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OCTOBER 1997

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**WHITE HOUSE CONFERENCE
ON CLIMATE CHANGE**

The Challenge of Global Warming

October 6, 1997



Staff Copy

White House Conference on Climate Change: The Challenge of Global Warming

October 6, 1997

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THE WHITE HOUSE
WASHINGTON

October 5, 1997

White House Conference on Climate Change

DATE: October 6, 1997
LOCATION: Georgetown University (Gaston Hall)
TIME: 10:00 a.m.-4:30 p.m.
FROM: Todd Stern

I. PURPOSE

To engage in a substantive discussion of global climate change science and policy with key stakeholders.

Objectives for the Conference: (1) To enhance the basic national understanding of the climate change issue by providing a clear articulation of the science and by presenting the key aspects of an effective response; (2) to help stimulate a national dialogue on the issue of global climate change by bringing together the people from around the country who have thought the most about the issue and who have the greatest amount at stake in any response we choose; (3) to build support for developing a climate change policy based on the principles of binding targets, flexible implementation mechanisms, and global participation.

II. BACKGROUND

The White House Conference on Climate Change: The Challenge of Global Warming is the highlight of your outreach effort on this issue in the lead-up to the Kyoto meeting this December.

The Conference will include some 200 invited guests from a broad range of interests, including industry, organized labor, the environmental and scientific communities, leading economists, Congress, and state and local officials. In addition, the Conference will be broadcast live via satellite to more than 30 locations across the country.

The Conference follows on a series of events that have included you, the Vice President, members of the Cabinet, and other senior Administration officials. These include the July 24 scientists' roundtable hosted by you and the Vice President; your meetings with business CEO's and environmental leaders; some twenty events across the country featuring the Cabinet (including Secretaries Daley, Peña, Slater, Cohen, Babbitt, and Glickman, and Administrator Browner), numerous meetings with key constituencies hosted by Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, and other members of your climate team; and most recently the weathercasters event last week.

Still, your opening remarks will be your first opportunity to speak to the American people about this issue in a substantive way. Interest in global climate change is higher than it has ever been, both because of the upcoming Kyoto meeting and the efforts you have undertaken over the last few months. The weathercasters event, for example, scored some 400 television hits nationwide.

While we are not announcing any new policy at the Conference, the audience will be paying very close attention to everything you say for a hint of how you might be leaning. You should be careful of any comments that imply support for a particular target and timetable or that seem to favor a particular implementation regime.

Topics for discussion: After opening remarks from the Vice President and you, the Conference will be divided into four panel discussions covering the scientific, technological, international, and economic aspects of climate change. Additionally, there will be lunchtime breakout sessions where invited guests will have the opportunity to discuss climate change with members of your Cabinet and other senior White House officials.

You will be present for the first two panels -- the first on the science of climate change and the second on existing and developing technologies that have the potential to reduce greenhouse gas emissions.

The Vice President will remain for the two afternoon panels.

At the panel tabs that follow in this book, you will find descriptions and goals of the panels, bios of the panelists, and a script.

III. PARTICIPANTS

Pre-brief Participants:

Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, John Podesta, Erskine Bowles, Jack Gibbons, Janet Yellen.

Event Participants:

The event will include roughly 200 invited guests from industry, labor, the environmental and scientific communities, Congress, and state and local governments, as well as leading economists, authors, and others who bring substantive knowledge to the issue. A complete list is attached.

Also in attendance will be approximately 230 Georgetown University students along with several faculty.

IV. PRESS PLAN

The entire conference, with the exception of the lunchtime breakout sessions, will be OPEN PRESS.

V. SEQUENCE OF EVENTS

- YOU and the Vice President enter Gaston Hall.
- Father O'Donovan welcomes the attendees and introduces the Vice President.
- The Vice President makes remarks and introduces YOU.
- YOU make opening remarks.
- YOU and the Vice President lead a panel discussion on the science of climate change.
- YOU and the Vice President lead a panel discussion on technology.
- YOU depart.
- Breakout sessions during a working lunch hour, led by Cabinet Officers.
- Prof. Robert Gallucci introduces the First Lady to open the afternoon session.
- The First Lady speaks about Children's Health Day and climate change.
- The Vice President leads a panel discussion on international issues.
- The Vice President leads a panel discussion on economic issues.
- The Vice President makes very brief closing remarks.
- A reception is held in the Indian Treaty Room.

VI. ATTACHMENTS

Conference Agenda

Panel by panel descriptions, bios, and scripts

List of Participants (to be forwarded)

Remarks (to be forwarded)

Background

Articles

**White House Conference on Climate Change:
The Challenge of Global Warming
October 6, 1997**

10:00 - 10:05

Father O'Donovan, Georgetown University: *Introduces the Vice President*

10:05 - 10:15

Vice President Gore: *Welcome attendees, Remarks, Introduces the President*

10:15 - 10:30

President Clinton: *Opening Remarks*

10:35 - 11:35

Panel I: The Science of Global Warming and Climate Change

Presentation: **John Holdren**, Professor, Department of Earth and Planetary Sciences and the John F. Kennedy School of Government, Harvard University. Head of Research and Development Panel, President's Committee of Advisors on Science and Technology (PCAST).

Panelists: **Robert Watson**, Chair of the Intergovernmental Panel on Climate Change (IPCC); Director for Environment, World Bank.

Tom Karl, Senior Scientist, NOAA, National Climatic Data Center.

Diana Liverman, Chair, National Academy of Sciences Committee on Human Dimensions of Global Change; Director, Latin American Studies Program, University of Arizona.

Don Wilhite, Director, National Drought Mitigation Center, University of Nebraska.

11:45-12:45

Panel II: The Role of Technology in Reducing Greenhouse Gas Emissions

Presentation: **Federico Peña**, Secretary of Energy.

Panelists: **Mary Good**, Managing Member, Venture Capital Investors, LLC; Under Secretary of Commerce for Technology, U.S. Department of Commerce, 1993-1997.

Tom Casten, President & CEO, Trigen Energy Corporation.

Michael Bonsignore, Chairman and CEO, Honeywell Corporation.

Mason Willrich, CEO, EnergyWorks.

Kurt Yeager, President, Electric Power Research Institute.

Larry Papay, Bechtel Corporation

1:00-2:00

Lunch: Breakout Discussions with the Cabinet

2:15-2:20

Robert Gallucci, Dean of the School of Foreign Service: *Introduces the First Lady*

2:20-2:30

First Lady Hillary Rodham Clinton: *Remarks*

2:35-3:35

Panel III: The Kyoto Conference and U.S. National Interests

Presentation: Madeleine Albright, Secretary of State.

Panelists: James D. Wolfensohn, President, World Bank.

Richard Schmalensee, Professor of Economics and Management, Massachusetts Institute of Technology; Director of MIT Center for Energy and Environmental Policy Research; member of Council of Economic Advisers, 1989-91.

Daniel Yergin, President, Cambridge Energy Research Associates; author of "The Prize: The Epic Quest for Oil, Money and Power," winner of the Pulitzer Prize.

E. Linn Draper, Chairman, President, and Chief Executive Officer, American Electric Power.

Fred Krupp, Executive Director, Environmental Defense Fund.

Mae Jemison, President, Jemison Group, Inc. and Jemison Institute for Advancing Technology in Developing Countries at Dartmouth College. Former NASA astronaut.

Jessica Tuchman Mathews, President, Carnegie Endowment for International Peace.

3:40-4:40

Panel IV: Climate Change Policy and the U.S. Economy

Presentation: Larry Summers, Deputy Secretary of the Treasury.

Panelists: Robert Repetto, Vice President and Senior Economist, World Resources Institute. Co-author, "The Costs of Climate Protection: A Guide for the Perplexed."

William Nordhaus, Whitney Griswold Professor of Economics, Yale University. Author of "Efficient Use of Energy Resources," "Managing the Global Commons."

Robert Stavins, Professor of Public Policy and Chair of Environment and Natural Resources Program, the John F. Kennedy School of Government, Harvard University.

John Sweeney, President, AFL-CIO.

Richard Sandor, Chairman & Chief Executive, Centre Financial Products Limited; Vice-Chair of Chicago Board of Trade.

Panel One

The Science of Global Warming and Climate Change

Participants

The President

The Vice President

Dr. John P. Holdren

Mr. Thomas R. Karl

Dr. Diana M. Liverman

Dr. Donald A. Wilhite

Dr. Robert T. Watson

Description and Goals

Description of the Panel

This panel brings together several of the leading scientists on the issue of global climate change and its potential impacts. We have selected individuals that represent the broad consensus of scientific opinion on the range of subjects being covered.

There is no “global warming skeptic” among those who will speak, and we may be criticized for this by some in industry and the Congress. Given the limited time frame and number of panel slots, we felt it was inappropriate to give a platform to someone from the small minority who question the basic science of climate change. This would send a misleading message to the public about the level of scientific consensus that exists on the issue.

There are, to be sure, real uncertainties regarding some important climate change issues, such as how much temperatures will rise if we stay on a business-as-usual path (current estimates are quite imprecise, 2-6.5 degrees F) or what impacts are likely. The scientists on the panel will be very clear about what we know and what we don't, and the skeptics' main points will be specifically addressed by the head of the authoritative international scientific body on climate change (the Intergovernmental Panel on Climate Change).

Goals of the Panel

The purpose of this panel is to provide a clear and understandable presentation on the state of scientific knowledge on the issue of global climate change.

We want people to come away understanding that climate change is a serious problem and that, although there is still much we don't know yet, what we do know should compel us to take appropriate action.

Suggested Script

The **VICE PRESIDENT** will introduce the five scientists on the panel, and then turn it over to **Dr. John Holdren**, who will make an opening presentation.

John Holdren - Professor of Environmental Science and Public Policy, Harvard University; chair of the PCAST study on U.S. energy research and development needs in relation to the economic, environmental, and security challenges of the next century. *Dr. Holdren will deliver a soup-to-nuts presentation on climate change science, focusing on the basic physical science, the level of certainty about how humans may be affecting climate, and about how much change is likely in the next century and what that change could mean for society. (15 minutes)*

The **VICE PRESIDENT** should ask a lead-in question of Tom Karl. **Tom, you've studied precipitation patterns worldwide. Is there evidence that changes are taking place?**

Tom Karl - Senior Scientist, National Oceanographic and Atmospheric Administration. *Mr. Karl has analyzed a wealth of data on precipitation trends worldwide over the past century and will present his conclusions that some noticeable changes are apparent, including in the United States.*

Suggested follow-up for **YOU**: **Tom, I've spent an awful lot of time talking to people around the country who believe something very unusual is going on with the weather. Some people have experienced several "storms of the century" just since I came into office. Can we attribute this to climate change?** (Karl has a great list of recent U.S. weather events and the billions of dollars they have cost.)

YOU should ask a lead-in question of Diana Liverman. **Dr. Liverman, recognizing that it is hard to specifically predict the impacts of climate change on particular regions, are there things we can generally say about how climate change might affect the average American?**

Diana Liverman - Professor at the University of Arizona, Chair of the National Academy of Sciences Committee on the Human Dimensions of Global Change and Co-Chair of the Scientific Advisory Committee of the Inter-American Institute for Global Change. *Dr. Liverman will talk about the potential impacts of climate change on several regions of the country, focusing on water resources and agriculture.*

Suggested follow-up for the **VICE PRESIDENT**: **Dr. Liverman, how might climate change affect our Canadian and Mexican neighbors?**

YOU should ask a lead-in question of Don Wilhite: **Dr. Wilhite, I understand your work has focused on the relationship between climate change and droughts. What sorts of conclusions have you drawn?**

Donald Wilhite - Director, National Drought Mitigation Center and International Drought Information Center; Director of Western Drought Coordination Council and a climatologist at the University of Nebraska-Lincoln. *Dr. Wilhite will discuss the relationship between climate change and drought and will provide some regional texture by talking about possible impacts on certain areas of the U.S.*

Suggested follow-up question for the ***VICE PRESIDENT***: **Don, are there actions we can take that both help us prepare for climate change and also improve our capacity to respond to droughts today?**

The ***VICE PRESIDENT*** should ask a lead-in question of Dr. Robert Watson. **Dr. Watson, as the chair of the leading international scientific body on the science of climate change, how do you respond to the skeptics who say this is not a real problem?**

Dr. Robert Watson - Director for Environment, World Bank. Head of the Intergovernmental Panel on Climate Change (IPCC). *Dr. Watson will specifically address the main arguments of the climate change skeptics, including the satellite record and the issue of solar variability (i.e. sun spots).*

YOU should FINISH the discussion by asking a final question of John Holdren: **John, given the uncertainties that do exist, can we wait for better scientific information before taking action.** (Holdren will use the “supertanker” analogy he used at the science roundtable in July.)

Panel I: The Science of Global Warming and Climate Change

John P. Holdren. Professor, Department of Earth and Planetary Sciences; Teresa and John Heinz Professor and Director of the Program on Science, Technology, and Public Policy in the John F. Kennedy School of Government, Harvard University.

Dr. Holdren is a member of President Clinton's Committee of Advisors on Science and Technology (PCAST). He currently chairs a PCAST study of the entire U.S. energy R&D portfolio in relation to the economic, environmental, and security challenges of the next century. He is also Distinguished Visiting Scientist at the Woods Hole Research Center, Chair of the Committee on International Security and Arms Control of the National Academy of Sciences, and Chair of the Executive Committee of the Pugwash Conferences on Science and World Affairs. He was previously Professor of Energy and Resources in University of California, Berkeley's campus-wide interdisciplinary graduate program in energy and resources, which he co-founded in 1973. He is a member of the National Academy of Sciences, the AAAS, and the California Academy of Sciences, among others. In 1981 he received one of the first MacArthur Foundation Prize Fellowships. In December of 1995 he delivered the Nobel Peace Prize acceptance lecture on behalf of the Pugwash Conferences.

Thomas R. Karl. Senior Scientist, NOAA, National Climatic Data Center.

Mr. Karl is a Fellow of the American Meteorological Society and Chairman of the National Academy of Sciences Climate Research Committee. He has received numerous awards for his scholarly work on climate, including the Helmut Landsberg Award, the Climate Institute's Outstanding Scientific Achievements Award, the Department of Commerce's Bronze and Gold Medals and the NOAA Administrator's Award. He is currently an Editor for the Journal of Climate and an Associate Editor for Climatic Change. He has been a lead author of each of the Intergovernmental Panel Assessments of Climate Change since 1990. He is currently Co-Chair of NOAA's Decadal-to-Centennial Strategic Planning Team.

Diana M. Liverman. Director of the Latin American studies program, University of Arizona; Chair, National Academy of Sciences Committee on the Human Dimensions of Global Change; Co-Chair, Scientific Advisory Committee, Inter-American Institute for Global Change.

Trained as a geographer, Dr. Liverman has published widely on drought, climate impacts, resource management, and environmental policy, and her current research examines the social causes and consequences of global and regional environmental change, especially the impacts of climate change and variability on water resources and agriculture in the Americas. Dr. Liverman is also associated with the University of Arizona's Department of Geography, the Institute for the Study of Planet Earth, and the Udall Center for Studies in Public Policy. In addition, she is the Co-Editor of *Global and Planetary Change* and a member of the National Research Council Panel on Human Dimensions of Seasonal to Interannual Climate Prediction.

Donald A. Wilhite. Director, National Drought Mitigation Center & International Drought Information Center, University of Nebraska-Lincoln; Professor in the Atmospheric Sciences section of the School of Natural Resources, University of Nebraska-Lincoln.

Dr. Wilhite is also the administrative director of the newly formed Western Drought Coordination Council and a climatologist at the University of Nebraska-Lincoln who focuses on how governments and societies can reduce their vulnerability to drought. He pursues research on climate and development, the policy implications of climate variability and climate change, drought management and preparedness, and the effects of climate on society. He also conducts training seminars and workshops across the United States and around the world to help prepare for drought.

Robert T. Watson. Director for Environment and Head of the Environment Sector Board, World Bank; Chair, Intergovernmental Panel on Climate Change.

Before joining the World Bank, Dr. Watson was Associate Director for Environment in the White House Office of Science and Technology Policy. Dr. Watson also has served as Director of the Science Division and Chief Scientist for the Office of Mission to Planet Earth at the National Aeronautics and Space Administration. He played a key role in the negotiation of global environment conventions and the evolution of the Global Environment Facility (GEF). He also served as Chairman of the GEF's Scientific and Technical Advisory Panel, and he is the Chair of a number of international scientific assessments, including the UN Environment Programme/World Meteorological Organization International Scientific Assessment of Ozone, and UNEP's Global Biodiversity Assessment. He has received many national and international awards and prizes for his contributions to science, including the American Association for the Advancement of Sciences Award for Scientific Freedom and Responsibility in 1993.

Panel Two

The Role of Technology in Reducing Greenhouse Gas Emissions

Participants

The President

The Vice President

Secretary of Energy Federico Peña

Mary Good

Tom Casten

Michael Bonsignore

Mason Willrich

Kurt Yeager

Larry Papay

Description and Goals

Description of the Panel

This panel includes business people who will talk about the specific ways in which technology can help reduce greenhouse gas emissions -- for example, through the more efficient use of fossil fuels or through the use of alternative fuels.

An initial presentation from Secretary Peña will provide an overview of the sources of U.S. greenhouse gas emissions and of the kinds of technologies that are available. Speakers will then address the opportunities for technological advances in the sectors most responsible for greenhouse gas emissions, including transportation, manufacturing, and utilities.

Topics will include energy-efficiency, the development of renewable energy sources, the potential for environmental technology exports, and the role of government in stimulating the development of new technologies.

There is a real debate among those who are interested in climate change about the potential of technology to bring down the cost of emissions reductions. Many economists are skeptical, at least in the near term. Others, including many environmentalists and renewable energy advocates, claim that new technologies will make substantial emissions cuts possible at relatively low cost. The panel will not directly address this question but instead will explore the kinds of opportunities that different technologies present.

Goals of the Panel

This panel is designed to broadly explore the role that technology can play in an effective response to the challenge of global climate change.

We want the audience to recognize the substantial opportunities that exist in developing cleaner energy sources, in using energy more efficiently, and in promoting American technologies overseas.

Suggested Script

The **VICE PRESIDENT** will turn to **Secretary of Energy Peña** who will make a brief presentation framing the discussion.

Secretary of Energy Federico Peña - *The Secretary will provide a broad overview of where U.S. greenhouse gas emissions come from and talk about the promise of technology to reduce these emissions, given, in particular, adequate research and development budgets.*

YOU should ask a question of Tom Casten. **Tom, it always amazes me to hear how much energy we waste in this country every year. Can you talk about your work in trying to recapture some of this lost energy?**

Tom Casten - President and CEO, Trigen Energy Corporation. *Casten will describe his company's work in recapturing waste energy to heat houses and buildings and discuss the impact and potential market of this technology in the U.S.*

The **VICE PRESIDENT** should ask a question of Kurt Yeager. *Kurt, how can we reduce greenhouse gas emissions in facilities, such as power plants, that use fossil fuels?*

Kurt Yeager - President, Electric Power Research Institute (EPRI). *EPRI is a research institute funded by a number of electric utilities. Yeager will discuss such technologies as high-efficiency coal or natural gas power plants, carbon sequestration and direct hydrogen production.*

YOU should ask a question of Mary Good. **Mary, from the Secretary's presentation it seems quite apparent that we need to find ways of reducing energy consumption in our transportation system. What are some of the specific opportunities you see in this field?**

Mary Good - Former Under Secretary of Commerce for Technology, 1993-1997; now Managing Member, Venture Capital Investors, LLC. *Ms. Good will sketch the potential for technological advances to reduce emissions in the transportation sector, focusing on such initiatives as the Partnership for a New Generation Vehicle (PNGV).*

YOU should ask a question of Michael Bonsignore. **Michael, I know Honeywell is actively involved in making more efficient products and systems. Do you see significant export potential for environmental technologies that can reduce greenhouse gas emissions?**

Michael Bonsignore - Chairman and CEO of Honeywell. *Bonsignore will talk about the energy savings available through the use of high efficiency products and systems, as well as the great potential of the environmental technology export market for U.S. business.*

The **VICE PRESIDENT** should ask a question of Mason Willrich. **Mason, I know you are involved in the alternative energy field. What do you see as the potential for alternative energies to reduce our total emissions of greenhouse gases?**

Mason Willrich - CEO of EnergyWorks, a joint venture between PacifiCorp, a major electric utility, and Bechtel, an international engineering firm. EnergyWorks develops alternative energy projects domestically and internationally. *Willrich will talk about the potential of alternative energies such as wind, solar and biomass.*

YOU should ask a question of Larry Papay. **Larry, can you describe some of the longer-range technologies that may hold promise for reducing greenhouse gas emissions, and the role you think the government should play in both developing and diffusing technology?**

Larry Papay - Senior Vice President and General Manager of Bechtel Technology and Consulting, Bechtel Group, Inc. Bechtel is one of the world's leading engineering firms. Papay is a member of the PCAST Task Force on R&D headed by John Holdren, which has just finished a major report on federal support for R&D. *Papay will talk about the promise of technologies that are still on the drawing board, as well as the role of the federal government in supporting R&D.*

YOU should ask an additional question that could be handled by Kurt Yeager or Mary Good. **Let's bring the average American into this. What kinds of things can people do in their homes or businesses to reduce their use of energy through the use of products that are available right now?** *(She will talk about such things as buying more fuel efficient, appliances, insulation, more efficient lighting, etc).*

If time permits, the **VICE PRESIDENT** or **SECRETARY PEÑA** could ask follow-up questions to panelists:

To **Mason Willrich**: **The Intergovernmental Panel on Climate Change and Shell International estimate that renewable energy can supply up to 50% of world energy use by 2050. What would it take to achieve that vision (in terms of timing and investment)?**

To **Larry Papay**: **How does the technology agenda you laid out match what other countries are doing?**

To **Michael Bonsignore**: **Which energy sector offers the greatest opportunity for overall improvement in energy efficiency through the widespread use of automated controllers?**

Panel II: The Role of Technology in Reducing Greenhouse Gas Emissions

Federico F. Peña. United States Secretary of Energy.

Secretary Peña served as Secretary of Transportation from 1993 through 1997, and mayor of Denver from 1983 to 1991. At the Department of Energy, he is committed to ensuring progress in the agency's vital missions in national security, science and technology, energy resources, environmental quality, and further invigorating U.S. economic competitiveness in the world economy. His reputation as a builder of consensus among business, community and government leaders is well known; as mayor of Denver he led an urban and economic renaissance and managed to reverse Denver's mid-1980s decline. Secretary Peña also served as a Colorado legislator and a civil rights attorney.

Mary L. Good. Managing Member, Venture Capital Investors, L.L.C.; Under Secretary for Technology, Department of Commerce, 1993-1997.

In addition to her role as Under Secretary for Technology, Dr. Good chaired the National Science and Technology Council's (NSTC) Committee on Technological Innovation, and served on the NSTC Committee on National Security. Prior to joining the Administration, she was the Senior Vice-President of Technology at AlliedSignal Inc., and, prior to her career in industry, was a Professor of Chemistry at the University of New Orleans and a Boyd Professor of materials science at Louisiana State University. She was appointed to the National Science Board by President Carter in 1980 and again by President Reagan in 1986, and was the Board's chairman from 1988 until 1991 when she received an appointment from President Bush to become a member of the President's Council of Advisors on Science and Technology (PCAST). In 1997, Dr. Good received the highest award given by the American Chemical Society, the Priestly medal.

Thomas R. Casten. President and CEO, Trigen Energy Corporation.

Trigen uses its expertise in thermal engineering and proprietary co-generation processes to convert fuel to various forms of thermal energy and electricity at more efficient conversion rates than conventional conversion processes. From 1964-1968, Mr. Casten was an officer in the U.S. Marine Corps, Force Engineers, and spent one year in Vietnam. He has served on the Board of Directors and as President of the International District Energy Association. He has authored numerous reports and articles on co-generation and district heating, and has been called upon to give testimony before Public Service Commissions, State Assembly Committees, and U.S. Congressional Committees.

Michael Bonsignore. Chairman and Chief Executive Officer, Honeywell Inc.

Mr. Bonsignore joined Honeywell in 1969. In 1982 he relocated to Brussels, Belgium, as president of Honeywell Europe, S.A., where he was responsible for profit and loss and business

development of all of Honeywell's businesses in Europe, the Middle East and Africa. In 1987, he returned to the U.S. and became President of Honeywell's international operations later that year. In 1993, he was named Honeywell's Chairman of the Board and Chief Executive Officer. Mr. Bonsignore is a member of the U.S.-Russia Business Council, the Investment and Services Policy Advisory Committee (INSPAC) to the U.S. Trade Representative, the United States-China Business Council, and the Alliance to Save Energy Board.

Mason Willrich. Chairman of the Board, EnergyWorks, L.L.C.

EnergyWorks is a joint venture of PacifiCorp and Bechtel which provides distributed systems and services to industrial and commercial customers worldwide. Mr. Willrich is also a Principal of Nth Power Technologies, Inc., a venture capital limited partnership which invests in early stage companies offering new products and services to energy utilities, their customers, and suppliers. He was formerly Chief Executive Officer of PG&E Enterprises and, prior to that, director for international relations at the Rockefeller Foundation. In addition, Willrich was a Professor of Law at the University of Virginia, director of its Center for the Study of Science, Technology and Public Policy and Assistant General Counsel, U.S. Arms Control and Disarmament Agency. He is a member of the advisory board of the School of Earth Sciences, Stanford University, and the Advisory Council of International and Area Studies, University of California, Berkeley. In 1994-1995, he served as Vice Chair of the U.S. Department of Energy Task Force on Strategic Energy R&D.

Kurt E. Yeager. President and Chief Executive Officer, Electric Power Research Institute.

Mr. Yeager has served as the Director of the Energy R&D Planning for the U.S. Environmental Protection Agency's Office of Research. Prior to that he was the Associate Head of the Environmental Systems Department at the MITRE Corporation. Mr. Yeager is a Fellow of the American Society of Mechanical Engineers. He has served on the Executive Board of the National Coal Council as well as several National Academy of Engineering Committees and the Energy Research Advisory Board to the Secretary of Energy.

Lawrence T. Papay. Senior Vice President and General Manager of Bechtel Technology and Consulting, Bechtel Group, Inc.

Previously, Dr. Papay served as Senior Vice President of Southern California Edison (SCE). Prior to his work at SCE, he conducted research for NATO and Euratom on the utilization of plutonium in reactors and supervised operations of the Massachusetts Institute of Technology (MIT) research reactors. He is a member of the National Academy of Engineering, the National Research Council Board on Energy and Environmental Systems, the President's Committee of Advisors on Science and Technology (PCAST) Task Force on Energy R&D, the National Science Foundation Industrial Panel, and the American Nuclear Society.

Panel Three

The Kyoto Conference and U.S. National Interests

Participants

The Vice President

Secretary of State Madeleine Albright

James Wolfensohn

Richard Schmalensee

Daniel Yergin

Mae Jemison

C. Linn Draper

Fred Krupp

Jessica Tuchman Mathews

Description and Goals

Description of the Panel

This panel includes leading experts on the subject of the Kyoto negotiations and the international aspects of climate change.

An initial presentation from Secretary Albright will stress the importance of building a broad international consensus for realistic and effective action to address climate change. Speakers will then briefly address several topics, including how to ensure that all countries take on equitable commitments that protect the environment without disadvantaging the economy of any particular nation or group of nations.

Specific issues will include: the role of developing countries in addressing climate change; the challenge this poses for those countries; how "flexibility measures" like joint implementation and trading work; and how these provisions can help protect the environment, allow these countries to grow, and provide significant export opportunities for American businesses. The discussion will end with a review of why it is in our national interests to take action on climate change.

Defining the appropriate nature of developing country commitments is one of the critical issues in the climate change policy debate. Since the majority of current and historic emissions come from the industrialized world, industrialized nations agreed to the 1995 Berlin Mandate, which declared that developing countries would not be asked to take on new commitments, including quantified targets. This has been the subject of intense criticism within the U.S. In the long-term, a treaty that does not include all countries will provide no environmental benefit because emissions from developing countries over the next century will be larger than those of the industrialized world. A more aggressive move to encourage developing country commitments, however, could endanger an agreement at Kyoto.

Goals of the Panel

This panel should provide support for our view that, on the one hand, developing countries deserve to be treated differently from industrialized countries, but that they nonetheless need to take on binding commitments of their own; otherwise efforts to deal with climate change will be futile. Panelists should also articulate the importance of international flexibility measures, and, finally, demonstrate why efforts to address climate change are in the U.S. national interest.

Suggested Script

The **VICE PRESIDENT** will introduce Secretary Albright, who will make the framing presentation.

Madeleine Albright - *Secretary of State Albright will describe why Kyoto needs to provide a framework for the international community to address climate change. She will outline the core elements of U.S. policy: binding targets, emissions trading, joint implementation, and developing country commitments. She will frame the panel's work as discussing the role of developing countries, what can be done to help them grow sustainably, and why paying attention to these issues is in the US national interest.*

The **VICE PRESIDENT** should ask a question of James Wolfensohn. **We've heard a lot in the last several months about developing countries not taking commitments at Kyoto. Why is that? What role should they play in an international framework to address the issue?**

James Wolfensohn - President of the World Bank. *Mr. Wolfensohn will describe why developing countries are likely to be more vulnerable than developed countries to the effects of climate change; argue that developing economies must not be unduly restricted, and discuss how we can help address poorer nations' through the transfer of environmental technologies to the developing world.*

The **VICE PRESIDENT** should ask a question of Richard Schmalensee. **What do you think about developing country participation?**

Richard Schmalensee - Professor of Economics, MIT; member of Council of Economic Advisers, 1989-91. *Schmalensee will explain why developing countries must be part of any international agreement, and what might result if we sign a treaty that doesn't include them. He'll also speak about why the Kyoto treaty, even if successful, can only be the first step in trying to address climate change.*

SECRETARY ALBRIGHT should ask a question of Daniel Yergin. **Dr. Yergin, we've heard that developing countries have to take on commitments, but also must be allowed to grow. What are their energy needs? Of the energy options open to them, which are most likely to help them reduce greenhouse gases?**

Daniel Yergin - President, Cambridge Energy Research Associates; author of "The Prize: The Epic Quest for Oil, Money and Power," winner of the Pulitzer Prize. *Yergin will describe the enormous growth and energy demands in the developing world, and the energy choices these countries face: coal, natural gas and oil, renewables, nuclear. He will point to natural gas as the least carbon intensive option currently available at a large enough scale to make a difference for developing nations.*

SECRETARY ALBRIGHT should ask Mae Jemison a question. **Dr. Jemison, you've done a lot of work on getting sustainable energy projects to people at the grass roots level in the developing world. Can these economies grow sustainably? How can sustainable energy programs help the world's poorest inhabitants?**

Dr. Mae Jemison - President, Jemison Group, Inc. and Jemison Institute for Advancing Technology in Developing Countries at Dartmouth College; former NASA astronaut. *Dr. Jemison will describe efforts to bring energy to remote villages in the developing world, discuss the lack of institutional capacity to address these issues, and note how local needs and practices must be considered when planning different energy systems.*

The **VICE PRESIDENT** should ask C. Linn Draper and Fred Krupp to discuss "flexibility measures" such as international trading and joint implementation. **We often talk about an agreement that includes flexible, market-based mechanisms, such as joint implementation and trading. How do they work?**

C. Linn Draper - President of American Electric Power, one of the largest U.S. power utilities. *Dr. Draper will describe how "emissions trading" and "joint implementation" systems work, and the enormous export potential for American businesses and technology in helping developing nations grow their economies in a way that limits emissions.*

The **VICE PRESIDENT** follows up with Mr. Krupp. **Fred, do these kinds of efforts really hold promise for protecting the environment? How do these provisions help developing nations and also advance our own efforts at reducing emissions?**

Fred Krupp - President of the Environmental Defense Fund. *Mr. Krupp will affirm that international trading and joint implementation systems can be established in an effective way, that they do provide significant gains to the environment, and that they can help to bring developing countries into cooperation in addressing climate change.*

SECRETARY ALBRIGHT should ask Jessica Matthews a question. **Jessica, I know that you have studied many aspects of this issue, from the science to the foreign policy considerations. What are the broader national security interests that the U.S. has in seeking this agreement?**

Jessica Tuchman Mathews - President, Carnegie Endowment for International Peace. *Dr. Mathews will describe how our national security interests could be adversely affected if we failed to act, noting the particular pain and dislocation that developing countries could experience and how this could adversely affect us in a highly interconnected world (i.e. the boat doesn't sink at one end).*

If time permits, **SECRETARY ALBRIGHT** could direct a follow-up question to **Richard Schmalensee** and then ask others to comment: **You have written about the importance of not letting a short-term focus on emissions reductions obscure the need to develop a broader policy architecture for reducing emissions. Can you explain what you mean?**

Panel III: The Kyoto Conference and U.S. National Interests

Madeleine Albright. United States Secretary of State.

Secretary Albright previously served as the U.S. Permanent Representative to the United Nations and as a member of President Clinton's National Security Council. She was formerly the President of the Center for National Policy, a non-profit research organization which promotes the study and discussion of domestic and international issues. She has also taught courses in international affairs, U.S. foreign policy, Russian foreign policy, and Central and Eastern European politics at Georgetown University's School of Foreign Service.

James D. Wolfensohn. President, World Bank.

Mr. Wolfensohn has been president of the World Bank since June 1995. He established his career as an international investment banker with a parallel involvement in development issues and the global environment. His last position prior to joining the World Bank was as President and Chief Executive Officer of James D. Wolfensohn Inc. Before setting up his own company, he was Executive Partner of Salomon Brothers in New York and head of its investment banking department. Previously, he was Executive Deputy Chairman and Managing Director of Schroders Ltd. in London, President of J. Henry Schroders Banking Corporation in New York, and Managing Director of Darling & Co. of Australia.

Richard Schmalensee. Gordon Y. Billard Professor of Economics and Management, Massachusetts Institute of Technology; Member, President's Council of Economic Advisers, 1989-1991.

Dr. Schmalensee is also Deputy Dean of MIT's Sloan School of Management and Director of MIT's Center for Energy and Environmental Policy Research. He is a Research Associate of the National Bureau of Economic Research and a Fellow of the Econometric Society and of the American Academy of Arts and Sciences. He has served as a member of the U.S. EPA's Environmental Economics Advisory Board and as chairman of its Advisory Council on Clean Air Act Compliance Analysis. Prior to joining the MIT faculty in 1977, Dr. Schmalensee taught at the University of California, San Diego.

Daniel Yergin. President, Cambridge Energy Research Associates (CERA); Vice Chairman, The Global Decision Group.

Dr. Yergin received the 1992 Pulitzer Prize for General Nonfiction for his work *The Prize: The Epic Quest for Oil, Money & Power*, which has been translated into twelve languages and was made into an eight-hour international television series. He is coauthoring a new book with Dr. Joseph Stanislaw entitled, *The Commanding Heights: The Battle Between Government and the Marketplace That Is Reshaping the Modern World*. He received the 1997

U.S. Energy Association's prestigious United States Energy Award and served as Chairman of the U.S. Department of Energy's Task Force on Strategic Research and Development. Dr. Yergin is also a member of the Secretary of Energy's Advisory Board, Co-Chair Committee of the U.S. National Petroleum Council, and Vice Chairman of the Global Decision Group.

E. Linn Draper, Jr. Chairman, President and Chief Executive Officer, American Electric Power Company & American Electric Power Service Corporation.

Dr. Draper is President of Ohio Valley Electric Corporation and its subsidiary, Indiana-Kentucky Electric Corporation, which provides energy for the U.S. Department of Energy's uranium-enrichment facility in Piketon, Ohio. He was formerly Chairman, President, and Chief Executive Officer of the Gulf States Utilities Company. He is a member of the National Academy of Engineering and Director of the Nuclear Energy Institute and the Institute of Nuclear Power Operation. Dr. Draper has also served as an Associate Professor and Director of the Nuclear Engineering Program at the University of Texas.

Fred Krupp. Executive Director, Environmental Defense Fund (EDF).

In 1978, while a private practice attorney in New Haven, Mr. Krupp helped found the Connecticut Fund for the Environment, a leading state environmental group. He joined EDF in 1984 and was a key figure behind Congressional passage of the Clean Air Act. A member of the President's Council on Sustainable Development and the President's Advisory Committee on Trade Policy and Negotiations, he also serves on the boards of the H. John Heinz III Center for Science, Economics and the Environment and the National Environmental Education and Training Foundation. He has also been a member of the National Commission on Superfund, and the President's Commission on Environmental Quality.

Mae C. Jemison. President, The Jemison Group, Inc.

Dr. Jemison served as a National Aeronautics and Space Administration (NASA) astronaut for six years and is the first woman of color to have gone into space. She is a Professor in Environmental Studies and the Director of the Jemison Institute for Advancing Technology in Developing Countries at Dartmouth College. She is also on the National Research Council Space Station Review. The Jemison Institute has extensive experience working in Africa, internationally, and in the technology fields.

Jessica Tuchman Mathews. President, Carnegie Endowment for International Peace.

Dr. Mathews was previously Senior Fellow at the Council on Foreign Relations, researching the role of non-state actors in international relations and later served as Acting Director of the Council's Washington program. From 1980-1982 she was a member of the editorial board of *The Washington Post*, where she covered energy, environment, science, technology, arms control, health, and related issues before becoming Vice President and Director

of Research of the World Resources Institute. She served as Director of the Office of Global Issues at the White House NSC as well as Deputy to the Undersecretary of State for Global Affairs. She has also served as a Congressional Science Fellow of the American Association for the Advancement of Science and is a member of the Environmental Advisory Committee of Air Products Corporation, the Council on Foreign Relations, and the Trilateral Commission.

Panel Four

Climate Change Policy and the U.S. Economy

Participants

The Vice President

Deputy Secretary of the Treasury Lawrence Summers

Robert Repetto

William Nordhaus

Robert Stavins

John Sweeney

Richard Sandor

Description and Goals

Description of the Panel

This panel brings together leading economists who have studied the climate change issue and who have a range of views about the economic impacts of various policy options to reduce emissions. Also represented is organized labor which is very concerned about the impacts of climate change policies on American jobs and competitiveness. Lastly, we have an expert who can speak to the feasibility of a carbon emissions trading program.

Due to the scale, complexity, and long time horizons of the climate change issue, assessing the economic costs of various policy options is extremely difficult. Estimates of what it would cost to reach a given target and timetable, such as 1990 levels in 2010 or 2020, vary widely. A labor-funded study by the Economic Policy Institute predicts that 1990 levels in 2010 could produce job losses of between 1.5 and 2.9 million and steep energy price increases. On the other hand, a recent study by the Department of Energy suggests that technology, coupled with a domestic emissions trading scheme, can reduce the cost substantially (Your economic advisors take issue with assumptions made in both studies). While there are no definitive answers here, the panelists represent several different philosophies, from a “go slow” approach that would argue for moderate targets over the long-term (Nordhaus) to a more aggressive approach that would support earlier and more stringent targets (Repetto).

You should also know that Robert Stavins was quoted in the *New York Times* on October 3, speaking favorably about a paper produced by Resources for the Future entitled “Something for Everyone: A Climate Policy that both Environmentalists and Industry Can Live With.” The article endorses a “hybrid system” in which emissions would be capped through a tradeable permit system, but which would include a safety valve to put a ceiling on the cost of carbon. If the market price were about to go above a designated ceiling, the government would step in and sell permits at the designated price. Stavins said about this article: “This would be a way to initiate a broad but realistic commitment.” A copy of this article can be found in Tab I of this book. The Vice President should explore this idea with Stavins.

Goals of the Panel

The purpose of this panel is to have a somewhat free-flowing and interactive dialogue about the potential economic implications of various policy options for reducing greenhouse gas emissions.

We want people to understand that the Administration is very concerned about the economic implications of potential emissions reduction strategies and that we are striving to find a flexible approach that provides needed environmental benefits without sacrificing economic growth.

Suggested Script

The **VICE PRESIDENT** announces the beginning of the final panel of the day on climate change policies and the U.S. economy. **He turns to Larry Summers for an opening presentation.**

Larry Summers - Deputy Secretary Summers takes several minutes to frame the panel discussion by first making it clear that binding emissions targets will be a core element of the U.S. policy position. Within that construct, he raises the question of how we reduce emissions without hurting the economy. He may refer to several potential policy tools that economists have discussed, including tradeable emissions permits, carbon taxes, or higher efficiency standards on appliances, vehicles, etc. He closes by introducing the panelists.

The **VICE PRESIDENT** should ask a question of Bob Repetto. **Bob, what is the optimal approach that would allow us to act aggressively to reduce emissions without damaging the economy? How would a policy along these lines be structured?**

Robert Repetto - Vice President and Senior Economist, World Resources Institute; co-author "The Costs of Climate Protection: A Guide for the Perplexed." Repetto will take the position that we can move aggressively to cut emissions without damaging the economy if we adopt several key policies. These policies include a comprehensive system of international emissions trading and joint implementation. He may also argue that if we don't act soon, the result will be the installation of another generation of non-climate-friendly technologies.

LARRY SUMMERS should ask a question of William Nordhaus. **Bill, what do you think is the best way to go about reducing emissions?**

William Nordhaus - Professor of Economics, Yale University; author of "Efficient Use of Energy Resources," and "Managing the Global Commons." Nordhaus will suggest that moving too fast could have major negative impacts on the economy. He will argue for more of a "go slow" approach and for the use of efficient policies such as auctioning and trading of emissions permits. He is likely also to say that the world does not have an effective legal mechanism for establishing a credible international trading regime.

The **VICE PRESIDENT** should ask Robert Stavins for his opinion. **Bob, what are your thoughts on this?**

Robert Stavins - Professor of Public Policy and Chair of Environment and Natural Resources Program, the John F. Kennedy School of Government, Harvard University. Stavins will state his view that flexible approaches to emissions reductions, if well designed, can greatly reduce the costs, by as much as 90%.

Follow-up question for the **VICE PRESIDENT**: Bob, you were quoted last week in the *New York Times* as supporting a kind of “safety valve” mechanism whereby we would cap the cost of a given policy. Can you explain this idea?

The **VICE PRESIDENT** should ask a question of John Sweeney: John, I know that organized labor has serious concerns about how a policy to deal with climate change could affect American workers, but I know you also recognize that this is a real issue that needs to be dealt with. What kind of policy would you recommend to address the environmental problem we face while protecting our economy and our workers.

John Sweeney - President of the AFL-CIO. *Sweeney will present labor's view that any climate change policy (and corresponding treaty that we may adopt) must not harm American workers or competitiveness and that it must achieve real environmental benefits (i.e. that developing countries must take on binding obligations). He may refer to the EPI study which claims that a target and timetable of 1990 levels by 2010 could cost nearly 3 million jobs.*

LARRY SUMMERS should ask a question of Richard Sandor: Richard, we're hearing a lot about the concept of emissions trading. Many people aren't quite sure what it means or how it would work. Maybe you could give us a feel for your experience with the acid rain trading program and discuss what lessons it may teach us regarding carbon dioxide?

Richard Sandor - Vice-Chair of Chicago Board of Trade; Chairman and CEO, Centre Financial Products Ltd. *Sandor will discuss his experience with the sulfur dioxide trading system established to control acid rain, explaining what it is, that the costs of reductions have been substantially lower than expected, and why businesses prefer it to a tax.*

Time permitting, **LARRY SUMMERS** should ask any of the economists if they wish to follow up on a particular part of the discussion.

Panel IV: Climate Change Policy and the U.S. Economy

Lawrence H. Summers. Deputy Secretary of the Treasury.

In addition to his role at Treasury, Deputy Secretary Summers serves as the American Deputy in the G-7 international economic cooperation process. From 1993 to 1995, he served as Under Secretary of the Treasury for International Affairs. He was elected Chairman of the Organization for Economic Cooperation and Development's Working Party Tree in 1994. Prior to joining the Clinton Administration, he served as Vice President of Development Economics and Chief Economist of the World Bank. He was Nathaniel Ropes Professor of Political Economy at Harvard University from 1987 until 1993 and was the youngest tenured Professor in the University's history. He is the recipient of the John Bates Clark Medal, the National Science Foundation's Alan Waterman Award, and is a fellow of both the Econometric Society and the American Academy of Arts and Sciences. Mr. Summers served as Domestic Policy Economist on the President's Council of Economic Advisers during 1982 and 1983 and on the MIT faculty from 1979-1982.

Robert C. Repetto. Vice President, World Resources Institute (WRI); Director, Program in Economics & Population, WRI.

Dr. Repetto is a member of the U.S. EPA's Science Advisory Board and the National Research Council's Board on Sustainable Development. His publications include many research papers on the economics of sustainable development. Prior to joining WRI, he was an associate professor in the School of Public Health at Harvard University. Previously, he was a member of the World Bank's Resident mission in Indonesia, economic advisor to the planning and development board for the government of East Pakistan, staff economist for the Ford Foundation in New Delhi, India, and an economist for the Federal Reserve Bank of New York. In 1994 he received the Society for Conservation Biology's Distinguished Achievement Award. He is a member of the Editorial Boards of *Environmental & Resource Economics* and *Environmental Taxation and Accounting*, as well as the Advisory Board of the *Journal of Environment & Development*.

William D. Nordhaus. Whitney Griswold Professor of Economics, Yale University; Member, President's Council of Economic Advisers, 1977-1979.

Dr. Nordhaus has served as Provost of Yale University and on the executive committees of the American Economic Association and the Eastern Economic Association. He is currently a Senior Advisor of the Brookings Panel on Economic Activity, a Fellow of the American Academy of Arts and Sciences, and current or past editor of a number of scientific journals. His research has focused on economic growth and natural resources, as well as the question of the extent to which resources constrain economic growth, and he has been working on the economics of global warming for the past 20 years.

Robert N. Stavins. Professor of Public Policy, Faculty Chair, Environment and Natural Resources Program, John F. Kennedy School of Government, Harvard University.

Dr. Stavins is a University Fellow of Resources for the Future and a member of the Environmental Economics Advisory Committee of the U.S. EPA's Science Advisory Board, the EPA's Clean Air Act Advisory Committee, the Intergovernmental Panel on Climate Change (IPCC), the Board of Directors of the Association of Environmental and Resource Economists, and the Editorial Council of *The Journal of Environmental Economics and Management*. He is also a contributing editor of *Environment*, and the Academic Advisor for Environmental Programs of the Foundation for American Communications. Prior to taking his current position at Harvard, Dr. Stavins was a staff economist at the Environmental Defense Fund.

Richard L. Sandor. Chairman and Chief Executive Officer, Centre Financial Products Limited (CFPL).

CFPL specializes in providing risk management services, trading services, and in developing new financial, commodity, and environmental markets. In addition to his positions at CFPL, Dr. Sandor is also currently Second Vice Chairman of the Chicago Board of Trade and is widely recognized as a founder of the interest rate derivatives markets now traded worldwide. He has also designed revolutionary market mechanisms for the catastrophe insurance industry and for market-based environmental protection programs. He currently serves as Chairman of the Board of Hedge Financial, is a member of the Board of Directors for the Center for Sustainable Development in the Americas, and is an expert advisor to the UN Conference on Trade and Development on tradable entitlement for the reduction of greenhouse gas emissions. He was a Non-Resident Director of the Chicago Board of Trade and Chairman of its Clean Air Committee which developed the first spot and futures markets for sulfur dioxide emission allowances and supervised the annual allowance auctions conducted on behalf of the U.S. EPA.

John J. Sweeney. President, AFL-CIO.

Mr. Sweeney was elected President of the AFL-CIO in 1995. Prior to rising to that position, Sweeney was Vice President of the AFL-CIO and Chair of the Executive Council committees on Health Care and Organizing and Field Services. In 1996, he authored *America Needs A Raise, Fighting for Economic Security and Social Justice*. He also co-edited the UNA-USA Economic Policy Council's *Family and Work: Bridging the Gap*.

**THE LIST OF PARTICIPANTS
IN THE WHITE HOUSE CONFERENCE ON CLIMATE CHANGE
WILL BE FORWARDED**

CLIMATE CHANGE: BASIC BACKGROUND ON THE SCIENCE

The greenhouse effect: Scientists have long understood that the presence of certain gases in nature (principally water vapor, carbon dioxide, methane, and nitrous oxide) act like a greenhouse by trapping heat and keeping the Earth's temperature an estimated 60 degrees Fahrenheit warmer than it would otherwise be, thus sustaining life as we know it.

Human activities have enhanced this greenhouse effect by increasing the concentrations of these gases markedly since the Industrial Revolution. The concentration of carbon dioxide (CO₂), the most important greenhouse gas, has increased 30% from 280 parts per million (ppm) to 360 ppm. Current projections indicate that a business as usual path will result in CO₂ concentrations of 700 ppm by the end of the next century. This would be the highest CO₂ level in more than 50 million years.

Where is there scientific consensus: There is no serious scientific debate about the proposition that (1) greenhouse gases are rapidly building up in the atmosphere as a result of human activities, (2) that these increased concentrations will change our climate, and (3) that these changes could have serious and disruptive consequences.

Where are there scientific uncertainties: No one knows for sure exactly how much or how fast the planet will warm. Scientists estimate a range of temperature increase of 2.0 - 6.5 degrees F by 2100, with a best guess of 3.5 degrees. By way of comparison, a cooling in average temperatures of just 9 degrees produced the last Ice Age.

No one is exactly sure how the climate will react to predicted warming and where the most noticeable impacts will be felt. The majority of scientific opinion suggests that as CO₂ concentrations approach a level of 550 ppm (or double pre-industrial levels), a number of largely negative impacts are likely. These include, but are not limited to, human health problems (increased fatalities from heat stress and the expansion in the geographic ranges of certain infectious diseases), more extreme weather such as floods and droughts, sea level rise, and the loss of a number of animal and plant species.

While the planet has clearly warmed in the past century, no one can say for certain exactly how much of this warming, or of observed climate changes, is due to human influences. The weight of scientific opinion is that human activities *have* already started to warm the planet. The intergovernmental panel of over 2000 climate experts that speaks most authoritatively on the science of this issue, states that the "balance of evidence suggests a discernible human influence on global climate."

Evidence of Climate Change Over the Past Century

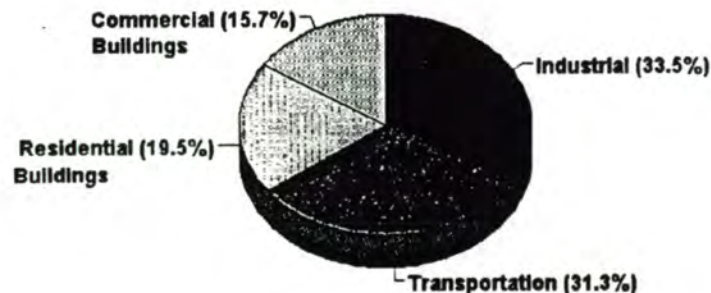
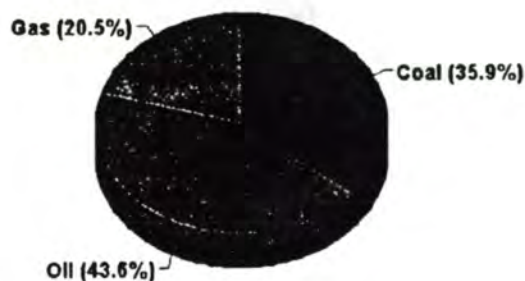
- Average global temperature has increased by about 1 degree F.
- Sea level has risen by 4-10 inches.
- U.S. rainfall has increased 6%, an amount of water equal to half the yearly flow of the Mississippi River.
- Mountain glaciers are melting worldwide. For example, Glacier National Park has lost 70% of its glacial area in the last 100 years.
- The ten warmest years of the century have occurred since 1980, and 1995 was the hottest year ever on record.

What is the ultimate solution to climate change: The ultimate goal of any overall climate change strategy must be to stabilize atmospheric concentrations of greenhouse gases. Stabilizing *concentrations* is different from stabilizing *emissions*. Were we to freeze global emissions at today's level, the concentration of greenhouse gases in the atmosphere would continue to rise. This is largely because such gases remain in the atmosphere for long periods of time. Stabilizing concentrations at any reasonable level is a long-term process that will require reducing emissions over time. Kyoto, therefore, should be looked at not as an effort to find a complete solution to climate change, but rather as an important next step toward getting the world on a more sustainable emissions path.

No policy determination has yet been made about what concentration level is acceptable. The pre-industrial level of CO₂ in the atmosphere was about 280 parts per million (ppm). Today, it stands at 360 ppm. Most of the work done by the Intergovernmental Panel on Climate Change (IPCC) on the potential impacts of global warming assumes a level of 550 ppm or roughly twice the pre-industrial level. The IPCC estimates that if current emissions trends continue, we will reach 550 ppm sometime in the next century, with concentrations further increasing to almost 700 ppm by 2100.

Sources of Greenhouse Gases

- ♦ CO₂ released by consumption of coal, oil, and gas is responsible for 85% of U.S. greenhouse gases
- ♦ U.S. greenhouse gas emissions are now 10% above 1990 levels and are projected to be 28% above 1990 levels by 2010 because of growing demand for energy.
- ♦ Transportation, Industry, and buildings are each responsible for about a third of US greenhouse gases. Residential buildings are responsible for slightly more than half of the total contribution buildings.
- ♦ Coal produces 72% more greenhouse gases than natural gas per unit of energy delivered; oil 22% more.
- ♦ Recent forecasts show coal falling 11% by 2010 and gas prices 5%. Gasoline prices are nearly constant.
- ♦ Oil remains the single largest source of CO₂ and 73% of oil is used in transportation. Coal burning produces 36% of CO₂ and 85% of coal is used to generate electricity.
- ♦ In these accounts, the CO₂ produced to generate electricity is charged to the sector using the electricity. Taken together, emissions of electric production sold to all sectors is 36% of U.S. CO₂ .

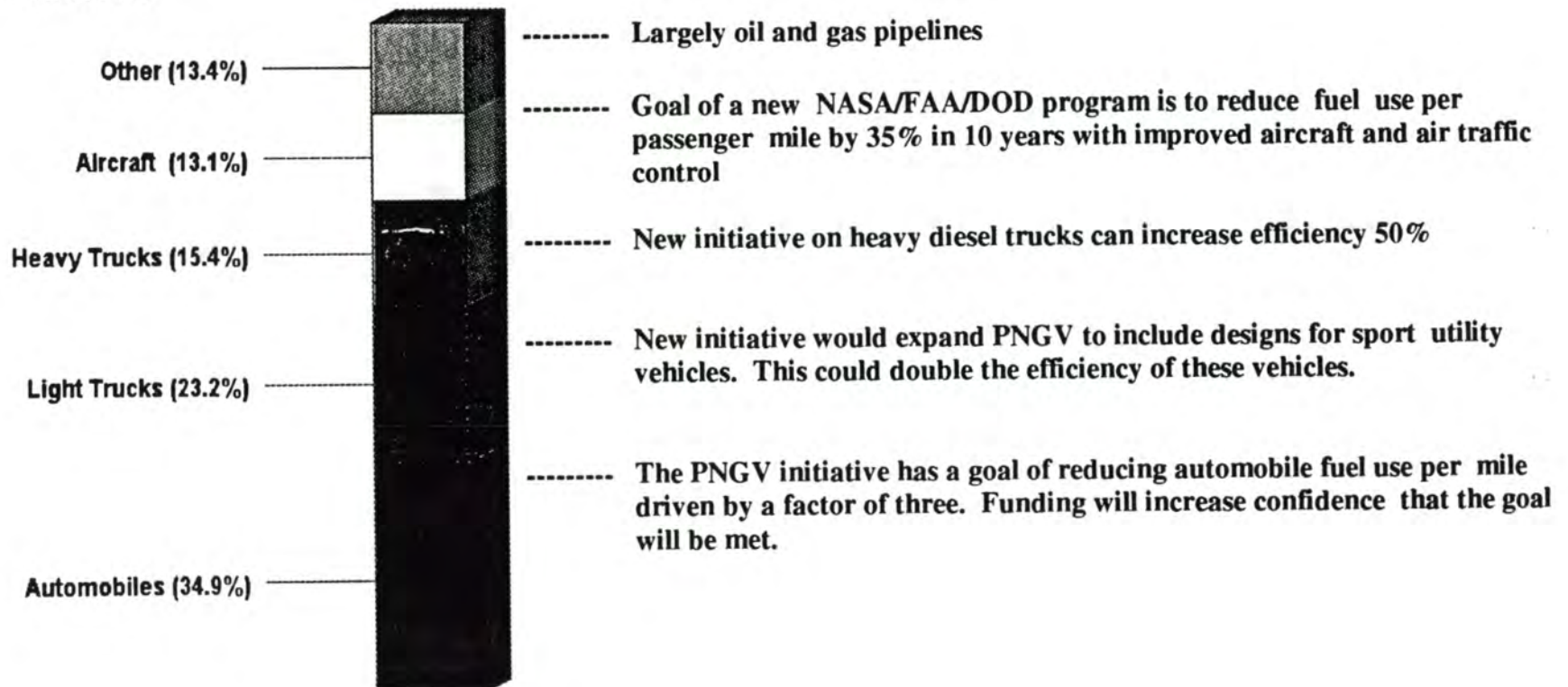


Transportation

- ♦ Transportation contributes 31% of U.S. CO₂ and output is growing 1.8% per year (10 million tons per year) – twice as fast as industry and buildings -- because vehicle miles traveled have been increasing by nearly 3%/year and because nearly half (44.5%) of all passenger vehicles sold are now sport-utility vehicles and other “light trucks” which get, on average, 25% fewer miles per gallon than automobiles.
- ♦ More than 98% of all transportation energy comes from petroleum

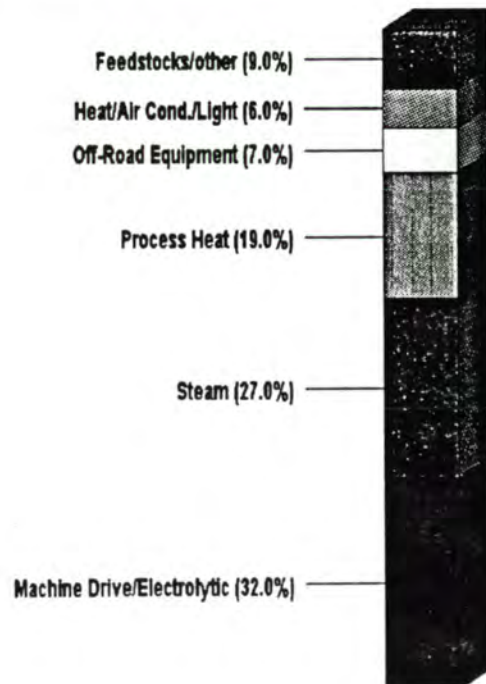
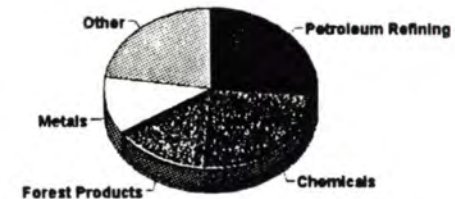
Percent of all U.S. CO₂
Production

Options



Industry

- ◆ Manufacturing industries produce a third of all CO₂ – an amount which is expected to 4 million metric tons per year.
- ◆ 80 % of all industrial CO₂ comes from petroleum refining, Chemicals, Paper, lumber and other forest products, and metals (dominated by steelmaking).
- ◆ While overall growth of industries is expected to average 2.1 % during the next 15 years, output from the energy intensive industries responsible for most of CO₂ production is expected to be 1.3 %. Growth is much faster in information-intensive industries



----- In the future, some biomass products could be substituted for oil/gas

----- Savings much like those available for commercial buildings

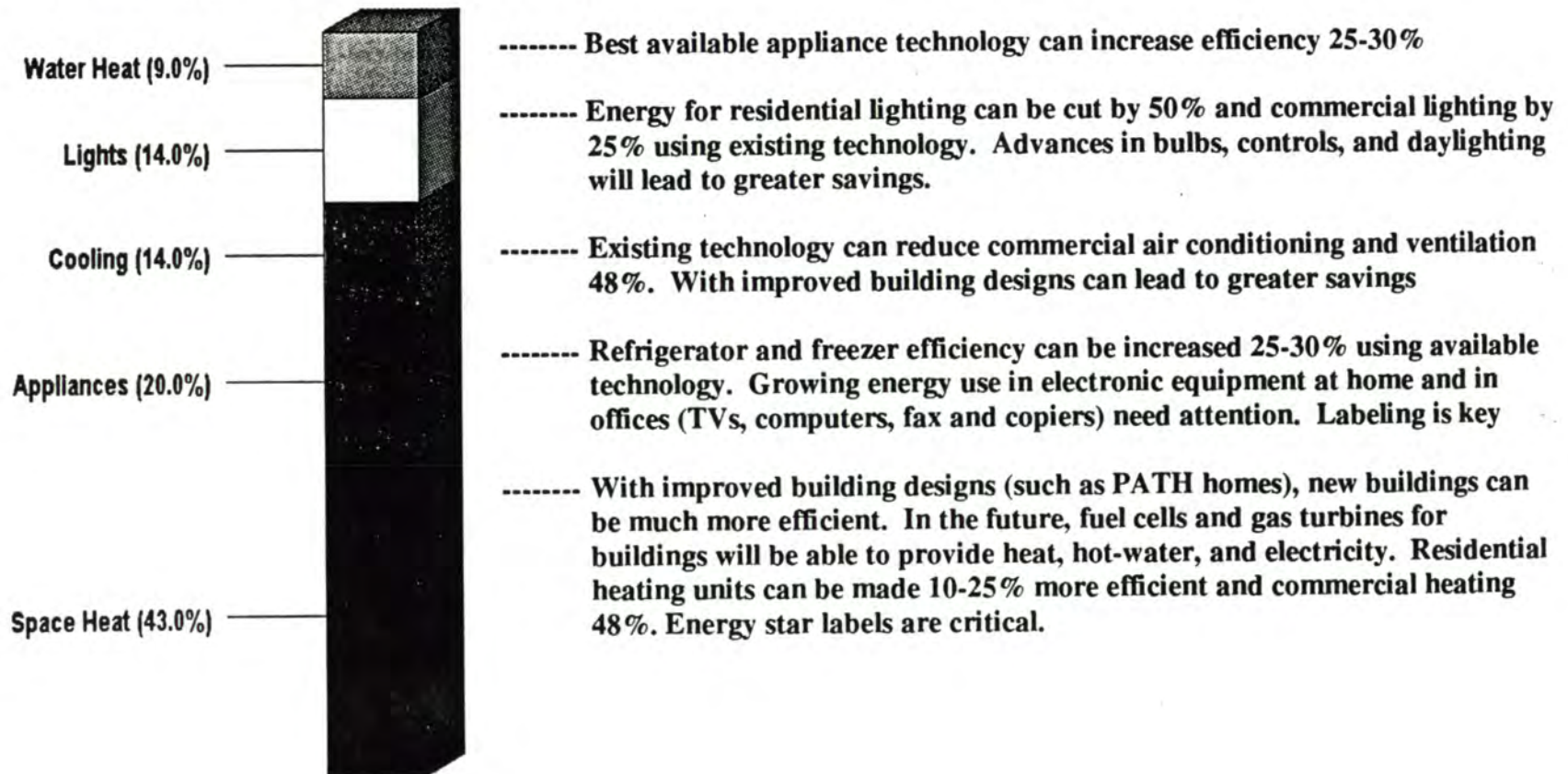
----- New diesel technology can be applied to many of these uses

----- Steam and process heat dominate the energy use chemical manufacturing, paper production, and many other energy-intensive operations. Available industrial natural gas turbines produce electricity and process heat and produce 1/3 to 1/2 as much CO₂ as conventional systems. Regulatory changes are needed to encourage high-efficiency, new units. New chemical processing techniques and use of biomass instead of fossil fuel can lead to further gains.

----- Motors, compressed air, and other machines providing mechanical power can be improved significantly using improved control strategies, more efficient designs and components.

Buildings

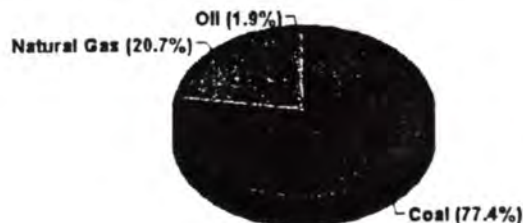
- ◆ Residential buildings produce 19% of U.S. CO₂ and emissions are expected to grow 1% annually (2.6 MMT/year). Energy demand is greatest for heating, electrical appliances (refrigerators, clothes dryers), and air conditioning.
- ◆ Commercial buildings produce 15% of U.S. CO₂ and emissions are expected to grow 1% annually (2.1 million metric tons per year). Energy demand is greatest for lighting, electric equipment (computers, fax machines, copiers), and air conditioning.



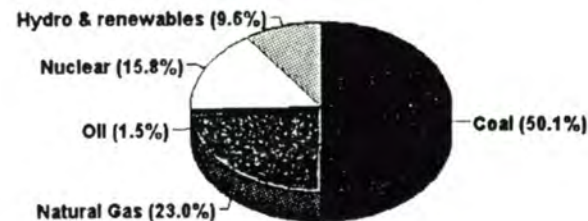
Electric Generation

- ♦ Electric utilities produce 23% of U.S. CO₂ and input is increasing rapidly (1.4 %/year or 4.2 million metric tons per year). The increase results largely from rapid growth in demand for electricity in buildings. Electricity used for residential, commercial, and industrial buildings represents over 2/3 of U.S. demand for electricity.
- ♦ On average, the electric energy produced by an electric generator is about third of the energy in the fuel consumed. The remaining energy is released as waste into the air or local bodies of water.
- ♦ Sweeping regulatory changes are transforming this industry from a heavy regulated monopoly to one where generation of electricity is likely to be highly competitive. The result is likely to be much increased use of natural gas in high-efficiency turbines. The administration's approach to deregulation will be one of its most important climate change actions.
- ♦ An increasing fraction of generation is expected to be done close to the industrial or commercial sites where the power is needed. This will make it much easier to use the heat from electric generation which would otherwise be wasted.
- ♦ In the near-term, regulatory reform and incentives to reduce carbon output could increase use of existing natural gas electric generators and encourage replacement of coal with natural gas. CO₂ from electric generation could be reduced as much as 23% using these methods, given a CO₂ tax of \$50/ton. Mixing wood waste and other biomass materials with coal and using wind equipment could lead to an additional 2% reduction.
- ♦ Over the long term, photovoltaics, wind, biomass, and advanced nuclear could make major contributions.

Carbon Dioxide Production
From Electric Generation



Energy Inputs to
Electric Generation



Background Information on Energy Supply and Demand Technology

Basics

- Energy use is divided into three roughly equal parts: transportation, industry and buildings (including homes, office buildings, schools and other buildings).
- More than 2/3 of all electricity goes to buildings for lighting, appliances, air conditioning, and other uses.
- Oil is still about 40% of US energy use. Coal and gas are each about 25% and the rest is nuclear, and other sources.

Transportation

Automobiles and light trucks dominate transportation energy use (57%) and use of petroleum. Energy use is growing both because Americans are driving more (growth in "vehicle miles traveled" has averaged nearly 3%/year for decades) and because there is much greater use of "light trucks" such as sport utility vehicles and mini-vans as substitutes for cars. The CAFE standard for cars is 27.5 mpg but light trucks are held to a 20.6 mpg standard. Gasoline prices are the lowest in a generation.

The energy used in cars is divided roughly equally into: energy used to push air aside; energy used to accelerate the car (and eventually lost by heating brake pads); and other losses including tire rolling resistance of tires, and operating air conditioners. The drive trains of cars are only able to get about 15% of the energy in gasoline to the wheels; the rest is lost in the engine and transmission.

Technology to make the PNGV car more efficient include:

- reducing the weight of the car 40% by substituting aluminum or composite materials (high-tech plastics) for steel. This reduces the energy needed for acceleration.
- reducing the air-resistance with good aerodynamic designs. Air resistance can be cut in half with clever design.
- recapturing the energy lost in braking by using "hybrid" designs. Hybrid cars use both a fuel-powered engine and an electric motor to provide power. Typically an onboard engine to charge a battery and the battery provides extra power when needed. When you brake, the electric motor doubles as an electric generator and recharges the battery.
- using a much more efficient engine -- such as an advanced diesel or a fuel cell -- to charge the battery in a hybrid. Diesels have the problem of producing particulates when used with conventional diesel fuels but can meet stringent emissions

standards with other fuels (methanol or the synthetic diesel fuels the petroleum companies are considering). Fuel cells can achieve much higher efficiencies but are unlikely to be economic for 5-10 years.

Buildings

In buildings, the bulk of energy goes for electric appliances, heating and cooling equipment, lighting, and water heating. There is enormous potential for increases in efficiency.

Refrigerators waste huge amounts of energy through poor designs (poor insulation, hot motors installed where heat can leak into the refrigerated compartments, etc.) The refrigerator standard now set for 2001 -- and accepted by the manufacturers -- would require makers of refrigerators to build products which use exactly one fourth the electricity of comparable units in 1974.

Compact fluorescent bulbs (installed throughout the old EOB) use about a fifth of the energy as the incandescent bulbs they replace. Much more of the electric energy is converted to light instead of heat. Further improvements in bulbs are possible and lighting controls can ensure that daylight is used when available.

Improved building designs, higher efficiency air-conditioning and heating units, and even simple things like using white roofs in hot climates and planting trees on the south side of buildings, make it likely that homes can use half today's energy.

The biggest near term potential here is simply waiting for existing appliances to wear out (typical lifetimes for refrigerators and water heaters are 15-20 years) and replace them with state-of-the-art products.

Fuel cells can be used in buildings to convert natural gas into electricity and heat with total "cogeneration". A cogeneration unit can put 30-40% of its fuel in electricity and capture 40-50% of the waste heat for a total efficiency of 80-90%.

Industry

In industry, there are many potential improvements. Some of the biggest include:

- Using modern "cogeneration" technology to provide both heat and electric power in factory settings. In these units, fuel is used to generate electricity. Typically less than half of the energy in the fuel is converted to electricity and the rest ends up as heat. In cogeneration units, this heat is captured in the form of steam or hot water and used in other operations where heat is required. Petroleum refining, chemical production, paper and other industries need enormous amounts of heat. These units are now becoming available in small sizes (small enough to put into a fast food restaurant).

- High-temperature chemical processes in industry can be replaced by lower-temperature processes using advanced catalysts (devices which accelerate chemical reactions) and biocatalysis -- using natural cellular processes to accelerate reactions.
- In many industrial processes, nearly half the energy going to electric motors is wasted because of poor controls. Instead of controlling the speed of a motor driving a pump, for example, many plants control the flow of liquids by clamping down on valves. New motor controls and computer-based system designs can yield huge gains.

Electricity

The bulk of all US electric generation is still in the form of large coal-burning plants. Almost all new installations of electric generation, however, have been natural-gas based combined cycle plants because these plants are much more economic, cleaner, and can be installed quickly. A combined cycle plant is one which combines two different electric generation technologies. In modern units the first stage uses natural gas to fire a gas turbine (essentially an airplane engine) which drives an electric generator. The exhaust gases from the gas turbine are very hot and can be used to generate steam for the second stage. The steam is used in a steam turbine to generate more electricity.

Typical coal plants today are about 33% efficient, the state-of-the-art combined cycle units for sale by GE and Westinghouse are 60% efficient and 62% efficiency seems likely in the near future. For generations, it was assumed that the bigger plants would always be more efficient. This was the basis for regulation as a "natural monopoly". We now see that it may be possible to have highly economic units in small sizes which can be located in factories and buildings -- particularly if cogeneration is employed.

Markets for new electric power generators in the US have been weak because most electricity is used in buildings where overall demand increases with population growth not economic activity.

There have been no new nuclear power plants ordered since the late 1970s primarily because investors were concerned by high costs. Nuclear power plants use the heat generated when uranium atoms split to boil water into steam -- the conversion of steam to electricity is much like coal.

New concepts for electric power that would greatly reduce carbon dioxide emissions include:

- Use of biological materials (grass, wood chips, etc) as a substitute for coal--biomass energy. There the problem is the price of the materials. Competition is probably possible if coal prices rise 10-30% but instead coal prices are forecast to fall 10% during the next decade. (Because the biomass is regrown, it is considered a 'zero net carbon' source.)
- Use of windmills or photovoltaic cells (the "solar cells" now used in spacecraft, to operate roadside telephones, and other uses), or "solar thermal" units (solar thermal units use

sunlight to heat fluids which are then used to power turbines). All of these should be able to provide electric power at 3.5-5 cents per kilowatt hour but will have a tough time competing with natural gas combined cycle plants which are producing power at a little over 3 cents.

- Fusion reactors plan to use the heat generated when two hydrogen atoms fuse to become helium to boil steam. Scientists have yet to demonstrate that this process -- which is the principle of the hydrogen bomb -- can be operated under contained conditions. Best estimates suggest that its 40 years off -- if then.

Removing Carbon dioxide

Unlike most pollutants, the carbon dioxide responsible for climate change is very difficult to eliminate from exhausts. Several methods have been proposed for removing carbon dioxide from the atmosphere which range from the simple to the exotic. They include:

- Growing trees or setting aside land (as in the conservation reserve program run by the USDA) which allows carbon to accumulate in the soil or in standing timber.
- Stripping carbon dioxide from fuel at the wellhead and injecting the carbon dioxide into holes drilled near oil or gas fields to stimulate recovery.
- A variety of other exotic methods such as stimulating growth in ocean organisms.

THE TRIP
of
THE PRESIDENT
to
NEWARK, NEW JERSEY
and
PHILADELPHIA, PENNSYLVANIA

October 8, 1997

Staff Copy

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Distributed Separately

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Distributed Separately

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No Paper

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Distributed Separately

Pennsylvania Background

- Political Background (including Hot Issues)
- Economic One-Pager
- Cabinet Affairs Hot Issues
- Accomplishments

'97 OCT 7 PM 9:02
WASHINGTON, D.C.

NEW JERSEY

PHILADELPHIA, PENNSYLVANIA

WEDNESDAY, OCTOBER 8, 1997

SCHEDULE OF THE PRESIDENT

FOR

WEDNESDAY, OCTOBER 8, 1997

FINAL SCHEDULE

SCHEDULING DIRECTOR:

STEPHANIE STREETT

HOME: 202-332-5651

OFFICE: 202-456-2823

WHCA PAGER: 4033

EVENT COORDINATOR:

KAREN FINNEY

HOME: 202-667-0132

OFFICE: 202-456-7951

WHCA PAGER: 4216

PRESS DESK:

ANNE EDWARDS

HOME: 301-565-3101

OFFICE: 202-456-2921

WHCA PAGER: 4208

ADVANCE LEAD:
(New Jersey)

SAM MYERS

CELL PHONE: 202-757-9304

WHCA PAGER: 4430

ADVANCE LEAD:
(Pennsylvania)

MWITU NDUGU

CELL PHONE: 202-395-2103

WHCA PAGER: 4402

WEATHER:

NEWARK, NJ

**Partly to mostly sunny. Wind east to southeast
at 5 to 10 knots.**

Low 58 to 63.

High 77 to 82.

PHILADELPHIA, PA

Partly to mostly sunny.

Wind east to southeast at 5 to 10 knots.

Low 58 to 63.

High 78 to 83.

**SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, OCTOBER 8, 1997
FINAL SCHEDULE**

8:30 am- **BRIEFING**
8:45 am **DIPLOMATIC RECEPTION ROOM**
Staff Contact: Bruce Reed

8:45 am- **STATEMENT**
8:55 am **OUTSIDE THE DIPLOMATIC RECEPTION ROOM**
Staff Contact: Bruce Reed
OPEN PRESS

9:00 am **THE PRESIDENT** departs the White House via Marine One en route
Andrews Air Force Base
[flight time: 10 minutes]

9:10 am **THE PRESIDENT** arrives Andrews Air Force Base

9:25 am **THE PRESIDENT** departs Andrews Air Force Base via Air Force One en
route Newark International Airport, Newark, New Jersey
[flight time: 50 minutes]

10:15 am **THE PRESIDENT** arrives Newark International Airport, Newark, New
Jersey
CLOSED PUBLIC
OPEN PRESS

Greeters: Mayor Sharpe James, Mayor of Newark
Mayor Susan Bass Levin, Mayor of Cherry Hill
Ray Lesniak, State Senator
Bob Janiszewski, Hudson County Executive
Robert Bowser, Newark Board of Education
Arthur and Veronica Goldberg
Bob Raymar
Harold Hodes

WASHINGTON, D.C.
NEW JERSEY
PHILADELPHIA, PENNSYLVANIA
WEDNESDAY, OCTOBER 8, 1997

10:30 am **THE PRESIDENT** departs Newark International Airport via motorcade en route the Metropolitan Baptist Church
[drive time: approximately 15 minutes]

10:45 am **THE PRESIDENT** arrives the Metropolitan Baptist Church

Greeters: Reverend David Jefferson, Pastor
Audrey West, Director, Head Start Program

10:55 am-
12:10 pm

CHILD CARE EVENT

GYMNASIUM

The Metropolitan Baptist Church

Remarks: Jordan Tamagni

Staff Contact: Bruce Reed, Craig Smith

Event Coordinator: Karen Finney

OPEN PRESS

- Off stage announcement of **the President**, Jim McGreevy and Reverend David Jefferson.
- Reverend Jefferson makes welcoming remarks and introduces Audrey West.
- Audrey West makes brief remarks and introduces business person tbd.
- Business person tbd makes brief remarks and introduces parent tbd.
- Parent tbd makes brief remarks and introduces Jim McGreevy.
- Jim McGreevy makes brief remarks and introduces **the President**.
- **The President** makes remarks.
- Upon the conclusion of his remarks, **the President** works a ropeline and proceeds to the Lower Lobby.

Note: The President will do police and motorcade driver photos and 15 members of the African American clergy en route the Lower Lobby.

Note: Approximately 140 children from the Headstart Program will greet the President and sing a song upon departure from the Metropolitan Baptist Church.

STILLS ONLY

12:25 pm **THE PRESIDENT** departs the Metropolitan Baptist Church via motorcade
en route Mayfair Farms
[drive time: approximately 20 minutes]

12:45 pm **THE PRESIDENT** arrives Mayfair Farms

Greeters: Sam Spina, Mayor of West Orange
 Tom Giblin, State Party Chair

12:50 pm-
1:20 pm **PHOTO RECEIVING LINE**
MAYFAIR ROOM
Mayfair Farms
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
OFFICIAL PHOTO ONLY

Note: There will be approximately 57 people in the receiving line.

1:20 pm **THE PRESIDENT** proceeds to stage

1:20 pm-
2:05 pm **MCGREEVY FOR GOVERNOR LUNCH**
WINDSOR ROOM
Mayfair Farms
Remarks: Laura Capps
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
POOL PRESS (For Remarks Only)

- Off stage announcement of **the President** and Jim McGreevy.
- Jim McGreevy makes brief remarks and introduces **the President**.
- **The President** makes brief remarks.
- **The President** works a ropeline and departs.

Note: There will be approximately 500 guests in attendance.

2:10 pm **THE PRESIDENT** departs Mayfair Farms via motorcade en route the
Kushner Companies
[drive time: 20 minutes]

2:30 pm **THE PRESIDENT** arrives at Kushner Companies

Greeters: Charles Kushner, CEO, Kushner Companies
 Seryl Kushner, wife
 Raye Kushner, mother
 Alan Solomont, National DNC Finance Chair

2:35 pm- **PHOTO RECEIVING LINE**
3:10 pm **CONFERENCE ROOM**
Kushner Companies
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
OFFICIAL PHOTO ONLY

Note: There will be approximately 75 guests in attendance.

3:10 pm **THE PRESIDENT** proceeds to Charles Kushner's Office

3:15 pm-
3:35 pm

DNC RECEPTION
CHARLES KUSHNER'S OFFICE
Kushner Companies
Remarks: Laura Capps
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
POOL PRESS

- Charles Kushner introduces **the President** and Jim McGreevy into the room.
- Four children present **the President** with a Shofar.
- Jim McGreevy makes brief remarks and introduces **the President**.
- **The President** makes brief remarks.
- Upon the conclusion of his remarks, **the President** departs.

Note: There will be approximately 75 guests.

Note: The President will do police photos on departure from the Mayfair Farms.

3:40 pm

THE PRESIDENT departs Kushner Companies via motorcade en route Newark International Airport
[drive time: 25 minutes]

4:05 pm

THE PRESIDENT arrives at Newark International Airport
CLOSED PUBLIC
OPEN PRESS

4:20 pm

THE PRESIDENT departs Newark International Airport, Newark, New Jersey via Air Force One en route Philadelphia International Airport, Philadelphia, Pennsylvania
[flight time: 40 minutes]

5:00 pm **THE PRESIDENT** arrives Philadelphia International Airport, Philadelphia,
Pennsylvania
CLOSED PUBLIC
OPEN PRESS

Greeters: none

5:15 pm **THE PRESIDENT** departs Philadelphia International Airport via motorcade
en route the Holiday Inn
[drive time: 10 minutes]

5:25 pm **THE PRESIDENT** arrives at the Holiday Inn

Greeters: Martin St. John, General Manager
Ron Jaworski, Former Philadelphia Eagles Quarterback
Ken Kochenour, President of Management

-- **The President** proceeds to the Presidential Suite.

5:30 pm-
6:30 pm **DOWN TIME**
PRESIDENTIAL SUITE
Holiday Inn

6:35 pm **THE PRESIDENT** departs the Holiday Inn via motorcade en route the
CoreStates Arena
[drive time: 5 minutes]

6:40 pm **THE PRESIDENT** arrives the CoreStates Arena

Greeters: Peter Luukko, CEO, CoreStates Complex
Brian Roberts, Owner of 76ers, Flyers and President of
Comcast Spectator

-- **The President** proceeds to Suite 62.

6:45 pm-
7:05 pm **MEETING WITH MAYOR ED RENDELL**
SUITE 62
CoreStates Arena
Staff Contact: Mickey Ibarra
CLOSED PRESS

7:10 pm

THE PRESIDENT proceeds to the Arena Floor

Note: The President will do motorcade driver photos en route the Arena Floor.

7:20 pm-

7:25 pm

**PHOTOS WITH SAXOPHONE EVENT CO-CHAIRS
ARENA FLOOR HALL**

CoreStates Arena

Staff Contact: Craig Smith

Event Coordinator: Karen Finney

WHITE HOUSE PHOTO ONLY

Greeters: Steve Grossman
Gerard McCabe
David Maser
Jill Marple
Fran Aulston
Livingstone J. Johnson
Jill Ross-Stein
Jennifer Adams
Lisa Chanow Dykstra
Gary Berlly
Don Schroeder

7:25 pm

THE PRESIDENT proceeds to the stage

7:30 pm-
8:10 pm

**DNC YOUNG DEMOCRATS COUNCIL/SAXOPHONE CLUB
RECEPTION
ARENA FLOOR
CoreStates Arena
Remarks: Laura Capps
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
OPEN PRESS**

- Off stage announcement of **the President**, Mayor Ed Rendell and Steve Grossman.
- Steve Grossman makes brief remarks and introduces Mayor Ed Rendell.
- Mayor Ed Rendell makes brief remarks and introduces **the President**.
- **The President** makes brief remarks.
- Balloon Drop.
- **The President** works a ropeline and proceeds to the East Atrium.

Note: There will be approximately 700 guests.

8:10 pm

THE PRESIDENT proceeds to the East Atrium

8:15 pm-
8:50 pm

**DEMOCRATIC NATIONAL COMMITTEE RECEPTION
EAST ATRIUM
CoreStates Arena
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
CLOSED PRESS**

- **The President** works a ropeline and proceeds to Victor's Club.

Note: There will be approximately 100 guests in attendance.

8:50 pm

THE PRESIDENT proceeds to the Victor's Club

WASHINGTON, D.C.
NEW JERSEY
PHILADELPHIA, PENNSYLVANIA
WEDNESDAY, OCTOBER 8, 1997

8:55 pm-
9:35 pm

PHOTO RECEIVING LINE
ANTE ROOM, VICTOR'S CLUB
CoreStates Arena
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
WHITE HOUSE PHOTO ONLY

Note: There will be approximately 112 people.

-- Upon the conclusion of the ropeline, **the President** proceeds to his seat at the head table.

9:40 pm-
10:25 pm

DEMOCRATIC NATIONAL COMMITTEE DINNER
VICTOR'S CLUB
CoreStates Arena
Remarks: Laura Capps
Staff Contact: Craig Smith
Event Coordinator: Karen Finney
POOL PRESS

- **The President** proceeds to his seat at the head table.
- Dinner is served.
- Mayor Ed Rendell makes brief remarks and introduces **the President**.
- **The President** makes brief remarks and departs.

Note: There will be 100 guests.

10:30 pm **THE PRESIDENT** departs the CoreStates Arena via motorcade en route Philadelphia International Airport
[drive time: 10 minutes]

10:40 pm **THE PRESIDENT** arrives at Philadelphia International Airport
CLOSED PUBLIC
OPEN PRESS

10:55 pm **THE PRESIDENT** departs Philadelphia International Airport, Philadelphia, Pennsylvania via Air Force One en route Andrews Air Force Base
[flight time: 40 minutes]

11:35 pm **THE PRESIDENT** arrives at Andrews Air Force Base

11:50 pm **THE PRESIDENT** departs Andrews Air Force Base via Marine One en route the White House
[flight time: 10 minutes]

WASHINGTON, D.C.
NEW JERSEY
PHILADELPHIA, PENNSYLVANIA
WEDNESDAY, OCTOBER 8, 1997

12:00 am **THE PRESIDENT** arrives at the White House

BC RON **THE WHITE HOUSE**
WASHINGTON, D.C.

HRC RON **HOTEL INTERCONTINENTAL**
PANAMA CITY, PANAMA

October 7, 1997 (8:58pm)

October 7, 1997

HEAD START/CHILD CARE EVENT

DATE: October 8, 1997
LOCATION: Metropolitan Baptist Church Community Center
EVENT TIME: 10:55 am - 12:10 pm
FROM: Craig T. Smith

I. PURPOSE

To preview the White House Conference on Child Care, scheduled for October 23, and demonstrate your support for Head Start.

II. BACKGROUND

At this event, you will speak on the importance of improving our nation's child care system and giving children the healthy start they need to reach their highest potential. This is an opportunity to provide greater details on the upcoming White House Conference on Child Care and to discuss the steps you have already taken to strengthen families -- from the Family and Medical Leave Act to raising the minimum wage to passing meaningful health care reform.

You will speak to approximately 300 people at the Metropolitan Baptist Church. The audience is made up of representatives of many groups involved with children's issues. The gym where the event will take place is part of the church's community center, which provides many social service programs including the Newark Preschool Council, Inc. The Newark Preschool Council is New Jersey's largest Head Start program, which serves 2,300 children in 80 classrooms located in 46 facilities throughout Newark. This particular site serves approximately 800 children in Newark. In addition to preparing children for kindergarten, the Newark Preschool, Inc. provides parenting and adult education courses. The Newark Preschool Council, Inc. was founded in 1965 and is funded by HHS.

The Metropolitan Baptist church was founded in 1938 and currently serves over 2,000 members. In 1939, the church purchased a Jewish synagogue which housed the church until 1993. This original church building sits across the street from the present church, and has just been purchased by the city to be restored as a Jewish landmark.

Since 1995, Reverend Dr. David Jefferson has been the church pastor. He established a family witness program that focuses on bringing families and friends back into the church, and has resulted in 800 new members since he became pastor. In addition, Reverend Jefferson has founded many new ministries, such as: the Academy of Excellence (an after school tutorial program for students with a C average or below), Hospitality Ministry, AIDS Ministry, Counseling Ministry, Computer Ministry (12 computers which have been donated are used to train senior citizens and others), Recreational Ministry (which includes karate and

basketball for men, Substance Abuse Ministry, and College Ministry. The Reverend also worked to get the first charter in the state for a MAD DADS program, which started in 1995, and works to take youth off the street.

Prior to taking over as pastor, Reverend Jefferson served for eleven years at the Shilah Baptist Church in Elizabeth, New Jersey, and prior to that received an MBA, a Juris Doctorate of Law, and a Masters of Divinity.

III. PARTICIPANTS

- State Senator Jim McGreevey
- Reverend Dr. David Jefferson
- Audrey West, Executive Director of the Newark Preschool Council, Inc.
- Parent of a Child in a Head Start Program - TBD
- Representative of Business that Provides Child Care for Employees - TBD

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- Reverend Dr. David Jefferson will make welcoming remarks and introduce Audrey West.
- Audrey West will make remarks and introduce the parent (TBD).
- The parent (TBD) will make remarks and introduce the business representative (TBD).
- The business representative will make remarks and introduce State Senator Jim McGreevey.
- McGreevey will make remarks and introduce **YOU**.
- **YOU** will make remarks.
- At the conclusion of your remarks, **YOU** will work a ropeline and proceed to the hallway for police and driver photos.
- Following the police and driver photos, **YOU** will take photos with 15 ministers from other Congregations in the Newark area.
- Upon departure, **YOU** will be greeted by Head Start children who will sing you a song.

VI. REMARKS

Remarks provided by Jordan Tamagni Speechwriting.

VI. ATTACHMENTS

- A list of the Ministers is attached.

Draft 10/7/97 9:00pm

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR CHILD CARE EVENT
METROPOLITAN BAPTIST CHURCH
NEWARK, NEW JERSEY
October 8, 1997**

Acknowledgments: Sen. Jim McGreevy, for his commitment to New Jersey's families, and for his ability to lead New Jersey into the 21st Century; Rep. Payne; Rev. David Jefferson, Pastor, Metropolitan Baptist Church; Audrey West, Exec. Dir., Newark Pre-School Council Head Start Program, largest head Start Program in NJ; Mayor Sharp James; Rosa Reyes [ray-ez], Newark Preschool Program Parent.

It is wonderful to be back in Newark, a city that is earning its reputation as a "Renaissance City" every day. You have a new performing arts center, a new sports center soon to be in the historic Ironbound district, and most important of all, a new spirit that has revitalized this city and literally brought it back from the ashes of 30 years ago.

Six years ago last week I announced my intention to run for President. I wanted to keep the American dream alive for everyone willing to work for it, to keep America the world's strongest force for peace, freedom, and prosperity, and to bring our people together across all the lines that divide us, as one America.

Working together, I think we have come a long way to realizing that vision. But we must do more to make sure that America goes strong into the 21st Century. I want to talk to you this morning about one of the most important challenges we face: helping our people succeed at home and at work, so we can pass on our values to our children. And I especially want to talk about child care.

You know and I know that in today's world -- with both parents working, with single parents trying to raise children under difficult circumstances -- it is harder than ever to find time with our children. You know and I know that nothing presses more heavily on working parents than worrying about where your children are while you are at work. And whether your children are in child care, with a baby sitter, or at home, you shouldn't have to choose between working hard and being a good parent.

I have said many times that government doesn't raise children; parents do. But as Hillary has said, every one of us has a special responsibility to help parents meet that most important of challenges, because it really does take a village.

That is why for nearly five years, we have worked to give parents the tools they need to raise strong families. We fought for and won the V-Chip and a ratings system for TV; we took action to put tobacco out of our children's reach; and we are fighting every day to make our streets safer and to reduce juvenile crime. From making it easier for parents to take time off from

work to care for a sick family member, to ensuring that more parents can keep their families' health insurance when they change jobs; to raising the minimum wage -- strengthening families has been our administration's top priority.

This summer, we built on that progress when I signed into law historic legislation that balances the budget and invests in all of our children's future. It will extend health care coverage to up to 5 million uninsured children -- the largest investment in children's health since the creation of Medicaid in 1965. It includes a new \$500 per-child tax credit for working families. And it makes the single largest investment in education -- from the earliest years, to college, to a lifetime of learning -- in a generation.

But we must do more to help families succeed -- and to give our children the tools they need to make the most of their God-given potential. Making sure that working parents have access to quality, affordable child care is one of the most important things we can do to meet that challenge.

As Head Start parents and personnel, you know better than anyone how important it is for our young children to be able to learn and grow in a safe, stimulating environment. The Head Start program is a model of excellence for early learning. That is why I worked to create "Early Head Start," to help more of our youngest children come to school ready to learn. And that is why I fought to make sure the balanced budget expanded Head Start to reach one million children every year by 2002.

As hard as we are working to make Head Start available to every child that needs it, we must work just as hard to make sure that every working parent who needs it has access to quality, affordable child care.

We know how important good child care is for our children. Good child care broadens our children's earliest experience of the world and helps them to thrive. As we learned at the White House Conference on Early Childhood Development and Learning -- and as Jim McGreevy just talked about -- what happens to a child in the earliest years can make all the difference for a lifetime. And children of all ages need safe, nurturing places to be when their parents are still at work.

We know how important good child care is for parents. One of the first questions any parent asks when changing jobs, increasing work responsibilities, or getting a first job is "How can I arrange child care?" And certainly the difficulty of finding quality, affordable child care is one of the major obstacles people face when they are trying to move from welfare to work. That is why I insisted that the welfare reform law I signed last year included \$4 billion for child care.

This morning, we learned that our nation's welfare rolls have declined by 250,000 people in the last month alone -- and we are closer than ever to meeting our goal of moving one million more people from welfare to work by the year 2000. Altogether, the rolls dropped by more than 1.7 million people since I signed the welfare law, and by more than 3.6 million since I

became President. We cannot allow our progress to be undermined by inadequate child care. And we must never ask the people we now require to work to choose between working and securing the health and safety of their children.

We know how important good child care is -- but we also know that not enough of our children who need it are getting it. And the need is great. Over half of our infants under the age of one are already in day care. Twelve million children under the age of 6, and 17 million children aged 6 through 13, have one or both parents in the workforce.

There are too few child care facilities to meet our growing demands, too many of the facilities in operation are inadequate, and too few of our families can afford child care of any quality. Parents and experts report that child care is in short supply, especially in our hardest pressed communities. It is nearly impossible to believe, but studies tell us that more than half of the child care centers in this country provide poor to mediocre care. An alarming one out of three children in home-based child care get care that may actually set them back. And child care can be so expensive that it can consume as much as 25% of a low-income parent's paycheck.

This is a challenge for every American, no matter how much money we make, no matter what our background. I believe that the issue of child care is the next frontier for America -- and improving it may be the next, most important thing we can do to prepare ourselves for the new century. I am glad that Members of Congress, Governors, and state legislatures are beginning to give child care it the attention it deserves. And we should all be encouraged by the providers around the country who are proving that every community can provide its children with affordable, quality child care.

We all have a common interest in our children's future -- now we must work together to find common ground on the issue of child care. This October 23rd, the First Lady and I will bring together parents, child care providers, experts, economists and business leaders to talk about how we can learn from these promising efforts and replicate them around the country. Together, we can strengthen our child care system and support the hard working American families who rely on it.

Thank you, and God bless you all.

October 8, 1997

MEETING WITH AFRICAN AMERICAN MINISTERS

DATE: Wednesday, October 8, 1997
LOCATION: Metropolitan Baptist Church
FROM: Craig T. Smith

Rev. Harry Batts	Messiah Baptist Church
Rev. M.K. Baxter	Cathedral of Love, Church of God in Christ
Rev. David Brown	Second Baptist
Rev. Stanley Cahoon	Church of God in Christ
Rev. Kenneth Clayton	St. Luke's Baptist Church
Rev. Delores Davis	Quinn Chapel AME
Rev. Henry P. Davis	St. Paul's Baptist
Rev. Kevin O. Davis	Clearview Baptist Church
Rev. Edward Dorn	Second Baptist
Rev. Thurman Evans, Sr.	Morning Star Comm. Tabernacle Church
Rev. Irvin Evans	Morning Star Comm. Tabernacle Church
Rev. James Fitten	Second Baptist of Camden
Rev. David Harrington	New Hope Baptist
Rev. Henry Hildebrande	Mt. Zion AME
Rev. Gregory Jackson	Mt. Olive Baptist
Rev. Calvin McKinney	Calvary Baptist
Rev. Kenneth Payne	Travelers Baptist
Rev. John Ragin	St. Lukes's AME
Rev. Linwood Rouse	Missionary Baptist
Rev. Petero Sabune	Trinity and St. Phillips Cathedral
Rev. Kenneth Saunders	North Stelton AME
Rev. Edward Smart	Israel Memorial AME
Rev. Silas Townsend	St. John's Baptist
Rev. Vernon Walton	Mt. Olive Baptist Church
Rev. William Watley	St. James AME
Rev. Floyd White	Woodlyn Avenue First Presbyterian

Head Start

The Clinton Administration has made the expansion and improvement of Head Start a top priority over the last three years. Head Start is a proven success, providing children a step up in their educational and social development.

- o Funding for Head Start has grown \$1.78 billion over the past four years, from \$2.2 billion in 1992 to \$3.98 billion in FY 1997, an increase of more than 80 percent. The FY97 expansion was the first time that funds were used to build partnerships with child care providers to deliver full-day and full-year Head Start services. This innovative approach will also strengthen the quality of both Head Start and child care services while helping welfare families move from welfare to work. President Clinton also proposed a \$324 million increase for FY 1998 to serve 36,000 more children with a balanced budget goal to serve nearly 1 million children in 2002.
- o In 1995, the Clinton Administration launched the "Early Head Start" program. These grantees will expand the proven benefits of early childhood development to low income families with children under three and to pregnant women. The purpose of these projects is to enhance children's cognitive, social, emotional and physical development; assist parents in fulfilling their parental roles; and help parents move toward self-sufficiency. In FY 1997, approximately 27,000 infants and toddlers will be served by Early Head Start and other similar programs.
- o With program expansions, there must also be concern for program integrity. Under recently-passed reauthorization legislation, Head Start programs with management problems now have a clear time limit to improve operations or face termination. To this end, HHS has invested over \$500 million since 1992 in quality improvements to ensure that every Head Start program works as well as it should. HHS also proposed new performance standards that will be easier and more flexible for centers to use, remove rigid and prescriptive requirements, integrate infants and toddlers into the program, promote collaboration with other community programs, and draw on medical expertise.

Child Care

The Clinton Administration is working to ensure that parents have access to reliable and affordable child care. Child care funding has been increased by \$565 million since FY 1992, a 38 percent expansion over four years. These investments are now providing services to about one-third more children than in 1992. HHS now supports child care for over 1.5 million low-income children and families.

Under the new welfare law, funding for child care will increase by \$3.5 billion. On October 1, 1996, the first of the new child care funds was made available to the states, an increase of nearly \$570 million over the previous year's funding level. HHS estimates, that depending on states' decisions, this increase in funds will enable states to serve about 230,000 additional children, in full-year, part-time child care slots. The administration proposes over all spending of \$3.1 billion in FY 1998, an increase of \$163 million.

The Clinton Administration has also proposed regulatory revisions to give more flexibility to states and ensure the health and safety of children in addition to new partnerships with child care professionals, parents, businesses and other federal agencies to improve care. HHS is also working with states in their planning efforts to coordinate better child care services, meet the needs of both working families and families moving from welfare to work and offer quality choices of care to parents. Critical partnerships between child care and Head Start programs have been strengthened and new supports are in place for states and tribes serving children with disabilities.

In its efforts to improve the quality of child care and promote the healthy development of children, the administration launched the "Healthy Child Care America Campaign" with ten goals of enhancing health education to child care workers and parents, support programs' efforts to create healthy environments for children and better link programs with community health resources.

October 7, 1997

NEW JERSEY CAMPAIGN '97 FUNDRAISER '97 OCT 7 PM8:05

DATE: Wednesday, October 8, 1997
LOCATION: Mayfair Farms
Eagle Rock Road
West Orange, NJ
TIME: 12:20-1:45 p.m.
FROM: Craig T. Smith

I. PURPOSE

The purpose of this event is to help the New Jersey Coordinated Campaign raise funds for the 1997 field program benefitting gubernatorial candidate Jim McGreevey and Democratic candidates for State Senate and Assembly, as well as the county and local races.

II. BACKGROUND

The pre-luncheon meet and greet, and the luncheon are expected to raise between \$900,000 and \$1.1 million. The Vice President visited New Jersey soon after the primary and the First Lady visited in late September. The funds raised at these events and at today's events will allow the Coordinated Campaign to provide pre-GOTV money to their Base Vote program, as well as assist in the funding of their extensive GOTV Base Vote District Election Day operation. The Base Vote program is an expansion of the very successful program initiated during the 1996 election. McGreevey is running against a very popular incumbent--Governor Christine Todd Whitman (R). Although she has enjoyed good approval ratings during the past three years, recent voter dissatisfaction has helped McGreevey propel his campaign forward--providing a real opportunity to upset the incumbent.

III. PARTICIPANTS

There will be approximately 57 people attending the pre-lunch meet and greet. There will be approximately 500 people attending the luncheon. The following Democratic Leaders who have been active in fundraising and in the campaign will be attending the luncheon: State Chairman Tom Giblin (also President of the Local 68 Operating Engineers), Mayor Susan Bass Levin (Mayor of Cherry Hill), Assemblywoman Barbara Bouno (Co-Chair of McGreevey for Governor), State Senator Wayne Bryant (Co-Chair of McGreevey for Governor), state Senate Minority Leader John Lynch, Assembly Democratic Leader Joseph Doria, Mayor Sharpe James (Mayor of Newark), former governors James Florio and Brendan Byrne, and State Senator Raymond Lesniak. A list of guests expected to attend the pre-luncheon meet and greet is attached.

IV. PRESS PLAN

The Victory '97 Coordinated Campaign luncheon is open to the press during the pre-program and the main program.

V. SEQUENCE OF EVENTS

Note: before you enter the Windsor room, a pre-program will run from 12:15 to 12:30, music will follow the pre-program until your arrival.

- **YOU** arrive at Mayfair Farms at 12:30 p.m.
- **YOU** are greeted by State Chairman Tom Giblin and Mayor of West Orange Sam Spina
- **YOU** and McGreevey enter the Mayfair room and participate in a photo receiving line with approximately 57 guests.
- **YOU** and McGreevey depart the Mayfair room and enter the Windsor room for the luncheon.
- **YOU** are greeted at the entrance by State Chairman Tom Giblin and McGreevey Co-Chairs Assemblywoman Barbara Buono and state Senator Wayne Bryant.
- **YOU**, McGreevey and Giblin step onto the stage.
- Giblin will welcome the guests and introduce McGreevey.
- McGreevey will give brief remarks and introduce **YOU**.
- **YOU** will make brief remarks.
- **YOU** work the ropeline with McGreevey and then depart the Windsor room.

VI. REMARKS

To be provided by speechwriting.

VII. ATTACHMENTS

- A list of the guests expected to attend the pre-lunch meet and greet is attached.

Mayfair Farms, Jim McGreevy Lunch

1 of 2

Acknowledge: Senate Minority Leader John Lynch; Assembly Dem. Leader Joe Doria; State Chair Tom Giblin; Assemblywoman Barbara Buono [Bwo-no]; State Sen. Wayne Bryant; Hudson County Exec. Robert Janiszewski [Jan-is-zoo-ski]; Cherry Hill Mayor Susan Bass-Levin;

This election will send a message to the country -- *we only have 27 days to make sure it's the right one.*

McGreevy's vision for NJ is my vision for America: smaller govt. provides tools, job creation, investments in education.

• **4 yrs ago, goals:** Am Dr, peace/freedom, One Amer. Keep values alive in new time
Economic plan Def. ↘ 87+%. 13.2M jobs; unemp below 5% -- 24 yr. low; Crime and Welfare down: 250,000 in the most recent month 1.7 m since bill, 3.5 m since 1993.

• **Now, hist. bal bud:** Up to 5 M+ insured children (24 B); 3 B w to w jobs; secures Medicare for a decade; 500 toxic sites; legal immigrants.

Moment of hope - but more to do.

• **Exp. Opp. through Educ:** bggst educ. increase since 1965, \$1,500 HOPE. Now, standards. No to Vouchers.

McGreevy shares my commitment to Edu. Lifetime Learning: tax deduc. for higher ed., work to expand partnerships, early childhood dev., Endorsed by AFT.

• **Expand Opp. through increased trade:** 200 trade agreements. Need fast track: 4%/96%, labor & enviro goals.

• **Demand Responsibility:** High quality healthcare. **CHILDCARE**, 1/3 kids in home-based/family childcare receive detrimental care. Tobacco goals, teen smoking reduced 30% in 5 yrs, 50 % in 7 yrs, 60% in 10 yrs. Climate Change; CFR: GOP blocks reform; Juv. Justice.

Fiscal Responsibility: We've reduced the size of govt. by 300,000 people, cut 16,000 pages of regulation. McGreevy streamlined operations in Woodbridge and saved \$1M in disposal cost. Stabilized property tax. Proposed 10% auto insurance rate rollback, would go after insurance fraud. (His plan is called Drivers First).

• **Community:** One America, National Dialogue, Personal Responsibility, Work Together.

October 7, 1997

McGREEVEY/DNC FUNDRAISER

Date: October 8, 1997
Location: Kushner Companies
Florham Park, New Jersey
Time: 2:05 p.m.
From: Paul DiNino, DNC Finance Director

I. PURPOSE

This is a joint fundraiser between the Democratic National Committee and the Jim McGreevey for Governor campaign.

II. BACKGROUND

The participants for this event are businessmen, community leaders, religious leaders, bankers and family members of Charles (Charlie) Kushner. During Mr. Kushner's remarks, four students will present YOU with a shofar. This is a rams horn blow in the synagogue on Rosh Hashanah and Yom Kippur, the two holiest days on the Jewish calendar. The sound it makes awakens one to engage in reflection and reaffirmation of his fundamental beliefs. These students are from the Joseph Kushner Hebrew Academy and Kushner Yeshiva High School built in honor of Joseph Kushner, Charlie Kushner's late father. YOU drive by these schools on your way to this event.

III. PARTICIPANTS

Please see the attached list of participants.

IV. PRESS PLAN

The speaking program will be open to members of the press pool.

V. SEQUENCE OF EVENTS

- YOU are greeted by Alan D. Solomont, DNC Finance Chairman, Charlie and Seryl Kushner and Mr. Kushner's mother, Rae Kushner.
- YOU enter the room and stage for a photo receiving line.

PROGRAM

- Jim McGreevy, New Jersey gubernatorial candidate makes welcoming remarks and introduces Charlie Kushner.
- YOU are introduced by Charlie Kushner.

Children from the Joseph Kushner Hebrew Academy and Kushner Yeshiva High School will present YOU with a gift.

- YOU deliver remarks.
- YOU exit the room.

VI. REMARKS

Your remarks are provided by speechwriting.

DNC Lunch: Kushner Companies

Acknowledge: Jim McGreevy; Alan Solomont; Charlie and Seryl Kushner; Rae Kushner (Charlie's mom); Annette Felsen (Seryl's grandmother). Thanks to Joshua and Nicole Kushner, Dara Freireich & Miryam Lichtman for presenting me with the shofar.

• **4 yrs ago, goals: Am Dr, peace/freedom, One Amer. Keep values alive in new time.**

Economic plan Def. $\searrow$ 87+%. 13.2M jobs; unemp below 5% -- 24 yr. low; Crime and Welfare down: 250,000 in the most recent month.. 1.7 m since bill, 3.5 m since 1993.

• **Now, hist. bal bud:** Up to 5 M+ insured children (24 B); 3 B w to w jobs; secures Medicare for a decade; legal immigrants.

Moment of hope - but more to do.

• **Exp. Opp. through Educ:** bggst educ. increase since 1965, \$1,500 HOPE. Pell, Connect. America Reads. Now, standards.

• **Expand Opp. by advancing leadership:** **ISRAEL:** Positive Track. Dennis Ross back to the region to restart. Both parties now in favor excellerated perm status negotiations

• **Expand Opp. through increased trade:** Fast track: 4%/96%, labor & enviro goals.

• **Demand Responsibility:** **CHILDCARE:** 1/3 of kids in home/family based childcare receive detrimental care. Tobacco goals. Climate Change; **CFR:** GOP blocks reform.

970017 PWS/KD

October 7, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Craig T. Smith and Nick Baldick

SUBJECT: New Jersey Political Briefing

197 OCT 7 PM 2:44

PRESIDENTIAL ELECTION RESULTS

1992

Clinton/Gore	1,436,206	43%
Bush/Quayle	1,356,865	41%
Perot/Stockdale	521,829	16%

1996

Clinton/Gore	1,652,361	53%
Dole/Kemp	1,103,099	36%
Perot/Choate	262,134	9%

MOST RECENT PRINCIPAL TRAVEL

The First Lady was in New Jersey on September 22, 1997, for a McGreevey fundraiser.

The Vice President was in Secaucus to attend a McGreevey luncheon fundraiser and in Jersey City for an education town hall meeting on June 30, 1997.

YOU were in Union Township on November 3, 1996, for a pre-election rally with Senator Torricelli.

1997 GUBERNATORIAL RACE

Governor Christie Todd Whitman (R) will square off with the Democratic nominee, State Senator James McGreevey (D), in her bid for reelection November 4. In the Democratic primary on June 3, McGreevey edged out Rep. Rob Andrews (D-01) to win the Democratic Gubernatorial nomination.

Whitman was unchallenged in the Republican primary and used that time to bolster her image among voters. She is a prolific fundraiser with high name recognition, and she has kept her promise to cut income taxes by 30%. However, the polls show that voters are not embracing her record on many important issues.

Many New Jersey voters feel that Whitman's greatest accomplishment, keeping her promise to cut income taxes by 30%, did not help them that much. It seems that a good number of New Jersey residents link the lower income tax rates with the higher local and state property taxes they are now paying, and feel they would have been better off if Whitman had not lowered income taxes. Whitman is also vulnerable on the issues of education and auto insurance--both issues which McGreevey can take advantage of. Auto insurance rates are higher in New Jersey than any other state.

Whitman also slashed the state's overall education budget as well as stripping \$15 million from

special-education funding.

A *New York Times* poll of 901 voters, conducted September 11-14, demonstrates Whitman's weakness on the issues of auto insurance and property taxes.

<u>Issue</u>	<u>Approve of Whitman's Handling</u>	<u>Dissapprove of Whitman's Handling</u>
Auto Insurance	17%	67%
Property Taxes	24%	53%
Funding of Public Schools	38%	38%
Income taxes	46%	36%
State's Economy	49%	36%
Welfare	47%	26%
Crime	57%	20%
Environment	58%	20%

Obviously these numbers show some chinks in Whitman's armor, but the *New York Times* poll has her latest approval rating at 58%.

Whitman Job Approval

	<u>9/97</u>	<u>8/97</u>	<u>6/97</u>	<u>4/97</u>	<u>2/97</u>
Excellent/Good	58%	51%	51%	52%	52%
Fair/Poor	41%	43%	47%	43%	44%

Some observers believe that the improvement in Whitman's approval ratings is largely attributable to more than \$1 million spent by the state Republican party on ads it has been running for her in the last few months. On September 16, the Whitman campaign began their own television and radio ads. McGreevey went on the air September 23, with an ad which makes the case that things are not as good as Whitman has been insinuating. The huge differences in television time and natural name recognition is demonstrated by the *Quinnipiac College* poll of 9/8-13 in which 3% of those interviewed said they "haven't heard enough" about Whitman to form an opinion about her, compared to 56% who said they did not know enough about McGreevey to form an opinion. Now that the McGreevey campaign is on the air, they feel the name recognition gap should close. While her approval numbers have risen recently, many polls show Whitman's reelect percentage continues to linger below 50%.

General Election Matchup

	<u>New York Times</u>	<u>Quinnipiac College</u>	<u>Star Ledger/Eagleton</u>
	(9/11-14)	(9/8-13)	(9/2-7)
	<u>All</u>	<u>All</u>	<u>All</u>
Whitman	44%	49%	47%
McGreevey	35%	37%	35%

	<u>Ashbury Park Press</u> (8/21-23)	<u>Quinnipiac College</u> (7/21-27)	<u>Star Ledger</u> (6/12-16)
	<u>All</u>	<u>All</u>	<u>All</u>
Whitman	35%	46%	49%
McGreevey	33%	39%	33%

Some political observers are comparing her situation to incumbent Governor Florio's (D) in 1993. Florio led Whitman in all the polls but was never able to clear 50% and was dogged by one issue. In his case it was taxes; in her case it may well be auto insurance. On the other hand Florio's approval rating was much lower than Whitman's.

Third Party Candidates

Libertarian candidate Murray Sabrin made state history when he qualified for state matching funds on September 26. This means that Sabrin now qualifies for \$2 for every \$1 he raises and qualifies to be in the two televised debates. Some observers predict that he will have \$1 million by election day. His political and financial support has come largely from conservative radio talk-show listeners and respondents to direct-mail campaigns. Rutgers University political analyst Steve Salmore believes that Sabrin will appeal to the right-wing voters who agree with his views on government, taxes, welfare, abortion (he is the only anti-choice candidate), and gun control. Rider University political analyst David Rebovich agrees: "There are folks out there that might go with Sabrin and go against Whitman, and to that extent they might elect McGreevey."

Auto Insurance

New Jersey has the highest auto insurance rates in the country. Whitman, who promised to work to overhaul the system three-years ago during her campaign, had done nothing until this summer, and New Jersey has seen 11 rate increases since she took office. The total cost of the increases to New Jersey consumers is now more than \$1 billion.

As auto insurance rates continued to increase, Whitman faced more and more public outcry. During the Democratic primary, McGreevey was successful in making auto insurance a major issue. Whitman finally introduced a bill into the legislature in June. However, her bill was joined with another bill in the State Senate Commerce Committee which would have allowed insurance companies more freedom to drop individuals from their coverage. Whitman was able to eliminate the "drop" provision, but her bill was severely weakened in the battle with fellow Republicans. The final legislation, which Whitman signed into law, included a ban on automatic rate increases, a ban on surcharges for bad drivers, and stiffer fines for people who cheat the system. The press and public reaction was very critical. Her legislation was seen as minimal reform and many wondered why Whitman accomplished so little with a Republican controlled legislature.

In an effort to keep the issue hot, McGreevey called for a special session in July to try and correct the problems with auto insurance, and introduced his own auto insurance reform which

same coverage. He also called for the creation of an elected Insurance Commissioner. Whitman responded with a new plan which would guarantee a rate reduction of 25% by establishing four new coverage options, which would all have varying rights to sue. McGreevey has criticized Whitman for being on "the side of the insurance companies" and not the policyholders.

In order to limit the damage caused by her mishandling of this issue, the Whitman campaign has tried to move the focus of the campaign to other issues such as McGreevey's record and her accomplishments in other areas. Unfortunately for Whitman, voters just seem to remember that she did nothing. The *New York Times* poll demonstrates how vulnerable Whitman is on this issue (17% approve/67% disapprove). Now that the McGreevey campaign finally has the money to go on TV, it will most likely pound this issue home for the remainder of the campaign.

Taxes

Once elected, Whitman followed through on her campaign promise and cut income taxes by 30%. She paid for most of this tax cut by reducing state payments to the state employees' pension fund by \$3.1 billion. Whitman claimed that former Governor Florio (D) had set the payments into the pension fund too high. The immediate reaction to the tax cut was very positive, and there was little objection to the way in which Whitman paid for it. Whitman received so much national attention that then Senator Bob Dole (R) promised many times during the campaign "to do for America what Christie Whitman has done for New Jersey."

However, Whitman also paid for her tax cut by reducing state support for schools from 43% to 38% and cut special-education funding by \$15 million. At the same time many towns were forced to raise property taxes to fund the losses in the education budget. There is a great deal of debate over how much the increases in property taxes resulted from Whitman's cuts in the education budget, but it seems that a majority of New Jersey voters believe that their taxes have risen during Whitman's tenure.

In order to neutralize this issue, Whitman's campaign is focusing on the fact that while in the State Senate, McGreevey supported former Governor Florio's \$2.8 billion tax hike. They are also saying that taxes rose 43% in Woodbridge while McGreevey was mayor, but McGreevey aides claim the increase was closer to 7%. The tax debate may simply become a battle between property tax increases associated with Whitman and income tax increases associated with Democrats, Florio and McGreevey.

Bond Issue

Whitman faced two related problems in 1997. The state's obligation to the state employees' pension fund was rising dramatically. The state's annual payment would have been \$1 billion by 2031, and would have risen to \$3 billion by 2055. Secondly, Whitman had to find more than \$600 million in order to balance her 1998 budget, because she didn't want to make tough spending cuts during an election year. To solve both these problems, Whitman proposed refinancing the pension debt by borrowing nearly \$2.76 billion. After more than a month of heated debate, the legislature finally approved her proposal, making Whitman the author of the

largest public borrowing act in New Jersey history. She plans to use the bond issue to help pay off the next 60 years of liabilities to future pensioners. The bonds would be repaid faster than the pension obligations, erasing \$42 billion of bills facing taxpayers from 2031 to 2055.

The bond issue also allows Whitman to save \$647 million in 1998 and thus solve her 1998 budget problem. She defended the proposal as sound financial management, taking advantage of lower interest rates. However, financial experts questioned the need to use more than \$600 million in pension fund gains to balance the budget in the sixth year of an economic expansion. Democrats have called this "financial gimmickry," saying that this is analogous to burdening a family with a second mortgage in order to pay the grocery bill.

Polling shows that a majority of New Jersey voters believe that this decision should have been made by the voters in a referendum vote. Whitman claimed she sped up the process of legislative approval because of the need to take advantage of low interest rates. Now that the proposal has passed, the Democrats' task is to present it as "financial gimmickry" in a way that the average voter will understand and care about. This will be no small task considering the complex economic process involved and the fact that the effects of the bond proposal will not be felt until Whitman is out of office. Considering the complexity of this issue, the McGreevey campaign is more likely to focus on auto insurance and property taxes.

Settlement of charges against Republican State Party Chair

Chuck Haytaian, the Republican State Party Chair, has become the centerpiece of attack ads the Democratic state party has been airing lately. Allegations were made against Haytaian by a former state employee who said he sexually harrassed her while he was Speaker of the State Assembly. The state spent \$340,000 to defend and settle the sexual harrassment case against him earlier this year, and it has stirred a partisan outcry with Democrats demanding he pay the money back. Democrats have charged that Whitman, by approving the expenses, was helping out a political confidant. Whitman ran into trouble two-weeks ago when she traded "barbs" with state Senator John Lynch (D). Lynch had led the fight to attack Republicans who had come to the defense of Haytaian. Whitman shot back that Lynch should be "ashamed of himself" for raising the issue when he himself had been brought up on charges of domestic violence by his wife. The charges were latter dropped and Lynch's wife, Deborah Lynch, said Whitman had no right interfering in her marriage. Officials in both parties have said Whitman used poor judgement in comparing a marital dispute with the Haytaian case, which involved a governmental decision to use public money.

HOT ISSUES

School Funding

In 1990, the New Jersey Supreme Court ruled that the state's education funding system unconstitutionally violated the state constitution's requirement of "thorough and efficient" education for all children. The Court determined that the disparity between the amount spent per student in wealthier school districts and many poor districts was too large. The Court ordered the creation of "special needs" districts which would receive more state education funds. Governor

Florio (D) attempted to satisfy the court order by pushing through legislation that created these districts and increased funding, all paid for by raising taxes. The additional funding for these "special needs" districts has reduced the gap in education spending between the rich districts and the "special needs" districts from 26% in 1990 to 12% in 1996. The basic problem with the New Jersey system is that it is too dependent on local property taxes to fund education which creates large spending disparities between economically diverse districts. Governor Whitman and the Republican controlled legislature passed a new school funding bill in March. For the first time it bases educational expenses on the cost of a quality education, but it does not significantly increase education funding. Democrats voted against the bill because it does not solve the problems the poorer districts now face. After reviewing the new law, the State Supreme Court ruled that the state had to pour an additional \$246 million into the state's poorest schools by September.

Welfare Reform

On March 12, 1997 the state legislature passed Governor Whitman's welfare reform package. The major points of the legislation were: a five-year lifetime cap on welfare benefits; a requirement that a welfare recipient must work or enroll in an unpaid work activity within 24 months of going on welfare; another requirement that teenage parents are eligible for assistance, but must live with a parent or adult and must go to school; and a cap on a parent's benefit amount if an additional child is born within 10 months of the determination of eligibility. The legislation does not provide for more child care spending, but states that the work requirement is waived if child care is unavailable to a recipient with a dependent child. Critics have argued that the state has not done enough to make child-support collection more efficient and that this further burdens the welfare system. Whitman, and both Republican and Democratic legislators are now proposing reform of the state's child-support system.

Partial Birth Abortion Veto

On June 23, only two hours after the State Assembly passed a ban on partial birth abortions, Whitman vetoed the bill. In doing so she set herself up for a confrontation with the Republican controlled state legislature. However, she left herself an out by making her veto conditional, saying that she would support a bill which contained an exemption if the mother's health was in danger. The bill which reached Whitman's desk only exempted a mother if her life was in danger.

While the Assembly passed the bill by a 58-13 margin, more than enough to override a veto, the Senate was one vote short of the 27 votes needed to override the veto. Both houses saw heated debate on this issue. Senate President Donald DiFrancesco (R) said he would post the bill for an override vote if a majority of his members requested it, but Republican legislative leaders decided against an override effort in the middle of an election year. Marie Tasy, the legislative affairs director of New Jersey Right to Life, called Whitman's actions "cowardly," and said her group will advise its 75,000 members to sit at home or vote for a pro-life candidate come election day.

POLITICAL DATA

Governor: Christine Todd Whitman (R) with 49% in 1993
U.S. Senate: Bob Torricelli (D) with 53% in 1996
Frank Lautenberg (D) with 50% in 1994
U.S. House: 7R/6D
State Senate: 24R/16D
State House: 50R/30D
Electoral Votes: 15

NEW JERSEY AT A GLANCE...

- The current unemployment rate in New Jersey is 6.4 % compared to 8.4 % in 1993.
- 1995 estimated population in New Jersey is 7.9 million, making New Jersey the 9th largest state.
- 73% of New Jersey residents are White, 13% are African American, 10% are Hispanic American, and 3% are Asian American.
- 76.6 % of New Jersey residents have a high school education, and 24.8% have a college degree.
- The median family income in New Jersey is approximately \$42,280.
- 56.5% of New Jersey households are married couples, and 26% are married couples with children.
- 13.7% of New Jersey residents are 65 and older.
- Turnout in the 1996 presidential election was 51% of the voting age population compared to 56% in 1992. Turnout in the 1994 election was 34%.

1996 STATE ELECTION RESULTS

Clinton/Gore barely won New Jersey in 1992 (43% - 41%), but in 1996, Clinton/Gore won New Jersey by 53% to 36%. In what was one of the most expensive and closely watched 1996 Senate races, Rep. Bob Torricelli (D) defeated Rep. Dick Zimmer (R) 52.7% to 42.6%. The Democrats also came close to winning back a majority of the New Jersey Congressional Delegation (7R/6D). Bill Pascrell (D) defeated freshman Republican Bill Martini 51.2% to 48% in the 8th District, and Steven Rothman (D) was able to hold Torricelli's seat in the 9th district.

CONGRESSIONAL DELEGATION

Sen. Bob Torricelli (D)	Sen. Frank Lautenberg (D)
Rep. Rob Andrews (D-01)	Rep. Bill Pascrell (D-08)
Rep. Frank LoBiondo (R-02)	Rep. Steve Rothman (D-09)
Rep. Jim Saxton (R-03)	Rep. Donald Payne (D-10)
Rep. Chris Smith (R-04)	Rep. Rodney Frelinghuysen (R-11)
Rep. Marge Roukema (R-05)	Rep. Michael Pappas (R-12)
Rep. Frank Pallone (D-06)	Rep. Robert Menendez (D-13)
Rep. Bob Franks (R-07)	

STATE CONSTITUTIONAL OFFICERS

Governor:	Christine Todd Whitman (R)	
Lt. Governor:	Donald DiFrancesco (R)	Appointed
Attorney General:	Deborah Poritz (R)	Appointed
Sec. Of State:	Lonna Hooks (R)	Appointed
Speaker of the House:	Jack Collins (R)	
Assembly Dem. Leader:	Joseph Doria (D)	
Senate Pro Tem:	John Bennett (R)	
Senate Minority Leader:	John Lynch (D)	

ECONOMIC PROGRESS IN NEW JERSEY 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 New Jersey after the first 55 months of the Clinton Administration:

Improved Economic Conditions in New Jersey:

- Under President Clinton's administration, the unemployment rate has dropped from 7.9% to 5.2%.
- Under President Clinton's administration, New Jersey has added 216,600 new jobs, or 47,258 **per year**, after losing 219,400 during the previous administration.
- Under President Clinton's administration, New Jersey has added 219,800 new private-sector jobs, or 47,956 **per year**, after losing 227,200 during the previous administration.
- Under President Clinton's administration, New Jersey has **LOST** 40,700 manufacturing jobs, or 8,880 **per year**, after losing 134,100 during the 12 years prior to the Clinton administration
- Under President Clinton's administration, new business incorporations have increased 5.3% **per year**, after dropping 2.4% per year during the previous administration.
- Under President Clinton's administration, home building has increased 5.3% **per year**.
- Under President Clinton's administration, home sales have increased 2.8% **per year**.
- Under President Clinton's administration, the Help Wanted Index has increased 36.2%.
- Under President Clinton's administration, consumer confidence has increased 64.5%.

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

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN NEW JERSEY: 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 New Jersey.

5 TIMES MORE NEW JERSEY FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 350,842 working families in New Jersey will receive a tax cut. This compares to an increase in the income tax rate for only the 72,224 wealthiest taxpayers in New Jersey.

TAX CUT FOR 35,676 SMALL BUSINESSES IN NEW JERSEY: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 35,676 small businesses in New Jersey are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

1,417,000 NEW JERSEY 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 1,416,699 workers in New Jersey, and protects the jobs of 85,107 workers in New Jersey who are likely to use unpaid leave this year alone.

770,600 STUDENTS AND FORMER STUDENTS IN NEW JERSEY WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 770,600 New Jersey borrowers -- 539,400 current borrowers and 231,200 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.



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

October 6, 1997

MEMORANDUM TO THE PRESIDENT

FROM: KATHLEEN A. McGINTY

SUBJECT: NEW JERSEY AND PENNSYLVANIA ENVIRONMENTAL ISSUES

Dredging in the Port of New York and New Jersey

For years, dredging in the Port of New York and New Jersey had been halted by lawsuits from environmental groups -- warring with the Environmental Protection Agency (EPA) and the Corps of Engineers, as well as with labor and shipping interests -- concerned about disposal of dredge spoils and continued use of New Jersey's offshore Mud Dump Site (MDS) for contaminated material. Last July, Vice President Gore announced an interagency agreement (led by the Council on Environmental Quality) among environmental, labor, and shipping groups to end the controversy. The agreement coupled short term use of the MDS (until its capacity for contaminated material), with a long-term plan for remediation of the MDS area (using clean dredged material) and accelerated permitting of needed dredging projects. As a result of the agreement, more dredging has been authorized in the last twelve months than had been authorized in the preceding three years combined. Environmental groups applauded the Administration for timely closing of the MDS to contaminated material on September 1. Although concerns remain on all sides, there has been no litigation over dredging since the start of the plan.

THE WHITE HOUSE
WASHINGTON

October 7, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. *TM*
JON P. JENNINGS *J.P.J.*

SUBJECT: HOT ISSUES--NEWARK, NJ

Amtrak Strike: Amtrak may go on strike October 22. The Brotherhood of Maintenance of Way Employees (BMWEE) Union are Amtrak employees. If they strike, many New Jersey Transit and Southeastern Pennsylvania Transportation Authority (SEPTA) commuters will be impacted. Governor Whitman has scheduled a cabinet meeting on this issue and may convene a press conference on October 8. In August, you created the Presidential Emergency Board (PEB). The PEB issued a report on September 22. At this point, you have exhausted your legal authority to prevent a strike. Any further intervention that would prohibit a strike, must come from Congress. (DOT)

Newark HOPE VI Application Not Approved: The Newark Housing Authority submitted a HOPE VI application for \$11.5 million to demolish 78 units at Kretchmer Homes. It was not approved. HUD is announcing HOPE VI winners this week. Three New Jersey cities, Elizabeth, Patterson and Jersey City will receive grants on Tuesday, October 7. (HUD)

Possible Investigation: The news media has repeatedly reported that Newark Mayor Sharpe James is a target of a pending Federal criminal public corruption investigation. Attorneys representing Mayor James have also reported this. The public record discloses that the former Police Commissioner and the Mayor's chief of staff have been convicted on public corruption charges. (DOJ)

Newark Airport: Mayor Giuliani has asked the Federal Court of Appeals to overturn a FAA finding providing \$92 million for runway lengthening. The Mayor claims the Port Authority of New York/New Jersey spends too much money in Newark (and therefore not enough at JFK and LaGuardia and other NYC projects). Early in September, the Port Authority joined the case on the side of the FAA. A decision from the court is still pending. (DOT)

Newark Harbor Dredging: Dredging of Newark Harbor to allow use by larger ships has been delayed due to the need to identify a suitable dumping point. This effort has been further complicated by the expectation that the dredged material will be extremely contaminated. Failure to dredge the harbor will make the East Coast's largest port inaccessible to the largest cargo ships. (DOC)

Essex County Sportsplex Site: Essex County Executive James Treffinger and Newark Mayor Sharpe James have announced that they will recommend that the proposed Sportsplex project be relocated from Riverbank Park in the city's Ironbound section to a downtown site just north of the new New Jersey Performing Arts Center. Because of its responsibilities under the Urban Park and Recreation Recovery Act (UPARR), the NPS has directed the Essex County Improvement Authority to "cease and desist" demolition activities at Riverbank Park, a 10.8 acre community park in the largely Latino Ironbound community near the Penn Station terminal. The park contains some of the only green space in the community, as well as opportunities for active recreation on its track, ballfields, tennis and basketball courts. The NPS had taken the position that the conversion process meant to protect local parks must be followed. (DOI)

PRESIDENT CLINTON'S ACCOMPLISHMENTS:

New Jersey

EXPANDING ECONOMIC OPPORTUNITY FOR ALL:

- **Unemployment Down to 5.3%:** The unemployment rate in New Jersey has declined from 7.9% to 5.3% since 1993.
- **213,900 New Jobs:** 213,900 new jobs have been created in New Jersey since 1993 -- an average of 49,362 per year. In contrast, an average of 54,850 jobs were *lost* each year during the previous administration.
- **24,000 to Receive a Raise:** Approximately 24,000 New Jersey workers will benefit from an increase in the minimum wage -- from \$4.75 to \$5.15 -- on September 1, 1997.
- **Nearly 2.2 Million Protected By Family & Medical Leave:** Approximately 2.2 million New Jersey residents are covered by the Family & Medical Leave Law, which allows workers to take up to 12 weeks unpaid leave to care for a new baby or ailing relative [1995 data].
- **New Business Incorporations Up 6.3%:** New business incorporations have increased an average of 6.3% per year, after dropping 2.4% per year during the previous 4 years.

FIGHTING CRIME AND VIOLENCE:

- **Crime Falls in Newark:** Since 1992, serious crime has fallen 15% in Newark [1996 data].
- **2,580 More Police:** The President's 1994 Crime Bill has funded 2,580 new police officers to date in communities across New Jersey [through 6/97].
- **\$3.6 Million to Combat Domestic Violence:** Through the Violence Against Women Act, New Jersey will be able to use \$3.6 million in federal funds this year [FY97] to establish more women's shelters and bolster law enforcement, prosecution, and victims' services. New Jersey received \$3.3 million under VAWA in FY96.
- **\$1.4 Million in Grants for Battered Women and Children:** In 1998, New Jersey receive an estimated \$1.4 million in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse.
- **\$12.2 Million to Keep Drugs & Violence Out of New Jersey's Schools:** New Jersey receives \$12.2 million in FY97 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING NEW JERSEY RESIDENTS FROM WELFARE TO WORK:

- **99,702 Fewer People on Welfare:** There are 99,702 fewer people on welfare in New Jersey now than there were at the beginning of 1993 -- a 28% decrease [through 4/97].
- **Child Support Collections Up 35%:** Child support collections have increased by nearly \$129 million -- or 35% -- in New Jersey since FY92 [through FY96].

EXPANDING ACCESS TO EDUCATION:

- **Over \$75 Million in Head Start Funding:** In FY96, New Jersey received \$75.2 million in Head Start funding, benefitting over 13,000 students. This year, New Jersey receives \$82 million, an increase of \$6.8 million over 1996.
- **Over \$1 Million for Early Head Start:** New Jersey communities received over \$1 million in Early Head Start funding in FY 96 to provide basic early education, nutrition, and family development to low-income families with children under three. Early Head Start was established as a feature in the reauthorization of the Head Start Act, signed by President

Clinton in 1994.

- **\$11.1 Million in Goals 2000 Funding:** This year [FY97], New Jersey receives \$11.1 million in Goals 2000 funding. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.
- **\$4 Million for Technology Literacy:** This year [FY97], New Jersey receives \$4 million for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century.
- **\$165.7 Million for Students Most in Need:** New Jersey receives \$165.7 Million in Title I grants providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families [FY97].
- **\$106.4 Million for Students with Disabilities:** This year, New Jersey will receive \$106.4 million under the Individuals with Disabilities Education Act to help ensure high quality educational opportunities for an estimated 202,570 disabled students in New Jersey.
- **\$33.3 Million for Vocational and Adult Education:** This year, \$33.3 million helps New Jersey's students and workers prepare for the 21st Century with technical and academic training. The funding also includes the School-to-Work program, bridging high school with vocational education.
- **\$112.8 Million in Pell Grants:** New Jersey receives \$112.8 million this year in Pell Grant funding, which helps New Jersey's low-income students go to college.
- **Over 1600 Volunteers Have Served in New Jersey through AmeriCorps:** This year, 122 AmeriCorps participants are serving their communities while earning money for college by working in New Jersey's schools, hospitals, neighborhoods or parks. Since the National Service program began in 1994, over 1600 volunteers have served New Jersey in 139 different programs.

INVESTING IN NEW JERSEY'S HEALTH:

- **Helping New Jersey Women and Children with WIC:** The Clinton Administration is committed to full funding in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Today, in New Jersey, 3,553 more women and children in need are receiving health and food assistance than in 1994.
- **Nearly \$23 Million in Ryan White Funds:** Since President Clinton took office in 1993, funding for the Ryan White CARE Act has increased by 159% nationwide. In FY97, New Jersey communities received \$10.1 million in Ryan White formula award funds and \$12.8 million in supplemental grants to care for people living with AIDS and HIV.

PROTECTING THE ENVIRONMENT:

- **23 Toxic Waste Sites Cleaned Up:** Since 1993, the EPA has completed 23 Superfund toxic waste cleanups in New Jersey -- more than in any state except Michigan. These cleanups have been in Howell, Elizabeth, Mount Olive, Berkeley, Plumsted (5), Mantua, Jackson, Winslow, Pemberton, Lodi, Freehold, Galloway, Monroe, Edison, Ringwood, South Brunswick, Tabernacle, Upper Deerfield, and Swanton Middle [through 6/97]. This is nearly 3 times the number of sites cleaned up in New Jersey during the previous two administrations combined (8).

- **4 Brownfields Pilots in New Jersey:** Since 1993, the EPA has awarded 4 Brownfields Demonstration Pilots in New Jersey -- a regional pilot in Camden and national pilots in Newark, Jersey City, Perth Amboy, and Trenton. These projects are intended to jump-start local clean-up efforts by providing funds over a two year period to return unproductive, abandoned, contaminated urban properties to productive use.

SPEARHEADING URBAN RENEWAL EFFORTS:

- **\$21 Million to Camden:** Camden was designated an Empowerment Zone in December, 1994 and was awarded \$21 million to create more jobs, housing, and economic opportunity for city residents. Additionally, Newark was designated an Enterprise Community, and was awarded \$3 million for similar efforts.

EXPANDING FUNDS FOR TRAVEL IMPROVEMENT:

- **Over \$1.1 Billion to Improve Mass Transit:** The FTA has provided over \$1.1 billion since 1993 to improve public transportation in New Jersey [through FY97].
- **\$2.5 Billion in Highway Funding:** Since 1993, New Jersey has received \$2.5 billion in federal highway aid. These funds have helped generate approximately 106,100 jobs [through FY97].
- **Over \$74 Million in Airport Improvement Funds:** Since 1993, New Jersey has received over \$74 million in airport improvement funds, which have gone to Atlantic City International and Newark International for expanding terminal buildings, soundproofing nearby schools, and runway construction [through 6/97].

THE WHITE HOUSE
WASHINGTON

October 7, 1997

MEETING WITH PHILADELPHIA MAYOR ED RENDELL

DATE: Wednesday, October 8, 1997
LOCATION: Suite 62, CoreStates Arena
TIME: 6:45 - 7:05 p.m.
FROM: Mickey Ibarra 

I. PURPOSE

To meet privately with Mayor Ed Rendell. This is an opportunity for you to listen to Mayor Rendell present his proposal for a new National Constitution Center (NCC) facility and to express your appreciation for his continuing support of your Administration.

II. BACKGROUND

You will meet with Mayor Rendell in a private suite immediately prior to the DNC events. You most recently saw the Mayor at the Orioles/Phillies game on July 2, 1997 and then at the National Conference of Democratic Mayors event in Washington on August 12, 1997.

Mayor Rendell met with Erskine, Sylvia, John, Lynn Cutler and me to discuss the National Constitution Center on September 15, 1997. This project is quite important to the Mayor -- last fall, he assumed the Chairmanship of the Constitution Center Board of Directors.

National Constitution Center Proposal

The Mayor will present to you the issue of funding for the construction of the National Constitution Center (NCC) facility that he hopes to see relocated to Independence National Historic Park in Philadelphia. The NCC was created by Congress in 1988. The mission of the Center is to promote knowledge and understanding of the U.S. Constitution. Since the NCC's inception under the Heritage Act of 1988 (P.L. 100-433), Congress has appropriated approximately \$236,000 each year to enable the Center to run educational programs throughout the year and to celebrate Constitution Day on September 17. P.L. 100-433 requires that funds appropriated for use by the National Constitution Center be matched with funds from non-Federal sources.

Following the establishment of the NCC, the National Park Service (NPS) subsequently completed a General Management Plan (GMP) that identified an appropriate site within

MAYOR RENDELL BRIEFING MEMO
PAGE TWO

park boundaries. The GMP specified, however, that the NCC would have to be constructed primarily with private funds because the project is so ambitious. The Constitution Center is now proposing a \$123 million facility within Independence National Historic Park. The Mayor will ask for a 50% split of funding with the Federal government.

The National Park Service has repeatedly objected to the NCC's Board because it would be too large for the Park and its operational costs (which the Park Service would likely inherit) would be too high. NPS Director Kennedy testified a few years ago against significant Federal funding for this project.

According to the OMB, none of the construction projects in the NPS portfolio are this large. Most NPS construction projects cost between \$5 million and \$10 million. The entire FY 1998 budget request for NPS construction is \$150 million, of which \$80 million is for specific construction projects (the rest is for planning, housing, etc.). **As the FY 1999 budget process is now underway, in order to preserve the widest range of choices for the budget you will send to the Congress in February, Frank Raines has asked that we not commit FY 1999 funding at this time.**

The NCC's Board of Directors has received commitments toward the construction of the new facility from the State of Pennsylvania and several foundations and corporations. However, Mayor Rendell has asserted that construction of the Center will not be feasible without a substantial federal commitment as well.

Philadelphia Naval Shipyard

Mayor Rendell may also raise issues surrounding the Philadelphia Naval Shipyard. The Commonwealth of Pennsylvania and the City of Philadelphia are currently negotiating with the Norwegian shipbuilding company, Kvaerner Masa, to reopen the Philadelphia Naval Shipyard as a shipbuilding facility. The \$700 million proposal would have Kvaerner oversee the development of a state-of-the-art shipbuilding facility that would rival or exceed any facility in the United States. Kvaerner has been looking at both Philadelphia and Charleston, South Carolina to build the facility. It now appears that Philadelphia is leading in the competition because of its superior drydock facilities.

In 1991, the Base Realignment Commission announced the closure of the Philadelphia Naval Shipyard. The yard officially closed in 1996 leaving nearly 12,000 people unemployed. Since that time, Mayor Rendell has been working diligently to lure alternative employers to take over all or part of the yard. Kvaerner, which has a strong Pennsylvania and New Jersey presence, would build one of the most productive and advanced yards in the world.

In the last few weeks the State and City have made considerable headway in negotiating with Kvaerner -- the largest shipbuilding company in the world that would create nearly

MAYOR RENDELL BRIEFING MEMO
PAGE THREE

1,000 high paying jobs directly at the shipyard and 5,000 construction and related jobs. On October 1, the Pennsylvania Legislature passed a capital budget bill appropriating \$182 million for infrastructure improvements to the yard. Simultaneously, at Congressman John Murtha (D-PA)'s behest, the U.S. Congress approved a \$50 million defense appropriation for the "industrial modernization" of former military bases. The state is currently working with the City and states of New Jersey and Delaware to solidify their contributions to the multi-million dollar project.

The Mayor remains your friend and supporter. He continues to help amplify your message on a broad range of issues, including the passage of the budget.

III. PARTICIPANTS

The President
Mayor Ed Rendell
Joe Torsella, President, National Constitution Center
Dawn Dugan, Event Coordinator, The Event Group

IV. PRESS PLAN

Closed press

V. SEQUENCE OF EVENTS

- You arrive CoreStates Arena
- You are greeted by Mayor Ed Rendell, who will be accompanied by Peter Luuko, Chief Executive Officer, CoreStates Complex, and Brian Roberts, Owner of the 76ers, Flyers, and President, Comcast Spectator, and proceed with the Mayor via elevator to Suite 62
- You meet privately with Mayor Rendell
- During your meeting, the Mayor will show you a seven-minute video about the National Constitution.
- You proceed with the Mayor to the Arena Floor

VI. REMARKS

No formal remarks necessary

VII. ATTACHMENTS

OMB Talking Points on the National Constitution Center Proposal

**Talking Points on Proposal for a
National Constitution Center**
October 7, 1997

- My budget director, Frank Raines, is now beginning the process of preparing my FY 1999 budget, which I will send to the Congress next February.
- We will send your materials to him, so that he is aware of your request and can gather the information he needs when he considers this project.
- I will make sure he knows how valuable a contribution the Center could make to our national understanding of the Constitution, and of my interest in this project.

**DEMOCRATIC NATIONAL COMMITTEE
PHILADELPHIA, PENNSYLVANIA
YOUNG DEMOCRATS COUNCIL RECEPTION
RECEPTION AND DINNER
HONORING PRESIDENT CLINTON**

Date: Wednesday, October 8, 1997
Venue: CoreStates Arena
Time: 6:45 p.m.
From: Paul DiNino, Finance Director

I. BACKGROUND

This is a three tiered event to raise funds for the Democratic National Committee.

II. DESCRIPTION

The first event is a Young Democrats Council Reception to engage young professionals in the Philadelphia metropolitan area. The second event is a cocktail reception to engage longtime supporters of both the DNC and Mayor Rendell. The dinner guests represent leaders in the legal and corporate community who are among the strongest supporters of the DNC and the Administration.

III. PARTICIPANTS

Please see the attached guest list.

IV. SEQUENCE

6:35 p.m.

- YOU arrive and are greeted by Event Co-Chairs
- YOU proceed to Young Democrats Council reception.
- YOU are announced onto the stage accompanied by The Honorable Edward G. Rendell, Mayor of Philadelphia and Steve Grossman, DNC Chairman.
- PROGRAM
 - Chairman Grossman delivers brief remarks and introduces Mayor Rendell.
 - Mayor Rendell delivers brief remarks and introduces YOU.
 - YOU deliver remarks.
- YOU exit stage and work ropeline, right to left, as the Carmen Tomoselli Orchestra performs Philadelphia Freedom.
- YOU proceed to the cocktail reception.
- YOU work ropeline right to left.
- YOU proceed to the dinner.
- YOU greet guests in a photo-receiving line.
- YOU are seated at the head table for dinner.

- PROGRAM:
Mayor Rendell delivers brief remarks and introduces YOU.
- YOU depart following remarks.

V. PRESS PLAN

- The Young Democrats Council Reception/Saxophone Club is open to the press for remarks.
- The reception and dinner are open to pool press for remarks.

VI. REMARKS

Your remarks will be provided by speechwriting.

Philadelphia Young Dems and Saxophone Club
Acknowledge: Mayor Rendell; Steve
Grossman; Alan D. Solomont; Fran Katz;
Tonight's Event Co-Chairs: Lou Magazzu
(MA-ga-zoo); Don Schroeder; Jill Ross-
Stein (Ross-stine); Jerry McCabe; David
Maser (MAY-ser).

- **4 yrs ago, goals: Am Dr, peace/freedom, One Amer. Keep values alive in new time.**
Economic plan Def. ↘ 87+%. 13.2M jobs;
unemp below 5% -- 24 yr. low; core inflation
lowest in 30 years. Family income up 1,600.
Welfare down: 250,000 in the most recent
month. 1.7 m since bill, 3.5 m since 1993.
- **Now, hist. bal bud:** Up to 5 M+ insured
children (24 B); 3 B w to w jobs; secures
Medicare for a decade; legal immigrants.
Moment of hope - but more to do.
- **Exp. Opp. through Educ:** \$1,500 HOPE.
Pell, Am Reads. Now, standards. Connect.
- **Expand Opp. through increased trade:**
200 trade agreements. Need fast track:
4%/96%, labor & enviro goals.
- **Demand Responsibility:** High quality
healthcare: CHILDCARE: 1/3 of kids in
home/family based childcare receive
detrimental care. Tobacco goals, teen
smoking reduced 30% in 5 yrs, 50 % in 7
yrs, 60% in 10 yrs. Climate Change;
CFR: GOP block reform.

037 OCT 1 1993

DNC Dinner, Philadelphia, Victors Lounge

Acknowledge: Mayor Rendell;
Tonight's Co-Chairs: Tom Leonard; Len
Barrack; Bill Titleman (Tie-til-man); Ken
Jarin (Jair-in); Alan Kessler; Tom Kelley;
Charlie Breslin.

Since 1992, I've been able to depend on you
for your steadfast support. Thank You.

**(Note: this crowd will have heard your
remarks at the Saxophone event. You
should speak briefly and informally)**

97 OCT 7 09:49

October 7, 1997

197 OCT 7 PM 2:46

MEMORANDUM FOR THE PRESIDENT

FROM: Craig T. Smith and Nick Baldick

SUBJECT: Pennsylvania Political Briefing

PRESIDENTIAL ELECTION RESULTS

1992

Clinton/Gore	45%	2,239,164
Bush/Quayle	36%	1,791,841
Perot/Stockdale	18%	902,667

1996

Clinton/Gore	49%	2,206,241
Dole/Kemp	40%	1,793,568
Perot/Choate	10%	430,082

MOST RECENT PRINCIPAL TRAVEL

YOU were in Pittsburgh on September 24, 1997, for the AFL-CIO convention.

YOU were in Pittsburgh on July 17, 1997, to speak to the National NAACP conference.

The Vice President was in Pittsburgh on September 20, 1997, to speak to the AFL-CIO convention.

The Vice President was in Philadelphia on August 8, 1997, where he made remarks to the National Conference of State Legislatures, had lunch with Mayor Rendell, and attended a DLCC luncheon and reception.

The First Lady was in Philadelphia on June 10, 1997, for a Women's Leadership Forum fundraiser.

YOU, the Vice President and the First Lady were in Philadelphia on April 27-29, 1997, for The President's Summit for America's Future.

1998 GUBERNATORIAL RACE

Governor Tom Ridge (R) is seeking reelection in 1998. He currently faces no Republican primary challengers, and has already raised more than \$5 million. Some observers note that while Ridge may appear invincible, his support of an increased gas tax, and of a higher license plate fee may be chinks in his armor which could hurt him during the election.

Ridge may face a challenge from the conservative right in the general election. Peg Luksic, a right-to-lifer who ran against Ridge in '94 on a third party ticket, will likely challenge him again. She already has a small campaign staff and Republicans are very worried about her ability to take votes from Ridge.

Unfortunately, unless the state Democrat party finds a formidable candidate, Ridge may be a lock for reelection. Philadelphia Mayor Edward Rendell (D) has said he will not run, citing his promise to finish his term as mayor. Former Lt. governor, 1994 gubernatorial candidate, and current State Democratic Party Chair Mark Singel (D) has also announced he will not run. Although Singel cited family considerations, many people believe that an announcement by Philadelphia Democratic fundraiser and '94 Singel campaign co-chair, Bill Batoff, that he will support Ridge, dissuaded Singel from entering the race. Corporate executive Betteye Martin Mushem (D) was also considered a potential gubernatorial or senatorial candidate. Democratic leaders were quite excited about her candidacy, but last week she announced that she would run for neither office.

With Rendell, Singel and Mushem out of the race, only a thin field of possible Democrats remain. So far, the only Democrat who has stepped forward to challenge Ridge is State House Democratic Whip Ivan Itkin. Recently, political observers have speculated that Itkin might pull out of the race; however, in mid-September, Itkin went public with a brochure attacking Ridge and containing several pictures of himself with influential and popular Pennsylvania Democrats. The other serious potential candidate being mentioned is former Lt. Governor Ernest Kline (D). Kline has been making the rounds with powerful Democrats, but has been coy with the media. Sources say he will announce whether or not he is running by the end of October. Former State Labor Secretary Tom Foley (D) has also been mentioned as a likely candidate. Other names that have been mentioned include State Superior Court Judge Kate Ford Elliot (D), and former Rep. Marjorie Margolies Mezvinsky (D).

At this point Ridge seems a solid favorite for reelection because no first tier Democratic candidate has emerged.

1998 SENATE RACE

Senator Arlen Specter (R) is seeking election to a fourth term in 1998. In 1992, Specter narrowly defeated Lynn Yeakel (D), 49% to 46%, despite out spending her 2-1. Currently, Specter has about \$2.3 million on hand. After running as a moderate in the 1996 Presidential primary, the pro-choice Specter has made strong efforts to placate conservatives in order to scare off or defeat any possible primary challenges from the right wing of the Republican Party. Pennsylvania's Republican leadership--including Ridge, Sen. Rick Santorum (R), and Pennsylvania Republican Party Chair Alan Novack--have all been publicly united behind Specter since the early spring.

While Specter's political well-being within the Republican party remains relatively secure, his health is in question. Although observers close to Specter vehemently deny reports that he has not fully recovered from his brain tumor, rumor has it that he is undergoing continued treatment for his recent tumor.

On the Democratic side, no formidable opposition exists. Former State Secretary of Aging Linda Rhodes (D) and state Senator Allison Schwartz (D) were considered to be the top contenders, but both recently announced they will not challenge Specter. As in the governor's race, Specter

seems a solid favorite for reelection because no first tier Democratic candidate has emerged.

PHILADELPHIA CONGRESSIONAL SPECIAL ELECTION

With the Senate scheduling confirmation hearings so swiftly for Rep. Tom Foglietta's (D) nomination as Ambassador to Italy, Philadelphia political leaders are scrambling to seek a special election this November to fill his seat, before next year's primary. Foglietta's nomination has passed through committee and a confirmation vote from the full Senate is expected sometime this week. Former Rep. Lucien Blackwell (D), an African American, and Philadelphia Democratic Chair Bob Brady, who is White, are considered the front runners for the seat representing the majority African American district. Other Democrats vying for the seat include State Rep. Andrew Carn and longtime Foglietta aide and ward leader Stanley White. Republicans considering running include State Revenue Department Clerk Linda Bateman, State Rep. John Taylor, and state athletic commissioner George Boshetto. Nominees will be chosen by the respective Democratic and Republican ward leaders, but the district is overwhelmingly Democrat. According to a September 8th *Roll Call* article, Republicans have "virtually no shot at the seat." The one problem for the Democrats would be if one of the Democratic candidates chooses to run as an independent after losing in the primary nomination ward vote.

PHILADELPHIA MAYORAL RACE

Mayor Ed Rendell (D) is term limited and therefore he will not be running for re-election in '99. Although the election is two years off, there is already a lot of activity among would-be candidates. So far, three African American candidates have officially announced. They are state Rep. Dwight Evans (D), City Council President John Street (D), and former Executive Director of the Philadelphia Housing Authority John White (D). Evans lost to Singel in the 1994 Democratic Gubernatorial Primary. Street has a strong partnership with Rendell, especially on economic issues, and has been Rendell's 'Go-To-Guy' on the City Council for some time. Some insiders presume that he will be the front runner. White, who has been in government for some time, represented Philadelphia at the White House during the Get Tough America Conference, which was held on June 5, 1997. The two other announced candidates, who are White, are District Attorney Lynn Abraham (D) and City Comptroller Jonathan Sidel (D).

Abraham, who is currently up for re-election against former Assistant District Attorney Jack McMahon, ran into trouble when she released a 10-year old videotape to the media of McMahon instructing prosecutors to exclude certain African Americans from jury duty. The media criticized her for playing dirty politics. However, she will still most likely win her race for district attorney since she is an adept fundraiser with high name recognition who is running in a city with 3-1 Democratic registration. If she then runs for mayor, she will be a viable threat because of her name recognition and her law-and-order reputation. Sidel just won the Democratic Primary in his bid for re-election as City Comptroller, but has recently been racked by a scandal. His former campaign treasurer and alleged girlfriend, Diana Roca, wrote herself a \$36,000 check from his campaign account.

The Republicans considering running for mayor include City Councilman Frank Rizzo Jr.. Sam

Katz, and Ben Paul. Rizzo Jr. is the son of the infamous former Philadelphia mayor Frank Rizzo. Katz is a wealthy investor and businessman who helped mastermind the construction of the Core States Center, where Philadelphia is hoping to host one of the major party conventions in 2000. Katz also ran against former mayor Frank Rizzo in the 1991 Republican mayoral primary. Paul is seen as a fringe candidate.

HOT ISSUES

Plan to Rebuild the Philadelphia Navy Shipyard

A deal is currently being hammered out between executives from Kvaerner ASA, a Norwegian shipping giant, and officials from the State of Pennsylvania and the City of Philadelphia to rebuild part of the Philadelphia Naval Shipyard. If an agreement is reached, more than \$700 million dollars could be invested in the shipyard, including one of the largest public subsidies offered to benefit a private business in recent decades. The proposed funding includes \$450 million is proposed to come from federal, state, and local sources, and an additional \$250 to \$300 million coming from Kvaerner.

Governor Ridge (R) and Mayor Ed Rendell (D) have both been working to keep the deal moving, for more than two-years, in part because the deal would create 1,000 new jobs at the shipyard and a possibility of 5,000 support and ancillary jobs to the area. Philadelphia was severely hurt by the closing of the shipyard in 1995. At the time of the closing, negotiations fell through with German shipbuilder Meyer Werft, and Ridge was blamed as the inexperienced newcomer. However, the governor and mayor have been praised for their ability to put aside party differences to bring the Kvaerner deal to the brink of success. Every effort was made to keep negotiations out of the press, which was credited for ruining the Meyer Werft negotiations.

On October 3, the General Assembly earmarked \$182 million from the state budget to go to the project. This was seen as "a strong signal" to the Norwegian shipbuilder that a key component of the plan was completed and the assembly of the entire deal one step closer to completion.

Economic Development in Philadelphia

Mayor Rendell has put a lot of effort into developing Philadelphia's hospitality and tourism industry. After the completion of the state-of-the-art Pennsylvania Convention Center and Marriott in 1993, the Mayor set a goal of 2,000 additional hotel rooms by the year 2000. On June 5, 1997, Mayor Rendell held a press conference during which he announced that the Marriott Convention Front was adding an additional 210 rooms. This news was paired with the announcement by Mayor Rendell and Jim Berk, the owner and founder of the Hard Rock Cafe, that a Hard Rock Cafe would soon be opening in Philadelphia. This is yet another step in Rendell's plan for economic development and a heightened emphasis on tourism which is meant to encourage one, or both, of the two major parties to hold their political convention in Philadelphia in 2000.

Rendell has also concentrated on keeping jobs in Philadelphia. Since 1988, Philadelphia has been consistently losing jobs. Philadelphia lost 11,400 jobs in 1995 and has lost 84,100 jobs

since 1986. However, Philadelphia's economic development seems to have finally stabilized according to Alan Paisner — Regional Commissioner for the Bureau of Labor Statistics. For example, DuPont recently announced that it would keep its Marshall Laboratory and 472 jobs in Philadelphia, and SmithKline Beecham is building an expansion which will create 500 new jobs. The shipyard, if negotiations are indeed completed, would also be a source of over 1,000 new jobs. In June, the Bureau of Labor Statistics reported that Philadelphia saw a gain in the number of jobs produced for the first time since 1988, with the biggest gain coming in the services sector. These gains are greatly due to the success of the Convention Center which has generated 6,200 jobs and nearly \$300 million in revenue.

Philadelphia 2000

"Philadelphia 2000" is an organization formed by the Mayor and corporate and community leaders whose stated purpose is to attract either or both of the national political conventions in the year 2000. The Committee chairs are David L. Cohen, former Chief of Staff to Mayor Rendell and current Chairman of the Ballard Spahr law firm, and Brian Roberts, CEO of Comcast. Mayor Rendell and Governor Ridge are the honorary co-chairs. Philadelphia 2000 received a big boost from the success of The Presidents' Summit for America's Future. Now that high profile figures from both parties have had an opportunity to see the city, the biggest hurdle to overcome is the hotel room shortage. However, with the goal of another 2,000 hotel rooms in sight, it seems that Philadelphia 2000 may well succeed in making the city a strong contender in the convention race.

Governor Ridge's Gas Tax & License Plate Fee

On April 18, Governor Ridge signed into law legislation that increases the gasoline tax by 3.5 cents per gallon and boosts vehicle registration fees from \$24 to \$38. A majority of Republican lawmakers supported the gas tax increase while most Democrats opposed it. The gas tax will generate \$404 million to improve Pennsylvania's 40,000-mile state highway system (\$196 million for repairs and \$208 million for new construction). Mass transit agencies also hope to receive \$150 million. Many observers believe that this legislation will benefit Ridge in next year's gubernatorial election, since he will have numerous ground-breakings and ribbon-cuttings across the state during an election year which should draw free-press. At the same time, this tax increase will have a significant impact on Ridge's political base in the less urban areas because of longer driving distances. Other pundits predict Ridge will be vulnerable in the 1998 election on these two issues.

Democrats predicted all along that the state would run a budget surplus, thus making the \$400 million gas tax unnecessary. In June, soon after the Republicans pushed the tax through, Ridge announced that the state indeed had a \$575.7 million cash surplus. However, Republicans defended the tax, saying that Ridge erred as a precaution because it is better to end the year with a surplus rather than risk a deficit. This argument may be a hard sell considering all the revenue raised was designated for road improvement and new construction before the surplus was disclosed. Ridge will have the luxury of spending the money any way he likes during the upcoming election year. At this point, Ridge and the legislature have tentatively decided to put

\$100 million into the rainy day fund, cut taxes for low income families and businesses by \$176 million, and put \$280 million into increased basic education funding. Critics point out that there are no breaks for the hard working middle class, and that the cost of state college tuition will still rise next year despite the money Ridge is throwing into education during this upcoming election year.

On September 11, the citizens' lobbying group Common Cause of Pennsylvania filed suit contending that the enactment of law raising the gas tax bypassed the state constitution's requirements for passage of legislation. The suit focuses on the way HB67 was added as a last-minute amendment to another bill already on the verge of approval. The tax hike was strongly opposed by minority Democrats in the General Assembly, who criticized it in light of the state's \$500 million budget surplus for fiscal 1997.

Philadelphia Eagles

The Philadelphia Eagles beat the Washington Redskins 24-10 this weekend.

POLITICAL DATA

Governor:	Tom Ridge (R) 45% in 1994
Senate:	Arlen Specter (R) 49% in 1992 Rick Santorum (R) 49% in 1994
U.S. House	11D-10R
State Senate	21D-29R
State House	99D-104R
Electoral Votes	23

1996 STATE ELECTION RESULTS

YOU won Pennsylvania by 9% in both 1996 and 1992. In 1996, **YOU** won the state by a margin of roughly 400,000 votes and won Philadelphia by a margin of 327,000 votes. In addition to the presidential election, three statewide Constitutional offices were up in 1996. Prior to the election, the offices of Auditor General and Attorney General were held by Republicans. Cathy Baker Knoll (D) held the office of State Treasurer, but did not seek reelection. Instead her daughter, Mina Baker Knoll ran unsuccessfully against Barbara Hafer (R) for State Treasurer. Bob Casey, Jr. (D), son of former governor Casey, defeated Bob Nyce (R) for Auditor General. Joe Kahn (D) lost the attorney general race to D. Michael Fisher (R).

CONGRESSIONAL DELEGATION

Sen. Arlen Specter (R)	Sen. Rick Santorum (R)
Rep. Thomas M. Foglietta (D-01)	Rep. Chaka Fattah (D-02)
Rep. Robert A. Borski (D-03)	Rep. Ron Klink (D-04)
Rep. John E. Peterson (R-05)	Rep. Tim Holden (D-06)
Rep. Curt Weldon (R-07)	Rep. James C. Greenwood (R-08)
Rep. Bud Shuster (R-09)	Rep. Joseph M. McDade (R-10)
Rep. Paul E. Kanjorski (D-11)	Rep. John P. Murtha (D-12)

Rep. Jon D. Fox (R-13)	Rep. William J. Coyne (D-14)
Rep. Paul McHale (D-15)	Rep. Joseph R. Pitts (R-16)
Rep. George W. Gekas (R-17)	Rep. Mike Doyle (D-18)
Rep. William F. Goodling (R-19)	Rep. Frank R. Mascara (D-20)
Rep. Philip S. English (R-21)	

STATE CONSTITUTIONAL OFFICERS

Governor:	Tom Ridge (R)
Lt. Governor:	Mark Schwieker (R)
Secretary of Commonwealth:	Yvette Kane (R)
Attorney General:	D. Michael Fisher (R)
Treasurer:	Barbara Hafer (R)
Auditor General	Bob Casey (D)
Speaker of the House:	Matthew Ryan (R)
House Minority Leader:	H. William DeWeese (D)
Senate Pro Tem:	Robert J. Jubelirer (R)
Senate Minority Leader:	Robert Mellow (D)

PENNSYLVANIA AT A GLANCE

- The current unemployment rate in Pennsylvania is 5.3% compared to 7.4% in 1993.
- 1995 estimated population was 12 million, making Pennsylvania the 5th largest state in the nation.
- 87% of Pennsylvanians are White; 9.1% are African-American; and 2.1% are Hispanic.
- 16% of Pennsylvania residents are 65 or older.
- 56% of Pennsylvania households are married couples, and 25% are married couples with children.
- Median household income in 1994 was \$32,066.
- Approximately 44,247 new private sector jobs have been created each year since 1993.
- 74.6% of Pennsylvania residents have a high school education while 17.9% have a college education.
- Turnout in the 1996 presidential election was 49% of the voting age population compared to 54% in 1992. Turnout in the 1994 election was 39%.

PHILADELPHIA AT A GLANCE...

Clinton/Gore '96 won Philadelphia 78% to 16% in 1996. Philadelphia's population is 1,585,577, of which 53.5% is White; 39% is African American; 5.6% is Hispanic; and 2.7% is Asian. The most recent FEB Crime Index ranked Philadelphia as the safest of the nation's 12 largest metropolitan areas. The Mayor of Philadelphia is Edward Rendell (D). The City Council of Philadelphia is comprised of 9 Democrats and 1 Republican. The President of the City Council is John F. Street (D). Major universities include: the University of Pennsylvania, Temple University and Thomas Jefferson University.

ECONOMIC PROGRESS IN PENNSYLVANIA 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 Pennsylvania after the first 55 months of the Clinton Administration:

Improved Economic Conditions in Pennsylvania:

- Under President Clinton's administration, the unemployment rate has dropped from 7.3% to 5.3%.
- Under President Clinton's administration, Pennsylvania has added 313,300 new jobs or 68,356 ~~per year~~^{per 55 months}, compared to a loss of 900 per year during the previous administration.
- Under President Clinton's administration, Pennsylvania has added 288,300 new private-sector jobs or 62,902 per year, compared to a loss of 2,650 per year during the previous administration.
- Under President Clinton's administration, new business incorporations have increased 4.1% per year, after declining 6.7% per year during the previous administration.
- Under President Clinton's administration, business failures have dropped 7.1% per year, after increasing 30.8% per year during the previous administration.
- Under President Clinton's administration, bankruptcy filings have dropped 6.3% per year, after increasing 11.8% per year during the previous administration.
- Under President Clinton's administration, bank lending has increased 8.4% per year, after declining 1.9% per year during the previous administration.
- Under President Clinton's administration, home sales have increased 2.8% per year, after declining 2.4% per year during the previous administration.
- Under President Clinton's administration, consumer confidence has increased 64.5%.

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

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN PENNSYLVANIA: 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 Pennsylvania.

8 TIMES MORE PENNSYLVANIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 510,127 working families in Pennsylvania will receive a tax cut. This compares to an increase in the income tax rate for only the 60,308 wealthiest taxpayers in Pennsylvania.

TAX CUT FOR 53,262 SMALL BUSINESSES IN PENNSYLVANIA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 53,262 small businesses in Pennsylvania are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

2,129,000 PENNSYLVANIA 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 2,129,215 workers in Pennsylvania, and protects the jobs of 127,911 workers in Pennsylvania who are likely to use unpaid leave this year alone.

1.7 MILLION STUDENTS AND FORMER STUDENTS IN PENNSYLVANIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 1.7 million Pennsylvania borrowers -- 1.2 million current borrowers and 500,000 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

October 7, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. *T.M.*
JON P. JENNINGS *J.P.J.*

SUBJECT: HOT ISSUES--PHILADELPHIA, PA

Philadelphia, Chester County and Allegheny County HOPE VI Grants: On October 7, HUD awarded a total of \$58.6 million in HOPE VI grants to Philadelphia. Chester County and Allegheny County to transform severely distressed public housing. Philadelphia will receive \$26.4 million. Chester County will receive \$16.4 million. and Allegheny County will receive \$15.8 million. Secretary Cuomo announced these grants on a press conference call with Congressman Chaka Fattah and Philadelphia Mayor Ed Rendell. (HUD)

Closing of AoA Office: The Secretary received a letter from Representatives Borski, Fattah, Loglietta and Klink and 10 other Representatives protesting the Administration on Aging's (AoA) recent closure of its Region III AoA Office in Philadelphia, PA. The letter followed a meeting with the Philadelphia delegation staff to discuss the issue in early September. (HHS)

Navy Yard Redevelopment: Governor Ridge and Mayor Rendell are in the final stages of recruiting a major shipbuilding enterprise to replace the Philadelphia Naval Shipyard which closed over a year ago. The deal, which has strong State legislative approval for tax incentives, will occupy the Navy Yard's two dry docks -- the largest docks available on the East Coast and among the largest in the world. It is anticipated that over 1,000 jobs will be created. (DOC)

Rendell Recommends Overhaul of Section 8 Program: According to an October 2 *Philadelphia Inquirer* article, Mayor Ed Rendell may push for concentrating Section 8 (rental assistance vouchers) tenants in multifamily developments rather than scattered site, privately-owned houses. The Mayor has not verified this plan and is holding comment until City Council hearings next month. If the change is proposed, it would require Congressional approval. The Grays Ferry neighborhood, which has a high concentration of Section 8 scattered-site housing, has been experiencing racial unrest this year. Many people in this traditionally white neighborhood view the Section 8 program as the cause. The *Philadelphia Inquirer* is working on an editorial that will note that clustering of tenants in multifamily developments is counterproductive to HUD's initiative of mixed-income housing as well as illegal under the Fair Housing Act. (HUD)

Philadelphia Service Summit Anniversary: October 26-28 is the six month anniversary of the Service Summit. You and the administration continue to highlight Summit themes and fulfill Summit commitments. You met with General Powell in August to discuss progress. Cabinet agencies continue to implement their commitments. This includes Secretary Glickman's commitment on food recovery and Secretary Shalala's on Girl Power. Agencies continue to look for ways to partner with schools for mentoring and reading. Most recently at your charter schools event in California you highlighted Oracle's commitment. A summary of your accomplishments in the service area since Philadelphia is being compiled for the six month anniversary. (OCA)

US AIRWAYS Pilots: On Sept. 30, US Airways, Inc., and its pilots' union reached tentative agreement on new contract terms that include the creation of a new low fare airline within US Airways and guarantees that wages for the airline's 4800 pilots are "at parity" with other major carriers. The settlement was reached without an interruption in service. (DOT)

Einstein Medical Center: Language encouraging the Department of Energy to consider a proposal for addressing women's health needs in Philadelphia's low-income areas was included in the Senate Appropriations Committee reports for Fiscal Year 1997 and Fiscal Year 1998. Energy Research's Office of Biological and Environmental Research (OBER) is discussing possible research activities at the Einstein Medical Center that would be consistent with the objectives of OBER's Medical Applications program. (DOE)

THE WHITE HOUSE
WASHINGTON

October 7, 1997

MEMORANDUM FOR THE PRESIDENT

**FROM: JOHN PODESTA
THURGOOD MARSHALL, JR.**

RE: UPDATE ON THE PHILADELPHIA SHIPYARD

The Commonwealth of Pennsylvania and the City of Philadelphia are currently negotiating with the Norwegian shipbuilding company Kvaerner Masa to reopen the Philadelphia Naval Shipyard as a state-of-the-art shipbuilding facility. The \$700 million project would have Kvaerner, the world's largest shipbuilder, create 1,000 high paying jobs and 5,000 indirect jobs. Although Kvaerner has been looking at both Philadelphia and Charleston, SC, to build the facility, Philadelphia now has the advantage because of its superior drydock facilities.

On October 1, the Pennsylvania legislature passed a capital budget bill appropriating \$182 million for infrastructure improvements to the yard. Simultaneously, at Representative John Murtha's behest, the U.S. Congress approved a \$50 million defense appropriation for the "industrial modernization" of former military bases. Pennsylvania is currently working with the city and States of New Jersey and Delaware to nail down their contributions.

At Mayor Rendell's request, the Administration convened a series of meetings with agency officials to discuss the federal role in the project. In late August, we convened a meeting at the White House between Philadelphia officials and representatives from nine agencies on federal participation in the project. Since that meeting, we have worked with the city on an almost daily basis to move forward. Based on the city's needs, we have concentrated our efforts in working with DOL on the project's retraining components. Last week, Pennsylvania submitted a preliminary application to DOL for \$29 million in retraining funds over five years. The state and city are scheduled to meet with DOL on October 8 to discuss the application. DOL has given assurances they will expeditiously review the proposal. In addition, the Administration is working aggressively with the Economic Development Administration, the Education Department, HUD, and EPA to bring the Kvaerner project to the U.S.

PRESIDENT CLINTON'S ACCOMPLISHMENTS:
Pennsylvania

EXPANDING ECONOMIC OPPORTUNITY FOR ALL:

- **Unemployment Down to 5.2%:** The unemployment rate in Pennsylvania has declined from 7.3% to 5.2% since 1993.
- **320,700 New Jobs:** 320,700 new jobs have been created in Pennsylvania since 1993 -- an average of 74,008 jobs per year. In contrast, an average of 900 jobs were *lost* each year under the previous administration.
- **193,000 Have Received a Raise:** Approximately 193,000 Pennsylvania workers have benefited from an increase in the minimum wage -- from \$4.25 to \$4.75 -- on October 1, 1996. They, along with about 257,000 more, will receive an additional raise -- from \$4.75 to \$5.15 -- on September 1, 1997.
- **3.4 Million Protected By Family & Medical Leave:** Approximately 3.4 million Pennsylvanians are covered by the Family & Medical Leave Law, which allows workers to take up to 12 weeks unpaid leave to care for a new baby or ailing relative [1995 data].
- **Business Failures Down 7.4%:** Business failures have dropped 7.4% per year since 1993, after increasing 30.8% per year during the previous four years.

FIGHTING CRIME AND VIOLENCE:

- **Crime Falls in Pittsburgh:** Since 1992, serious crime has fallen 39% in Pittsburgh [1996 data].
- **2,313 More Police:** The President's 1994 Crime Bill has funded 2,313 new police officers to date in communities across Pennsylvania [through 6/97].
- **\$5.3 Million to Combat Domestic Violence:** Through the Violence Against Women Act, Pennsylvania will be able to use \$5.3 million in federal funds in FY97 to establish more women's shelters and bolster law enforcement, prosecution, and victims' services. Pennsylvania received \$4.7 million under VAWA in FY96.
- **\$2.1 Million in Grants for Battered Women and Children:** In 1998, Pennsylvania will receive an estimated \$2.1 million in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse.
- **\$22.1 Million to Keep Drugs & Violence Out of Pennsylvania's Schools:** Pennsylvania will receive \$22.1 million in FY96 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING PENNSYLVANIANS FROM WELFARE TO WORK:

- **141,271 Fewer People on Welfare:** There are 141,271 fewer people on welfare in Pennsylvania now than there were at the beginning of 1993 -- an 23% decrease [through 4/97].
- **Child Support Collections Up 25%:** Child support collections have increased by over \$196 million -- or 25% -- in Pennsylvania since FY92 [through FY96].

EXPANDING ACCESS TO EDUCATION:

- **Over \$127 Million in Head Start Funding:** In FY96, Pennsylvania received \$127.1 million in Head Start funding, benefitting about 26,200 students. This year, Pennsylvania receives \$141.4 million, an increase of \$14.3 million over 1996.
- **\$1.66 Million for Early Head Start:** In FY96, Pennsylvania received \$1.66 million in Early Head Start grants to provide basic early education, nutrition, and family development to low-income families with children under three. Early Head Start was established as a feature in the reauthorization of the Head Start Act, signed by President Clinton in 1994.

- **\$20.2 Million in Goals 2000 Funding:** This year [FY97], Pennsylvania receives \$20.2 million in Goals 2000 funding. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.
- **\$8.6 Million for Technology Literacy:** This year [FY97], Pennsylvania receives \$8.6 million for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century.
- **\$339 Million for Students Most in Need:** Pennsylvania receives \$339 million in Title I grants providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families [FY97].
- **\$113.2 Million for Students with Disabilities:** This year, Pennsylvania will receive \$113.2 million under the Individuals with Disabilities Education Act to help ensure high quality educational opportunities for an estimated 215,448 disabled students in Pennsylvania.
- **\$60.8 Million for Vocational and Adult Education:** This year [FY97], \$60.8 million helps Pennsylvania's students and workers prepare for the 21st Century with technical and academic training. The funding also includes the School-to-Work program, bridging high school with vocational education.
- **\$228.5 Million in Pell Grants:** Pennsylvania receives \$228.5 million this year in Pell Grant funding, which helps Pennsylvania's low-income students go to college [FY97].
- **Over 2600 Volunteers Have Served in Pennsylvania through AmeriCorps:** This year, 128 AmeriCorps participants are serving their communities while earning money for college by working in Pennsylvania's schools, hospitals, neighborhoods or parks. Since the National Service program began in 1994, over 2600 volunteers have served Pennsylvania in 252 different programs [through FY97].

INVESTING IN PENNSYLVANIA'S HEALTH:

- **Helping Pennsylvania Women and Children with WIC:** The Clinton Administration is committed to full funding in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Today, in Pennsylvania, 847 more women and children in need are receiving health and food assistance than in 1994.
- **\$13.5 Million to Fight AIDS:** Since President Clinton took office, funding for the Ryan White CARE Act has increased by 159% nationwide. In FY97, Pennsylvania communities received \$7.1 million in Ryan White formula award funds and \$6.4 million in supplemental award funds to care for people living with AIDS and HIV.

PROTECTING THE ENVIRONMENT:

- **21 Toxic Waste Sites Cleaned Up:** Since 1993, the EPA has completed 21 Superfund toxic waste cleanups in Pennsylvania, in Clarks Summit, Ambler, Glen Rock, South Montrose, Longswamp Township, Parker, Upper Macungie Township, Hellertown, Buffalo Township, the Borough of Kimberton, Old Forge, Girard, Micado, Middletown, Seven Valleys, Hatboro, Sharpville, Hopewell Township, Jefferson Boro, Antis and Logan Township, and Croydon & Bristol [through 6/97]. Only 12 sites were cleaned up in Pennsylvania during the previous twelve years combined (12).
- **4 Brownfields Pilots in Pennsylvania:** Since 1993, the EPA has awarded 4 Brownfields Demonstration Pilots in Pennsylvania -- regional pilots in Philadelphia and Pittsburgh, and national pilots in Phoenixville and Bucks County. These projects are intended to jump-start

local clean-up efforts by providing funds over a two year period to return unproductive, abandoned, contaminated urban properties to productive use.

SPEARHEADING URBAN RENEWAL EFFORTS:

- ***\$79 Million to Philadelphia:*** Philadelphia was designated an Urban Empowerment Zone in 1994 and was awarded \$79 million to create more jobs, housing, and economic opportunity for its residents. As part of this designation, Sea Change Environmental Services, a north Philadelphia asbestos and lead removal company, was given a \$100,000 loan in July, 1996 which it will use to buy equipment and hire workers to remove lead and asbestos at city-owned homes, Independence Mall and the Philadelphia Naval Base.
- ***\$9 Million to Other Pennsylvania Communities:*** Lock Haven, Pittsburgh, and Harrisburg were awarded \$3 million each to pursue similar job creation efforts.

EXPANDING FUNDS FOR TRAVEL IMPROVEMENT:

- ***Over \$1.2 Billion to Improve Mass Transit:*** The FTA has provided over \$1.2 billion since 1993 to improve public transportation in Pennsylvania [through FY97].
- ***\$4.1 Billion in Highway Funding:*** Since 1993, Pennsylvania has received \$4.1 billion in federal highway aid. These funds have helped generate approximately 171,902 jobs [through FY97].
- ***Nearly \$227 Million in Airport Improvement Funds:*** Since 1993, Pennsylvania has received nearly \$227 million in airport improvement funds [through 6/97].