout the Administration. More than 800 roundtables have taken place, reaching thousands of women in more than 40 states. Denver has been the location for 12 *At the Tables* to this date. Reports from each roundtable are sent to the Women's Office who in turn summarize the thoughts and ideas for the President and other policymakers in the Administration. Each participant in an *At the Table* fills out a "What I Want the President to Know" form and after the roundtable they receive a thank you note from the President.

The roundtables have been conducted by a wide variety of women and men in the Administration, from Schedule C's to Carol Browner, Carol Rasco, Alexis Herman, Kitty Higgins, Madeleine Kunin, Madeleine Albright, Hazel O'Leary, Donna Shalala, and Henry Cisneros.

At the Table consists of a nationwide series of roundtables for women led by Clinton Administration appointees. The four central goals of this outreach effort are:

- (1.) To hear about issues that are important to women, their families and their communities.
- (2.) To highlight the Clinton Administration's accomplishments and resources to help women in their daily lives.

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- (3.) To activate women appointees and better utilize them as the eyes and ears of the Administration. They put a human face on government, which gives every roundtable participant a point of entry into federal government.
- (4.) To bring information back to the White House so that the President/Vice President, senior White House and agency staff know what women are thinking across the nation.

This is a bi-partisan initiative and we try to reach all women -- Democrats, Republicans, Independents and those who have never participated in their government before.

III. Participants

See attached biographical list and seating chart.

IV. Press Plan

Family Circle exclusive. Susan Ungaro, executive editor, will cover the roundtable and write a story for her October 18 edition which is sold at news stands beginning September 17. The magazine has a mostly-female readership of 26 million, approximately 1 in 4 American women. The readership median age is 42.5 years and the median household income is \$39,000. Other characteristics of the readership: 78 percent are married; 48 percent have children under 18; 42 percent are employed full-time; 22 percent employed part-time; 35 percent not employed/retired; 31 percent graduated high school; and 17 percent graduated college.

The last Family Circle article on the President was an interview by Marian Burros on Father's Day, which was in the June 28, 1994, edition. Previous to the Father's Day piece, Family Circle ran an article in the February 2, 1993, edition on an interview by Margaret Jaworski with the President's mother.

V. Sequence of Events

- o Betsy Myers opens *At the Table* roundtable and introduces POTUS.
- o POTUS opens and begins discussions with participants by calling on each one individually and encouraging a dialogue.
- o Susan Ungaro, Executive Editor of Family Circle, closes discussion with results of a poll by the magazine that showed: (a.) 81 percent of women polled do not want their children to grow up and be president; (b.) the women polled believe their government tells the truth 40 percent of the time and that only 1 percent believe the government tells the truth all the time; and when asked what issues were most important to them,

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the women polled chose the following -- 25 percent the economy; 23 percent health care; 20 percent crime; 13 percent poverty; 5 percent the environment; and 2 percent child care. Susan will ask for a brief discussion on these findings.

- o POTUS thanks the participants and closes.
- o Photo-op with participants.
- o POTUS departs.
- o Participants remain to take follow-up questions from Family Circle.

VI. Remarks

See attachment.

Attachments:

List of Participants
Seating Chart of Participants (to be forwarded)
First six-month report on the *At the Table* initiative

At the Table Participants
Denver, Colorado
Sunday, July 21

Barbara Batey

A married mother, 54, with two adult children, 26 and 32 years old. She is a school principal at Cole Middle School, grades 6th through 8th. She has returned to schools and is working on her doctorate. She would like to tell the President that we need to focus on pre-school and Head Start programs. The important issues to her are day care, domestic violence, education and the Family and Medical Leave Act. "More support needs to be given to single parents." She believes women need more of a support system when they are victims of domestic violence.

Patsy Buchanan

A retired single mother, 70, with three daughters. One of the daughters is Penny McDaniel who also is participating in the At the Table. She was a human resource manager for First Interstate Services, a data processing group. She wants to talk to the President about age discrimination. She says she was a victim of age discrimination during her working years. She is active in the League of Women Voters. She receives social security and she uses Medicare with supplemental coverage.

Kristin Callahan

A married mother, 32, with two toddler boys. She recently returned to work, part-time, in a job-sharing position at a ski association. Although she pays babysitters the same hourly rate she earns at her job, she says, "It's worth it to get out of the house for my sanity." Her husband works long hours, so she is the primary parent. She is interested in re-invigorating a sense of neighborhood cooperation and community. She directs the Neighborhood Watch for her area. She also worries about the quality of public schools in the city, as well as, the teenage violence on school playgrounds.

Phyllis Cano

A divorced mother, 43, with three daughters. Small Business Administration Micro Loans enabled her to turn her kitchen-based pastry and kitchen baking project into a successful business, "Pretty Cakes." She says her husband is a deadbeat dad, and she has struggled to raise her three daughters -- even using welfare at one point. Micro loans helped her to turn her life around. She is primarily concerned about her 13 year old daughter and other teenagers who are unsupervised in the afternoons, and she is very interested in the V-Chip and curfews.

Susana Cordova

A married mother, 29, with a toddler. Upon graduating from college, she decided to dedicate her life to helping inner-city youth. She learned Spanish and became a high school teacher in a Denver bilingual public school. She is primarily concerned about the world that kids grow up in -- the quality of their education and the encouragement and role models available to them.

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Elaine Demery

A divorced mother, 49, with one son. Her husband left her when her son was 11 years old. She was forced to return to work and to raise her son as a "latchkey kid." She gained business skills through her civic involvement and rose to become a self-made business success. Last year, she was selected Small Business Administration's Woman Business Advocate of the year. She works as President and CEO of a temporary staffing company for engineers. She will want to discuss the juggling act of being a single mom: "You want to be there for their sports games and help them with their homework, but you also have to give 120 percent at the office." Her other concerns include stopping gangs and preserving college loans. Without student loans, her son would not be able to attend college now.

Mary Frances Kelley

A single-mother, 47, with an adopted girl, Christina Kelley, 9. She is a certified public accountant at Sovereign Financial Services of Denver, which is a woman-owned firm. She would like to tell the President that this society does not appreciate our children. "We can't risk another generation. Everyone's child is as important as my child." Health care and access to health care is critical. Her daughter has an attention deficit, hyperactive disorder. Ms. Kelley is thankful for a Colorado law that allows for portability of health care from job to job.

Ranya Kelly

A married homemaker, and a community volunteer, 39, with one son. She founded a "redistribution center" which saves unused sneakers and clothes and sends them to developing countries. She is very committed to her family, and quit her job 13 years ago when her son was born "to give him an opportunity to have a mom at home." She is dedicated to her husband, whom she calls "the driving force of our family." She will want to discuss how society can give better guidance to children.

Lt. Mary Beth Klee

A recently-divorced mother, 38, with a toddler. She is a high-ranking woman in the Denver Police Department. She directs the city's curfew program for youth, which has helped reduce juvenile suspects by 20 percent and juvenile victims of crime by 25 percent. Under Lt. Klee's program, kids who break the curfew have to be picked up by their parents and have the ability to enter counseling classes on topics like alcoholic parents, truancy, and "How to Control Your Anger." Childcare is a top concern for her, especially because she sees police officers who have nowhere to put their kids during night shifts. Lt. Klee's ex-husband is very helpful with their son. He is also a police officer and they work different shifts to be able to be with their son. Lt. Klee is very interested in re-invigorating a sense of community and believes that "garage door openers are the problem because we don't see our neighbors. Only we can make our streets safe."

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Jan Martynuska

A widowed mother, 58, with three grown sons. She is a retired school teacher who taught junior high. She retired because of a disability due to Lupis and rheumatoid arthritis. She wants to tell the President that women's equality is important. Her top issues include health care portability and gender issues. She is a domestic violence survivor which she describes as more mental than physical. Her children received student loans but she said many times they needed additional loans but they did not qualify because of the income threshold. "The cost of health care is alarming." She receives disability pay and participates in the Public Employees Retirement Act.

Penny McDaniel

A married mother, 43, with a daughter, 9 years old. Her mother, Patsy Buchanan, is also participating in the roundtable. She has a small business at home and works for another company also in her home. Her business involves training, team building and developing leadership skills in the workplace. She works for a woman-owned brokerage firm which she is attempting to purchase. She is active in Wind Star, an environmental organization which is an affiliate of the Wildlife Federation. She was formerly an office manager for the Sierra Club. She would like to tell the President that the environment is a very important issue.

Janet Miller

A married mother, 33, with two children. The Family & Medical Leave Act saved Janet's job when she suffered a herniated disk during her pregnancy. Her husband also had to use FMLA because she was immobile during the final weeks of pregnancy. Six years earlier, during the pregnancy of her first child, she and her husband were nearly bankrupted because FMLA was not available to preserve her job while she took time off for pregnancy and health problems. "I noticed a big difference this time. I felt very protected with FMLA. It meant we would not lose our home, we would not lose our jobs."

Louise Mitchell

A married mother, 42, with two children, 9 and 2 years old. She was born and raised on an Indian Reservation in South Dakota. She has a home-based business, making slip covers and window coverings. She designs residential and commercial interiors. She likes having an at-home business because it makes taking care of her children easier. Day care was too expensive when she worked outside of the home. She wants to tell the President that her major concern is the availability of quality, affordable health care. She was an activities director for Jack and Jill, a nationwide organization that provides activities for children. Her main issues are domestic violence. "The legal system does not always support the victim." She is worried about the environment and quality education for her children.

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Tamara L. Weil

A married mother, 38, with twin boys. Tamara used the Family & Medical Leave Act to take time off from work for her pregnancy and delivery of twin boys. "Just knowing that your job is still going to be there and that the benefits are still going to be there makes a huge difference." As a new mother, she cannot imagine having to return to work six weeks after delivery: "I couldn't have gone back at six weeks. My twins were not sleeping through the night at six weeks."

Susan Gross Williams

A married mother, 53, with one child by birth and three by marriage. Susan works as a health care consultant focused on end-stage renal disease. She created a permanent facility camp for children and adults on dialysis. Her top concern is health care for children. She also worries about employment options and contributes money to a community trust for single mothers who need job training. She and her husband are putting several kids through college, and college loans is also an issue for her.

Sandy Yamakishi

A divorced mother, 50, with two adult children, 17 and 20 years old. She works as an assistant risk manager at the University of Denver. She works in the administrative office, dealing with workman's compensation cases. She would like to talk to the President about financial aid and student loans because both of her children will soon be in college. She is president of the women's Buddhist group at her temple. She has concerns about children at risk of AIDS. She does volunteer work in the AIDS community. Her top issues are health care and day care.

THE WHITE HOUSE
WASHINGTON

June 20, 1996

MEMORANDUM FOR THE PRESIDENT/VICE PRESIDENT

THROUGH: ALEXIS HERMAN

CC: LEON PANETTA
HAROLD ICKES
EVELYN LIEBERMAN

FROM: BETSY MYERS *Betsy*

SUBJECT: AT THE TABLE -- A DIALOGUE WITH AMERICA'S WOMEN

I am pleased to submit this six-month overview on a national outreach initiative for American women called *At the Table*. Since Thanksgiving, we have organized approximately 800 *At the Tables*, with an average attendance of 10-30 women in more than 40 states, and have received extensive local press coverage. (The sampling of attached clips is a wonderful overview). We are conveying to all of the participants that their concerns and suggestions from the roundtables are summarized and sent to The President. Women feel very empowered that you have asked for their input--no other President has ever asked them before. All of the participants receive a thank you note from you.

We are in the process of scheduling an *At the Table* for you while you are on the road. We have a commitment from *Family Circle* magazine, which has a readership of 26 million--about one out of every four women in the nation, to do a feature piece. We are also proposing that you host a White House reception for political appointees who have done *At the Tables*, and those who have agreed to do them in their hometowns and college campuses. This would not only be a great way to thank the appointees, but would inspire them to keep up the good work.

I believe that this initiative is an important vehicle for bringing American women into a dialogue with this Administration. *At the Table* serves not only as a method to galvanize women

leaders, constituents, and base groups that have not been touched by this Administration, but it also provides a mechanism to activate our own women political appointees. Additionally, it provides a unique forum in which to showcase this Administration's numerous accomplishments and resources for women, as well as to get feedback from women outside the Beltway about the issues they face in their daily lives.

Background

At the Table consists of a nationwide series of roundtables for women led by Clinton Administration political appointees. The four central goals of this outreach effort are: 1) to hear about issues that are important to women, their families and their communities; 2) to highlight the Clinton Administration's accomplishments and resources to help women in their daily lives; 3) to activate women political appointees and better utilize them as the eyes and ears of the Administration. They put a human face on government, which gives every roundtable participant a point of entry into her federal government; and 4) to bring information back to the White House so that the President/Vice President, senior White House and Agency staff know what women are thinking across the country.

In order to facilitate the *At the Table* roundtables, friends, family, and alumni organizations are teaming up with our base groups and key individuals in each state who serve as local hosts. These hosts invite women in their communities to participate and assist in the follow-up efforts. Roundtables vary in size from five to 150 participants. Smaller roundtables often take place in the homes of local hosts, while larger roundtables occur in public meeting places. Participants have included elected officials such as Illinois Senator Carol Moseley-Braun, key women leaders such as Gloria Steinem, women business leaders such as Lynne Bermudez, Vice President of NYNEX Corporation; and most importantly, local women of all ages, ethnicities and socioeconomic classes who have not traditionally had direct contact with the Administration. This is a bipartisan initiative and we try to reach all women -- Democrats, Republicans, Independents and those who have never participated in their government before.

Roundtables have been held by all levels of Administration officials from Secretaries Donna Shalala, Henry Cisneros, Hazel O'Leary, U.S. Treasurer Mary Ellen Withrow, Katie McGinty (see attached letter from Linda Roberts to Katie McGinty), to Krysten Wallace, Special Assistant to the Director at OPM and Kathie Klass, Chief, Consumer Information Division at DOT, who has done 28 so far. Male appointees are also encouraged to lead roundtables because we feel it is very important to educate all of our top policymakers on the concerns of women. Examples of men who have participated in *At the Table* include Deputy Secretary at Treasury, Larry Summers, Joe Stigletz, Chair, Council of Economic Advisors and EEOC Commissioner Paul Steven

Miller.

We provide information about the Clinton Administration's accomplishments (see attached accomplishments piece with resource phone numbers included), and then send all of the participants a thank-you letter. The participants' names are then added to the White House database so that they can continue to receive information directly from the Administration. We have heard that many of the roundtable participants have stayed in touch and formed a local networking group to stay politically informed, so that we are literally bringing women in communities together.

Reactions/Findings

Reactions to *At the Table* have been overwhelmingly positive from both participants and appointees. Women are pleased to have the opportunity to talk to Administration officials, and are thankful to have their concerns and issues viewed with such significance. One participant wrote, "I want to thank the President for providing the opportunity for all of us to gather *At the Table* -- both in Parkville, Missouri and in your Administration. I thank you for all you have done for women's issues and rights. I thank your wife too."

Women are aware of their significance in the 1996 election. A woman from Flint, Michigan said, "Women will be the key in 1996. It is important that the White House connect with us-- not just middle class women but also women who don't always understand the connection between politics and their lives. These are the women who stayed away from the polls in 1994 and who are now angry at what Congress has done to them."

Women are often surprised to learn about all of the Administration's accomplishments for women and families. One appointee host stated, "The participants were surprised to hear how many good things this Administration has done for women and families, so it really felt great getting the message out."

At the Table is clearly an empowering experience for not only participants but also political appointees. Louise Frankel Stoll, Assistant Secretary for Budget and Programs at the Department of Transportation said, "Conducting *At the Tables* was an exhilarating experience. I felt good about the message I carried, and it was clearly appreciated by everyone, even those critical of the Administration. The meetings gave me a chance to hear fresh views from beyond the Beltway. These sessions drive home why we are here, and who we serve. I think the *At the Table* format is a winner."

Overview/Issues Summary

Roundtable participants fill out a form called, "What I Want the President to Know." Each appointee submits a report to my office on the major topics that were discussed. Most roundtables cover

a variety of topics ranging from education, to foreign policy, issues facing the disabled, to the role of the First Lady. As an additional note, the women in the roundtables have been overwhelmingly supportive of Mrs. Clinton, regarding her as a mentor and role model for women of all ages and backgrounds.

The following summarizes some of the most salient issues from the reports received to date. The overwhelming theme at the roundtables has been the issues that matter to women and those that impact their daily lives and the daily lives of their children and families. The detailed abstracts are available upon request from my office. We will send you more detailed monthly reports on top issues discussed plus relevant policy ideas.

- o **Affirmative Action:** Women express overwhelming support for affirmative action--from business women to grassroots organizers. Most women over forty have experienced the glass ceiling in their own lives, and many attribute what success they have had to the existence of affirmative action. Younger women see affirmative action as part of the "fabric" of the work world and fear the loss of affirmative action would mean diminished opportunities for them.
- o **Childcare:** Balancing job and family responsibilities is one of the primary causes of stress for women. Childcare must not only be made more affordable, but women also need better child care options, especially on-site childcare. Women see a role for government in assisting them in finding childcare solutions.
- o **Choice:** Women are concerned about the increasing restrictions on choice, and express support for the veto of H.R. 1833. Some women also want the Administration to be more vocal in its support for reproductive freedom. They are asking for strong leadership on this issue to counteract the religious right's vehement opposition to choice.
- o **Domestic Violence:** Women see domestic violence as a pressing issue of public policy. They see a major role for government in coordinating the criminal justice, public education and corporate efforts. Women are very impressed with the President's leadership on domestic violence.
- o **Education:** Women are concerned about the quality of public education, the cost of higher education, crime and violence in schools, and they sense a serious decline in the caliber of both students and teaching in the public schools. Women are also concerned about paying back student loans and affirmative action in the admissions process.
- o **Health Care:** Many women applauded Administration efforts to reform the health care system in this country. Women fear that their health insurance could be cut at any moment and express concern about the quality of care that

the poor and elderly receive. Most participants feel that universal health care is essential in this country and are becoming increasingly concerned about the rising costs of medicine to support technological advances in science and clinical care. They don't want us to walk away from this issue.

- o **Minimum Wage and the Economy:** Women are in support of raising the minimum wage and are concerned about the ability of citizens to live on low wages. Along these same lines, participants are concerned about being forced into poverty as the cost of living rises. Many workplace issues, such as employee benefits, sexual harassment, livable wages, and corporate responsibility are discussed regularly. The balancing of the federal budget is also frequently discussed, but doesn't seem to be mentioned as often as in past months.
- o **Other top issues of concern:** environment, welfare, public safety, crime, retirement and issues facing women business owners.

Press Coverage

Many *At the Table* roundtables have been getting press in local communities and the stories are all positive and have headlines like "Working Women find Sympathetic Ear", or "Clinton Liaison Collects Concerns." Our press strategy with *At the Table* is aimed at getting positive clips of your accomplishments for women and the Administration's efforts to give women a voice in their government. Another added benefit is the press coverage about women Administration officials who are hosting the roundtables. The articles are extremely positive when the roundtables are done in their hometown or homestate. We are encouraging each woman political appointee to do a roundtable in her hometown and college campus. It is a big story for many towns across America when a Clinton appointee comes home to talk to the people as an ambassador for the President.

Linda Roberts

May 24, 1996

Dear Kathleen -

It was a great pleasure to be a part of this morning "at the Table" discussion group.

I feel much more secure after listening to you articulate the President's issues and programs.

In all of my years of community service this is the very first time that someone seems to be truly interested in our concerns, needs and proposals.

Thank you for taking the time to meet with us. We really do make a difference.

Most Sincerely,
Linda

Seattle Post-Intelligence

THE VOICE OF THE NORTHWEST SINCE 1863

A HEARST NEWSPAPER

Wednesday morning, December 20, 1995

White House will pay visit to Bellevue

The White House called this week.

With approximately 5,280 (a rough estimate) people and phones at the White House, it figures they have to call somebody sometime.

Still, if they're honest, even jaded and jowled reporters admit it's a bit of a jolt when a caller says that.

Amazingly, it didn't happen that often during the Bush or Reagan years. They didn't call. They didn't write.

But Bill Clinton's minions call and write semi-often.

This time it was Lori McRea Keller, formerly of Bellevue, now of the Clinton administration. Specifically, she's a special assistant at the Department of Commerce in the Office of the Chief Economist. Her first White House job, just after inauguration, was working with Commerce Secretary Ron Brown.

Even administration elves are allowed to go home for the holidays — if they promise to do something productive besides shopping at Nordstrom.



Susan
Paynter

There's a new office in the White House — The Office of Women's Initiatives and Outreach. Opened in September, it's run by Betsy Myers, sister of former White House press secretary Dee Dee Myers.

To rake together grass-roots info for that office regarding issues of concern to women, female members of the administration are asked to hold round tables in their hometowns during vacations.

For Keller, this one's also a "vacation" in terms of "please vacate the premises immediately." "As you know," her message machine says, "the Commerce Department is one of seven agencies that do not have a budget and, as a result, most of us are on furlough." On furlough, but still on duty.

On Thursday between noon and 2 p.m. Keller will be host to a round table at the Bellevue Regional Library. Y'all come. Participants so far include the president of the Seattle League of Women Voters and members of the Bellevue Chamber of Commerce. Turns out the president of the Bellevue C of C, Sarah (Halin) Skoglund, is an old UDub classmate of Keller's. But, due to use of her married name, Keller didn't know it until she called.

Keller is also sporting a new name. The daughter of Bellevueites Roger and Diane McRea is a newlywed. She says she met her husband "at work." He's an Air Force pilot who flies Secretary Brown around on Air Force Two.

Keller says rest assured all "input" from the round table will be read by the big cheese policy wonk at the White House. Well, she didn't say it quite that way. But, Keller says, the president "is such a reader. He loves these reports."

SECTION

B

Hearing women's concerns

By KATIE STEELE

President Clinton and Vice President Gore (although very energetic and tuned into all of the latest technological advances) just cannot be at all places at all times. That is why they have asked me and other presidential appointees to provide an opportunity to hear from women from differing racial, social, economic and political backgrounds to talk about the issues that most concern them. We call this initiative "At the Table," headed by the White House Office on Women's Initiatives and Outreach.

I have been participating in "At the Table" events to help bring local women to the policy table. This gives me the opportunity to listen to women's concerns and to report to them what the administration is doing to help, or report to the administration suggestions for improvement. Since January, more than 500 roundtables have been held involving thousands of women across the United States.

The roundtable is part of a national women's outreach initiative which is the primary project of the White House Office for Women's Initiatives and Outreach. The office was created last year by President Clinton to ensure better outreach to women and women's organizations across the nation.

All the "At the Table" roundtables are hosted by a presidential appointee. We will be sharing notes and comments from our discussion with President Clinton, and he will utilize this information when formulating policy decisions. From each roundtable, a report is sent to the Women's Office, which in turn summarizes them: not only for the president, but for other policy makers in the White House.

In an event I held at my home in Smithville, I heard what is on neighbors' minds about welfare reform, the budget, child care, health care, education, crime and domestic violence and tax policies. The issues were similar at an event held in St. Louis, but they also wanted to talk about economic development, higher education, and transportation and access issues.

Carol Rasco, President Clinton's top domestic pol-

GUEST COLUMN



Katie Steele is regional director of the U.S. Department of Health and Human Services.

Morrell with the State Department, hosted a roundtable for 26 women in Maitland, Fla. The main topics discussed were education, health care, the environment and immigration.

All of the issues discussed seem to boil down to one concern — the economy.

There are additional roundtables scheduled in the Northland, with an event to be held in Parkville on April 23. You can contact me if you are interested in having a place "At the Table" to speak your mind about government and policy.

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Talking Points

At the Table with *President Clinton*

Denver, Colorado

6:10 p.m. Sunday, July 21, 1996

At the Table:

- o The *At the Table* initiative is a **dialogue with American women** -- an unprecedented effort to give women from around the nation an opportunity to have a voice in their government.

Both men and women appointees have been taking extra time on their business and personal travels to organize a roundtable with women -- to give them a chance to discuss the concerns in their daily lives and to tell us directly how their government can improve.

- o One of our appointees actually held an *At the Table* roundtable on the morning of her wedding. She said she rarely had opportunities to venture home to North Carolina -- and since she was home for her wedding -- she wanted to give her family and friends an opportunity to tell me what they were thinking, feeling -- the issues they wanted me to be aware of.

Giving Women a Voice:

- o Historically, women have not had a voice in government. Under my Administration, more than **47 percent of the appointees are women**. As Secretary Shalala says: In this Administration -- an initiative or policy can go from inception of the idea -- all the way to implementation -- without ever touching a man's hands.
- o We have several **historical firsts in our Administration:**
 - Evelyn Lieberman, White House Deputy Chief of Staff
 - Sheila Widnall, Secretary of the Air Force
 - Jolene Molitoris, Federal Railroad Administrator
 - Janet Reno, Attorney General
 - And two of the three policy councils in the White House are headed by women -- Carol Rasco at the Domestic Policy Council and Laura Tyson as National Economic Advisor.

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Improving the Lives of Women:

- o We know that by improving the lives of American women, we are making a vital investment in America's future. When women thrive, their families thrive and our communities thrive.
- o We must value the contributions women make in every aspect of life: in the home, on the job, in their communities, as mothers, wives, sisters, daughters, learners, caregivers, workers, citizens and leaders.
- o Each day, women are balancing their lives with their families, friends and colleagues. Each day, women must find time for their children or parents, to attend doctor appointments or parent-teacher conferences, to go to soccer games or community meetings or business meetings.
- o We must pursue policies that help women be successful in the workplace and in the home. And if I might add: in the White House, in the Senate, in the Congress and on the school boards and state houses and city councils all across the nation.

Administration Efforts and Accomplishments:

- o My Administration is committed to helping women achieve success in the home and in the workplace. We've created a **Child Care Bureau** to streamline federal child care programs; the **Violence Against Women Office** to work hand-in-hand with local officials to ensure domestic violence cases are properly handled; the **Women's Health Office** to ensure that women's health is given a priority -- something that historically hasn't happened; the **Women's Office at the White House** to ensure that women have a voice in all policies in the Administration; and the **White House Interagency Committee on Women's Business Enterprise** -- to ensure that women's business concerns are addressed throughout the government.
- o **Issues important to women and families** are being addressed throughout the Administration:
 - We've announced a breakthrough agreement with the media and entertainment industry to develop a **television ratings system** to enable parents to protect their children from violence and adult content.
 - We are encouraging schools to adopt **school uniform policies** to help reduce violence and encourage discipline and respect.
 - Our **Goals 2000: Educate America Act** is encouraging grassroots reforms to improve our schools, to ensure a higher quality education for our children.

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- We have a national campaign to reduce **teenage pregnancy**.
- AmeriCorps** is helping our children learn to serve their communities and helping the volunteers earn money for college.
- We've reformed the **student loan program**, making college more affordable this year for 5.5 million students and we are saving taxpayers billions of dollars.
- Our **HOPE Scholarship Plan** would help make 14 years of education -- including two years of college -- the standard for all Americans. The program guarantees 2 years of tuition at the average community college for any student who earns a B average.
- We've issued new policies to make our **meat and poultry supply safer**.
- We've **toughened EPA's enforcement programs** and introduced comprehensive Safe Drinking Water and Superfund reforms.
- We've given parents greater control over what their children watch on television by requiring the installation of anti-violence screening chips (**V-Chips**) in all new televisions.
- We've targeted measures to **cut off children's access to tobacco products** and reduce their appeal to children.
- The first bill I signed into law -- the **Family and Medical Leave Act** allows workers to take up to 12 weeks of unpaid leave to care for a family member without fear of losing their job. We've proposed expansions in the law for parent-teacher conferences and other school-related activities.
- We've provided a tax break for working families by expanding the **Earned Income Tax Credit** -- which goes to working families with children.
- Our **Retirement Savings and Security Act** would empower more Americans to save for their retirement by expanding pension coverage, portability and protections.
- Our expansion of the **minimum wage** would help our families afford 7-months more of groceries or four months of rent. Six out of ten minimum wage workers are women.
- We won passage of the toughest, smartest **Crime Bill** ever which puts 100,000 more police officers on the street and imposed a targeted three-strikes-and-you're-out provision to put career violent offenders behind bars for life.

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-We stood up to the gun lobby and won passage of the **Brady Bill** and banned the manufacture and importation of the deadliest assault weapons. Not one hunter has lost their gun while 60,000 fugitives, felons and other criminals have been blocked from buying handguns.

-We've tripled funding for **battered women's shelters** and created a domestic violence hotline, which provides immediate crisis intervention. (1-800-799-SAFE)

- Our Housing and Urban Development Department has created a special initiative to ensure an increase in **women's homeownership**.

- The Department of Education is working to ensure **gender equity in education**.

- NIH and FDA are working to ensure women are included in clinical research. We are redressing **a history of inadequacies in health research**. We have increased breast cancer research and research on health issues important to older women.

- The Small Business Administration has **increased loans to businesswomen by 300 percent since 1993**.

- The Department of Labor is working with businesses across the nation to ensure **more family-friendly workplaces**.

-We are fighting to protect **Medicare**. Our balanced budget guarantees the life of the Medicare Trust Fund for a decade.

**PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR DNC DINNER
DENVER, COLORADO
JULY 21, 1996**

Acknowledgments: Micky, Louann and Stacey Miller, Norm Brownstein. Secretary and Mrs. Pena, Don Fowler.

Four years ago: economy was drifting: slow job growth; quadrupled deficit; domestic division; uncertain leadership in the world.

Three ideas: American Dream for all who are willing to work for it; get people working together to solve our problems despite diversity; ensure America remained strongest force for peace and freedom.

Basic bargain: Opportunity -- Responsibility -- Community.

The Record: We promised to cut deficit in half and create 8M new jobs. Gingrich: "This will lead to a recession next year." Arney: "Clearly, this is a job-killer." Dole: "Don't kid anybody. Nobody is going to cut spending around here." Gramm: "we're buying a one-way ticket to a recession." Kasich: "This plan will not work. If it was to work, then I'd become a Democrat." We'll save him a seat at the United Center!

Results: Today, we've cut it by more than half -- created 10 million new jobs. 300,000 new jobs in Colorado. Unemployment in Colorado at 4%. Combined rates of unemployment and inflation lowest in 28 years. 3.7 million new homeowners. 200 trade agreements. Investments in technology and education. Progress in other areas as well.

Crime: New Approach. 100,000 cops on the street. \$3.5 Million in new grants for Colorado to hire or deploy new police officers . . . Tough punishment . . . Brady/assault weapons. No hunter lost gun -- 60K felons, fugitives, stalkers. Violence Against Women Act . . . Crime down four years in a row. Crime down in Colorado.

Welfare: New Approach. Opportunity and Responsibility. Tough on work/fair to kids. 67 Welfare Reform experiments in 40 states. 75% under new rules. Now, 1.3M fewer on welfare -- child support up by 40%.

Family and Character: New Approach. Responsibility to support families: FMLA; V-Chip; tobacco, protect environment.

The Choice: Voters are lucky -- no mystery. If you want GOP budget, Medicare, environment, education cuts -- law of the land 6 months after GOP wins.

The Future: We have to do more: minimum wage, Kassebaum-Kennedy, retirement and pensions.

Opportunity/Education -- 13th and 14th years; 10K deduction/\$1,500 tax credit;

Every classroom on Internet by 2000; Balanced Budget.

Responsibility/Crime: cop killer bullets; crime victims amendment; School uniforms, curfews, truancy.

Community/Strengthen Family -- extend Family Medical Leave Act, flex-time, TV violence.

PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR SAXOPHONE CLUB RECEPTION
DENVER, COLORADO
JULY 21, 1996

Acknowledgments: Governor Roy Romer, Mayor Wellington Webb, Mike Driver, Jim Lyons, Deana Perlmutter, Representative David Scaggs, Representative Pat Schroeder, Secretary Pena, Ellen Hart Pena, Don Fowler, Los Lobos.

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THE WHITE HOUSE
WASHINGTON

July 19, 1996

CHILD SUPPORT ENFORCEMENT SPEECH

LOCATION: The Denver Center for the
Performing Arts Complex
DATE: Monday, July 22, 1996
TIME: 9:00 am
STAFF CONTACT: Bruce Reed

I. PURPOSE

To highlight new child support initiatives and the need for national welfare reform legislation that includes tough child support enforcement.

II. BACKGROUND

The event is an opportunity to talk about a series of child support initiatives we are announcing on Monday -- a directive to the Justice Department to step up prosecution of interstate cases, a new HHS Web site on the Internet to provide child support information and links to state Most Wanted pages, and the Postal Service agreement to begin putting up Wanted posters of parents who owe child support in states that have Wanted lists.

This event is also a chance to remind the national press that national welfare reform legislation would be the most sweeping child support enforcement measures in history into law.

III. PARTICIPANTS

The President
Governor Roy Romer
Mayor Wellington Webb

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

PRE-PROGRAM

-Mayor Wellington Webb makes brief remarks.

PROGRAM

-Off stage announcement of the President, accompanied by Governor Romer.

-Governor Romer makes brief remarks and introduces the President.

-The President makes remarks.

-Upon the conclusion of remarks, the President works a ropeline and departs.

VI. REMARKS

Remarks prepared by Michael Waldman.

ECONOMIC PROGRESS IN COLORADO UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Colorado after the first 40 months of the Clinton Administration:

Improved Economic Conditions in Colorado:

- The unemployment rate has dropped from 6.2% to 4.0%.
- 89% more new jobs **per year** -- 82,620 vs. 43,600 average during the previous 4 years. In 40 months, Colorado has added 275,400 total jobs, after adding 174,400 during the previous 4 years combined.
- Over 2 times as many new private sector jobs **per year** -- 78,570 vs. 36,800 average during the previous 4 years. In 40 months, Colorado has added 261,900 private sector jobs, after adding 147,200 during the previous 4 years combined.
- 6,200 new manufacturing jobs added in 40 months -- after 3,100 lost during the previous 4 years combined.
- The Help Wanted Index has increased 58%.
- Consumer confidence has increased 68%.
- Bank lending has increased by \$6.9 billion -- after dropping by \$5.8 billion during the previous 8 years.
- Home building has increased 20% **per year**.
- Home sales have increased 4% **per year**.
- Bankruptcy filings have decreased 5% **per year** -- after increasing 9% **per year** during the previous 12 years.

What President Clinton's Accomplishments Have Achieved for the People of Colorado:

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN COLORADO: The national debt will be **more than \$1 trillion** lower over 7 years than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in Colorado.

10 TIMES MORE COLORADO FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 171,838 working families in Colorado will receive a tax cut. This compares to an increase in the income tax rate for only the 17,837 wealthiest taxpayers in Colorado.

TAX CUT FOR 23,578 SMALL BUSINESSES IN COLORADO: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 23,578 small businesses in Colorado are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

564,000 COLORADO WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 564,008 workers in Colorado, and protects the jobs of 33,882 workers in Colorado who are likely to use unpaid leave this year alone.

314,900 STUDENTS AND FORMER STUDENTS IN COLORADO WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 314,900 Colorado borrowers -- 220,400 current borrowers and 94,500 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from

THE WHITE HOUSE

WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Julia Chamovitz
National Economic Council

SUBJECT: Background on Recent Developments in the Colorado Economy

This memorandum presents background information about current conditions in Colorado.

- ***Denver Designated as an Enterprise Community (EC)*** -- The Denver EC has been awarded \$3 million in social services block grant funds and tax-exempt bond authority. The Department of the Interior is working on a project with Denver youth to design and implement forestry programs within the EC. The Denver Public School District and the EC are also working to establish family resource centers within the schools. This project is funded by grants from the Department of Education. (Source: Community Empowerment Board)
- ***TRP Funds \$25,000 for a Project in Pueblo, CO*** -- The Southern Colorado Business and Technology Center will lead the Technology Access Program to establish a center for information, counseling, and company access for technology transfer. Computer access will be provided through NASA's Mid-Continent Regional Technology Transfer Center (RTTC) and the National Technology University. This project will expand technology access in a well-defined economic region, and provide a test of electronic linkages to Federal laboratories through the RTTC. (Source: ARPA)
- ***Atmel Corporation is Planning \$750 million Expansion*** -- Atmel Corporation, based in California, will begin construction this fall on a \$750 million expansion to its semiconductor plant in Colorado Springs, CO. The new plant, which will build wafers, will create approximately 1,000 new jobs; hiring will begin next year. This expansion is the latest of a string of investments Atmel has made in the area. Atmel builds a variety of chips used in telecommunications equipment, computers, consumer electronic products, military applications. (Source: Atmel Corporation)
- ***Department of Energy Awards Two Colorado Businesses \$300 Million Contract*** -- Secretary of Energy Hazel R. O'Leary announced in June the selection of two small businesses to support the Department of Energy's Grand Junction Projects Office in Grand Junction, Colorado. The contracts total approximately \$300 million over a five-year period. Colorado-based MACTEC Environmental Services has been selected to spear-head the Technical Assistance and Remediation Contract, while Idaho-based WASTREN will take charge of the Facility Operation and Support Contract. (Source: U.S. Department of Energy)

- ***Merrill Lynch Selects Denver for New Office Complex, Will Hire Up to 5,000 Employees*** -- Merrill Lynch & Co., Inc., a New York-based global securities firm, is constructing a new corporate center in Denver. The first two buildings of the complex are currently being constructed; the first will be completed in April, 1997. The \$112 million complex, which will serve as a customer-service center, will eventually be staffed by 4,000 to 5,000 employees. Employment will grow at a rate of several hundred per year until the facility reaches capacity. (Source: Merrill Lynch & Co., Inc.)
- ***American Management System Expands Facility in Denver*** -- In June, American Management Systems (AMS), a business and information technology consulting firm based in Fairfax, VA, completed construction of two new buildings in Denver, which will house over 800 AMS employees, most of whom will be in its telecommunications division. Denver, the headquarters for AMS's worldwide telecommunications practice, will be the home to 300 new hires this year. (Source: American Management Systems)
- ***Vitesse Semiconductor to Build Facility in Colorado Springs*** -- California-based Vitesse Semiconductor Corporation announced in July plans to construct a facility in Colorado Springs, CO. The facility, which is being designed as a second manufacturing facility to meet increased customer demands, will support wafer manufacturing and test expansion project. The first phase, costing approximately \$75 million, is scheduled to be completed in the second half of 1998; this phase will create 140 jobs in manufacturing and engineering. (Source: Vitesse Semiconductor Corporation)
- ***Digital Equipment to Close Manufacturing Operation in Colorado Springs*** -- Massachusetts-based Digital Equipment announced in June plans to close its volume manufacturing operation in Colorado Springs, CO. The operation, which will be phased out over the course of the next three months, will result in the layoff of 250 employees. The operation's closing is part of Digital's strategic restructuring to maximize space and assets. Digital will continue to maintain a presence in Colorado Springs, with over 1,000 employees in the area. (Source: Digital Equipment)
- ***Georgia-Pacific to Locate Major Western Sales Center at Denver*** -- In March, Georgia-Pacific Corporation opened its Western Sales Center in Denver. When fully operational later this year, the facility will be staffed by 350 employees who will provide customers service. The Atlanta-based company is a manufacturer and distributor of building products throughout the United States. (Source: Georgia-Pacific)

- ***EITC Benefits Over 176,000 Families*** -- This information comes from 1993 Treasury estimates.

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$ (Millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
Schroeder (D)	40,000 families	66.2	30.4	3,662 taxpayers
Skaggs (D)	22,700 families	37.6	15.9	2,365 taxpayers
McInnis (R)	34,400 families	56.8	23.3	2,197 taxpayers
STATE	171,800 families	284.3	19.9	17,837 taxpayers

- *Federal Reserve of Tenth District (Kansas City)* -- The District economy continued to grow at a moderate pace during the past month. Retail sales, manufacturing, and construction activity strengthened, while activity in the energy industry increased slightly. Due to a poor wheat crop and low cattle prices, farm income prospects remained weak. Labor markets remained tight for both entry-level and skilled workers, but wages generally held steady. Prices for some materials used in manufacturing and construction increased slightly, but retail prices held steady.
(Source: Federal Reserve Beige Book, 6/19/96)

THE WHITE HOUSE
WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: ANN WALKER
DAN COLLINS

RE: Local Issues Briefing -- Denver

CRIME

Gang-Involved Shootings and Drug Killings are Down

For the first six months of 1996, homicides in Denver declined 28 percent compared to the first half of 1995, according to a *Rocky Mountain News* survey released last week. Police could offer no specific explanation for the sharp decrease, but reported that gang-involved shootings and drug killings are both down this year. In addition, the survey found that the homicide rate in the entire metro is also down.

LABOR

Federal Investigation Into Child Labor Laws

Next week, federal investigators will begin a probe that targets child labor law violations at hotels, motels and restaurants in Colorado and southern Wyoming. The probe is the third of three strike force actions this year that were prompted by an accident involving a 15-year-old who was electrocuted last summer while working in a Denver car wash. During the past two strike forces, investigators uncovered more than 215 violations involving 206 minors.

According to the National Institute for Occupational Safety and Health, 70 teen-agers are killed, and 200,000 are injured, on the job each year.

TWA CRASH

Grand Junction Resident Killed in Crash

The co-owner of a bed and breakfast in Grand Junction, Colorado was one of the flight attendants killed on TWA flight 800. Arlene Johnsen, who was working the flight, moved to Grand Junction from Oregon about three years ago, operated the Ouray Bed and Breakfast with her twin sister Marlene Johnsen.

PARTY

Democratic Party Owes IRS Back Taxes

Last Tuesday, the treasurer of the Colorado Democratic Party revealed that the party owes the IRS over \$9,000 in back taxes for the past six quarters. Treasurer Dennis Norton claimed he had just found two warning letters from the IRS, one from last October and one from December. However, Chairwoman Francie Miran, who resigned last week over an unrelated issue, blamed Norton for ignoring several IRS warnings and failing to mail payment to the IRS. The Party's executive council has already approved plans to pay \$4,500 now and negotiate payment for the balance.

HEALTH CARE

Hospitals Merge in Response to Rising Costs

A study released last Thursday by the Colorado Hospital Association, a trade association representing general and specialty hospitals, reveals that Colorado hospitals are responding to rising costs by merging facilities and forming alliances. Many specialty hospitals have suffered heavy losses in recent years, forcing them to either form partnerships with general hospitals or close. The study also revealed that increases in hospital costs in Colorado, which has one of the highest rates of HMO market penetration in the country, were significantly lower than the national rate during the five-year period under study.

ENVIRONMENT

Radioactive Waste Dump

Last Monday, Shattuck Chemical workers began burying low-level radioactive soil in Denver, after unsuccessful protests and court battles by the city and the neighborhood. City officials and residents around the dump site fear the long-term consequences of having such radioactive material buried within city limits. As a precaution, the Denver City Council created an ordinance that allows the city to collect a one-time fee of \$8.50 per-cubic-foot to pay for any future cleanup costs. Though Shattuck is part of the EPA's Superfund, Agency officials sided with the company in stating that the soil was safe enough to be buried on site.

AGRICULTURE

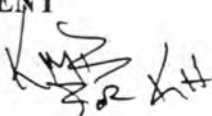
Over 32 Percent Loss in State's Wheat Crop

A hailstorm, tornado and thunderstorms that hit just east of Denver last weekend could cut the wheat harvest up to 2 million bushels. This adds to the huge crop losses caused by a long draught earlier in the season. The USDA and the Federal Farm Service Agency estimate that Colorado has lost over 32 percent of its wheat crop, one of the state's key agricultural products.

THE WHITE HOUSE
WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES - DENVER, COLORADO

Jobs: Computer companies in the Colorado Springs area have recently laid off a number of workers. Digital Equipment recently announced the closure of its Colorado Springs manufacturing operations by September. Quantum Corporation had a 1,400 person lay-off in the past six months. Workers whose jobs were eliminated because of the transfer of production overseas have qualified for Trade Adjustment Assistance from DOL. The state is planning to apply for additional dislocated worker funds to assist this industry. (DOL)

Drought: Much of CO is under extreme/severe drought conditions, impacting ranchers, farmers and consumers. Governor Romer has asked USDA to designate 22 counties eligible for disaster assistance because only 2.3 million winter wheat acres (of 3 million planted) will be harvested, costing the CO economy hundreds of millions of dollars. Due to a low snowpack, the 1996 summer streamflow for southern CO is below normal which affects CO's active water market (irrigation water supplies are regularly traded between irrigators and urban users). Local concerns stopped plans to pump ground water from south-central CO to serve Denver area municipal water needs. (USDA)

Depressed Cattle Prices: Ranchers are selling off cattle herds in a depressed market, losing money because production costs exceed sale prices. Your Administration has initiated a program to help cattle producers through this difficult period. (USDA)

Olympics/Skiing Proposal: The owner of the Arapaho Basin Ski Area, Ralston Resorts, has proposed year-round snow-making at Arapaho Basin to provide longer alpine skiing opportunities and training facilities for the U.S. Olympic Ski Team. The Forest Service is beginning the EIS for the proposal. Some issues include: water depletion on the North Fork of the Snake River, snow compaction on summer habitat, snow cover on summer roads and trails, and an increase in recreation visitors and fisheries habitat impacts. (USDA)

Rocky Mountain Arsenal (RMA): This highly visible Army Superfund site is 10 miles east of downtown Denver. RMA covers 17,000 acres and was used for over 40 years by the Army for the production of chemical weapons and by Shell Oil Company for the production of pesticide products. Structures, soils and groundwater are contaminated with a vast array of pollutants. Once cleaned, RMA will be transferred to the Fish and Wildlife Service to be a national wildlife refuge. (EPA)

Rocky Flats Site Cleanup Agreement: From 1952 until 1989, plutonium was refined and machined into triggers for nuclear weapons at this site, which covers 10 square miles and is located 16 miles northwest of Denver. Rocky Flats stores hazardous wastes and houses 14.2 tons of plutonium, the largest plutonium inventory in the country. In July 1996, EPA, DOE, and CO will sign a new cleanup agreement for this DOE toxic waste site. (EPA)

Metro Denver Air Issues: EPA was sued in federal court by Citizens for Balanced Transportation to require the agency to either approve or disapprove the state's plan for assuring compliance with air quality standards in the Denver area, or take federal action. If EPA cannot approve the state plans, the federal court will order EPA to issue a federal air quality plan for the area. EPA hopes to approve the state plans by the end of the summer and avoid the necessity of a court decision. (EPA)

Shattuck Chemical Site: Mayor Webb and environmental groups continue to object to the plan selected by the EPA and the state to clean up radiologically-contaminated soils at the Shattuck Chemical site. Cleanup activities at the site have been underway for the past month, due to the denial of a recently sought Federal court order by the City to halt cleanup activities. While an appeal by the City is pending, EPA and CO are proceeding with implementation of the cleanup plan. Denver Mayor Webb has recently written to you on this issue and met with EPA last week. EPA and CO have agreed to consider an off-site disposal option if the new proposal satisfies EPA's criteria, including the protection of public health and the environment, and ensures the appropriate parties pay for the cleanup. (EPA)

Pro-Affirmative Action Coalition Formed: Colorado Unity, a coalition of Coloradans in favor of continued affirmative action programs, has organized to oppose an anti-affirmative action initiative that will be on the CO ballot in November. (DOC)

Denver International Airport Noise Complaints: The opening of Denver International Airport (DIA) on February 28, 1995, resulted in flights over new residential areas. Although the airport is many miles away from most residential areas and the EIS and federal noise standards have been met, many noise complaints have been received. Representatives Schroeder, Skaggs and Hefley and Senator Brown have been active on behalf of their constituents. The FAA has made several changes in operations to reduce the noise problem and continues to work with the city and county of Denver. (DOT)

Railroad Merger: On July 14, *The Denver Post* ran a lead editorial addressing potential problems for CO as a result of the merger. Gov. Romer endorsed the merger with concessions from Southern Pacific which included maintenance of 1,400 jobs in the State. On July 3, *The Denver Post* stated that the burden is now on Gov. Romer to develop a coherent game plan that protects rural areas. DOT, USDA and DOJ opposed the merger that was approved by the Surface Transportation Board. (DOT)

Animas La Plata Project: In southwestern CO, the Animas/La Plata (ALP) water diversion, storage, and irrigation project has been proposed since 1967. Construction of the project has been delayed by numerous claims that it is environmentally unsound and the cost-benefit analysis has consistently shown it to be inefficient. Construction of ALP, which is vital to meeting 1988 water-rights agreements, is estimated to cost \$770 million. Currently, construction is on hold awaiting review by EPA of the recently released supplemental environmental impact statement. On June 19, several groups filed suit against EPA which may refer the decision to the CEQ. Recent opposition by a group of congressional legislators has raised the level of concern in CO. (DOI)

Commercial Overflights of Rocky Mountain National Park: The FAA is proposing a ban on future air tours over the park. Now out for public comment, this proposal is supported locally but opposed by the air tour industry. No air tours currently operate over the park. (DOI)

Range Regulations: To resolve decades of conflict over range management and to improve rangeland health, BLM published new grazing regulations which became final on August 21, 1995. The new regulations establish Resource Advisory Councils (RACs), which bring together all those with an interest in the public lands in order to reach a consensus about its use. Despite the success of the RACs, legislation is pending in Congress to counter the new grazing rule. This legislation would elevate grazing to be the dominant use of the public lands, reduce environmental protection, and severely limit public participation in decisions regulating the public lands. The Senate has approved S.1459, and it is expected that the House will attempt to add the grazing legislation to the Omnibus Parks and Lands bill currently in Conference. Secretaries Babbitt and Glickman have indicated that they would strongly urge you to veto grazing legislation whether freestanding or attached to the Omnibus bill. (DOI)

Fire Preparedness: Drought conditions in the Southwest, coupled with unusual accumulations of natural fuel, might lead to one of the worst fire seasons on record. On June 28, Secretary Babbitt and Secretary Glickman held a press conference in Denver on the federal government's response to wildfires. (DOI)

Community Oriented Policing Services (COPS): Denver has received \$3.5 million to hire or redeploy 160 police officers. This includes a special domestic violence grant of \$198,000. Total awards to CO (including Denver) are \$23.6 million for 493 officers. (DOJ)

Head Start: On June 13, the Administration for Children and Families (ACF) notified the Child Opportunity Program, Inc., that it was terminating COP's Head Start grant. Olivia Golden, the Head Start Commissioner, suspended the agency's federal grant and ordered the resignation of all board members, the financial officer and the chief accountant. The HHS Office of the Inspector General is currently investigating allegations of financial mismanagement. Golden said that, of the 40 Head Start Programs terminated across the country in the past 3 years, Denver was the most serious case she had seen. It is unlikely that space will be available to provide services to children at the same level as last year. In addition, ACF has placed Children's Services of Colorado (CSC) on high risk status as of June 26 and has also denied CSC's refunding. CSC is located in the Denver suburb of Lakewood. Of greatest concern is CSC's financial instability and the fact that CSC used Head Start payroll taxes to pay for corporate expenditures rather than pay the IRS and the state. Gov. Romer is paying close attention to issues regarding Head Start. (HHS)

Crime and Law Enforcement Report
Denver, CO (7/22/96)

Relevant Crime Rates: State of Colorado

	<u>1993</u>	<u>1994</u>	<u>Percent Change</u>
Murder -	206	199	- 3.4 %
Rape-	1,633	1,579	- 3.3 %
Robbery-	4,160	3,910	- 6.0 %
Violent Crime-	20,229	18,632	- 7.9 %
Total Crime-	197,085	194,440	- 3.8 %

*Source: FBI Estimate

Relevant Crime Rates: City of Denver

	<u>1994</u>	<u>1995</u>	<u>Percent Change</u>
Murder -	81	81	0 %
Rape-	366	320	- 13 %
Robbery-	1,714	1,413	- 18 %
Total Crime-	35,434	34,769	- 2 %

* Denver reported that juvenile crime was down from 1994 and gave credit to the Denver curfew.

COPS:

- * Overall, Colorado has been awarded \$23.6 million in COPS funding to hire or redeploy 493 police officers.
- * Colorado has been awarded COPS Domestic Violence grants totaling \$1,010,577.
- * The city of Denver has been awarded \$3.5 million for 160 police officers.
- * Denver has been awarded COPS Domestic Violence grants totaling \$198,000.

Drug Courts :

- * Enhancement Grant **Denver District Court Second Judicial District**
\$400,681

Safe & Drug Free Schools Program:

- * The state of Colorado will receive approximately \$5.02 million in FY96 for the Safe & Drug Free Schools Program.
- * Roughly 40 million students benefit from this program in 97% of America's school districts.

Violence Against Women Act:

- * In FY95 under the S.T.O.P (Services *Training *Officers * Prosecutors) Violence Against Women Act, the state of Colorado received \$426,346, as did every other state and territory. This represents the first step in helping restructure the criminal justice system's response to crime of violence against women.
- * In FY96, Colorado has been allocated \$1.77 million in VAWA grants.

Victims of Crime Act:

- * In FY96, the Justice Department will return \$3.1 million to Colorado for crime victim programs. These funds represent a percentage of criminal fines paid in Federal cases brought in the state of Colorado.

Mayor - Wellington E. Webb (303) 640-2721

Chief of Police - David L. Michaud (303) 640-3870



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

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Kathleen A. McGinty 
SUBJECT: Colorado Environmental Issues

HIGH-LEVEL NUCLEAR WASTE

The Administration opposes legislation on the floor of the Senate to locate an interim storage facility for high-level nuclear waste in Nevada and to set by law a weak Federal standard for the permanent repository. The Administration prefers to continue to study whether Nevada (Yucca Mountain) is suitable for a permanent repository, to select a site for interim storage only after a permanent repository has been selected, and to set the standard for the repository on the best science.

Colorado could be adversely affected by this bill because of concerns about transportation of wastes to an interim site and precedents for standard setting. If Nevada is not selected for the permanent repository, locating interim waste there now would require the waste to be moved twice, including possible high-volume use of a route through Denver. If Congress mandates a weak radiation standard for the repository, the standard could later become the one for cleanups at Federal facilities such as Rocky Flats.

THE WHITE HOUSE

WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Stephen Warnath, ^{scw} Domestic Policy Council

SUBJECT: Immigration

The National Council of La Raza (NCLR) is holding its National Convention in Denver this week. You may therefore get questions on immigration issues raised during the convention. This memorandum summarizes those issues.

- **Veto concerns: The "Gallegly amendment" and restrictions on benefits eligibility for legal immigrants.**

NCLR believes that the immigration bill (still awaiting appointment of House conferees) is seriously flawed. They dislike a number of provisions, but in particular urge a veto of the bill if it is presented to you with either the "Gallegly amendment" or the legal immigrant benefit cuts. Representatives of the Catholic Church who met with Mr. Panetta this week characterized these provisions as morally wrong. While we have opposed these provisions, many remain anxious about whether they would trigger a veto.

- **The "200% Rule" would slash legal immigration.**

We oppose the "200% rule" (requiring sponsors to earn 200% above the poverty line) as just a backdoor way to drastically cut legal immigration by imposing a wealth test on U.S. families wanting to reunify. This remains in the bill despite Congress' vote to split the legal immigration sections out of the illegal enforcement legislation.

- **Naturalization.**

We are swearing-in new citizens at record levels. The Administration expects to naturalize over one million new citizens this year. (Over half of these will be in California.)

To do this, INS is: increasing staff, opening new offices, using new technology (e.g. testing the use of electronic filing of citizenship applications), streamlining procedures, and forging new and better partnerships with community organizations to help this process and to increase public education.

- **Work authorization pilots and discrimination.**

We are conducting work authorization pilots in over 200 businesses in Southern California and are expanding into the meatpacking industry and South Florida.

The Administration is committed to protecting against discrimination and privacy abuses in these pilots. The Administration has an interagency group working on these issues. We have discussed with and will continue to work with NCLR and others to minimize any potential abuse.

[NCLR and others also believe that the Executive Order to deprive federal contractors of business for intentionally hiring illegal workers will encourage employers to discriminate against those who look or sound foreign.]

- **Enforcement efforts leading to violence, harassment, and mistreatment.**

We are very concerned about recent incidences such as the Riverside, CA beating by local law enforcement or the deaths of smuggled illegal immigrants resulting from pursuing vans fleeing along the Southwest border. INS is reviewing policies and practices to ensure that our enforcement efforts do not contribute to the likelihood of these incidences. We also are expanding community outreach efforts and top INS officials have begun dialogues with local government officials, local community leaders, and law enforcement around the country, including L.A., San Francisco, and San Diego to address these concerns.

- **A climate hostile to legal immigrants.**

Some are trying to use immigration to drive a wedge in this country. This is wrong and we all must oppose "immigrant-bashing."

- **English-only legislation.**

We oppose English-only restrictions.

UPDATE ON MEDICAID PROVISIONS IN WELFARE REFORM

House Update: The House-passed welfare reform bill included provisions from the Castle-Tanner welfare compromise that assured that the vast majority of currently eligible Medicaid populations would not lose coverage as a result of changes in the welfare system. The provisions, which delink the cash payment time limits from eligibility to Medicaid and assure that states could not reduce coverage by significantly modifying income and asset criteria. These criteria represent a significant victory for the advocates of the Medicaid program.

The one remaining shortcoming of the House-passed bill's Medicaid provisions relate to how the immigration provisions affect Medicaid coverage. Since the House-passed eligibility ban on immigrants also applies to the Medicaid program, hundreds of thousands of immigrants -- including 300,000 children -- would lose Medicaid coverage. As a result, health care providers who now serve these patients would either have an added uncompensated care burden or would ask state and local governments to help pick up these costs.

Senate Update: The Senate will amend their version of welfare reform on Tuesday. It is expected that amendments that mirror the Medicaid coverage protections included in the House will be supported by the majority of the Senate. Even if this occurs, the problematic immigration provisions will remain untouched. This is despite the fact that Medicaid patient advocates and health care providers (who fear they will lose literally billions of dollars in Medicaid reimbursement) will be working to support an amendment that is likely to be offered by Senator Kennedy. This amendment will delay the Medicaid eligibility ban for two years.

Should the immigration amendment fail, state, county, and local governments (particularly in border states) will likely face a huge financial liability related to significantly increasing amounts of uncompensated health care. If they don't find a way to finance it, hospitals and other health care providers will simply have to absorb costs that may threaten their financial viability.

Briefing Memo

From: Lyn Hogan
Date: July 19, 1996
Re: Mifepristone (RU-486) Hearing

Friday, July 19, the FDA's Reproductive Health Drugs Advisory Committee held a hearing to consider data submitted by the Population Council as part of a New Drug Application (NDA) for Mifepristone.

As of 6:00 p.m. July 19, the committee had taken its votes. There are 8 voting people on the committee. Three votes were significant. A verbal report from the Dept. of Health and Human Services indicates the following results:

Members voted: On the efficacy of mifepristone 6 yes, 2 no
On the safety of mifepristone, 7 yes, 1 abstained
On approval of mifepristone, 6 yes, 2 abstained

The hearing progressed smoothly. There were no security problems and few protesters. Four or five people demonstrated outside of the building.

It is important to note that the Advisory Commission decision is a recommendation to the FDA. **There will not be a final FDA decision on mifepristone in 1996.** The Advisory Committee submitted its recommendation on mifepristone which the FDA will now consider. The FDA routinely refers NDAs to this Advisory Committee and asks the panel for a recommendation on the drug's safety and efficacy.

Background on President Clinton's Record

During the Bush Administration, the FDA issued an import alert which helped ensure that mifepristone would not be available in the United States for any purpose.

On January 22, 1993 the President issued an executive order that directed the FDA to reassess whether mifepristone qualified for importation.

In July 1993, the FDA concluded that mifepristone is not an appropriate candidate for the FDA's personal use policy governing the importation of unapproved new drugs.

However, the FDA believes the drug can be taken safely with careful medical supervision and controls.

On May 16, 1994 Sec. Shalala announced Rousell Uclaf, at the encouragement of the Clinton Administration, donated its United States patent rights to the U.S.-based Population Council. The Population Council began U.S. clinical trials of the drug in October 1994 and completed those trials in September 1995.

The Advisory Committee hearing is the usual next step in the review process of the marketing application.

THE WHITE HOUSE
WASHINGTON

July 19, 1996

JUVENILE CRIME ADDRESS

LOCATION: Monrovia High School
Monrovia, California
DATE: Monday, July 22, 1996
TIME: 1:45 pm
CONTACT: Rahm Emanuel

I. PURPOSE

To reiterate your challenge to schools and communities across the country on the importance of community involvement in schools, including anti-truancy programs, school uniforms, curfews, and increased parent participation. To highlight the success that Monrovia High School has had in rising to this challenge.

II. BACKGROUND

In 1994, Monrovia became the first municipality in the country to pass an anti-truancy city ordinance. Passed as an anti-loitering ordinance, the law makes it an offence to be out on the streets during school hours for any minor without a school pass or an accompanying adult. The police conduct occasional sweeps; young people are brought to the station and parents are contacted. School officers are on site at the police station. Parents are liable for police costs of supervising children. The citation is heard by traffic court. Either the young person does community service (approximately 30 hours) or the young person's family is fined. Community service can be done at any number of approved charities or through California State/Los Angeles "High Achievement" program - a class on study skills, goal setting, and others.

In 1995, Monrovia adopted a school uniform with the approval of over 90% of families within the community. According to school officials, there has been an increase in student pride, an improvement in behavior, the elimination of gang attire, and a reduction in social/economic barriers.

Monrovia also has a "Parents on Campus" program in which trained parents actually do daytime foot patrols on the school grounds and a Community Activist Policing program, based on a "partnership" between the police, city, schools, and community.

The result of these programs:

- *Truancy among students, Kindergarten through 12th grade has dropped 42%.
- *There has been a 54% reduction in the student dropout rate.
- *Local daytime crime rates have dropped 35% and in the past five years serious crime has gone down 31%.

III. PARTICIPANTS

The President
Louise Taylor, Superintendent of Schools
Losie Wurmbbrand, Principle of Monrovia High School
Joe Santoro, Monrovia Chief of Police
TBD, Parent

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

- Political reception at Monrovia High School
- Off stage of the President.
- The Principal of Monrovia, Losie Wurmbbrand makes welcoming remarks and introduces law enforcement official.
- Law enforcement official makes brief remarks and introduces parent.
- Parent makes brief remarks and introduces the President.
- The President makes remarks.
- Upon conclusion of remarks, the President works a ropeline within the auditorium and the overflow crowd.

VI. REMARKS

Remarks prepared by David Shipley.

DRAFT

DRAFT 7/19/96

PRESIDENT WILLIAM J. CLINTON
REMARKS ON JUVENILE CRIME
MONROVIA HIGH SCHOOL
MONROVIA, CALIFORNIA
JULY 22, 1996

96 JUL 19 P10:42

Acknowledgments: Losie Wurmbrand [principal]; Joe Santoro [police chief]; parent TK.

I am here in Monrovia because you represent what is best about America. You are taking responsibility for your lives. You are creating opportunity. You are watching out for your neighbors. You are coming together across all your diversity as a great American community. You are doing what we must do to meet our challenges for the 21st century.

No challenge is more important than seeing to it that our children have safe and secure futures. It is a challenge you are surely meeting. And you are meeting it in a crucial area: Monrovia is turning back the rising tide of youth violence. With school uniforms, strict truancy laws, and an all-out community effort, you are doing here in the San Gabriel Valley what we must do across America -- you are restoring peace and discipline to our children's lives. And I thank you.

As I have said many times, I believe this is a positive and hopeful time...an age of enormous possibility...a chance for us to build a country and a world that is stronger and safer and full of more opportunity than any that existed before.

In the last 3 1/2 years, our economy has created 10 million new jobs -- more than 600,000 of them here in California. We have cut the deficit by more than half, and real wages are rising for the first time in a decade. Together, we are making the transition from the Cold War to the new economy.

To see to it that our children thrive in this new economy -- to see to it that we have the best educated population in the world in the next century -- we have put in place a comprehensive strategy to renew our schools. We expanded Head Start preschool...demanded high standards for teachers and students...and strengthened teacher training. We are on our way to connecting every classroom and library to the Internet by the year 2000. In California alone - thanks to NetDay -- nearly 50% of your schools are already wired. And we are opening the doors to college wider than ever before, through direct lending, expanded scholarships, Americorps, and our proposals to give families tax cuts to pay for education.

But all of this growth and opportunity will mean very little if your children and students are not able to go to school in safety...or play a game of basketball in a park without fear...or start the school year eager to learn and end up simply trying to stay out of harm's way. It is not enough to strengthen our economy for tomorrow if we let our children live in fear today.

We all know that we will never eliminate crime. But what we can do is to see to it that we are surprised by crime. I want us to return to an America where we turn on the evening news and are actually stunned to hear about a brutal crime. We must make crime the exception, not the rule.

The national government is doing its part. We are putting 100,000 community police on the street -- including more than 2,000 here in the Los Angeles area. [2,269 in LA, 6,155 in CA]. We are taking guns out of our neighborhoods by banning 19 deadly assault weapons and through the Brady Bill, which has kept guns out of the hands of 60,000 felons, fugitives, and stalkers. We are putting criminals behind bars where they belong: 3 strikes and you're out is now the law of the land.

Like you, we have worked hard to make our schools safer. We are imposing a policy of "zero tolerance" for guns in schools. Our Safe and Drug Free Schools initiative is restoring order to our classrooms. We called on a proven military leader -- General Barry McCaffrey - - to lead our children away from drugs. [D.A.R.E. education in 5th, 7th, 9th grades.]

This strategy is starting to work. Across America, the crime rate is down -- murders are down, assaults are down, robberies are down. In California [1993-1994], the murder rate dropped 9.6%. In Los Angeles [1994-1995], the overall crime rate dropped 4%. But amid this progress, there is one deeply troubling fact: Crime and drug use among young people is up. We cannot go into the 21st century with children killing children...with children having children...with children being raised by other children..or raising themselves on the street alone.

There is no one grand idea, no simple solution, to this problem. We have to try different strategies -- all rooted in the values of discipline, order, a sense of right and wrong. And we have to provide constructive alternatives to the flash of the street and the false allure of gangs and guns and drugs.

You have shown us that, working as a community, we can turn back the tide of youth violence. Your Community Activist Policing program -- a partnership between the police, the city, the schools, and the community -- has brought about a 31% drop in serious crime in the past 5 years.

Perhaps the most important thing we can do in Washington is to find ways to support you in your local initiatives. And then to spread the word around the country about programs like yours that work.

We need more efforts like the truancy program you have here. In 1994, Monrovia was the first municipality in the country to pass an Anti-Truancy program. It is now against the law for a minor to be out on the street during school hours without a pass or an accompanying adult. Police conduct sweeps. Parents are called. Young people work off their punishment by doing community service. Parents can be fined.

And the results? Truancy has dropped 42%. The dropout rate is down 54%. Daytime crime rates have fallen 35%. We need more efforts like this around the country. Which is why earlier this month we issued guidelines and grants to help school districts do exactly what you are doing.

Young people should be in school during the day and at home at night. So we have worked very hard with communities around the country to develop curfews. In New Orleans and Albuquerque, curfews have brought sharp drops in vandalism, graffiti, and theft. A Justice Department study showed similar results across the country. We are spreading the word: Kids don't need to be out on the street at all hours of the night, they need to be home with their parents or in a secure place.

Like truancy enforcement and community curfews, school uniforms work. You know this. You adopted school uniforms for elementary and middle school students with the support of 90% of the families in the community. And you see the difference every day. Your neighbors in Long Beach do, too. They found that after one year of wearing uniforms, overall crime in the schools was cut by a third, and fights between students who brought guns to school were cut in half.

Truancy enforcement, community curfews, school uniforms all work for the same reason: They depend on parents being involved. I think we all know that the ultimate solution to youth crime is this: strong families...strong parents teaching their children right from wrong...parents who care, like the parents in this community who patrol the school grounds as part of your "Parents on Campus" program.

In the end, it will always be our communities themselves that find the answers and make the difference. Our job in Washington is to do everything we can to make sure you have the tools you need. You have to use them. That's what you are doing. That's why what seemed impossible just a few years ago is happening today -- crime is on the run.

I want to leave you with one thought: We stand at the dawn of a new century. The young people here today will live out their lives in the 21st century. This can be a remarkable time for all our people, if we find strength in our diversity and commit ourselves to restoring our social fabric. Our parents and grandparents knew they had to translate their love for their children into schools that taught and neighborhoods that were safe.

That is the America I grew up in. And I am determined that as long as I am President, that is the world you will grow up in. Thank you and God bless America.

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR DNC GALA
LOS ANGELES, CALIFORNIA
JULY 22, 1996**

Acknowledgments: Ted Danson, Mary Steenbergen, Don Fowler, Anita and Stan Hirsh, Dr. Soryaya Ross and David Ross, "All For One."

Four years ago: economy was drifting: slow job growth; quadrupled deficit; domestic division; uncertain leadership in the world.

Three ideas: American Dream for all who are willing to work for it; get people working together to solve our problems despite diversity; ensure America remained strongest force for peace and freedom.

Basic Bargain: Opportunity -- Responsibility -- Community

The Record: We promised to cut deficit in half and create 8 million new jobs. Gingrich: "I believe this will lead to a recession next year." Armey: "Clearly, this is a job-killer." Dole: "Do not kid anybody. Nobody is going to cut spending around here." Gramm: "we are buying a one-way ticket to a recession." Kasich: "This plan will not work. If it was to work, then I'd become a Democrat." We'll save him a seat at the United Center!

Results: Today, we've cut it by more than half -- created 10 million new jobs. 610,500 jobs new jobs in California. Unemployment down [by nearly 3%] [to 7%]. Combined rates of unemployment and inflation lowest in 28 years. 3.7 million new homeowners. 200 trade agreements. Investments in technology and education. Progress in other areas as well.

Crime: New Approach. 100,000 cops on the street. \$3.5 Million in new grants for Colorado to hire or deploy new police officers . . . Tough punishment . . . Brady/assault weapons. No hunter lost gun -- 60K felons, fugitives, stalkers. Violence Against Women Act . . . Crime down four years in a row. Crime down in California.

Welfare: New Approach. Opportunity and Responsibility. Tough on work/fair to kids. 67 Welfare Reform experiments in 40 states. 75% under new rules. Now, 1.3 Million fewer on welfare -- child support up by 40%.

Family and Character: New Approach. Responsibility to support families: FMLA; V-Chip; tobacco, protect environment.

The Choice: Voters are lucky -- no mystery. If you want GOP budget, Medicare, environment, education cuts -- law of the land 6 months after GOP wins.

The Future: We have to do more: minimum wage, Kassebaum-Kennedy, retirement and pensions.

Opportunity: Education -- 13th and 14th years; 10K deduction/\$1,500 tax credit; Every classroom on Internet by 2000; Balanced Budget.

Responsibility: Crime: cop killer bullets; crime victims amendment; School uniforms, curfews, truancy.

Community: Strengthen family -- extend Family Medical Leave Act, flex-time, TV violence.

THE WHITE HOUSE

WASHINGTON

July 19, 1996

MEMORANDUM TO THE PRESIDENT

FROM: DORIS O. MATSUI-
DEPUTY ASSISTANT TO THE PRESIDENT
DEPUTY DIRECTOR OF PUBLIC LIAISON

RE: CALIFORNIA ASIAN PACIFIC AMERICAN COMMUNITY

The Asian Pacific American community comprises 9.6% of the total population of California. During the 10 years between the 1980 and 1990 census there was a growth rate of 116.7% in the APA population.

Although elements of the APA community continue to follow Republicans, evidence from both the 1992 presidential election and the 1994 Congressional races strongly suggest that APAs are becoming increasingly receptive to the President's principles and values, and increasingly skeptical of the Republican Agenda. In fact, recent numbers in California show that the number of registered APA as even (only a couple of tenths difference) between the two parties.

The APA community strongly identifies with your message and the issues that you have taken a very strong, supportive stand on. The Office of Public Liaison have grouped these issues into three all-inclusive topics; Administration of Justice; Economic Development; and Education.

It is important to remember that the Asian Pacific American community is a very diverse community in itself. There are over 40 ethnicities and 28 languages and dialects. In addition to ethnic and language differences, there are generational differences. For example, Japanese Americans have been in the United States for many generations. They have different viewpoints than newer immigrant communities such as the Korean or Vietnamese Americans.

Accordingly, policy issues will often resonate in unique ways in the community. For example, domestic violence is a major concern to the APA community, as it is to the mainstream. However, newer immigrant communities--especially Korean Americans--are more frequently victims of domestic abuse than communities and families of older generation Americans. Many in the APA communities have set up community programs and become community activists to combat domestic violence. Activism on this issue has increased dramatically.

REGIONAL DEMOGRAPHICS

I. Los Angeles City and County

APAs comprise over 10% of this most populous county in the State. Chinese, Filipino, Japanese and Korean Americans are the largest APA communities in greater Los Angeles. Many in the community are active in Democratic politics.

In the Southern part of the county, Japanese Americans form a sizable and influential community, many serving on city councils, school boards and local commissions.

The eastern part of Los Angeles County or the area of the San Gabriel Valley includes significant populations of APA's, including Monterey Park, home of the largest concentration of overseas Taiwanese.

II. San Francisco City and County

APA's make up about 29.1% of the overall population, which is predominantly Chinese American with smaller numbers of Japanese Americans, Filipino Americans and other APAs. Although APAs have been politically active for some time, Mayor Brown's victory has resulted in increased high level appointments of APA's, including Police Chief Fred Lau. APAs continue to play a large role in local politics. Currently, 28% of the County Supervisors are APA Democrats.

III. Sacramento and Central Valley

APAs make up approximately 8.6% of the Central Valley's population. The fastest growing APA population is made up of Chinese, Japanese, Filipino, Asian Indian and more recent immigrant and refugee Hmong, Vietnamese and Cambodian communities.

Longer term APA, such as Japanese Americans and Asian Indian Americans, have assimilated well into the local communities both culturally, economically and politically. They share many of the concerns of the non-APA community in the area.

IMMIGRATION / WELFARE

- * Welfare reform continues to be a major point of concern in the APA community, especially as it relates to immigration. The APA community is adamant regarding maintaining services to immigrants.
- * Your position in both welfare and immigration reform has gained much support from the community. They are particularly concerned regarding the harsh treatment of legal immigrants. You should make clear your commitment to protect legal immigrants, especially in regard to programs such as medicaid and nutrition/food stamp programs.
- * Difficult questions that may be raised are whether you will choose to sign a bill that may be less severe and have less overall cuts but still bans services to immigrants, or, what limitations on immigration are acceptable to the Administration.
- * We have been hearing a lot from California hospitals and children's groups worried about the effect (in both human and economic terms) of cuts/bans in Medicaid and food stamps.

THE WHITE HOUSE

WASHINGTON

July 20, 1996

MEETING ON McCLELLAN AIR FORCE BASE PRIVATIZATION

DATE: July 23, 1996
LOCATION: McClellan Bldg. 200, Exec. Conference Room
TIME: 2:40-3:15 pm
From: Dorothy Robyn, NEC

I. PURPOSE

You will meet with community and labor officials to reiterate your commitment to helping McClellan privatize-in-place, following some negative press. As evidence, you can point to five recent actions by the Administration in support of McClellan privatization. Also, you will announce Air Force approval of an Economic Development Conveyance at the former Mather (pronounced MAY-THER) Air Force Base in Sacramento, paving the way for several thousand more jobs at that facility.

II. BACKGROUND

The 1995 BRAC Commission recommended that DoD close McClellan and move its workload to other depots or to the private sector. McClellan was the largest employer in the region, with 10,500 civilian and 3,000 military workers. Moreover, Sacramento had already endured two closures: Mather AFB (BRAC 88) closed in September 1993, and Sacramento Army Depot (BRAC 91) closed in March 1995.

Because of the cumulative economic impact on California, you sent the BRAC recommendations to Congress only after directing the Air Force to do everything possible to privatize-in-place at McClellan (and Kelly AFB in San Antonio). (Although there was a legislative obstacle to administrative privatization, the Air Force hoped to repeal it; this has proved impossible, as discussed below.) And in a subsequent visit to McClellan, White House and DoD officials promised to maintain 8,700 workers until 2001, the official closure date, and 4,350 employees until 2004.

A year ago, the Sacramento County Board of Supervisors designated the County as the Local Redevelopment Authority (LRA). The LRA moved quickly to organize an industry coalition, led by Rockwell and United Airlines, that was prepared to take over the industrial core of the base and bring in additional commercial work (mostly aircraft repair). The LRA and the industry coalition briefed senior Air Force and White House officials on their proposal in June. In addition to the inherent efficiencies of privatization, their approach promised lower costs for DoD through "dual use" (commercial and military use) of McClellan's facilities.

However, the Air Force cannot "direct" (i.e., sole source) any of McClellan's workload to the industry coalition, because DoD has been unable to repeal the statutory requirement that contracts over \$3 million must be awarded through a "public-private" competition -- that is, ongoing DoD depots must be allowed to compete. (Because of the same fierce resistance from the Depot Caucus, DoD has been unable to repeal the "60-40" law, which prohibits the services from contracting out more than 40 percent of their depot maintenance activities. But 60-40 is less of an obstacle to privatization at McClellan, because the Air Force currently contracts out less than 30 percent of its maintenance.) The Air Force recently delivered that news to the LRA, leading to some negative press coverage. (See July 13 *Bee* article.)

The LRA has reluctantly accepted the necessity for a public-private competition, and it is negotiating with the Air Force over how that competition will be run. (See attachment for more detail.) By October, the LRA and Air Force hope to reach a memorandum of agreement on the minimum amount of workload to be competed and key aspects of the competition. Privately, Air Force officials believe that an industry coalition proposing to perform McClellan's workload in-place would have a significant advantage in a public-private competition, but they cannot say that publicly.

III. RECENT ANNOUNCEMENTS

In the past few days, the Administration has announced five actions that demonstrate your continuing commitment to McClellan privatization. (See July 20 *Bee* article.)

1. DoD will retain the Microelectronics Center at McClellan. This high-tech program provides specialized engineering and knowhow in electronics, optics, software and systems integration for the repair of aircraft and missiles. The Center's 136 personnel are McClellan's highest-skilled workers.
2. Commissary and Base Exchange Services at McClellan will continue to operate after the base's closure in 2001. The Commissary and BX employ 440 people and provide services to more than 102,000 active-duty and retired military personnel and dependents in the Sacramento area. (Sacramento has the second largest military retiree population in the country, second only to Florida.)
3. DoD will provide an additional \$6.5 million in FY96 for the Casting Emission Reduction Program (CERP) at McClellan, a government-industry partnership to develop environmentally friendly methods of casting metal parts. This project has application to the commercial foundry and auto industries (the Big Three auto companies are participants), as well as military production.

4. The Department of Labor will provide \$4.5 million to retrain 1,500 civilian workers who face layoffs in the next two years. This is the first of several grants to help McClellan workers. Whereas the Microelectronics Center and CERP are important to McClellan's high-tech workforce, this grant is meaningful to blue-collar workers, many of them American Federation of Government Employees members.

5. The Department of Energy will provide \$800,000 to McClellan for research on boron neutron capture therapy for the possible treatment of inoperable brain tumors. This project will use the nuclear reactor facilities at McClellan, which also power a large robot used to inspect flaws in military aircraft. Last winter, Secretary Perry visited McClellan and announced \$2.3 million for upgrades to the reactor.

IV. MATHER AIR FORCE BASE ANNOUNCEMENT

Mather Air Force Base was a casualty of BRAC 88, and it closed in September 1993, causing the loss of 2,000 military and 1,000 civilian jobs. As with McClellan, the County of Sacramento serves as the Local Redevelopment Authority. Negotiations between the community and the Air Force have often been slow and difficult, and relations are strained (the situation improved only somewhat after your Five-Part Plan for Revitalizing Base Closure Communities took effect).

You will announce the transfer of portions of the former base under an Economic Development Conveyance (EDC), following more than a year of negotiation. (EDCs were written into law at your initiative; they allow DoD to transfer property at a discount when the reuse plan will create jobs.) The EDC -- which paves the way for a commercial and industrial park -- puts in place the last major piece of the reuse puzzle at Mather. The community has already created 1,000 jobs -- with three cargo carriers operating out of the former military airfield. With the EDC complete, and large grants from HUD (\$12.8 million) and EDA (\$8.3 million) supporting facility and infrastructure improvements, Mather should be able to reach its goal of 5600 new jobs.

V. PARTICIPANTS

President

Leon Panetta

John Emerson

Rudy de Leon, Under Secretary of the Air Force

John Phillips, Under Secretary of Defense for Logistics

Sheila Cheston, Air Force General Counsel

Sacramento Delegation (preliminary list):

Rep. Vic Fazio

Rep. Robert Matsui

Roger Dickinson, Chair, Sacramento County Board of Supervisors
Joe Serna, Mayor of Sacramento
Muriel Johnson, Member, Sacramento County Board of Supervisors
Leroy Greene, State Senator
Barbara Alby, Assemblywoman
Raymond Nelson, President, Sacramento Chamber of Commerce
Tom Eres, Sacramento Chamber of Commerce, Mission McClellan
Lee Grissom, Director, Governor's Office of Planning & Research
Larry Vanderhoef, Chancellor, University of California, Davis
Jim Franco, President, McClellan AFGE
Tom Vanzandt, Chairman, McClellan Labor Coalition
Maj. General Eugene Tattini, Commander, Sacramento Air Logistics Center
Brig. General Leslie Kenne, Vice Commander, Sacramento Air Logistics Center
Gen. Henry Viccellio, Director, Air Force Material Command
Rob Leonard, Exec. Dir., Dept. of Military Base Conversion, Sacramento County
Randall Yim, Dep. Dir., Dept. of Military Base Conversion, Sacramento County
Tony Gallegos, Director, DoD Office of Economic Adjustment, Western Region

VI. PRESS PLAN

Pool spray.

VII. SEQUENCE OF EVENTS

- The President enters the room and makes a statement with pool coverage. Pool departs immediately after statement.
- Rep. Fazio makes brief remarks.
- Chairman Dickinson makes brief remarks.
- Mayor Serna makes brief remarks.
- AFGE President Franco makes brief remarks.
- The President comments briefly and opens discussion.
- The President departs the room.

VII. REMARKS

Talking points are attached.

Attachment A

Public-Private Competition for McClellan's Workload

Having failed to repeal the law that allows public depots to compete for large maintenance contracts, DoD is trying to design a "public-private" competition for McClellan's (and Kelly's) workload -- one that is fair but consistent with DoD's long-term goal of greater privatization. The McClellan LRA is participating in the process. At the same time, the Air Force is analyzing its workload at McClellan and Kelly to determine what is "core" (i.e., work that must be kept in a DoD depot) and what is not. Key issues are:

Scope of competition: The more categories of workload that are packaged together for competition, the better McClellan will do, because that will attract a stronger industry coalition. The LRA calls this the "big bang" approach. (Local GOP criticism of the Administration for not aggressively privatizing at least one major contract is disingenuous. The LRA persuaded the Air Force not to compete individual contracts.)

Depot teaming: The Air Force's preliminary position is that the public depots may team with one another but that *all of the work must be done at the lead depot*. As a soon-to-be private bidder, McClellan likes that position, but the Air Force will face enormous pressure to give the depots more flexibility.

Cost comparisons: Industry's great fear about public-private competitions is that depots will be able to offer DoD a lower price by ignoring their overhead costs. The Air Force has to ensure there is no cross-subsidization by the depots.

Valuing commercial work: McClellan wants the Air Force to weight heavily in the competition its ability to draw commercial work to the facility, which will mean lower costs to DoD in the long run. Depots feel that would penalize them unfairly.

Schedule: McClellan believes time is the enemy, because of the gradual attrition of the facility's excellent workforce -- its greatest advantage in attracting private industry. The Air Force has proposed a lengthy, three-phase competition, ending in early 1998, but the LRA is pushing to compress the schedule.

Another issue is a lawsuit filed by the American Federation of Government Employees (AFGE), claiming all of the work now performed at McClellan and Kelly is "core" and thus must be transferred to other DoD depots. (The suit targets an earlier competition at a closing Air Force depot in Newark, Ohio; although the competition was theoretically open to other DoD depots, none of them bid, and the contract was awarded to a private firm that will operate the Newark facility.) The Air Force (like the McClellan LRA) is hopeful the AFGE suit will be dismissed for lack of standing. Some AFGE members at McClellan privately oppose the suit, preferring to take their chances with privatization to being transferred to another DoD depot.

LEVEL 1 - 2 OF 3 STORIES

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Sacramento Bee

July 13, 1996, METRO FINAL

SECTION: MAIN NEWS; Pg. A1

LENGTH: 2000 words

HEADLINE: MCCLELLAN WORKERS GLUM AS CONVERSION SLOW TO TAKE OFF

BYLINE: Wayne Wilson and Paul Schnitt, Bee Staff Writers

BODY:

It's been a year since President Clinton accepted plans to close McClellan Air Force Base, but none of the fear and uncertainty that accompanied the announcement has diminished.

If anything, the mood has worsened.

Privatization is still nothing more than a concept.

Employees are learning that the availability of jobs in other government sectors is very limited. And individual workloads have doubled and, in some cases, tripled because those who have left to work elsewhere are not being replaced.

"Morale is very, very low," said James Lewis, 48, an engineering technician. "There's a lot of despair."

Commitments by the White House and Pentagon to save thousands of civilian jobs at the base remain intact, but the actual takeover of any industrial workloads by private companies has yet to happen.

That's not surprising to many public officials and community leaders, but of considerable disappointment to others.

"One year and counting, and it's turned out to be like many of us expected -- a very complex process," said Tom Eres, a Sacramento lawyer active in efforts to convert McClellan to commercial use.

The process is not only complicated but also facing plenty of opposition in Congress and among federal employee groups across the country.

"Privatization is brand new, a new concept," said U.S. Rep. Vic Fazio, D-West Sacramento, whose district encompasses the military installation. "You shouldn't judge its success by one year."

Nevertheless, state Assembly member Barbara Alty, a Republican who represents the area, is clearly disappointed and blames the Clinton administration.

"At this point it is promises made, promises unkept," she said.

Sacramento Bee, July 13, 1996

Alby said she would have liked to have seen one major contract on the base "aggressively privatized, the process sped up."

"But all you get are excuses why it is not happening," she said.

Closure is nothing new to Ron Taylor, 32, an electrician in aircraft maintenance, or to Al Campos, 46, who works on the "fire finder" ground radar system. Taylor came to McClellan three years ago when Alameda found itself on the base closure list, and Campos worked at the Sacramento Army Depot before it closed.

Taylor said "there were more opportunities" at the time of Alameda's closure. Workers were being recruited. "They kind of knew their destiny. But here, everyone's in limbo."

Campos said attrition has "made things hectic" due to lack of personnel. He said he is forced to do his own material handling and driving, "but we've been getting the work done, so it looks good for us."

Kim Clark, 34, who works on temporary duty orders, said it appears "they're preparing the upper level people to move on" but don't much care about the others. "Because the military is downsizing everywhere, you can't transfer."

Maj. Gen. Eugene Tattini, commander of the Air Logistics Center, estimated that only a few hundred employees have left the base to enter private industry or other civil service positions in the year since closure was mandated.

Tattini's estimate is consistent with payroll statistics of the state Employment Development Department, which reported 10,600 civilian employees in May 1995 and 10,200 a year later.

Departures from McClellan thus far have been voluntary, according to base officials. "We haven't had any layoffs and we haven't had to send anybody out the gate," said Jack Hokanson, chief of media relations at the base.

Management has set up four FOCUS (Future Opportunities, Careers and Ultimate Success) centers to help employees prepare for what's coming. Each has libraries of job reference material, informational pamphlets and binders filled with federal, state, local and private industry job vacancies, as well as computer access to job searches and instructional data.

But employees complain that only the few with very technical skills are finding new jobs.

And available jobs "are not desirable," said Mike Delfino, 41, who works in KC-135 maintenance at the logistics center.

"Even if they offer me a transfer, I can't take it," Delfino said, explaining that his wife has a job with the state and that he has other family ties to Sacramento.

Edie Bellamy, 54, an electrician working on KC-135s, said, "I consider myself pretty lucky. I'll have my 30 years in in February 1997 and will be 55 years old

Sacramento Bee, July 13, 1996

in November, so it won't affect me much.

"But I still have compassion for the younger ones who are going to be out there looking for jobs."

Bellamy said that when employees first received the news of closure, "it was very detrimental. Attitudes changed. Work habits changed. Everybody was just so disenchanted. It was a disaster.

"Now, people are saying, 'OK, we have to finish this project. But what then? What am I going to do? Where am I going to go?'"

Public officials concede that many issues remain unresolved because of powerful opposition to any successful conversion of McClellan by politicians from other states and civilian defense workers worried about their jobs.

Members of Congress with military depots in their districts would like nothing better than to see McClellan simply close, giving their bases a crack at new defense contracts and possibly more jobs.

Congressional opposition so far has thwarted efforts by the Clinton administration and California's congressional delegation to repeal laws that would make it easier to launch a privatization program at McClellan.

One law limits the amount of military repair and maintenance work done by private industry to 40 percent of the total value of those contracts. Another requires repair and maintenance contracts of more than \$ 3 million to be competitively bid.

And earlier this year a major federal employees labor union sued to block privatization at McClellan and two other military bases.³ The lawsuit, filed by the American Federation of Government Employees (AFGE) in Washington, D.C., charges that the privatization programs being implemented are illegal and could cost thousands of government workers their jobs.

Management's efforts to ease McClellan employees toward closure have not been very helpful, said Jim Franco of AFGE Local 1857, which represents about 80 percent of the civilian workers on base. "So far, it's been all talk. Everybody feels they're being held hostage."

Franco said the uncertainty is wearing. "We knew nothing a year ago. We know nothing now. Base officials tell us they're waiting for word from headquarters in Washington D.C."

For local officials, the main focus has been negotiations with the Air Force on how to carry out privatization.

County Supervisor Roger Dickinson calls the discussions "intensive" and at a "sensitive" stage.

Over the next three to five months, Dickinson expects the county to reach a final agreement with the Air Force, spelling out a time frame for awarding bids to private companies for specific industrial workloads at the base. He thinks the first company could move on base by late 1997.

Airline not much help, families say

By Gary Delsohn
Bee Staff Writer

To grief-stricken families in the know, it's called "the second tragedy."

And it seems to happen after nearly every American aviation disaster. The fiery explosion of TWA Flight 800 on Wednesday night over the Atlantic Ocean off Long Island was no exception.

"My initial contact with (TWA officials), I felt, was very impersonal," said Larry Brown, whose brother, Sacramento-born fashion designer Jed Johnson, was killed in the crash.

Brown tried getting information by calling the airline's toll-free 800 number, but it was busy for hours. Finally, a family friend got confirmation of his brother's death — not from the airline, but from the FBI.

"We were 99 percent sure he was on there," Brown said of his brother, a

Please see FAMILIES, back page, A20



Silhouette images of dancers striking athletic poses are projected onto large screen

Crowd of 100,000 roars wi

By Sam Stanton
Bee Staff Writer

ATLANTA — Atlanta swaggered onto the world stage Friday night.

Amid a blaze of fireworks and pagentry, the hosts of the centennial Olympic Games staged a modern spectacle devoted to showing off their city, the South and the ideals that began in Athens 100 years ago.

Along the way, they paid homage to some of the greatest athletes of our time, including boxing great Muhammad Ali, who was given the honor of lighting the Olympic torch.

Ali, shaking badly from the effects of his Parkinson's disease as he stood atop a platform beneath the bright red cauldron, raised his torch into the air and lit a device that appeared to be floating above him. That flame slowly ascended and lit the torch that stands high above Olympic Stadium and the city of Atlanta.

A worldwide television audience watched the extravaganza along with about 100,000 spectators and athletes packed into Olympic Stadium. Here is what they saw:

■ A proud and emotional Bruce

Baumgartner, flag and teammate, derous ap...
"When I have neve had such me by m four-time gold medal ceremony.
■ Teres competito her own I her 32nd I "I was e

Clinton bears new gifts for McClellan

Ken Chavez
and Herbert A. Sample
Staff Writers

When President Clinton accepted a federal panel's recommendation last year to shut down McClellan Air Force Base, some people wondered how the president could overcome the political dam-

The answer now may be at hand.

Touring California next week, Clinton will come to Sacramento on Tuesday having delivered so many election year goodies for McClellan that it will seem like Christmas in July.

Rep. Vic Fazio, D-West Sacramento, who has taken a leading role in helping McClellan reinvent itself, announced Friday that the

Clinton administration had taken several actions to assist the base in its transition to private hands.

The new developments follow reports of uncertainty among many workers at McClellan over the base's prospects for conversion.

They new actions:

■ The commissary and base ex-

Please see CLINTON, page A14

State jobless rate falls to 6 1/2-year low

Paul Schnitt
Staff Writer

The state's economic recovery steamed ahead in the, as California employers created 32,800 new jobs and the unemployment rate dropped to its low since January 1990.

Sacramento area also showed solid jobs gains at a somewhat slower pace than earlier in the year, the state reported Friday.

The capital area added nearly 15,000 jobs over the last month a year ago.

The statewide unemployment rate was 7.1 percent, the lowest since the 7 percent rate in January 1990. May's jobless rate was 7.3 percent. The jobless rate for Sacramento, Placer and El Dorado Hills held at 6.1 percent in June.

"Those are very robust numbers with good growth throughout the private sector," said Ted Gibson, economist with the state Department of Finance.

The state and local job growth both continued to outpace employment gains in the rest of the country.

Please see JOBS, page A14

OBITUARIES • 25

Ex-captive Jenco dies

The Rev. Lawrence Martin Jenco, the priest held hostage in Lebanon in the mid-1980s, dies from cancer.



The Sacramento Bee

Saturday, July 20, 1996

► FROM PAGE ONE

Clinton: Repair site to stay open

Continued from page A1
change at McClellan, which military retirees in the area depend on, will remain open indefinitely. The Air Force apparently bent its policy — described in a December 1995 letter to Fazio — requiring that a significant number of active duty personnel remain in the area for such stores to continue operating after a military base closes. That, however, will not be the case in Sacramento after McClellan shuts down in four to five years.

"I don't think they bent the rules, but to the extent that they leaned on them, I'm not going to complain," Fazio said in an interview.

■ A microelectronics repair center now at McClellan, which was slated to close the base, instead will remain open under the authority of the Defense Logistics Agency and Los Angeles Air Force Base. The move will save the jobs of 144 workers who maintain intricate electronic gear on aircraft and missiles, Fazio said.

■ After the House of Representatives turned down a similar request for funding, the Defense Department scraped together \$6.5 million from other accounts to continue construction of a state-of-the-art facility that will develop futuristic metal-casting techniques. Advocates contend the facility will attract contracts from private businesses and the military. Fazio and his allies had asked the administration for \$11 million.

■ The Energy Department found \$500,000 to finance improvements to a nuclear reactor at McClellan that is used to inspect aircraft and also could be utilized for medical research. McClellan and the UC Davis Medical Center hope the technology that operates the reactor can help develop treatments for brain tumors.

"I think it means that despite the skepti-



Associated Press photograph

President Clinton is flanked in Atlanta by International Olympic Committee President Juan Antonio Samaranch, left, and Atlanta Olympic organizer Billy Payne.

cism that has greeted what is a new and untried approach, we have really begun to make some headway," Fazio said of the efforts to privatize the base when it closes in four to five years. The administration's actions "are really down payments on the ultimate future of McClellan."

Fazio was joined in his efforts to assist McClellan by four other Sacramento-area representatives — John Doolittle, R-Rocklin; Robert Matsui, D-Sacramento; Wally Herger, R-Marysville; and Richard Pombo, R-Tracy — as well as Sens. Dianne Feinstein and Barbara Boxer.

Clinton's visit to California, which includes stops in Los Angeles and San Francisco, will mark the 26th time he's come to the vote-rich state since he won the White House four years ago.

The state — where polls show Clinton leading GOP rival Bob Dole by more than 20 percentage points — is not only friendly territory for the president, it is also a place where he can come to pick up big bucks for Democrats nationwide. That political task is also on Clinton's Sacramento agenda.

The nation's commander-in-chief is scheduled to wing his way out west this weekend, stopping for a pair of appearances in Denver before he flies to Los Angeles for a Monday afternoon speech at

nearby Monrovia High School.

On Tuesday, after landing at McClellan, Clinton will speak to an audience at Women Escaping a Violent Environment, or WEAVE, a downtown Sacramento counseling center for abused women.

He also will attend a luncheon fund-raiser at the Land Park home of developer Phil Angelides, a former chairman of the California Democratic Party.

About 100 people are expected to attend the affair, which is being staged to raise money for the Democratic National Committee, said Susan Baltake, a spokeswoman for Angelides. Tickets to the invitation-only event were priced at a per-couple rate of between \$5,000 and \$25,000.

Then Clinton heads back to McClellan for a meeting with community leaders involved in the effort to convert the military base to civilian use.

One of those expecting to attend the meeting, Sacramento lawyer Tom Eres, said he would like to speak with the president about the conversion process and the "complex bramble bush of legal constraints" that have sometimes impeded it.

"I think when he hears what we have to say ... it will allow his staff to advise him on what alternatives there are to clear that path," Eres said.

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\$1.0
SPECIAL

TALKING POINTS

One year ago I approved the BRAC recommendation to close McClellan Air Force Base and to move its operations to other depots or to private industry. I did so only after I was convinced, not only that it was *feasible* for McClellan to privatize its operations in-place, but that the *prospects for success were strong*.

Today, I am still convinced that McClellan -- with its superb workforce and high-quality facilities -- is poised for success.

I recognize that the last year has not been easy for you. In Washington, Congress has fiercely opposed our efforts to enable the Defense Department to privatize more of its maintenance operations more easily. (In fact, we have had to struggle to keep Congress from making it *harder* to privatize.) As a result, the steps to privatization here at McClellan are neither automatic nor easy.

But look how far we've come. You are attracting growing interest from defense and commercial firms willing to bet on the future of a McClellan, Inc. More and more of McClellan's workers are also committed to the vision of privatization-in-place. And my Administration is continuing to do everything it can under the law to help you achieve this powerful vision.

In the past few days, my Administration has taken five actions that will help ensure the future of McClellan and its workers:

- DoD will retain the Microelectronics Center, which employs 136 of McClellan's highest-skilled workers to maintain the intricate gear on aircraft and missiles.

- The Commissary and BX [Base Exchange] will continue to operate after the base closes, which is good news for the 440 employees and the thousands of military retirees in the Sacramento area who depend on these businesses.

- The Department of Labor will provide \$4.5 million to retrain 1,500 civilian workers that face layoffs in the next two years. This is the first of a series of grants to help McClellan's workers.

- DoD will provide an additional \$6.5 million for the Casting Emission Reduction Program (CERP) at McClellan, to develop environmentally friendly technology for casting metal parts used in military and commercial products.

- The Department of Energy will provide \$800,000 to McClellan's nuclear reactor facility for research on a treatment for inoperable brain tumors.

No less important, senior Air Force officials are working closely with McClellan and Sacramento County to design a contracting process that is fair and that you can feel comfortable with. County officials met all day yesterday with the Air Force's senior procurement official.

Turning from McClellan to another base, I want to announce the approval by the Defense Department of the Mather (pronounced MAY-THER) Economic Development Conveyance (EDC), which will transfer 771 acres of the former Air Force Base to the County of Sacramento for development of a commercial and industrial park. This long-awaited agreement puts in place the last major piece of the Mather reuse plan.

You have already achieved results under this plan, with three cargo carriers operating out of the former airfield and 1,000 new jobs created. With the EDC now complete, and with more than \$21 million in federal grants for ongoing infrastructure and facility improvements, Sacramento is well on its way to reaching its goal of 5,600 new jobs at Mather.

ECONOMIC PROGRESS IN CALIFORNIA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for California after 40 months of the Clinton Administration:

Improved Economic Conditions in California:

- The unemployment rate has dropped from 9.7% to 7.1%.
- 610,500 new jobs added in 40 months -- after 57,900 lost during the previous 4 years combined.
- 594,500 new private-sector jobs added in 40 months -- after 167,100 lost during the previous 4 years combined.
- 36,300 manufacturing jobs **LOST** in 40 months -- after 266,700 lost during the previous 4 years combined.
- New business incorporations have increased 5% **per year** -- after decreasing 11% during the previous 4 years.
- The Help Wanted Index has increased 15%.
- Bank lending has increased by \$3.2 billion -- after declining by \$30.4 billion during the previous 8 years.
- Consumer confidence has increased 50%.
- Business failures have declined 5% **per year** -- after increasing 21% **per year** during the previous 4 years.

What President Clinton's Accomplishments Have Achieved for the People of California:

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA: The national debt will be **more than \$1 trillion** lower than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in California.

10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.

TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

4,959,000 CALIFORNIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.

1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

THE WHITE HOUSE

WASHINGTON

July 18, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Julia Chamovitz
National Economic Council

SUBJECT: Background on Recent Developments in the California Economy

This memorandum presents background information about current economic conditions in California.

- ***Oakland Designated Urban Enhanced Enterprise Community*** -- Oakland has been designated as one of four urban "enhanced" ECs. Since designation, Oakland has used its \$25 million EZ/EC award and additional leveraged funds to develop a flagship BART subway station which connects affordable housing, a child care center, and a pedestrian plaza with the rapid-transit station. Oakland has done a remarkable job of maintaining strong resident involvement in the EC by organizing "Community Building Teams" of residents who provide social service outreach and foster continued neighborhood involvement. (Source: CEB)
- ***Progress Report on the Los Angeles Urban Supplemental Empowerment Zone*** -- LA has been designated an urban Supplemental Empowerment Zone, receiving a total of \$450 million in federal funds and loan guarantees, with which it has capitalized the nation's largest Community Development Bank. This bank, which provides resources to community development corporations in the EZ area (which includes parts of Watts, East LA, and Pacoima), recently made its first loan. Local banks have contributed significant resources to this project. The LA Empowerment Zone was also recently awarded approximately \$3 million by the Department of Labor for programs to assist high school dropouts and other out-of-school youth. (Source: CEB)

Note: The San Diego and San Francisco ECs recently won Crime Prevention Council planning grants which fund local coalition-building to prevent crime and violence. California, with seven designations, has the highest number of EZ/ECs.

- ***TRP Funds \$12 Million for an Electronic Network Project*** -- The Smart Valley CommerceNet project will attempt to use internet connectivity to reduce the costs of doing business and increase the options of both buyers and sellers. Major participants include various commercial interests, who see CommerceNet as a way of lowering costs, and the Defense Logistics Agency, which sees the project as a way of increasing efficiency. CommerceNet is currently addressing the issue of standard protocols for data security, exchange, and cataloging. (Source: ARPA)
- ***Lockheed Martin Wins NASA Competition*** -- On July 2, 1996, NASA selected Lockheed Martin as the winner of the X-33 Single-Stage-to-Orbit Reusable Launch Vehicle (RLV) competition. Lockheed will lead Phase II of the RLV program. This section of the program is valued at more than \$1 billion through the year 2000. Approximately 700 employees are expected to be hired by Lockheed's advanced design unit, Skunk Works, based in Palmdale, CA. An additional 2,000 jobs will be created by sub-contractors and additional team-members. (Source: Lockheed Martin)

- **Long Beach Naval Shipyard Re-use Plan Spurs New Jobs** -- On July 2, the Long Beach City Council approved plans for the Port of Long Beach to develop the former Shipyard property. Plans include an expansion of cargo terminal facilities, a ship repair and ship-breaking facility, a liquid bulk storage terminal and a non-containerized bulk terminal. The Port of Long Beach is currently in negotiations with a major Asian shipping company, which could result in the Shipyard's first private customer. Part of the Shipyard property will also be used to relocate the Long Beach Police Headquarters and the Long Beach Police Academy. This plan is expected to result in 900 to 1,600 new permanent jobs and almost 100,000 regional jobs within the next three years. (Source: City of Long Beach Community Development Department)
- **Sony Expands Technology Center in San Diego** -- Sony Electronics Inc., based in Park Ridge, N.J., announced in June, plans for a \$19 million expansion of its Sony Technology Center-San Diego operation. The building, which will be completed next summer, will hold 450 engineers and designers. The center will be devoted to an in-house think tank for the creation of new products, technologies, and manufacturing methods. Sony's total capital investment in the San Diego area will total \$400 million. (Source: Sony Electronics Inc.)
- **Hewlett-Packard Expands Manufacturing Plant in Rancho Bernardo** -- Hewlett-Packard, based in Palo Alto, CA, announced in March plans to expand operations in Rancho Bernardo, a community in San Diego. This expansion, to be completed by mid-1997, will result in the hiring of 1,000 new employees over the next three years; 600 of which will be permanent jobs; 400 will be temporary employees. (Source: Hewlett-Packard)
- **Queensway Bay Project to Create 3,575 Permanent Jobs** -- Queensway Bay, located in Long Beach, plans to create a major attraction on the waterfront, establishing strong linkages between the waterfront, Long Beach's convention center, and its central business district. This attraction will include; a marine aquarium, boat tours, entertainment establishments and public parkland. This project, which will attract 5.5 million visitors annually, will favorably impact the city's severely unemployed and minority populations. An estimated \$275 million will benefit the local economy annually. (Source: City of Long Beach)

- **EITC Benefits Over 2.1 Million Families** -- This comes from 1993 Treasury estimates.

<u>Rep.</u>	<u>EITC Benefits</u>	<u>\$ (millions)</u>	<u>% Families</u>	<u>Higher Taxes</u>
Beilenson (D)	23,300 families	40.1	15.7	12,700 taxpayers
Berman (D)	44,400 families	76.5	36.1	1,300 taxpayers
Waxman (D)	59,500 families	102.6	49.5	22,700 taxpayers
Becerra (D)	69,300 families	119.5	57.3	1,000 taxpayers
Martinez (D)	42,300 families	72.9	33.6	800 taxpayers
STATE	2,147,000 families	3,702.2	29.7	218,800 taxpayers

- **Federal Reserve on the 12th District (San Francisco)** -- The District continued to show strong economic activity in recent months, with some hints of an acceleration in economic growth. Residential real estate sales volumes and construction generally moved higher, and moderate growth of consumer spending continued. Manufacturing activity picked up in recent months, particularly among suppliers of building-related products. Although businesses are increasingly optimistic about the outlook for regional and national economic growth, about one-third of respondents expect inflation to worsen over the next four quarters. (Source: Federal Reserve Beige Book, 6/19/96)

THE WHITE HOUSE
WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: ANN WALKER
DAN COLLINS

RE: Local Issues Briefing -- Los Angeles

HEALTH CARE

Experiential Vaccine

Two watchdog groups want the Food and Drug Administration to release information about an abandoned measles vaccine experiment conducted on 1,500 mainly poor and minority Los Angeles-area infants from 1989 to 1991. The parents in inner-city Los Angeles were not told what could happen when they subjected their babies to a dose of measles vaccine many times stronger than the normal dosage. A top Los Angeles County health official stressed that follow-up studies show the children suffered no ill effects from the vaccine. In September 1995, a federal panel concluded the study was scientifically and ethically justified, but that the CDC and Kaiser erred in not telling parents one of the vaccines was experimental.

TWA CRASH

11 Victims From Southern California

The crash of TWA Flight 800 took the lives of 11 people from Southern California, including one of the flight's pilots, Ralph Kevorkian of Garden Grove. Kevorkian was a 30-year veteran of TWA. Other victims included: Melinda Torche, 47 of Irvine, a TWA flight attendant for 26 years; William Story, CEO of National American Insurance Co. of California; Ann Maria Shorter of Los Angeles, the wife of jazz saxophonist Wayne Shorter; Seana Anderson and Brent Rickey, of the Van Nuys area of Los Angeles, who were travelling to Italy for their wedding and honeymoon; Flight service manager Lani Warren and Tax attorney Eugene Silverman, his wife Etta and their two children.

CRIME

Police Officer Killed

A Ventura County Sheriff's Deputy was shot to death Wednesday while answering a domestic dispute call. Deputy Peter Aquirre, 26, went to a house in the Ojai Valley in response to a report that a man was holding a woman hostage. Aquirre is survived by his wife and three-year-old daughter.

11-Year-Old Girl Shoots Two 14-Year Old Boys

An 11-year-old girl, who was being taunted by two neighborhood teen-agers, fired a shotgun through the a window at the teen-agers, killing one and wounding the other. The girl, from San Bernardino, is being held at a juvenile facility while officials investigate the murder. Her mother has been arrested for storing an unsecure firearm. Evan Clark, 14, was struck in the head and killed instantly and the other boy, also 14, was hospitalized with serious facial injuries.

EDUCATION

Schools Catching Up on Computers

The five-year push to move Los Angeles County schools into the forefront of computer usage nationally is beginning to produce results. On Tuesday, officials with the County Office of Education released a "report card," giving a positive rating to their partnership with private companies, foundations and school districts. In just one year, California's rank as worst in the nation in terms of ratio of students per computer has improved to 35th. Although Los Angeles County is far from the goal of one computer for every eight students, it still ranks higher than the state's average of one computer for every 73 students.

ENVIRONMENT

Protest to Delay Smog Program

California's new smog check program, Smog Check II, may be delayed for more than a year because of protests by bidding contractors. Envirotech of Sunnydale, the losing bidder for the \$100 million contract, filed a protest last Monday alleging that the winning bidder, Parsons Engineering Science, should be disqualified for violating conflict of interest laws. During the bidding process, Parsons hired the former head of the state's Smog Check program for vehicles who had been privy to inside information. Parsons denied that the new employee had any involvement in the development of their bid. Smog Check II is the state's reaction to the changes mandated in the 1990 federal Clean Air Act.

Wildlife Preserve

An unprecedented experiment in wildlife conservation began Wednesday in an Orange County meadow when a major land developer and high-level government officials signed a plan to create a 37,000-acre wildlife preserve. The plan is being heralded as a way to avoid collisions between private developers and government regulators who enforce the federal Endangered Species Act. Designed to shield nearly 40 troubled species from extinction, the deal also grants landowners new assurances that when they build outside the preserve's boundaries they will be freed from strict endangered species laws. Officials hope that this will serve as a national model for protecting both economic interests and rare plants and animals.

THE WHITE HOUSE
WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: ANN WALKER
DAN COLLINS

RE: Local Issues Briefing -- Sacramento

CRIME

Pappadopoulos Held in Greece for Capital Arson

Constantine Pappadopoulos, a prominent Sacramento builder-developer, who fled the country to avoid prison, was arrested in Greece on Thursday. He will be retried in Greece for the burning of his 10,000-square-foot Sacramento home in order to collect \$4 million in insurance. In June, Pappadopoulos and his wife were found guilty of arson in a California court. Pappadopoulos is a citizen of both Greece and the U.S., which gives Greek authorities jurisdiction over the arson case and precludes his extradition to the U.S. Mrs. Pappadopoulos is serving nine years and 3 months in a federal prison.

STATE LEGISLATURE

Governor Wilson Signs New Budget

Last Monday, Pete Wilson signed the \$62.8 billion 1996-97 state budget that he says uses the proceeds from California's economic recovery to invest in schools, job growth and public safety. The budget increases spending for both K-12 education and higher education, especially to community colleges. Other provisions of the budget include a 5 percent corporate tax cut; an 8 percent increase in prison spending; and continuation of previously approved welfare cuts. Some of Wilson's lower-profile victories on his "preventive agenda" include a program to prevent teen pregnancy; funding to create 20 "single-gender academies" for at-risk youth; expansion of anti-gang programs; expansion of family services for low-income Californians; and expanded access to preschool and child-care programs.

Opponents to Auburn Dam Reject Forum Proposal

A proposal to form a regional forum to find solutions to Sacramento's flood-control problem was rejected on Thursday by a state House subcommittee. The idea of the forum was brought about after the recent defeat of the Auburn Dam in Congress. Board members of the Sacramento Area Flood Control Agency will hold a special meeting some time in the future to discuss the regional flood-control forum idea and any other adjustments to be added to the \$57 million levee improvement proposal.

Measure to Reverse Three-Strikes Law Defeated

Last Tuesday, the Senate Criminal Procedure Committee blocked a proposed bill that would have overturned the state Supreme Court's earlier decision to weaken the state's three-strikes law. The bill would have allowed judges to ignore a defendant's prior convictions on their own request or at the request of prosecutors, only if the defendant's earlier convictions did not involve violent felonies, if the current offense does not involve a serious or violent felony, and if the past felonies occurred at least five years earlier.

DOWNSIZING

McClellan Air Force Base Workers

It has been a year since plans to close the McClellan Air Force Base were accepted, but none of the fear and uncertainty that accompanied the announcement has diminished, according to recent article in the *Sacramento Bee*. The privatization process is described as being not only complicated, but is also facing much opposition from Congress and federal employee groups across the country. The takeover of industrial workloads by private companies has yet to happen and workers who have left have not been replaced. Public officials and community officials are not surprised by the slow process, but members of the community have found it to be disappointing.

THE WHITE HOUSE
WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: ANN WALKER
DAN COLLINS

RE: Local Issues Briefing -- San Francisco

TWA CRASH

7 Victims from the San Francisco Bay Area

San Francisco mourns the loss of seven residents: 27-year old Dan Gabor, an University of Arkansas graduate; Ameritel marketing director Steve Graham, who was to meet his parents in Paris; Donald Gough and Ana Leim, TWA pilot and flight attendant; Jed Johnson, interior designer to the celebrities; David Hogan, a former Bay Area resident who recently moved to Paris; and Cyril Grivet, a senior lab technician at the Carnegie Institute at Stanford University who was to visit his family in Paris.

CRIME

Bay Area's First 'Boot Camp' for Juveniles

Known as Camp READY, the \$2.1 million project will provide an intensive one-year program for 90 first-time offenders ages 14 to 16 each year. The goal is to identify youth entering the criminal justice system and expose them to an intensive, highly structured short-term alternative program that will hopefully deter them from further delinquency. For the first six months, "cadets" will not be allowed any outside contact. Gradually, they will be encouraged to participate in community service programs and visit with family members.

Hate Crime Report Suggests Tense Climate

Attorney General Dan Lungren announced recently that more than 2,600 Californians were victims of hate crimes in 1995. Sixty-nine percent of the incidences related to the victims' race or ethnicity, 18% related to sexual orientation, and 12.5% related to religion. Almost 50% of the victims were African-American. Since this is the state's first yearlong hate crime report, Lungren believes that it is too early to detect a trend.

Bay Area Delegation Helps Rebuild Southern Churches

A multiracial group of 30 San Franciscans recently went to Tishabee, Alabama to help rebuild Mount Zion and Little Zion Baptist churches. Volunteers expect the reconstruction effort to be a two-month long project.

HEALTH CARE

Health Fair for the Uninsured

The 10th annual 'Su Salud' health fair will bring 18,000 Central Valley uninsured farm workers together for receiving free medical care. Central Valley is located in Stockton, just east of the Bay Area. This is one of the largest concentrations of medically uninsured people in the country and is about 97% Latino. Volunteers will administer many services, including blood pressure tests, dental checkups, glaucoma tests, mammograms, and immunizations. According to organizers of the event, the emphasis is on preventative health care and education.

URBAN DEVELOPMENT

The Future of Treasure Island

San Francisco officials hope to build a theme park and resort on Treasure Island, an area previously used by the U.S. Navy for housing. However, the city's Redevelopment Agency has proposed that a portion of the units be allocated for the homeless. The competing interests will be presented to the San Francisco Board of Supervisors.

LAWSUIT

Lawsuit Against Governor Pete Wilson

The California Supreme Court denied Governor Wilson's petition for review of a lawsuit which accuses him of lining up votes before a public meeting in direct violation of the state's open meeting laws. The meeting in question culminated in the University of California regents' controversial decision to end racial preferences in admissions, contracting, and hiring at the nine-campus system. The case now returns to the San Francisco Superior Court.

Rebel Radio

Twice this year, a judge has refused to issue a preliminary injunction to shut down an unlicensed station, marking the first case that an FCC request was not honored. Free Radio Berkeley, a low-powered radio station featuring a progressive mix of left-leaning political news, arts programming and discussion programs, is unlicensed. Stephen Dunifer, founder the station, and other low-tech broadcasters insist they are taking radio back to the people with their unlicensed broadcasts. Federal regulators argue that the broadcasters are pirating the airwaves and threatening public safety. U.S. District Judge Claudia Wilkins will decide whether to shut down Dunifer's operation at the FCC's Request. FCC spokesman Don Winston said without court intervention, there could be chaos.

THE WHITE HOUSE
WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- LOS ANGELES, SACRAMENTO AND
SAN FRANCISCO, CALIFORNIA

LOS ANGELES:

Long Beach Naval Hospital and Naval Station: The Navy has transferred title for portions of the former Navy property at the housing sites to the Long Beach School District and the Job Corps. The city has set aside 25 acres at the housing sites for use by the homeless. However, the disposition of the remaining hospital property is an issue. The city initially sought to acquire the property through a negotiated sale but was unable to reach agreement with the Navy on a reasonable valuation. The city has agreed to pursue an economic development conveyance. (DoD)

Palos Verdes Shelf: On July 10, EPA announced that it will begin an investigation under its Superfund program on the ocean floor off the Palos Verdes Peninsula of Los Angeles. The major source of the contamination is the Montrose Chemical Company which discharged waste through the sewer system. This discharge is spread over a 27 square-mile area and has resulted in high levels of contamination in fish which are a significant threat to public health and the environment. Several environmental groups have written EPA over the past year requesting that EPA initiate Superfund action for the area. (EPA)

Santa Monica Bay Restoration: Due to reports of various illnesses which have accumulated over the years, EPA's Santa Monica Bay Restoration Project recently conducted a study of the link between illness and polluted runoff that enters surface water rather than soaking into the ground. The study found that the risk of illness is strongly correlated with increased concentrations of bacteria and viruses. (EPA)

State Route 710: This proposed 9.7-kilometer project is a \$670 million six-lane freeway with two high-occupancy vehicle lanes which will connect the San Bernardino Freeway (I-10) and the Foothill Freeway (I-210). The alignment passes through the cities of Alhambra, Los Angeles, and Pasadena, all of which support the project. It also passes

through the City of South Pasadena which opposes the proposed freeway, as do many members of the nearby community of El Sereno. The FHWA has met with representatives of El Sereno to discuss their complaint. (DOT)

Metro Rail Red Line Issues: The Los Angeles County Metropolitan Transportation Authority's (LACMTA) Red Line will be a 20.4 mile, heavy rail subway system extending from downtown Los Angeles northwest to the San Fernando Valley, with a total cost of approximately \$5.65 billion. Subway construction is blamed for a decline in commercial real estate occupancy along the corridor, falling from 90 percent at the beginning of construction in 1991 to 70 percent at the conclusion of construction. Property owner lawsuits for \$50-75 million for the compensation of construction damage are pending. On June 28, a settlement was reached with plaintiffs who sought to stop LACMTA's tunneling under Runyon Canyon. The settlement requires LACMTA to implement mitigation measures limiting the use of explosives and undertake measures to limit and monitor the amount of dewatering under the Canyon. (DOT)

House Commerce to Investigate Cordoba Corp. Contracts: The House Commerce Committee has begun an investigation into whether ties between the California Democratic Party and the Cordoba Corp. improperly influenced contracting decisions. Cordoba, a firm which is closely tied to California Democrats and specializes in government contracting work, received a \$3.2 million grant in 1994 to run the Los Angeles Minority Enterprise Growth Assistance Center over more competitive proposals. The Center was shut down less than one year later, after DOC officials determined the debt-ridden Cordoba Corp. was poorly managing the facility. (DOC)

Marine Corps Air Station (MCAS) Tustin: The base, 20 miles south of Los Angeles, is a BRAC 91 closure. The community completed its reuse plan which calls for residential, commercial business and recreation uses. At issue is the U.S. Coast Guard's request for 274 on-base housing units. The community is opposing transfer of the housing to the Coast Guard on the grounds that the revenue obtained from selling the housing and property taxes is needed for infrastructure improvements to facilitate economic development and job creation. Tensions are growing between the Coast Guard and the community. The issue often appears in the local newspapers. Senators Feinstein and Boxer, Congressman Cox, and Congresswoman Harman have written to the Secretary of Defense in support of the community. DoD is reviewing both sides of the issue. (DoD)

Marine Corps Air Station (MCAS) El Toro, Orange County BRAC 93: Local officials and residents are strongly divided about whether to reuse the base for aviation or non-aviation purposes. It is an emotional, highly publicized issue, splitting along geographic lines north Orange County vs. south county cities (area in the flight path). Opposition to airport development is expected to continue and will likely conclude in litigation. DoD is neutral on the reuse issues and consistently encourages the county and south county cities to work together. (DoD)

Long Beach Naval Shipyard (BRAC 95): The Navy had originally planned to cease mission operations at the Long Beach Naval Shipyard in July 1996 and to close the installation in January 1997. At a White House/DoD meeting with the City of Long Beach last September, a decision was made to delay closure until September 1997. You promised funding for about 1,000 jobs through September 1997. Since this extended employment plan had not been previously budgeted, the Navy had difficulty identifying a funding source. On July 10, in the absence of funding, the Shipyard was given authority to conduct a reduction in force of 1,088 employees by December, causing a strong response from the labor unions and employee groups. The next day, Vice Admiral Sterner, Naval Sea Systems Command, notified Long Beach that Navy funding would be forthcoming and that no reductions in force would occur at this time. (DoD)

SACRAMENTO

Auburn Dam: In May, EPA advised the Army Corps not to pursue the controversial flood control and water supply dams on the American River and has urged the Corps to move forward instead with a levee improvement and repair program in the meantime. In June, the House Transportation and Infrastructure Committee voted down Rep. Doolittle's amendment to authorize the flood control dam. Rep. Oberstar's amendment to provide funding for levee improvements and flood control warning systems was approved. It is likely that Rep. Doolittle will introduce his amendment on the House floor. There is significant potential for litigation in the near future if a dam is authorized. (EPA)

SSI and Immigration: A Sacramento *NBC* affiliate is working on a report on SSI and immigration for the week of July 22. The report is expected to discuss how some new immigrants are qualifying for SSI benefits, despite agreements of support by their sponsors. Legislation passed by both the House and Senate is now pending in conference and would restrict SSI eligibility for aliens and make sponsors' affidavits of support legally enforceable. (SSA)

Yosemite National Park Rock Slide: On July 10, a large slab of rock from Glacier Point fell about 2,500 feet to the Happy Isles area in Yosemite Valley. The blast of air from the rock slide caused hundreds of trees in the Happy Isles area to fall. The slide killed one person, severely injured two women, and caused relatively minor injuries to other visitors. The area of devastation caused by the rock fall is about 50 acres in size. Rocks are still falling on the area. Park staff are being assisted by many other state and local agencies in search and cleanup efforts. (DOI)

Welfare Reform: On May 31, the U.S. District Court in Sacramento denied a motion for a preliminary injunction against the U.S. to preclude CA's implementation of a welfare demonstration project in which welfare benefits are reduced in exchange for the relaxation of limits on the amount of money a welfare recipient can earn. Beno v. Shalala. (DOJ)

McClellan Air Force Base: The Sacramento Local Reuse Authority (LRA) and McClellan Air Force Base continue to work together to develop an innovative strategy for privatizing the critical Air Force workload at the Air Logistics Center. Initial planning envisioned three early candidates to be privatized: Hydraulics Technical Repair Center, Electrical Accessories Repair and Software. The remaining workloads would be privatized through the actual closure date of 2001. Every effort is being made to accelerate the competition and accommodate LRA objectives. (DoD)

Mather Air Force Base (AFB), Sacramento (CA BRAC 88 1,988 military and 1,012 civilian jobs lost): The base closed in September 1993. After lengthy negotiations a lease for the airport area was signed with Sacramento County in March 1995. Other reuses include the Army National Guard, U.S. Forest Service and CA Department of Forestry, the Sacramento Housing and Redevelopment Authority for low income housing under the McKinney Act, two local park districts, and two state agencies. The county purchased the golf course in a negotiated sale. On July 23, DoD agreed to an economic development

conveyance for 10 parcels of approximately 771 acres. To encourage rapid job creation, financial discounts have been provided in the form of no down payment, deferred payments and potentially discounting interest charges during the first 10 years, and granting potential credits to purchase price for job creation. The county expects to create up to 5,700 jobs as a direct result of base redevelopment. (DoD)

Sacramento Army Depot (BRAC 91 3,164 civilian and 334 military positions lost):

• Packard Bell located its computer manufacturing facility on this property (employing 3,600 people) and would like to locate office operations (employing another 2000 people). Office operations would be located in facilities currently occupied by Foodlink, a non-profit organization that distributes food to the needy. The City of Sacramento is working with the county and the state to find alternative suitable locations for Foodlink by mid-August. DoD is helping to facilitate a resolution and support the local community's decision. (DoD)

SAN FRANCISCO

UC Racial Preference Lawsuit to Proceed: The CA Supreme Court has rejected Gov. Wilson's petition for review of a lawsuit filed against the Univ. of California Regents, allowing the case to proceed in the San Francisco Superior Court. The suit was filed by students at UC's Santa Barbara campus and accuses the Regents of using illegal and improper voting procedures in their controversial vote last July which ended racial preference in UC admissions, contracting and hiring. (DOC)

Port of Oakland Issues: There are ongoing talks between the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association (representing the ocean carriers). The contract expired June 30, with work gangs still reporting to work on a day-to-day basis. No work was performed at the Port of Oakland on July 6 and 7; however, the work gangs did return to work the week of July 8 and are still working at a very slow pace as negotiations continue. (DOT)

Boating Accident: A pleasure boat with 11 passengers capsized on the night of July 4 in San Francisco Bay. The people were rescued; however, an observer on board has alleged that a U.S. Coast Guard (USCG) vessel caused their boat to capsize as a result of excessive wake. The USCG Marine Safety Office in San Francisco is looking into the allegation. At this time there is nothing to substantiate this. The local media is following this story. (DOT)

Neuroscience Building: The outpatient Substance Abuse Treatment Clinic building at the San Francisco VA Medical Center (VAMC) is overcrowded and does not meet safety and accessibility codes. In 1994, VA received approval of a minor construction project to build a new 13,000 square foot building on the VAMC campus. This construction project has met opposition from neighborhood activists, City government officials and Rep. Pelosi. (VA)

GENERAL CALIFORNIA

California Civil Rights Initiative (CCRI): Proposed legislation in the CCRI, which will appear on the November ballot, includes the elimination of many college programs designed to assist women and minorities. (DoEd)

Karnal Bunt: Riverside and Imperial counties are under quarantine because of the presence of Karnal bunt, a wheat fungus with implications for the U.S. wheat export industry. Members of Congress and the CA wheat industry have requested that USDA lift the quarantine in these counties. Wire service and local coverage have been heavy. (USDA)

Market Promotion: USDA recently announced \$90 million in funding under the Market Access Program for promoting U.S. agricultural products. Congress reduced program funding by 18 percent, and CA is traditionally the largest beneficiary under this program. The most vocal complaints are from CA's wine industry and Congressional delegation. Additionally, the California Wine Institute is also upset because your Administration has not achieved accelerated reductions in the Mexican tariff on U.S. wines. The NAFTA implementing legislation package sent to Congress included a commitment by then-Ambassador Kantor to press Mexico on this issue. (USDA)

Reorganization: The proposed USDA Food Safety and Inspection Service reorganization will restructure the current six CA offices down to one office (employing 16). CA's Congressional delegation has shown strong interest. (USDA)

Avocado Imports: APHIS officials have proposed allowing the importation of Mexican Hass avocados into the northeastern U.S. Members of Congress and the CA avocado industry have strong opposition to the proposal, citing concerns about the presence of seed weevils and Mediterranean fruit flies (Medflies) in certain parts of Mexico. However, the proposal continues to proceed through the rule-making process at USDA. U.S. production of Hass avocados is concentrated in southern CA, principally in San Diego, Santa Barbara, Ventura, and Riverside counties. (USDA)

Tomato Exports: Japan prohibits U.S. tomato imports, purportedly over concern about mold. CA producers think the Japanese concerns are disguised protectionist measures and not based on sound science. CA growers may ask that this issue be raised with Japan, as they are eager to gain access to the lucrative \$100 million market. (USDA)

Berry Growers Hit: CA berry growers have been negatively impacted by press reports associating strawberries and raspberries with a microbial pathogen as a suspected cause of human intestinal illness. (USDA)

City of McFarland: EPA has agreed to conduct an investigation to assess the current environmental conditions in City of McFarland, a small Latino farming community with a long history of elevated rates of childhood cancers and other environmental problems, in response to residents' petition calling for EPA's assistance. (EPA)

Health Concerns from Weather Radar Tower: The Ojai Environmental Coalition, comprised of landowners living near the Doppler weather radar tower on Sulphur Mountain in Ventura County, has appealed to the Supreme Court to review its unsuccessful challenge in the Ninth Circuit Court. In Congress, Rep. Gallegly has introduced a bill requesting relocation of the tower. The group alleges that the tower was installed over a holiday weekend with no prior notification to the community, and that it poses a health hazard. However, DOC's National Weather Service maintains that it did provide adequate prior notification, began installation well before the holiday, and that all existing studies have shown the tower to be completely safe. The Weather Service believes that aesthetic concerns and property values are the real motivation for the opposition. (DOC)

Collection of Royalty Underpayments on California Crude Oil: After an intensive two-year interagency analysis, DOI has concluded that oil companies have often received sales revenues higher than publicly posted prices for production on federal lands, both offshore and onshore in CA. Because federal royalty payments are based on publicly posted prices, it is evident that royalties have been underpaid. It is estimated that approximately \$400 million in federal royalties may be owed. Based on preliminary calculations, more than \$70 million would be distributed to CA as the State's statutorily mandated share of the royalties. (DOI)

Ward Valley: DOI announced earlier this year that it would prepare a Supplemental Environmental Impact Statement (SEIS) on the proposed transfer of federal land to the State for the proposed Ward Valley low-level radioactive waste disposal site. The SEIS process will take approximately a year to complete, and no decision on the proposed land transfer will be made until the SEIS is completed. Gov. Wilson is strongly opposed to the delay of the SEIS. There was a recent attempt in the House by Rep. Riggs to attach an amendment to the FY97 Energy and Water Appropriations Bill to transfer the lands immediately with no further studies. The amendment was withdrawn, but there is a possibility that there will be an attempt to attach this amendment in the Senate. (DOI)

Trans-Boundary Water Issues: Water pollution is one of the principal environmental and public health problems facing the border area. Deficiencies in the treatment of wastewater, the disposal of untreated effluent and the inadequate operation and maintenance of treatment plants result in health risks to the binational water supplies and the border communities. The New River, often cited as one of the most polluted rivers in the United States, flows through the Mexicali Valley into CA's Imperial Valley and discharges into the Salton Sea. High bacterial and viral concentrations in the New River pose serious public health risks to residents along the entire stretch of the river. The U.S. Geological Survey (USGS) is conducting a detailed sampling of the New River at the border, in order to understand the nature of contaminants that are being transported in the river. (DOI)

Fire Preparedness: Drought conditions in the Southwest, coupled with unusual accumulations of natural fuel, might lead to one of the worst fire seasons on record. (DOI)

Eagle Mountain Landfill: A proposed large solid waste landfill on the border of the Joshua Tree National Park remains very controversial. NPS is considering whether an agreement can be negotiated with the project proponent to mitigate potential adverse impacts to the park. (DOI)

Budget Shortfalls on National Parks: Parks throughout the National Parks System are experiencing interruption in visitor service operations including the closure of some facilities, reduced hours of operation and elimination of programs. CA parks affected include Yosemite National Park, Cabrillo National Monument (San Diego), Channel Islands National Park, Fort Point National Historic Site (near San Francisco), Joshua Tree National Park, Redwood National Park and many others. (DOI)

Community Oriented Policing Services (COPS): Los Angeles has received a total of \$124 million for 2269 officers. Sacramento has received \$2.9 million for 56 officers, and San Francisco has received a \$16.6 million grant to hire or redeploy 611 officers. (DOJ)

Riverside County: DOJ has publicly announced its investigation, along with CA authorities, into allegations of civil rights violations by law enforcement in connection with the alleged beating of Mexican illegal aliens. This is a very hot issue in Southern CA. Immigrant groups want swift action against the officers, while local law enforcement believes that this is a federal problem. (DOJ)

SSI Disability Benefits: Some individuals who are drug addicts or alcoholics and who have been receiving Social Security or SSI disability benefits because of that addiction will lose their eligibility for benefits on January 1, 1997. In CA, there are now 43,467 individuals who receive benefits, a number significantly higher than in any other state. (SSA)

Operation Restore Trust (ORT): The CA ORT demonstration is finding widespread problems with home health agencies, especially in Southern CA. A data base has been compiled listing more than 85 known or suspected agencies alleged to be engaging in fraudulent or abusive practices. ORT survey activities at two particular HHAs in the Los Angeles area have drawn Congressional attention. Rep. [redacted] has been in contact with HHS. (HHS)

Child Support Statewide Automated Systems: During the week of July 15, *NBC News* is doing a story on child support. The focus appears to be on states that missed the October 1995 deadline for development and implementation of statewide automated child support systems, and why many states are likely to also miss the revised October 1997 deadline. CA may be cited as an example, with Los Angeles as an example of a child support local jurisdiction that has continued to have problems in processing child support payments even after the automated system was implemented. State and county staff dispute the report's findings. (HHS)

California Welfare Reform Waivers: On March 7, CA submitted amendments to the Assistance Payments Demonstration Project, a statewide welfare demonstration. The first amendment proposes to implement a Teen Parent Disincentive (TPD) that is intended to encourage unmarried minor parents to remain in a supportive environment where they might have a better chance of completing high school, finding long-term employment, and avoiding welfare dependency. HHS has put a decision package into final clearance in anticipation of formal acceptance of the draft agreement in order to expedite a final decision soon. (HHS)

Border Stations: The rapid increase in commerce between the U.S. and Mexico, coupled with a commensurate increase in inspection responsibilities, results in the need for larger and more complex border stations. The CA portion of the southern border initiative totals 12 projects for a total of \$119 million. (GSA)

Crime and Law Enforcement Report

Los Angeles, California - 7/22/96

Relevant Crime Rates:

- * Between 1993 and 1994, California's murder rate dropped 9.6%
- * Between 1994 and 1995, Los Angeles' overall crime rate dropped 4%

* Source: UCP report

COPS:

- * California has been awarded \$332,765,742 in COPS funding to hire or redeploy 6,155 police officers.
- * Los Angeles has been awarded \$123,824,735 in COPS funding to hire or redeploy 2,269 officers.
- * Los Angeles has had 341 new officers graduate since April.
- * The Administration awarded a consortium of LA area law enforcement agencies, an Anti-Gang Initiative grant for \$1,000,000.
- * Los Angeles has been awarded COPS Domestic Violence grants totaling \$450,000

* Source: Dept of Justice

Drug Courts:

- * California currently has planning grants for Oroville, Los Angeles, Ukiah, Vista, Stockton, Fairfield, Santa Rosa, and Modesto.
- * L.A. has received approximately \$800,000 for enhancements to its drug court which opened in 1994.

* Source: CA Dept of Rehabilitation

Safe & Drug Free Schools Program:

- * The state of California been awarded approximately \$47.5 million in FY95 for the Safe & Drug Free Schools Program.
- * Roughly 40 million students benefit from this program in 97% of America's school districts.

* Source: Dept of Education

Victims of Crime Act:

- * In FY96, the Justice Department will return \$45.9 million to California for crime victim programs. These funds represent a percentage of criminal fines paid in Federal cases brought in the state of California.

* Source: Dept of Justice

Violence Against Women Act:

- * In FY95 under the S.T.O.P (Services *Training *Officers * Prosecutors) Violence Against Women Act, the state of California received \$426,346, as did every other state and territory. This represents the first step in helping restructure the criminal justice system's response to crime of violence against women.
- * In FY96, California will receive \$11.45 million in VAWA grants.

VIPs:

- * Mayor - Richard Riordan (213) 847-3025
- * Chief of Police - Willie Williams (213) 485-3202
- * Sheriff - Sherman Block

Crime and Law Enforcement Report **Sacramento, California - 7/23/96**

Relevant Crime Rates:

- * Between 1993 and 1994, California's murder rate dropped 9.6%
- * Between 1994 and 1995, Sacramento's murder rate dropped 8%

*Source: UCR report

COPS:

- * California has been awarded \$332,765,742 in COPS funding to hire or redeploy 6,155 police officers.
- * Sacramento has accepted three COPS grants totaling \$2,928,340 for 56 officers.
- * The Sacramento County Sheriff's Department has received \$9,581,954 to hire 135 deputies.

Domestic Violence:

COPS / Domestic Violence:

- * The COPS office will provide \$120,337 for the city of Sacramento program.
- * The Sacramento Sheriffs' will receive 191,968 for their domestic violence program.
- * The Sacramento PD is partnering with the Sacramento Co. District Attorney's office and WEAVE. They will develop a department wide in-service domestic violence training program for all law enforcement personnel.

Violence Against Women Act:

- * In FY95 under the S.T.O.P (Services *Training *Officers * Prosecutors) Violence Against Women Act, the state of California received \$426,346, as did every other state and territory. This represents the first step in helping restructure the criminal justice system's response to crime of violence against women.
- * In FY96, California will receive \$11.45 million in VAWA grants.

Office of Justice Programs

- * The Justice department awarded \$20,006 to WEAVE to develop and begin dissemination of victim service tracking software for rape crisis and domestic violence projects.
- * OJP awarded the CA District Attorney's Assoc. \$95,012 to develop and conduct training on vertical prosecution of violent crimes against women, including stalking.

Domestic Violence Hotline

- * As of May 31, 1996, the National Domestic Violence Hotline had received over 24,000 calls nationwide.

Drug Courts:

- * California currently has planning grants for Oroville, Los Angeles, Ukiah, Vista, Stockton, Fairfield, Santa Rosa, and Modesto.
- * Sacramento has been awarded an implementation grant of \$651,634 for its planned drug court.

Safe & Drug Free Schools Program:

- * The state of California been awarded approximately \$47.5 million in FY95 for the Safe & Drug Free Schools Program.
- * Roughly 40 million students benefit from this program in 97% of America's school districts.

Victims of Crime Act:

* Source: Dept of Education

- * In FY96, the Justice Department will return \$45.9 million to California for crime victim programs. These funds represent a percentage of criminal fines paid in Federal cases brought in the state of California.

Other

- * Both the Police Chief, Arturo Venegas, Jr. and the Sheriff, Glen Craig are extremely supportive of the domestic violence programs.



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

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Kathleen A. McGinty 
SUBJECT: California Environmental Issues

TUNA-DOLPHIN

Last year, the US and 12 other nations agreed to a strict program for dolphin conservation and ecosystem management in the Eastern Tropical Pacific. Greenpeace, World Wildlife Fund and several other major environmental groups support this agreement. In recent weeks, editorials supporting the agreement have run in the *New York Times* and *Washington Post*. However, the Sierra Club, Senator Boxer and many Hollywood stars strongly oppose. Opponents particularly object to a provision allowing the "dolphin-safe" label to be used on tuna caught by encircling dolphins so long as no dolphins are killed.

A House vote on legislation to implement this international agreement is expected for the week of July 29. If the legislation is not enacted this year, most observers believe the agreement will collapse, and with it the dramatic progress that has been made in reducing dolphin mortality in this fishery.

We believe this agreement offers the best hope of protecting dolphins, who are at risk from foreign fleets fishing in international waters selling to foreign markets. The legislation would also provide for sustainable tuna fishing and open the way for US vessels to return to the fishery.

The Vice President has written a letter to congress in support of this legislation.

HEADWATERS

For the last six months the Department of Interior and CEQ have been engaged in discussions with Charles Hurwitz, Chairman of MAXXAM, to acquire Headwaters Forest from Hurwitz's Pacific Lumber Company. We are now at the point of more serious negotiations, starting with a price for the property (which includes 3000 acres of old-growth redwoods and a 1500 acre buffer of second growth forest). Another element of the negotiation involves discussions with land owner Red Emmerson for the acquisition of 9,600 acres of timber, a portion of which provides Headwaters buffer zone for the marbled murrelet and coho salmon. The remaining non-sensitive portion could be part of our negotiations with Hurwitz, which would allow the continuation of timbering in the Headwaters area, thus preserving jobs.

Hurwitz has been given a list of potential surplus and excess federal properties which may be suitable for a land swap. Some are Base Realignment and Closure (BRAC) properties in northern California, including Treasure Island/Yerba Island, a small portion of Fort Ord, and Hunters Point. The state of California is also interested in providing property. Although Hurwitz seems to be less and less interested in these kinds of properties because of the inherent complications in acquiring them, the media have recently gotten wind of the negotiations with Hurwitz, and have named Treasure Island as a potential piece of the deal. Articles have appeared in the last two days in the *Wall Street Journal*, *San Francisco Examiner* and *The San Francisco Chronicle*. *The New York Times* and *L.A. Times* are apparently coming out with stories as well. Contrary to the *Wall Street Journal* article, we are nowhere "close to a deal with federal and California officials." However, up to this point, we have had productive discussions with Hurwitz, and hope to proceed on this course.

OUTER CONTINENTAL SHELF (OCS)

The California Democratic Party and several environmental groups have been advocating the use of an executive order to withdraw permanently OCS land from development (especially off the coast of California). However, the increase in gasoline prices this summer has increased opposition to permanent withdrawal, even in California. The Administration is currently reviewing the idea of a permanent withdrawal, but no decision has been made.

RED LEGGED FROG

There was a great deal of media coverage on the DOI listing of the red legged frog on May 20 -- the first endangered species listing since you lifted the moratorium with the budget deal. It went better than expected, with almost all outlets portraying a good news story about saving Mark Twain's "celebrated jumping frog" and giving play to the Administration's commitment to work with the people who might be affected in order to minimize any impacts. Still, ranchers and farmers are nervous.

CALIFORNIA COASTAL COMMISSION DIRECTOR

At the behest of developers and property-rights activists, Republican members of the California Coastal Commission have been waging a campaign to oust the Commission's 11-year Executive Director, Peter Douglas. Douglas has been supported by every editorial board and environmental group in the state, and this effort is typical of GOP efforts here and nationally to roll back environmental protection and cater to special interests. In order to avoid further controversy, the Commission just voted to postpone a decision on whether to dismiss Douglas. This was a party-line vote, with Democrats pushing for a decision to embarrass the Republican commissioners. Several White House offices even proposed that you take a "walk on the beach" with Douglas to register your support and to highlight GOP hypocrisy on environmental issues.

SOUTHERN CALIFORNIA

ALTERNATIVE ENERGY

The President's request for renewables programs, including important industries in CA such as solar and wind, has been cut by the Appropriations Committee in the House (39%) and the Senate (32%). Efficiency, including climate change programs and low-income weatherization, has been cut by the House (over 30%) and the Senate Appropriations Committee (23%). However, neither the House nor the Senate has reimposed the FY 1996 moratorium on appliance efficiency standards.

BORDER WASTEWATER ISSUES

Failures in Mexican wastewater treatment prompted Rep. Bob Filner (D-CA), among others, to stage an event several month ago pointing out raw sewage coming into San Diego Bay from Mexico. To address this problem, EPA is working with the International Boundaries and Waters Commission on an international wastewater treatment plant in San Ysidro, immediately next to the Mexican border. Mexico has had difficulty meeting its cost-share obligation for the plant, but the plant is nonetheless expected to be operational by the end of the year or early next and should end the wastewater discharges from Mexico.

MONTROSE DDT SITE

EPA recently added this marine site to its National Priority List (NPL) of Superfund sites. EPA and NOAA are working together to determine how to address contamination and natural resource damages from tons of DDT that were dumped offshore from operations at the Montrose Chemical Company. Republican bills now pending in Congress would make it impossible for EPA and NOAA to clean up the site, and would eliminate the polluters' liability for the costs of the cleanup. As stated to applause in the State of the Union, we believe the polluter should pay.

SANTA MONICA BAY CLEANUP

The plan for cleanup of the Bay has been approved and cleanup is underway under the National Estuary Program. Most of the plan involves limiting land-based discharges into the Bay. The Vice President heralded the cleanup in a recent event.

MOJAVE NATIONAL PRESERVE

In reaction to steady opposition from the Administration and environmental groups, Cong. Lewis abandoned his efforts to transfer management of the Mojave National Preserve from the National Park Service to the Bureau of Land Management. This issue was very high among California environmental groups' priorities and our success in protecting the nation's newest National Park was a significant victory for the Administration.

WARD VALLEY LOW LEVEL WASTE SITE

In response to new information about potential leakage of radioactive waste from the proposed Ward Valley dump, the Interior Department earlier this year announced temporary suspension of efforts to transfer the site to California in order to prepare a supplemental EIS and complete tests for tritium in the Ward Valley soils. The move has been cheered by site opponents, including Sen. Boxer, and harshly condemned by Governor Wilson. Editorial support has been strong, with the single exception of the *San Diego Union*, which editorialized against. Our reply to criticism is that the central impediment to transfer of the site is Wilson's refusal to enter into a binding agreement with the United States to perform tests and monitoring recommended by the National Academy of Science.

AIR QUALITY

Yesterday the South Coast Air Quality District released a draft revised emissions inventory for ozone and particulate matter. It reevaluated emissions assumptions and concluded emissions were much lower than previous estimates. As a result, they claim they need no further controls for particulate sources and can drop some planned controls for ozone related sources. We have proposed approval of the ozone plan and the particulate plan has not been submitted to us and is not yet due. Our proposed approval and expected final approval of the ozone plan has been controversial with environmental groups since they felt more controls were needed. However, we have recently been having positive negotiations with them. This move by the South Coast (presumably to try to appease the California Legislature) has the environmental groups very upset since they feel the South Coast is modeling away a real problem. The environmentalists will likely pressure us to disapprove the ozone plan as well as the particulate plan when it arrives. We have yet to review the details of the new inventories and the whole thing came as a surprise to us, the state, and the environmental groups.

On a related note, the EPA is currently developing a major overhaul and update of health-based ozone and particulate standards. These are largely awaited by environmentalists. They are displeased that we will not release these standards until after November. However, they are not pushing us too hard. However, they suspect that the delay will increase the chance that the standards will be tough.

NORTHERN CALIFORNIA

RICE FARMER WATER CONVEYANCES

The House has passed a bill that would provide relief from certain Clean Water Act requirements that have been applied to water conveyances used by farmers in the arid west, notable rice farmers in California. You have stated that you supports this reform, but the House recklessly expanded the bill so that it now includes industrial and municipal discharges. While we have said we want the Senate to pass a narrower bill, EPA is trying to resolve the issue administratively so that legislation will not be necessary and Western farmers can get needed relief this year.

BAY DELTA, PROP. 204 - STATE WATER BOND

Last week, the California legislature passed and Governor Wilson signed a measure that will be placed on the November ballot to authorize sale of \$995 million in state bonds to fund water related environmental restoration projects. In brief, the money would be used to restore ecosystem elements that have been harmed by water project development around the state, but particularly in the Central Valley and San Francisco/Sacramento Bay-Delta ecosystem. More than a third of the funding would go toward meeting the State's cost share under the October 1992 Central Valley Project Improvement Act and December 1994 Bay-Delta accord.

This is a genuine landmark in the history of California water. The measure is supported by all principal stakeholder groups, including urban, agricultural and environmental interests. Although urban and agricultural interests receive no new water supplies directly under the measure, the environmental improvements should reduce conflict over existing supplies and lay the basis for consideration of new or modified supply projects.

The measure is expected to win voter approval, although not without some controversy stemming from state budget deficit concerns. Governor Wilson and the involved constituency groups already are challenging Congress and the Administration to ensure that federal funds are available to meet federal obligations under the Bay-Delta Accord and Central Valley Project Improvement Act.

AUBURN DAM / SACRAMENTO AREA FLOOD CONTROL

For more than 25 years, debate has raged in Northern California over successive Interior Department and Corps of Engineers plans to build the so-called Auburn Dam on the American River above Sacramento. Auburn Dam is among the most prominent environmental issues in California. The Administration's policies have generally supported the environmental position.

Construction began in the 1970's on a large, multi-purpose dam, then was halted due to earthquake safety and environmental concerns. At various times since, Congressman Fazio,

Congressman Matsui, and Congressman Dolittle have called for construction of a dam at the partially excavated site. In 1992, Congress rejected Cong. Fazio's determined drive to authorize the dam, citing cost and environmental concerns. The issue receded from national and statewide prominence as Sacramento area leaders regrouped. After the November 1994 elections, Congressman Dolittle emerged as the leader of a renewed effort to authorize construction of a large dam offering flood control, recreation, and water supply benefits. Fazio and Matsui have joined with Dolittle, and though they have pressed for the dam, seem willing to take "no" for an answer, so long as the political blame for defeat rests on Dolittle's shoulders.

The issue reemerged in recent months. The Sacramento office of the Army Corps of Engineers released a final EIS recommending construction of a dam and significant levee improvements on the American River to provide flood protection for the Sacramento area. The Chief of Engineers in the Corps' DC headquarters, whose reports traditionally affirm regional office recommendations, issued a report last month stating that he does not agree with the recommendation to build the dam, but does agree to proceed with levee improvements and other measures to provide flood protection. EPA and the US Fish and Wildlife Service believe that a dam would cause severe environmental damages for which no mitigation is possible. The US Geological Survey is set to release a new study showing greater seismic risks at the dam site than previously understood.

You gave an interview with a Sacramento radio station several months ago in which he supported providing Sacramento with needed flood protection, but stated that it would be desirable to avoid the intense political and environmental controversy -- and associated delay in providing flood protection -- associated with the dam. The President's statements were well received by environmental groups.

Congressman Dolittle failed to win House Transportation Committee approval for Auburn Dam when the committee recently marked up the 1996 Water Resources Development Act. A strong bipartisan majority rejected Dolittle's \$1 billion proposal and approved the Administration's recommendations for \$57 million in improved levees and modified operations. There is some possibility that, when WRDA is considered on the House floor next week, Dolittle will try again to win support for Auburn. He is unlikely to prevail.

CALIFORNIA FORESTRY ISSUES

There is considerable interest in national forests issues in California. The summer fire season, rhetoric about the role of salvage sales as a fire prevention tool, and a number of timber sales scheduled to be offered this summer under the timber rider have contributed to the interest. Additionally, two other California forestry events have generated public attention. The first was last month's release of the Sierra Nevada Ecosystem Project Report. This is a report mandated by Congress (Miller and Panetta were co-sponsors of the legislation) and it is the most comprehensive scientific assessment of the state of the Sierra Nevada Forests. The second is the status of an environmental impact statement (EIS) that the Forest Service has been preparing relating to timber harvest in the national forests and impacts on the California spotted owl.

Rescissions Act Timber Rider/Salvage Directive: The sales of concern to the public and environmentalists in California are salvage sales falling under last year's timber rider. Under the rider, public citizens are barred from either administrative appeals or from meaningful judicial review. Sale offerings in California proceeded slowly in California at first, but many salvage sales are scheduled to be offered under the rider this summer.

In response to numerous concerns that many salvage sales offered under the rider contained primarily green trees, were in roadless areas, or were not in compliance with environmental law, as you instructed after passage of the rider, Secretary Glickman issued a directive to the Forest Service on July 2. The directive orders the Forest Service not to offer any further salvage sales in inventoried roadless areas and clarifies what type of sales should go forward under the salvage provision of the rider.

Reaction to the directive has been mixed. Some industry representatives have blasted it and have irresponsibly characterized it as a, "let California burn" policy. This accusation is completely misplaced; in fact, the directive emphasizes that sales in areas that have high fuel loading or present a high fire risk and are near communities or occupied structures (what is referred to as urban/wildland interface areas) are prime candidates for sales under the rider. The Administration also released an extra \$100 million to add to the \$385.5 million appropriation for firefighting this season, and we have requested \$495 million for firefighting for FY 97. Further, the directive is not expected to affect the Forest Service's ability to meet the salvage timber targets USDA committed to last year (4.5 billion board, plus or minus 25%).

Environmentalists have greeted the directive with a mixture of cautious optimism and the view that the directive doesn't go far enough to address some generic policy issues raised by salvage logging. Their enthusiasm for it will obviously increase as some of the sales of concern are withdrawn, but there has been no public announcement this yet. Preliminary work by the Forest Service shows that approximately 94 million board feet of timber will be withheld from sale as a result of the directive in that region (most of it in California).

The much-awaited release of the Sierra Nevada Ecosystem Report (SNEP) occurred last month, and was generally well-received. Because of the length of the report (several thousand pages) and the fact that some of the chapters are still outstanding, the reactions to date can generally be characterized as "this is a significant report and we need to study it carefully". One of the most important issues it addresses is the role of fire in the Sierra Nevada ecosystem (the majority view expressed in the report is that timber harvest, through its effect on forest structure, local microclimate, and fuel accumulation, has increased fire severity more than any other recent human activity.) The report also finds that the aquatic systems of the Sierra Nevada are in serious trouble due to cattle grazing and logging and introduction of exotic species.

Perhaps the most immediate concrete effect of the report's release is a change in plans on the part of the U.S. Forest Service in moving forward with an EIS for guidelines for the California spotted owl. The Forest Service had intended to announce soon a decision that would permit an increased level of harvest in California. Now, the Regional Forester has decided on a significantly different process that involves issuing a revised draft EIS and setting up a series of workshops in the Sierra Nevada to focus on the development of new policies in light of the scientific information presented in SNEP. This decision has not yet been publicly announced, although the Regional Forester is giving key parties advance briefings (it will be announced in mid-August). We expect support from the environmental community and a good portion of the public for this decision, although it will no doubt be criticized by Republican Congressmen and representatives of the timber industry.

THE WHITE HOUSE

WASHINGTON

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK AND RAY MARTINEZ

SUBJECT: "CALIFORNIA HOT ISSUES"

We have provided a separate briefing on the various issues around the state of California. This memorandum provides a look at the "hot issues" that have occurred in the last two months.

Affirmative Action

The California Civil Rights Initiative (CCRI) will, if approved by voters in November, effectively end public affirmative action programs by banning racial and gender preferences in government hiring and the awarding of contracts. Supporters have already gathered the requisite number of signatures to place the initiative on the ballot.

CCRI continues to draw support from California voters, according to a June LA Times field poll. In numbers that have remained virtually unchanged during the past 1 1/2 years, 56% of poll respondents who were read a description of the initiative said they would vote for it, while 35% said they would not, and 9% of the respondents were undecided. Nevertheless, 70% of the poll's 719 respondents said they were aware of the measure. Of that group, 31% said they were inclined to support it, while 27% said they would oppose it. The poll was conducted June 10 - 16.

The San Francisco Chamber of Commerce opposes CCRI. The 1,900 member chamber announced the overwhelming vote by it's board of directors against CCRI last month.

Republicans, who once touted affirmative action as the key to their victory in California, appear to have distanced themselves from the issue. During the primaries, Dole endorsed the California Civil Rights Initiative and introduced similar legislation in the U.S. Senate prior to his resignation. In March, when Dole was still under pressure from arch-conservative Patrick Buchanan, he again strongly endorsed CCRI. As part of his effort to move toward the political center on a variety of issues, recently presumptive GOP Presidential nominee Bob Dole has avoided the issue.

When Dole visited California in June, having clinched the GOP nomination, former Governor

George Deukmejian (R), the honorary state chair of Dole's campaign, urged him not to get involved in the affirmative action debate. Some conservatives are visibly upset with Dole's move to the center with many blaming Dole's pursuit of Colin Powell, who supports affirmative action.

The California state Supreme Court refused to intervene in a student newspaper's lawsuit accusing Governor Pete Wilson (R) and the University of California Board of Regents of violating public-meeting laws when they repealed affirmative action programs. The court unanimously denied review of lower-court rulings, thereby allowing the suit to proceed. The UC Santa-Barbara Daily Nexus contends Wilson privately lined up commitments from regents before last July's vote on the repeal of racial and gender considerations in admissions, hiring, and contracting. The suit contends that such private commitments constituted an illegal private meeting.

Crime

Attorney General Dan Lungren announced that the state's crime rate fell to a 25-year low in 1995. The overall crime rate dropped 7%, the rate of violent crimes fell 4.2% and property crimes were down 8.3% in 1995. The homicide rate has fallen 14.7% since 1993. In addition, juvenile felony arrests are down 7.3% in 1995 and down 16.2% from 1990 levels.

Death Penalty

Decrying the delays in executing death row inmates, Wilson threw his support behind a legislative proposal to speed appeals through a new \$25 million-a-year system. Just one month ago, a federal judge ruled that California does not qualify for such appeals since the state has failed to meet standards for appointing competent lawyers to death row inmates. The new money will allow the state to meet those standards.

"Three-Strikes"

As promised, the "three-strikes" legislation passed two years ago has dramatically altered California's criminal justice system. Over the past two years, 25 percent of those charged with a "third-strike" have opted for a trial. Prior to the new law's enactment, only 4% of criminal cases in Los Angeles went to trial with most of the remainder resolved through a plea bargain. The increase in trials has overwhelmed the criminal justice system.

Gun Control

Fifteen East Bay cities have banned the sale of cheap, easily obtained handguns known as "Saturday night specials." The cities worked together with Alameda and Contra Costa counties, school districts and law enforcement agencies. San Francisco outlawed "Saturday night specials" last month, Oakland followed suit in May, and San Jose is considering such a ban.

Announcement of the new ban came as President Clinton unveiled a national computer database to help track down those who sell guns to children and teenagers. The database will contain information on crimes committed in 17 cities around the nation. Guns are the leading cause of death among young people in California. Since 1992, Children's Hospital in

Oakland has seen a 200 percent increase in the number of children 14 and younger with gun shot wounds. The National Rifle Association approached several California mayors in an effort to avoid or weaken any gun control legislation

Community Notification of Sex Offenders

A hotline operated by the State of California to notify members of the public of sex offenders living in their community received 5,788 calls during the past year. The state opened the phone line on July 8, 1995. The hotline, which costs \$10 per call to use, allows any adult to discover whether another individual has been convicted of a sex crime. The ACLU has challenged the program on the basis that its effectiveness in protecting the public is, at best, uncertain. 487 of the calls resulted in identification of a sex offender.

Economy

California reversed a two year trend of budget deficits with a \$1 billion revenue surplus. During the two years of deficits, Governor Pete Wilson (R) and the legislature covered the shortfalls out of county property taxes. This left counties short on funds resulting in service cuts and dwindling reserves. The counties are still smarting these cuts and of the lack of control that they have over their own budgets.

Despite an improving economy, Californians are not optimistic about the direction their state is taking. In a recent poll, 54% feel that the state is "seriously off on the wrong track" while 31% feel that it is "generally going in the right direction." This is, however, a large improvement over the 90 percent of Californians polled in 1992 who thought the state was on the wrong track.

Same-Sex Marriages

Governor Pete Wilson (R) and Attorney General Dan Lungren (R) have urged the legislature to enact a bill prohibiting California from recognizing gay and lesbian marriages performed in other states. Wilson and Lungren were immediately challenged by Democratic state Assemblywoman Shelia Kuehl and Carole Migden. Kuehl insisted that the proposed measure violates the civil rights of gay men and lesbians and equated it with past discrimination against slaves and minorities. Same-sex marriages are not recognized in any state but backers of the California bill expect Hawaii's Supreme Court to uphold a law that has already been passed in that state.

According to the June LA Times Field Poll, 57% of the state's residents do not believe marriage between people of the same sex should be legal. Another 35% said it should be legal, and 8% had no opinion. In the San Francisco Bay area, 43% were in favor of permitting same-sex marriages and 48% were opposed. Democrats were almost evenly split - 44% in favor and 45% opposed. Republicans, however, opposed the idea by a 3-to-1 margin. A Newsweek poll taken in May found that 58% of Americans oppose gay marriages nationwide. The California poll surveyed 1,024 adults between June 10 and June 16. Its margin of error is plus or minus 3 percentage points.

Tobacco

Assembly Speaker Pringle (R), concerned with the tenor of the state's anti-smoking media campaign, is seeking to insert language into the state budget that would effectively prohibit the state-funded ads and billboards from directly attacking the tobacco industry. A draft of the proposed new language specifies that the ads be based solely on the health implications of tobacco use. Proposition 99, approved by voters in 1998, raised the tobacco tax to fund a variety of programs, including anti-smoking education and research.

The city of San Francisco last Thursday became the first city in the nation to sue the tobacco industry, seeking an end to advertisements allegedly aimed at children and the repayment of millions of public dollars spent to treat smoking related illnesses. The lawsuit comes as Attorney General Dan Lungren (R) continues to resist pressure to join the attorneys general of ten other states in suing the tobacco industry.

LOS ANGELES

Education. On July 16th, a challenge grant of \$3.5 million was awarded to Los Angeles County schools as part of the nation's largest-ever privately funded education reform effort. Six groups of schools in the Los Angeles Unified School District will get a total of \$1.1 million to improve college preparation, make computer technology more widely available, enhance students' communication skills and bolster vocational training, among other goals. The grant comes from a \$53 million donation by Walter H. Annenberg that is meant to add momentum and depth to educational improvement efforts already underway across the county.

San Fernando Valley Secession. A bill that would ease the way for the San Fernando Valley to secede from Los Angeles and form its own city has passed the Assembly, but not the Senate. The bill would strip the Los Angeles City Council of its veto power over a secession movement. A recent LA Times poll of San Fernando Valley registered voters reported that only 46% would cast ballots in favor of secession.

Youth Guns. The President's Youth Crime Interdiction Initiative named Inglewood as one of seventeen pilot cities. Under this program, every time a gun is used in a crime and seized by law enforcement, it will be tracked through a nationwide data base. Law enforcement will use that trace information to help identify and locate illegal gun traffickers.

SACRAMENTO

Crime. The crime rate in Sacramento has declined, although not as dramatically as the statewide rate. The California Crime Index for Sacramento fell 0.7% from 1994 to 1995. Although the Administration has funded 128 new officers as part of the Crime Bill of 1993, the police and sheriff's departments continue to seek increased funding.

McClellan/Mather AFB Closures. The region has been hit hard by base closures over the past few years. Although the Administration has worked hard to ensure that over half of the jobs at McClellan would remain in the private sector, the level of fear in the community has continued to rise. Assemblywoman Barbara Alby (R) has attacked the Administration for "promises made, promises unkept." A recent lawsuit by the American Federation of Government Employees (AFGE) to prevent privatization efforts at the base has further exacerbated the issue.

School Board. A fight has been brewing between Mayor Joe Serna Jr., and the Sacramento Board of Education. Sacramento schools have been declining in academic and physical quality for some time, although a higher percentage of Sacramento students rank above California averages with respect to college attendance and SAT scores. The elected school board remains divided over what steps should be taken to stem the decline. Mayor Serna and the City Council have formed a citizen's committee to formulate a new plan for the Board and have made it clear that the school board should be appointed rather than elected. Several of the members of the mayor's committee will be at the fundraiser.

Sierra Environment. A 3,000 page, \$6.5 million study by the Sierra Nevada Ecosystem Project, under direction from the U.S. Forest Service and the Center for Water and Wildland Resources at the University of California-Davis, listed a host of environmental problems in the Sierras, including rapid urbanization, poor forestry practices and overgrazing. The report blamed these problems on the absence of a coherent, unified system to manage resources. California House Republicans attacked the impartiality and credibility of the report, citing a leak to the San Francisco Chronicle as evidence of a pro-environment slant.

San Francisco/Bay Area

Base Closure. The Alameda Naval Air Station's runways and air tower closed down on June 30. Mare Island Naval Shipyard closed at the end of April 1996. Environmentalists at both sites claim that the bases illegally stored toxic wastes and failed to adequately clean up or assess hazardous materials. At Alameda, the Environmental Protection Agency has supported the Navy's cleanup efforts. The Fish and Wildlife Service will supervise a planned refuge for endangered seabirds at the base. Three companies have signed leases to move into space at the base - CALSTART, CarStar, and Gianotti Corporation. At Mare Island, the Forest Service has moved onto the land and labor unions have begun an innovative job retraining program there with funds from the Labor department.

Civil Service. On June 28th, Mayor Willie Brown (D) proposed an amendment to the City Charter that would strip 400 mid-level city managers of their civil service protection and make them political appointees. The amendment was crafted by the city workers' unions and dramatically changes the City's labor rules approved by a key committee of the board of Supervisors. The measure would extend Mayor Brown's reach dramatically, allowing him to pick everyone from assistant yacht harbor manager to the food managers at city hospitals. It would also increase the say of union leaders in employee benefits and grant regular pay raises

to elected officials. The measure could result in the mass layoff of 400 people who would be replaced by political appointees. The Mayor must submit his amendment to the Board of Supervisors, and a majority of the eleven-member Board must approve it in order for it to be placed on the fall ballot. Supervisors -- including Board President Kevin Shelley -- have complained that there is not adequate time to consider the proposal prior to the July 22nd deadline. Supervisors Shelley, Bierman, and Alioto have publicly expressed opposition.

Crime/Drugs. Methamphetamine-related emergency room admissions jumped dramatically in 1994. Southern Alameda County in the Fremont/Hayward area reported a 7% increase in the California Crime Index from 1994 to 1995.

Housing. A 20-year program known as Section 236 expires in August. The expiring federal subsidies could force 3,000 low-income San Francisco families out of their homes.

Local Elections. Ellen Tauscher (D) is challenging Rep. Bill Baker (R) in the 10th Congressional District. Although Baker defeated his Democratic opponent by a 20 percentage point margin in 1994, his 1992 race was far closer with Baker winning by only four percentage points. Owing to the President's popularity in the district, Baker's narrow win in 1992 and Tauscher's strength as a candidate, the Democrats have targeted the 10th Congressional District.

Rail Merger. The Surface Transportation Board in Washington, D.C. unanimously approved a \$5.4 billion merger between Union Pacific and Southern Pacific Railroads. The move is expected to cost 1300 jobs in San Francisco but provide a major economic stimulus for the East Bay. The merger could mean a significant improvement in rail links to the Port of Oakland.

California Accomplishments of the Clinton Administration
(Entries last updated July 19,1996)

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DEFENSE TRANSITION PROGRAMS

Defense Conversion. The Commerce Department created a multi-pronged approach to help the California industry make the transition from defense dependency to commercial success. It has provided technical assistance, marketing assistance and financial assistance to thousands of California contractors and sub-contractors. Commerce's Economic Development Administration has provided over \$24 million in planning grants and funds to implement mid-term and long-term development programs for cities, counties, and business consortia. The Bureau of Export Administration has developed a comprehensive defense conversion assistance program.

DISASTER RELIEF

Rapid Response to the 1994 Northridge, California Earthquake. The earthquake struck a large, modern urban environment generally designed for seismic resistance. The U.S. Geological Survey's quick, effective response to the earthquake can be attributed to the unusually low casualty rate. Responding scientists had considerable knowledge of possible earthquake effects and moved quickly to the areas where their expertise was most critical. Consequently, countless lessons were learned regarding the effects of major earthquakes on the built environment and the most effective means of mitigating the damage caused by future earthquakes in urban areas.

Loma Prieta Earthquake (San Francisco). FEMA has spent or committed \$666 million on Public Assistance, \$74.5 million on Individual Assistance and \$32.7 million on Hazard Mitigation since the October 18, 1989 quake. Seventy-five thousand individuals registered for assistance. Since President Clinton took office in January 1993, FEMA has allocated funds to repair remaining major damage at Stanford University, San Francisco City Hall, Oakland City Hall, the Oakland Port Authority, and Moss Landing Marine Labs. In addition, FEMA allocated approximately \$1.4 million toward the seismic hardening of 19 fire stations in and around San Francisco. This will reduce the chance of future damage as well as increase the likelihood that emergency services will be available immediately following any future disasters.

Northridge Earthquake (Los Angeles). More than 681,000 registered for assistance following the January 17, 1994 earthquake. FEMA allocated more than \$1.8 billion to offer Public and Individual Assistance. Much of the Public Assistance was allocated to California State University's Northridge campus and various hospitals. As a result of the Northridge quake, FEMA is making over \$700 million in Hazard Mitigation Grant Program funds available to support cost-effective mitigation in the Los Angeles area. This money is currently being utilized to reduce the possibility of damage from future natural disasters in California. Examples include securing hanging lighting fixtures in schools which can fall during an earthquake and seriously injure or kill students below. The Hazard Mitigation funds are also available for projects designed to reduce the likelihood of a wild fire which threatens lives or property.

Southern California Floods. FEMA distributed \$96.5 million in Public Assistance and \$77.5 million in Individual Assistance to mitigate the effects of the January 1995 floods in Southern California.

Northern California Floods. FEMA distributed \$67.3 million in Public Assistance and \$25.5 million in Individual Assistance to mitigate the effects of the March 1995 floods in Northern California.

Additional Funds for Earthquake Repairs. On, July 17, FEMA and the White House pledged an additional \$264 million. Of the total, \$126 million is tasked to repair and retrofit

the Los Angeles City Hall, a project which had been all but halted last summer due to lack of funds. The balance, \$138 million will go to four private hospitals. The latest grants raise the total federal expenditures and commitments in response to the 1994 Northridge quake to more than \$13 billion, \$971 million of which has gone to hospitals.

ECONOMIC DEVELOPMENT

State Route (SR) 125 Proposed Toll Facility. The State Route 125 Proposed Toll Facility is a 16-kilometer limited-access facility and is one of four privatization demonstration projects authorized by the California legislature. The project extends from the Otay Mesaborder crossing northward to SR 54. Under a franchise/lease agreement, the private sector firm selected to construct the facility will finance, design, and build the facility, transfer ownership to the state, then lease and operate the facility for up to 35 years. The estimated cost of the facility is \$400 million with an estimated completion date of December 1998. The state is currently preparing the draft Environmental Impact Statement for circulation to the public. A petition drive completed last year contained more than 1,500 signatures opposing this project and the state is still receiving letters in opposition. This project is of high interest to the local community, as well as to Congressman Bob Filner (D-50th), and State Senator Peace (D).

New Jobs Created. In the last three years, 490,000 new private sector jobs were created, while the unemployment rate dropped from 9.5% to 7.7%.

New Businesses Formed. New business incorporations have increased 6% during the past three years. In 1993 alone, 122,000 new businesses were created.

Business Failure Dropped. Business failures dropped 6% during that same time period.

Tax Cut. President Clinton provided over 179,000 California small businesses with a tax cut this year by expanding the annual expensing allowance from \$10,000 to \$17,500.

"Jobs in the Woods". The Department of Agriculture has provided needed funds to California through the Pacific Northwest Economic Adjustment Initiative and other programs. The "Jobs in the Woods" program, part of the President's Forest Plan, provides education and job training. In addition, California received \$4.2 billion in food assistance grants, \$18 million in water and waste disposal grants and \$44.2 million in rural housing grants in fiscal 1995. In addition, California ranks first among states for participation in the Food Stamp, Child Nutrition, and Women, Infants and Children programs.

Small Business Loans. The Los Angeles Community Development Bank received more than \$450 million from HUD and \$550 million from private sector contributors to loan to small business owners and others in the Los Angeles Empowerment Zone. Loans began as early as April 1996.

SBA Loans. In FY 1995, SBA guaranteed 6,255 7(a) and 504 loans totalling \$1.5 billion to California small businesses -- 58% more than the number of loans made in FY 1992. These 6,255 SBA-backed loans in FY 1995 will create or sustain over 64,500 jobs in California over the next four years. Of these 6,255 loans, 1,151 went to women-owned small businesses and 1,811 went to minority-owned small businesses.

Rural Enterprise Communities (EC). Participants in this program are eligible to receive technical assistance in strategic business plan development, partnership building, and leadership development. California was selected for two Rural Enterprise Communities. One is in Imperial County and the other is the City of Watsonville/County of Santa Cruz.

Agricultural Research. USDA's Agricultural Research Service programs in California (at a total of \$40.9 million and a staff of 447) include: Albany (new uses for agricultural products, food quality and food safety, plant biotechnology); Davis (aquatic weeds and plant diseases, plant germplasm repository); Fresno (water management; insect control; disease eradication); Riverside (water quality; soil quality, citrus, and date research); Salinas (vegetable and sugarbeet production research, including plant genetics); San Francisco (human nutrition); and Shafter (cotton production; water management).

Los Angeles Neighborhood Initiative (LANI). Since 1994, the Federal Transit Administration has committed \$2.3 million to LANI, a project to link Federal, local and private resources to improve the quality of life in eight Los Angeles neighborhoods. The funds are directed at increasing the safety, convenience and aesthetics of station stops in areas that are highly dependent on public transit. Street crime in the neighborhoods has declined by 19%.

The California Economy: A Summary. After undergoing prolonged weakness following the 1990-91 national recession, the California economy continues to build on a solid recovery. Construction is booming. Strong export activity increased the strength of wholesale trade. Retail trade is also strong. Following the defense and aerospace cutbacks, export demand for electronic equipment and computers supported the revitalization of manufacturing. Exports rose 17.0% in nominal terms in 1995, outpacing the national increase of 13.9 percent. Asian-Pacific trade accounts for about one-half of all exports from the state. Per capita personal income in California rebounded sharply in 1995, growing by 6%. Under the leadership of the Clinton Administration, private businesses have agreed to wire every California school to the Internet by the end of the year. The long-term outlook of the state is positive, as much of California's restructuring is behind it. California ranks second among the states as home to 55 of the Fortune 500 companies, including Chevron, Hewlett Packard, Intel, Walt Disney, and Apple Computer.

Army Awards \$22.3 Million Contract. The U.S. Army signed a contract with a Woodland Hills division of Litton's Guidance and Control Systems for several hundred aircraft interrogator sets. The devices, which will be produced in Northridge, will enable soldiers to determine if an aircraft is a friend or a foe. Once completed, the units will be sent to Japan, Greece, France, Portugal, the Netherlands, and Italy as part of the Department of Defense's foreign military sale program.

Vice President Gore Announces X-33 Contract. During a July 2 press conference at the Jet Propulsion Laboratory in Pasadena, Vice President Al Gore announced that Martin Skunk Works of Palmdale had won the contract to build the successor to the Space Shuttle, known

as the X-33. The contract is worth \$1 billion. The three year contract will generate approximately 2,000 jobs at Lockheed Martin's Palmdale plant over a 4 year period.

EDUCATION

William D. Ford Direct Lending Program. The Direct Loan Program offers a simpler, faster, more efficient means of delivering loans to students. Since President Clinton signed the student Loan Reform Act in August 1993, 232 California colleges and universities signed on to the program. Student borrowers have taken out more than 291,000 direct loans, totaling more than \$1.1 billion. Students with direct loans have the added benefit of more choices in how they repay their loans.

Goals 2000: Educate America Act. The Goals 2000: Educate America Act seeks to raise academic achievement by supporting high-quality teacher professional development, expanding the use of computers and technology in classrooms, raising academic standards and increasing parental and community involvement in education. Since President Clinton signed the Goals 2000 legislation in March 1994, 1,600 California schools received \$10.2 million in first year funding. One-third to one-half of all California school districts will benefit from \$42.1 million in second-year funding, increasing the total number of participating schools to 3,000.

School-To-Work Opportunities Act. The School-To-Work Opportunities Act encourages educational and career opportunities for all students by creating partnerships at the state and local level that help students make the final connection between what they learn in school and what they do in the workplace and prepares them for good careers and advanced education training. Since the President signed the School-To-Work Opportunities Act in May 1994, seven counties and area consortiums in California have received more than \$7.2 million to develop and implement programs.

Safe and Drug-Free Schools and Communities Act. The Safe and Drug-Free Schools and Communities Act helps local school districts create safe, disciplined, and drug-free learning environments for students. Changes proposed by the president and passed by Congress under the re-authorization in 1994 substantially broadened the scope of allowable activities and, for the first time, made funds available to use for violence prevention programs. Since then, California school districts have received more than \$49 million in funding to develop prevention related curriculum and events. A total of 983 school districts, accounting for 98 percent of all districts statewide, have served 5.7 million students.

Public Charter Schools Program. The Public Charter Schools Program, passed into law as part of the Improving America's Schools Act, is designed to stimulate comprehensive education reform and public school choice by supporting the planning, development, and initial implementation of charter schools. Since the President signed it into law in October 1994, 104 schools in California have received their charter; 90 are currently in operation. A total of \$1.8 million disbursed over three years (in grants ranging from \$20-100,000) will provide funds for start-up, planning and implementation.

Bilingual Education Programs. Bilingual Education grants assist local education agencies

and other eligible grantees in the development and support of instructional programs for students with limited English proficiency. The President has fought for the continuation of bilingual education programs nationwide, and has worked to maintain consistent levels of support in California, where 305 grants totaling almost \$72 million were made available in fiscal 1995.

Technology Challenge Grants. Over the next five years, two California school districts will receive more than \$10.4 million in Technology Challenge grant funding. The San Mateo/Redwood City School District has already received nearly \$900,000 in first year funding and will receive a total of \$6.3 million over five years. San Diego Unified School District received more than \$700,000 and will receive \$4.1 million over five years.

Education Waivers. Ten California districts have received education waivers, allowing them to develop education improvement programs that meet the needs of the students in their individual communities.

ENVIRONMENT

U.S. vs. Union Oil. Following a disastrous 1992 oil spill at Avila Beach near San Luis Obispo, the Justice Department worked with the state of California and the Department of the Interior to restore sea otters, brown pelicans, and other natural birds damaged by the spill. The Division secured \$1.3 million from Union Oil, most of which will go towards restoration of these important natural resources.

Management and Protection of the Presidio. Across America, as more and more people live their lives in urban areas, open space in our cities is increasingly in short supply. In October 1994, the Presidio of San Francisco became part of the National Park Service (NPS) when it was transferred from the Department of Defense. A bill moving through Congress to create a Presidio Trust will manage the property and reduce its cost to the federal government by leasing many of the buildings found on the Presidio while preserving historic structures and ensuring the continued preservation of the scenic beauty and natural character of the area. In his *Parks for Tomorrow* plan, the President calls on Congress to protect this unique resource by passing legislation with the Administration's amendments. Unfortunately the House's latest proposal to the Senate includes 55 other bills, one of which deals with grazing on federal lands. In the past, the administration has stated that if the final version contains the 55 other bills it would be unacceptable.

California Desert Protection Act Implementation. The California desert comprises over 25-million acres or one-fourth of the state of California. Much of this area is home to threatened and endangered species, including the California Desert tortoise, the Mojave Ground Squirrel, and the Flat-Tailed Horn Lizard. The Bureau of Land Management (BLM) prepared a public outreach plan and sent more than 25,000 letters to interested parties, such as land owners and mining claimants, to notify them of the designation of some BLM lands as wilderness. In an effort to identify boundaries, the BLM completed draft legal descriptions, surveys, and legislative working maps. Regarding Wilderness Management, the BLM helped develop principles for consistent grazing, law enforcement and border operations, federal water rights, and scientific, recreational, and commercial uses. During the 1995 fire season, the BLM California Desert District and NPS desert units operated with a totally integrated staff.

Central Valley Project Improvement Act Implementation (CVPIA). The 1992 enactment of CVPIA paved the way for its two major goals: to protect, restore, and enhance fish, wildlife, and associated habitats in the Central Valley and Trinity River basins of California, and to achieve a reasonable balance among competing demands for use of CVP water.

Community Right to Know. The Administration expanded the Community-Right-to-Know programs to provide communities with access to more information about chemicals released into their air and water. In addition, new labeling and disclosure programs were launched to help consumers use household products safely and protect themselves from lead paint hazards.

Air Pollution. Through tough enforcement of the Clean Air Act, toxic air pollution was cut from chemical plants by 90 percent, and 50 million Americans in 55 cities are breathing cleaner air.

Safe Water. For the first time, toxic water quality standards were set for all the Great Lakes. The Administration also negotiated a consensus plan to protect the San Francisco Bay Delta, a body of water which provides irrigation for 45% of America's fruits and vegetables. Combined, these two acts affect the drinking water of 68 million Americans.

Enforcement. Polluters charged with endangering public health and the environment paid the largest fines in history. A new compliance assistance program was set up to help honest business owners comply with environmental laws.

Toxic Waste Clean-Up. The Administration accelerated the pace of cleaning up toxic waste sites by 20% and, at the same time, significantly reduced the cost of cleanup.

Incineration. As part of the Administration's "safety-first combustion strategy," EPA proposed the toughest public health standards for toxic air pollution from hazardous waste incinerators and issued new requirements for municipal incinerators that will result in a 99% reduction in emissions of cancer-causing dioxin.

EXPORTS

Computer Export Decontrol. The Clinton Administration has revised or eliminated outdated computer export controls. The initial changes in 1993 released more than \$32 billion of annual exports from individual licensing requirements. The President's later reform in October 1995 resulted in relief for an estimated \$10 billion of additional computer exports. Commerce's International Trade Administration's California Export Initiative opened over 1,300 new overseas markets for more than 500 California firms during 1995, more than tripling the annual export assistance provided since 1992.

U. S. Export Assistance Center. The White House participated in the announcement of a new U.S. Export Assistance Center (USEAC) in San Jose. These one-stop-shops are joint efforts between the Commerce Department, Small Business Administration (SBA), and the Export-Import Bank. They improve the delivery of federal export marketing and trade finance services. With the Clinton Administration emphasis on trade, 1,403 California firms have been assisted in entering 4,263 new markets, versus less than 400 markets per year under the previous administration.

NAFTA Spurs Dramatic Growth in Exports. The California Trade and Commerce Agency reported that the value of California exports rose 17.2% in the first quarter of 1996 to \$25.6 billion. According to the Agency, exports of California goods and services supported 72,000 jobs. The large jump in exports is attributed to increases in trade with Canada and Mexico resulting from NAFTA. Exports to Canada increased by 36.6% from the first quarter of 1995. Exports to Mexico expanded by 20.4% as opposed to the 3.8% drop during the same period in 1995. Exports to Japan, South Korea and other Southeast Asian nations increased 20%.

IMMIGRATION

INS Budget Increase. The INS FY 96 budget totals \$26 million - a 24% increase over FY 95 and a 72% increase over FY 94. In 1996, INS will hire 1,260 new Border Patrol agents, inspectors, investigators, anti-smuggling agents, and other INS officers in California.

Operation Gatekeeper. Operation Gatekeeper was launched in 1994 to strengthen enforcement along the 14 miles of border in San Diego which accounted for as much as 40% of Southwest border apprehensions. In the first year of Gatekeeper, INS gained control in Imperial Beach; it now targets Chula Vista and areas eastward.

Worksite Enforcement. INS launched a California pilot project in 1995 which works with employers in City of Industry and Santa Ana to verify the employment eligibility of aliens. This one-year pilot includes more than 230 employers and more than 80,000 employees.

Removing Illegal Aliens. INS removed 19,099 illegal aliens from California and more than 49,000 illegal aliens from the total United States in FY 95.

Naturalization. A major INS naturalization initiative, *Citizenship USA*, is being implemented to streamline citizenship procedures and reduce application processing time to six months in five cities, including Los Angeles and San Francisco. INS completed 117,000 naturalization cases in California in FY 94 and 161,000 cases in FY 95.

LAW ENFORCEMENT

Crime Reduction. The nation's overall crime rate dropped 2% in 1994, the third consecutive year it has fallen. Violent crimes decreased 4%. In Sacramento, crimes showed a drop in three of the four reporting categories. Homicides dropped to 62% last year from 85 in 1993; robberies were down from 2,310 to 2,292, and assaults dropped from 2,228 to 2,170.

Violence Against Women Act. California received \$426,346 in FY 95 under the S.T.O.P. (Services Training Officers Prosecutors) Violence Against Women Grant Program. The S.T.O.P. grant provided 26 million directly to states, territories and Indian tribes. This money represents a first step in helping restructure the criminal justice system's response to crimes of violence against women. California has been allocated \$11,453,000 for FY 96.

COPS (Community Oriented Policing) for the Californians. The Justice Departments Office of COPS authorized grants of over \$324.5 million to the state of California to hire or redeploy more than 6,100 officers.

National Domestic Violence Hotline. Since the President's announcement of the hotline in February of 1996, over 20,000 victims, family members and service providers have made calls and been provided with crisis assistance, counseling, and referrals to resources for victims of domestic violence.

U.S. vs. Steele. Under the Violence Against Women Act, the U.S. Attorney for the Eastern District of California prosecuted Ricky Steele, who beat his domestic partner for several hours, held a knife to her throat, threatened her life, and subsequently forced her to drive him from California to Oregon. Steele was sentenced to 87 months in prison, since crossing state lines to injure, harass, or intimidate a partner became a federal offense under the Violence Against Women Act.

FACE (Freedom of Access to Clinic Entrances Act). The Justice Department obtained a permanent injunction protecting a doctor who provides reproductive health services from three intimidating California members of Operation Rescue.

Targeted Industries Partnership Program (TIPP). TIPP is an experimental interagency program that combines the efforts of the California Division of Occupational Safety and Health, California Division of Labor Standards Enforcement and the Department's Wage and Hour Division. The TIPP program focuses on the enforcement of laws in two industries: agriculture and garments. The program enforces wage and hour laws, child labor, licensing and registration, workers' compensation insurance coverage, field sanitation, injury and illness prevention programs, migrant housing and unemployment tax contributions. TIPP's concentrated enforcement and education efforts since 1994 have resulted in employees receiving back wages, safer working conditions and information on basic employment rights.

Operation Hard Line. President Clinton, the Treasury Department, and the Customs Service

are deeply committed to stopping the flow of illegal drugs through our borders. Operation Hard Line strives to combat narcotics smuggling on the Southwest Border, and Customs officers report double-digit increases and the volume of total drug seizures - including increased seizures in virtually every major category of drug trafficking from cocaine to heroin. To build on the efforts of Operation Hard Line, the President's FY 97 budget will propose that an additional \$65 million and roughly 650 additional Customs officers be added to the border interdiction effort in the coming fiscal year.

Garment Enforcement. On May 9, 1996, Secretary Reich released a newly completed survey of California garment companies. The survey--jointly produced by the Labor Department and the State of California--demonstrated that monitoring programs in the garment industry have significantly reduced the minimum wage and overtime violations. The survey also revealed that labor law violations are a continuing problem in the industry. The survey was conducted at 76 randomly selected California sewing firms. Almost half of the firms are being monitored for wage and hour compliance by manufacturers. The report was part of the Wage and Hour Division's continuing efforts to eradicate sweatshop abuses in the garment industry. In a related effort to aggressively enforce the nation's wage and hour laws, in the first six months of 1996, the Department recovered over \$400,000 in wages for more than 1,350 garment workers in California.

SOCIAL SERVICES

Helping Homeless Veterans. The new Homeless Providers Grant and Per Diem Program has awarded more than \$11.8 million to 59 public and private nonprofit groups since 1994. Grants totaling \$2,557,850 have been awarded in the state of California to develop new programs to assist homeless veterans.

Teen Pregnancy. According to the Centers for Disease Control and Prevention (CDC), the birth rate for teens between the ages of 15 and 17 declined 2% between 1991 and 1992. Teen pregnancy rates declined from 1991 to 1992 in 30 of the 41 states that reported data to the CDC. California did not report teen pregnancy rates to the CDC in 1993.

Child Support Enforcement. In FY 1995, California distributed \$857,281,903 in child support collections, up from \$653,680,903 in FY 1992 (a 3.1 percent increase). In addition, the number of cases in which families received child support services rose 56.4%, from 1,513,632 in FY 1992 to 2,367,404 in FY 1995. The state also increased paternity establishment by 99.2%, from 65,062 in FY 1992 to 129,593 in FY 1995.

AmeriCorps Program. Two of the President's AmeriCorps programs stand out in California. First, the BLM's Fort Ord Project in Monterey is intended to transform former military maneuver areas of Fort Ord into healthy, public lands that will provide habitats for 35 species of rare native plants and animals and opportunities for recreation and tourism. Second, the Southern California Urban Water Management Program, an ongoing AmeriCorps program in the Los Angeles area, engages at-risk young adults in a program designed to improve the environment, save energy and water, and reduce waste discharges. Participants help the local community, learn employable skills, and are encouraged to seek higher education. It is estimated that this AmeriCorps program effort saves about 80 million gallons of water per year. An application is being submitted to fund this program for an additional year.

Feeding Programs. California has the largest overall school meals program and receives the largest state administrated expense grant (about \$11 million) in the nation. The state is scheduled to take back from the USDA Food and Consumer Service Western Regional Office administration of the Summer Food Service Program in 1996. California last administrated the program in 1978.

WELFARE

Welfare Reform. California operates the largest cash-out project in the nation in San-Diego, issuing \$13.7 million in cash each month in lieu of food stamp coupons. The state has also submitted and received approval to implement several welfare reform proposals under a project known as "Work Pays." This plan offers incentives under the Aid to Families with Dependent Children program to promote education and work.

Overpayment Collection. To increase the recovery of federal funds, California pioneered the Federal Tax Refund Offset Program. Through this system, the state collected and returned to the Federal Treasury over \$1.3 million in food stamp overpayment in FY 94, according to the latest available information.

Aid to Families with Dependent Children. The total number of AFDC recipients in California declined 1.8%, from 2,692,202 in January, 1995 to an estimated 2,645,064 in January 1996.

Work Pays Demonstration Project. The project encourages teen-aged AFDC parents to attend school by paying them a \$100 bonus for maintaining a C average and \$500 for graduating from high school. Teen-aged AFDC parents who fail to maintain a D average risk having their benefits reduced by as much as \$50 per month for two months. The demonstration also permits AFDC recipients to accumulate up to \$2,000 in assets and \$4,500 equity in a car. They may also save up to \$5,000 toward a house, business or child's higher education. Finally, recipients are allowed to opt out of the program and go to work while retaining their health care and other services. An amendment to this initiative provides transitional child care to those who become ineligible for AFDC benefits due to marriage. The amendment also increases the penalty for fraud.

Update on Los Angeles County Medicaid Waiver
July 19, 1996

- o This process continues to go fairly well. County officials and HHS are working collaboratively over the next few months on an action plan to restructure the county's health system.
- o At the conclusion of this process, it is likely that the county will ask for additional funds. This will be problematic, since our policy is that waivers should be budget neutral over five years and we already gave them \$364 million in the first year of the waiver, and \$172 million in the second year. Further, L.A.'s likely request would set a bad precedent on Medicaid disproportionate share, a part of Medicaid law that has been prone to abuse by states. However, we do not expect the request until quite late this year.
- o There is some risk of additional layoffs this year, which would affect SEIU workers.
- o Background: In September 1995, the President announced a \$364 million fiscal assistance package for Los Angeles County's extensive system of public hospitals and clinics. The agreement averted a shutdown of hospitals and clinics, and was described as the first step toward "restructuring" the county system -- moving it away from inpatient services and toward community-based outpatient services. The vehicle is a five-year Medicaid demonstration waiver.

In June, HHS approved an amendment to the waiver that county officials requested, fulfilling our pledge to do so within 45 days, and granting the county an additional \$172 million.

Diana Fortuna
Domestic Policy Council

UPDATE ON MEDICAID PROVISIONS IN WELFARE REFORM

House Update: The House-passed welfare reform bill included provisions from the Castle-Tanner welfare compromise that assured that the vast majority of currently eligible Medicaid populations would not lose coverage as a result of changes in the welfare system. The provisions, which delink the cash payment time limits from eligibility to Medicaid and assure that states could not reduce coverage by significantly modifying income and asset criteria. These criteria represent a significant victory for the advocates of the Medicaid program.

The one remaining shortcoming of the House-passed bill's Medicaid provisions relate to how the immigration provisions affect Medicaid coverage. Since the House-passed eligibility ban on immigrants also applies to the Medicaid program, hundreds of thousands of immigrants -- including 300,000 children -- would lose Medicaid coverage. As a result, health care providers who now serve these patients would either have an added uncompensated care burden or would ask state and local governments to help pick up these costs.

Senate Update: The Senate will amend their version of welfare reform on Tuesday. It is expected that amendments that mirror the Medicaid coverage protections included in the House will be supported by the majority of the Senate. Even if this occurs, the problematic immigration provisions will remain untouched. This is despite the fact that Medicaid patient advocates and health care providers (who fear they will lose literally billions of dollars in Medicaid reimbursement) will be working to support an amendment that is likely to be offered by Senator Kennedy. This amendment will delay the Medicaid eligibility ban for two years.

Should the immigration amendment fail, state, county, and local governments (particularly in border states) will likely face a huge financial liability related to significantly increasing amounts of uncompensated health care. If they don't find a way to finance it, hospitals and other health care providers will simply have to absorb costs that may threaten their financial viability.

Briefing Memo

From: Lyn Hogan
Date: July 19, 1996
Re: Mifepristone (RU-486) Hearing

Friday, July 19, the FDA's Reproductive Health Drugs Advisory Committee held a hearing to consider data submitted by the Population Council as part of a New Drug Application (NDA) for Mifepristone.

As of 6:00 p.m. July 19, the committee had taken its votes. There are 8 voting people on the committee. Three votes were significant. A verbal report from the Dept. of Health and Human Services indicates the following results:

Members voted: On the efficacy of mifepristone 6 yes, 2 no
On the safety of mifepristone, 7 yes, 1 abstained
On approval of mifepristone, 6 yes, 2 abstained

The hearing progressed smoothly. There were no security problems and few protesters. Four or five people demonstrated outside of the building.

It is important to note that the Advisory Commission decision is a recommendation to the FDA. **There will not be a final FDA decision on mifepristone in 1996.** The Advisory Committee submitted its recommendation on mifepristone which the FDA will now consider. The FDA routinely refers NDAs to this Advisory Committee and asks the panel for a recommendation on the drug's safety and efficacy.

Background on President Clinton's Record

During the Bush Administration, the FDA issued an import alert which helped ensure that mifepristone would not be available in the United States for any purpose.

On January 22, 1993 the President issued an executive order that directed the FDA to reassess whether mifepristone qualified for importation.

In July 1993, the FDA concluded that mifepristone is not an appropriate candidate for the FDA's personal use policy governing the importation of unapproved new drugs.

However, the FDA believes the drug can be taken safely with careful medical supervision and controls.

On May 16, 1994 Sec. Shalala announced Rousell Uclaf, at the encouragement of the Clinton Administration, donated its United States patent rights to the U.S.-based Population Council. The Population Council began U.S. clinical trials of the drug in October 1994 and completed those trials in September 1995.

The Advisory Committee hearing is the usual next step in the review process of the marketing application.

- LIVING ROOM SETTING
- HOME OF MARY KELLEY

"At The Table" with President Clinton
 Sunday, July 21, 1996
 Denver, Colorado

