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Thursday, July 29, 1999

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Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Joseph Purvis to POTUS (2 pages)	07/16/1999	b(6)

COLLECTION:

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

FOLDER TITLE:

Thursday, July 29, 1999

2016-0970-F

rs2998

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]
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- 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]

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Honorable William J. Clinton
President of the United States
THE WHITE HOUSE
1600 Pennsylvania Avenue
Washington, D.C. 20500-2000

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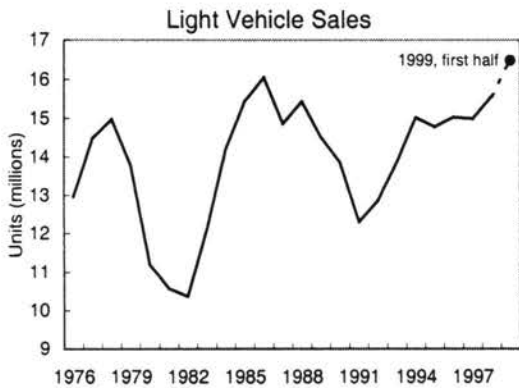


"Very scary, Jennifer—does anyone else have an H.M.O. horror story?"

MACROECONOMIC UPDATE

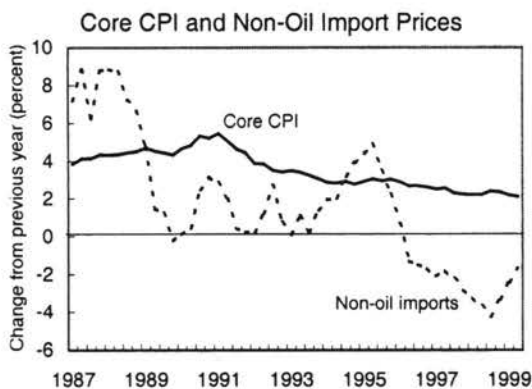
As Good As It Gets?

GDP may slow in the second half of this year, but not because the recovery is showing signs of old age. With inventories lean and inflation low and stable, the limits to growth are more likely to be set by slower growth in consumer spending or the capacity limits of selected industries.



Motor vehicles. Light vehicles sold at a 16.5 million unit annual pace in the first half of 1999, putting them on track to achieve the best annual sales ever (see upper chart). However, motor vehicle production is approaching capacity limits—especially for trucks.

Housing. The housing sector also appears to be constrained by limited capacity as the unemployment rate in construction hovers at very low levels. Builders were unable to make the usual springtime increases.



Consumption. The consumption rate is now so high that it seems unsustainable. Energized by stock market gains, consumers appear to have spent about 1¼ percent more than their income in the second quarter.



Inflation. Despite low unemployment and rapid GDP growth, inflation as measured by the core CPI has been flat at about 2¼ percent per year for 3 years. Foreign competition remains stiff, and non-oil import prices have fallen during each of the past 4 years (see middle chart).

Wage gains. Also holding down inflation has been a surprising moderation in nominal wage inflation, which has actually fallen over the past year

(see lower chart). Despite this, real wages grew another 1.5 percent during the past four quarters, the fourth year of solid real wage gains after 9 years of stagnation (see lower chart). The increase in real wages has been supported by an acceleration of productivity.

SPECIAL ANALYSIS

New Evidence on the Causes of Welfare Caseload Changes

The 1996 welfare reform legislation and the strong economy have both been important contributors to the unprecedented decline in welfare caseloads in recent years, according to a new CEA analysis. The new study, which uses data and program information provided by the Department of Health and Human Services, updates a 1997 CEA study of caseload change.

A widespread and continuous decline in caseloads. In January 1993, 5.0 million families received welfare, but by December 1998 this number had fallen to 2.8 million. All states have experienced double-digit percentage declines. In 23 states, the caseload is less than half of what it was in January 1993, and for 22 states, the percent drop was larger in 1998 than in 1997.

Accounting for change. The 1997 CEA study examined the relative importance of a variety of economic and policy changes on caseload declines between 1993 and 1996. The new study incorporates data through 1998 and analyzes the effects of additional factors, including the 1996 welfare reform and the minimum wage. The new study shows that economic factors were more important in explaining the decline in caseloads between 1993 and 1996 than they were in the later period. Policy factors were more important after 1996.

- 1993-96. Roughly 26 to 36 percent of the caseload decline was due to improved economic conditions, in particular falling state unemployment rates. Another 14 percent was due to welfare waivers, which were issued to states to allow them to experiment with alternative program designs. Caseloads fell 5 to 8 percent due to the rise in the minimum wage, 6 to 21 percent due to lower welfare benefits (measured by the real value of the state's maximum benefit for a family of three), and the remainder because of other factors.
- 1996-98. The 33 percent decline in the reciprocity rate following the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was due largely to the changes in state welfare programs implemented under the Temporary Assistance for Needy Families (TANF) block grant. About 34 to 39 percent of the caseload decline from 1996 to 1998 was due to TANF-funded programs, 8 to 10 percent was due to the improved labor market, 3 to 5 percent was due to the higher minimum wage, and 1 to 5 percent was due to lower cash welfare benefits.

The smaller contribution of the labor market to caseload declines in the latter period reflects the fact that the unemployment rate had already fallen substantially by 1996. The decline in the unemployment rate between 1996 and 1998 was much smaller than the decline between 1993 and 1996.

7-29-99

Conclusion. The new study confirms that the policy changes enacted in PRWORA have been an important contributor to the continued strong decline in welfare caseloads. The study also shows the impact of the minimum wage in reducing caseloads. However, a full assessment of the impact of welfare reform awaits analysis of other indicators such as work and earnings among welfare leavers, marriage rates, out-of-wedlock pregnancies, child health, and poverty rates.

ARTICLE

7-29-99

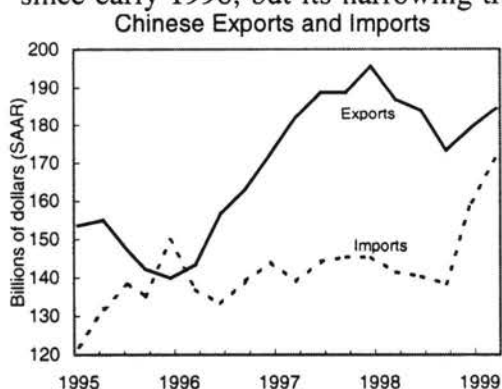
Economic Issues Facing China

Chinese leaders will soon gather for informal meetings in Beidaihe, a seaside resort town about 90 miles from Beijing. Economic issues are central to their agenda.

Background. Compared with the firestorm that hit many other Asian economies, China's moderate slowdown from double-digit annual growth in the first half of the 1990s seems enviable. Real GDP was about 7 percent higher in the second quarter of 1999 than it was in the same period a year ago. But there are reports of scattered protests about unpaid wages and rising unemployment—and the economy may well continue to slow, fueling further social unrest. It remains possible that China has not avoided crisis, but simply deferred it.

The exchange rate. China has received substantial credit since the crisis began for keeping its exchange rate fixed relative to the dollar despite the turmoil elsewhere. Given China's capital controls and enormous foreign-exchange reserves, market forces are unlikely to force a Chinese devaluation. However, press reports this week speculate that because of slower growth and a falling trade surplus, China may back away from its earlier pledge not to devalue this year.

The trade balance. China has experienced some weakening of export growth since early 1998, but its narrowing trade surplus primarily reflects a surge in the



recorded level of imports since the beginning of this year (see chart). This surge is probably due less to growing income or an overvalued exchange rate than to the country's recent anti-smuggling campaign, which has led to previously unrecorded imports now being recorded (and taxed). Thus, the falling trade surplus in 1999 is probably less real than it first appears.

A weaker currency, should China devalue, could help boost exports and the economy. Of course, a Chinese devaluation during the depths of the emerging markets crisis would have risked provoking a renewed round of currency turmoil—which would have been counterproductive to China as well as to the rest of the world. Now the effect of such a devaluation is less clear.

Prospects for continuing economic reforms. A clear lesson of the Asian crisis is that it is dangerous for a country to have weak, poorly regulated banks making policy loans to inefficient, over-leveraged state enterprises. Unfortunately, this is a reasonable description of China. As a result, Chinese leaders often suggest a desire to push ahead with economic and financial reforms. At the same time,

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China's economic controls—such as the non-convertibility of the currency—probably helped insulate it during the crisis. Indeed, many of the policies implemented since the crisis began work against the goal of economic and financial reform. For example, China has tightened currency controls. And when growth slowed in mid-1998, China forced state-owned banks to sharply increase their lending to (generally unprofitable) state enterprises—increasing growth in the short run at the expense of the economy's long-run health.

Conclusion. Elsewhere in Asia, decades of strong growth ended—one hopes only briefly—in metaphorical fire. In China, a serious risk is that it could instead end in ice, with an increasingly sluggish, frozen economy. Chinese leaders appear to be aware of the risks. But their choices are hard, requiring a trade-off between, on the one hand, the political risks of a further short-term contraction if reforms (potentially including entrance into the WTO) accelerate, and, on the other hand, the economic risks of a long-term slowdown.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Was Greenspan Humphrey-“Hawkish?” Remarks by Federal Reserve Chairman Greenspan that the Fed needed to be “especially alert to inflation risks” caused some stir in financial markets Thursday. However, the Fed chairman also noted that, to date, this has been an exceptional year for the American economy and that the root of the impressive expansion of economic activity has been a marked acceleration of productivity. Greenspan observed that if productivity should fail to continue to accelerate and demand growth persist or strengthen, the economy could overheat. Should signs of such overheating occur, the Fed Chairman argued, it could be appropriate for the Fed to take pre-emptive actions to preserve price stability and obviate more drastic actions later.

Interpreting Differences in Care Delivery among Types of HMOs. Patients enrolled in investor-owned HMOs are less likely to receive many of the basics of good medical care than patients enrolled in not-for-profit HMOs, according to a study published in last week’s *Journal of the American Medical Association*. The study of 329 HMOs found that patients in investor-owned HMOs (which have shown dramatic enrollment gains in recent years) received significantly fewer immunizations, routine mammograms, pap smears, prenatal care, and lifesaving drugs after a heart attack. Although the study’s findings are descriptive of differences in health care received by the majority of HMO enrollees, its conclusions should be interpreted with some caution. First, the study does not control for individual patient characteristics; to the extent that different people select into these plans, the relationship between type of HMO and the quality of care received may not be causal. Second, investor-owned HMOs may provide a lower cost alternative to some patients. Third, the 14 measures compared in the study focus on relatively inexpensive preventive services and do not assess outcomes of care. Finally, the data used in the study are from 1996 and, given the rapid pace of change in the health industry, may not reflect the current state of health care.

Study Looks at the Demographics of HIV Treatment. American adults seeking treatment for HIV are disproportionately black, male, and poor, according to the initial report from the HIV Cost and Services Utilization Study sponsored by the Agency for Health Care Policy Research in HHS. Of the sample of HIV-infected people seeking medical treatment, 48 percent had some college education, 37 percent were employed, and 72 percent had household incomes of less than \$25,000 per year. Expenditures on the personal health care of HIV-infected Americans accounted for less than 1 percent of all U.S. expenditures for personal health care in 1996. However, financing HIV medical care is more problematic: Americans with HIV were half as likely to have private insurance as the non-elderly population generally. Only 32 percent had private health insurance, 29 percent were covered only by Medicaid, 20 percent had no health insurance and 19 percent were covered by Medicare, usually in conjunction with Medicaid. Finally, the study estimates that up to two-thirds of American adults with HIV are not receiving regular care.

INTERNATIONAL ROUNDUP

Study Examines Japanese Households' Saving Behavior. The household saving rate in Japan has risen in the 1990s as a result of increased uncertainty about future welfare among different segments of the population, according to a new study by a researcher at the Bank of Japan. The study finds that higher future income risk has increased saving rates, while real interest rates have had no significant effect. Surveys reveal that anxiety about post-retirement income has increased considerably over the last decade and that the young are highly pessimistic about the adequacy of future pension benefits. Also, among low-income households, the middle-aged especially have decreased their expenditures in recent years, possibly due to fears about employment conditions. And, in fact, the percentage of workers dismissed at their companies' convenience has been highest for workers aged 55-64. The study also finds that the average saving rate among households aged 60 and over is higher than the national average, with little evidence that the elderly are spending down their assets. This conservatism appears to arise from anxiety regarding future payment burdens for nursing care. Since the majority of assets held by elderly Japanese are in the form of housing, land, and other real assets, the study recommends developing a system that would enable the elderly to receive a secure cash flow from these assets. One specific measure could be the use of reverse mortgages, whereby the elderly would put up their housing assets as collateral for a loan that would be paid off when they died.

International Business Group Rises to UN Challenge. The International Chamber of Commerce (ICC) responded favorably to a challenge from UN Secretary General Kofi Annan asking businesses to join a global compact to promote world values, including a commitment to the environment, human rights, and labor standards. In a joint statement issued by the ICC and UN, the two sides expressed agreement that the goals of business and the United Nations can be mutually supportive. They agreed that a strong worldwide private sector contributes to UN goals because, by creating wealth and jobs, companies help to defeat poverty. However, the ICC added that companies cannot be expected to take on responsibilities outside their own sphere that are properly the preserve of governments. The private sector and the UN have already undertaken a project to promote foreign direct investment in Africa. International companies are providing corporate expertise to the investment promotion agencies of the least developed countries. The Guide to Ethiopia is the first in the series.

Hong Kong Unemployment Rate Declines. Although many hard-hit Asian economies had already begun to show signs of recovery this year, Hong Kong's unemployment rate was still rising as recently as the March-May period, when it reached an historic high of 6.3 percent. This compares with 2.2 percent in July-September 1997. Thus, the news that the unemployment rate edged down to 6.1 percent in the April-June period may be a hopeful sign that the Hong Kong economy is also beginning to recover.

RELEASES THIS WEEK

Housing Starts

Housing starts decreased 6 percent in June to 1.571 million units at an annual rate. For the first six months of 1999, housing starts are 7 percent above the same period a year ago.

U.S. International Trade in Goods and Services

The goods and services trade deficit increased to \$21.3 billion in May from \$18.6 billion in April.

MAJOR RELEASES NEXT WEEK

Consumer Confidence—The Conference Board (Tuesday)
Advance Durable Shipments and Orders (Wednesday)
Gross Domestic Product (Thursday)
Employment Cost Index (Thursday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1998	1998:3	1998:4	1999:1
Percent growth (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
Shares of Nominal GDP (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
	1970- 1993	1998	April 1999	May 1999	June 1999
Unemployment Rate (percent)	6.7**	4.5**	4.3	4.2	4.3
Payroll employment (thousands)					
increase per month			321	-5	268
increase since Jan. 1993					18895
Inflation (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.

FINANCIAL STATISTICS

	1997	1998	May 1999	June 1999	July 22, 1999
Dow-Jones Industrial Average	7441	8626	10854	10704	10969
Interest Rates (percent per annum)					
3-month T-bill	5.06	4.78	4.50	4.57	4.48
10-year T-bond	6.35	5.26	5.54	5.90	5.78
Mortgage rate, 30-year fixed	7.60	6.94	7.15	7.55	7.52
Prime rate	8.44	8.35	7.75	7.75	8.00

INTERNATIONAL STATISTICS

Exchange Rates	Current level July 22, 1999	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	1.051	2.8	N.A.
Yen (per U.S. dollar)	117.3	-2.7	-16.9
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	96.19	-1.2	-3.2

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	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) ^{2/}	0.4 (May)
Italy	0.9 (Q1)	12.1 (Apr)	1.6 (May)
United Kingdom	0.7 (Q1)	6.2 (Mar)	1.3 (May)

^{1/} For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

^{2/} 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

July 25, 1999

7-29-99

copied
Spierling
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORTS

cc: JOHN PODESTA

FY 2000 Appropriations: The House passed the Defense bill 379-45, with no funding for the F-22. The Barr amendment to restore F-22 funding was withdrawn. The House Republican leadership met Thursday (7/22) and failed to reach agreement on mandatory offsets to pay for the three remaining bills -- Commerce/Justice/State, VA/HUD/Independent Agencies and Labor/HHS/Education. The Labor/HHS/Education mark-up was postponed until a date to be determined. The House VA/HUD/Independent Agencies Subcommittee mark-up is scheduled for Monday (7/25). The House Commerce/Justice/State Subcommittee approved the bill, with Full Committee action expected on Friday, July 30th. Also, the Senate passed the Commerce/Justice/State bill by voice vote. A Biden (D-DE) amendment was adopted by voice vote to provide \$495 million for COPS and void the language in the Committee Report that would have directed DOJ to terminate the COPS Office in FY 2000. Labor/HHS/Education and VA/HUD/Independent Agencies are scheduled to have Full Committee mark-up next Thursday (7/29), with Subcommittee mark-ups presumably earlier in the week, possibly Tuesday (7/27). Chairman Stevens is thinking of approving bills in Committee that hit the limited 302(b)s in the front of the bill and then approving a general provision in the back of each bill that takes each bill up to the President's request (in aggregate), with cap increases. He would then ask the Senate to approve the general provisions (requiring sixty votes). Postponement of the Labor/HHS/Education bill is viewed as likely. Senate floor action on Interior Appropriations is possible next week

Oil Antidumping Petitions: As you know, in late June a coalition of small, domestic independent oil producers filed an anti-dumping and countervailing duty petition at the Department of Commerce (DOC) and International Trade Commission in response to lost revenue due to low oil prices in the first quarter of the year -- \$11.50 barrel in February compared to \$19.00 a barrel in June. Currently, the Department of Commerce (DOC) is examining whether anti-dumping and countervailing petitions filed against oil imports from Mexico, Venezuela, Saudi Arabia and Iraq have sufficient support within the domestic industry to constitute standing. A decision is required by August 9th, and DOC would initiate its investigations shortly thereafter. According to CEA, the imposition of antidumping and/or countervailing duties likely would have an insignificant effect on the United States economy, and would only have a limited effect on the economies of the target countries. Because of the high profile of the product in question, however, the initiation of investigations is likely to have a more significant effect on our trading relations with the target countries. Mexico, for example, has already decided not to proceed with a scheduled elimination of tariffs on natural gas imports from the United States. The Saudis and the Venezuelans have also expressed their concern about

the effects of the investigations.

WTO Foreign Sales Corporation (FSC) Case: The WTO panel ruled on Friday that tax breaks the US gives to foreign sales corporations violate WTO subsidies agreement. Although we have lost previous WTO cases this is the first time that we would need to change a law (as opposed to an executive branch regulation) in order to come into compliance with a panel ruling. Tentatively, the WTO timetable requires us to change our law by October 1, 2000. We are considering taking the case to the WTO appellate body and have 2 months to decide whether to do so.

UK Open Skies: American Airlines and British Airways are on the verge of withdrawing their application for antitrust immunity (this information is market sensitive), because BA is not willing to give up slots at Heathrow as required by UK competition authorities for approval of an AA/BA alliance. Without the carrot of antitrust immunity, we will have far less leverage to achieve our long-sought Open Skies Agreement with the UK (an Open Skies Agreement is the necessary condition for US authorities to grant antitrust immunity for an international airline alliance). That said, we will continue to explore all options for replacing the restrictive US-UK aviation agreement with an Open Skies agreement, and Secretary Slater will issue a statement to that effect when AA and BA announce the withdrawal of their application.

Postal Reform: The NEC is working on several issues related to domestic and international postal reform. First, on behalf of United Parcel Service (UPS), the NEC has worked with Justice and State to get European antitrust authorities to investigate cross-subsidization by Deutsche Post of its commercial services with revenues from its monopoly services. On Tuesday (July 20), the EC finally announced that it would begin such an investigation. Second, the Administration is seeking international support to reform the Universal Postal Union -- an organization of national postal operators -- to reflect the growing role of the private sector in international mail delivery. The NEC is trying to resolve interagency conflicts on controversial issues -- e.g., differential treatment by national customs agencies of national postal services versus private couriers. Third, NEC staff is helping to develop Administration positions on various bills aimed at domestic postal reform and discussing privately other, more dramatic reform ideas, such as USPS privatization (with continued regulation of the local delivery monopoly), which many economists advocate.

Russian Prime Minister Stepashin (7/27) Visit: The NEC has been coordinating the U.S. response to requests the Prime Minister is expected to make on the trade front during the Stepashin-Gore meetings. We will offer technical assistance to help Russia improve the functioning of its markets, so the country can ultimately gain market economy status in its trade relations with us. We also plan to offer working group meetings to help the Russians prioritize their actions to qualify for WTO accession. While formal Russian entry into the WTO is still a ways off, progress in areas such as intellectual property rights and the rule of law could help the country begin to attract more serious foreign direct investment funds.

Genetically Modified Organisms: As part of our evolving policy coordination on GMOs – an approach which encompasses trade, domestic food safety and environmental protection, and international environmental negotiations – the NEC Deputies met Wednesday to discuss the current US regulatory regime as relates to GMOs. There was general consensus among the Deputies that there are no glaring “gaps” in regulatory authority between FDA, USDA and EPA regarding GMOs and human health or the environment. The Deputies did, however, commission further review of proposals (such as those put forward by Secretary Glickman last week) to strengthen oversight and drive research, particularly into the longer-term environmental effects of GMOs, and to explore means of better addressing consumer education and choice in the regulatory context.

THE WHITE HOUSE
WASHINGTON

July 23, 1999

7-29-99

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pg 3 -
Bencharat
(for reply)

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed

SUBJECT: DPC Weekly Report

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1. **Welfare – New Participation Rates and Caseload Numbers:** At the Welfare to Work Partnership convention in Chicago on August 3, you will be able to announce that all 50 states met the 30 percent overall work participation rate in 1998, the first full year of data under the new law. You also can release new caseload numbers showing that the welfare rolls have dropped by more than 50 percent since January 1993 – from 14.1 million to 7 million. Together, these figures mean that half as many people are on welfare as when you took office, and those left on welfare are four times more likely to be working.

2. **Tobacco – Funding for Federal Litigation:** This week, Senators Gregg, Hollings, Harkin, and Graham agreed to a colloquy making clear that the Commerce-Justice-State Appropriations bill will not prohibit the Justice Department from suing the tobacco companies. The Senate bill still does not provide the \$20 million we requested for the suit, although it may include \$7 million in related earmarks.

*the
JF*

3. **Education – Back to School Plans:** We are working on a series of possible events for August and September for you, the Vice President, the First Lady, and others to highlight our education agenda. In August, we should be able to announce: (1) a nationwide public service campaign sponsored by the Ad Council (in which you appear) on the need for parents to talk with their children about school violence; (2) the next round of comprehensive safety grants under the Safe Schools, Safe Communities program; (3) \$95 million in charter school grants; and (4) the annual “Baby Boom Echo” report on rising school enrollment. We are planning three straight days of education events September 6-8: (1) a school construction event on Labor Day; (2) a visit to an area elementary school class taught by one of the first new teachers hired under our class size reduction program; and (3) a day trip to a charter school or successful after-school program. Later in September, we thought you might want to consider giving a speech (perhaps in Charlottesville) to review the progress we have and have not made in the decade since the Education Summit.

*Can't let it
out now?
with my
grand
wife*

4. **Health Care – CBO Medicare Estimates:** CBO testified Thursday that Administration cost estimates for the drug benefit were too low, our savings projections were too high, and that we would need to invest an additional \$66 billion from the surplus. CBO scored

the drug benefit at \$168 billion over ten years (compared with \$118 billion in our proposal). The higher estimate was based on: (1) a much higher growth rate for drug costs than anyone else projects; and (2) an assumption that the Medicaid low-income protections would cost much more due to a higher participation rate. While we certainly favor and anticipate higher low-income participation, no credible expert believes it will cost as much as CBO. In addition, CBO assumes only \$4 billion in savings from the Administration's proposal to modernize the traditional fee-for-service program (compared with \$25 billion in our plan). Ironically, CBO Director Crippen testified that the Administration proposal had great potential to achieve significant savings. Our Medicare Actuary – the same independent career expert Republicans used to justify their Medicare cuts in 1995-96 – continues to stand behind the Administration's estimate. Our health and economic forecasts have been consistently more conservative than actual experience, and our estimates for this plan do not include savings from reduced hospitalizations that would likely result from the drug benefit.

 **5. Health Care – Children's Health Insurance Program Outreach:** We are aggressively reviewing new strategies to identify and enroll more uninsured children in Medicaid and CHIP. We believe the NGA meeting August 8 is a good opportunity for you to criticize the Congress for considering budget cuts in TANF and CHIP, and challenge the states to do a better job on outreach. You also could announce your intention to launch a Back to School Outreach Campaign in late September. As part of this Back to School Campaign, the Department of Education is asking school superintendents nationwide to commit to organizing some activity in their districts this September. By late September, we will be ready to release the second annual interagency report on outreach, which will include new commitments from 12 federal agencies. We are also contemplating an executive order to the Departments of Education and Health and Human Services to develop a strategy to make school-based screening for health insurance a standard part of school enrollment, similar to immunizations. Several agencies are teaming with the United Way to conduct door-to-door local outreach campaigns in 26 cities.

 **6. National Service – California Community Service Requirement:** Governor Gray Davis last week formally asked the University of California to begin working with California State University and California Community Colleges to make service a graduation requirement for students at California's public colleges and universities.

 **7. Immigration – Parity Legislation:** The week of August 2, the Administration plans to transmit the Central American and Haitian Parity Relief Act of 1999 to address the inequities that resulted from the Nicaraguan Adjustment and Central American Act of 1997. The bill would provide parity to certain Salvadorans, Guatemalans, Hondurans, and Haitians living in the United States by allowing them to become legal permanent residents on the same basis as Nicaraguans and Cubans. Representative Luis Guttierrez has introduced similar legislation with 106 cosponsors and bipartisan support.

8. Crime – Colorado Youth: David Winkler and Ben Gelz, the student co-leaders of the S.A.F.E. Colorado group you met with last week, were so inspired that they have decided to defer their first year of college and start organizing students in other states. They plan to spend the next year recruiting a larger group of high school and college students to lead a March on Washington sometime in 2000 to advocate for gun control legislation.

*See this
update
to
turn*

9. Native American Economic Development – Creation of an Access Center:

Following up on your New Markets tour and the Native American Economic Development Conference one year ago, the DPC has begun work to create a Native American Economic Development Access Center, located at the Bureau of Indian Affairs. This Access Center would operate a single toll-free number that will connect Native American callers and businesses to 14 agencies' programs.

10. Livability – Better America Bonds Update:

This legislation now has 89 cosponsors and was included in the Democratic tax packages in the House and Senate. In addition, the U.S. Conference of Mayors recently passed a resolution in support of this program and the National Association of Counties will follow suit next week.

11. Community Empowerment – Low Income Housing Tax Credit:

Last week, the House Ways and Means Committee voted to include a 10-cent per year increase in the LIHTC as part of the Republican tax bill, over the opposition of Chairman Archer. The Senate Finance Committee also included a 10-cent increase. The House Democratic substitute would have provided a 50-cent increase in the first year, similar to your proposal.

*copied
Beckhardt
(for reply)*



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

July 23, 1999

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

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

SUBJECT: CEQ WEEKLY REPORT

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RESOURCE STEWARDSHIP

Connecticut River Watershed Protection

On Thursday, Vice President Gore visited New Hampshire to announce a package of initiatives, which included over \$800,000 in funding for 29 projects, to protect the Connecticut River's historic, environmental and economic resources. Designated as an American Heritage River, the Connecticut River watershed includes New Hampshire, Vermont, Massachusetts and Connecticut. The Vice President toured the river via canoe with Governor Shaheen. The tour generated local press coverage as well as national coverage about the importance of the environment.

Also on Thursday, the U.S. Fish and Wildlife Service (FWS) acquired 26,000 acres of forest land in northeast Vermont for the Silvio Conte National Wildlife Refuge. The acquisition marks one of the largest federal land purchases in the eastern United States. Senator Leahy worked with the Administration to secure \$6.5 million in federal funding to complete the acquisition. The acquired lands include the Mollie Beattie Bog, which was named in memory of Mollie Beattie, a Vermonter who served as FWS Director from 1993 to 1996.

Baca Ranch

for
As you recall, our efforts to acquire the Baca Ranch stalled last year when the current landowners, the Dunigan Family, withdrew from negotiations to sell the Baca Ranch to the U.S. Forest Service. Following the break in negotiations, both House and Senate Interior Appropriations subcommittees approved report language this year to rescind \$40 million in FY 1999 funding for the purchase. In the last few weeks, the landowners approached CEQ to resume negotiations and have agreed to a mutually acceptable appraisal process. In the next two weeks, we hope to have a better understanding of the potential for an agreement on price. If the discussions are promising, the Administration should pursue an aggressive strategy to secure the necessary funding in the FY 2000 Interior appropriations bill.

PROTECTING COMMUNITIES FROM TOXICS

Community Right-to-Know: "Worst Case Scenarios"

In response to concerns that terrorist organizations might exploit community right-to-know information, the House passed a compromise bill on Tuesday to limit public disclosure rules under the Clean Air Act. The House bill would impose a one-year moratorium on the disclosure of "worst-case" chemical accident scenarios, as part of facility risk management plans. The FBI and other law enforcement agencies believe that this information, if widely available (including on the Internet), could invite terrorist acts at domestic industrial facilities. Environmental groups, by contrast, consider the terrorist threat a canard and have criticized the Administration for its willingness to compromise for a one-year moratorium on community right-to-know. Earlier this year, the Senate passed similar legislation.

In addition to working with House and Senate conferees on the legislation, we plan to work with relevant parties to develop regulations that would address this issue after the one-year moratorium expires.



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

July 23, 1999

MEMORANDUM FOR THE PRESIDENT

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

7-29-99

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Upcoming NASA Missions Provide Framework for Millennium Space Event

Following your meeting with Neil Armstrong, Buzz Aldrin and Michael Collins, you asked me to follow up on a possible millennium event focused on space. I met with NASA Administrator Dan Goldin on Thursday to discuss this issue, particularly in terms of how we might highlight the role our space program plays in improving life on Earth. In the coming weeks, Dan and I will formalize a proposal through the First Lady's office for consideration. In terms of timing, if NASA's mission schedule holds, the next Mars Lander will reach the surface on December 3, 1999, offering an exciting opportunity to talk about our future space goals.

Senate Reorganization of DOE Addresses Some Science Concerns

Although the legislation finally passed by the Senate to reorganize the Department of Energy still makes no explicit reference to preserving the science and technology base of DOE's national security laboratories, the final version is an improvement over earlier drafts. It directs the Secretary of Energy to ensure that other DOE and federal programs "continue to use the capabilities of the national security laboratories." The legislation also states that activities funded by other programs or agencies at the weapons labs shall continue to be under the "direct programmatic control" of the funding agency -- a provision that will help prevent walls from growing between the weapons labs and the outside technical community. I am pleased to see these provisions, since continued interchange between DOE's weapons labs and non-defense science programs will be essential to ensure that weapons labs' science and technology base remains at -- and advances -- the state of the art. As this legislation is considered by the House, I will continue to work with OMB and DOE to ensure that any reorganization of DOE explicitly promotes the technical capabilities of the weapons labs as well as their ability to contribute these capabilities to other national needs.

IOM Endorses Broader Geographic Allocation of Organs for Transplant

Wednesday (7/21) the *NYT* and *Washington Post* carried stories regarding the National Academy of Science's Institute of Medicine (IOM) report on organ procurement and transplantation, which had been intended for release on Thursday but was leaked by *USA Today*. The genesis of the report was the controversy resulting from a rule issued by HHS in April 1998 which was intended to improve equity across the country by ensuring organs would be allocated more on the basis of medical need and less on the basis of geographic location. OSTP worked with OMB in approval of the rule. In response, Congress suspended implementation of the rule for one year and asked the IOM to study its potential impact. The report concludes that "although the current system for procuring allocating organs works reasonably well, significant improvements in its equity and effectiveness can and should be made." The principal recommendation is that organs donated for transplantation should be made available across geographic areas with larger populations than the current system dictates. This will make organs available more rapidly for larger numbers of transplant recipients most in need. There is some concern among smaller organ procurement organizations that this plan will hurt their business. HHS is now talking with the various stakeholders to try to achieve a final consensus regulation. Senator Frist is reviewing the report and, as a transplant surgeon, is expected to be influential in any further Congressional action.

George Brown

I appreciated your kind words on the passing of Congressman George Brown. During his time in Congress, George became known affectionately as "Mr. Science," and his remarkable influence on science and technology policy, which included the creation of OSTP, will continue to serve the nation for many decades. His unyielding efforts on behalf of social equality for all Americans have given new generations opportunities that their grandparents could never even imagine, and will be sorely missed. The Nation has lost one of its most important statesmen for science and civil rights, but most importantly we have lost a true friend.

THE WHITE HOUSE
WASHINGTON

7-29-99

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July 23, 1999

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

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

ACTIONS

Gun Control Laws: Mayor Dennis Archer wrote to say he fully supports your efforts to eliminate gun violence in the country, but voiced opposition to the House and Senate Juvenile Justice bills because, in his words, they "do not allow for separation of juveniles and adults in prison facilities and gives prosecutors broad new authority to try juveniles as adults without hearings to determine if it is appropriate." He is concerned that the bills are too harsh and will serve as a pipeline for "railroading youth of color into the adult criminal justice system". I shared his letter with Bruce Reed and Chuck Ruff.

*C. Reed
What's wrong
with it?*

Lawyers for One America: The response to your Call to Action has been both tremendous and positive. The participants were energized and a great amount of enthusiasm was generated by the event coverage. There were articles in the Boston Globe, USA Today, NY Newsday and the Atlanta Constitution as well as wire stories in the AP and UPI.

More importantly, the legal specialty media covered your Call to Action and plan to write about the mission of the "Lawyers for One America", so that all the members of the profession will be informed about your Call. The Legal Times, is also working on a longer feature piece on the implementation plan. The coalition's website, lawyersforoneamerica.org, will soon be operational with links to organizational sites such as the Association of American Law Schools.

Community Diversity: We hosted a meeting with a group of Human Relations, Human Rights, Community Relations and Civil Rights Commissioners from throughout the US, to discuss the challenges to building One America and how our office can better work with local governments. The group advocated a number of issues, including the need for federal funding of local efforts. They expressed awareness that it is no longer a "black and white" issue and they suggested we host a White House conference on race. The commissioners said they feel alone in battling these issues at the local level and strongly urged a "national marketing campaign on diversity" that they could "wrap their arms around".

THE WHITE HOUSE

WASHINGTON

July 23, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN *LS*

SUBJECT: LEGISLATIVE WEEKLY REPORT

House of Representatives

- **Tax Cut:** On Thursday, the House passed (223-208) H.R. 2488, the Financial Freedom Act. Six Democrats: Condit (CA), Danner (MO), Hall (TX), Goode (VA), Bishop (GA), and Lucas (KY), voted in favor of the bill; while four Republicans: Quinn (NY), Ganske (IA), Morella (MD), and Castle (DE), joined Democrats in opposition. The Democratic Members who voted for the tax bill did so at the end of the timed vote, after it was clear that it would pass. The House defeated (173-258) a Rangel (D-NY) Democratic substitute, which would have dramatically scaled back the \$792 billion original tax cut to \$250 billion; 38 Democrats voted against the substitute and one Republican (Ganske) voted in favor.
- **Teacher Quality:** On Tuesday, the House passed (239-185) H.R. 1995, the Teacher Empowerment Act, which would consolidate three Federal education programs (Goals 2000, Eisenhower Professional Development, and your class size reduction program) into a single block grant with no committed resources for class size reduction. Despite the efforts of Republicans and a few Democrats on the House Education and Workforce Committee, the bill exceeded by 40 votes the number needed to sustain your threatened veto. The House defeated (207-217) a Martinez (D-CA) substitute which maintained a dedicated funding stream for class size, along with additional resources for teacher quality and professional development.
- **State Department Authorization:** On Wednesday, the House passed (voice vote) H.R. 2415, the State Department Authorization bill. The \$2.4 billion bill contains a \$1.4 billion boost in embassy security funding around the world, more than \$1 billion above the Administration's request. The bill contains no U.N. arrears funding and no Mexico City language. Surprisingly, the House passed (221-198) a Campbell (R-CA) amendment, which provides for continued funding of UNFPA, as long as it reduces the amount UNFPA spends in China. A Gilman (R-NY) amendment passed (305-120), which restricts all nuclear cooperation with North Korea until you certify that North Korea 1) is in compliance with all international agreements regarding nuclear proliferation; and 2) has terminated its nuclear weapons program, including all efforts to acquire, develop, test, produce, or deploy such weapons.

- **Defense Appropriations:** On Thursday, the House passed (379-45) H.R. 2561, the FY 2000 Defense Appropriations Act. Debate primarily focused on the move to cut \$1.8 billion from the F-22 program. Most Members speaking in favor of the F-22 made it clear that they hoped the funds would be restored in conference. According to OMB preliminary scoring, the bill is more than \$5 billion over your request. The Administration expressed strong opposition to both the removal of funding for the F-22 and the overall funding level in the bill.

The Week Ahead

- **House Schedule:** On Monday, the House will convene to consider four bills under Suspension of the Rules and complete the consideration of H.R. 1074, the Regulatory Right-to-Know Act of 1999. On Tuesday, the House is expected to consider H.J. Res. 57, Disapproving the Extension of Normal Trade Relations to the Products of the People's Republic of China, and the FY 2000 Energy and Water Development Appropriations Act. On Wednesday, the House will be in *pro forma* session and will not conduct legislative business in order to accommodate funeral services for Rep. George Brown (D-CA). On Thursday, the House is expected to consider the FY 2000 District of Columbia Appropriations Act and the FY 2000 Foreign Operations Appropriations Act.

House Notes

- On Thursday, White House Legislative Affairs representatives met with Rep. Walsh (R-NY) to discuss funding for the implementation of the Irish Peace Process Cultural and Training Program Act of 1998. As you may remember, this act creates a three-year program with 4,000 non-immigrant visas available each year targeting young men and women from both communities in Northern Ireland and the border counties of Ireland. While funding was procured for FY 1998, Walsh is concerned with funding for FY 1999 and FY 2000. According to the Congressman, he discussed this issue with you during the Speaker's St. Patrick's Day Lunch. We conveyed to the Congressman our willingness to assist with this matter.

United States Senate

- **Commerce-Justice-State Appropriations:** On Thursday, the Senate passed (voice vote) S. 1217, the FY 2000 Commerce, Justice, State Appropriations bill. In an effort to get the bill through quickly, scores of amendments were adopted by voice vote and without debate, and a careful policy review of the Senate-passed bill will be necessary. A few significant victories deserve note. Sen. Biden (D-DE) offered an amendment to provide \$495 million for the 21st Century Policing program (COPS) and override the committee bill, which provided for the termination of the program; it was adopted by voice vote. Sen. Kennedy's (D-MA) Hate Crimes Prevention Act, which you have endorsed, was also adopted by voice vote. In addition, Chairman Gregg (R-NH) agreed to a colloquy with Sen. Graham (D-FL) and others that made it clear that the Justice Department could proceed with litigation against the tobacco industry despite ambiguous language in the committee report. The Administration has threatened a senior advisors veto based on the lack of resources for key programs, such as COPS, law enforcement, the census, EDA, SBA, and numerous other areas.

- **Intelligence Authorization:** On Wednesday, the Senate passed (voice vote) H.R. 1555, the FY 2000 Intelligence Authorization bill. The bill was approved after the adoption of a widely supported Kyl (R-AZ) amendment to create a semi-autonomous oversight agency for the Energy Department's nuclear weapons program. The bill itself would cover intelligence-gathering activities of eleven agencies, including operations in the State, Defense and Energy Departments.
- **China/Vietnam Trade Policy:** On Tuesday, the Senate defeated two Smith (I-NH) resolutions disapproving U.S. trade policies with China and Vietnam: defeated (12-87) a motion to discharge the resolution of disapproval from the Senate Finance Committee on the renewal of NTR status with China; and defeated (5-94) a motion regarding the trade status of Vietnam.

Week Ahead

- On Monday, the Senate is expected to begin consideration of S. Res. 160, a resolution reinstating the limitation on legislating on appropriations bills (Rule 16). The bill will be considered under a six hour time agreement, with one amendment to be offered by Sen. Daschle (D-SD), or his designee, which reinstates the precedent regarding the scope of conference reports. It is also expected that there will be a cloture vote on the motion to proceed to H.R. 1501, the Juvenile Justice bill. During the remainder of the week, it is expected that the Senate will begin consideration of the Budget Reconciliation bill. Under the budget act, debate on the bill is limited to twenty hours.

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

THE WHITE HOUSE
WASHINGTON

July 23, 1999

7-29-99

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Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. TMS
KRIS M. BALDERSTON KB

SUBJECT: Summary of Cabinet Weekly Reports
July 17 - 23, 1999

DEPARTMENT OF TREASURY

- **Israel:** On July 19, Secretary Summers met with Prime Minister Barak regarding Israel's economy, urging him to adopt policies similar to those contributing to U.S. economic success. The Prime Minister stated that he would not pursue "tax and spend" policies, but noted he has a fragile coalition with very strong interest groups. He indicated that the Palestinians should develop their economy independent of assistance and stated his goal of reducing the number of Palestinian workers in Israel, which could pose problems for the Palestinian economy if implemented before a stronger investment base and internal job promotion capabilities are realized.
- **Kosovo:** On July 27, Deputy Assistant Secretary Medish will lead a U.S. delegation in an experts-level meeting of the High Level Steering Group for economic assistance to Kosovo and affected states. In addition, on July 28, the World Bank and the European Commission will host the first donors conference in Brussels on meeting the immediate needs of Kosovars, to be followed by a second pledging conference in the Fall. On July 30, you will participate in the Sarajevo Summit, which will focus on international efforts to establish stability and prosperity in the Balkans.

DEPARTMENT OF JUSTICE

- **Mental Health and Crime:** From July 22-23, DOJ convened a symposium on responding to mental disorders in the criminal and juvenile justice systems. The symposium included more than 240 representatives from law enforcement, advocacy groups, businesses, foundations, mental health and substance abuse professionals, consumers, housing and employment specialists, and federal, state, and local officials.

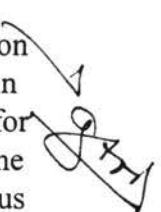
- **Criminal Records Improvement Grants:** By the end of July, BJS is scheduled to announce grants totaling \$35 million for 46 states, American Samoa, and Guam under the National Criminal History Improvement Program (NCHIP). The grants fund the modernization and automation of criminal history records used in the FBI National Instant Criminal Background Check System, National Sex Offender Registry, and registries of domestic violence orders as well as automated fingerprint identification systems, computerized mug shots, and booking systems.
- **Juvenile Accountability Publication:** In late July, the OJJDP is expected to publish *Focus on Accountability: Best Practices for Juvenile Court and Probation*, which describes key elements of effective court and probation programs and provides examples of programs of youth accountability.

DEPARTMENT OF INTERIOR

- **OCS Pipeline Proposal:** Transco Corporation has met several times with MMS about procedures to file for a right-of-way permit for a 450-mile, 30-inch gas pipeline from the Mobile, AL area across the federal OCS to Tampa, FL and is expected to file in late July. FL has taken no official position on the pipeline. MMS is in contact with the ERC to discuss roles in preparing an environmental impact statement on the project.
- **Central Valley Project Improvement Act Water:** BOR and FWS have submitted a decision paper to a federal judge outlining how DOI intends to implement the 800,000 acre-feet of CA Central Valley Project yield for fishery purposes this year. A hearing is scheduled for July 29.
- **TX Pesticide Case:** Friendly Systems Inc. of Irving, TX was found guilty in Aberdeen, SD for selling pesticides used in disinfecting childrens' toothbrushes at the Rosebud Sioux Tribe's Head Start Centers. The company was found guilty on three counts of selling pesticides with claims the products could be used for purposes that differ substantially from those authorized by the EPA. One hundred or more children in the tribe's Head Start programs were exposed to the chemicals and have developed medical problems such as nose bleeds, excessive fatigue, pains in their chests and joints, headaches, tooth decay, and blisters around their mouths from during November 1995 and October 1996.
- **Future Western U.S. Climate:** According to a new USGS study, water availability and quality, agriculture, forestry, power production from dammed rivers, and the storage of toxic materials will all be affected by climate change. The study, "A Strategy for Assessing Potential Future Changes in Climate, Hydrology, and Vegetation in the Western United States," suggests that the increasing atmospheric concentrations of carbon dioxide and other "greenhouse" gases released by human activities will cause

global warming during the next century. These models provide a range of possible climatic changes on national lands and resources and may serve to identify regions and processes that are most vulnerable to these changes.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Invasive Species Council:** On July 22, during his remarks to the first meeting of your Invasive Species Council, Secretary Glickman announced that USDA will no longer allow non-permitted movement of noxious weeds within the U.S. In addition, USDA researchers have developed an attractant effective in trapping the Asian long-horned beetle, infestations of which have caused the high profile destruction of hundreds of trees in sections of Chicago and New York, and led USDA to impose a ban on the use of wood packing materials from China.
- **Soy Products in School Meals:** On July 20, USDA proposed allowing child nutrition program sponsors, including school lunch services, to use more soy-based products in their meals, by eliminating the existing limits on the amount that can be substituted for traditional proteins. While widely supported by school lunch administrators and some agricultural interests, the proposal may eventually develop some controversy, and thus attract more media and congressional attention. 
- **Dairy Exports:** During the week of July 12, USDA facilitated the export of approximately 4,800 tons of dairy products to buyers in Asia, the former Soviet Union, and Latin America.
- **Commodity Markets:** Wheat cash prices fell as the harvest wound down in the Southern Plains, although futures prices were little changed. Significant movement of old-crop corn into cash markets depressed cash prices, but futures edged higher on positive export news. Forecasts for hot and dry weather in major growing areas boosted soybean prices. Rice cash prices held steady as futures plunged in anticipation of a bumper crop. Large domestic and worldwide supplies sent cotton prices tumbling. Cattle prices rose slightly and hog prices moved up, following increases for most major cuts. Sharply higher slaughter forced broiler prices lower. Robust demand and declining production continue to lift cheese prices. Falling butter prices were largely the result of ample inventories on hand.
- **Highway Funding for Rural Areas:** On August 3, USDA will release a report on the effect of highway funding in rural areas indicating that rural areas stand to benefit from new highway funding legislation, especially in the South.

- **Minimum Wage and Food Prices:** On August 2, USDA will release a report on the effect of minimum wage increases on food prices, showing that a \$0.50-increase in the present minimum wage would increase food prices less than one percent for most of the 12 food and kindred products, and lead to a one percent increase at eating and drinking places.
- **Kosovo:** On July 19, USDA signed a new letter of commitment to the World Food Program, by which USDA will provide 40,000 tons of wheat and wheat flour for distribution in Kosovo.
- **Hog Payments:** On July 18, the Vice President announced that beginning August 9, hog farmers can begin applying at USDA field offices for payments under the USDA small hog farmer assistance program that will disburse approximately \$100 million from the FY99 emergency supplemental appropriations bill. This program will bring to \$150 million the amount in direct payments to hog farmers USDA has made this year to help them cope with low prices.

DEPARTMENT OF COMMERCE

- **Textile Concerns During North Carolina Trade Education Tour:** During his July 12 visit to NC, Secretary Daley emphasized that while global trade has put increased pressure on the textile and apparel sectors, regional trade agreements are helping to keep many jobs in those sectors that would otherwise be lost to Asia. Several workers expressed concern that NAFTA was having a negative and disproportionate impact on textile and apparel workers.
- **EU Beef Dispute:** On July 12, WTO arbitrators found the EU's ban on U.S. beef and beef products resulted in \$116.8 million of annual lost U.S. sales in the EU market. Pursuant to the arbitrators' decision, the U.S. will exercise its WTO rights by imposing 100 percent tariffs on a list of EU products announced July 19 with an annual trade value of \$116.8 million.
- **Weather Offices:** On July 15, weather offices in El Paso, Midland, and San Angelo, TX; Lake Charles and Shreveport, LA; and Nashville and Morristown, TN, became forecast offices, which will have longer range and expanded area public/zone forecast responsibility added to their warning responsibility.
- **Patent and Trademark Office:** Senator McCain is expected to offer an amendment to the FY2000 Commerce, Justice, State Appropriations bill that would place cost controls on, and/or require further study of, the Patent and Trademark Office's space consolidation procurement. A comparable McCain amendment to the FY1999 Commerce, Justice, State Appropriations bill failed on a 47-53 vote last July.

- **Census Minority Outreach:** On July 14, Census Bureau Director Prewitt was in Corpus Christi, TX, to participate in the annual conference of the League of United Latin American Citizens and to take part in a town hall meeting hosted by Representative Ortiz. Both events focused on the Census Bureau's nationwide outreach and recruitment efforts for Census 2000 in the Hispanic American community. In addition, the Census Bureau's Race and Ethnic Advisory Committees were given status reports on Census 2000 activities and operations of promotion, paid advertising, and recruitment and hiring efforts. Major issues discussed included confidentiality, tabulation of data on race and ethnicity, and outreach to minority communities.
- **Cuba Export Policy Briefing:** On July 15, DOC's Bureau of Export Administration hosted an interagency briefing for interested exporters and other organizations on your initiatives to expand people-to-people contacts in Cuba. Earlier this year, you authorized the sale of food and agricultural products to private-sector individuals in Cuba. In 1998, the Administration acted to expand medical sales to the island. Representatives from State, Treasury, USDA, DOC, and NSC responded to industry questions and provided details on licensing requirements for such exports.
- **National Minority Enterprise Development (MED) Week '99:** On July 15, the National MED Week '99 Public-Private Sector Committee to continue planning for this year's MED Week Conference. Nominations for the National MED Distinguished Corporate Award (DCA) have been provided to the DCA Subcommittee, which will select the winner on August 4. This award recognizes a corporation's outstanding performance and programs supporting the growth of minority businesses.

DEPARTMENT OF LABOR

- **First American Corporation and AMSouth Bancorp, Rapid Response:** Nearly 1,400 employees of the newly merged First American Corporation and AMSouth Bancorp will lose their jobs as a result of the July 14 announced merger of these two banks. The cuts, which total ten percent of the combined workforce of 14,000, will include 1,000 jobs in First Americans Nashville, TN operations.
- **International Labor:** From July 28-29, Secretary Herman will host the Third APEC Human Resources Development Ministerial (HRD), in Washington, DC, focusing on the theme, HRD Challenges and Opportunities in the New Millennium: Strategies to Address the Social Impacts of the Financial Crisis. Human Resource Ministers from the 21 APEC member economies have been invited to discuss matters related to labor market programs, social safety nets, and workplaces of the 21st century. The Ministerial will produce a plan of action to be presented to the APEC Joint Ministerial Meeting in September.

- **Collective Bargaining Update (Airline Industry):** The Allied Pilots Association, representing 9,000 pilots at American Airlines, is considering a proposal to end the dispute over integration of pilots from Reno Airlines, acquired last December, into the American system. The proposal has been accepted by American management and includes a comprehensive agreement for Reno and to serve as a protocol for future airline mergers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Advisory Committee on Head Start Research and Evaluation:** July 26-27 marks the last of three meetings of the Advisory Committee on Head Start Research and Evaluation in Alexandria, Virginia. The 1998 Head Start Reauthorization called on Secretary Shalala to form an independent panel of experts to offer advice concerning research designs that would provide a national analysis of the impact of Head Start programs to be provided in a report due on September 30.
- **DC Project Approved:** On July 21, the Child Welfare Waiver Demonstration Project was approved and necessary waivers granted for a five-year project period. This will allow DC to test the ability of a public/private partnership, between the Child and Family Services Agency and neighborhood-based community collaboratives, to improve the service delivery for children and reduce barriers to permanency in kinship placement. This is the second child welfare demonstration project waiver approved this year.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **National Urban League MOU:** HUD's NY State Office and the NY City affiliate of the National Urban League have signed an MOU that commits to expand local efforts in housing counseling, homeownership, job training and faith-based community development.

DEPARTMENT OF TRANSPORTATION

- **Kennedy-Bessette Aviation Accident:** On July 17, an aircraft piloted by John F. Kennedy, Jr. was reported overdue on a flight from Caldwell Airport in Fairfield, NJ to Martha's Vineyard, MA. Officials from the White House, DOT, USCG, and the FAA continue to work on investigation efforts in conjunction with the NTSB.
- **FAA is 100 Percent Y2K Compliant:** On July 21, FAA announced that all computer systems, including air traffic control systems, are now fully Y2K compliant. After more than three years, all agency computer systems requiring Y2K repairs have been successfully implemented across the country. This data has been verified by an independent company as well as by DOT's IG.

- **Aviation Agreements Eliminate Need for Tariff Filings:** On July 15, Secretary Slater announced that airlines will save an estimated \$3.2 million annually as a result of an action taken to eliminate international fare filing requirements, which apply to U.S. and foreign carriers. The rule makes final an action proposed by DOT in March 1997.
- **Commercial Motor Vehicle Safety Workshop:** On July 14, Secretary Slater convened the first session of the ONE DOT Commercial Motor Vehicle Safety Workshop with 80 stakeholders representing safety, labor, industry, and government constituencies. This two-day session was devoted to describing the future contours of commercial truck and bus industries. The second session of the workshop, will be devoted to designing strategies aimed at reducing fatalities from large truck and bus crashes by 50 percent within the next ten years.
- **IA Flash Flooding:** Heavy thunderstorms passed over four counties in northcentral IA during the evening hours on July 18, dumping four to nine inches of rain that caused flash flooding along the Cedar and Shell Rock Rivers. Due to the flooding, the I&M Rail Link was derailed and a HAZMAT team responded.
- **NJ Trucking:** On July 13, the NJ Governor announced an "emergency" ban of large trucks on smaller state highways in Trenton, NJ, in response to public pressure focused at removing large trucks from local roads perceived as trying to avoid NJ toll roads. Trucks have been involved in a number of fatal crashes in recent years along the stretch of Route 31 between Pennington and Raritan Township. Though DOT has not received any official paper associated with the Governor's declaration, the intent of the ban appears to include trucks wider than 96 inches and longer than 48 feet.

DEPARTMENT OF ENERGY

- **Western Hemispheric Energy Ministers Conference:** From July 28-30, Secretary Richardson and New Orleans Mayor Morial will jointly sponsor the IV Western Hemispheric Energy Ministers Conference in New Orleans, LA, which will examine the challenges facing Western Hemispheric countries as they prepare their energy sectors to meet 21st century economic and environmental needs. Starting with the Summit of the Americas Conference in Miami, you and 33 democratically elected Heads of State signed the Action Plan that is the basis for these countries' commitments.
- **Brightfields:** On August 4, Secretary Richardson will travel to Chicago, IL to announce the creation of a renewable energy and job creation program with Mayor Daley. DOE, working with the City of Chicago and other Federal agencies, cities, utilities, corporations, schools and environmental groups, helped to develop the "Brightfields" Initiative that will bring renewable energy systems and high-tech solar manufacturing jobs to abandoned or underused industrial and commercial sites.

DEPARTMENT OF EDUCATION

- **Gun-Free Schools:** On July 28, Secretary Riley, along with Senators Feinstein and Dornan, is scheduled to announce the release of the *Implementation of the Gun-Free Schools Act -- School Year 1997-98 Report* which shows a decline in the number of children expelled from school for carrying weapons.
- **Safe and Drug-Free Schools:** On August 12, Secretary Riley will host a Satellite Town Meeting, "Safe Schools, Safe Students: What Parents Can Do." The teleconference will feature practical advice from local educators, community leaders, law enforcement officials, and medical and mental health professionals on what can be done at home and at school to keep students safe.
- **Learning Anytime Anywhere Partnerships Grants:** By late July or early August, DOEd expects to announce the Learning Anytime Anywhere Partnerships (LAAP) grants which 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 some grants totaling more than \$1 million over several years. Only the first year of funding will be obligated from FY99 funds.
- **Reading Excellence Grants:** By early August, DOEd expects to announce \$241 million in FY99 Reading Excellence Program grants, which support research-based reading instruction, professional development for teachers, family literacy, and extended learning activities. The program is designed to help children learn to read well and independently by the end of the third grade.

DEPARTMENT OF VETERANS AFFAIRS

- **Cancer Center:** VA recently dedicated the Northwest Veterans Affairs Cancer Research Center in Portland, OR, which will house joint research projects of the Portland, VA Medical Center, and the Oregon Health Sciences University. The facility will focus on the genetic basis and the biological pathways of cancer, enhancing VA's efforts to find the causes, treatments and cures for various types of cancers.

ENVIRONMENTAL PROTECTION AGENCY

- **Air Quality Index:** EPA will soon announce a new Air Quality Index used by state and local agencies for daily air quality reporting to the general public. The new index will provide improved information on levels of local air pollution and precautions people should take to protect themselves on days when air pollution exceeds health standards.

- **Superfund Redevelopment Pilot Grants:** On July 23, Administrator Browner announced ten new pilot grants of up to \$100,000 to assist communities clean-up Superfund sites. At the Avtex Superfund site in Front Royal, VA, Administrator Browner was joined by Senator Warner, Senator Robb, FMC Corporation CEO Robert Burt, U.S. Soccer Federation Executive Director Dan Flynn, and Front Royal Vice Mayor Tony Carter, to announce a grant of up to \$100,000 for the continued redevelopment of this former synthetic fiber manufacturing facility. Local officials will use these funds to transform the site into commercial and industrial facilities and soccer fields. To date, the redevelopment of Superfund sites has generated approximately 11,000 jobs and supplemented local economies with more than \$225 million in annual income.
- **Blue-Ribbon Panel on the Use of Methyl Tertiary Butyl Ether (MTBE):** On July 26, the MTBE Blue-Ribbon Panel will present its findings and recommendations to the Agency's Clean Air Advisory Committee. The Panel is expected to present the following findings and recommendations: 1) states and EPA should boost programs to address leaking underground storage tanks and other water protection programs; 2) EPA should substantially reduce the use of MTBE, while ensuring fuels maintain current air quality benefits; and 3) Congress should act to clarify federal and state authority to regulate and/or prohibit the use of MTBE.
- **Y2K Readiness Exercises:** From July 25-August 4, EPA will coordinate Y2K testing and contingency plan exercises at drinking and wastewater facilities across the nation. These readiness events will highlight Y2K preparedness of water treatment facilities and ensure public confidence in local water suppliers.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **South America Trip:** On July 25, Director McCaffrey will travel to Bogota, Colombia to begin a week-long trip to the Andean Ridge region of South America. This trip will underscore the importance of strengthening source country interdiction strategy, emphasize the importance of implementing coherent national and regional drug control strategies, and encourage international counterdrug cooperation. The Director will also demonstrate the U.S. commitment to the newly established forward operating locations by touring new bases and assessing the counterdrug operational facilities and host nation commitment.

SMALL BUSINESS ADMINISTRATION

- **"Big Three":** SBA is preparing to announce the first year accomplishments under the historic agreement with the "Big Three" Automakers. During 1998, GM, Ford and Daimler-Chrysler purchased \$193.2 million in goods and services from 22 firms in the

8(a) program and \$12 million from publicly-traded Small Disadvantaged Businesses (SDB) with nine SDB suppliers sponsored for training.

- **New Markets:** SBA is planning to officially roll-out the HUBZone Program in mid-August with 200 individual events to be held nationwide. SBA will distribute the new HUBZone video and other materials to help educate the general public, businesses, contractors and media on your New Markets initiatives. OMB has cleared SBA's New Markets legislation and information will be distributed to House and Senate supporters.

OFFICE OF PERSONNEL MANAGEMENT

- **DC Federal Summer Jobs Initiative:** OPM is pleased to report that Federal agencies have met 99 percent of the hiring commitment for the DC Federal Summer Jobs Initiative; 740 hires out of 746 commitments have been fulfilled. OPM is confident the Administration's full commitment will be met in the next few weeks.

GENERAL SERVICES ADMINISTRATION

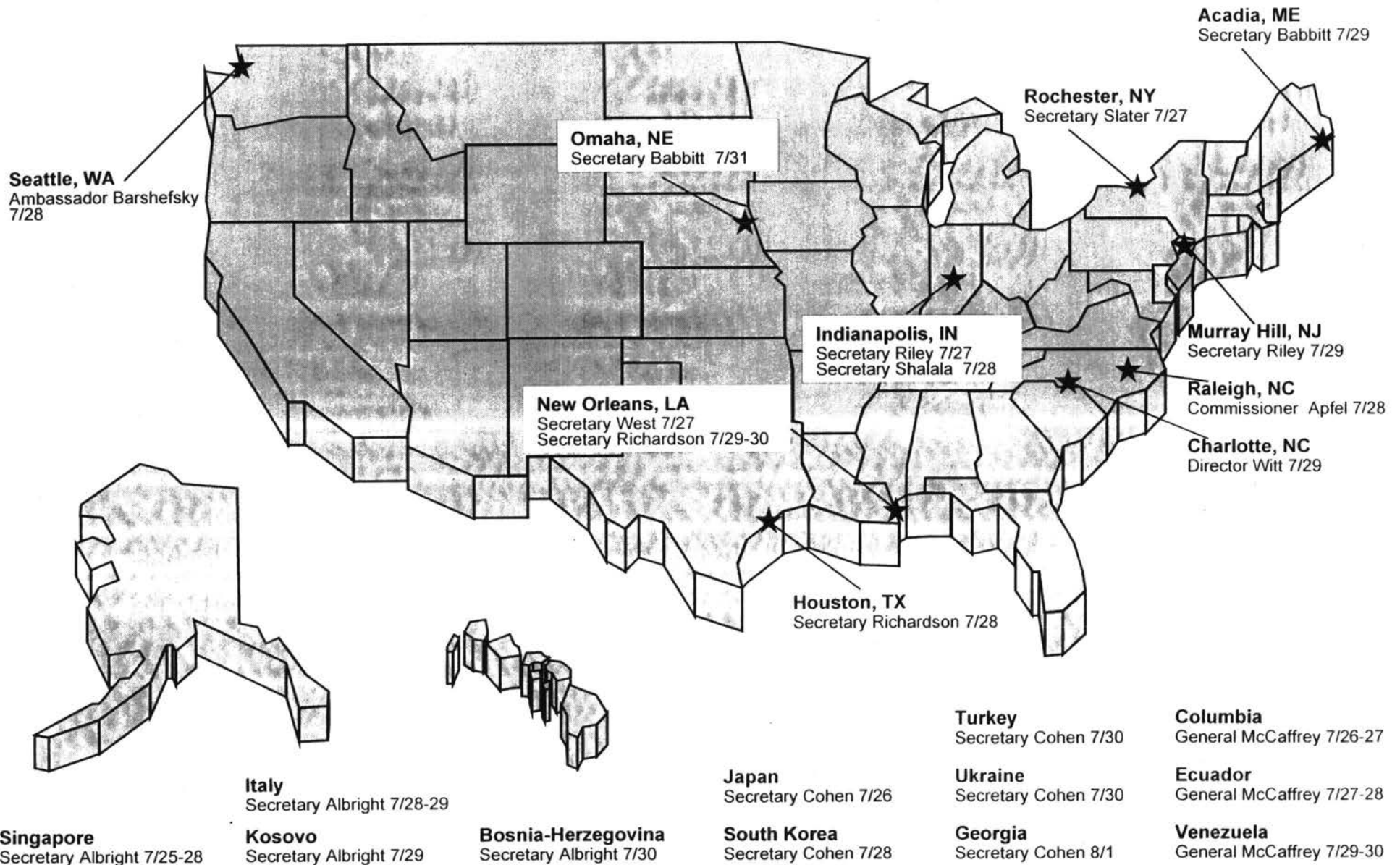
- **Contracts to Women-Owned Business:** On July 14, GSA's Office of Enterprise Development hosted a Women's Business Roundtable in Washington, DC to obtain input on strategies to achieve the five percent government-wide goal for women-owned businesses and to promote the GSA Federal Supply Service Schedules Program as a viable contract vehicle for women business owners.

SOCIAL SECURITY ADMINISTRATION

- **Conference on Strategies to Increase Employment of Women with Disabilities:** From August 5-7, SSA and DOEd will co-chair a conference entitled "Strategies to Increase Employment of Women with Disabilities" in San Antonio, TX, with HHS, USDA, DOD, and your Committee on Employment of People with Disabilities. The conference aim is to enhance employment outcomes for disabled women, especially minority and rural area women, by disseminating information and building skills.

Domestic Cabinet Travel

Monday, July 26 - Sunday, August 1, 1999



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

THE WHITE HOUSE
WASHINGTON

7-29-99

Copied
Johnson
Podesta
page 1:
Ruff

July 23, 1999

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

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

ACTIONS

Gun Control Laws: Mayor Dennis Archer wrote to say he fully supports your efforts to eliminate gun violence in the country, but voiced opposition to the House and Senate Juvenile Justice bills because, in his words, they "do not allow for separation of juveniles and adults in prison facilities and gives prosecutors broad new authority to try juveniles as adults without hearings to determine if it is appropriate." He is concerned that the bills are too harsh and will serve as a pipeline for "railroading youth of color into the adult criminal justice system". I shared his letter with Bruce Reed and Chuck Ruff.

*Copied
What's wrong
Ruff?*

Lawyers for One America: The response to your Call to Action has been both tremendous and positive. The participants were energized and a great amount of enthusiasm was generated by the event coverage. There were articles in the Boston Globe, USA Today, NY Newsday and the Atlanta Constitution as well as wire stories in the AP and UPI.

More importantly, the legal specialty media covered your Call to Action and plan to write about the mission of the "Lawyers for One America", so that all the members of the profession will be informed about your Call. The Legal Times, is also working on a longer feature piece on the implementation plan. The coalition's website, lawyersforoneamerica.org, will soon be operational with links to organizational sites such as the Association of American Law Schools.

Community Diversity: We hosted a meeting with a group of Human Relations, Human Rights, Community Relations and Civil Rights Commissioners from throughout the US, to discuss the challenges to building One America and how our office can better work with local governments. The group advocated a number of issues, including the need for federal funding of local efforts. They expressed awareness that it is no longer a "black and white" issue and they suggested we host a White House conference on race. The commissioners said they feel alone in battling these issues at the local level and strongly urged a "national marketing campaign on diversity" that they could "wrap their arms around".

Weekly Reader and Scholastic Magazines: Your message to students has been completed and dispatched to the Weekly Reader to be included in their fall back-to-school issue, reaching upwards of 8 million children. We are also working with Presidential Letters, on a message for the fall issue of Scholastic classroom magazines on tolerance and diversity that would reach 10 million teen readers.

CONSTITUENT OUTREACH

Congressional Black Caucus Administrative Assistants: We met with CBC Administrative Assistants to outline the work of the One America Office. We gave an overview of what the federal government is doing to close the opportunity gaps between the races. Additionally, we enlisted their support and asked that they mobilize constituents in the battle to eliminate disparities in health and economics. We distributed the Promising Practices booklet to those in attendance.

CABINET RACE INITIATIVE WEEKLY

Department of Commerce

Minority Business Executive Program: On July 21, Minority Business Development Agency Director Courtland Cox led a workshop entitled, "International Business: Growth Opportunities for Minority Business Executives", at the Amos Tuck School's Minority Business Executive Program (MBEP) at the Dartmouth campus in Hanover, NH. MBDA's Deputy Director, Ruth A. Sandoval and Kwame Brown, Senior Advisor to the Director, are attending the weeklong MBEP.

Minority Capital Access: Minority Business Development Agency (MBDA) Director Courtland Cox convened a meeting of the Capital Access Subcommittee of the Minority Business Coordinating Council (MBCC). Participants included representatives from the National Minority Supplier Development Council; Latin American Management Association; Harlem Congregation for Community Improvement; MBDA New York Regional Office, and several other organizations.

Census Minority Outreach: On July 14, Census Bureau Director Prewitt was in Corpus Christi, TX, to participate in the annual conference of the League of United Latin American Citizens. While in Texas, the Director also took part in a town hall meeting hosted by Representative Ortiz. At both events, Dr. Prewitt focused on the Census Bureau's nationwide outreach and recruitment efforts for Census 2000 in the Hispanic American community.

Also during the week of July 12, Dr. Prewitt and other Census Bureau staff participated in a series of meetings with the Census Bureau's Race and Ethnic Advisory Committees. These Committees include representatives of the African American, Native American, Hispanic American, and Asian and Pacific Islander populations. The Committees were given status reports on Census 2000 activities and operations,

including Bureau efforts on partnerships, promotion, paid advertising, and recruitment and hiring. Major issues discussed included confidentiality, tabulation of data on race and ethnicity, and Census Bureau outreach to minority communities.

Technology Transfer: On July 12, the National Institute for Standards and Technology hosted a planning meeting entitled "Technology Transfer at Historically Black Colleges and Universities (HBCU)". The Bayh-Dole Act, which allows universities to take title to their inventions derived from federally funded research, has enabled scores of "majority" colleges and universities to help local economic development while earning royalty income to support their schools of engineering and science. This meeting was the beginning of an effort to empower HBCUs to use this technology transfer authority to benefit their institutions and communities.

National Minority Enterprise Development (MED) Week '99: The National MED Week '99 Public-Private Sector Committee met July 15 to continue planning for the 1999 MED Week Conference. During the meeting, speakers, moderators and presenters were identified for the various summits, workshops and symposia. Nominations for the National MED Week '99 Distinguished Corporate Award (DCA) have been provided to the DCA Subcommittee for review. The Subcommittee will meet on August 4 to select the winner.

This award recognizes a corporation's outstanding performance and programs supporting the growth of minority businesses. Nominations were also received from MBDA's five Regional Offices to begin the selection process on the National Minority Entrepreneurs of the Year in various categories.

Department of Education

High School Dialogues: On July 21, Special Assistant for Equity, Brenda Wolff, joined the Secretary's Regional Representatives (SRRs) in a conference call to discuss sponsoring high school dialogues across the country modeled after the Campus Week of Dialogue for Colleges/Universities. The goal of the dialogues is to promote honest and respectful communication among people of all races about issues of race in the daily lives of students. By beginning the dialogue with pre-college students, DOEd hopes to foster better race relations among college students and young people entering the workforce. DOEd tentatively plans the high school dialogues for the last week of October as a culmination of this year's America Goes Back to School activities.

Department of Health and Human Services

Equal Opportunity Training Conference: On July 23, Thomas Perez, Director of the Office for Civil Rights, will be a workshop presenter at the 10th Annual National Equal Opportunity Training Conference in Arlington, Virginia. This is a partnership conference between the U.S. Department of Labor and the Interstate Conference of Employment Security Agencies. The workshop will address issues of nondiscrimination and equal opportunity under the Temporary Assistance to Needy Families (TANF) program.

Department of Interior

OSM Reviews Zuni Petition: The Governor of the Pueblo of Zuni has petitioned OSM to initiate proceedings to revoke NM's authority to regulate coal-mining operations. The Zuni are alleging that they were not provided due process by the NM Mining and Minerals Department in their administrative appeal of the Fence Lake Coal Mine permit. In response to the petition, OSM will conduct an investigation of the allegations; the investigation is expected to be completed within 60 days.

Corporation Guilty in Pesticide Case: Friendly Systems Inc. of Irving, TX was found guilty in Aberdeen, SD for selling pesticides for use in disinfecting children's toothbrushes at the Rosebud Sioux Tribe's Head Start Centers. The company was found guilty on three counts of selling pesticides with the claims the products could be used for purposes that differ substantially from those authorized by the EPA. One hundred or more children in the tribe's Head Start programs were exposed to the chemicals and have developed medical problems such as nose bleeds, excessive fatigue, pains in their chests and joints, headaches, tooth decay, and blisters around their mouths. Sales to the Rosebud Sioux Tribe's Head Start program occurred in November 1995 and October 1996.

Department of Justice

Hate Crimes: We anticipate that Senator Kennedy, or Senator Wyden in his absence, will offer the language of S. 821, the Hate Crimes Prevention Act of 1999, with a First Amendment modification to the Commerce, Justice, State Appropriations measure when it is brought up in the Senate. We participated in a meeting with White House staff, staff for Senators Kennedy and Wyden, and affected groups on July 16.

Bill Lann Lee Nomination: On July 21, the National Council of Asian Pacific Americans and the Congressional Asian Pacific Caucus, held a rally to ask the Senate to confirm Bill Lann Lee as Assistant Attorney General for Civil Rights. The Chairs and members of the CBC, CHC and other members such as Rep. Pelosi and Rep. Fillner joined the press conference and rally.

CIRCLE Project: On July 20-21 in Denver, CO, the Department participated in a pre-application workshop for the Comprehensive Indian Resources for Community and Law Enforcement (CIRCLE) project. The CIRCLE project is the Department's comprehensive planning initiative with the Oglala Sioux Nation (SD), Northern Cheyenne Tribe (MT), and the Pueblo of Zuni (NM).

THE WHITE HOUSE
WASHINGTON

7-29-99

July 23, 1999

copied
Ballentine
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press and Industry.

- In an event attended by Senators Murkowski and Hagel and Representative Dingell, the Business Roundtable on Wednesday released a report calling for the accelerated development and deployment of energy efficient technologies to meet the challenge of climate change. While the event was intended to argue for an alternative to the Kyoto Protocol, a *Wall Street Journal* article on the release quoted our statement calling the report a "positive step" and pointing out that BRT's suggestions largely mirror many aspects of your climate budget package.
- On Friday, EPA announced that it has signed a three year contract for "green power" at its Richmond, California lab, making it the first federal facility to be powered entirely by renewable energy.

Legislative.

- After House Appropriations Committee action this week we are still about \$40M below your request for renewable energy programs and \$93M below your request for the Global Environment Facility. Representatives Salmon (R-NM) and Udall (D-NM) are planning on offering an amendment to restore the renewable portfolio to the FY99 level. With Secretary Richardson's help, we are seeking acceptable offsets to allow us to support that effort.

7-29-99

- Representative Knollenberg's (R-MI) rider prohibiting funds from being used to implement the Kyoto Protocol prior to Senate ratification was adopted by voice vote at the Full Committee mark up of the Foreign Operations bill. Currently the rider is on four House appropriations bills: Foreign Operations, Energy and Water, Agriculture and Interior. We expect it to be on the VA-HUD and perhaps the Commerce, Justice & State bills as well. We are working with DOJ to determine the Constitutional and statutory construction issues raised by the application of this rider to USAID and the Department of State.
 - We were successful in getting the wind and biomass renewable energy tax credit into the tax package reported out by the Finance Committee. The credit was offered as an amendment by Senator Grassley. All Democrats on the Committee except Senator Moynihan voted for the amendment.
- 

Lands Legacy

Chairman Murkowski intends to mark up S. 25, the legislation he and Senator Landrieu have introduced to dedicate permanently offshore oil royalties to coastal states and for some environmental purposes. In its current form, this bill is entirely unacceptable, particularly as it places significant new restrictions on federal land acquisition. John Podesta, George Frampton and I met this week with Senator Bingaman, the Ranking Member on the Senate Energy Committee, who is similarly opposed to the bill in its current form. He will offer a substitute consistent with our Lands Legacy principles. That amendment will likely fail, as Republicans and several Democrats, led by Senator Landrieu, will vote no.

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

7-29-99

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

TO: The President ✓

FROM: Capricia Penavic Marshall
Social Secretary

RE: Millennium Coin

DATE: July 13, 1999

*CPM I like it & doing
the one that buying
the last one is good
R*

99 JUL 14 - 11:01

*copied
Marshall
Podesta*

Mr. President,

I have attached some background information on the millennium coin that was done at the turn of the century, 1900. As you know, I think the millennium coin is good idea and a wonderful keepsake from the festivities of the millennium. Please let me know if we can proceed.

Thank you.

CPM:sld

*Also attached
is the one
you approved
for Inaugural -
(The Addition
Capricia showed
you did not
appear to be the
official one -
N18*

PLATE 29.



MEDAL OF THE NATIONAL CAPITAL CENTENNIAL, 1900.

PLATE 29.



MEDAL OF THE NATIONAL CAPITAL CENTENNIAL, 1900.

1800

1900

CELEBRATION

OF THE

ONE HUNDREDTH ANNIVERSARY

OF THE

ESTABLISHMENT OF THE SEAT OF GOVERNMENT IN THE
DISTRICT OF COLUMBIA.

COMPILED BY

WILLIAM V. COX.

UNDER THE DIRECTION OF THE JOINT COMMITTEE ON PRINTING.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.

1901.

Library
Office of the Curator
White House

SOUVENIR MEDAL AND BADGE.

A handsome medal was struck in honor of the National Centennial Celebration. It was designed by the committee on medals and badges, Mr. William P. Van Wickle, chairman, and through the courtesy of Hon. George E. Roberts, Director of the Mint, the dies were cut at the United States mint in Philadelphia, under the personal supervision of the chief engraver, Mr. Charles E. Barber. The medal is $1\frac{3}{4}$ inches in diameter, and is of a rich, dark bronze, containing metal from the old Capitol and White House of 1800. It is mounted with a swivel and with a ribbon of the national colors, and is provided with an invisible pin for attachment. On the "obverse" is shown a profile bust protrait of President McKinley in subrelief, overlaid by a bust profile of John Adams in bold relief, with the following lettering encircling the heads: "John Adams, 1800"—"William McKinley, 1900."

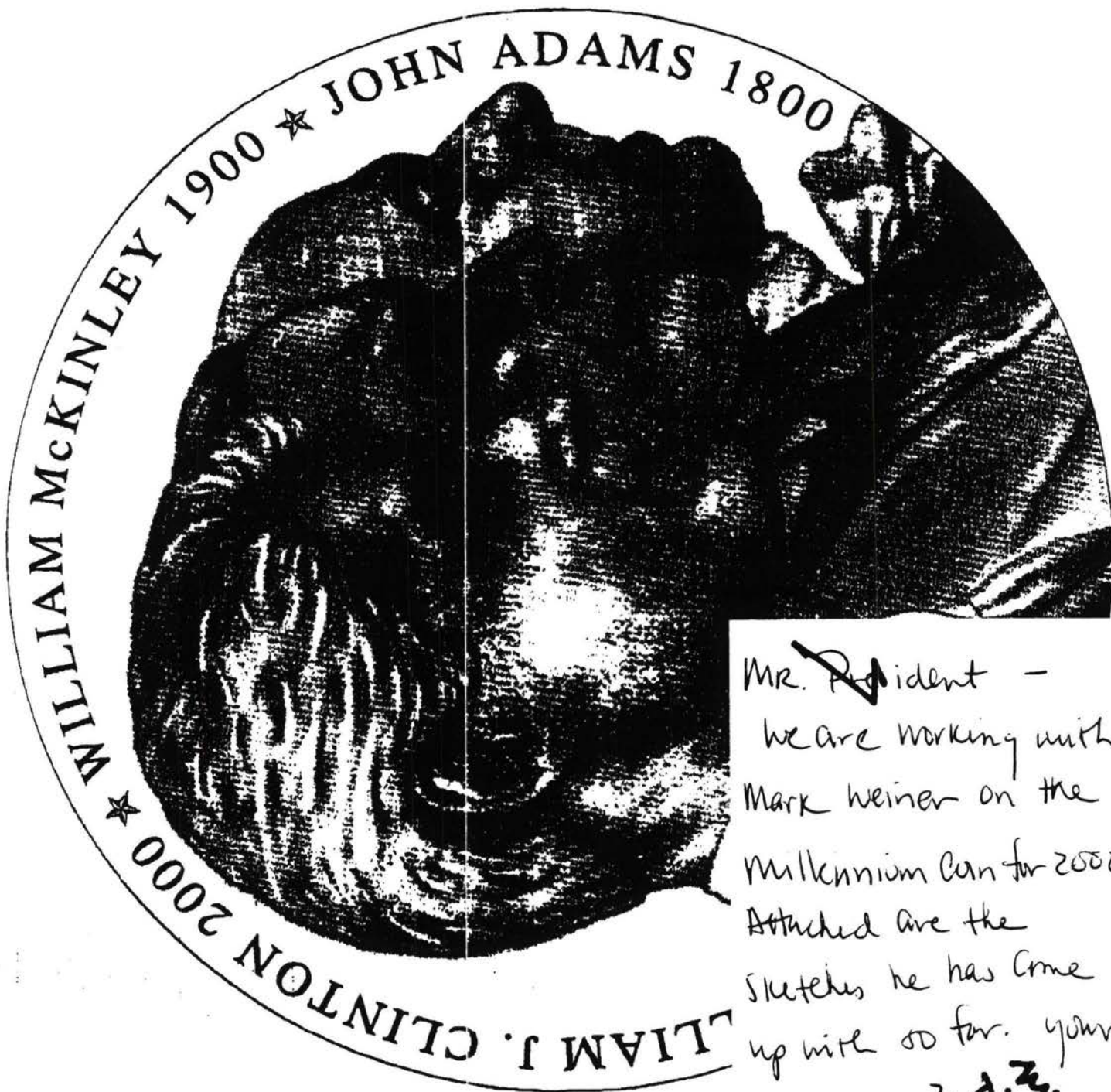
On the "reverse" is a panel across the center, inscribed with the following words: "Commemorative of establishment of the Capital in the District of Columbia." Above the panel is a representation of the United States Capitol building as it stands at the present time, bearing the superscription "United States Capitol, 1900." Below the panel is a representation of the United States Capitol building as it appeared one hundred years ago, with the following words subscribed: "United States Capitol, 1800."

In addition, two gold medals, 24 carat, were struck from the dies of the bronze medal, for presentation to President McKinley and to the president of the Board of Commissioners of the District of Columbia, Hon. Henry B. F. Macfarland, chairman of the citizens' committee. Ten silver medals were presented to the Governors of Maryland and Virginia, and local universities and libraries.

Bronze copies of the commemorative medal, in neat cases, were presented to the official participants and to the specially invited guests.

A simple style of badge was also devised, consisting of a button, on which is depicted the bust of George Washington, with the words, "National Capital Centennial, 1900." From the badge three ribbons of the national colors extended downward, the title of the committee being stamped in gold upon the center one.

6-25-99



Mr. ~~President~~ -
We are working with
Mark Weiner on the
Millennium Can for 2000.
Attached are the
sketches he has come
up with so far. your
thoughts

Two -
Dinner w/
me -
RS

6-25-99

06/21/99 MON 16:52 FAX 202 456 6235
06-17-1999 12:41PM KI/RUM

SOCIAL OFFICE

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EXEC. SEC.
U.S. MINT DIR.
ENGRAVING DIV. US MINT

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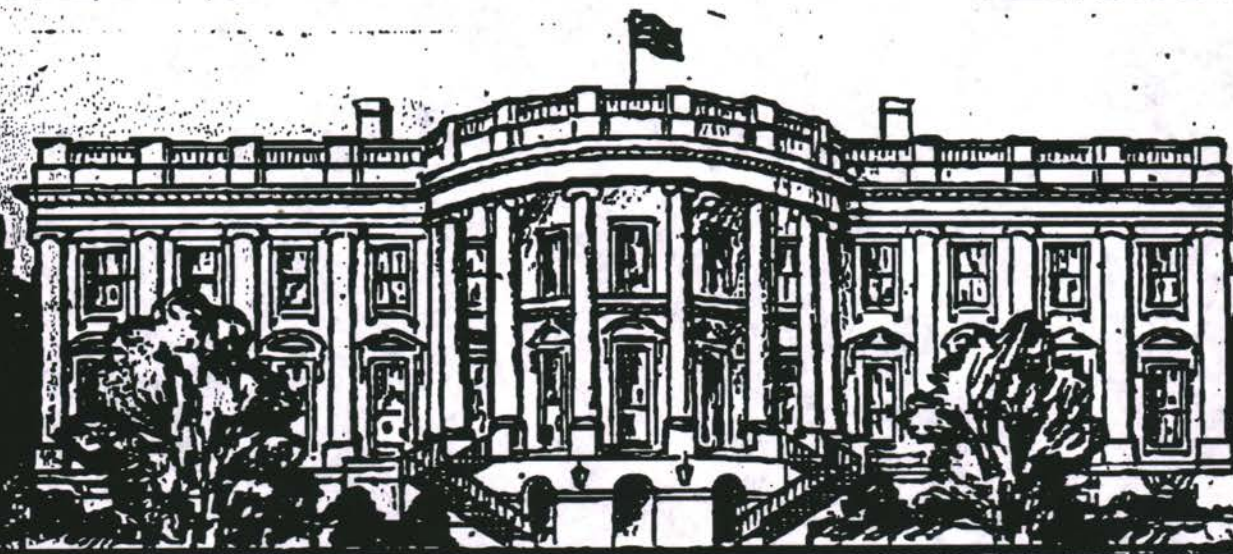


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EXEC. SEC.
U.S. MINT DIR.
ENGRAVING DIV US MINT

003
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003

"FOR NO MATTER
WHAT OUR DIFFERENCES,
WE MUST ALL BE
REPAIRERS OF THE BREACH."



SECOND INAUGURATION
JANUARY 20, 1997



July 28, 1999

President Clinton
The White House
1600 Penn. Ave. NW
Washington, DC 20036

Dear Mr. President,

Thanks for taking time to come to the dinner last week. It was a memorable evening for all of us, and undoubtedly, a first – no previous president has ever enjoyed combread and ribs while discussing how to solve the world's problems with a group of African American journalists, and a former journalist.

I do have an additional recommendation for the race initiative. I believe much is accomplished for blacks and whites when political and civic leaders talk frankly about race. I was in the audience for your speech a few months ago at the Leadership Conference on Civil Rights dinner. One of my guests was a young Black lawyer. After you spoke, she turned to me, and said, "He gets it." She was so thrilled that a white politician, the president, in fact, understood the obstacles she faces as a black woman. It was similar to the reaction in the 1992 campaign when you slipped into St. Louis late on a Saturday night, and gave a speech to the National Bar Association. People there were in tears, saying it was the most frank discussion of race by a white politician since they had heard Bobby Kennedy.

My biggest fear is that after you leave office, no one will talk about race any more. To be successful, I think your race initiative must encourage the presidents who follow you to engage the nation in a dialogue about race. I also think it would be just as important to encourage other politicians - senators, governors, mayors, etc. - to talk to their constituents about race. Only through dialogue can blacks and whites put their fears and stereotypes behind them. Perhaps one way to accomplish this is to find ways that the dialogue you started has impacted real people's lives. This could be accomplished by interviewing people who attended or participated in your town hall meetings. The race report could document how their lives were changed by the dialogue. That might be enough evidence to convince other politicians that talking about race can make a difference and is a worthwhile thing to do.

As I mentioned the other night, the African American population has many needs – better education, better job training and better housing. But what is the benefit of having a good job and home if any of us can be a Ricky Byrdsong – shot down and killed merely because of his skin color? For our society to progress, we must make strides not only on economic issues, but also on our attitudes towards each other.

Enjoy the Vanessa Rubin albums; she's the hottest new jazz singer.

All the best,

Michael K. Frisby

PS: My next guess is "George W. Bush" as the caller back in 1991.



THE PRESIDENT HAS SEEN
7-29-99

Porter Novelli

1120 Connecticut Avenue NW
Washington DC 20036-3902
Tel: 202 973 5800
Fax: 202 973 5858
E-mail: thinklink@porternovelli.com

copied
Echaveste
Johnson
Lockhard
Podesta
Berkhardt (for reply)

argued
in Council
that Clinton
should have
done

Michael K. Frisby
Porter Novelli

1120 Connecticut Avenue NW
Washington DC 20036-3902



President Clinton
The White House

Bill,

7-16-99

Pat Riley

DOUG
[Signature]
Haley
07-11-99

They say a journey
of a thousand miles
starts under your
own two feet. From
1992 thru the year
2000 our country has
been led sprinting

Send to

Burkhardt?

yes ☒

no ☐

-KS

to the highest possible
level any man could
want. In America "It
simply is all Good"
and you are the men
who led us there. In
my job it's about the
surviving of war, injury
and misery. There's
no in between. A
man's greatest fear is
the fear of extinction
but what he should
fear more than that
is to become extinct
with insignificance.
To know that his life
matters. Yours has.
Sincerely
Bob

Mr. President



Joe
L

7-29-99

Sauls
Thurgood
PL

✓
copied
Berg
Podesta

William S. Cohen

Preparing for a Grave New World

In recent months, the eyes of the world have rightly focused on the threat to American interest and values in the Balkans. At the same time, we cannot afford a national case of farsightedness that precludes us from focusing on threats closer to home, such as the potential danger of a chemical or biological attack on U.S. soil.

The United States now faces something of a superpower paradox. Our supremacy in the conventional arena is prompting adversaries to seek unconventional, asymmetric means to strike our Achilles' heel. At least 25 countries, including Iraq and North Korea, now have—or are in the process of acquiring and developing—weapons of mass destruction. Of particular concern is the possible persistence in some foreign military arsenals of smallpox, the horrific infectious virus that decimated entire nations down the ages and against which the global population is currently defenseless.

Also looming is the chance that these terror weapons will find their way into the hands of individuals and independent groups—fanatical terrorists and religious zealots beyond our borders, brooding loners and self-proclaimed apocalyptic prophets at home.

This is not hyperbole. It is reality. Indeed, past may be prologue. In 1995 the Japanese cult Aum Shinrikyo used sarin gas in its attack on the Tokyo subway and also planned to unleash anthrax against U.S. forces in Japan. Those behind the 1993 World Trade Center bombing were also gathering the ingredients for a chemical weapon that could have killed thousands. In the past year, dozens of threats to use chemical or biological weapons in the

United States have turned out to be hoaxes. Someday, one will be real.

What would that day look like? A biological agent would sink into the respiratory and nervous systems of the afflicted. The speed and scope of modern air travel could carry this

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highly contagious virus across hemispheres in hours. Indeed, the invisible contagion would be neither geographically nor numerically limited, infecting unsuspecting thousands—with many, in turn, communicating the virus to whomever they touch.

The march of the contagion could accelerate astoundingly, with doctors offering little relief. Hospitals would become warehouses for the dead and the dying. A plague more monstrous than anything we have experienced could spread with all the irrevocability of ink on tissue paper. Ancient scourges would quickly become modern nightmares.

Welcome to the grave New World of terrorism—a world in which traditional notions of deterrence and counter-response no

longer apply. Perpetrators may leave no postmark or return address—no tell-tale signs of a missile launch, no residue of TNT that can be traced to a construction site, no rental truck receipts leading to the foolhardy suspects. In fact, their place of business may be a number of countries that are conducting bioengineering under the guise of pharmaceutical research. Penicillin for the poor, or ebola for the enemy? Who is to say, and with what deterrent is America left?

Preparation is itself a deterrent. By minimizing the death and destruction would-be terrorists hope to spawn, we reduce the likelihood they will even try. Yet a chemical or biological strike on American soil could quickly surpass any community's ability to cope.

As part of a federal interagency effort launched last year by President Clinton and led by the National Security Council, the Defense Department is doing its part to prepare the nation for the catastrophic consequences of an attack that unleashes these horrific weapons. Because it has long prepared to face this grim possibility on the battlefield, the military has unique capabilities to offer in the domestic arena as well.

Several core principles are guiding our efforts. First, any military assistance in the wake of a domestic attack must be in support of the appropriate federal civilian authority—either the Department of Justice or the Federal Emergency Management Agency. Second, an unequivocal and unambiguous chain of responsibility, authority and accountability for that support must exist.

Third, military assistance should not come

at the expense of our primary mission—fighting and winning our nation's wars. A special Task Force for Civil Support is being created to ensure that we have the military assets necessary to help respond domestically while still meeting our foremost mission.

Fourth, our military response efforts will be grounded primarily in the National Guard and Reserve. In contrast to their more familiar role of reinforcing active-duty forces overseas, our guard and reserve are the forward-deployed forces here at home. Special National Guard teams are being positioned around the nation to advise and assist communities upon request.

Finally, we must not and trample on American lives and liberties in the name of preserving them. Fears about the military's role in domestic affairs are unfounded, as evidenced by a long history of reasonable and successful military support to communities ravaged by natural disasters, such as fire and flood.

As in the past, any military support will be precisely that—support. Both legal and practical considerations demand it. The Posse Comitatus Act and the Defense Department's implementing policies are clear—the military is not to conduct domestic law enforcement without explicit statutory authority, and we strongly believe no changes should be made to Posse Comitatus.

Also clear is that the military's unique assets are most valuable when used to supplement—not supplant—continuing federal, state or local efforts. This is one of the reasons we are helping to train the local emergency "first responders" in 120 cities under a program

mandated by Congress and now being transferred to the Justice Department.

But merely managing the consequences of an attack is not sufficient. We must be vigilant in seeking to interdict and defeat the efforts of those who seek to inflict mass destruction on us. This will require greater international cooperation, intelligence collection abroad and information gathering by law enforcement agencies at home. Information is clearly power, and greater access to information will require the American people and their elected officials to find the proper balance between privacy and protection.

There need be no fear or foreboding by the American people of the preparations of their government. On the contrary, the greater threat to our civil liberties stems from the chaos and carnage that might result from an attack for which we had failed to prepare and the demands for action that would follow.

Mere months before the attack on Pearl Harbor shocked America out of its slumber, Walter Lippmann wrote, "Millions will listen to, and prefer to believe, those who tell them that they need not rouse themselves, and that all will be well if only they continue to do all the pleasant and profitable and comfortable things they would like to do best."

The race is on between our preparations and those of our adversaries. We are preparing for the possibility of a chemical or biological attack on American soil because we must. There is not a moment to lose.

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