

# FOIA MARKER

**This is not a textual record. This is used as an  
administrative marker by the William J. Clinton  
Presidential Library Staff.**

---

**Collection/Record Group:** Clinton Presidential Records

**Subgroup/Office of Origin:** Staff Secretary

**Series/Staff Member:** Sean Maloney

**Subseries:**

---

**OA/ID Number:** 14865

**FolderID:**

---

**Folder Title:**

Monday, July 19, 1999 [1]

**Stack:**

**S**

**Row:**

**40**

**Section:**

**5**

**Shelf:**

**2**

**Position:**

**1**

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|--------------------------|---------------|------|-------------|
|--------------------------|---------------|------|-------------|

|           |                                                          |            |      |
|-----------|----------------------------------------------------------|------------|------|
| 001. form | [Personally Identifiable Information] [partial] (1 page) | 07/19/1999 | b(6) |
|-----------|----------------------------------------------------------|------------|------|

### COLLECTION:

Clinton Presidential Records  
Staff Secretary  
Sean Maloney (Chron File (Jul 99))  
OA/Box Number: 14865

### FOLDER TITLE:

Monday, July 19, 1999 [1]

2016-0970-F

rs2994

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]  
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]  
P3 Release would violate a Federal statute [(a)(3) of the PRA]  
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]  
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]  
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]  
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE  
WASHINGTON

July 19, 1999

Trudi Inslee  
579 Azalea Avenue, NE  
Bainbridge Island, Washington 98110

Dear Trudi:

Thank you for your thoughtful letter. It was great to see you and your family at church.

Hillary and I both appreciate your words of support about our campaign against youth violence. We're grateful, too for your good work in this effort.

All the best to you.

Sincerely,

*Bill Clinton*

Trudi Inslee  
579 Azalea Avenue, NE  
Bainbridge Island, Washington  
98110

*cc: Hillary  
Bill Clinton*  
*copied*  
*Echaneste*  
*Reed*



July 4, 1999

Dear President and Mrs Clinton -

When I was leaving church today with Judy Rippetan, I realized I had missed an opportunity to personally thank each of you for your support of Mothers Against Violence in America. (Pam Eakes is a good friend of mine and I have served on the MAOA board the past two years.)

So, Thank You! As you well know, every step we take towards the reduction of violence is a victory and you are both leading the way.

I hope you are able to join Judy on the river in New York. She is as wonderful a friend as one can have.

Good luck to you everyday!

Sincerely -  
Judi Inslee  
over

Also thank you for saying hello  
to my family at church. They had  
met Hillary when you were in Seattle  
doing that great Dale Chihuly event  
for Jay, so it was a great unexpected  
honor for all of us to see you both  
today. The personal connections you  
make with ~~people~~ people is always  
appreciated!

Tami Tisdale

Also thank you  
my family at  
net Hillary when  
ing that great  
say, so it was  
honor for all of us  
today. The person  
make with ~~my~~  
appreciated!

Trudi Inslee  
574 Azalea NE  
Bainbridge WA  
98110

# Corinne Management LLC

RETAIL & RESIDENTIAL PROPERTIES

7-19-99



copied  
Spurling  
Podesta

Guns

His guy want  
help the poets  
and other poets

medium-size  
towns - should try to unleash

PR

Reg Chamberlain

July 6, 1999

President Bill Clinton  
The White House  
1600 Pennsylvania Ave, NW  
Washington, D.C. 20500-2000

My Dear Mr. President:

Enclosed is an article about El Dorado that I thought you might enjoy. Things have really changed since you were last in town. I know you remember in your first race for governor having your Union County headquarters in the old vacant Zales building on the square. Then 2 years later after the Zales building had been renovated, we had your headquarters across the square in another one of our buildings.

Well since then, Vertis and I have bought and renovated 17 buildings and have recruited over 30 new merchants to move to downtown. Downtown El Dorado, with our merchants, Main Street program, and our help has become the most successful downtown in the mid-south. I really wish you could see it.

Vertis and I think it's extremely important for the center of your city to be alive and well. Several years ago a good friend of ours, Bill Greehey, CEO of Valero, led a group to focus on the renovation of downtown San Antonio, Texas. His comment that "when the center of your town is rundown and dying, then your whole community is perceived to be dead and dying." is certainly true. Instead of urban sprawl our cities need to turn inward to restore a sense of place and community through redevelopment. The European cities have done this for years.

Vertis and I have created a consulting service for downtowns. Using our 25 years of experience in Downtown El Dorado we go to various cities around the country advising them on the methods and ways they can revitalize their downtowns.

Well, enough of Downtown El Dorado.

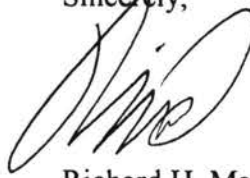
I have followed the Kosovo conflict very closely. Without a doubt Milosevic is a war criminal cast from the same mold as Hitler. I am proud of you for having the resolve to persevere and reverse the tragedy that was occurring in Kosovo. Your critics have had several moments of embarrassing silence since Milosevic caved in. Great job!

Mr. President, I know with the pressure of your job and the unbelievably hectic schedule you can't visit all the small towns you spent so much time in when you were governor, nor can you have the luxury of sitting down with old friends and talking about people and events in Arkansas and Washington. However, I have a feeling that after you finish your term in office we will have the time to catch up on Arkansas friends, politics and small Arkansas towns. I'm looking forward to that visit.

I am proud to be your friend and it has been an honor to know you and support you.

You and Hillary remain, as always, in our prayers.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Mason', written in a cursive style.

Richard H. Mason

cf

# On the streets of El Dorado



Lou Beldotti (left) and Charlie Hankins play dead during *Showdown at Sunset*.

Arkansas Democrat-Gazette/KARLA A. STOLLE

**A gunfight  
and music show  
re-create 1902  
event, and city  
leaders hope  
it draws tourists.**

BY RON WOLFE  
ARKANSAS DEMOCRAT-GAZETTE

**D**owntown El Dorado is Mayberry with cappuccino, Dodge City with a hubbub machine, Disney World with a troubled past, Tombstone with trees.

Every Saturday through August, El Dorado re-creates that infamous Oct. 9, 1902, when Marshal Guy Tucker -- former Gov. Jim Guy Tucker's grandfather -- drew his revolver. Three of the old timber town's eight Parnell brothers shot back.

To this day, people debate what the fight was about, and what it meant to El Dorado. But the new hope is that it means tourists will discover the town through its *Showdown at Sunset* gunfight and music show.

Those who do will find the Union

County Courthouse square rimmed with little shops that sell candles and pottery, coffee, fresh-baked cookies, Amish rocking chairs, gourmet gifts, etched glass and upscale luggage.

They will find new and restored buildings edged with strings of clean white lights -- a touch that downtown developers Richard and Vertis Mason learned from Disney World. They will find restaurants with city-like crowds that turn Friday and Saturday nights into downtown happenings.

And they'll find this by surprise in a 23,000 population town in south Arkansas, down where the other towns are smaller, down where the interstate highways don't go, down where no great crowds have rushed since a men's oil boom 80 years ago.

"We built it, and we hope they'll come," El Dorado Mayor Mike Oumay says. But tourists or not, they built it.

They built it because El Dorado's industrial park has replaced the county's lessened oil business with chicken pro-



Arkansas Democrat-Gazette/KARLA A. STOLLE

The Rialto, still showing first-run movies, stands just off the square in downtown El Dorado.



Arkansas Democrat-Gazette/KARLA A. STOLLE

Chuck wagon and carriage rides around El Dorado's historic downtown are part of the summer festivities.

...and a few more manufacturing jobs. But the town has a divergent base here, Mason says. Per capita income is about \$22,000, better than state average, lifted by industrial jobs that pay \$40,000 or \$50,000 a year, he says. The bigger place to shop is Texarkana, 90 miles away, or Monroe, La., about the same distance.

Another reason they built it, Richard Mason

Architect Mason saw three things happening from his downtown office window around 1982. He saw only a few struggling businesses around the courthouse square. He saw why in the traffic jammed square that turned the square into a mall pedestrian mall. Something easy to fix. And he saw grand old buildings for sale cheaper than small houses.

"I just looked at it as an investment," Mason says. Then a hobby that allowed him to learn how concrete can mimic cobblestone.

Now, he talks about the psychology of open spaces and fountains, and the European village strategy of small shops instead of big stores, and the tight height for trees in front of businesses, and what colors of persuasion his wife is.

After 10 minutes of talking to her, just to convince that this is where you need to be," he says.

Early on, the Masons convinced Jim Robinson, an El Dorado native returned from duty on a submarine. Robinson's idea was to open a sandwich shop that contained a lot into a little space, like a submarine.

"I just remembered what downtown used to be," Robinson says. "And I saw it back again."

His sandwich-making turned into the downtown's La Bella Gourmet Gifts and Delicatessen, where the capicola sandwich — fancy ham with a slight licorice taste — is \$4.25, and the fiddle bow pie of knife — four times that much, with raspberry mustard, anybody?

"This is a small town, it's knowing your customers, knowing what they come in for," Robinson says. "We sell a lot of European-stuffed olives."

Down the street, schoolteachers Pat and Susan Johnson's Mudslide Pottery depends on customers who want to paint their own pots and dishes.

"We were scared to death. We didn't know if El Dorado would support this," Susan Johnson says. But that was four years ago.

Bear Necessities sells nothing but teddy bears. Spoiled Rotten, children's clothes. Small Goodies, candles and soap.

The tidy for-lease sign in one of the square's few empty windows tells where downtown El Dorado stands now in spite of the town's shopping mall and a Wal-Mart Supercenter out on the highway.

"This store is for lease as a gift shop, art gallery, jewelry store or similar business."

Marshal Tucker wouldn't know the place. Neither would Sheriff H.C. Norris, who mixed into the old gunfight and got bit over the head for his trouble.

But the actor who plays the peace-keeping Norris, the slender man with the white beard, the smiling eyes and the shotgun that booms the loudest — he knows. He's Richard Mason.

## Drawing a bead on parallel lives

El Dorado's Tucker-Parnell shootout was like the gunfight at the OK Corral. Both fights left three men dead.

Both lend to legends about hard men and clear causes, or to complex studies of politics, passions and rivalries. Both make for tourist attractions.

But Tombstone is famous for its 1881 gunfight. This summer is only the second full season of *Showdown at Sunset*. El Dorado's 1903 gunfight re-enactment.

Even now, "some of the older people did not want to do this," says Ron Gilmore, the Great Lakes Chemical technician who plays El Dorado's Marshal Guy Tucker. "They said it would stir up trouble."

The show's director and narrator Rob Bosanko reminds the audience that what happened "should be told because it's real, it's history, and because we might be able to learn."

El Dorado's showdown may have started with two men in love with the same red-haired woman. It may have festered from the town's resentment against a farm family, the Parnells, when they moved in. Guns flashed over a new sidewalk that doubled as a loading platform in front of the Parnells' general store downtown.

Tucker didn't like the Parnells, or their sidewalk, any more than Wyatt Earp could tolerate cowboys in Tombstone. But the lawmen rode away on different trails.

Wounded in the gunfight, Tucker lost his left arm in a rifle ambush afterward. "When I had my arm sawed off, I thought of what I might have been but for the devils who have dogged my footsteps," he wrote. He left for

Little Rock, where he served the Arkansas Highway Commission.

Never shot, Earp went to Hollywood. He was friends with a young John Ford, the director whose 1946 movie, *My Darling Clementine*, makes Earp a hero.

Now, eight-secters find a ticket-selling museum where the Earps and the Clantons and McLaury's once-slapped leather. The OK Corral has a telephone.

"A lot of adults look up to Wyatt Earp, and they bring their kids," says Josh Hawley at the corral.

Hawley credits TV's *The Life and Legend of Wyatt Earp*, the series that starred Hugh O'Brian from 1955 to 1961.

Before then, he says, before the comic books and the other gunfight movies, the old site of the OK Corral had been a gas station.

Ron Wolfe

## Re-enactment facts listed in 1995 book

El Dorado's gunfight re-enactment is based on George Arnold's 1995 book, *Gunfight at the Courthouse Square*. Arnold is former

managing editor of the *El Dorado News-Times*, now an editorial writer for the *Arkansas Democrat-Gazette's* Northwest Arkansas edition.

"I ran into one or two people who thought it was best to leave all this alone, but most people were interested," he says.

At first, townspeople may have hushed up the story to quiet the Tucker-Parnell feud that spread from the gunfight into years of other killings. Later, nobody knew the whole story to tell.

Arnold's research uncovers a tragic confrontation in which "there are no real heroes," he says, "no happy ending."

But the show is something else.

"It's sort of the Hollywood version of what happened," Arnold says, wishing Hollywood really would call.

Liam Neeson as Marshal Tucker?

Ron Wolfe

### Special Event

#### Showdown at Sunset: El Dorado's Legend of Marshal Tucker

5 p.m. each Saturday through August  
front of the Union County Courthouse  
downtown El Dorado music added to the  
shootout  
(888) 921-800M

## For the fun of it

Come for the gunfight, shoot the action, shopping, eat at dusk, 4-6 p.m. 1903, then what? Here is what to do about El Dorado:

■ **Arkansas Museum of Natural Resources.** This museum is right in front of the Union County Courthouse. Smackover reminder: 1903, 1903, 1903 on boom with life-size dinosaurs.

■ **The El Dorado/Union County Recreation Complex.** Wonders, whodunnits, games, all sorts of all sorts the first weekend in June, and

■ **The Rialto.** Billed as "Arkansas' First Grand Theatre," this downtown movie house dates to 1903. Its old balcony is given a new look, accommodates 100-150 people, the 400-seat main auditorium is an art deco palace.

■ **The South Arkansas Arboretum.** Four miles west of the square, acres of dogwoods, black gum, maples.

Ron Wolfe

Arkansas Democrat-Gazette, KPRC, 2000

Richard Mason plays

Sheriff H.C. Norris

in *Showdown at Sunset*

A re-enactment of El Dorado's

1903 gunfight

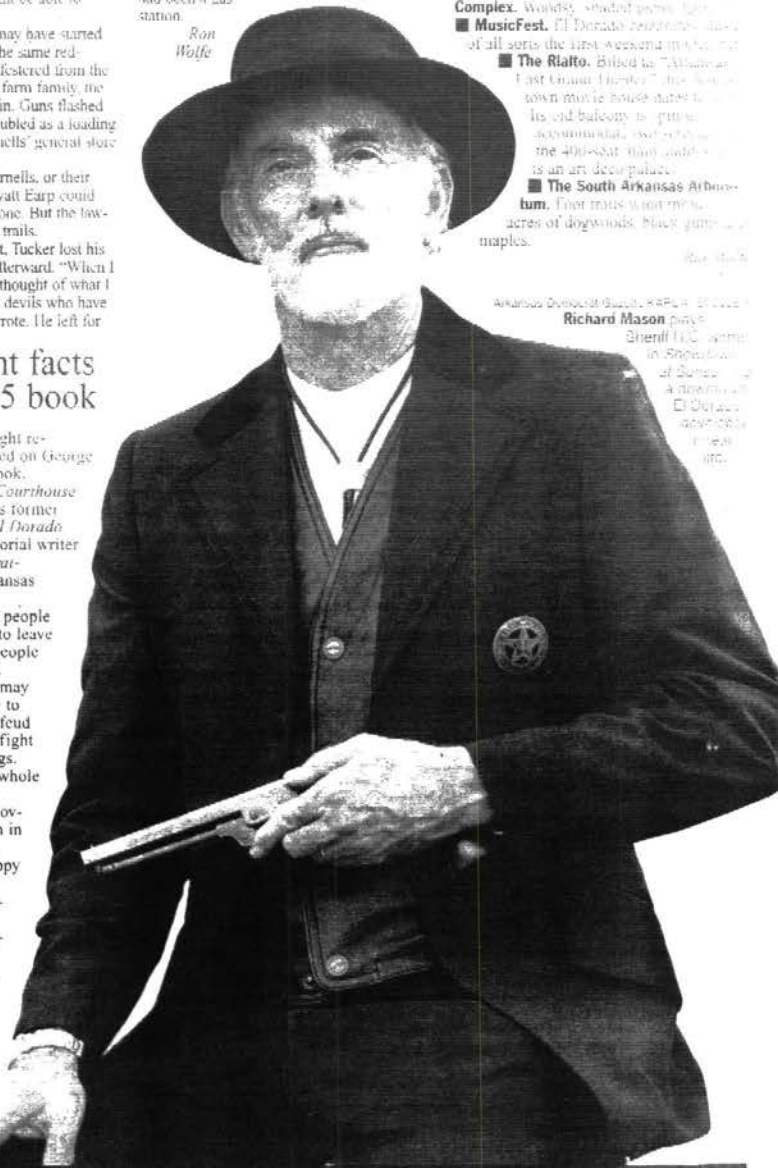
is shown

at the

OK Corral

in El Dorado

Ark.





13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100

*200 North Washington  
El Dorado, Arkansas 71730*

President Bill Clinton  
The White House  
1600 Pennsylvania Ave, NW  
Washington, D.C. 20500-2000

7-19-99

Copied

POTUS

After you have seen,  
we will send to  
Berkhardt

LANNY A. BREUER

July 14, 1999

Dear Mr. President,

IDENTIFIED  
7-19-99

I have for some time wanted to sit down and write to you to express my thanks for attending my Farewell party in the mess and for giving me the wonderful fountain pen with which I am writing to you now. Your presence and the gift meant much to me and for that I want you to know I am extremely grateful.

Yet, I truly grapple with an adequate way to express my profound gratitude for entrusting in me a role in representing you, your esteemed office, and the White House over the past two years. As I hope you know, I believe in you and our Administration and feel fortunate that I could use my skills to enable you and those with whom we work to serve the American people. My sense of thankfulness to you will remain with me throughout my life.

I am also deeply moved, as is my mother who fled Cologne Germany in 1939 and I believe--as is my father--my father who passed away three years ago and fled Vienna, Austria in 1939, that you have named me to the U.S. Memorial Holocaust Commission. This is, for me, a position of great significance and one for which I proudly carry the moral obligation of those many in my family who did not survive the Nazi tyranny.

and of those whose stories must never be forgotten.

Mr. President, I have never written to you before, but I want you to know how proud I am of what you have accomplished for our country. Thank you for permitting me to serve; and thank you for enabling me to continue to serve.

I hope you know I am always available to assist you and Mrs. Clinton.

I wish you and our Nation the best of fortune for the remainder of your term and in the decades thereafter. I humbly but sincerely hope we will remain in touch.

Most respectfully,

Lanny

LANNY A. BREUER

see fin  
reply

1997 MAR 25

7-19-99

5111 22nd Avenue  
Moline, IL  
61265

(309) 762-7979  
(800) 722-3885  
(309) 762-8094 Fax

7/19/99

optioncare®

After you have seen,  
we will send to  
Berkhardt —

July 14, 1999

7-19-99

C. Carl

copied  
Jennings  
Podesta  
Smith

The Presiden  
The White H  
Washington, DC 20500

Dear Mr. President:

As a home care provider serving Iowa and Illinois Medicare Beneficiaries, I am writing to spark your interest in an idea that would save Medicare dollars and improve the quality of life for Medicare recipients.

Allowing home antibiotic infusion therapy to be a covered home health benefit, Medicare beneficiaries could have their homes as a choice in where they receive this service. Many Medicare beneficiaries request to receive antibiotic infusion therapy at home but must stay in the hospital or nursing home to get antibiotic infusion therapy covered by Medicare. This means many days of institutionalization just to receive the drug therapy. The other alternative is outpatient coverage, which causes many exhausting trips to the hospital or physician's office in a single day for a homebound patient.

Cost savings can be established with active patient teaching and computerized infusion pumps in the home setting. Most private insurance plans and HMO plans recognize the significant cost savings that can be realized by covering IV medications in the home. When Medicare Primary patients are covered under an HMO plan or have a secondary insurance plan, they are encouraged to utilize early hospital discharge.

I am requesting an opportunity to speak with you about the idea of a home antibiotic infusion therapy pilot project for Medicare beneficiaries.

Thank you for your time. Someday home antibiotic infusion therapy may be a choice you would want for yourself or your family. Please contact me at your convenience.

Sincerely,



Renee Rand  
Operations Manager  
Option Care of the Quad Cities

cc: Senator Tom Harkin

JCAHO Accredited

optioncare®

11 22nd Avenue  
Moline, IL  
61265

*Turning  
As looking  
Doreen - Be.*

7-19-99

THE PRESIDENT  
THE WHITE HOUSE  
WASHINGTON DC 20500

JCAHO Accredited

optioncare

5111 22nd Avenue  
Moline, IL  
61265

(309) 762-7979  
(800) 722-3885  
(309) 762-8094 Fax

**Renee Rand, R.N., MSHA**  
Vice President,  
Operations Manager

7-19-99

THE WHITE HOUSE

WASHINGTON

July 17, 1999

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC** Tab A - Yellen / Podesta
- (E) **Tramonta** Tab C - Sperling / Podesta  
Tab D - Read / Podesta
- (F) **CEQ/Envi** Tab E - Triamontano / Podesta
- (G) **OSTP** Tab F - Frampton / Podesta (Frampton Memo)
- (H) **Legislative** Ballentine / Podesta (Ballentine Memo)
- (I) **Intergover** Tab G - Lane / Podesta
- (J) **Cabinet Aff** Tab H - Stein / Podesta
- (K) **Communic** Tab I - Ibarra / Podesta
- (L) **Indian Con** Tab J - Marshall / Balderston / Podesta
- (M) **Public Lia** Tab L - Cutler / Echaveste / Podesta
- (N) **Race Initi** Tab N - Johnson / Podesta
- (O) **Special En** Tab O - Mackay / Podesta
- (P) **Political A** Tab P - Moore / Podesta

7-19-99

THE WHITE HOUSE

WASHINGTON

July 17, 1999

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC**
- (E) **Tramontano Report**
- (F) **CEQ/Environmental Initiative**
- (G) **OSTP**
- (H) **Legislative**
- (I) **Intergovernmental**
- (J) **Cabinet Affairs**
- (K) **Communications**
- (L) **Indian Country**
- (M) **Public Liaison**
- (N) **Race Initiative**
- (O) **Special Envoy for the Americas**
- (P) **Political Affairs**

Sean Maloney 

7-19-99

# WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

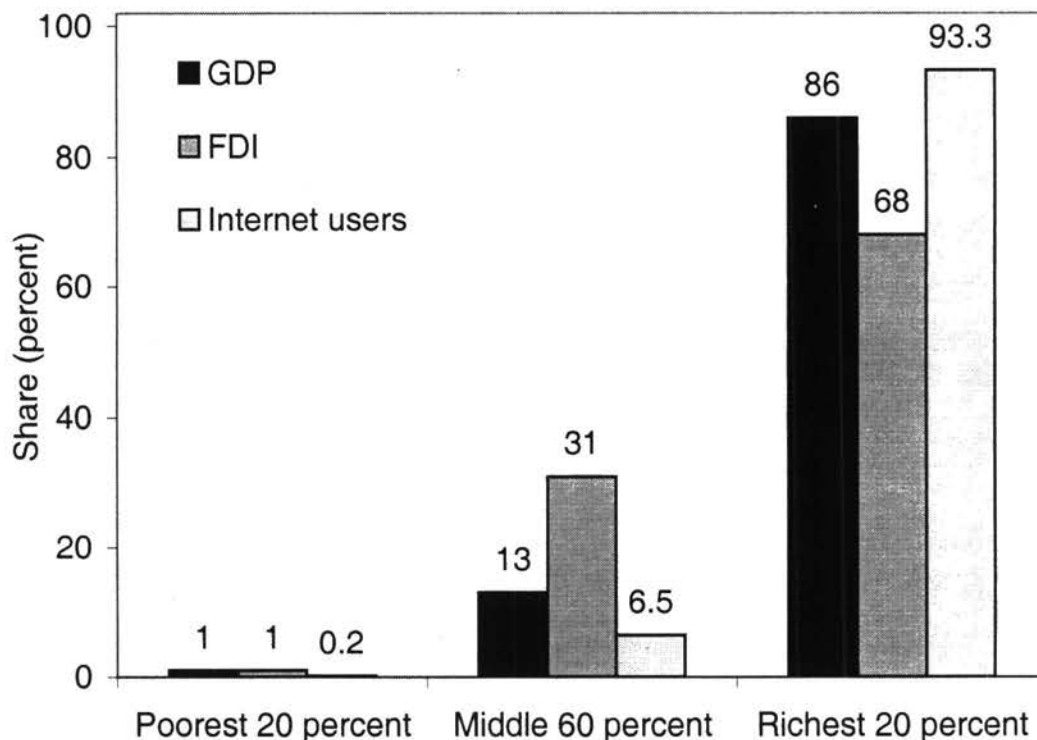
Prepared by the Council of Economic Advisers  
with the assistance of the Office of the Vice President

July 16, 1999

copied  
Yellen  
Podesta

## CHART OF THE WEEK

World Distributions of GDP, FDI, and Internet Users, 1997



One theme of the United Nations' *Human Development Report, 1999* (described in the International Roundup) is the disparity between rich and poor countries in a number of areas. In 1997, the fifth of the world's population living in the highest income countries had 86 percent of world GDP. Foreign direct investment (FDI) was somewhat more equally distributed, but Internet users were very highly concentrated in the richest countries.

## CONTENTS

7-19-99

### CURRENT DEVELOPMENT

CBO and Administration Forecasts Differ Subtly.....1

### SPECIAL ANALYSIS

Taking Account of the Environment .....2

### ARTICLE

A New Future for Securities Trading? .....4

### DEPARTMENTS

Business, Consumer, and Regional Roundup..... 6

International Roundup.....7

Releases ..... 8

U.S. Economic Statistics ..... 9

Financial and International Statistics..... 10

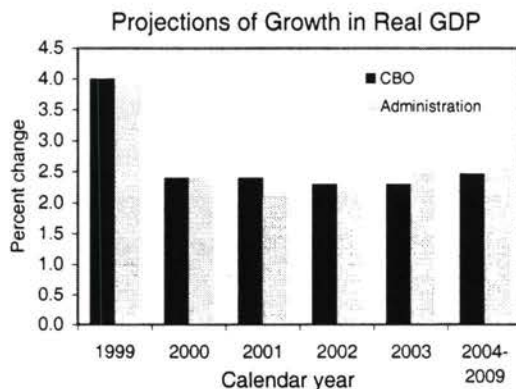


*"I'd love to ask you in, Howard, but they start trading in Hong Kong in ten minutes."*

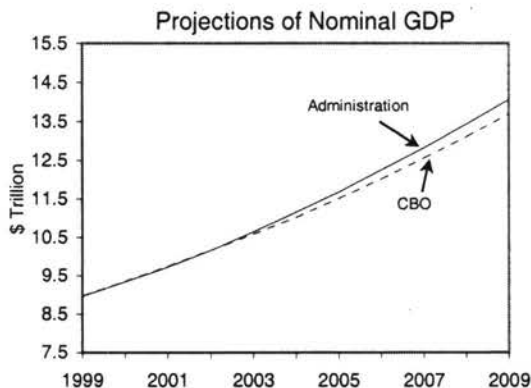
## CURRENT DEVELOPMENT

### CBO and Administration Forecasts Differ Subtly

The CBO and the Administration now base their budget projections on similar economic assumptions. As a result, their budget forecasts are also similar. However, subtle differences in economic assumptions (as well as technical differences) result in CBO projecting slightly larger surpluses during the first 7 years, while the Administration projects larger surpluses thereafter.



**Similarities.** Over the budget window ending in 2009, both CBO and the Administration project an annual rate of real GDP growth of 2.6 percent and both project an annual rate of increase in the CPI of about 2.5 percent. One must look very closely indeed to detect that the CBO projects slightly faster real GDP growth through 2002, after which the Administration projection catches up (see upper chart).



**Differences.** The Administration and CBO agree on the CPI forecast, which is the inflation measure that matters most for spending projections. However, the Administration expects the price index for GDP—which contributes to determining the growth of the tax base—to rise about  $\frac{1}{4}$  percentage point faster per year than does the CBO. As a result of this difference in assumptions about the

“wedge” between the CPI and the GDP price index, the Administration’s projection of nominal GDP (and the revenues associated with it) grow faster than CBO’s after 2003 (see lower chart). Over the very long run, this difference results in larger cumulative surpluses in the Administration’s projection.

**Revisions from February.** In the wake of another two quarters of strong real GDP growth with steady unemployment and low inflation, both groups have elevated their projections of real GDP growth. Over the complete 11-year span, both have revised up real GDP growth by about  $\frac{1}{4}$  percentage point per year.

**Technicals.** In addition to differences in economic assumptions, the CBO and Administration budget projections reflect different technical assumptions (including how much tax receipts are generated per dollar of GDP). These technical differences boost CBO’s estimate of the surplus through 2008.

## **Taking Account of the Environment**

A National Research Council (NRC) panel has just released a report concluding that extending the U.S. national income and product accounts (NIPAs) to include assets and production activities associated with natural resources and the environment is an essential investment for the nation. The report argues that it would be even more valuable to develop a *comprehensive* set of environmental and other nonmarket accounts—though not at the expense of maintaining and improving the current core national accounts.

**Background.** The NIPAs were designed to measure production and income that arise primarily from the market economy. However, much economic activity takes place outside the market economy. Thus, by omitting important activities such as nonmarket work, environmental services, and investment in human capital, the NIPAs provide an incomplete and potentially misleading picture. Recognizing this, private scholars and governments have begun to develop methods of extending national accounts to measure as much economic activity as is feasible, whether that activity takes place inside or outside the boundaries of the marketplace. In the United States, the Bureau of Economic Analysis began intensive work on environmental accounting in 1992, but was directed by the Congress in 1994 to suspend further work and obtain an external review of environmental accounting. The NRC report represents this review.

**Benefits of integrated environmental and economic accounting.** The NRC panel argues that environmental and natural-resource accounts would provide useful data on resource trends and help governments, businesses, and individuals better plan their economic activities and investments. They would provide valuable information on the interaction between the environment and the economy; help in determining whether the nation is using its stocks of natural resources and environmental assets in a sustainable manner; and provide information on the implications of different regulations, taxes, and consumption patterns. The report notes that the rationale for augmented accounts is solidly grounded in mainstream economic analysis and is consistent with an extensive domestic and international effort to improve and extend national accounts.

**A phased or comprehensive approach?** BEA's proposal for developing such accounts envisions a phased approach, starting with subsoil mineral assets such as fossil fuels and metals; expanding to renewable and other natural resources such as forests, agricultural resources, and fisheries; and only then addressing the most difficult to measure environmental assets such as clean air and water or biodiversity. While recognizing the value of a phased approach, the NRC panel concludes that it would be even better to pursue a comprehensive approach in which a broad set of nonmarket accounts would be developed in parallel with those for minerals and near-market activities—even though the former pose considerably greater conceptual and data challenges than the latter.

**Launching satellites.** In order to preserve the integrity of the well-developed core income and product accounts, the NRC panel supports BEA's preference for developing natural resource and environmental accounts as satellite or supplemental accounts. Satellite accounts serve the basic purpose of the national accounts in providing useful information. In addition, and in light of the current state of knowledge and preliminary nature of the data and methodologies involved, developing satellite accounts allows experimentation and encourages the testing of a wide variety of approaches.

**Conclusion.** Much important economic activity takes place outside the market activity measured in the NIPAs. The NRC report estimates that an incremental expenditure of about \$10 million per year for a decade or more would be required to implement a more comprehensive set of environmental and augmented accounts—and that that investment would provide valuable benefits to the nation. However, as the NRC panel observes, the core NIPAs are a precious national asset and their maintenance and improvement should not be compromised.

## **A New Future for Securities Trading?**

With its vast potential for disseminating information quickly to a broad audience, the Internet may revolutionize the way securities are traded. Recent developments suggest that important changes are already underway.

**A virtual trading floor.** Electronic trading is not new. The NASDAQ, a trading system that exists solely on computer screens, was established in 1971 as the world's first electronic stock market. However, the recent rapid growth of the Internet now allows for a virtual trading floor on which anyone can trade at any time without the restrictions of conventional exchanges, such as a fixed location or set trading hours based on the conventional workday.

**Change is underway.** Increasingly, people are expecting to be able to conduct business on a 24-hour basis, in part perhaps because of changing cultural attitudes but also because of advances in technology. In the case of securities trading, the Internet could allow market participants to trade on late-breaking news even when standard exchanges are closed. That same technology-culture link has also broadened market access, opening trading up to more intermediaries and individuals (including "day traders" who may buy and sell stocks many times over the course of a day). Demand for more decentralized trading across both dimensions is putting pressure on the structure of equity trading in two key areas:

- Stock exchanges. Both traditional floor exchanges and electronic exchanges may be feeling heightened competitive pressure from alternative trading systems such as electronic communication networks (ECNs) that can more easily adapt to extended trading hours. While the big exchanges have agreed to form working groups with the Securities and Exchange Commission (SEC) on the effects of extended trading, at least one ECN is planning to lengthen hours unilaterally this summer.
- Brokerages. It appears that the success of discount brokerages that have harnessed the Internet has pushed at least one large, full-service brokerage (Merrill Lynch) toward offering low-cost online trading as well. To the extent that some of the information traditionally provided by full-service brokerages is now readily available online, the value of trading through such brokerages may be reduced.

**Implications.** Opening up trading to more investors, possibly during a longer period of time each day, may have a number of repercussions:

- Volatility. Extending trading hours will probably thin out markets considerably during evening sessions. Some believe that all things equal, market thinness may increase price volatility because completed orders of a given size will move a price by more relative to the market. But rational

investors will recognize this and may choose simply to wait until markets thicken. Empirical evidence suggests that market thinness is actually associated with lower volatility.

- Timing the release of information. Currently, many firms release sensitive data strategically after stock trading has closed for the day, in order to allow time for news to sink in gradually rather than immediately jolting stock prices. With expanded trading, companies will have to find different strategies for releasing information.
- Investor protection. With more investors and especially more individuals having access to trading, the potential for fraud and deception might increase. In addition, investors who go it alone could be hurt if they lack knowledge about sophisticated, risk-minimizing trading techniques often used by professional traders. However, the SEC is charged with protecting investors from illegal practices and educating them about the risks of individual trading, whether it be Internet, day, or after-hours trading.

**Conclusion.** In today's strong stock market, the possibilities opened up by the Internet are forcing changes in the traditional structure of securities trading. The full ramifications of new phenomena such as day trading and extended hours remain to be seen—though there is little reason at this point to expect them to generate excessive volatility or pose insuperable challenges to the SEC. Another possibility altogether is that a cooling off of stock prices may lessen the demand for expanded trading and therefore slow the pace of change.

## BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

**Employers Likely to Take a Minimum Wage Hike in Stride.** The percent of employers responding that a minimum wage increase to \$6.00 per hour would affect their employment or hiring decisions was lower in this year's survey by the Jerome Levy Institute than it was in last year's. Only 13.4 percent of businesses surveyed indicated that a rise in the minimum wage to \$6.00 per hour would affect their employment, down from 20.7 percent in 1998. Of those firms that would be affected, 15 percent (or 2 percent of all firms) would lay off workers or reduce hours, while the remainder would resort to other tactics such as hiring fewer workers, hiring adults over teenagers, or hiring more experienced workers over less experienced workers. When asked about an increase to \$7.25 per hour, 35.8 percent of the firms surveyed said their employment or hiring decisions would be affected. The study argues that these results indicate that the current minimum wage is well below the level likely to have substantial employment impacts and that it would be safe to raise the minimum wage to at least \$6.00 per hour.

**Metro Labor Markets Should Absorb Welfare Recipients.** Despite the concern that the increase in low-skilled labor supply caused by welfare reform would overwhelm demand, a recent study of 20 metropolitan areas found reason to believe that these labor markets will successfully absorb welfare recipients searching for employment. The growing employment of low-skilled workers should substantially outpace the number of new welfare recipient entrants (which account for only between 0.3 and 1.3 percent of low-skilled employment). However, metropolitan areas vary with respect to their expected success: Atlanta, Dallas, Indianapolis, Jacksonville, Phoenix, and San Jose should see overall drops in their low-skilled unemployment rates while Baltimore, New York, St. Louis, and the District of Columbia face likely increases. These metropolitan variations are due mostly to differences in the rates of job growth and the number of welfare recipient job seekers as a percent of the low-skilled labor force.

**New Car Shoppers Are Turning to the Internet.** The Internet is quickly growing as a source for help when purchasing a car, according to a recent survey. The percentage of new vehicle buyers who used the Internet in their car search has grown from 25 percent to 40 percent since 1998. Moreover, people are placing increased reliance on information found online to help them decide which vehicle to purchase. Increased availability of the Internet as well as a greater percentage of consumers with online access who turn to the Internet when shopping for a vehicle are cited as causes for this increase. Purchasers of late-model used cars are also using the Internet heavily; 26 percent of consumers turned to the Internet, mostly to locate specific cars for sale.

## INTERNATIONAL ROUNDUP

**WTO Lauds Administration Trade Stance.** In its latest review of U.S. trade policy, the WTO praised the Administration for its commitment to trade and investment liberalization in the face of protectionist pressures at home. The organization's Trade Policy Review Board (TPRB) noted that the strong performance of the U.S. economy has provided support for the world economy in the wake of the Asian financial crisis, while at the same time low-priced imports have been helpful in meeting U.S. domestic demand and in subduing inflationary pressures. However, members of the TPRB expressed concern that it may become more difficult for the Administration to resist protectionist pressures if the U.S. economy slows substantially and unemployment begins to rise. Some members also asked clarification or expressed concern about certain facets of the U.S. trade regime including the recent anti-dumping actions in steel, the export enhancement program for agriculture, state-Federal relations relating to WTO commitments, and the extra-territorial application of U.S. labor, health, sanitary, and environmental standards.

**UN *Human Development Report* Looks at Globalization.** The tenth annual *Human Development Report* issued by the United Nations acknowledges that globalization offers great opportunities for human advance but questions whether the benefits have been shared as widely as they could be. For example, it notes that global income inequality has widened, with the income gap between the 20 percent of the world's population living in the richest countries and the 20 percent living in the poorest standing at 74-to-1 in 1997, up from 60-to-1 in 1990 and 30-to-1 in 1960. In addition, although 40 countries have sustained average per capita growth of more than 3 percent per year since 1990, 80 countries still have per capita incomes lower than they were a decade or more ago. As in the past, the report includes a Human Development Index (HDI) ranking 174 countries in terms of life expectancy, education, and income. Canada ranks first for the sixth consecutive year, with the United States third after Norway.

**How Exports Stimulate Productivity.** While increased exporting activity does not appear to increase the productivity of individual firms, it does raise productivity at the industry level, according to a recent study. The study, based on 1983-92 plant level data for U.S. manufacturing industries, finds that exporting firms experience substantially higher output and employment growth than non-exporters, so that an expansion of exports leads to a reallocation of resources toward the more efficient producers in the sector. The study estimates that between 1983 and 1992, more than 40 percent of the efficiency gains in U.S. manufacturing resulted from changing output shares across plants.

## RELEASES THIS WEEK

### **Industrial Production and Capacity Utilization**

**\*\*Embargoed until 9:15 a.m., Friday, July 16, 1999\*\***

The Federal Reserve's index of industrial production increased 0.2 percent in June. Capacity utilization decreased 0.1 percentage point to 80.3 percent.

### **Consumer Price Index**

The consumer price index was unchanged in June. Excluding food and energy, consumer prices rose 0.1 percent.

### **Retail Sales**

Advance estimates show that retail sales rose 0.1 percent in June following an increase of 1.2 percent in May. Excluding sales in the automotive group, retail sales rose 0.4 percent following an increase of 0.5 percent.

### **Producer Price Index**

The producer price index for finished goods decreased 0.1 percent in June. Excluding food and energy, producer prices fell 0.2 percent.

## MAJOR RELEASES NEXT WEEK

U.S. International Trade in Goods and Services (Tuesday)  
Housing Starts (Wednesday)

## U.S. ECONOMIC STATISTICS

|                                        | 1970-<br>1993 | 1998  | 1998:3        | 1998:4      | 1999:1       |
|----------------------------------------|---------------|-------|---------------|-------------|--------------|
| <b>Percent growth</b> (annual rate)    |               |       |               |             |              |
| Real GDP (chain-type)                  | 2.7           | 4.3   | 3.7           | 6.0         | 4.3          |
| GDP chain-type price index             | 5.4           | 0.9   | 1.0           | 0.8         | 1.6          |
| <u>Nonfarm business (NFB) sector:</u>  |               |       |               |             |              |
| Productivity (chain-type)              | 1.5           | 2.7   | 2.5           | 4.3         | 3.5          |
| Real compensation per hour:            |               |       |               |             |              |
| Using CPI                              | 0.6           | 2.6   | 2.3           | 2.2         | 2.6          |
| Using NFB deflator                     | 1.3           | 3.8   | 3.4           | 3.8         | 2.6          |
| <b>Shares of Nominal GDP</b> (percent) |               |       |               |             |              |
| Business fixed investment              | 10.9          | 11.0  | 10.9          | 11.0        | 11.0         |
| Residential investment                 | 4.5           | 4.3   | 4.4           | 4.5         | 4.6          |
| Exports                                | 8.2           | 11.3  | 11.0          | 11.3        | 10.9         |
| Imports                                | 9.2           | 13.0  | 12.9          | 13.1        | 13.2         |
| Personal saving                        | 5.2           | 0.3   | 0.1           | -0.0        | -0.5         |
| Federal surplus                        | -2.7          | 0.9   | 1.1           | 0.8         | 1.4          |
| <hr/>                                  |               |       |               |             |              |
|                                        | 1970-<br>1993 | 1998  | April<br>1999 | May<br>1999 | June<br>1999 |
| <b>Unemployment Rate</b> (percent)     | 6.7**         | 4.5** | 4.3           | 4.2         | 4.3          |
| <b>Payroll employment</b> (thousands)  |               |       |               |             |              |
| increase per month                     |               |       | 321           | -5          | 268          |
| increase since Jan. 1993               |               |       |               |             | 18895        |
| <b>Inflation</b> (percent per period)  |               |       |               |             |              |
| CPI                                    | 5.8           | 1.6   | 0.7           | 0.0         | 0.0          |
| PPI-Finished goods                     | 5.0           | 0.0   | 0.5           | 0.2         | -0.1         |

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

---

New or revised data in **boldface**.

## FINANCIAL STATISTICS

|                                           | 1997 | 1998 | May<br>1999 | June<br>1999 | July 15,<br>1999 |
|-------------------------------------------|------|------|-------------|--------------|------------------|
| <b>Dow-Jones Industrial Average</b>       | 7441 | 8626 | 10854       | 10704        | 11186            |
| <b>Interest Rates</b> (percent per annum) |      |      |             |              |                  |
| 3-month T-bill                            | 5.06 | 4.78 | 4.50        | 4.57         | 4.57             |
| 10-year T-bond                            | 6.35 | 5.26 | 5.54        | 5.90         | 5.72             |
| Mortgage rate, 30-year fixed              | 7.60 | 6.94 | 7.15        | 7.55         | 7.58             |
| Prime rate                                | 8.44 | 8.35 | 7.75        | 7.75         | 8.00             |

## INTERNATIONAL STATISTICS

| <b>Exchange Rates</b>                                                           | <b>Current level<br/>July 15, 1999</b> | <b>Percent Change from</b> |                 |
|---------------------------------------------------------------------------------|----------------------------------------|----------------------------|-----------------|
|                                                                                 |                                        | <b>Week ago</b>            | <b>Year ago</b> |
| Euro (in U.S. dollars)                                                          | 1.022                                  | 0.2                        | N.A.            |
| Yen (per U.S. dollar)                                                           | 120.5                                  | -1.7                       | -14.3           |
| Major currencies index (Mar. 1973=100)<br>(trade-weighted value of the U.S. \$) | 97.39                                  | -0.3                       | -2.0            |

| <b>International Comparisons <sup>1/</sup></b> | <b>Real GDP<br/>growth</b>       | <b>Unemployment<br/>rate</b> | <b>CPI inflation</b>                        |
|------------------------------------------------|----------------------------------|------------------------------|---------------------------------------------|
|                                                | (percent change last 4 quarters) | (percent)                    | (percent change in index<br>last 12 months) |
| United States                                  | 4.0 (Q1)                         | 4.3 (Jun)                    | 2.0 (Jun)                                   |
| Canada                                         | 3.2 (Q1)                         | 8.1 (May)                    | 1.6 (May)                                   |
| Japan                                          | 0.1 (Q1)                         | 4.7 (May)                    | -0.4 (May)                                  |
| France                                         | 2.3 (Q1)                         | 11.4 (Apr)                   | 0.5 (Apr)                                   |
| Germany                                        | 0.8 (Q1)                         | 7.2 (May) <sup>2/</sup>      | 0.4 (May)                                   |
| Italy                                          | 0.9 (Q1)                         | 12.1 (Apr)                   | 1.6 (May)                                   |
| United Kingdom                                 | 0.7 (Q1)                         | 6.2 (Mar)                    | 1.3 (May)                                   |

<sup>1/</sup> For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

<sup>2/</sup> Rate for former West Germany. Using OECD standardized unemployment data, the unemployment rate for unified Germany for May was 9.1 percent.

THE WHITE HOUSE  
WASHINGTON

99 JUL 17 4:10 PM

July 16, 1999

7-19-99

copied  
Spierling  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORTS

cc: JOHN PODESTA

**Appropriations:** When the House Appropriations Committee meets next Friday (7/23) they are expected to approve a 302(b) reallocation that provides approximately \$3.2 billion to Energy/Water Development and Foreign Operations and takes the money from the following subcommittees: Labor / HHS / Education (-\$1.171 billion), VA/HUD/Independent Agencies (-\$980 million), Commerce/Justice/State (-\$451 million), and the "Deficiency Subcommittee" (-\$642 million). The Defense bill is \$5.7 billion above the request and over \$4 billion above the Senate. The Treasury/General Government bill was passed in the House bill by a vote of 210-209. The Energy/Water Development bill was marked up in the House on Thursday. The Full Committee mark-up is expected next Tuesday (7/20). The Subcommittee bill totals \$20.2 billion (\$1.3 billion below the request, \$1.5 billion below FY 1999 enacted, and \$1.0 billion below the Senate). Interior and Commerce/Justice/State are the likely bills up on the Senate floor next week. The House Subcommittee mark up of VA/HUD has been postponed until July 26<sup>th</sup>.

**New Markets Trip Follow-up:** The NEC held several meetings this week regarding follow-up to the New Markets Trip, including a meeting with NEC Principals. We are developing a strategy for an ongoing process that will include a master schedule of New Markets events and announcements that you, the Vice President, and the agencies will deliver. We have also organized sub-groups to begin work on your Arkansas trip and your BusinessLINC announcement in August. On the legislative front, we cleared staff discussion drafts on two pieces of the package -- New Market Venture Capital firms and America's Private Investment Companies -- and have distributed copies on the Hill. As you know we are also working to incorporate provisions of the Republican counterproposal, the American Community Renewal Act into the New Markets Initiative. We are drafting a letter from you to Speaker Hastert that will sketch out a possible offer that we will send to you shortly for your input. We are working to hold a legislative event the week of July 26<sup>th</sup> with members of Congress to focus attention on the legislation and build upon the momentum generated by your New Markets trip.

**R&D Tax Credit:** You should know that High-tech companies were delighted that the Senate Democratic tax-package included a permanent R&D tax credit. The House and Senate Republicans only included a 5-year extension in their budget. The Administration included a 1-year extension, but we have always indicated that we are open to making it permanent or extending it for more than one year.

**Nanotechnology:** NEC and OSTP are working on developing a possible research initiative in the area of nanotechnology -- the ability to manipulate individual atoms and molecules. Today, a front-page story in the *New York Times* reported a government-funded breakthrough that could eventually make computers billions of times faster using nanotechnology. Transistors would be made from individual molecules and a supercomputer would fit in a grain of salt.

**Pensions - Cash Balance Plan Disclosure:** Increasingly, employers are converting traditional defined benefit pension plans to "cash balance" or other new plan types. But too few workers understand how these conversions affect them. While younger or more mobile workers may benefit from the new plans, the rate of benefit accrual may drop dramatically for some older workers. And other workers may temporarily stop earning any benefits at all. Unfortunately, under current law, disclosure is minimal and even misleading. On Tuesday (7/13) we issued a release in which you unveiled a Treasury-Labor proposal to secure the "right-to-know" for American workers when changes are being made to their private pension retirement benefits. We argued that workers must have timely information comparing their benefits before and after the conversion, if they are to make informed employment choices and plan for their retirement. The plan was released on the eve of the mark-up of House tax bill (which includes a less satisfactory disclosure proposal). Our proposal won the support of Representatives Matsui (D-CA), Gejdenson (D-CT), Andrews (D-NJ), and Pomeroy (D-ND) and was described as a balanced approach on business pages and in trade press. In addition, Senator Moynihan -- the author of a more far-reaching proposal earlier this year -- is likely to introduce our plan in the Senate.

**Social Security:** Currently, your economic advisors are working out issues relating to the lock box and enforcement mechanisms for debt reduction. In addition, staff from OMB, CEA, Treasury, SSA, and the NEC is continuing to work on options to reduce elderly poverty and repeal the earnings test. On Tuesday (7/13), Larry Stein and I met with the Senate Democratic Caucus where we discussed the upcoming lock box vote. Debt reduction occupied much discussion. On Thursday (7/15), Larry Stein, Jack Lew, Larry Summers, and I met with Senators Daschle and Conrad to discuss further how we might respond to Senators' questions about debt reduction. We will continue our discussions with Senator Daschle next week.

**APEC Ministerial and Prep:** The NEC is accelerating work to prepare for the APEC Leaders meeting in early September in New Zealand. We anticipate the meetings to be particularly important for two reasons: (1) your anticipated bilateral meeting with Jiang; and (2) the US hosted WTO Ministerial at which we hope to launch an ambitious new Round of trade negotiations will occur two months later (it will be important for APEC Leaders to endorse common WTO Round objectives). Lael Brainard held a deputies meeting this week to get interagency consensus on key Leaders meeting objectives. In addition, in late June, Holly Hammonds of my staff went to Auckland for a Ministerial level meeting of all APEC trade ministers, which made progress in laying the groundwork on our WTO objectives as well as in rebuilding business support for APEC which had flagged in the wake of the Kuala Lumpur meetings.

**Food and Medicine Sanctions Policy:** You should know that Treasury-OFAC has completed drafting regulations to implement your April 28th announcement of humanitarian-based policy change. The deadline for interagency clearances is this Monday (7/19). We are working with Treasury, NSC and State to coordinate rollout and announcement of the completion of regulations tentatively planned for next Tuesday (7/20).

**Beef Hormones:** The Retaliation list targeting just over \$116 million worth of EU products and will be published on Monday (7/19). WTO General Council will formally approve retaliation on or around July 26th and 100% duties on European products on the list would be imposed soon thereafter.

**GMOs:** You should know that in a speech to the National Press Club, Secretary Glickman outlined a series of new proposals to shore up regulatory procedures and oversight for approval and longer-term assessments of genetically modified agricultural products. His speech does not represent a departure from Administration policy, but rather highlighted ways in which we intend to continue to monitor and enhance our regulatory framework. The NEC Deputies will meet next week to consider further steps in that regard.

7-19-99

**Africa Trade Bill:** You should know that the House passed the African Growth and Opportunity Act by a vote of 234 to 163 Friday (7/16). With respect to Democrats, 98 voted "yes" and 99 voted "no." The Republicans on the other hand voted 163 "yes" and 63 "no." The three non-binding "sense of congress" amendments: AIDS/HIV response fund; AIDS/HIV prevention and treatment; and a need for U.S.-Africa small business opportunities were all adopted by voice vote. The controversial Rep. Jesse Jackson, Jr. amendment regarding OPIC and a motion to recommit by Rep. Bishop were both defeated.

THE WHITE HOUSE  
WASHINGTON

July 16, 1999

7-19-99

copied  
Reed  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed

SUBJECT: DPC Weekly Report

**1. Education – Republican Teacher Block Grant:** The Republican's "Teacher Empowerment Act" could come to the House floor as early as next week. This bill, sponsored by Goodling and McKeon, would consolidate Goals 2000, Eisenhower, and class size into a \$2 billion grant program that states and schools districts could use to fund professional development, recruitment, merit pay, tenure reform, class size, or other purposes related to teacher quality. Secretary Riley sent a letter in committee threatening to recommend that you veto this legislation, largely because it does not include a dedicated funding stream for class size reduction, would not guarantee any spending on class size reduction, eliminates any focus on the early grades or on a target of 18, and weakens our provisions to target money to low-income areas. In committee, Democrats unanimously supported a substitute similar to your proposal, but two Democrats (Roemer and Holt) then crossed over to support the Republican bill.

On Thursday, we met with Gephardt and other House Democrats in an effort to unite the caucus in voting for a class size amendment and against the Republican bill. Most Democrats will side with us on a class size amendment, but many Democrats – led by Roemer and George Miller -- are afraid to vote against a teacher quality even if it cuts class size. Although this bill is unlikely to reach your desk—or even come up in the Senate—we are trying to get a veto-proof margin so that it doesn't undermine our position in appropriations. We are working with Gephardt, Bonior, the teachers union, and the civil rights community to try to bring Democrats around. We plan to send a letter from you Monday threatening a veto if the class size issue is not resolved.

**2. Guns – California:** On Monday, Governor Davis is expected to sign into law two major gun bills. The first bill, which passed this week, establishes broad new controls on semiautomatic weapons and large capacity ammunition magazines. The bill bans semiautomatic weapons that hold more than 10 rounds or can be readily concealed; prohibits the manufacture, import, or sale of any large capacity ammunition clip; and requires individuals who own guns covered by the bill to register their weapons with law enforcement within one year. The second bill – passed earlier in the legislative session -- restricts handgun sales to one per month statewide. This will make California the fourth state to adopt the one-a-month limit on handguns.

**3. Crime – Statistics:** On Sunday, the Justice Department will release the findings of the 1998 National Crime Victimization Survey (NCVS). The NCVS will show that violent crime fell another 7 percent last year, and that it has now dropped 27 percent since you took office in 1993. Property crime is down even further: 12 percent in 1998 and 32 percent since 1993. Every major crime category has now decreased significantly since 1993, and virtually every demographic category has experienced a drop in the rate of violent victimization—including a 42 percent drop for African-Americans. A statement from you criticizing Congressional efforts to shut down your COPS program and weaken our gun laws will accompany the release of these new statistics.

**4. Crime – COPS:** We are preparing a possible announcement for next week to highlight Congressional attempts to eliminate the COPS program. When the Senate takes up the Commerce-Justice-State appropriations bill (as early as next week), Senator Biden will offer an amendment to restore COPS funding. You could release over \$60 million in COPS grants to hire over 800 officers (including 200 for D.C.), and funds to hire 40 new federal prosecutors to take D.C.'s successful community prosecution program citywide – bringing attention to the community prosecutors initiative contained in the FY 2000 budget and your crime bill. Next Friday, the outgoing Inspector General is expected to release an audit of the COPS program that will criticize parts of the program, including officer redeployment, and spotlight local retention and supplanting problems. The Justice Department has been contesting many of the audit's fundamental assumptions.

**5. Tobacco – Women's National Soccer Team:** You might be interested in the "Smoke-Free Kids and Soccer" campaign launched by HHS and the U.S. Women's National Soccer Team to encourage girls to maintain physical fitness and resist pressures to smoke through soccer. The campaign includes television and radio commercials, posters, and other materials with pictures and quotes from team members (Co-captain Julie Foudy says "We'd much rather smoke a defender than a cigarette."). The materials were released in conjunction with the team's World Cup games and being widely distributed to youth soccer associations, local PTAs, and state and local health departments.

**6. Health Care – Medicare Event Update:** Next Thursday, you are scheduled to go to Lansing for an event to highlight Medicare reform in a town hall setting. We are targeting a wide range of beneficiaries and providers who can discuss the benefits of enacting your entire Medicare reform package in general and your prescription drug and preventive benefit package in particular. We plan on having a cross-section of age groups and incomes represented as well as pharmacists and other health care providers who can help personalize the importance of your reform package for both the short and long term.

**7. Health Care – Other Medicare Developments:** That same day, Secretary Shalala is scheduled to testify before the Senate Finance Committee on your Medicare reform proposal. As of this writing, we are still considering whether Secretary Summers also should testify in order to

discuss the importance of utilizing the surplus to stabilize the Trust Fund as well as to buy down debt. Earlier in the week, we hope to be able to release a report to highlight the importance of a prescription drug benefit that is accessible to all seniors. It will help highlight the fact that even those beneficiaries who currently have a drug benefit are seeing their benefits either eliminated or significantly reduced. Ironically, the same Republicans who have been criticizing your plan as inappropriately subsidizing wealthy seniors just passed a tax deduction for Medicare beneficiaries out of the Ways and Means Committee that will help offset the cost of drug coverage. Because it is a deduction, it benefits only higher income beneficiaries who file taxes, and leaves out millions of seniors (well over 40 percent) who have no taxable income and/or do not file taxes.

**8. Health Care – Democratic Alternative Tax Package for Health Care:** The Finance and Ways and Means Democrats are drafting health care tax incentive options to be included in their alternative tax packages. The Senate Finance Committee appears likely to include a tax credit for workers whose employers do not offer coverage to purchase health care in the individual market. It would likely be a 30 percent refundable insurance tax credit for single workers with incomes of \$20,000 or less and families earning less than \$40,000. We have encouraged Senator Breaux, the primary advocate of this credit, to include insurance reforms in his package to ensure the subsidies would be used only for insurance that is more meaningful, accessible, and affordable than that available in the current individual marketplace. In addition, the Finance Democrats would include an acceleration of the transition to the 100 percent self employed tax deduction by 2003. They have dropped your purchasing coalition tax credit and your disability tax credit, and reduced your \$1000 long-term care tax credit to \$250. They have also added a provision that provides for tax incentives for the purchase of some long-term care. The provisions related to long term care are highly unpopular with the long term care community and aging advocates, who believe anything less than \$1000 is virtually meaningless.

Ways and Means Committee Democrats seem much more interested in your tax credit as currently constructed but have not made a final decision on the health care provisions. We are developing a series of health care tax credit options for your and the Vice President's consideration. While they are unlikely to significantly increase coverage, a strong tax equity argument could be made for them, since individuals who purchase health insurance get no tax break while those working for a firm that provides health insurance get a deduction.

THE WHITE HOUSE

WASHINGTON

July 17, 1999

copied

17 PM 1:24

Tramontano  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM KAREN A. TRAMONTANO

SUBJECT WEEKLY REPORT

*John*  
**LONGSHOREMEN'S STRIKE:** The Longshoremen's strike that threatened to shutdown west-coast ports has been resolved. As always Bruce Lindsey was enormously helpful working with industry to ensure that the breakdown in negotiations never escalated. We were able to work with the union to bring the parties back to the bargaining table to reach an agreement.

**NEWPORT NEWS STRIKE:** The strike continues. Secretary Herman has been working very closely not only with The Newport News Shipyard but also with the Navy. Unfortunately, the Navy will be bringing a ship into the yard in the next 2 weeks for repairs. The union—a local of the Steelworkers—considers this act "crossing the picket line". George Becker is preparing a demonstration to stop the Navy from bringing the ship into the yard. John and I spoke with Deputy Secretary Hamre to alert him of the upcoming demonstration. He will be meeting with John Sweeney and George Becker next week.

*Deputy  
Sweeney  
Hamre  
Lindsey*  
**LABOR DINNER:** The Vice-President and John hosted a dinner with approximately 20 labor leaders on Thursday evening. Secretary Herman and Gene Sperling also attended. Sweeney requested the dinner because a number of labor leaders needed an opportunity to meet with the Vice President to discuss their concerns. The Avondale Shipyard—where the owner has refused to recognize the union despite four elections--continues to be a cause of friction between our Administration and the AFL-CIO. The Navy continues to utilize the shipyard despite a number of legal rulings against Avondale for anti-union activity. Two events have brought another spotlight on this shipyard. The 5<sup>th</sup> Circuit last week declared the most recent union election null and void and called for a re-run. The second event is that Litton Industries is interested in purchasing Avondale—they have however met with Sweeney and indicated that they will recognize the union.

**SCHOOL CONSTRUCTION:** As you know, the AFT, NEA, Great City Schools and the Building and Construction Trades scheduled a number of events to echo your event in IOWA. We are working with them to schedule ~~at least three more school construction events~~: (1) in late July to coincide with Rangel's discharge petition; (2) in mid-August to coincide with the release of the Department of Education's Baby Boom Echo report; and (3) ~~a back-to-school event~~. We are currently having discussions with the groups about making the traditional labor day event a school construction event.

7-19-99

**STEEL.** We are about to put the final touches on the Administration's steel action plan. Initial briefings for the steelworkers, industry and members have received pretty good reviews. Jack Murtha convened a group of members on Thursday for me so we could discuss the plan with them. Separately, I met with Senator Rockefeller he was pleased that we remain focused on this issue. We hope to have John host a meeting this week with labor, industry and members to discuss the plan. We are trying to schedule the meeting at a convenient time for you to drop-by.



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

July 16, 1999

7-19-99

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *PSK for*  
Acting Chair

SUBJECT: CEQ WEEKLY REPORT

*copied  
Frampton  
Podesta*

RESOURCE STEWARDSHIP

Antiquities Act

Both the House and Senate are considering legislation to amend the Antiquities Act. Last week, the House Resources Committee reported out legislation amending the Antiquities Act. The amendment would require the President to consult with the Governor and Congressional delegation of a state prior to establishing a new National Monument, and also to solicit public comment.

In the Senate, Larry Craig is sponsoring a similar bill. On Tuesday, I will testify before the Senate Energy Committee's Subcommittee on Forests and Public Land Management, which is holding a hearing to solicit the Administration's views on Senator Craig's legislation. We strongly oppose both pieces of legislation as they seriously undermine Presidential authority.

BUDGET

House Energy and Water Appropriations

Earlier this week, the House approved the Energy and Water Appropriations bill, which includes a controversial rider that would undo a major Administration initiative to make the wetlands regulatory program more protective. Notably, the rider would reverse major changes to the permit program that you announced at last year's League of Conservation Voters dinner, and is taken verbatim from a proposal submitted by lobbyists for developers. The bill also cuts your requests for the Corps of Engineers for Everglades restoration (\$12 million) and the California/Bay Delta initiative (\$20 million).

## INTERNATIONAL LEADERSHIP

7 - 19 - 99

### Biotechnology

On Tuesday, Secretary Glickman delivered a speech in which he outlined his perspective on emerging issues related to agricultural biotechnology and genetically modified organisms. As you know, U.S. agricultural biotechnology products currently are under threat from E.U. trade policy and related issues are rising in profile in the upcoming WTO Ministerial meeting in Seattle this December. We are working with NEC and OSTP to coordinate policy on these important issues.

### Tropical Forest Conservation

You soon will be receiving for signature an Executive Order implementing the Tropical Forest Conservation Act. This bipartisan legislation, sponsored by Representative Portman and Senator Lugar, expands your authority to forgive U.S. debt in exchange for new conservation funding in countries with significant remaining tropical forests. Tropical forests are home to more than 50% of terrestrial species; this new program will offer important tools for protecting this important ecological resource. CEQ is launching a process to develop new strategies for tropical forest conservation

THE WHITE HOUSE  
WASHINGTON

7-19-99

July 16, 1999

copied  
Ballentine  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

*Press and Industry.* The *Wall Street Journal* this week ran a story (with our prompting) on the effort by certain utilities to block your Executive Order on energy efficiency. The article reprints comments from your Georgetown address, and is very favorable to our position. We are working with industry and environmental groups to remove this rider from the Senate Interior Appropriations bill. Also this week, the *Concord (NH) Sunday Monitor* ran an article entitled "Gift from the Sky for Gore?" arguing that having endured a series of warm winters and hot summers, New Hampshire residents are becoming convinced that global warming is a serious problem and are looking for candidates to take a strong position on seeking solutions.

We are beginning to speak with various major players in the utility industry to explore the possibility of these companies taking on voluntary carbon reduction targets. In return, we would work with EPA to give industry some added certainty as to how we will regulate other "criteria" pollutants (NOX, SO2 and mercury).

*Legislative.* On the House appropriations front, the Foreign Operations Subcommittee funded the Global Environment Facility at \$50M, well below your \$143M request. The Energy and Water Subcommittee adopted a Knollenberg (R-MI) amendment aimed at prohibiting backdoor implementation of the Kyoto Protocol. That Subcommittee also severely cut the Renewable Energy portfolio -- \$119.5M below your request and \$40M below FY99 enacted. There will be a bipartisan effort to restore this funding, and if the offsets are not objectionable, we will support that effort.

~~The House Republicans' tax bill does not contain any pieces of your climate change tax package. It does not even extend the existing wind and biomass tax credits. We are working with Congressman Matsui (D-CA) and others to include some or all of the climate change package in any Democratic alternative.~~ On the Senate side, Chairman Roth's mark does at least include an extension of the existing wind and biomass credits and expands the biomass credit to

cover additional activities (poultry waste). We are working with Democrats and Republicans to support adding our auto, energy efficient housing, and expanded biomass tax credits.

Congressman Lazio (R-NY) and Congressman Dooley (D-CA) introduced a modified version of the credit for early action legislation introduced by Senators Chafee, Lieberman and Mack.

#### Lands Legacy

*FY2000 Budget.* The House passed an Interior Appropriations bill that funds your Lands Legacy Initiative at a level 71% below your request. On a positive note, the full House added a net \$28M to the bill as reported from committee, including the full amount you requested for the Urban Parks and Recreation Program, as well as \$30M for the stateside portion of the Land and Water Conservation Fund.

*Authorizing Legislation.* We continue to negotiate with both Democrats and Republicans on authorizing legislation that would fulfill your call for permanent funding of conservation, acquisition and restoration priorities. As you know, a disparate array of Members has introduced bills that dedicate offshore oil revenues to environmental and coastal restoration on a permanent basis. These include bills sponsored by Senators Murkowski and Landrieu (co-sponsored by Senator Lott); Senator Feinstein; Senator Boxer; Senator Lieberman; Congressman Don Young; and Congressman George Miller. We hope to reach agreement on as much as possible in the short term (for example, we are close to agreement with enviros, state fish and game agencies, and Republicans on language protecting wildlife habitat). This approach will leave us less to work out in an end-game scenario – the most likely context in which we could enact such legislation.

cc: The Vice President  
John Podesta  
Maria Echaveste  
Steve Ricchetti  
George Frampton  
Ron Klain  
Neal Lane  
Joe Lockhart  
Gene Sperling  
Larry Stein  
Jim Steinberg  
Janet Yellen



'99 JUL 16 PM 5:35

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

July 16, 1999

7-19-99

copied  
Lane  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *Neal*  
CC: JOHN PODESTA  
SUBJECT: OSTP WEEKLY REPORT

**Stem Cell Response Aligns White House with Key Patient Groups**

The June 14th White House comment on the NBAC recommendation that urged overturning the current Congressional ban on human embryo research keeps us in step with the large national patient advocacy groups, as well as with the majority in Congress. While we, of course, very much agree that stem cell research shows extraordinary promise for the future, we believe it is not necessary at this time, given the current availability of stem cells in the private sector, to propose a change in the law by Congress. I am working with John Podesta to develop a White House event in the next several weeks – perhaps corresponding with the release of the NIH guidelines to ensure that stem cell research is conducted according to the highest ethical standards. This gathering would allow you to thank NBAC publicly for its thoughtful deliberations in a forum that includes all the leaders of the major patient advocacy groups.

**DOE Under Attack on IT Front**

I testified before the House Science Committee on June 14 to provide the Administration's views on the House information technology authorization bill (H.R. 2086). The bill shows bipartisan support for major elements of your information technology initiative in the FY 2000 budget request, but it pointedly fails to authorize DOE funding for high-end computing research. The authorization problem mirrors the current appropriations scenario, which zero's out DOE's advanced computing initiatives. Committee members are clearly skeptical about DOE's ability to manage the type of large-scale, high-end computing facility described in IT<sup>2</sup>. I presented the strongest possible case to the contrary – that DOE has extensive experience and technical capabilities in managing the acquisition and operation of large, complex user facilities and with managing multidisciplinary research teams. We do not believe we need authorization to proceed with the initiative, but DOE's inclusion in the authorization bill would probably be influential with at least some appropriators.

**Repercussions of Espionage Scandal Threaten Defense Science Capabilities**

I have serious concerns that the current climate of suspicion that has followed Chinese espionage allegations, together with possible inappropriate legislative responses, will make it increasingly difficult to recruit and retain first class scientific talent and will, as a result, erode the technology base that underlies our national security. In the case of the Chinese-American community, for instance, I continue to hear disturbing comments about morale of scientists and engineers in

DOE labs and other research institutions all across the country. At the same time, the pending Kyle/Domenici legislation to reorganize DOE has been drafted without regard for the scientific underpinnings of our weapons programs. Descriptions of the proposed semi-autonomous agency and its director show no appreciation of the roles science and technology play in stockpile stewardship, nonproliferation, or other Administration nuclear priorities. I am working closely with OMB to make sure any proposed legislation adequately addresses the scientific and technical excellence of the DOE laboratory system while at the same time protecting our national security.

#### **Public Interest in Food Safety Remains High**

I spoke to an open meeting of your Food Safety Council June 15 to provide a public accounting of progress on the Joint Institute for Food Safety Research – which has started its search for a nationally recognized expert in food safety to serve as executive director and will open within a few months – and on the National Science and Technology Council's assessment of federally funded research on microbial hazards, which will be released next week.

Senator Durbin has also written me to request that the Administration provide a witness for an August 3 hearing on a single food agency. Our distributed system of food safety regulation and enforcement remains one of the most contentious issues in the whole debate, and this hearing threatens to be acrimonious since the Senator is not supportive of our current efforts to improve coordination while continuing to assess reorganization options.

#### **U.S. Leadership in GPS Technology Challenged**

A stable U.S. policy and a bipartisan commitment to providing high-quality GPS civil capabilities caused the worldwide commercial market for GPS equipment and services to grow to over \$4 billion in 1998, a figure that is expected to quadruple by 2003. Your budget requested \$17 million for FAA to fund the civil portions of the GPS modernization initiative announced last January by the Vice President. These funds have been eliminated in the Senate markup of the transportation appropriations bill. I sent letters to the committee leaders – Senators Shelby and Lautenberg – June 15 to urge restoration of these funds, which will help us leverage substantial investments by DOD and gain enhanced civil capabilities at minimum cost. At my request, the co-chairs of the interagency GPS Executive Board, which was established by your 1996 GPS Directive, also met on June 15 with key Senate staff on this issue. Additionally, we have sent up a SAP objecting to the \$67 million cutback in the GPS procurement program in the House National Security Appropriations bill.

THE WHITE HOUSE  
WASHINGTON

July 16, 1999

7-19-99

copied  
Stein  
Podesta

## MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN *LS*

SUBJECT: LEGISLATIVE WEEKLY REPORT

House of Representatives

**Military Construction Appropriations:** On Tuesday, the House passed (418-4) H.R. 2465, Military Construction Appropriations for FY 2000, without amendment. The bill provides roughly \$750 million for approximately 100 non-requested projects, including about \$269 million for projects not in the DOD Future Years Defense Program. The Administration urged that the non-requested funding be deleted.

**Interior Appropriations:** On Wednesday, the House passed (377-47) H.R. 2466, Interior Appropriations for FY 2000. The Committee-passed bill provided \$14.1 billion for FY 2000, approximately a freeze, and about \$1.2 billion below your request. The bill was free of the most egregious riders of years past, but did not provide funding for the Millennium Initiative and was more than 70% below your request for the Lands Legacy Initiative. On the floor, the House passed (voice vote) an amendment offered by Appropriations Chairman Young (R-FL) to reduce the bill by approximately \$140 million. Numerous other amendments were considered, including a Slaughter (D-NY) amendment to increase the requested funding for the National Endowment for the Arts and the National Endowment for the Humanities by \$10 million each; the amendment failed (217-207). The House adopted (273-151) a Rahall (D-WV) amendment to put into law the opinion of the Interior Department Solicitor General with respect to acreage for mine waste. This is significant because the Senate Appropriations Committee Interior bill contains a rider that would permanently overturn the Interior opinion.

**Religious Liberty:** On Thursday, the House passed (306-118) H.R. 1691, the Religious Liberty Protection Act. The bill will shield religious institutions from state and local laws that could "substantially burden a person's religious exercise" unless the government could prove that such a law would further a "compelling state interest." A Nadler (D-NY) substitute, which would have prevented businesses or large property owners from using the expanded rights included in the bill to discriminate against the disabled, homosexuals, or any other minority group under the guise of religious belief, failed (190-234).

**Treasury-Postal Appropriations:** On Thursday, the House passed (210-209) H.R. 2490, the FY 2000 Treasury and General Government Appropriations bill. The Committee-passed bill included a \$240 million cut, predominantly from Treasury, as part of Leadership efforts to mollify conservative Republicans; this move was strongly opposed by Democrats. While considering the bill, the House took the following action: rejected (188-230) a DeLauro (D-CT) amendment to remove restrictions on FEHBP coverage of abortions; rejected (82-334) a Sessions (R-TX) amendment to strike a pay raise for the next President of the United States; and, rejected (192-228) a Sanders (I-VT) amendment to restrict the use of the Exchange Stabilization Fund. In addition, the House rejected (217-200) an effort by Rep. Chris Smith (R-NJ) to give health plans the option to object to providing prescription contraceptives on moral grounds. However, it left untouched language that appears to slightly broaden the individual conscience clause agreed to as part of last year's omnibus bill. An Andrews (R-NJ) amendment related to the enforcement of anti-terrorism judgments was withdrawn. Like the Senate-passed bill, the House bill contains no language barring a cost-of-living increase for Members; a procedural vote relating to the pay raise failed (147-276). The bill is likely to be conferenced quickly.

**Africa Trade:** On Friday, the House passed (234-163) H.R. 434, the Africa Growth and Opportunity Act. The bill will enhance trade and investment benefits for sub-Saharan African countries and complement your "Partnership for Economic Growth and Opportunity in Africa" initiative. The House debate was marked by strong disagreement over the bill by some Members of the Congressional Black Caucus, specifically Rep. Waters (D-CA) and Rep. Jackson (D-IL). An attempt to block the rule providing consideration of the bill failed (263-141). A Jackson (D-IL) amendment, which would have imposed certain restrictions on the ability of OPIC to attract investments to Africa, failed (voice vote).

### **The Week Ahead**

**House Schedule:** On Monday, the House will convene to consider nine bills under Suspension of the Rules. In addition, the House will begin consideration of H.R. 2415, a bill to Enhance Security of United States Missions and Personnel Overseas and to Authorize Appropriations for the Department of State for Fiscal Year 2000. During the remainder of the week, it is expected that the House will consider the following legislation: H.R. 1074, the Regulatory Right-to-Know Act; H.R. 1995, the Teacher Empowerment Act; and, H.R. \_\_\_ the Defense Department Appropriations bill. In addition, the House will consider a Republican tax cut bill, H.R. 2488, the Financial Freedom Act. Consideration of the tax bill is subject to change due to the concerns of some Republicans that the tax bill is too large. The Democrats are preparing an alternative tax bill which would reduce revenues by approximately \$250 billion over ten years. It is expected that the House will not be in session on Friday.

### **United States Senate**

**Patients' Bill of Rights:** On Thursday, the Senate passed (53-47) S.1344, the Patients' Bill of Rights, with a Lott (R-MS) substitute amendment; Senators Chafee (R-RI) and Fitzgerald (R-IL) voted against the bill. While under consideration, the Senate took the following action: passed

(53-47) a Gregg (R-NH) second degree amendment to the Collins amendment that strikes the provision that would overturn the current ERISA preemption of State laws shielding HMOs and insurers from accountability when their decisions lead to injury or death; rejected (48-52) a Kennedy (D-MA) second degree amendment to the Dodd (D-CT) amendment which would have ensured that the protections provided for in the Patients' Bill of Rights apply to all patients with private health insurance; rejected (47-53) a Bingaman (D-NM) second degree amendment to the Collins (R-ME) amendment which would have allowed patients to have relevant specialists coordinate their care, to see specialists without visit-by-visit permission, and to go outside their network for necessary specialist care not included in their HMO's network, at no additional cost; passed (52-48) a Frist (R-TN) second degree amendment to the Nickles (R-OK) amendment regarding medical necessity; and, passed (53-47) a Santorum (R-PA) second degree amendment to the Kennedy (D-MA) amendment regarding deductibility for premiums of the self-employed thereby striking all of the provisions from the original Kennedy amendment regarding expanding the scope of coverage to all privately uninsured Americans.

**Lockbox:** The Senate failed (43-52) to invoke cloture on the motion to proceed to S. 557, the Social Security "Lockbox" legislation with Senator Roth (R-DE) voting against the motion.

### **Week Ahead**

**Senate Schedule:** The Senate will convene on Monday, July 19, and will begin consideration on the motion to invoke cloture on the motion to proceed to H.R. 1555, the Intelligence Authorization Act. The motion to invoke cloture was filed by Majority Leader Lott (R-MS) and ripens on Tuesday, July 20.

**China/NTR:** On Tuesday, it is expected that Senator Bob Smith (I-NH) will make a motion to discharge the resolution of disapproval from the Senate Finance Committee on the renewal of the NTR status with China as well as waiving the Jackson-Vanick requirements for Vietnam.

**Commerce/Justice/State Appropriations:** The Senate is expected to begin consideration of the Commerce, Justice, State Appropriations bill; the bill currently does not provide funding for the new COPS program, fails to fully fund the Census, does not include funding for tobacco litigation, and fails to include critical State Department funding requests. In addition, the Hate Crimes Prevention Act sponsored by Senator Kennedy (D-MA) is likely to be offered as an amendment, as well as a Biden (D-DE) amendment restoring funding for the COPS program.

cc: The Vice President  
John Podesta  
Steve Ricchetti  
Maria Echaveste  
Doug Sosnik  
Ann Lewis  
Joel Johnson

99 JUL 15 4:23

THE WHITE HOUSE  
WASHINGTON

July 16, 1999

7-19-99

Copied  
Ibarra  
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra

SUBJECT: Office of Intergovernmental Affairs Weekly Report – July 12 - 16, 1999

NATIONAL GOVERNORS' ASSOCIATION

NGA has agreed to create a plenary session on Sunday afternoon, August 8, to accommodate your schedule. Both Governor Carnahan (D-MO) and Governor Carper, NGA Chair, are thrilled that you will address the governors in St. Louis, MO.

NEW MARKETS

Mayor William Goram (Hazard, KY) and Mayor Richard Webster (Clarksdale, MS) have already received visits and calls from prospective businesses interested in locating in their cities. The mayor's report that each of the business owners stated their interest was a result of the press coverage from the New Market Tour. We will track which businesses have called and coordinate with NEC and OPL.

FEDERALISM

We have reached agreement with the staff of the Big Seven intergovernmental organizations on language for the new Federalism Executive Order. Governor Carper is working to persuade Governor Leavitt, NGA Vice Chair, to approve. All other principals of the organization are ready to approve a positive letter of support. OMB will consult with the agencies, labor, and environmental groups early next week. We hope to have the order ready for you to sign in late July.

RESPONDING TO THE HEAT WAVE

On Monday, you released \$100 million in emergency contingency funding to 16 states and the District of Columbia from the Low Income Home Energy Assistance Program (LIHEAP) in response to the recent heat wave across the country. The governors in each of the states were notified and are very appreciative of our prompt response.

## CHIP HOTLINE

7-11-99

Since February, when Governor Carper (D-DE) and Governor Leavitt (R-UT) joined you in the East Room to launch the HHS/NGA "Insure Kids Now Hotline," NGA reports that more than 87,000 families have called 1-877-KIDS-NOW to find out how to enroll in the Childrens Health Insurance Program (CHIP).

## NATIONAL ASSOCIATION OF COUNTIES (NACo)

NACo's Annual Conference will be held in St. Louis, MO July 16-20, 1999. Secretary Herman will highlight your domestic policy agenda at a plenary session on Monday, July 19. IGA has arranged for ten agencies to participate in the Federal Agency Showcase to enable county official to directly communicate with agency representatives.

*Started  
on 7/16/99*

## LT. GOVERNOR BUSTAMANTE

On July 16, I met with Lieutenant Governor Cruz Bustamante (D-CA). The Lieutenant Governor was delighted by the opportunity to introduce you at the DLC Convention.

## SECRETARY OF STATE VICTORIA BUCKLEY

✓ Colorado Secretary of State Victoria Buckley (R) passed away on Thursday after an apparent heart attack. Buckley was first elected in 1994 and was the highest-ranking black female Republican in the nation. We have sent a letter of condolence to her family on your behalf.

## INSULAR AREAS

- Navy Concludes Vieques Bombing Needed: On Thursday, Navy Secretary Danzig announced that bombing on Vieques is essential to the Navy. His recommendation goes to the special Defense Department panel you created to consider Puerto Rican as well as military views. Puerto Ricans denounced the report.
- Interior's Insular Office Subpoena: Rep. Young (R-AK) launched an investigation of whether the Interior Department's Insular Affairs Office has conducted partisan activity against House Republican leaders DeLay (R-TX) and other GOP leaders. Democratic staff think the motive is to impede work on your proposal to enact immigration and minimum wage laws for the Northern Mariana Islands, which DeLay has opposed

## IGA STAFF

Fred DuVal will be departing the White House on August 18 to pursue a law practice in Washington and to spend more time on the Vice President's campaign. Fred has served as a Deputy Assistant to the President and Deputy Director for IGA since May of 1997.

THE WHITE HOUSE  
WASHINGTON

July 16, 1999

7-19-99

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports  
July 10 - 16, 1999

Copied  
Marshall  
Balderston  
Podesta

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **DC Federal Jobs Initiative - Summer 1999:** For the second straight year, federal agencies have answered the call from you and the First Lady in helping to introduce hundreds of young DC high school and college-age students to public service. Organized by OPM Director Lachance and operated in conjunction with the DC Department of Employment Services, the DC Federal Jobs Initiative has placed students in 25 federal agencies, including two new agency participants - the Peace Corps and the Appalachian Regional Commission. As of July 16, those 25 agencies had pulled together to hire 738 students, meeting 99 percent of the total commitment of 746.

DEPARTMENT OF TREASURY

- **Confirmations:** On July 13, the Senate by voice vote confirmed Under Secretary of State Eizenstat to become the Deputy Secretary of the Treasury. He is tentatively scheduled to be sworn in on July 19. The Senate by voice vote also confirmed Deputy Assistant Secretary Sachs to become Assistant Secretary of Financial Markets.
- **Kosovo:** On July 13, in Brussels, Secretary Summers participated in the first meeting of the High Level Steering Group on Kosovo. The meeting was co-chaired by outgoing European Commission President De Silguy and World Bank President Wolfensohn.
- **Taliban Sanctions:** As a result of your July 4 Executive Order imposing sanctions against the Taliban for providing a safe haven to Osama bin Ladin, more than \$32 million belonging to Da Afghanistan Bank, Banke Millie Afghan and Ariana Afghan Airlines have been blocked. The Office of Foreign Assets Control identified several accounts held by these institutions at U.S. banks. Nearly \$200 million worth of gold held for the

Government of Afghanistan by the Federal Reserve Bank of New York was also frozen. The Executive Order prohibits transactions with the Taliban, prohibits trade with the Taliban and with territory controlled by the Taliban, and blocks property of the Taliban within U.S. jurisdiction.

- **Russia:** On July 28, the IMF Executive Board is scheduled to consider Russia's new IMF program. The Government of Russia has fulfilled enough requirements for the IMF staff to recommend approval of the program. The Russian Central Bank has not yet agreed to publicly release audit reports regarding its foreign exchange reserve management. Treasury and the IMF continue to strongly urge Russia to publicly release the reports. The World Bank is also expected to approve additional loans to Russia following approval of the IMF program. The Paris Club has provisionally agreed to meet shortly after approval of the IMF program to consider the rescheduling of Russia's Soviet-era debt.
- **Tax Legislation:** On July 13, Treasury represented the Administration at the House Ways and Means markup of Chairman Archer's tax bill, which proposes using the on-budget surplus toward a tax cut. On July 13, Secretary Summers sent a letter strongly opposing this legislation and containing a veto threat to Chairman Archer and Ways and Means Ranking Member Rangel. The bill was approved by the Committee on a party line vote, on July 14.
- **Pensions:** On July 13, the White House rolled out the Administration plan for meeting the pension needs of workers without unduly increasing the costs of administering these plans that employers establish on a voluntary basis. The plan requires employers to provide 45-days notice and a clear and complete explanation of any reduction in worker benefits. The plan reflects the work of Treasury's Offices of Legislative Affairs and Benefits Tax Counsel with Senator Moynihan and Representatives Matsui, Pomeroy, and Gejdenson.
- **Firearms Policy:** Efforts to attach gun amendments to the Treasury-Postal Appropriations bill were unsuccessful. The amendments included a three-day background check for gun show purchases and the mandatory sale of child safety locks with handguns. On July 21, in furtherance of your directive to the Secretary of the Treasury and the Attorney General to develop an Integrated Firearms Violence Reduction Strategy, Under Secretary Johnson will meet with the Attorney General's Advisory Committee to discuss firearms enforcement and Brady prosecutions.

DEPARTMENT OF JUSTICE

- **School Safety Conference:** The FBI's National Center for the Analysis of Violent Crime is hosting a meeting on school safety. Professionals representing law enforcement, schools, national education associations, and mental health will meet to discuss threat assessment and the development of a monograph to assist those involved in assessing potential violence. This monograph should complement the *Early Warning Guide* published jointly by DOJ and DoEd last year.
- **State Criminal Alien Assistance Grants:** The Bureau of Justice Assistance will award funds totaling \$585 million to about 330 jurisdictions under the State Criminal Alien Assistance Program. The awards will be announced to Congress around July 19-20. The program reimburses states and local jurisdictions for part of the cost of detaining criminal aliens.
- **Crime Victimization Report:** On July 18, the Bureau of Justice Statistics (BJS) is scheduled to release *Criminal Victimization 1998, Changes 1997-98 with Trends 1993-98*. The report presents statistics on crime rates from the 1998 National Crime Victimization Survey. The nation's violent crime rate fell 7 percent in 1998 and was 27 percent lower than in 1993. The property crime rate fell 12 percent during 1998 and was 32 percent lower than in 1993. During the 1993-98 period, there were significant decreases in every major type of violent and property crime the survey measures, and virtually every demographic group experienced substantial drops in violent victimization. Both violent crimes (rape, sexual assault, robbery and assault) and property crimes were at their lowest levels since BJS began its National Crime Victimization Survey in 1973.
- **Court Dismisses NRA Suit Challenging Part of Firearms Background Check Procedures:** On July 7, Judge James Robertson granted DOJ's motion to dismiss a National Rifle Association suit against DOJ. The NRA alleged that the Brady Act requires that DOJ immediately destroy information about potential firearms purchasers provided in connection with the background check process if the purchase is permitted. The NRA also contended that this information could not be shared with state law enforcement authorities. The Court held that DOJ's interpretation of the Brady Act was entitled to deference and was a reasonable construction of the statute.
- **Administration to File Actions to Reduce Lead-Based Paint Hazards:** On July 15, Environment and Natural Resources Division Assistant Attorney General Schiffer, Secretary Cuomo, Administrator Browner, DC Mayor Williams, DC U.S. Attorney Wilma Lewis, and Attorney General Reno announced the filing and resolution of the first judicial cases under the Residential Lead-Based Paint Hazard Reduction Act. These cases are part of a nationwide effort to protect children from lead poisoning. DOJ will file four of the complaints with consent decrees, in which the landlord-defendants agree

to make 4,000 housing units lead-safe. The defendants also have agreed to pay \$89,000 in penalties and spend \$169,000 to support projects to reduce childhood lead poisoning in DC.

- **Investigation of Riverside (CA) Police Department:** On July 8, Civil Rights Division Acting Assistant Attorney General Lee and the Central District of CA U.S. Attorney announced a joint investigation of the police department in Riverside, CA, under the civil police misconduct authority and the Safe Streets Act. The investigation will focus on whether the Riverside Police Department has engaged in a pattern or practice of law enforcement misconduct, including the use of excessive force and discrimination in its provision of police services.
- **Criminal Justice Conference:** On July 18-21, the Office of Justice Programs will hold an annual conference on criminal justice research and evaluation, "Enhancing Policy and Practice." More than 800 researchers, policymakers, and practitioners are expected. Plenary session topics include the role of ethnographers in looking at crime, school violence, special needs of women and girls, and an overview of criminal justice trends.
- **Police-Public Contact Survey:** On July 1, the Bureau of Justice Statistics (BJS) fielded the Police-Public Contact Survey as a supplement to the National Crime Victimization Survey. The study probes respondents about traffic stops and other contacts between citizens and the police and identifies those encounters in which force was threatened or used. The survey is scheduled to run for six months and result in interviews with approximately 90,000 U.S. residents aged 16 or older. BJS anticipates using data from the first three months as part of the required annual report to Congress on use of excessive force.

#### DEPARTMENT OF INTERIOR

- **Commonwealth of the Northern Mariana Islands (CNMI) Wants U.S. Reimbursement:** DOI expects the CNMI to bill the U.S. for an estimated \$500,000 to cover the cost of keeping nearly 500 undocumented Chinese aliens on Tinian in recent months. The Immigration and Naturalization Service and other U.S. agencies brought the aliens to Tinian, after they were apprehended trying to enter Guam illegally. No illegal aliens remain on Tinian.
- **Invasive Species Council:** On July 22, the Invasive Species Council will hold its inaugural meeting. The Council, established by Executive Order 13112 to provide national leadership in the management of invasive species, is chaired by the Secretaries of DOI, USDA, and DOC and also includes DOE, DOD, Treasury, DOT, and EPA.

- **40 Undeveloped Leases Offshore CA:** MMS has directed a 45-day suspension of operations on all the undeveloped CA offshore leases until August 16. The suspension will allow additional time to evaluate new suspension requests from each of the ten operators. If granted, the individual suspension requests currently under review will extend the leases but will not authorize any activities on the lease. On July 15, MMS met with one of the operators to discuss their suspension request and to ensure that MMS properly understands their proposed schedule of activities and their current intentions on the leases. This discussion covered 23 leases in the Santa Maria Basin.

#### UNITED STATES DEPARTMENT OF AGRICULTURE

- **Food Stamps:** On July 14, in response to your direction, USDA announced changes to improve access to the food stamp program for individuals participating in the TANF program. At the same time, USDA announced the beginning of an educational program to ensure that eligible individuals and families who are not participating in the program are aware of its benefits
- **Asian Long-Horned Beetle:** On July 22, at the first meeting of your Council on Invasive Species, Secretary Glickman will announce that USDA researchers have developed a new instant test for the presence of the Asian long-horned beetle. The pest, which USDA has tracked to raw wood packaging materials from China, has led to the high profile destruction of several hundred trees in suburban New York City and Chicago, and the imposition of USDA restrictions on importing such packing materials.
- **Dairy Plan:** USDA expects the House to take up a bill to overturn USDA's planned reform of the federal milk marketing order system. The bill has over 220 cosponsors, and Senators Leahy and Jeffords are readying a similar measure as an amendment to the Senate FY2000 agricultural appropriations bill.
- **Commodity Markets:** The rapidly advancing wheat harvest led prices sharply lower last week. Excellent crop conditions across the Midwest led to abrupt price declines for corn and soybeans. Rice cash prices held steady, but new-crop futures fell on prospects for a large 1999 crop. Good crop conditions in both the United States and overseas sent cotton prices down. Cattle prices moved lower on a seasonal slowdown in demand. Hog prices fell, pressured by large meat supplies. A lack of post-July 4 featuring sent broiler prices down. Cheese prices were up slightly, as buyers continue to build inventories. Butter prices fell, however, as adequately-stocked purchasers await lower prices.
- **Cash Payments for Hog Producers:** Secretary Glickman will announce that USDA intends to make funds from the FY99 emergency supplemental appropriations bill available in direct cash payments to hog producers, who are suffering the lowest prices in 50 years. This disbursement will be in addition to \$50 million already paid under the

7-19-99

Small Hog Operation Payment (SHOP) program earlier in the year. Under the draft regulations, eligible farmers will receive up to \$10 per hog for hogs marketed during the last six months of 1998, up to a limit of 500 market hogs, making the maximum payment \$5,000 per operation. USDA will begin sign up on August 2.

#### DEPARTMENT OF COMMERCE

- **Trade Outreach Tour:** On July 12, Secretary Daley was in NC for a Trade Education Tour. The tour began with a breakfast hosted by the Raleigh Chamber of Commerce, with Representatives Etheridge and Price participating. Former White House Chief of Staff Erskine Bowles traveled with Secretary Daley throughout the day. The agenda included a tour of the ABB Electric Meter facility and a coffee break with employees, a tour of the Troxler Electronics Facility in the Research Triangle Park, lunch at Research Triangle Park hosted by the Kenan Institute of Private Enterprise, travel to Greensboro for a community meeting, and a reception with furniture executives and members of the High Point, NC business community.
- **Cuba Export Policy Briefing:** On July 15, the Bureau of Export Administration briefed interested companies to provide basic guidance on new Cuban export opportunities. These new opportunities result from last year's announcement of the relaxation of controls to allow certain medical sales and this year's initiative allowing sales of food and certain agricultural items. Over 25 companies have registered to attend.
- **Gas-Fired Power Plant in Croatia:** On June 23, Enron and the Croatian Electricity Authority (HEP) signed the final power purchase agreement for construction of a 240 MW gas-fired thermal power plant in central Croatia. Enron attempted to negotiate a lower gas price with Gazprom, but HEP rejected Enron's offer and elected to have INA, the Croatia oil and gas company, supply the gas. The project, valued at \$175 million, represents the first independent power project in Croatia. A signing ceremony was held in Dubrovnik at the Ron Brown Memorial House with Government of Croatia officials and U.S. representatives.
- **Top Commercial Fishing Ports:** On July 13, the National Oceanic and Atmospheric Administration's National Marine Fisheries Service announced the top 50 ports for commercial fishing in the U.S. The port of Dutch Harbor-Unalaska, AK netted the top landings slot for the eleventh straight year. Reedville, VA was ranked as the number two port for the second consecutive year.
- **Seaports Commission:** On July 14, Assistant Secretary Amanda DeBusk briefed members of the President's Interagency Commission on Crime and Security at U.S. Seaports on DOC's Export Enforcement operations and concerns regarding outbound cargo. At present, less than one percent of U.S. exports are checked for proper

documentation (including any required export licenses). DeBusk serves as DOC's representative to the Commission. Her briefing is the first in a series of presentations by Commission members.

#### DEPARTMENT OF LABOR

- **Fatal Crane Accident Milwaukee, WI:** On July 14, one of the largest cranes in the world collapsed, killing three construction workers and seriously injuring five others. The crane was lifting a section of roof weighing 400 tons for the Miller Park Baseball Stadium when the crane either tipped or the boom buckled. OSHA inspectors were on site when the accident occurred. Although they had not yet inspected the crane operations, the OSHA Milwaukee Area Office had initiated a comprehensive inspection of the jobsite. A few weeks ago OSHA officials met with the construction project officials who had requested permission to lift the load over working employees. OSHA officials had rejected the proposal.
- **Metalworking Industry Collective Bargaining:** On July 14, the strike by United Steelworkers Union local 8888 against Newport News Shipbuilding & Repair reached 101 days. Federal mediators are trying to restart stalled negotiations. Both labor and management representatives expressed optimism over the new mediator's arrival but there are no signs of any immediate end to the dispute.
- **Health Care Industry Collective Bargaining:** On July 11, 243 nurses and medical technicians, members of the Health Professional and Allied Employees Local 5106, initiated a two-day strike against Episcopal Hospital in Philadelphia, PA to publicize the slow pace of contract talks and get a commitment from Temple University Health System, which recently purchased the hospital, to keep the facility operational. A state mediator suspended talks between the parties on July 9 citing lack of progress.
- **Welfare-to-Work:** In the next week, DOL plans to announce the following formula grants for FY99: MN (13.5 million) and KS (6.2 million).
- **"Jobs Line":** On July 20, Secretary Herman will announce the establishment of a toll-free "Jobs Line" that will give dislocated workers and other job seekers a one-stop, toll free way to access critical government assistance opportunities. She will make the announcement at DOL's Rapid Response Conference, where officials of every state will be discussing the best models for assisting workers who get laid off from their jobs.
- **Keynote Address:** On July 22, Secretary Herman will keynote the National Association of Negro Business and Professional Women's Clubs annual convention in Norfolk, VA.

- **Women Apprenticeship Grants:** This week DOL approved eight grants totaling \$748,080 to identify and eliminate barriers to the recruitment, training, placement and retention of female apprentices in non-traditional occupations.
- **VETS Grants:** This week, DOL's Veterans Employment and Training Service (VETS) approved the following five grants to provide job training and other services to veterans: MD (\$99,950); MA (\$99,950); MN (\$100,000); WI (\$150,000), and the District of Columbia (\$147,000).
- **School-to-Work Industry Sector Grants:** From July 19-August 6, the National School-to-Work Office plans to award approximately \$4.5 million in Industry Sector grants to increase the number and capacity of employers to provide work-based learning opportunities in state and

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Health Spending:** The projected growth of national health spending over the next decade, revised downward since last year's study, shows that the rate of growth slows to an average of 6.5 percent for 1997-2007. Nation's total health spending will reach \$2.2 trillion in 2008 representing 16.2 percent of Gross Domestic Product (GDP), up from \$1.1 trillion and 13.5 percent in 1997.
- **Mother-to-Infant HIV Transmission:** On July 15, National Institutes of Health (NIH) National Institute of Allergy and Infectious Diseases (NIAID) released data from a joint U.S.-Uganda study that shows a single oral dose of the antiretroviral drug, Nevirapine (NVP), given to an HIV-infected woman in labor and to her baby at birth reduces the HIV transmission rate by half. Nevirapine represents a safe, less expensive and more practical drug regimen than any other examined so far to prevent transmission of HIV from an infected mother to her newborn.

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Economic Development Grants:** In support of your tour of economically distressed communities, Secretary Cuomo announced over \$80 million in economic development assistance to Los Angeles and several cities in NY and CT. \$13 million of the new assistance is Economic Development Initiative grants, while the remaining \$69.7 million is in the form of Economic Development Loan Guarantees under the Section 108 program.
- **Appalachia Summit:** From August 12-13, Secretary Cuomo will deliver remarks before the first-ever interagency Appalachia Summit being held in Ashland, KY and Huntington, WV.

- **Economic Development Initiative Grants:** Across the country, \$35 million in Economic Development Initiative grants from the federal government will leverage over \$175 million in private investment to help 26 cities spur economic development, and to create and preserve over 11,500 permanent jobs.
- **Lead-Based Paint Hazard Reduction:** Attorney General Reno, Secretary Cuomo, and Administrator Browner announced multiple judicial actions against landlords who violated the Federal Lead-Based Paint Hazard Reduction Act. In addition, HUD has undertaken 44 administrative enforcement actions in 20 cities.
- **Peacemaker Corps:** Secretary Cuomo announced the creation of the Peacemaker Corps, a new youth education program designed to foster cultural and racial tolerance among high school students. The Peacemaker Corps is a joint initiative sponsored by HUD, the Simon Youth Foundation and the Friends of the UN. It will teach teen-agers how to understand cultural and racial differences, how to manage aggression, and how to find positive alternatives to violence. HUD will provide \$1 million in funding for the program, and the Simon Youth Foundation will provide facilities, materials and food worth \$700,000.

#### DEPARTMENT OF TRANSPORTATION

- **FAA Reauthorization:** The current FAA authorization expires on August 6. Secretary Slater continues to meet individually with members of the Senate Commerce Committee and the Senate leadership. The Secretary met with editorial boards concerning FAA reauthorization, including the *Washington Post* on July 15 and *USA Today* on July 19. The Secretary was interviewed by the *New York Times* on July 12.
- **Cuban Migrant Drowns During Interdiction:** On July 10, the Cutter Point Glass interdicted a 20-foot wooden vessel 11 mile east of Hillsboro Inlet, FL with 12 migrants on board. Despite repeated attempts by the cutter to stop the vessel, it collided with the cutter. The U.S. Coast Guard rescued 11 of the 12 migrants. The body of a 20-year-old female was found on July 10 after extensive searches. The migrants and the deceased were transported to U.S. Naval Station Guantanamo Bay, Cuba.
- **Child Passenger Safety:** On July 26, National Highway Traffic Safety Administration will meet with child restraint, automobile manufacturers, and the child seat retail industry to exchange ideas on initiatives that will educate the public about the Universal Child Safety Seat System (UCSSS). The meeting will be co-sponsored by the American Coalition for Traffic Safety and is part of Departmental efforts to take the lead in developing a public education and marketing strategy for implementing the UCSSS.

## DEPARTMENT OF ENERGY

- **Meeting with Tribal Leaders:** On July 17, Secretary Richardson will visit the Fort Hall Indian Reservation in ID for a meeting with the Shoshone Bannock Business Council to discuss nuclear waste issues affecting the tribe.
- **International Conference on Geologic Repositories:** Secretary Richardson and Denver Mayor Webb announced that Denver will host an International Conference on Geologic Repositories to be convened by DOE from October 31-November 3. It will highlight global progress on the management of nuclear materials and waste, and provide a forum to discuss ongoing and planning activities to develop geologic repositories for nuclear waste and spent nuclear fuel. Presentations and discussions by U.S. and international delegates will focus on technical aspects of managing radioactive materials. The conference will close with tours of the potential site for a geologic repository at Yucca Mountain (NV) and the Waste Isolation Pilot Plant (NM).
- **Gasoline Prices Up, Stocks Down:** While lacking a strong direction, petroleum markets were generally higher, mostly on events in the gasoline sector. Expectations for a gasoline draw followed by a refinery outage in the Philadelphia area put prices on a growth trajectory for the week. Also this week, the International Energy Agency (IEA) issued findings that the current glut in petroleum supplies could end by autumn, given recent trends. The New York Harbor spot price for conventional regular gasoline was 57.50 cents per gallon on July 12, up almost two cents. (The spot price for West Texas Intermediate crude oil at Cushing OK went from \$19.78 per barrel to \$19.92 per barrel over this period.) Imports into the West Coast market were not enough to change a tight supply situation. The average retail price for regular gasoline was up 1.8 cents to 114.3 cents per gallon on July 12, 8.9 cents higher than last year. The average in California jumped more than five cents to a point last seen more than six weeks ago.

## DEPARTMENT OF EDUCATION

- **School Population Approaching Record Level:** According to a U.S. Census report, the number of students enrolled in schools is nearing the all-time high. The report, "School Enrollment -- Social and Economic Characteristics of Students," found 48 million students enrolled in elementary and secondary schools in 1997, just shy of the record set in 1970, when 49 million baby boomers attended school. The report also analyzes the increasing diversity of the K-12 student population.
- **More African American Children Attending Preschool:** According to a recently released report, a higher percentage of African American are getting an early start on education by participating in early childhood development programs. On July 8, the Federal Interagency Forum on Child and Family Statistics released "America's Children:

Key National Indicators of Well-Being," which found that the preschool enrollment of African American children rose from 45 percent in 1996 to 55 percent in 1997. The report also found that a growing number of children living in poverty participated in such programs, increasing from 34 to 40 percent. An education advocate cited increased Federal support for Head Start as one of the reasons for the higher enrollment figures.

- **Learning Anytime Anywhere Partnerships Grants:** By late July or early August, DOEd expects to announce the Learning Anytime Anywhere Partnerships (LAAP) grants. LAAP grants will support distance learning and allow working adults to take advantage of lifetime learning. DOEd expects to award 25-30 grants ranging from \$100,000 to \$500,000 per year, with a few grants totaling more than \$1 million over several years. Only the first year of funding will be obligated from FY99 funds. Funding for subsequent years is dependent on congressional appropriations.

#### DEPARTMENT OF VETERANS AFFAIRS

- **Strep Vaccine for Human Testing:** An infectious disease researcher at the VA Medical Center in Memphis, TN, has collaborated with scientists at the National Institutes of Health and the ID Biomedical Corporation of Seattle, WA, in the development of a vaccine to prevent disease from streptococci bacteria. The vaccine will soon be tested for the first time in humans, and the VA researcher has discussed the development and testing of the new vaccine in interviews with the three major television networks.
- **NAACP Convention:** On July 14, Secretary West addressed the 90th Annual Convention of the NAACP and presented the Jesse Brown Distinguished Leadership Award and the Julius E. William Distinguished Community Service Award in New York, NY.
- **Eligibility Reform Program Wins Recognition:** VA's eligibility and enrollment reforms have been successfully achieved with the support of a nationwide VA communications program. The Toth Award, the Best in Maryland Award, and a Creativity in Public Relations Awards nomination have been presented to VA and to Stanton Communications, Inc., public relations consultants, in recognition of VA's Health Care Eligibility Reform Program's excellence and effectiveness in communications.

#### ENVIRONMENTAL PROTECTION AGENCY

- **New Air Quality Index to Improve Public Information on Air Pollution:** EPA is readying and will soon announce a new Air Quality Index used by state and local agencies for daily air quality reporting to the general public.

- **Toyota Clean Air Act Violations:** On July 12, on behalf of EPA, DOJ filed suit against Toyota for selling 2.2 million 1996-98 Toyota and Lexus autos with defective onboard diagnostic (OBD) systems. DOJ and EPA are seeking aggregate penalties of over \$58 billion. OBD systems play an important role in reducing auto pollution emissions by illuminating a dashboard warning light when engine and emission-control systems malfunction.

#### UNITED NATIONS

- **Libya:** On July 9, the Security Council adopted a U.S.-initiated presidential statement in response to the Secretary General's report on Libyan compliance with relevant UN Security Council resolutions, thereby pre-empting a Non-Aligned Movement push for a resolution to lift sanctions on Libya. The statement puts the Council on record indicating that Libya has further requirements to meet before sanctions can be lifted. It also avoids setting a specific timeframe for future Council consideration of the issue thereby ensuring that there will not be a scheduled opportunity for friends of Libya to raise the issue of lifting sanctions in the months ahead.

#### UNITED STATES TRADE REPRESENTATIVE

- **U.S.-South Africa Trade and Investment Council:** On July 28, Ambassador Barshefsky and South Africa's Minister of Trade and Industry, Alec Erwin, will convene a meeting of the U.S.-South Africa Trade and Investment Council. Agenda items for the meeting include pharmaceutical intellectual property rights, U.S.-South Africa cooperation in the WTO, and expansion of bilateral trade.
- **Hormone-Treated Beef:** During the week of July 12, WTO arbitrators determined that the EU ban on U.S. beef and beef products has resulted in lost annual U.S. exports of beef to the EU in the amount of \$116.8 million. The EU ban, which covers beef and beef products from animals treated with growth hormones, was previously found lack justification under WTO rules. On July 26, the WTO will hold a meeting at which the U.S. will be authorized to impose prohibitive tariffs on products from the EU covering trade in the amount of \$116.8 million.

#### OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Drug Free Schools and Communities Act:** ONDCP is continuing its effort to engage local leaders and encourage the formation of effective community-based anti-drug coalitions through the Safe and Drug-Free Schools and Communities Program. ONDCP and HHS are in the final stages of reviewing a new round of grant proposals; the new grants will be announced in early September.

- **Methadone Regulation:** On July 22, Director McCaffrey will travel to Philadelphia, PA, where he will join Dr. Wesley Clark, Director of HHS's Center for Substance Abuse Treatment, at the Philadelphia Veterans Administration Hospital, which houses a nationally recognized methadone treatment program. They will announce a proposal to change methadone clinic certification from a regulatory system to an accreditation based system. This change would greatly expand access to effective substance abuse treatment for heroin addiction.

#### SMALL BUSINESS ADMINISTRATION

- **Women Entrepreneurs Braintrust:** Approximately 50 women business leaders have been invited to participate in an all-day meeting of the Women Entrepreneurs Braintrust on July 27. The Braintrust is hosted by SBA's Office of Women's Business Ownership and the National Women's Business Council.
- **Historically Black Colleges and Universities (HBCU):** SBA scheduled the first Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) seminar for July 14 with the HBCUs. SBA has expanded participants to include Northern Arizona University, which serves some 40 Native American tribes in the southwest, and the Office of Native American Affairs.

#### OFFICE OF PERSONNEL MANAGEMENT

- **Employee Background Investigations:** On July 12, officials from DOE, the Federal Bureau of Investigations (FBI) and OPM met to discuss a provision of the Senate-passed version of the FY2000 Defense Authorization Act that would shift the responsibility for conducting DOE employee and contractor background investigations from OPM to the FBI.

#### UNITED STATES INFORMATION AGENCY

- **Palestinian Friendship Council:** Members of a delegation from the American Council of Young Political Leaders (ACYPL) are moving to establish an American-Palestinian Friendship Council to build on good will engendered during the group's June 15-22 visit to the West Bank and Gaza. The visit was partially funded through a USIA grant.

#### GENERAL SERVICES ADMINISTRATION

- **Y2K Conference:** On July 26, GSA and the International Facility Management Association will cosponsor a Y2K Conference for Facility Professionals in Houston, TX. The conference will provide a review of critical issues affecting facilities, including contingency planning, utilities and life safety.

- **Energy Star Award:** Energy efficient technologies incorporated by GSA into the construction of the Foley Square Federal Office Building at 290 Broadway in NY City have helped earn that building the prestigious Energy Star Building Label. The announcement was made at a press conference held by EPA and DOE. The Foley Square Building is one of 20 buildings nationwide to earn this distinction and is the only government building thus far to meet the benchmarking objectives of the program.

#### SOCIAL SECURITY ADMINISTRATION

- **Interagency Conference on Disability and Employment Policy:** On July 22-23, SSA's Office of Disability and Income Security Programs and DOEd's National Institute on Disability and Rehabilitation Research will sponsor the 4<sup>th</sup> Annual Interagency Conference on Disability and Employment Policy in Washington, DC. The conference, hosted by the Presidential Task Force on Employment of Adults with Disabilities, is entitled "Youth with Disabilities: Aspirations and Outcomes—A Policy Conference."

cc:

The Vice President  
 John Podesta  
 Sandy Berger  
 Sidney Blumenthal  
 Mary Beth Cahill  
 Maria Echaveste  
 George Frampton  
 Mickey Ibarra  
 Ben Johnson  
 Joel Johnson  
 Janis Kearney  
 Ron Klain  
 Neal Lane  
 Jack Lew  
 Ann Lewis  
 Joe Lockhart  
 Buddy MacKay  
 Sean Maloney  
 Minyon Moore  
 Bruce Reed  
 Steve Ricchetti  
 Doug Sosnik  
 Gene Sperling  
 Larry Stein  
 Loretta Ucelli  
 Melanne Verveer

# Domestic Cabinet Travel

*Monday, July 19 - Sunday, July 25, 1999*

**Seattle, WA**  
Ambassador Barshefsky 7/22

**Portland, OR**  
Administrator Barram 7/20

**San Francisco, CA**  
Secretary Richardson 7/19

**San Diego, CA**  
Administrator Barram 7/18-19

**Phoenix, AZ**  
Secretary Richardson 7/19

**Anchorage, AK**  
Secretary Albright 7/22

**St. Louis, MO**  
Secretary Herman 7/19

**Kansas City, MO**  
Secretary Herman 7/19

**Kansas City, KS**  
Secretary Cuomo 7/21

**White River Refuge, AR**  
Secretary Babbitt 7/19

**Greenville, MS**  
Secretary Babbitt 7/20

**Vicksburg, MS**  
Secretary Babbitt 7/21

**San Antonio, TX**  
Secretary West 7/22

**Lafayette, LA**  
Secretary Babbitt 7/21

**New Orleans, LA**  
Secretary Babbitt 7/21

**Philadelphia, PA**  
General McCaffrey 7/22

**Memphis, TN**  
Secretary Babbitt 7/19

**Front Royal, VA**  
Administrator Browner 7/23

**Norfolk, VA**  
Secretary Herman 7/22

**Atlanta, GA**  
Administrator Browner 7/22

**Cape Canaveral, FL**  
Director Lachance 7/19

**Singer Island, FL**  
Director Lachance 7/21-23

**Singapore**  
Secretary Albright 7/23

7-19-99

THE WHITE HOUSE

WASHINGTON

July 16, 1999

'99 JUL 16 PM3:01

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER LC

CC: MARIA ECHAVESTE

SUBJECT: INDIAN COUNTRY

copied  
Cutler  
Echaveste  
Podesta

**Pine Ridge**

- As you know from the incredible response to you, your visit was a very meaningful and emotional experience for the people of Pine Ridge and the Indian leaders from all over the country. I have had several calls and notes from people who felt it was an historic event. I have talked to Susan Pourier, the tribal official who accompanied you on the walk, several times, and she wanted you to know that Geraldine and her children have talked of little else since you came to the Igloos. I remember that you said that you wanted to send some books to her, and Susan would be our best courier. I am sending toys for the kids.
- The challenge now is to continue to find opportunities for all of Indian country while we have the momentum of the trip behind us. Yesterday, I met with the people from Kansas Pipeline and its off-shoot, E3, an alternative energy company that was part of the renewable energy grant for the Rosebud Sioux Tribe that you announced. They are planning to develop wind energy projects in Indian country, particularly in the plains states. They are partnering with Native Americans to form 8a's and to joint venture these efforts. Senator Daschle was particularly taken with the idea of exporting energy from the reservations to other areas of the country, and to nearby military installations. Down the line, this will require access to the WAPA network.
- The Federal Communications Commission continues to work on the issue we discussed with President Salway: access to spectrum that could then be directed for wireless use on the reservations. Access to wireless would be of particular help to the Navajo Nation --they currently have only eighteen percent telephone coverage. This dearth has lead to life-threatening problems with law enforcement and health needs. I believe that this could be the single biggest deal that we could do for Indian country.

MEMORANDUM FOR THE PRESIDENT  
PAGE TWO

7-19-99

✓ I know that you had conversations with Ron Dozoretz about his desire to be helpful at Pine Ridge, and I have followed up with him. He is now trying to find ways to build a residential mental health facility for young people there. He will train people to work with the residents, but is searching for resources to pay for treatment. He is calling Gene as well, and I will continue to work with him on this and other projects in Indian Country. As you know, it was not feasible for him to purchase a home for Geraldine Blue Bird and her extended family.

**White Mountain Apache**

- As per your instruction, I also followed up with James Lee on the White Mountain Apache issue. As you know, the tribe was concerned about FEMA's response to their request for relief from fire devastation.

THE WHITE HOUSE  
WASHINGTON

7-19-99

July 16, 1999

Copied  
Johnson  
Podesta

## MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

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

**People of Color Health Symposium:** I gave the keynote address at a symposium sponsored by the Indiana Minority Health Coalition (IMHC) on racial disparities in health. IMHC is a statewide, minority community organization located in Indianapolis. The group has sixteen local coalitions representing African Americans, Hispanic Americans, Asian Americans and Native Americans. I was very impressed with their outreach efforts, and the direct approach they are taking to improve health care among poor whites and minorities. The event was attended by a multiracial audience of medical practitioners and advocates of the poor, including Governor O'Bannon's wife Judy.

**Hate Crimes Shootings:** I attended the Bloomington, Indiana memorial service for Won-Joon Yoon on behalf of the White House. As you recall, Mr. Yoon was the Korean student who was shot outside his church by a hate criminal. I read a letter from you and it was well received by the more than three thousand people in attendance. Attorney General Janet Reno and Assistant AG Bill Lee were also in attendance. The Attorney General made some very moving remarks, but the most powerful images of the evening was the humility displayed by the slain youth's family. The father was remarkable in his presentation of forgiveness. We later participated in a candlelight march to the site of the shooting. Additionally, Indiana University established a scholarship in Won-Joon Yoon's name.

CABINET RACE INITIATIVE WEEKLYDepartment of Commerce

**Census and the Media:** On July 7, Bureau of Census Director Prewitt participated in a panel entitled, "Census 2000: The Changing Face of America," at the Unity '99/Journalists of Color, Inc. conference in Seattle, WA. The panel focused on the details of how Census 2000 will be conducted and included discussions of how the media can best report on the Census. In addition, Census Bureau staff participated in

two conference workshops: One focused on the new OMB racial and ethnic classification guidelines for federal surveys, and another on how to familiarize journalists with the power of the Census Bureau's Internet site for accessing data relevant to their stories.

**MED Week Press:** Ginger Conrad, Publisher of *Minority Business Entrepreneur* magazine, has requested a color announcement of National Minority Enterprise Development (MED) Week '99 for complimentary inclusion in the magazine's next issue. Over 1,200 copies of the magazine will be sent to MBDA for inclusion in the MED Week Registration Kits. In addition, an article is being prepared for the "MBDA Director's Corner" for the next issue of *Minority Business News, USA* to focus on MED Week '99 and highlight the key events of the National Conference.

### **Department of Education**

**Report Finds More Black Children Attending Preschool:** According to a recently released report, a higher percentage of black children in America are getting an early start on education by participating in early childhood development programs. On July 8, the Federal Interagency Forum on Child and Family Statistics released "America's Children: Key National Indicators of Well-Being," which found that the preschool enrollment of black children rose from 45 percent in 1996 to 55 percent in 1997. The report also found that a growing number of children living in poverty participated in such programs, increasing from 34 to 40 percent. An education advocate cited increased Federal support for Head Start as one of the reasons for the higher enrollment figures.

**Campus Week of Dialogue Web Site:** DOEd has created a web site for the Campus Week of Dialogue (in early October). The site includes a letter from Secretary Riley and Ben Johnson, a description of activities and events associated with racial issues, and an application to participate in the Campus Week of Dialogue.

**Child Care Access Means Parents in School:** DOEd has completed a draft slate of awards to be funded through the Child Care Access Means Parents in School program, which supports the participation of low-income parents in post-secondary education through the provision of campus-based child care services. Eighty-seven institutions of higher learning, representing 32 states and Puerto Rico, are scheduled to receive grants, including 11 institutions classified as "Hispanic serving" and one historically black university. The largest grant would provide \$1.1 million over four years to Miami-Dade Community College, Wolfson Campus.

### **Department of Energy**

**Secretary Richardson to Meet with Tribal Leaders:** On July 17th, in Idaho, Secretary Richardson will visit the Fort Hall Indian Reservation for a meeting with the Shoshone Bannock Business Council to discuss nuclear waste issues affecting the tribe. He will also travel to Phoenix where he will meet with leaders from tribes in New Mexico and Arizona to discuss tribal-related energy issues and secretarial initiatives.

## **Department of Housing and Urban Development**

**Peacemaker Corps:** Secretary Cuomo announced the creation of the Peacemaker Corps - a new youth education program designed to foster cultural and racial tolerance among high school students. The Peacemaker Corps is a joint initiative sponsored by HUD, the Simon Youth Foundation and the Friends of the United Nations. The Corps will teach teen-agers how to understand cultural and racial differences, how to manage aggression, and how to find positive alternatives to violence.

HUD will provide \$1 million in funding for the program, and the Simon Youth Foundation will provide facilities, materials and food worth \$700,000. The Simon Youth Foundation is a not-for-profit organization established by Simon Property Group, the nation's largest mall owner and operator. Ten cities are targeted for the initial two-day Peacemaker Corps sessions this autumn. They are Denver, Buffalo, Baltimore, Kansas City, Dallas, Indianapolis, Atlanta, Miami, Seattle, and Youngstown.

The Peacemaker Corps program consists of two workshops where groups of 25 to 30 teenagers from local high schools will learn how to find peaceful means to resolve conflicts that arise at school, at home and at other group encounters. The Simon Youth Foundation will provide facilities for the program at malls owned by the Simon Property Group across the country. A diverse group of students from different racial and ethnic groups, including some living in public housing developments, will attend the sessions.

## **Department of Justice**

**Comprehensive School Reform Demonstration Program Funds (Funds):** Eighteen BIA Schools have been awarded Funds for the 1999-2000 school year. These schools will be implementing model programs that focus on school improvement and specific strategy models that focus on a specific teaching practice.

## **Office of Personnel Management**

**LULAC Convention:** On July 12, Director Lachance and Deputy Director Sepulveda addressed the League of United Latin American Citizens Conference in Corpus Christi, Texas. In her address, Director Lachance discussed government-wide efforts to increase Hispanic representation in Federal employment, and OPM's own commitment to do the same. In addition, the Director signed a partnership agreement with LULAC and committed to four action items: placing touch screen employment computer kiosks in 20% of Hispanic serving educational institutions (HSI) by the end of the year; issuing a guide for Federal managers on the retention and promotion of Hispanic employees; convening an executive forum with the leadership of national Hispanic organizations and offering a new course for Federal managers on the advantages of a diverse workforce at OPM's Management Development Centers.

## **Small Business Administration**

**Historically Black Colleges & Universities Initiative:** In conjunction with the Science and Engineering Alliance (SEA) and the Minority Business Enterprise Legal Defense and Education Fund (MBELDEF), SBA has scheduled the first Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) seminar for July 14th with the HBCU's. SBA has expanded participants to include Northern Arizona University, which serves some 40 Native American tribes in the southwest, and have extended an invitation to the Office of Native American Affairs to participate in the seminar.

**Government Contracting Conference:** The Government Contracting Conference is scheduled for August 1st-4th, 1999 in Washington, D.C. SBA staff, representatives from the Minority Enterprise Development (MED) conference, and members of SBA's Technical Advisory Committee will be discussing current procurement issues. This conference has been designed to complement the discussions and action items from the MED conference.

**GAO Entrance Conference:** The Government Accounting Office (GAO) will conduct an entrance conference on July 27th with SBA's Government Contracting and Minority Enterprise Development office to review our procurement program policies. The GAO is initiating the review based on a request by the Senate Small Business Committee. The review will examine the federal government's policies and practices which may deter agencies in meeting the Congressional goal of 23% of prime contract dollars being awarded to small businesses.

## **Social Security Administration**

**Unity 99:** On July 7 – 11, SSA staff attended the Unity 99 Journalism Conference in Seattle, WA. Unity is a strategic alliance of journalists of color acting as a force for positive change to advance their presence, growth and leadership in the fast-changing global news industry. Approximately 6,000 journalists attended the conference. SSA maintained an exhibit booth at the conference and established contacts with several important media groups (e.g., *Univision*, *USA Today*, *Chicago Tribune*, etc.) that will help to promote Agency messages to their clients or provide links to SSA's Internet sites from their websites.

**Crow Indian Reservation:** On July 21, SSA's Deputy Commissioner for Operations, Carolyn Colvin, will visit the Crow Indian Reservation near Billings, MT to meet with the Crow Nation, to discuss Social Security service delivery issues. Ms. Colvin will also participate in a series of media events involving the Crow and North Cheyenne Indian Reservations and will meet with leaders from the Bureau of Indian Affairs and Indian Health Services.

**National Conference:** On July 29 – 31, SSA's Black Affairs Advisory Committee (Committee) will host its National Conference in Los Angeles, CA. The Committee is made up of SSA employees who work to further the knowledge of the African-American population regarding Social Security programs and to advise the Commissioner on the concerns of African-American employees. The conference will focus on encouraging and promoting equality in service to the public and promoting and stimulating recruitment, training, job development and upward mobility for SSA's African-American employees. Susan Taylor, editor-in-chief, *Essence* magazine, will be the keynote speaker.

### **Department of Transportation**

**Interstate 70 (I-70) Blocked by Protest:** More than 200 demonstrators formed a human barrier across I-70 in St. Louis, MO, blocking the highway for almost one hour on the morning of July 12. The group is seeking to obtain more highway construction contracts and jobs for African-Americans and selected the site because of several reconstruction projects along the 6-mile stretch. State highway officials say that 14 percent of the construction budget goes to minority firms. The Department is assisting MO with negotiating a resolution to the issues raised by the African-American community.

**Appeals Court Vacates Judgment:** On June 28, the U.S. Court of Appeals for the 5th Circuit vacated the district court judgment holding Houston METRO's DBE program unconstitutional. METRO appealed a November 1997 ruling by a federal court in the Southern District of TX permanently enjoining METRO from obtaining or using information regarding the race or gender of contractors and subcontractors in awarding locally as well as federally-assisted construction and construction-related contracts. The federal government appealed an order by the same district court refusing to allow the Department to intervene in the case. In addition to vacating the summary judgment, the Court of Appeals also vacated the district court's order that required METRO to pay the Houston Contractor's Association almost \$1 million in attorneys' fees and costs.

99 JUL 18 - 7:02

THE WHITE HOUSE  
WASHINGTON

July 16, 1999

7-19-99

Copied  
MacKay  
Podesta

MEMORANDUM FOR THE PRESIDENT AND THE VICE-PRESIDENT

FROM: Kenneth H. MacKay, Jr. *KHJ*

SUBJECT: Special Envoy for the Americas Weekly Report

**AFL-CIO:** I met with John Sweeney and his staff regarding trade issues. While continuing to oppose fast track authorization, Sweeney appreciates White House support for worker rights position in the CBI bill.

**Chile Trade:** It appears that the AFL-CIO would support an exemplary trade agreement with Chile, assuming it met three conditions: (1) that workers rights provisions be in the body of the trade agreement; (2) that there be effective enforcement mechanisms; and (3) that certain sectors in the Chilean economy be extended the right to collective bargaining. Engaging labor on development of an exemplary trade agreement could have an impact, which would extend far beyond a mere bilateral treaty with Chile. Chile is ideal because it has strong workers rights laws in place and has indicated a willingness to work with labor on the issues described above.

*Good  
strong  
push*

**Andean Trip:** I will travel to Bolivia and Peru next week to make introductory calls on Presidents Banzer, Fujimori, cabinet officials and private sector representatives. I plan to encourage both Presidents to continue their impressive fight against narcotics production and stress the need to maintain momentum in free trade negotiations. In Bolivia, I will stress that strong anti-corruption efforts will help secure the impressive economic reforms that are underway. With the Peruvians, I plan to underscore that securing human rights, freedom of the press, and rule of law are required to strengthen democratic institutions and ensure that Peru benefits from the trend toward hemispheric integration.

**Ecuador:** Serious degradation in Ecuador's security situation led to the cancellation of the Andean Summit Conference on Anti-Corruption that I planned to address. President Mahaud is clearly unable to meet the terms of Ecuador's agreement with the IMF, although he has made good-faith efforts. Without assistance from the IMF, it is likely that Ecuador will default on its international debt payments and will not be able to pay public sector workers their salaries. Without some support from the international community, President Mahuad's government is at risk of falling.

**Peru:** I met with a high level delegation of Peruvian officials. They defended President Fujimori's decision to withdraw from the jurisdiction of the Inter-American Court on Human Rights. We discussed the perception among Americans and the Congress about the lack of due process and the erosion of press freedoms and we raised the ongoing concerns about Lori Berenson, focusing on her right to a fair trial and protection of her personal safety. In addition, I

dropped-in on a meeting hosted by the NSC Office of Multilateral and Humanitarian Affairs with Lori Berenson's parents and told them that I intend to raise the case privately with President Fujimori. Several members of Congress have been in contact with our office to emphasize their concern about Berenson, the case of Baruch Ivcher, and increasing limitations on press freedoms and judicial rights.

**Mexico:** I met with Mexico's Undersecretary of Foreign Affairs, Jaun Rebolledo. He spoke positively of current U.S./Mexico relations. He did urge me to help confirm a meeting with you and President Zedillo when he visits Washington D.C. in September. I believe this would be an opportune time for you to meet with President Zedillo. I also met with Luis Tellez, Mexico's Secretary of Energy Relations. We discussed the variety of energy related issues facing the United States and Mexico. I will continue to monitor these issues as well as participate in the Energy Ministerial in New Orleans in July.

**Business Outreach:** I met with David Summers, the Canadian Senior Coordinator for the Americas Business Forum and FTAA, which will be held in Toronto in November. We discussed ways to increase participation by the business community throughout the hemisphere. We also focused on possible ways to include proponents for a Civil Society. I recommended reaching out to the labor community and offered to work with them and others in our government on this process.

*Do  
this  
copy*

DeVores Robinson writes that you are the father of a daughter,  
and you know how you feel about people who are kind to your  
daughter. Thank you from the bottom of her heart for being extra  
kind to her daughter, Hally Robinson Peete and her husband Rodney  
Peete. You made them feel very special and very welcome as new  
Washingtonians.

7-19-99

Send to Millie?

Yes

No

DOLORES ROBINSON

Neck  
Jest

Dear Mr. President -

You're a father of a daughter  
And you know how you feel  
about people who are kind to  
your daughter.

Thank You from my heart for  
being extra kind to my daughter  
Hally Robinson Peete and her husband

Radney Pette. You made them  
feel very special and very  
welcome as new 'Washingtonians'!

- Thank you again.

Colares Robinson

THE PRESIDENT HAS SEEN

7-19-99

July 16<sup>th</sup>, 1999

Dear Mr. President,

I would like to take this opportunity to thank you for a grant program that you initiated almost 6 years ago. I teach art at Truman Elementary in Cedar Rapids, and serve on the Technology committee. In the 97-98 school year we applied for and receive a grant from the Technology Literacy Challenge Fund. We received just under \$50,000.00 to use for computers, software and training to study the life of our namesake, Harry S. Truman. In the 98-99 year we applied for the second phase of the grant, and just received another 25,000.00. This has allowed us to do wonderful things in our building. The student's knowledge of computers, web sites, and software has greatly improved. They have really enjoyed using e-mail with pen-pals from Independence, Mo. It would be nice if this kind of money was available to all schools, all the time, but as a taxpayer, I appreciate that this money is available to schools and teachers with strong ideas and a willingness to apply for a grant. It's a great way to reward the "drive for excellence". In 97-98 we were the only school in CR to receive this grant, but because of our success, more schools in our town applied and now this year, I know of three "winners" in our district. In my opinion, this is an excellent way to help schools and teachers. Thank you for your continued support of education.

Marty Riley Brown  
Truman Elementary School  
441 West Post Rd. NW  
Cedar Rapids, Ia 52405

7/19/99

After you have seen,  
we will send to  
~~Podesta~~ -  
Burkhardt

Cail

copied  
Smith  
Podesta  
Burkhardt

THE PRESIDENT HAS SEEN

7-19-99

Do you  
CC with letter to CTS

President Clinton  
from  
Martha Brown  
Cedar Rapids School Teacher

7-19-99

Send to Legislative Affs.

Yes ☒  
No ☐

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

'99 JUL 19 PM1:48

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

June 28, 1999

Dear Mr. President:

On behalf of the Congressional Black Caucus (CBC), we are writing to express a grave sense of urgency concerning the HIV/AIDS epidemic in Africa and its potentially devastating consequences for the future of trade, economic development and democratization. While CBC members represent the interests of many poor and working class Americans who have a myriad of needs that our government must address, we cannot turn a blind eye to the overwhelming epidemic facing millions of people in Africa. Last year, when you visited Africa, you saw the faces of hope particularly among the youth. There will be no hope for them if we do not address this crisis immediately.

Presently, we are debating what to do with the \$1trillion surplus anticipated over the next decade. While we propose ways to use these funds to protect Social Security, Medicare, education, the environment, and other programs at home, the CBC believes it is also a time to consider our obligations to fellow citizens in Africa who do not enjoy such bounty. While we are not directly responsible for the poor conditions in Africa, we will demonstrate a dereliction of duty based on our historic ties to the continent if we do not act. In that regard, we call upon you to recommend \$1billion dollars, a mere 1% of our surplus, to go directly to Africa to address not only the immediate HIV/AIDS crisis, but to invest in modernization of the physical and economic infrastructures that will keep Africa's economies competitive into the next century.

The World Health Organization estimates nearly 23 million women, men, and children living in sub-Saharan Africa are infected with HIV/AIDS. If you include those who have died since the epidemic hit, the number affected rises to 34 million. Throughout Africa, HIV/AIDS has decimated the ranks of skilled and professional workers. While this portion of the population should be building economic and democratic life for generations to come, they are instead dying. Life expectancy in Africa has plummeted as a result of this crisis. Instead of rising and reaching 64 years by 2010 - 2015 which would be expected without AIDS, life expectancy will regress on average in Africa to 47 years.

While the cohort of economically active individuals is devastated by this disease, it also is having its impact on the next generation of children and youth. Deceased parents leave thousands of orphans in city after city. Orphaned children are poorer than even their impoverished families, are not educated, and often become victims of predatory adults. It was reported recently in South Africa that a new "urban myth" about AIDS suggests it can be cured if the infected male has intercourse with a virgin girl. While extended families may remain intact, they are often unprepared to care for additional children and refuse to bring them into their household.

The aggregated impact of the HIV/AIDS crisis on economic development is staggering. UN Secretary General Kofi Annan reported this month that Africa loses 5,500 people daily due to AIDS. Translated more graphically, this means that every minute, four young Africans are infected with HIV. This toll on Africa's human capacity to continue its economic growth begun this decade will reverse all gains unless we do something immediately.

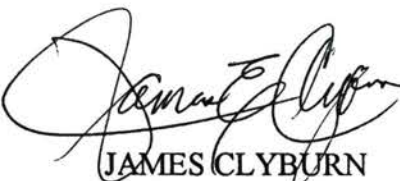
In spite of these statistics, Africa still is the most profitable region in the world for American investors. Returns on investment far outpace investments in other emerging markets. As we prepare to vote on the Africa Growth and Opportunity Act (HR 434), we must be mindful of Africa's need for increased assistance to reverse the impact of HIV/AIDS on the economy. If we make prudent, strategic economic interventions, we will not only turn around the African economy for the Africans, we will increase Africa as a viable investment market for American businesses.

Africa needs funds to bring its physical and economic infrastructures up to world standards. It also needs to invest in its human capital that is primed to take on the challenges presented by the new global technologies and communications opportunities. Foremost, the new global economic architecture requires that African countries focus on trade and investment in order to capitalize on worldwide economic growth.

Presently, Africa does not have the resources to address these issues with due speed. However, if the United States boldly invests \$1 billion of the surplus toward Africa's development, we will put Africa on the right road of progress for the next century. This is not a recommendation based solely on altruism. We feel very strongly that in the long run, this investment in Africa's development will capture African markets for the United States and promote our business interests over competing ones from other world regions.

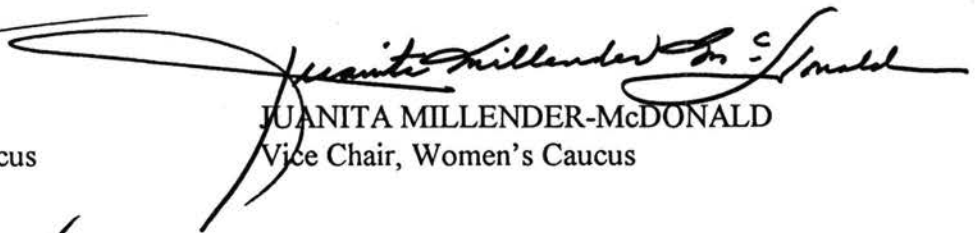
On behalf of the CBC, we strongly urge you to consider this proposal. Your interest in and support of Africa has been demonstrated many times over. This will be yet another demonstration of your concern and commitment to the growth of US-Africa interests far into the future.

Sincerely,



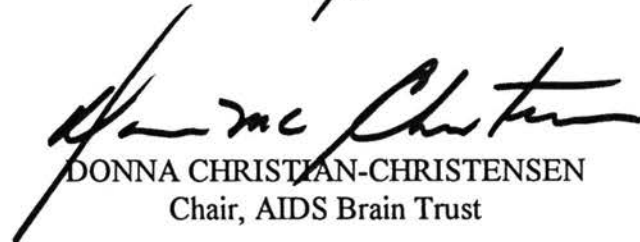
JAMES CLYBURN

Chair, Congressional Black Caucus



JUANITA MILLENDER-McDONALD

Vice Chair, Women's Caucus



DONNA CHRISTIAN-CHRISTENSEN

Chair, AIDS Brain Trust

Congress of the United States  
House of Representatives  
Washington, DC 20515-0537

OFFICIAL BUSINESS

PRINTED ON RECYCLED PAPER

A handwritten signature in black ink, reading "Juanita Millender-McLuister". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping underline.

M.C.

President William Clinton



BJ Johnson  
St. Street

7-19-99

Wants me to  
attend their  
convention.

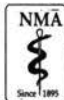
PZ

Printed on chlorine free paper



copied  
Johnson, B  
Streett  
Dadeota

7-19-99



National  
Medical  
Association

Gary C. Dennis, M.D., F.A.C.S.  
President

1012 Tenth Street, N.W.  
Washington, D.C. 20001-4492

(202) 865-6682  
(202) 865-1977...Fax  
E.mail: GCDennis@Pol.net

Mr Pres.

I want you to  
Come to our  
Convention. It will be great  
Aug 8 - 13<sup>th</sup> Las Vegas

# Ex-comrade becomes U.S. citizen

*Should be more letter - B*  
Nikita Khrushchev's son: 'It's the beginning of a new life'  
THE PRESIDENT HAS SEEN  
7-19-99

By **TERRENCE PETTY**  
THE ASSOCIATED PRESS

**PROVIDENCE, R.I.** — Nikita Khrushchev's son became a U.S. citizen on Monday, choosing the material advantages of capitalism 40 years after his father vowed communism would surpass the American way of life.

"I'm feeling like a newborn. It's the beginning of a new life," Sergei Khrushchev, 64, said after taking the oath of citizenship inside a Roman Catholic school auditorium in Providence.

Along with 242 others, Khrushchev and his wife, Valentina Golenko, stood up from their seats and said, "I do" when U.S. District Judge Ronald R. Laguerre asked if

they promised to be good citizens. Then all 244 recited the Pledge of Allegiance.

Most of them, including Khrushchev, held miniature American flags.

It was almost 40 years after Nikita Khrushchev told then-Vice President Richard Nixon on July 24, 1959 during the famous "Kitchen Debate" in Moscow, "In another seven years we will be on the same level as America. When we catch you up, in passing you by, we will wave to you."

Sergei Khrushchev, once an important missile engineer for the Soviets, and his wife have been living in the United States since 1991, when he became a visiting instructor in Cold War history at Brown

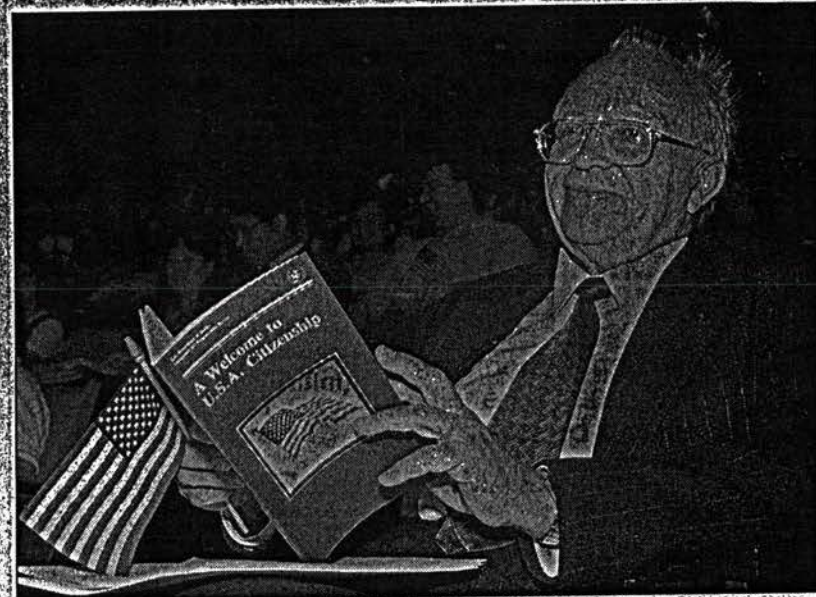
University in Providence, where he still teaches.

Since then, Khrushchev has become as American as a Buick or a Pontiac — in fact, he owns one of each. Khrushchev lives in a ranch house in Cranston, a suburb dotted with lawn sprinklers and grills. The home has central air, a jacuzzi and an entertainment center.

Asked if he feared that his relatives back in Russia could face hostility because of his decision, he replied, "No, no! You're still living in the Cold War. It's a different Russia."

Still, there are some in Russia who see Khrushchev's decision to become an American as a betrayal.

His son Nikita, named after the Soviet leader, still lives in Russia



**A BRAND NEW YANKEE:** Sergei Khrushchev, 64, beams at the ceremony that made him a U.S. citizen in Providence, R.I., on Monday. His wife Valentina also took the oath. AP photo  
and had been helping his father, said some Russian officials have gather material for books he writes, been hindering him because of his about the Cold War era. The son, father's move.

7/19/99

After you have seen,  
we will send to  
Beckhardt.

C. Clwell

Letter from ~~XXXX~~ Colo. kid

she now get letter re  
VPs linearity  
agreed —

7-19-99

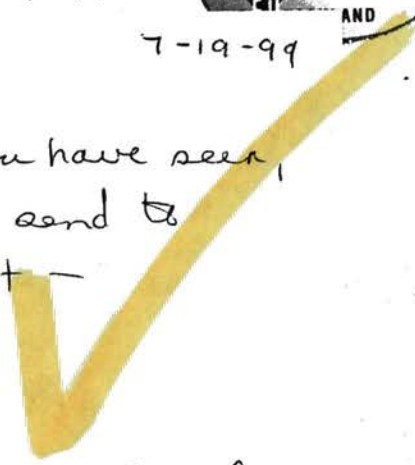


AND

7-19-99

Pri

After you have seen,  
we will send to  
Burkhardt —



Card

## Question From Vi Skow, Saydel Community Schools

How can the Federal Govt help communities limit urban sprawl which makes the community tax system increase infrastructure while at the same time the inter-city schools and infrastructure must be maintained on a declining (and deteriorating?) tax base?



Ramon Dontae McCarrell  
1345 Fremont  
Des Moines, IA 50316

7-19-99

Do nice letter  
cc CFF

7-19-99

After you have seen,  
we will send to  
Beckhardt for reply -

C.



To: The Honorable  
Vice President + Mrs.  
Gore

From: *Ramon  
McConnell*

To: The Honorable  
President + Mrs.  
Clinton !!

From: *Ramon McConnell*

# Withdrawal/Redaction Sheet

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                            | DATE       | RESTRICTION |
|--------------------------|----------------------------------------------------------|------------|-------------|
| 001. form                | [Personally Identifiable Information] [partial] (1 page) | 07/19/1999 | b(6)        |

### COLLECTION:

Clinton Presidential Records  
Staff Secretary  
Sean Maloney (Chron File (Jul 99))  
OA/Box Number: 14865

### FOLDER TITLE:

Monday, July 19, 1999 [1]

2016-0970-F  
rs2994

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

To: President Clinton

7-19-99

RAMON DONTA BROWN MC CARRELL  
12 BIRTH DATE (b)(6)

EAST HIGH SCHOOL 12 GRADE

1345 FREMONT DES MOINES IA. 50316

515 2660881 MRS. MYRTLE TAYLOR YEAGER

PARENTS ROMEO JAMES MC CARRELL  
JUANITA NAOMI BROWN

BOYS SCOUTS EMC EXPLORER POST #717 MRS. JULIE WASHINGTON, DES  
MOINES PUBLIC SCHOOL SUCCESS PROGRAM, FIELD TRIPS TO THE  
UNIVERSITY OF WISCONSIN, WHITE WATER CAMPUS, UPWARD BOUND  
PROGRAM AT PELLA AND URBAN CAMPUS, NATIONAL BLACK CHILD  
DEVELOPMENT INSTITUTE ANNUAL AWARD BANQUET, ALPHA KAPPA  
ALPHA SORORITY INC. COTILLION PARTICIPANT, NBCDI NATIONAL  
CONFERENCE 1998 IN CHICAGO, ILL.

SCHOOL:

ROTC 4 YRS., EAST HIGH JAZZ, MARCHING & CONCERT BAND, EAST HIGH  
ALUMNI ASSOCIATION DINNER 4 YRS.

CERTIFICATES:

THE IOTA ZETA OMEGA CHAPTER OF ALPHA KAPPA ALPHA SORORITY, INC.  
RECOGNITION FOR ACHIEVEMENTS AND COMMUNITY SERVICE IN THE DES  
MOINES COMMUNITY PROCLAIMED BY MAYOR PRESTON A. DANIELS,  
WHO'S WHO AMONG AMERICAN HIGH SCHOOL STUDENTS, CERTIFICATE  
FOR OUTSTANDING ACHIEVEMENT IN EXPLORER POST #717, MARINE CORPS  
JUNIOR RESERVE OFFICERS TRAINING CORPS, AUDITION DAY AT THE  
UNIVERSITY OF IOWA SCHOOL OF MUSIC, SCHOLARSHIP FROM EAST HIGH  
ALUMNI ASSOCIATION WILL ATTEND UNIVERSITY OF IOWA THIS FALL,  
ATTENDS BETHEL A.M.E. CHURCH 6 YEARS.

WILL LIVE AT THE INTERNATIONAL CrossRoads COMMUNITY..

To

President William Clinton

7-17-99

✓  
J. D. [Signature]

7-19-99

After you have seen  
we will send to  
Barkhardt -

LEON H. CHARNEY

*1771 Broadway*  
*New York, N.Y. 10013*

7  
Leon H. Charney

June 15, 1999

Dear Mr. President,

Just a note to thank you  
for your invite to the White House  
theater and your hospitality last  
week- Especially the Pop-Con.

More importantly I have praised your  
Presidency for the last 3 yr. ~~off~~ on my  
T.V. show. You have been <sup>an</sup> outstanding  
leader & will be remembered as such.

Chris Croghan has many of these tapes

As you know my area of great interest  
is in the Middle East. On many occasions  
sitting with my friend Pres. Ezer Weizman  
we have discussed your fantastic efforts  
dispute many "Jama" obstacles. My hope  
is you will find time to continue  
these efforts. It is not easy but we all  
are ready to help.

Best wishes  
LH #2

Leon H. Charney

June 15, 1999

P.S. I had lunch Friday at  
the Senate with former Senator  
Vance Hootbe of Indiana. I had  
Sergeant Gys as his Counsel at  
the Senate. He asked if I  
would join him in a Committee  
which would seek your nomination  
for the Nobel Peace Prize.  
I told him absolutely.

7-14-99

Jordan Kenik  
5820 S. 118<sup>th</sup> Plaza  
Omaha, NE 68137

Dear Mr. President,

Remember me? I am your cousin Jordan Kenik from Omaha, Nebraska. I met you in February of 1996. I just wanted to say "Hi." When I heard Mr. Gallner was going to meet you, I was eager to write you a quick note saying "Hi" and tell you that I still think about my visit to Washington DC to meet you.

I am going into 7<sup>th</sup> grade now at Central Middle School. I play the drums. I am enjoying playing tennis and baseball this summer. I am looking forward to school starting, kind of!!!!

I think you have done a good job as president and I wish you luck in the future.

Sincerely,

*Jordan Kenik*

Jordan Kenik

7-19-99

After you have seen,  
we will send to  
Beukhardt -

C.

Jordan Kenik  
5820 S. 118th Plaza  
Omaha, NE 68137

*Do nice things*

President Clinton

7-19-99

~~Burkhard~~  
~~Sony~~

7-19-99

President Clinton

7-19-99

After you have seen,  
we will send to  
Burkhardt —

curl

7-19-94

One of my hang-ups -- Guns. Would you help??!!!

How about trying to reach the public on reasonable laws to help control gun deaths?

A few weeks ago on television they showed a Gun Store for Children. Some of the children looked under school age.

Last week on television was a statement that a child is killed by guns every two hours.

We have laws for cars to protect people. How about the same for guns?

Attached is a suggested set of laws for guns.

This won't solve everything but should save a lot of lives and will not infringe on our "Constitutional Rights."

I hope you will think this makes sense and you will consider taking on this project.

Sincerely,

*LaVere Royal*

LaVere Royal (a grandmother)

515 243 4469

## **GUNS**

Those who assert the right to bear arms must also take responsibility for those who have or use guns.

### **PROPOSAL FOR GUN LAWS**

Gun owners and gun users must have training on proper care, use, and safety rules. Pass a test and get a license which must be renewed every two to four years depending on age.

Must be over 7 years of age.

Gun owner will be legally responsible for violation of safety rules and for the consequences of improper use and insecure storage.

License holders must provide proof of insurance against injuries and damages to the public.

All guns must have a license and can only be transferred to another license holder or a licensed gun dealer or be turned in for instant destruction.

Shells for guns may only be sold to people with the proof of license for the gun(s). The seller keeps a record of whom shells were sold to.

Gun dealers may only sell guns to people with a gun license and keep a record of whom guns were sold to. Gun owners and gun dealers must be responsible for secure storage of all guns in their ownership.

Many guns being held as evidence, etc., disappear. It is no longer necessary to continue holding these guns as each gun and shell has its own markings which identify the gun and the shells. That information should be made and recorded then the guns destroyed instantly.

Gun producers must have prominent registration identification on each gun they produce and retain a record of whom they are sold to and a receipt from the purchaser.

**PERHAPS:** Children and youth should only have permits for using guns for sports and hunting.

Respectfully submitted,

L. F. ROYAL

1830 Eighth Street  
Des Moines, IA 50314