FOIA Number: 2016-0970-F

# FOIA MARKER

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**Subseries:**

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**Folder Title:**
Tuesday, August 10, 1999

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# Withdrawal/Redaction Marker
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| 001. letter | [Personally Identifiable Information] [partial] (1 page) | 07/20/1999 | b(6) |

**COLLECTION:**
Clinton Presidential Records
Staff Secretary
Sean Maloney (Chron File (Aug 99))
OA/Box Number: 14866

**FOLDER TITLE:**
Tuesday, August 10, 1999

2016-0970-F
rs3002

**RESTRICTION CODES**

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

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

**C. Closed in accordance with restrictions contained in donor's deed of gift.**
**PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).**
**RR. Document will be reviewed upon request.**

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

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

Stop See



**KATHYKEMP@aol.com**
08/09/99 03:42:14 PM

Record Type: Record

To: Mary Morrison/WHO/EOP

cc:
Subject: Letter for Pres. Clinton

---

Dear Mary,

Please give this letter to Pres. Clinton for me and let me know when he receives it.

Thanx!

8·10 99

Kathy

Send to Bernkhardt?
Yes ✓
No

8/9/99

TO: PRES. BILL CLINTON

FROM: KATHY KEMP, PRESIDENT,
ASSIMILATE, INC.
3665 W. 48
CLEVELAND, OHIO 44102
PHONE & FAX: 216-961-3060
E-MAIL: KATHYKEMP@AOL.COM

RE: Endorsement for My Memoirs

Dear Bill,

HI! You and Mrs. Clinton must feel "damned if you do and damned if you don't!" GHEESH! I've often thought that, if you had "confessed" about your relationship with Ms. Lewinski, you would have been impeached anyway. Mrs. Clinton chose to discuss your marriage upfront and she's being condemned! I still say that everyone has a right to privacy.

I know what it's like to be in a "glass house." Due to my disability, people think they "know" what's "best" for me. Recently, I almost died from a bleeding ulcer and spent two days in ICU. Medical professionals questioned my independence, saying that I shouldn't live by myself. I've "only" lived alone (I own two dogs and five cats)--for twenty years!

You have visited the Cleveland Clinic Foundation, a private hospital. An

ambulance drove me to the MetroHealth Center, a government-supported hospital. My care was great! (I had a double diskectomy there two months before I attended your Second Inauguration.) One of my nurses in ICU suggested that I encourage you to visit Metro. It's a great facility that needs more money.

When you visit Cleveland, I hope that I will be invited as your guest. Now that Andrew Friendly no longer works at the White House, I do not have a contact who can set up visits. Please send me a name to contact! Andrew and I keep in touch with one another.

Will you consider endorsing my memoirs? Because I almost died, I am obsessed with writing them. I will not finish writing my book until you are out of office so there should not be a conflict. However, I wish to use your name as a possible endorsee in my synopsis/book proposal (and, possibly, in my query letter). If I may, agents or editors will be more likely to take me on as a client. I will, of course, send all my material with your name in it, including the final manuscript, to you for your approval. You will then have a chance to decide whether you like my book enough to endorse it. I have included my query letter with this letter.

I'd like to use the photos of you and me in my memoirs. I will write to the media office at The White House. Will you encourage them to allow me to use them? If I can't, may I arrange to have a photo taken with you specifically for my book?

Bill, I hope that my friendship with you will grow when your term is over. I wish to correspond with you more often.

With Friendship,

Kathy

Kathy Kemp
3665 W. 48
Cleveland, Ohio 44102
Phone & Fax: (216)961-3060
E-mail--kathykemp@aol.com

August 9, 1999

President Bill Clinton
The White House
Washington, D.C.

Dear President Clinton :

I am a woman whose "birth-day" gift was a severe physical disability--cerebral palsy. Despite this, I have two master's degrees, own my own business and home, was awarded a government grant, share a

nineteen-year relationship with my lover, travel by myself, and have had more adventures than most people.

My memoirs describe how I sensitize people (whether they want me to or not) to disability. It illustrates my experiences with sexuality, education, the medical profession, and politics. I live my life in spite of my disability. The book defines my visions of equality.

The book, through vignettes, describes how I "crashed" into the White House, explains why I have become actively involved in politics, and portrays my adventures as a special guest at the Bill Clinton's Second Inauguration. My memoirs also describe my metamorphous from a shy, compliant child into an assertive college student, my painful first sexual experience, a close friendship with a gay man, and my constant battle with "do-gooders who know what's best for me."

Broken three-wheel scooters, three lost battery chargers in one business trip, and a friendship with the President are routine for this "bitch on wheels." The book I am proposing is written to inspire both nondisabled and disabled people to look at a disability as a challenge rather than an obstacle. While Christy Brown's autobiography and Oscar-wining film explores life for a man with cerebral palsy in 1930's Ireland, my memoir details how my perseverance has created an achievement-oriented woman who rarely accepts "no" for an answer.

May I send detailed material to you?

Sincerely,

Kathy Kemp

# Bethlehem Steel Corporation

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER

DIRECT DIAL: (610) 694-6137
FACSIMILE: (610) 694-3666
E-MAIL: barnette@bethsteel.com

August 9, 1999

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Clinton:

Thank you very much for meeting with us to discuss your Steel Action Program. The severe crisis continues in the American Steel industry caused by unprecedented levels of injurious and unfairly traded steel imports. We are encouraged by the possible actions outlined in the Program, which if effectively implemented, along with Congressional and industry actions, should help to restore fair trade in steel.

I have written separately to Mr. Podesta expressing our appreciation to him and others in your Administration who have directed their time and attention to steel and a copy of my letter to him is enclosed. We will continue to work directly with him and others in your Administration, and hope that we will be advised if we can be of support or assistance.

We recognize and very much appreciate your leadership and continuing interest in our concern for our industry.

Best personal regards.

8-10-99

Send to Burkhard?
Yes ✓
No

cc: The Honorable John P

Put in System
Yes
No

# Bethlehem Steel Corporation

1170 EIGHTH AVENUE
BETHLEHEM, PA 18016-7699

CURTIS H. BARNETTE
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER

DIRECT DIAL: (610) 694-6137
FACSIMILE: (610) 694-3686
E-MAIL: barnette@bethsteel.com


August 9, 1999

The Honorable John Podesta
Chief of Staff to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear John:

Thank you, and the other Cabinet Officers and members of their Staffs, for meeting with us to discuss the Steel Action Program. We were particularly pleased and honored that President Clinton joined the meeting. We especially appreciated the recognition that the crisis continues in the steel industry and that prompt and comprehensive actions are required. We believe we have two common objectives (1) to restore fair trade in steel and (2) to have fair trade in steel continue in the future. While a number of actions are required, three are particularly important, and we are very encouraged to have the Administration's understanding and support:

1. Our trade laws will be swiftly and effectively enforced – and we will continue to work closely with Secretary Daley and his Staff.

2. Our trade laws will not be weakened through international negotiations and agreements, for example, The Seattle Ministerial, and we will work closely with Ambassador Barshefsky in this regard and;

3. Changes in our trade laws should be considered that are WTO consistent and that will help cause fair trade in steel and all other products.

We understand and are very pleased that you will continue to be our principal contact in steel matters, including legislation.

There were a number of other initiatives in the Program and we will be considering them further and working closely and supportively with you and the Administration.

We appreciate your leadership and that of the Administration, and we hope that together we can resolve the severe steel industry crisis facing our workers, companies, and communities. We are always available at your convenience to meet further with you or your Staff.

Best personal regards.

Sincerely,

cc: The Honorable William Daley
The Honorable Charlene Barshefsky
The Honorable Alexis Herman
The Honorable Gene Sperling
The Honorable Lawrence Summers

The Honorable William J. Clinton
The WhiteHouse
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

8-10-99

## BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

**Career Academies Show Positive Results.** Career academies represent one of the fastest-growing high school reforms in the nation, combining elements of the school restructuring and school-to-career movements. Organized as schools-within-schools, career academies use classroom- and work-based learning centered around an occupational area to help students gain the necessary skills to make successful transitions to post-secondary education, employment, or a combination of the two. A recent study of 10 career academies in disadvantaged areas around the country found that each was successful in establishing partnerships with a group of local employers and developing a range of career-awareness and work-based learning activities. The percentage of academy students participating in career-awareness activities outside of the school was more than twice as high as that of the control group. The gains in in-school career activities, employment during high school, and participation in high-quality work-based learning were more modest. The study found that increasing the quantity and quality of academy activities remains a challenge, as does fuller integration of classroom- and work-based learning.

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HRC
Reed
Podesta
(top)

8-10-99

## BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

cc: HRC BReed

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cc: BReed Bergt Riley
↓ Deduit
Bc

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Reed
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8-10-99

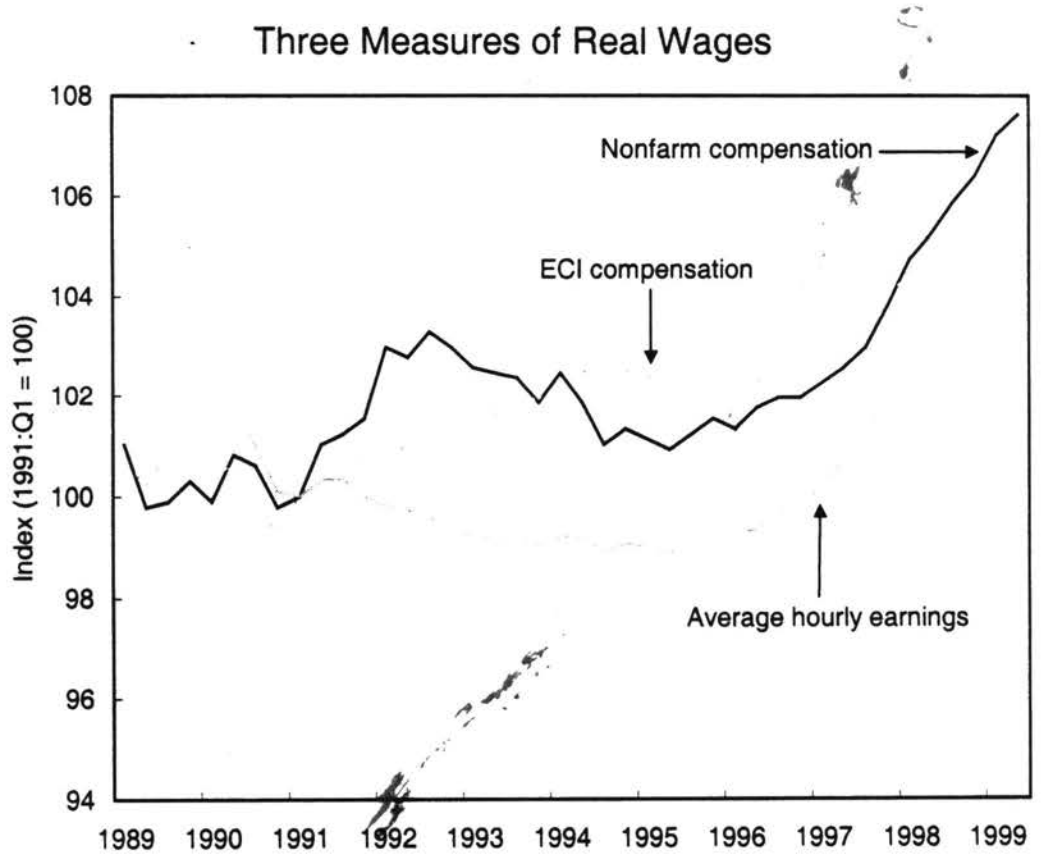
# WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

August 6, 1999

cap: ccl
entire report: CEA/Podesta
pg 7 Bp. HRC/Reed/Podesta
bottom Reed/Riley/Podesta

## CHART OF THE WEEK




Over the past few years, both average hourly earnings of production or non-supervisory workers (reflecting the wages of about 80 percent of private employment) and nonfarm compensation (which includes non-wage benefits) have increased faster than compensation measured by the employment cost index (ECI). The ECI is based on a constant mix of industries and occupations, while the other two reflect changes in the composition of jobs. Thus, the job-mix seems to be shifting toward higher-paying jobs.

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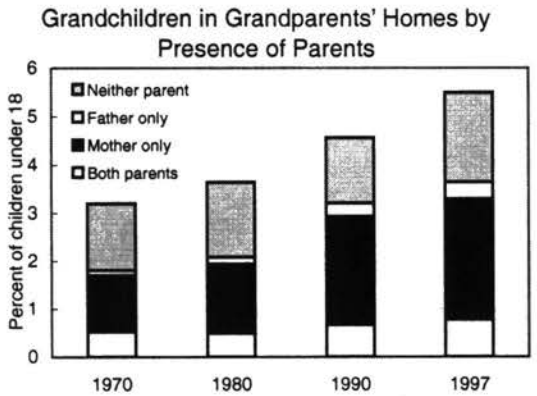
**"Some would say I'm retired, but I like to think of myself as a stay-at-home grandfather."**

SPECIAL ANALYSIS

## Balancing Work and Childcare: the Role of Grandparents

The past decade has witnessed a marked increase in grandparent involvement in raising grandchildren. An examination of this involvement over the last three decades suggests that intergenerational ties may have strengthened. Recent studies have examined the reasons for these trends and their implications for labor force participation.

**Trends in living arrangements of grandchildren.** Over the last three decades, the share of children under age 18 living in a household headed by a grandparent has risen by more than 70 percent to 5.5 percent of all children in 1997 (see chart). The driving force in the 1990s has been an increase in the share of children living in households with neither parent present. Between 1980 and 1990, by contrast, the increase came from children living in grandparent-headed households with just a single parent present. The share in such households with the father as the single parent present, while small, continued to grow in the 1990s.




**Interactions between caregiving and labor force participation.** The rise in female labor force participation has created a greater overall demand for grandchild care that extends beyond living arrangements. Among grandparents caring for grandchildren in a non-custodial relationship, the employment of the grandchild's parents and the desire to help the grandchild's parents financially are commonly cited reasons for providing care. In addition, in a sample of working mothers aged 19-26 with a youngest child under 5 years old, nearly 25 percent utilized grandmothers as the principal caregiver. Evidence from another study suggests an intergenerational labor-force tradeoff: among women aged 51-54, 73 percent of those without grandchildren were engaged in some form of work, whereas among those caring for grandchildren, only 54 percent were in the labor force.

**Impact on work and families.** Evidence that caregiving is associated with labor market outcomes such as reduced hours, increased absenteeism, and missed promotions has largely been based on studies of caregiving for elderly parents or infirm spouses rather than grandchildren. While some of the effects found in this research may be present in grandchild care, other factors could be at work as well. First, grandchild care may be seen more as an opportunity than as a burden and therefore contribute to the attractiveness of retiring. Second, because employer-provided health insurance rarely covers grandchildren, the need to keep working to maintain dependents' health insurance is not the issue it could be in other

caregiving situations. Third, grandchild care may allow a middle-generation individual to participate in the labor force or obtain schooling, both of which may have positive long-term effects.

**Conclusion.** Grandparents face an intergenerational tradeoff between work and caregiving. Choosing to provide care for a grandchild is associated with decreased labor force attachment of the grandparent but increased attachment of the middle-generation child. By participating in grandchild care, retirement-age individuals play a key role in shaping the economic well-being of future generations.

SPECIAL ANALYSIS

## Farm Program Costs and the WTO

Until recently, the United States was comfortably below the limits set on trade-distorting farm supports in the Uruguay Round Agreement on Agriculture. But the recent rapid increase in farm program payments is eroding that cushion.

**Trends.** After record-low expenditures in 1996, Federal spending on agriculture through the Commodity Credit Corporation (CCC) is rising. The CCC's net expenditures were $4.6 billion in fiscal year 1996, $7.3 billion in 1997, and $10.1 billion in 1998. CCC net expenditures could reach $18.4 billion in 1999. USDA projects a subsequent decline, but such projections are highly uncertain. A share of these annual expenditures, along with certain other forms of support, count against the United States' Uruguay Round commitment.

**Uruguay Round commitments.** In total, 28 WTO members, including most major agricultural producers and traders, have made binding commitments to reduce so-called "amber box" trade-distorting supports (such as market price support payments, storage payments, marketing loans, and some forms of crop insurance) according to fixed schedules. Like other developed countries, the United States agreed to a 20 percent cut over 6 years from a 1986-88 base level. For the United States, the base level "aggregate measure of support" (AMS), which quantifies amber-box programs, was $23.9 billion. For 1999, the U.S. ceiling is $19.9 billion.

**U.S. performance.** For 1995-1997, the U.S. AMS averaged about $6 billion, primarily for dairy, sugar, and peanut supports. In 1998, however, low market prices resulted in higher commodity payments, especially for corn, wheat, and soy. The projected AMS for 1998 is $9 to $10 billion and that for 1999 will likely be higher, even before including amounts from any currently proposed emergency farm aid legislation. Moreover, the totals for 1995-1998 do not include non-product specific support, such as crop and revenue insurance, because such support did not meet a *de minimus* threshold of 5 percent of the total value of agricultural production.

**The non-product-specific "wild card."** Non-product-specific support could play an important role in determining whether foreigners might allege that the United States has not met its WTO commitments. If such support exceeds the 5 percent threshold of roughly $10 billion, the entire category would then be included in the AMS. Among other factors, the amount of crop and revenue insurance subsidies, which already account for a substantial share of all U.S. non-product-specific support, could be critical.

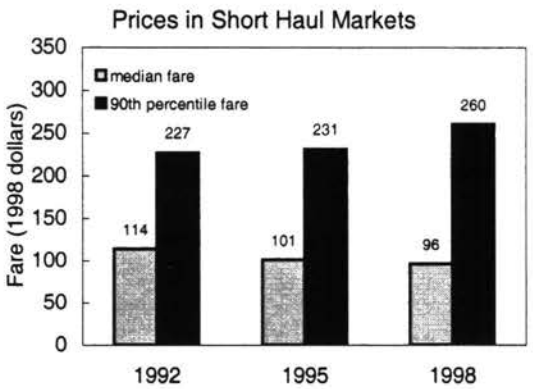
**Conclusion.** If farm program spending continues to rise, the distinction between amber-box support and so-called "green box" non- and minimally trade distorting support (such as research and extension, pest and disease control, domestic food

aid, and income support payments that are de-coupled from prices or production) will become even more important. There are no WTO limits or reduction commitments if support qualifies for the green box. To the extent that spending on any new farm programs or policy instruments, including government-backed risk management tools, can be tailored to meet green-box provisions, the United States stands less chance of being accused of overshooting its AMS ceiling.

ARTICLE

## Why Are Fares Flying Higher for Business Travelers?

Are recent trends in the airline industry threatening the lower fares and increased service that followed airline deregulation in 1978? A recent report from the National Research Council's Transportation Research Board finds evidence that leisure travelers continue to benefit from low fares, while prices paid by business travelers have been rising.




**Increased fare dispersion.** This finding of divergent trends for different groups of consumers comes from an analysis of trends in fare dispersion. The Board presents evidence that on short haul routes (those less than 750 miles), the median fare (in 1998 dollars) declined from $114 in 1992 to $96 in 1998 (see chart). By contrast, the fare at the 90th percentile rose from $227 to $260 over the same period.

**Airline pricing.** The disparity in fares paid for essentially the same seat on any given flight reflects the widespread use of fare restrictions by airlines to separate travelers into different groups based upon their willingness to pay for tickets. Leisure travelers who plan ahead can generally get significant discounts off of the fares charged to last-minute business customers. Although this practice seems "unfair" to those paying higher fares for potentially the same seat, the cost to the airline of providing a seat to a business traveler is higher. An airline that wants to serve business customers must reserve some capacity for the last-minute business traveler, and that capacity sometimes goes unused even though it could have been sold earlier to another leisure traveler.

**Competing explanations.** Two different explanations have been suggested to explain why airline fares for business travelers are increasing even though fares for leisure travelers appear to be declining.

- Tighter capacity. One explanation for the increase in fares to business travelers is that airline capacity has become tighter as the economy continues to expand. As capacity becomes scarce, holding additional capacity empty for business travelers becomes increasingly costly, and business fares would be expected to increase. The Board found some evidence for this view, noting that between 1992 and 1997, the load factor for domestic carriers (a mileage-weighted ratio of passengers to seats) has risen from about 63 percent to about 69 percent.

- Insufficient competition. An alternative explanation for the increases in business fares relative to leisure fares is insufficient competition from low-cost carriers. For example, the Board found that in markets where Southwest Airlines is present, its fares are substantially below those of the incumbent airlines for both leisure and business travelers. In addition, unlike the incumbent airlines, Southwest has not sharply increased the disparity between its business and leisure fares over the 1992-1998 period.

**Implications.** In light of these findings, the Transportation Research Board has recommended that increasing efforts be made to ensure that airport facilities remain readily available to new entrants like Southwest and other low-cost carriers. For example, the Board notes that administrative limits (such as slot controls designed to control congestion) have also blocked new airlines from particular airports. The report recommends that airlines pay a fee to fly into congested airports during peak hours to control congestion rather than using slot mechanisms to control the number of arrivals and departures. The report also finds that limited access to airport gates can be an obstacle to entry, and that Federal rules and airport funding should be designed to encourage sufficient gate supply for new competitors.

**Conclusion.** While airlines may have legitimate business reasons for charging different prices for seats on the same flight, they may also be able to exploit such opportunities when competition is limited. Appropriate policies to allow competitive entry can help ensure that the benefits of airline deregulation are achieved.



8-10-99

## BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

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## INTERNATIONAL ROUNDUP

**OECD Releases Latest Science and Technology Indicators.** After a decline in R&D spending in OECD countries in the early 1990s, investments have recovered since 1995, according to the OECD's semi-annual *Main Science and Technology Indicators.* This reversal is apparent in the United States, where the rate of growth of gross domestic expenditure on R&D jumped to 6.5 percent in 1998 (it was –0.2 percent as recently as 1994). The ratio of R&D expenditures to GDP increased from 2.5 percent in 1994 to 2.8 percent in 1998—well above the 1.8 percent average rate for the EU. Although the public sector is the primary source of R&D financing in smaller OECD countries such as Portugal and Iceland, the business sector is the main source in R&D-intensive countries like the United States, Japan, Korea, and Sweden. Business R&D funding represents more than 65 percent of total R&D expenditures for these countries. OECD governments have shown an increased interest in health- and environment-related R&D programs, as the share of spending for such programs in total government budgets grew steadily in the 1990s.

**World Carbon Emissions Fall in 1998.** Last year, global emissions of carbon from the combustion of fossil fuels declined for the first time since 1993, according to a report by the Worldwatch Institute. The report estimates that emissions fell 0.5 percent to 6.32 billion tons. The decline occurred even though the world economy grew 2.5 percent in 1998. During the last 2 years, the amount of carbon emissions required to produce $1,000 of income fell by 6.4 percent. The report cites improved energy efficiency, falling coal use, and the growth of information technology and service industries that are not major energy users as explanations for the decline in carbon emissions. The de-linking of economic growth and carbon emissions was particularly dramatic in China, which grew 7.2 percent in 1998 while experiencing a 3.7 percent drop in emissions. In the United States, emissions rose only 0.4 percent in 1998, while the economy grew 3.9 percent. However, U.S. emissions in 1998 were still 10.3 percent above 1990 levels, compared with the Kyoto Protocol target for greenhouse gas emissions of 7 percent below the 1990 level by 2010.

**Mexico Imposes Tariffs on U.S. Beef.** In response to an anti-dumping petition against beef imports from the United States, the Mexican Secretary of Commerce and Industry announced this week that it would place tariffs of up to 215 percent on various U.S. beef products. This ruling comes following a preliminary determination by Mexico that U.S. producers were sending beef products across the border at artificially low prices and causing injury to the Mexican beef industry. Tariff amounts range from 5 percent to 215 percent across different product categories. Within these categories, however, four specific U.S. corporations were granted substantially lower tariffs than other U.S. producers. Mexico is the second largest importer of American beef, accounting for roughly 15 percent of the total value of U.S. beef exports in the January-April 1999 period.

## RELEASES THIS WEEK

**Employment and Unemployment**
****Embargoed until 8:30 a.m., Friday, August 6, 1999****

In July, the unemployment rate was unchanged from June at 4.3 percent. Nonfarm payroll employment rose by 310,000.

**Productivity**

Nonfarm business productivity rose 1.3 percent at an annual rate in the second quarter. Manufacturing productivity rose 4.9 percent.

**Leading Indicators**

The composite index of leading indicators increased 0.3 percent in June, following an increase of 0.3 percent in May.

**NAPM Report on Business**

The Purchasing Managers' Index declined 3.6 percentage points to 53.4 percent in July. (A reading above 50 percent indicates that the manufacturing economy is generally expanding.)

## MAJOR RELEASES NEXT WEEK

Retail Sales (Thursday)
Producer Prices (Friday)

## U.S. ECONOMIC STATISTICS

| | 1970-1993 | 1998 | 1998:4 | 1999:1 | 1999:2 |
|---|---|---|---|---|---|
| **Percent growth** (annual rate) | | | | | |
| Real GDP (chain-type) | 2.7 | 4.3 | 6.0 | 4.3 | 2.3 |
| GDP chain-type price index | 5.4 | 0.9 | 0.8 | 1.6 | 1.6 |
| Nonfarm business (NFB) sector: | | | | | |
| Productivity (chain-type) | 1.5 | **2.6** | **4.1** | **3.6** | **1.3** |
| Real compensation per hour: | | | | | |
| Using CPI | 0.6 | **2.5** | **2.0** | **2.9** | **1.5** |
| Using NFB deflator | 1.3 | **3.7** | **3.4** | **3.0** | **3.3** |
| **Shares of Nominal GDP** (percent) | | | | | |
| Business fixed investment | 10.9 | 11.0 | 11.0 | 11.0 | 11.2 |
| Residential investment | 4.5 | 4.3 | 4.5 | 4.6 | 4.6 |
| Exports | 8.2 | 11.3 | 11.3 | 10.9 | 10.9 |
| Imports | 9.2 | 13.0 | 13.1 | 13.2 | 13.5 |
| Personal saving | 5.2 | 0.3 | −0.0 | −0.5 | −0.8 |
| Federal surplus | -2.7 | 0.9 | 0.8 | 1.4 | N.A. |

| | 1970-1993 | 1998 | May 1999 | June 1999 | July 1999 |
|---|---|---|---|---|---|
| **Unemployment Rate** (percent) | 6.7** | 4.5** | 4.2 | 4.3 | **4.3** |
| **Payroll employment** (thousands) | | | | | |
| increase per month | | | **28** | **273** | **310** |
| increase since Jan. 1993 | | | | | **19243** |
| **Inflation** (percent per period) | | | | | |
| CPI | 5.8 | 1.6 | 0.0 | 0.0 | N.A. |
| PPI-Finished goods | 5.0 | 0.0 | 0.2 | −0.1 | N.A. |

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

New or revised data in **boldface**.
Employment and unemployment data **embargoed until 8:30 a.m., Friday, August 6, 1999**.

## FINANCIAL STATISTICS

| | 1997 | 1998 | June 1999 | July 1999 | August 5, 1999 |
|---|---|---|---|---|---|
| **Dow-Jones Industrial Average** | 7441 | 8626 | 10704 | 11052 | 10794 |
| **Interest Rates** (percent per annum) | | | | | |
| 3-month T-bill | 5.06 | 4.78 | 4.57 | 4.55 | 4.61 |
| 10-year T-bond | 6.35 | 5.26 | 5.90 | 5.79 | 5.88 |
| Mortgage rate, 30-year fixed | 7.60 | 6.94 | 7.55 | 7.63 | 7.89 |
| Prime rate | 8.44 | 8.35 | 7.75 | 8.00 | 8.00 |

## INTERNATIONAL STATISTICS

| **Exchange Rates** | **Current level August 5, 1999** | **Percent Change from Week ago** | **Year ago** |
|---|---|---|---|
| Euro (in U.S. dollars) | 1.079 | 0.7 | N.A. |
| Yen (per U.S. dollar) | 114.0 | –1.1 | –21.1 |
| Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. $) | 94.28 | –0.8 | –5.9 |

| **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 | 4.1 (Q2) | **4.3** (Jul) | 2.0 (Jun) |
| Canada | 3.2 (Q1) | 8.1 (May) | 1.5 (Jun) |
| Japan | 0.1 (Q1) | 4.7 (May) | 0.0 (Jun) |
| France | 2.3 (Q1) | 11.4 (Apr) | 0.5 (Apr) |
| Germany | 0.8 (Q1) | 7.2 (May)[2/] | 0.4 (Jun) |
| Italy | 0.9 (Q1) | 12.1 (Apr) | 1.4 (Jun) |
| United Kingdom | 1.2 (Q2) | 6.2 (Mar) | 1.4 (Jun) |

U.S. unemployment data **embargoed until 8:30 a.m., Friday, August 6, 1999**.

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

August 6, 1999

8-10-99

Entire report: Sperling Podesta
Pg 3: Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORTS

cc: JOHN PODESTA

***Taxes:*** Throughout the week, the conference committee revised the Republican tax cut that passed the Congress last week. The 10-year cost of the plan is $929 billion ($792 billion plus $137 billion in interest costs). In order to project a balanced budget and avoid points of order in the Senate, most of the major provisions sunset in 2008. The result would be a $42 billion increase in taxes in 2009 relative to 2008, something the Congress is unlikely to let stand. If all of the provisions were to be permanent, the conference report appears to be even more backloaded than either the House or the Senate passed bill. In addition, according to a Treasury analysis, the distributional impact of the conference report is closer to the House passed bill than to the Senate version.

The House passed the tax bill 221-206. Five Democrats voted "yes" on the tax conference report: Condit (CA), Danner (MO), Goode (VA), Hall (TX), and Lucas (KY). Four Republicans voted "no" on the tax conference report: Quinn (NY), Morella (MD), Ganske (IA), and Castle (DE). The Senate voted Thursday evening. Senator McCain attacked the bill as favoring special interests. The Senate passed the tax bill 50-49. No Senate Democrat supported the bill. Four Republicans opposed it: Collins, Snowe, Specter, and Voinovich. Senator Crapo was absent.

The final conference report did not include a provision turning off a PAYGO sequester. It would thus lead to a sequester of mandatory spending. The sequester would total $2.4 billion in 2000 and $88.9 billion over five years. Slightly more than a third of those cuts would come from Medicare.

***School Construction Discharge Petition:*** On Wednesday (8/4), I joined Rep. Rangel at his press conference to announce the filing of a discharge petition to force the House to consider your school construction proposal. A number of other Democratic members joined us. The discharge petition has already been signed by 179 members; 218 signatures are needed to force the House to bring up the proposal.

***Class Action Legislation:*** The House Judiciary Committee completed mark-up this week of legislation that would allow defendants to remove virtually all class action litigation to federal courts where, in many cases, the lawsuits would face stricter standards for class certification. The Department of Justice testified against the bill at an earlier hearing. Consumer, gun control,

and civil rights groups and the trial attorneys strongly oppose this legislation. These groups argue we must show no signs of willingness to compromise here. In the House Judiciary Committee, only Rep. Boucher joined the Republicans in voting for the bill. Democrats are relatively unified against the legislation. The Senate is unlikely to consider the bill unless passed by the full House. Senator Hatch is lukewarm and Senator Spector will likely oppose it. However, Senators Kohl, Dodd, and Lieberman are likely to be strong supporters.

***New Markets Legislation:*** We released a statement from you on Thursday (8/5) when members in the House and Senate introduced legislation containing various pieces of your New Markets Initiative. Senators Robb and Rockefeller and Rep. Rangel introduced the tax credit legislation, and Sen. Sarbanes and Rep. LaFalce introduced the APICs bill. We are following up on the New Markets Initiative next week when you will participate in a BusinessLINC roundtable on Tuesday (8/10) at a small business in Washington with the Vice President, various CEOs, and small business owners.

***R&D Funding:*** Tom Kalil on my staff and Neal Lane are meeting next Tuesday with industry executives and the heads of science and engineering societies to discuss Republican cuts in the Administration's R&D budget. The House has cut 8-10 percent off the Administration's R&D request on civilian R&D, with deep cuts in NASA, the Information Technology initiative, the Advanced Technology Program, and renewable energy. As you have said before, cutting R&D now is like cutting defense spending during the Cold War.

***FY2000 Appropriations:*** As Congress heads to the August recess, the House has passed 11 of the 13 regular appropriations bills (all but VA-HUD and Labor-HHS) and the Senate has passed 9 bills (all but VA-HUD, Labor-HHS, Interior, and Transportation). Only 3 of the 13 bills have made it through conference (Mil Con, Legislative Branch, and DC). This past week, the House also took up and passed the Senate-passed Steel/Oil/Gas bill by a vote of 246-176, clearing it for presentation. The Interior bill is pending in the Senate, with a finite list of amendments. The Senate tabled (80-16) a Smith (NH) amendment to terminate funding for the NEA. The House approved the rule for the VA-HUD bill Thursday (8/5), but because Ranking Democratic Member Mollahan's father passed away earlier in the week, the House took no other action on the bill. On Wednesday, the Senate passed the Agriculture/Rural Development bill by voice vote, including a Cochran $7.5 billion disaster assistance amendment.

***H-1B:*** Representative Zoe Lofgren has introduced legislation to address the H-1B issue. Rather than amend the H-1B program, her bill creates a new T Visa program which provides visas to foreign graduates of American universities earning degrees in Math and Science. The visas are only available for jobs paying over $60,000 (including benefits). Lofgren was joined by 14 cosponsors, including Sheila Jackson Lee, the ranking member of the immigration subcommittee. On Thursday, Lamar Smith held a hearing on H-1B. No government witnesses were invited, just advocates on each side of the issue. Lofgren introduced her bill in anticipation of the hearing and her expectation that Dreier will soon introduce a bill similar to the Gramm bill, increasing the H-1B cap to 200,000. This year's cap of 115,000 has already been reached. INS is holding applications now until October 1, when visas will begin to be approved toward next year's cap. The carryover is expected to be about 40,000.

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***Daewoo's Restructuring Deal:*** The NEC is leading a working group (NEC, Treasury, State, USTR, and Commerce) that is meeting regularly to monitor this situation. Daewoo, Korea's second largest industrial conglomerate (chaebol), is unable to service its debts. Foreign creditors rejected Daewoo's August 3 restructuring plan and the Korean government has given Daewoo until August 11 to improve the plan. The way the issue gets resolved will say a lot about whether the Kim Government is really committed to reforms or whether it will resort to old-style bailouts. The working group has two main concerns: 1) lack of progress could trigger another Korean financial crisis that could destabilize the whole region again, and 2) Treasury must certify to Congress each quarter that no IMF loans for Korea are being used for sector-specific aid, so Republican congressional critics of the Administration (and the IMF) are watching the situation closely.

***BRAC—No-Cost Economic Development Conveyances:***. Yesterday (August 5), conferees on the defense authorization bill agreed to accept intact your April proposal to give DoD the authority to transfer former military base property to local communities at no cost if they use it for job-generating economic development (the Senate has passed the amendment but the House was initially resistant). This will benefit several dozen communities with pending or anticipated applications for an Economic Development Conveyance (EDC), including Memphis, Charleston, and many California communities (Monterey/Ft. Ord, Tustin, Oakland/Alameda, Irvine/El Toro, Vallejo/Mare Island, Treasure Island and San Diego). It will also allow communities that have already negotiated an EDC to renegotiate the price if economic conditions have changed. EDCs were the centerpiece of your 1993 plan to revitalize base closure communities, and they have allowed many communities to get property at a discount. Our new no-cost EDC policy, in addition to saving communities money, eliminates the need for appraisals and negotiations, which currently delay base reuse for many months.

***Blue-Ribbon Report on Airline Competition:*** On July 30, the independent Transportation Research Bureau (TRB), part of the National Academy of Sciences, issued a highly anticipated report urging the federal government to "take decisive steps to boost competition in the domestic airline industry." Congress commissioned the report in response to controversy over proposed guidelines that DOT issued in April 1998 to shield small start-up airlines from unfair predation by large, dominant carriers. The TRB's distinguished panel of economists was split on the question of the DOT guidelines: Six panel members thought policing of predation should be left to the Justice Department, while five concluded that DOT had a regulatory role (all panel members thought DOT's guidelines as proposed were flawed). They were unanimous in recommending that DOT focus on removing barriers to competition, including eliminating slot restrictions at key airports, giving airport operators more leeway to raise and spend money for airport gate construction, and lifting limits on foreign investment in U.S. airlines. The TRB also raised concerns about the impact of airline alliances -- both domestic and international – on competition, and recommended a bigger role for Justice in evaluating applications for antitrust immunity by international airline alliances.

8-10-99

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THE WHITE HOUSE

WASHINGTON

8-10-99

August 6, 1999

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Reed
Liu
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

**1. Health Care – Patients Bill of Rights:** On Thursday, Reps. Norwood, Ganske, and Dingell reached agreement on a strong, bipartisan bill that you could happily sign. The bill covers all Americans in all plans; provides real patient protections which the Senate bill does not (including access to specialists, continuity of care, and access to emergency care where and when the need arises); and provides a meaningful appeals process and the right to sue in state court. (The bill severely limits punitive damage awards to prevent frivolous lawsuits.) Democrats are united behind the bill, and 21 Republicans have already signed on as cosponsors. In a panicked attempt to win back some of those Republicans, Speaker Hastert agreed Friday to bring a compromise Republican version, sponsored by Rep. Coburn, to the floor this fall. The Republican leadership has asked the managed care lobby to advertise heavily over the recess. But unless the industry can change the dynamic, many Republicans are likely to put even more pressure on the leadership to produce a bill this session – especially if no deal is reached on tax cuts and they face the prospect of going home with no major achievements for the year.

**2. Health Care – Medicare Update:** After months of opposing a universal prescription drug benefit, some key Republicans are trying to develop their own alternative version. Senator Roth and Rep. Thomas (along with Senator Breaux) are attempting to design a catastrophic coverage benefit that is likely to have a deductible and to require higher income beneficiaries to pay more. Senators Snowe and Wyden just introduced a prescription drug benefit bill that would provide larger subsidies for lower income populations and smaller subsidies for higher income beneficiaries to purchase private Medigap-type drug coverage. We are reviewing the policy but believe that it would fall short of providing coverage to all in need of the benefit and would likely be administratively and structurally flawed. This week, we distributed background information on your Medicare plan to every Democratic member for the August recess.

8-10-99

**3. Health Care – Medical Records Privacy:** Last week, the House passed a Democratic motion to instruct conferees on the financial modernization bill to drop an extremely weak medical privacy protection provision that had sneaked into the House version. The provision would have undermined our current efforts to protect medical records privacy by preempting stronger state medical privacy laws, allowing personal medical data to be used by outside marketers as part of "marketing research," and permitting companies that receive sensitive medical data from insurers to use and sell the data without any Federal restrictions. Several members of Congress are still working on competing approaches to protect the privacy of medical records, but no consensus is in sight. We are pressing HHS to have its privacy regulation, which covers electronic records, ready for you to release later this fall.

**4. Education – ESEA Update:** On Tuesday, nine Senators led by Judd Gregg introduced a teacher quality bill similar to the one the House passed last month. The bill has a few similarities to our teacher quality plan in ESEA, including a focus on sustained, high-quality professional development and an effort to improve alternative routes to teacher certification. However, like the House bill, the Senate bill does not provide a separate funding stream for class size reduction, does not target the early grades, and makes it easy for districts to opt out of class size reduction altogether. The Senate is unlikely to take up the bill, because Senator Jeffords continues to insist on reauthorizing ESEA in an omnibus bill. Several Democrats have agreed to push for most of our ESEA package, although we are still looking for someone to champion our approach in two areas: (1) ending social promotion and (2) limiting the use of paraprofessionals in the classroom. Senators Kennedy, Feinstein, and Schumer are the best prospects.

**5. Immigration – Parity Legislation:** This week, we sent Congress legislation on Central American and Haitian parity relief. The bill was introduced with solid bipartisan support by Representatives Gutierrez, Chris Smith, and 26 cosponsors.

**6. Livability – Better America Bonds:** This week, Senators Baucus and Hatch introduced your Better America Bonds legislation. The proposal was also included in both the House and the Senate Democratic tax proposals.

**7. Welfare – Faith-Based Policies:** You asked for an analysis of recent faith-based proposals, and for ideas of what more we could do. We are working on a variety of new ideas (tax and non-tax), and will send you more detailed options shortly. In the meantime, you might be interested in the attached summary of how recent proposals compare to current law.

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

8-12-99

August 6, 1999

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MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. DS for
ACTING CHAIR, COUNCIL ON ENVIRONMENTAL QUALITY

SUBJECT: CEQ WEEKLY REPORT

PROTECTING COMMUNITIES FROM TOXICS

Superfund

Despite strong objections from the House Democratic leadership and Democrats on the Commerce Committee, the House Transportation and Infrastructure Committee voted 69-2 in support of Superfund legislation sponsored by Rep. Boehlert. Democratic opponents of the bill maintain that the bill would violate the "polluter pays" principle. Following approval by the Transportation Committee, the bill now moves to the Commerce Committee, where Democrats are united in opposition. EPA, DOJ, USDA and DOI strongly oppose the bill, which would hamper cleanups and increase Superfund litigation.

RESOURCE STEWARDSHIP

Northwest Forest Plan

Earlier this week, Judge Dwyer, of the U.S. District Court for the Western District of Washington, ruled in favor of regional environmentalists who argued that the Bureau of Land Management (BLM) and the U.S. Forest Service violated certain parts of the Administration's Pacific Northwest Forest Plan by failing to conduct wildlife surveys, prior to allowing timber harvest.

Since the inception of the Forest Plan several years ago, Judge Dwyer has upheld the Plan against multiple legal challenges. Unfortunately, Judge Dwyer's opinion this week will delay a number of previously approved timber sales for at least one operating season. In addition, we believe that Judge Dwyer's opinion is correct and we do not plan to appeal. In response to the ruling, both the BLM and the USFS are assessing the immediate effects of the decision, as well as strategies for responding as quickly as possible so that the normal timber program can be

8-10-99

commenced. Members of Congress from the Pacific Northwest are extremely concerned about this ruling and agency representatives plan to brief them on the situation.

Tongass National Forest

Earlier this week, John Podesta, Larry Stein and I met with Senators Stevens and Murkowski to finalize an agreement to provide Louisiana Pacific Corporation's Alaska subsidiary, KPC, with an additional year to harvest timber from the Tongass National Forest, in accordance with a Settlement Agreement negotiated two years ago. This week's agreement will allow KPC to finance the installation of a veneer mill in Ketchikan, Alaska, which both Senators have strongly supported. We also agreed to reappraise certain sales of red cedar for export.

In return, we understand that the Alaska Congressional Delegation will not seek riders either this year or next to overturn the current land management plan for the Tongass. However, Senator Stevens is quoted in the Alaska press as saying "he's not sure" if there will be "peace in the valley." Some environmentalists are upset at the agreement, and any national press coverage is likely to reflect that view. However, we are hopeful that environmentalists will refrain from legal action and that the Delegation will afford us time to secure new management direction in the Tongass.

OTHER

Yucca Mountain

On Friday August 6, the Department of Energy (DOE) issued a Draft Environmental Impact Statement (EIS) to solicit public comment on the proposed Yucca Mountain nuclear waste repository site. The Draft EIS marks the beginning of a comment period where members of the public and interested groups and stakeholders can review and comment on the analysis and preferred alternative of proceeding with a Yucca Mountain site. As you will recall, DOE was greatly restrained by Congress in what they could consider in the Draft EIS. We will work closely with DOE to address environmental concerns that are certain to be raised by tribes, environmental groups and others.

On a related front, we have been working with OMB, EPA and the Nuclear Regulatory Commission to issue a draft rule establishing radiation standards for the proposed repository. We expect that the draft rule will be released for public comment next week.

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THE WHITE HOUSE

WASHINGTON

8-10-99
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August 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

**Climate Change**

*Press*

*Time* magazine ran a major report on climate change with a specific focus on Congressional inaction in the face of growing scientific evidence ("Capitol Hill Meltdown"). The article makes specific note of Congress' failure to support federal energy conservation efforts, R&D for renewables, higher fuel efficiency standards for light trucks and SUVs, and Administration - proposed tax credits for consumers who buy more efficient air conditioners, cars, and rooftop solar units.

A Bob Herbert op-ed in the *New York Times* ("Hot Enough For You?") chastised Americans for ignoring global warming. He described some of the causes and the consequences of climate change, and exhorted the world to show more "political leadership and willpower" to "get this problem under control."

We understand that the *Washington Post* will run a story next week on electricity supply shortfalls that will point to low efficiency - particularly with air conditioners - as a major part of problem. We hope to relate this story to the your proposed tax credits for efficient homes and appliances.

*Events and Initiatives*

On Monday, the Vice President and children's TV personality Bill Nye "the Science Guy" addressed a group of fifth graders on climate change science at the National Geographic Society in Washington. The Vice President released previously classified data on Arctic ice, which has thinned one meter and shrunk by 5% in area since the 1970s. He also released the recent report of the President's Advisory Committee on Science & Technology report (chaired by John Holdren) recommending that we double U.S. funding for international energy programs to help U.S. business capture growing markets in developing countries for energy efficient technologies.

8-10-99

You are scheduled to open an event next Thursday on how bio-energy and bio-products will be a major component of a clean energy future, a strong farm economy, and the fight against global warming. We plan to have Secretaries Glickman and Richardson join you, along with industry, academic and environmental representatives, to talk about a 21st Century energy economy that prominently features technologies that will allow us to use virtually any plant matter (cellulosic biomass) to create fuel. Thus, current waste (such as corn stalks) can become economically and environmentally valuable. Such technology will help us apply some of the concepts presented by Amory Lovins in his article "A Road Map for Natural Capitalism", such as "eliminating the very concept of waste" in parts of the agriculture sector, making "radically more productive use of natural resources", and exemplifying that reducing the wasteful use of resources can present major business opportunities. We have prepared an Executive Order for you that would establish an interagency process to coordinate and promote public and private efforts to develop bio-energy and other bio-products.

*Legislative*

The House completed action on the Commerce, Justice, State bill but put off action on the VA-HUD bill until September. The Knollenberg rider prohibiting funding from being used to implement the Kyoto Protocol remains in both bills. Representative Inslee (D-WA) offered and withdrew an amendment to strike the Knollenberg language on the CJS bill. We coordinated this approach with the Democrats as a method of raising the profile of this issue for conference without risking a bad vote. The intention of the rider on this bill is to prevent any diplomatic efforts specifically related to the Kyoto Protocol.

On the tax front, the Republican conference report dropped most of the renewable energy tax credits that had been in the Senate bill. The Conferees extended the wind tax credit for four years and added Senator Roth's poultry waste tax credit, but eliminated two of our biomass proposals. Therefore, despite spending almost $800 billion, the Republican tax bill does virtually nothing to help protect the environment.

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

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

August 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE

CC: JOHN PODESTA

SUBJECT: OSTP WEEKLY REPORT

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**House Republicans Attack Civilian R&D Funding**
To date, funding for civilian research and development is under-funded by $1.8 billion, or 10 percent, from your request. Among some of the most egregious examples of cuts are: $275 million from the National Science Foundation; a 70% reduction in your Information Technology Initiative; Advanced Technology Program funding zeroed out; nearly $1 billion cut at NASA; DOE renewable energy and energy efficiency programs cut by over $200 million; and the Partnership for a New Generation of Vehicles is cut by $28 million. I will hold a meeting with leaders from the scientific community on Tuesday (8/10) to alert them to the cuts and seek their assistance in reminding their members of Congress of the importance of science and technology to our nation. I have provided a fact sheet that details the Republicans' R&D cuts to the Senate Democratic Steering and Coordination Committee, as well as to Congressman Gephardt's and Senator Daschle's offices, for use by Democrats during the August recess.

**Space Funding – It Keeps on Giving**
At a time that Republicans in the House have cut nearly $1 billion from NASA's budget, the Voyager 2 anniversary is an example of how tax dollars go further in space. Over twenty years ago this week the Voyager 2 Spacecraft was launched from Cape Canaveral on a mission to fly by Jupiter and Saturn, becoming the first spacecraft to observe Neptune when it passed that planet in 1989. The spacecraft is now leaving the solar system but continues to send back data even though it is more than 5.3 billion miles from Earth. OSTP staff held a briefing today with members from the aerospace industry, professional societies, and related associations that have an interest in the NASA budget to point out the implications of the Republican cuts. We highlighted the strong stance you have taken against these reductions and identified ways that we can mutually pursue restoring your funding request for NASA.

**White House Asked to Help in Data Access Controversy**
As reported in a front-page *New York Times* story (7/31), the president of the Association of American Universities (AAU) has written to Vice President Gore, asking that the Administration become more substantively involved in the debate over public access to research data. Following the controversy over EPA's air quality standards a two-sentence rider was attached to last year's Omnibus Appropriations Act by Senator Shelby (R-AL). It requires OMB to revise circular A-110, which governs federal grants to nonprofit institutions, to ensure that all data produced under federally-funded research are available to the public through the Freedom of Information Act. There is serious concern among the university research community that this amendment will do irrevocable damage to the scientific enterprise in this country, compromising

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clinical trials and public/private partnerships. On the other hand, regulated industry, as represented by the US Chamber of Commerce, is delighted by the amendment, viewing it as a revolutionary step in regulatory reform. Bipartisan Congressional attempts to repeal or delay implementation have been met with opposition by the Republican leadership. We are working with OMB as they attempt to craft an A-110 revision that implements the law while minimizing harm to science. We will also work with OMB to assist the OVP in responding to the letter.

**House Passes Restrictions on National Climate Assessment Report**

The House has adopted an amendment offered by Rep. Jo Ann Emerson (R-Mo) to the Commerce-State-Justice appropriations bill to prohibit funds to publish the National Climate Assessment (required by the 1990 Global Change Research Act) unless "(1) the supporting research has been subjected to peer review and, if not otherwise publicly available, posted electronically for public comment prior to use in the assessment, and (2) the draft assessment has been published in the Federal Register for a 60 day public comment period." The amendment was adopted by the Appropriations Committee. OSTP staff raised objections with Rep. David Price (D-NC) and worked with him to have language reflect a compromise worked out between Price and Emerson. Both have agreed to continue to work to "perfect" the amendment as the process moves forward. We will continue to object to this and other legislative riders being included in the appropriations process, and work to have them removed.

**Returning U.S. Space Launchers to Flight after Recent Upper Stage Problems**

In May, you requested a 90-day interim and 180-day final report from the Secretary of Defense regarding the causes of several recent U.S. launch system failures and corrective actions required to assure our access to space. Since then, the Air Force conducted a successful Titan IV launch in May, NASA conducted a successful Space Shuttle mission in July, and the Air Force and industry have pinpointed and corrected the causes that left the MILSTAR and DSP early warning satellite in useless orbits last April. Also, based on Boeing's successful investigation into the recent commercial Delta III upper stage engine failure, Lockheed Martin announced this week that they plan to clear the commercial Atlas for flight after a three-month standdown, pending acceptable inspection results to verify their similar upper stage rocket engine was manufactured correctly. The interim report we will receive next month from the Secretary of Defense will be based on the results of these investigations of specific failures, and on several broader reviews being undertaken by government and industry to determine whether any endemic or systemic problems contributed to the recent series of launch system and upper stage problems.

**Telecommunications and Y2K**

I convened a meeting this week of the Joint Telecommunications Resources Board. This group helps me advise you on how to provide, manage, and allocate telecommunications resources during non-wartime crises or emergencies. We are preparing for the possibility of Y2K-related commercial telecommunications outages and have reviewed what emergency resources and authorities are available, working in cooperation with John Koskinen and Dick Clarke of NSC.

**Vice Presidential Climate Change Event at the National Geographic Society**

On Monday (8/2) the Vice President hosted a climate change event at the National Geographic Society. With the assistance of Bill Nye, PBS' "Science Guy," the Vice-President taught a group of middle-school children about the science of climate change. The Vice President also used the event to: 1) announce the release of previously-classified imagery used in the SHEBA project to examine changes in the Arctic ice pack, 2) release the final PCAST Powerful Partnerships report; and 3) criticize Congressional budget cuts and anti-environmental riders and call for cooperation on climate change.

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WASHINGTON

August 6, 1999

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**MEMORANDUM FOR THE PRESIDENT**

**FROM:** **LARRY STEIN**

**SUBJECT:** **LEGISLATIVE WEEKLY REPORT**

**Conference Reports**

- **Budget Reconciliation**: On Thursday, the Senate passed (50-49) the Conference Report to H.R. 2488, the Financial Freedom Act of 1999. Four Republicans voted against the Conference Report: Senators Collins (ME), Snowe (ME), Specter (PA), and Voinovich (OH). Senator Crapo (R-ID) did not vote. On Thursday, the House also passed (221-206) the Conference Report. Five Democrats voted in favor: Representatives Condit (CA), Danner (MO), Goode (VA), Hall (TX) and Lucas (KY) and four Republicans voted against: Quinn (NY), Morella (MD), Ganske (IA) and Castle (DE). The entire tax bill would sunset on September 30, 2009.

- **Legislative Branch:** On Thursday, the Senate passed (unanimous consent) and the House approved (367-49) the Conference Report to H.R. 1905, the FY00 Legislative Branch Appropriations Act. According to OMB scoring, funding in the bill totals $2.46 billion, a 4.1 percent increase over the FY99 enacted level.

- **Juvenile Justice:** On Thursday, the conferees convened on H.R. 1501, the Juvenile Justice bill and will meet again after the recess. The House and Senate bills differ in key provisions: closing the gun show loophole; requiring safety locks; and, banning high capacity clips are not included in the House bill.

- **Military Construction Appropriations:** On Thursday, the Senate passed (unanimous consent) H.R. 2465, FY00 Military Construction Appropriations Conference Report, clearing the bill for your signature.

- **Water Resources Authorization:** On Thursday, both the House and Senate passed (voice vote) S. 507, the reauthorization of the Water Resources Development Act, clearing it for your signature. The bill would authorize dozens of projects to control flooding, re-build eroding beaches, and deepen harbors.

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**House of Representatives**

- **Foreign Operations Appropriations:** On Tuesday, the House passed (383-35) H.R. 2606, the FY00 Foreign Operations Appropriations.

- **Commerce, Justice, State Appropriations:** On Thursday, the House passed (217-210) H.R. 2670, the FY00 Commerce, Justice, State Appropriations Act, after defeating (208-219) a Bonior (D-MI) motion to recommit the bill to add $1 billion for COPS funding (staying within the subcommittee allocation). The House considered a number of significant amendments. It failed to pass (171-257) a Coburn (R-OK) amendment to strike the emergency designation in the bill for funding the Census. The House adopted (242-178) a Serrano (D-NY) amendment to raise the funding for the Legal Services Corporation from $141 million to $250 million, paid for by a variety of offsets. (This is below last year's request and below your request, although it is consistent with add-back amendments offered in several past years on the House floor.) By voice vote, the House adopted a Deal (R-GA) amendment to bar the issuance of certain visas for persons from countries that the DOJ determines unreasonably delay the acceptance of the return of criminal aliens from the US. By voice vote, it adopted a Vitter (R-LA) amendment to prohibit the implementation of the September 26, 1997 agreement between the US and several former Soviet Republics regarding the ABM treaty. A Tauzin-Dingell amendment relating to accounting principles applicable to phone companies was adopted (374-49). A Hall (D-OH) amendment to strike the language making UN arrears subject to authorization failed (206-221). The amendment was an effort to de-link UN arrears from the Mexico City issue. The Administration has indicated that your senior advisers would recommend a veto of the bill based on inadequate funding levels for critical programs and some objectionable language provisions. The Democratic leadership worked very hard to support our veto threat on this bill.

- **Steel, Oil and Gas Supplemental**: Under a unanimous consent agreement, the House considered the Senate-passed bill establishing a steel, oil and gas supplemental loan guarantee program for FY99. The House adopted the Senate language by a vote of 246-176. The bill is paid for by an across-the-board reduction in non-defense agency administrative expenses.

- **Internet Alcohol Sales:** On Tuesday, the House passed (310-112) H.R. 2031, the Twenty-First Amendment Enforcement Act. The bill would allow state authorities to enforce their liquor import laws in federal court. Almost every state has laws limiting, or prohibiting, direct shipment of alcohol across their borders, but the bill's proponents claim greater enforcement tools are necessary.

- **Vietnam Jackson-Vanik Waiver:** On Tuesday, the House rejected (130-297) H. Res. 58, the Disapproval of Trade Credits for Vietnam. The bill would have reversed your waiver of the freedom of emigration requirements in the 1974 Trade Act, which continues Vietnam's eligibility for U.S. trade incentives, including loan credits and guarantees. The Administration strongly opposed the disapproval resolution.

- **Ergonomics Regulations:** On Tuesday, the House passed (217-209) H.R. 987, the Workplace Preservation Act. The bill would prevent OSHA from issuing ergonomics rules until the National Academy of Sciences (NAS) completes a second study regarding musculoskeletal disorders (MSDs) and ergonomics. It is part of a longstanding GOP effort to prevent OSHA from implementing rules that industry groups contend would be unduly burdensome. The Administration has threatened to veto the bill.

**The Week Ahead**

- **House Schedule:** The House stands in adjournment until Wednesday, September 8.

**United States Senate**

- **Agriculture Appropriations:** On Wednesday, the Senate passed (voice vote) S. 1233, the FY00 Agriculture Appropriations Act, on which action had been postponed since late June. Most notably, the Senate passed (89-8) a Cochran (R-MS) amendment providing $7.4 billion in emergency drought relief for farmers. The Senate failed to table (28-70) and then adopted (voice vote) an Ashcroft (R-MO) amendment relating to embargoes of food and medicine. After prolonged discussion, the Senate did not include a proposed Jeffords (R-VT)-Leahy (D-VT) amendment to prohibit implementation of a new milk marketing order program and to extend the Northeast Dairy Compact. Senator Specter (R-PA), however, has indicated he may try to renew the issue in conference and include additional states. Senators Kohl (D-WI) and Feingold (D-WI) strongly opposed the Jeffords/Leahy amendment.

- **Interior Appropriations:** During consideration of H.R. 2466, the FY00 Interior Appropriations bill, the Senate tabled (80-16) the Smith (I-NH) amendment to eliminate funding for the National Endowment for the Arts. When it reconvenes, the Senate will resume consideration of S. 1292. The Administration has indicated that your senior advisers would recommend a veto of the bill based on objectionable riders and inadequate funding.

- **Holbrooke Nomination:** The Senate confirmed (81-16) the nomination of Richard Holbrooke of New York to be the Representative of the United States of America to the United Nations.

**The Week Ahead**

- **Senate Schedule:** The Senate stands in adjournment until Wednesday, September 8..

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

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August 6, 1999

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**MEMORANDUM FOR THE PRESIDENT**

**FROM:** Mickey Ibarra

**SUBJECT:** **Office of Intergovernmental Affairs Weekly Report – August 2 - 6, 1999**

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## FEDERALISM

You signed a new Federalism Executive Order Thursday which will strengthen our partnership with State and local governments, as well as ensure that executive branch agencies are able to do their work on behalf of the American people. This Order concludes a year-long consultation process with the Big Seven organizations of elected officials. In a letter to you signed by their principals, they stated: "The Executive Order constructively responds to the concerns we raised during these consultations and provides to federal agencies strengthened guidance on the importance of federalism and State and local authority." In addition to the release of a statement by you to the press, we have distributed a fact sheet on this Order to elected officials around the country.

He was a friend & Senator - I want to do this

## REMEMBERING MICKEY LELAND

State Senator Rodney Ellis (D-TX) and former Texas Land Commissioner Gary Mauro wrote you a letter asking you to recognize the 10th anniversary of Congressman Mickey Leland's death, who passed away in August, 1989. We will consult with Legislative Affairs to ensure an appropriate response.

## DOMESTIC POLICY OUTREACH

IGA is organizing an August meeting with the leadership of the national organizations of city and county officials. Due to the recent changes in leadership of several of these organizations, it is important for us to call for a renewed effort to build bipartisan support for our domestic policy agenda. The proposed format would be a meeting in the Roosevelt Room, with remarks from you and a discussion with the elected officials and key White House staff.

## GOVERNORS

On Sunday, August 8, you will travel to St. Louis to address 45 governors attending the Annual Meeting of the National Governors' Association (NGA). This speech will provide you an opportunity to highlight major accomplishments and to reiterate your opposition to Republican-

led tax cuts which would result in significant funding reductions in programs supported by the governors—CHIP, TANF, Medicaid, SSBG, Child Support, and education.

**MAYORS/CITIES**

- U.S. Conference of Mayors: IGA, Legislative Affairs, and DPC met this week to discuss USCM's proposal for a White House event on gun legislation and COPS. A tentative date of September 9 has been set for a possible White House event with mayors and police chiefs. After the event, mayors and congressional leaders will hold a press conference on the steps of the Capitol and visit with members of Congress.

- Chicago Heat: In response to record temperatures and over 70 deaths in the Chicago area, Governor George Ryan and Mayor Richard Daley wrote to you to request federal assistance from the Low Income Home Energy Assistance Program funds. On Tuesday in Chicago, you announced the release of $55 million in LIHEAP funds for nine states. Illinois received nearly $16 million.

- Chicago Housing: Mayor Daley appreciated the opportunity to meet with you to discuss HUD's partnership with the Chicago Housing Authority A meeting is now scheduled for next week in Washington with representatives from HUD and the City of Chicago.

- Atlanta Shootings: A memorial service was held in Atlanta Wednesday for the thirteen people killed in the recent shooting spree. Mayor Campbell read your letter to the citizens of Atlanta expressing the country's grief and sorrow for the deaths.

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- **Gasoline Prices Up, Stocks Down:** While crude oil markets were relative quiet, news of events impinging on gasoline supplies appeared to dominate petroleum markets, the primary event being a fire at Mobil's Torrance, CA refinery. A maintenance turnaround at Come-By-Chance, a Canadian supplier of U.S. reformulated gasoline (RFG), and rumors, some unsubstantiated, for example, of refinery problems, kept markets higher. The New York Harbor spot price for conventional regular gasoline was 62.90 cents per gallon on August 2, up 3.67 cents. (The spot price for West Texas Intermediate crude oil at Cushing, OK went from $20.49 per barrel to $20.46 per barrel over the week.) With this week's events, spot California RFG prices have gone well above a dollar even though Tosco has been able to put all its Avon, CA units online, but not at full capacity. The growth in the average retail price for regular gasoline slowed to 0.2 cents this week giving a result of 119.5 cents per gallon on August 2, more than 15 cents higher than last year. A three-cent increase in the retail price of regular-grade RFG on the West Coast helped the national average go higher.

## DEPARTMENT OF EDUCATION

- **Drop in Youth Violence:** A biennial CDC survey shows sharp decreases in several categories of violent activity by teenagers. The findings, which included a significant drop in youths who reported carrying a weapon, coincide with DOJ studies that have shown a drop in crime committed by young people. Although CDC did not offer reasons for the decline, they cited other researchers' explanations, such as the prospering economy, ebbing warfare between gangs that deal in crack cocaine, the shift to community policing, adoption of tougher school discipline policies, and an expansion of violence prevention programs.

- **DC College Access:** On August 2, Representatives in the House and DC officials announced a compromise plan to subsidize DC students' tuition for state schools in MD and VA, but not for colleges in other states. Under the plan, students could receive a maximum subsidy of $10,000 for a single year's tuition, or up to $50,000 total for their college years. The Senate Governmental Affairs Committee is considering a similar plan that would expand the benefit to private colleges in the DC area, and the bill is expected to move quickly.

cc HRC

- **NY Special Education Overhaul:** On August 2, Governor Pataki and the NY State legislature announced an agreement to overhaul the state's special education program. DOEd had informed state officials that NY's failure to integrate disabled students into mainstream classrooms could result in the loss of $355 million in Federal aid. Under the new plan, the state would provide schools with additional money to place children with disabilities in mainstream classrooms, where they would get tutoring and other assistance.

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Frampton/Podesta
pg 11: Burkhardt
(Simply) Podesta

**MEMORANDUM FOR THE PRESIDENT**

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

**SUBJECT:** **Summary of Cabinet Weekly Reports**
**July 31 – August 6, 1999**

## DEPARTMENT OF TREASURY

- **Russia:** On August 1, Paris Club creditors reached an agreement to reschedule payment of approximately $8.2 billion of Soviet-era (pre-1992) debt service. Of this amount, the U.S. will reschedule about $575 million. Most of the debt was rescheduled for 16-20 years, with a small portion rescheduled for five years. The agreement also contained language, in anticipation of future discussions, regarding a "comprehensive solution" to Russia's debt problem. Securing the agreement allows Russia to move forward on negotiations with the London Club of commercial creditors, which met this week to hear Russia's proposals.

- **Financial Modernization:** On August 4, the Conference Committee on the Financial Services Modernization Act held its opening meeting during which Senate Banking Committee Chairman Gramm urged that most of the privacy provisions in the House bill be removed and handled in separate legislation, and reiterated his strong opposition to the broad powers given to bank subsidiaries in the House bill. On August 5, Secretary Summers met with Chairman Greenspan, Senator Lott, Senator Daschle, Speaker Hastert, and Rep. Gephardt to discuss financial modernization. The Congressional leadership urged Treasury and the Federal Reserve to reach agreement regarding whether financial institutions have the right to maintain operating subsidiaries.

## DEPARTMENT OF JUSTICE

- **Juvenile Justice Legislation:** On July 28, the Senate appointed conferees (Senators Hatch, Thurmond, Sessions, Leahy, and Kennedy) for S. 254, which also includes numerous firearms provisions, and H.R. 1501. On July 30, the House appointed conferees from the Judiciary, Education, and Workforce and Commerce Committees.

- **Challenge to NAFTA:** On July 23, a federal district court granted the U.S. motion for summary judgment in a case raising a constitutional challenge to NAFTA. The court upheld Presidential authority to negotiate and conclude NAFTA pursuant to authority over foreign affairs and the authority granted by Congress in accordance with the "fast track" procedures of the Trade Act of 1988, and held that Congress had the authority to implement the agreement domestically through the Implementation Act, pursuant to its broad power over foreign commerce.

- **Native American Conference:** From August 9-11, the Great Lakes Native American Conference will be held in Green Bay, WI with the theme "Shattering the Circle of Violence: Reclaiming Our Communities." The conference will provide multi-district victim assistance training to enable federal, state, local, and tribal agencies to develop skills, expand resources, and plan multi-disciplinary and multi-jurisdictional approaches to assisting federal crime victims.

- **Combating Juvenile DUI Publication:** In August, DOJ is scheduled to publish *A Guide for Combating Juvenile DUI* which summarizes the Police Executive Research Forum's guide, *Strategies for Success: Combating Juvenile DUI.* Supported by DOJ and the National Traffic Safety Administration, the program addresses underage drinking and impaired driving through public education, prosecution, adjudication, and treatment.

**DEPARTMENT OF INTERIOR**

- **PA Drought Emergency:** Record-low stream and groundwater levels are being recorded across PA, and wells are running dry. On July 20, PA's governor declared a drought emergency in 55 of 67 counties and encouraged Pennsylvanians to conserve water as drought conditions worsened. Of the remaining counties, four are under a "drought warning" while eight are in "drought watch" status.

- **Public Use of National Parks:** Preliminary data compiled by NPS indicates that National Parks have received 124.6 million recreation visits between January and June 1999. According to NPS, this is 130,000 more visits than in the first six months of 1998 or a +0.1 percent change in public use. The most obvious change in public use is related to the weather patterns of both years as well as the changing global economic conditions. The El Niño/La Niña effect from the warming of the Pacific waters has created a noticeable influence on visitation to both coasts.

**UNITED STATES DEPARTMENT OF AGRICULTURE**

- **Emergency Assistance and Farm Bill Reforms:** Testifying on August 3, Secretary Glickman called on Congress to approve immediate cash assistance to help farmers through the present economic crisis, and also reform the farm bill to ameliorate the

underlying contributing causes. On August 2, the Senate resumed consideration of the FY2000 agricultural appropriations bill, with most debate focused on emergency spending for the economic crisis. The Senate also adopted by voice vote a $7 billion amendment offered by Senator Cochran. On July 29, the House Judiciary Subcommittee on Commercial and Administrative Law approved for full committee action a bill to extend Northeast Dairy Compact and create a new Southern Dairy Compact.

- **Rural Job Investment:** On August, 4 the Vice President announced that USDA is investing $132 million in loans, loan guarantees, and grants for rural businesses throughout the country. The financing will create or save more than 2300 jobs.

- **Food Stamp Hearing:** On August 5, USDA testified on the food stamps program before the Subcommittee on Department Operations, Oversight, Nutrition, and Forestry of the House Committee on Agriculture. USDA will address the reasons for the decline in food stamp participation.

- **Commodity Markets:** Wheat prices moved up during the week, helped by improved export prospects and spillover support from corn. Hot, dry weather in the Eastern and Southern Corn Belt helped boost corn prices late in the week. Soybeans sank, however, as good weather persisted in virtually all major growing areas in the United States. Above-normal temperatures in the South helped boost rice futures, but cash prices were unaffected. Cotton cash prices fell slightly in thin trade, but futures gained, mainly due to speculators' large short positions and the anticipated return of Step 2 payments. Cattle prices followed wholesale beef prices higher. Hogs also moved up as packers struggled to meet harvest schedules. Good fast food demand offset slower retail movement to leave broiler prices almost unchanged. Butter prices jumped as some handlers worried about slow churning schedules and the future direction of prices. Cheese prices continued to move up amid reports that some plants are having difficulty filling orders.

- **VA Welfare Reform Waiver:** During the period that ended August 3, USDA approved a request from the State of VA for a waiver of the welfare reform legislation's work requirements, permitting food stamp recipients in 19 counties and 3 cities to continue to be exempt from work requirements, based on insufficient jobs.

## DEPARTMENT OF COMMERCE

- **Gore-Stepashin:** Secretary Daley participated in the trade and investment discussions of the Gore-Stepashin Commission and met with Russian Minister of Trade Fradkov. Topics discussed included tariff waivers for U.S. aircraft, financing for sales of a Russian-American aircraft, veto of a restrictive insurance law, regional commercial cooperation, and commercial project issues.

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- **Search for John F. Kennedy Jr. Aircraft:** At Senator Kennedy's request, the U.S. Coast Guard held a ceremony to thank and recognize agencies for their efforts in the search and recovery of the Kennedy aircraft. The ceremony, which was held on July 30, at the Coast Guard Integrated Support Command in Boston, honored personnel from DOC's National Oceanic and Atmospheric Administration (NOAA), DOT, the U.S. Navy, the U.S. Air Force, the National Transportation Safety Board, and the MA State Police and Environmental Police, and many local agencies.

- **Oracle Contract in Korea:** Following personal advocacy by Secretary Daley during his Business Development Mission to Korea in March, Oracle was awarded a $30 million contract -- with nearly 100 percent U.S. content -- for an enterprise resource planning component of a process innovation tender with Pohang Iron & Steel Co. This is the second project Oracle has won in Korea following Secretarial advocacy. In April, Oracle was awarded a systems automation tender with Korea Telecom.

- **Y2K Rural Health Care:** During August, the National Institute of Standards and Technology's (NIST) Manufacturing Extension Partnership (MEP) will be presenting Y2K training lectures at Health Care Financing Administration's (HCFA) Rural Health Care conferences in NH, WV, AR, and NC. In addition, NIST MEP is providing HCFA with Y2K Jumpstart Kits to be distributed to hospitals, medical offices, nursing homes, and other medical service providers throughout the country.

- **Y2K International Training:** The International Trade Administration (ITA) has just finished a round of conferences and demonstrations of their CD-ROM-based Y2K self assessment tool in Durban and Johannesburg, South Africa. Since March 31, ITA has planned and conducted 37 events in 21 countries worldwide, and has distributed more than 150,000 CD-ROMs in the U.S. and overseas.

- **Scientists Predict CT Earthquake:** Three NOAA-funded CT Sea Grant researchers have discovered that a fault line passing through CT, long thought to be dormant, is active and producing earthquakes. The scientists were studying long-term sea level trends when they inadvertently uncovered evidence of the fault's activity. They believe this fault is responsible for a rhythmic pattern of widely spaced earthquakes in CT over the past 1,200 years. The pattern suggests CT could soon be due for another earthquake, a tremor that would be noticeable and potentially damaging, though not likely to be catastrophic.

## DEPARTMENT OF LABOR

- **"Protecting the Labor Rights of Working Women" Conference:** On August 17, DOL is hosting an outreach session in McAllen, TX to educate women about their rights in the workplace. The outreach session is a result of ministerial consultations under the North

American Agreement on Labor Cooperation which established National Administrative Offices (NAOs) in each of the three NAFTA countries. On August 18, Mexico will host a similar public outreach session across the border in Reynosa, Tamaulipas.

- **Functional Context Education Conference:** On August 13, DOL's Women's Bureau will co-sponsor the Functional Context Education Conference in Sacramento, CA which is an instructional strategy that combines literacy skills with motivational content. The conference will provide information on this approach for use with CA's welfare to work efforts.

- **Unemployment Insurance Grants:** Next week, DOL plans to announce 14 grants totaling $9 million that are being awarded to 13 states to develop systems which will enable claimants to file their initial unemployment insurance claims via telephone or internet. The states include AL, KY, MI, NE, NM, WY, ID, KY, MN, MO, NH, NJ, RI, UT.

- **Job Corps Contract:** Next week, DOL plans to announce a $2,546,405 contract for the construction of a new 136 person dormitory at the Gainesville Job Corps Center in Gainesville, FL.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

- **CHIP Approvals:** On August 1, HCFA approved the NJ CHIP amendment which the state estimates will add an additional 9,000 children to the program. During the week of August 6, HCFA will likely announce the approval of VT CHIP amendment.

- **National Women's Health Information Center:** In August, the National Women's Health Information Center will add a Women with Disabilities section to its web site, and a toll-free information number which will offer health information and resources on learning disorders, developmental, neurological, and physical disabilities and hearing, visual and speech-language impairments.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

- **"Officer Next Door":** During the past week, HUD sold 17 single-family properties to police officers under the "Officer Next Door" program which brings the total number of closings to 2,300.

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8-10-99

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- **Gasoline Prices Up, Stocks Down:** While crude oil markets were relative quiet, news of events impinging on gasoline supplies appeared to dominate petroleum markets, the primary event being a fire at Mobil's Torrance, CA refinery. A maintenance turnaround at Come-By-Chance, a Canadian supplier of U.S. reformulated gasoline (RFG), and rumors, some unsubstantiated, for example, of refinery problems, kept markets higher. The New York Harbor spot price for conventional regular gasoline was 62.90 cents per gallon on August 2, up 3.67 cents. (The spot price for West Texas Intermediate crude oil at Cushing, OK went from $20.49 per barrel to $20.46 per barrel over the week.) With this week's events, spot California RFG prices have gone well above a dollar even though Tosco has been able to put all its Avon, CA units online, but not at full capacity. The growth in the average retail price for regular gasoline slowed to 0.2 cents this week giving a result of 119.5 cents per gallon on August 2, more than 15 cents higher than last year. A three-cent increase in the retail price of regular-grade RFG on the West Coast helped the national average go higher.

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## DEPARTMENT OF VETERANS AFFAIRS

- **National Veterans Golden Age Games:** From August 7-12, the 13th National Veterans Golden Age Games, co-sponsored by VA and the VFW, will be held in Geneva, NY. This multi-event recreational sport meet is open to all U.S. military veterans 55 or older currently receiving care at any VA medical facility. More than 400 veterans are expected to compete in sports events such as swimming, bicycling, horseshoes, bowling, croquet and pentathlon.

- **VA Computer System Wins Recognition for Helping Paralyzed Veterans:** VA's Environmental Control System (ECS), which was developed to provide greater independence for quadriplegic veterans in their homes, is listed as one of the Nation's top ten Federal computer systems on the worldwide web site of *Federal Computer Week*. ECS uses a home's existing wiring to help quadriplegics perform everyday tasks such as opening doors, turning lights on and off and dialing telephones. Previously, quadriplegics could only accomplish such tasks with signals sent by inhaling and exhaling into tubes; however, ECS uses computerized voice recognition and infrared signal receivers to perform such tasks. VA has provided ECS to about 6,500 paralyzed veterans.

## ENVIRONMENTAL PROTECTION AGENCY

- **Harmful Pesticides:** On August 2, Administrator Browner, in conjunction with USDA, announced several actions to further protect American families and their children from pesticides by eliminating several specific uses of methyl parathion and significantly lowering the allowable residue for azinphos methyl on a wide variety of produce. Agency studies have shown that these two pesticides put Americans and particularly children at risk of neurological damage.

- **Lake Tahoe Presidential Forum:** On August 11, EPA will participate in the second anniversary event of the Lake Tahoe Presidential Forum. Since the 1997 Forum, EPA has delivered on all of the 12 Presidential Commitments made to the Lake Tahoe region, awarding grants and initiating each of the projects you announced by. EPA will continue to play an active role in supporting the efforts of the Lake Tahoe Federal Interagency Partnership, Tahoe Regional Planning Agency and local stakeholders in addressing the environmental and economic concerns of the Lake Tahoe Basin.

- **New Water Quality Initiative:** In the coming weeks, EPA will propose for public comment the "Cleaner Waters Across America Initiative", which will establish a new framework for identifying and cleaning up our Nation's polluted rivers, lakes, and estuaries -- of which 20,000 have already been identified across the country. The proposed regulations will require locally developed, comprehensive clean-up plans

tailored to each individual waterbody on a pollutant-by-pollutant basis. The proposed regulatory changes will clarify the authority of the States and EPA to regulate sources of polluted runoff where necessary to restore clean water and will allow EPA to step in when reasonable further progress toward meeting water quality standards is not being achieved.

## UNITED NATIONS

- **Bosnia and Herzegovina:** On August 3, the Security Council adopted a resolution welcoming the appointment of Wolfgang Petritsch of Germany to replace Carlos Westendorp of Spain as High Representative in Bosnia and Herzegovina. The Russian delegation resisted praising Westendorp's work as High Representative, but accepted compromise language that respected his contribution to peace.

## UNITED STATES TRADE REPRESENTATIVE

- **Mexico Beef Dumping Decision:** On August 2, the Government of Mexico announced that it would impose duties on many U.S. beef exports to Mexico. However, no duties were imposed on live cattle and many individual exporting firms received low or zero duties. USTR and other agencies are working with the industry to evaluate the impact of the decision.

## OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Houston Performance Partnership:** On August 11, Director McCaffrey will travel to Houston, TX for a working breakfast with law enforcement. He will also meet with the editorial board staff of the *Houston Chronicle* and join Houston's Mayor Lee Brown in a signing ceremony to announce the creation of a Performance Partnership between Houston and ONDCP. The Performance Partnerships are a joint effort between ONDCP and selected state and local officials to encourage the development of performance measurement and data collection systems that will enable Federal, state and local leaders to better measure progress against drug abuse and its consequences.

## SMALL BUSINESS ADMINISTRATION

- **HUBZones:** During the second and third weeks in August, SBA is planning over 200 events to announce the HUBZone program. In addition to an enhanced website, a HUBZone video will be completed for the official announcement, and new features to mapping software capability.

THE PRESIDENT HAS SEEN
8-10-99

- **New Markets:** On August 19, SBA will hold a joint partnership signing ceremony at the National Council for Negro Women headquarters in Washington, DC. The partnership agreement is designed to increase participation of African-American-owned small businesses in SBA's capital-access, procurement, international trade, advocacy, welfare-to-work and women-owned business programs.

copied Burkhardt (for reply) Podesta

## OFFICE OF PERSONNEL MANAGEMENT

- **Welfare-to-Work:** On August 2, Vice-President Gore released a report on Federal Welfare-to-Work hires, demonstrating that the Federal Government has eclipsed its commitment to hire 10,000 former welfare recipients by more than 4,000 hires. Data prepared by OPM also demonstrated that Welfare-to-Work employees were nearly twice as likely to be retained as other workers at similar grade levels.

- **Organ Donors:** On August 3, the Senate Governmental Affairs Committee favorably reported the following bills that OPM developed: the Federal Erroneous Retirement Coverage Corrections Act, which would allow for the correction of instances where Federal agencies enrolled Federal workers in the wrong retirement system, and two versions of the Organ Donor Leave Act which would grant up to 30 days leave for Federal workers who serve as organ donors.

- **Federal Agency Employment Reduction Assistance Act:** On August 2, OPM sent to Congress a legislative proposal entitled the "Federal Agency Employment Reduction Assistance Act of 1999" which would authorize Federal agencies to offer 'buyouts' of up to $25,000 when their use would assist in downsizing and streamlining operations.

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## UNITED STATES INFORMATION AGENCY

- **Refugee Internet Initiative:** With the return home of the Kosovar refugees, USIA will soon close its Internet center in the German refugee camp, followed by those in France and Poland. The equipment and supplies from these facilities will be sent to Kosovo, to set up seven Internet sites in the province. An additional 27 iMacs donated by Apple will be headed to Kosovo to supplement these resources.

## GENERAL SERVICES ADMINISTRATION

- **TX Computer Donation:** Recently GSA Region 7 presented the Cuero, TX Independent School District with 20 computers and 3 servers and carpet worth more than $6,000. Cuero, TX which was devastated by heavy flooding in May 1998, is still recovering from damage to the city, the surrounding neighborhoods, and the schools. The carpet, which had been scheduled for installation in the Murrah Building prior to the explosion in 1995, had remained in storage since that date and was slated to be destroyed.

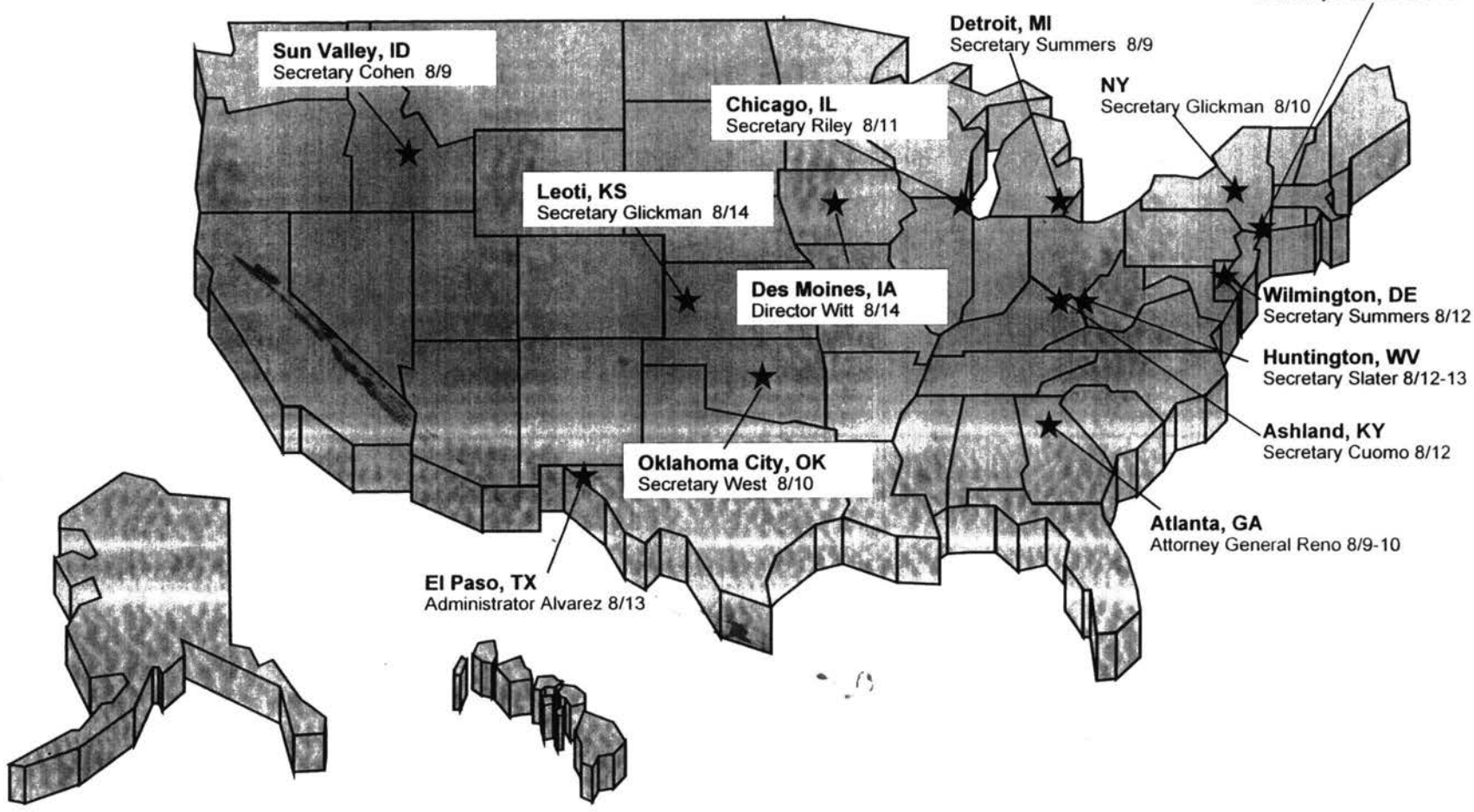
## SOCIAL SECURITY ADMINISTRATION

- **Self-Employment Workforce and the Disabled:** On August 19, SSA, in cooperation with the faculty of the National Academy of Social Insurance, will host an inter-agency seminar on "Entrepreneurs with Disabilities: Challenges and Solutions" in Washington, DC, and will explore how SSA can assist beneficiaries who want to enter or reenter the workforce in self-employment.

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

# Cabinet Travel

*Monday, August 9 - Sunday, August 15, 1999*




**Nigeria**
Secretary Richardson 8/12-16

THE PRESIDENT HAS SEEN
8-10-99

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copied Burtchaidt (for reply) Podesta

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Entire Report
MacKay
Podesta
Berger

5-10 99

THE WHITE HOUSE

WASHINGTON

August 6, 1999

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: KENNETH H. MACKAY, JR.

SUBJ: BOLIVIA AND PERU TRIP REPORT

This is a report on my trip to Bolivia and Peru between July 19-23 to meet with Presidents Banzer and Fujimori, as well as other government officials, members of congress and the private sector.

**Bolivia**

President Banzer is rightfully proud of Bolivia's success in reducing coca production in Bolivia by 28 percent last year (more than 50% since taking office in June 1997). Banzer has made a commitment to make Bolivia a drug-free country by the end of his 5-year term in 2002. I traveled to the drug-producing region of Bolivia and received DEA and Bolivian briefings on the eradication efforts underway. These efforts are truly impressive, because of the high level of cooperation between agencies of the two governments. I was most encouraged by President Banzer's Dignity program that rewards communities for replacing coca crops with alternative crops. I believe that this approach can be a model for other drug producing countries.

Overall, my visit to Bolivia was extremely productive. President Banzer raised a final issue with me concerning a possible visit to Washington in the late 1999 or early 2000 timeframe. With the impressive record that the Banzer administration has in the areas of anti-narcotics, economic reform and adherence to democratic values, I strongly recommend such a visit. A visit would be a wonderful opportunity to highlight Bolivia's progress in these areas.

**Peru**

I was struck by the remarkable advancements that the Fujimori government has made against narcotics trafficking and terrorism, in contrast with the obvious stagnation in areas of human rights, freedom of the press and rule of law. I emphasized at every opportunity, that there exists a prevailing perception in the United States that the Government of Peru is systematically undermining democratic processes. This perception tends to discourage U.S. investment and erodes congressional support for Peru despite advancements in counter-narcotics.

I congratulated President Fujimori on the successes and raised the several contentious issues. I was surprised that the President was willing to discuss in detail the case of Lori Berenson, and Peru's withdrawal from the jurisdiction of the Inter-American Court of Human Rights.

I met with Peru's Ombudsman for Human Rights, Jorge Santistevan, and separately with opposition members of Congress to discuss the human rights situation and the prospects for

strengthening democratic institutions in Peru. Santistevan acknowledged that there has been a decrease in the number of allegations of torture and forced disappearances, but he expressed concern over the loss of institutional recourse for human rights cases and rule of law. The opposition members of congress were generally pessimistic regarding the outlook for strengthening democracy in Peru.

Meeting with U.S. business representatives, I discussed our desire to move forward with the FTAA agenda and listened to their concerns surrounding the business environment in Peru. I subsequently raised with Peru's Minister of Transportation and Telecommunications, specific problems in the telecommunications and energy sectors. Minister Pandolfi responded favorably and reaffirmed that he understands the discouraging effect that these problems have on future investment in Peru. I have since been advised that positive steps were taken as a result of this conversation.

Overall, Peru is a strong partner in the war against drugs and should be commended for its successful fight against insurgent groups that once ravaged the country. However, we must continue to engage Peru with our strong message that human rights, freedom of the press and rule of law are of the utmost importance in the United States and our relationship will become more productive if Peru makes progress in these important areas.

--end--

THE PRESIDENT HAS SEEN
8-10-99

THE WHITE HOUSE

WASHINGTON

August 6, 1999

'99 AUG 6 PM3:01

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER

CC: MARIA ECHAVESTE

SUBJECT: INDIAN COUNTRY

copied
Cutler
& chavestc
Podesta
Burkhardt
(for reply)

**Federal Communications Commission Action**

- The FCC voted yesterday to adopt two Notices of Proposed Rulemaking to help unserved and underserved areas, particularly Indian reservations. These unprecedented measures will encourage phone and wireless carriers to expand their services to these areas. They are illustrative of Chairman Kennard's efforts to fulfill a goal of the Telecommunications Act of 1996 by striving to turn reservations into information "haves," rather than "have-nots."

- The FCC will explore ways to lower the costs of building telecommunications networks and the costs to poor consumers of subscribing to services. To achieve this end, the FCC will examine the impediments to deployment and subscribership in rural and tribal communities. The FCC will also look for ways to use satellite and wireless technology to provide basic telephone and other telecommunication services, particularly in remote areas where wireless alternatives could be significantly less expensive than wireline service. These steps will benefit the tribes enormously, will lead to real economic development opportunities, and also help those areas in rural America that you talked about on the New Markets tour.

**Food Stamp Decision**

- The Department of Agriculture is granting a waiver to the Chickasaw and Choctaw Nations to allow them to run their own food stamp program. This is an unusual and positive step.

**Western Wireless**

- In another move that will help the Plains Indians, Western Wireless Corporation, a provider of wireless communication services in the western United States and in

THE PRESIDENT HAS SEEN
8-10-99



foreign countries, announced that it will provide residential service to the Crow Indian Nation in Montana. This service will provide an expanded calling area and affordable rates. Currently, only 45% of homes on the reservation have access to telephone service. This corporation has been working with several Tribal Nations in support of the FCC's efforts to bring affordable telephone service to Indian Reservations.

**Alaska Natives**

- I met with representatives of the Alaska Federation of Natives this week. The Alaska Legislature has not passed the legislation that is needed for the State to comply with the Alaska National Interest Land Conservation Act ("ANILCA"). This failure continues to cause serious problems. This fight has gone on for years, and Secretary Babbitt has made it clear that he will move to take over fisheries management in order to maintain the subsistence rights of the Natives. Maria Echaveste joined the meeting, and we would suggest that now is an appropriate time for you issue a strong statement about your commitment to protecting the Alaska Natives and their subsistence rights. We are looking for the best venue for you to voice your position. Senator Murkowski is doing everything he can to fight the Natives, and will probably attempt to change the provisions in ANILCA that protect the Natives. We have always fought those attempts, and need to communicate that we will continue to do so. Senator Inouye also called John Podesta on this issue. I will follow up and make sure we have a proposed statement for you.

Nancy.
Miller Williams, from the UA, suggested Chelsea Rathbun [also at the Univ] send this letter and documentation regarding her father - an FAA employee. Jonis
What do you suggest?

Jonis

8-10-91
Send to Burkhardt
Yes ✓
No ___

C

H/T 8-10-91

302 North Olive Avenue
Fayetteville, Arkansas 72701
28 July 1999

'99 AUG 10 PM3:30

Janis Kearney
Special Assistant to the President
and Records Manager
The White House
Washington, D.C. 20502

Dear Janis Kearney:

Miller Williams, my thesis director at the University of Arkansas, suggested I write to you concerning an alarming situation regarding my father, an employee of the FAA. When we discussed my father's struggle and I mentioned my plans to write President Clinton, Miller expressed his own concerns and encouraged me to seek your support as well.

I have always been a staunch supporter of the President and his Administration, but moving to Fayetteville, Arkansas, in 1997 to join the MFA program in Creative Writing provided me a closer look at the distant world of politics. Through my involvement with Miller, Bill Harrison, and Jim Whitehead, I heard personal stories about President Clinton's time in Fayetteville, his involvement and support of the Arkansas writers, and his interest in and compassion for the everyday struggles of the people who make up our country. These stories, coupled with an increasing sense of hopelessness about my father's situation and the concern which Miller expressed, have prompted me to seek the President's, and your, help.

I will try to be brief. My father, Charles Rathburn, is an Air Traffic Controller at Miami International Airport, where he has worked over twenty years. Easily the most dedicated worker I have ever met, he is one of those all too rare people who truly love their jobs. I fondly remember my elementary school years, when he spoke at every Career Day and arranged airport field trips. However, I also remember the many six-day weeks he worked in the years following the 1981 PATCO strike to compensate for the shortage of manpower, and I too vividly recall the harassing phone calls, vandalism to our house, and physical threats which occurred during and after the strike. Despite all this, my father has remained a dedicated federal employee for the twenty-six years following his four years of service in the US Navy. To illustrate the joy he receives from doing his job, and doing it well, just two weeks ago he called to tell me, proudly, that he was the controller who worked Air Force One's approach into Miami.

Unfortunately, my father's career in the FAA may soon end, due to the provisions of Public Law 92-297, which mandates early retirement at age 56 for those ATCs who weren't lucky enough to be hired under one of several exemptions. While PL 92-297 does contain a provision which allows for waivers to mandatory retirement for workers with exceptional skills, my father's attempts to procure a waiver, begun June 1, 1998, have gotten him nowhere beyond a string of form letters and callous and contradictory blanket statements from FAA Administrator Jane Garvey. This is despite his following the procedures specified by Ms. Garvey for requesting a waiver and despite documentation from both his facility manager and his supervisor that he does indeed possess exceptional skills and experience.

As time runs out, my father is losing hope. It seems that the FAA, to whom he has dedicated the best years of his life, has completely turned its back on his situation, at the same time that many

fired PATCO controllers are being rehired and allowed to stay past age 56. My father's words can explain the intricacies of his struggle for a waiver better than I, and perhaps you are already familiar with them. I have enclosed a copy of a letter he sent President Clinton, dated June 22, 1999.

In addition, I have enclosed documentation which supports my father's case. You will find a brief history of his attempts to procure a waiver; a few excerpts from the legislative history of PL 92-297, which he has researched thoroughly, that demonstrate that the law was clearly designed with *controllers'* interests in mind; a letter written by his union representative, Andrew Cantwell, on his behalf to Rodney Slater, Secretary of Transportation (unfortunately, this letter was apparently forwarded to the office of Administrator Garvey, for she, not Slater, replied); and a letter written on behalf of Judith Bruce, another controller unfairly affected by the FAA's categorical refusal to grant waivers. This letter is particularly interesting because it was written by a regional manager, yet it condemns the unfair application of PL 92-297, refers to Secretary Slater's encouraging the use of waivers in a 1998 memo, and points out that the FAA is making itself vulnerable "to claims of disparate treatment."

I hope that resubmitting my father's letter and these supporting materials is not viewed as a sign of disrespect or mistrust; rather, in the course of my father's quest for the waiver he so obviously deserves, we have become all too familiar with the way that letters are rerouted or lost in red tape. With all due respect to Administrator Garvey, it appears that she has already made up her mind and refuses to acknowledge any appeals on my father's behalf, whether those appeals come from his supervisors, his union, or his representatives in Congress. It is my hope that upon reading my words, you will not simply forward the matter to Garvey's office, but will feel personally compelled to review my father's case and act on his behalf.

If you have any questions, please contact me at 501-571-1976 or by email at crathbu@comp.uark.edu. In addition, my father can be reached at 305-238-3365, by mail at 14724 SW 83 Ct., Miami, FL 33158, or by email at Cratmiami@aol.com.

I thank you for your time and attention.

Sincerely,

Chelsea Rathburn

14724 SW 83 Ct
Miami, FL 33158
June 22, 1999

President William J. Clinton
The White House

Dear President Clinton:

Many of the Air Traffic Controllers who loyally worked through the PATCO strike of 1981 are now reaching mandatory retirement age of 56, and are being forced by the FAA to retire. Even though Public Law 92-297 provides for the continued employment of controllers who are still able to meet the demands of their profession, by authorizing the Secretary of Transportation to grant waivers up to age 61, skilled and dedicated workers, many of them Viet Nam-era veterans, are being denied this option. To date, the FAA has granted no waivers, and implications are that they do not intend to grant any without your intervention.

The FAA's official justification for refusing to grant waivers is that "studies have shown that skills and aptitude required to learn and perform controller duties decline at a relatively early age." However, Congress clearly recognized that this is not the case for all controllers, and allowed for exceptions on an individual basis to age 61. In my case, for example, both my supervisor and my facility manager, who are personally familiar with my skills, have requested that I be granted a waiver, stating, "to separate Mr. Rathburn at age 56 would not be in the best interest of the agency." However, the FAA has refused to process their requests, even though FAA Administrator Jane Garvey instructed me and my manager to follow this procedure.

The FAA's blanket statement appears particularly arbitrary given the fact that mandatory retirement does not apply to all controllers. At the same time that the dedicated and able Federal employees who worked through the strike are being forced out of their jobs and livelihoods, approximately 800 of the fired controllers have been allowed to resume their careers as a result of your 1995 amnesty order. Most if not all of these rehired controllers, returning at an average age of 54, will be allowed to remain on the job well into their sixties, retiring on higher pensions than those who continued working in 1981. This is due to any one of several exemptions the other controllers don't qualify for.

The following categories of Air Traffic Controllers are automatically exempted from mandatory separation:

1. Air Traffic Controllers who were first appointed by DOT (FAA) into Terminal or Enroute option before 5/16/72.
2. Air Traffic Controllers who were first appointed by DOD before 9/12/80.
3. Air Traffic Controllers who were first appointed by DOT (FAA) into Flight Service Station option before 1/1/87.

4. Air Traffic Controllers who are enrolled in the Federal Employees Retirement System (FERS) instead of Civil Service Retirement System (CSRS) and who do not have the required 20 years service when they reach age 56.
5. Air Traffic Controllers assigned as Staff Specialists. (These positions are not being offered in lieu of mandatory retirement.).

As a result of this myriad of exemptions, the law allows many, including the rehired strikers, to remain in their jobs with absolutely no regard to age or recency of experience while those of us who remained on the job are forced to retire. I can be working alongside controllers who were hired more than 13 years after me but who are exempt due to a "grandfather clause" that was instated years after I was hired but doesn't include me (exemption 3). I can be forced into early retirement at age 56 at a fraction of my income while a co-worker my age is exempt solely because he is in a different retirement system (exemption 4)! To remedy this inequity, the waiver clause in P.L. 92-297 which allows for exemptions to age 61 should be invoked to aid the qualified controllers who remained on the job in 1981 and wish to remain at age 56.

Although unintentional, P.L. 92-297 is clearly discriminatory. Ironically, when the 92nd Congress passed this law, they were intending to improve conditions for air traffic controllers, while at the same time ensuring the safety of the system. This was evident in numerous quotes in the legislative history, such as the following from House of Representatives Report #92-516: **"In sum, one of the major problems facing us is the necessity to be fair to the individual who has devoted himself in his prime productive years to the needs of the Air Traffic System and yet maintain the integrity and safety of the service itself..."** Consequently, Congress "added the proviso that a controller with exceptional skills could be retained until his 61st birthday" (Congressional Record-House, Oct. 4, 1971, page 34803).

Although the legislative history clearly indicates Congress' intention to fairly provide for controllers who have not lost their skills as they aged, unfortunately for these controllers it appears the FAA is interpreting the submission of the waiver clause into the law by the 92nd Congress as an attempt to meet the needs of the FAA. In a letter to my union representative dated June 10, 1999, FAA Administrator Jane Garvey writes, "The Air Traffic Service does not support Mr. Rathburn's request for a waiver. I concur with that determination. The exception provision in the public law by no means guarantees anyone an exception to mandatory separation. Exceptions to mandatory separation are intended for extraordinary situations ...the situation does not merit such an extreme measure ...."

While Ms. Garvey is technically correct when she states that the provision does not guarantee an exemption, legislative history clearly demonstrates Congressional intent for exceptions to be made for exceptional controllers. P.L. 92-297 does not contain any mention of "extraordinary situations," nor is there any reference to them in the legislative history. Congress specifically discussed the need to avoid a "selection out" system, whereby management could throw the older controllers into the ranks of the unemployed at greatly reduced incomes. For example, Representative Gross of Iowa, Member of the

Committee on Post Office and Civil Service, stated, **"...the bill as originally submitted to the Congress [by the Secretary of Transportation] would have permitted the 'selection out' by the Secretary of controllers... I had no intention of supporting this type of an arrangement with respect to air traffic controllers"** (Congressional Record-House Oct. 4, 1971 page 34805). Obviously Rep. Gross and the other members of the 92nd Congress felt that by adding the waiver clause they had prevented the FAA from discriminating against capable older workers. It appears that this is exactly what the FAA is now attempting. By arrogantly refusing to grant waivers to qualified controllers who request them, the FAA is guilty of gross age discrimination, lack of fairness, and a total lack of compassion for its dedicated employees who were the national heroes of the early 1980's.

I must admit I am stunned by the FAA's behavior. I simply cannot believe that they wish to turn their backs on those employees who worked long hours through much adversity, yet kept the air traffic control system afloat in the years following the strike. After 30 years of government service, I suddenly face the loss of my livelihood at a time when I must assist my daughter in her graduate schooling at the University of Arkansas and finance her upcoming wedding, in addition to my normal financial obligations. However, I know that my story is not unique. The FAA and U.S. Government expect loyalty and fairness from employees. Don't the employees have the right to expect the same from their government?

**The bottom line is this: The law allows controllers to stay beyond age 56; the FAA is forcing us into retirement solely because of our age.** Administrator Garvey has indicated that allowing us to remain employed would be "an extreme measure." To me, needlessly crippling people's ability to provide for their families is an extreme measure. I know that discrimination of any kind goes against everything this President's Administration stands for. I urge you to intercede on my behalf, and on behalf of other controllers who are in my position by directing the Secretary of Transportation to grant waivers liberally to all qualified controllers who request them, or at least grant them on an individual basis to exceptional controllers. I also request that waiver approval be granted at least 12 months prior to the employee's 56th birthday in order for the employee to properly plan his/her future.

Thank you for your time and attention in this serious matter.

Sincerely,
Charles H. Rathburn
Charles Rathburn

Air Traffic Controller
Miami Airport Traffic Control Tower
(305) 869-5433 (Work)
(305) 238-3365 (Home)
CRatMiami@AOL.Com

History of Charles Rathburn's Attempts to Obtain a Waiver to PL 92-297

June 1, 1998: I hand-delivered to Miami ATCT Acting Air Traffic Manager Ron Lizst a written request for a waiver to age 56 mandatory retirement, which he forwarded to the office of Regional Air Traffic Division Manager Dennis Koehler.

June 11, 1998: Regional Air Traffic Division Manager Koehler's office sent me a response denying my request, stating, "...While the letter of the law allows the Secretary of Transportation to grant waivers, it is our current policy to not approve waivers to mandatory separation" (Signed by Deputy Air Traffic Manager Barbara Smith, for Dennis Koehler).

July 27, 1998: I mailed FAA Administrator Jane Garvey a written request for a waiver.

September 11, 1998: Administrator Garvey mailed me a written response. Her response stated that in order to obtain a waiver, I need to document exceptional skills and experience over the skills and experience of others. She further stated that my request for waiver should be endorsed by my facility manager and my Regional Air Traffic Division Manager. "The Air Traffic Division Manager will refer the request, if approved at Regional level, to ATX-1" in Washington, D.C.

October 4, 1998: My immediate supervisor, Mr. Wm. H. Myers, wrote a letter documenting my exceptional skills and experience, recommending me for a waiver.

November 23, 1998: Miami ATCT Air Traffic Manager Wm. W. Kribble sent a written request for a waiver to Regional ATD Manager Dennis Koehler. In his letter of endorsement Mr. Kribble concurred with Supervisor Myers' assessment of exceptional skills and experience, and stated, "It is felt that to separate Mr. Rathburn at age fifty-six would not be in the best interest of the Agency."

November 23, 1998: Ron Morgan, AT-1, visited Miami ATCT. Staff Specialist Jeff Rutledge asked Mr. Morgan about my situation and if FAA was planning on doing anything to be fair to me and others in my situation. Ron Morgan responded, "No. We feel if the FAA grants any waivers to age 56, it'll kill our early retirement....FAA's not inclined to do that."

December 23, 1998: Regional Air Traffic Division Manger Dennis T. Koehler sent written response to Air Traffic Manager Wm. Kribble's recommendation and request for waiver. Mr. Koehler stated that Agency regulations contain no provision to allow for a waiver prior to a 60 day notification that employee will be separated involuntarily. Mr. Koehler stated that he is unable to process our request for a waiver.

Early January, 1999: I acquired a copy of Washington memo dated October 5, 1995, from Acting Program Director for Air Traffic Program Management, AZT-1, addressed to Regional Air Traffic Division Managers. The memo states that Washington Headquarters does not intend to elevate requests for waivers to the Administrator.

January, 1999: During meeting with Miami ATCT Air Traffic Manager Wm. Kribble in his office, I asked about the possibility of securing a staff job at MIA, which would automatically exempt me from mandatory retirement. He was very pleasant, and it appeared he was trying to be helpful, but stated that he was already 2 or 3 people over his authorized staff allotment. I asked if there was any possibility of "creating" a position for me until a vacancy exists. He said no. Shortly afterward it was announced that FAA was "creating" a staff slot for Ms. Susan Cornell, a management employee who wished to return to Miami from another region. I've been told that the FAA uses the term "Authorized Identical" to describe the position.

History of Charles Rathburn's Attempts to Obtain a Waiver to PL 92-297

February 1, 1999: I met with Representative Ileana Ros-Lehtinen's aide, Mr. Alex Cruz, and delivered a letter requesting help in securing a waiver.

February 4, 1999: Andrew J. Cantwell, my NATCA union representative, sent Representative Ros-Lehtinen a letter of support, agreeing that I have exceptional skills, and seeking her aid in convincing FAA to grant me a waiver.

February 9, 1999: NATCA representative Andrew J. Cantwell sent letter to Rodney Slater, Secretary, Department of Transportation, requesting his assistance in helping me secure a waiver.

February 12, 1999: Representative Ros-Lehtinen wrote Transportation Secretary Slater requesting his positive involvement in granting me the waiver I seek in accordance with P.L. 92-297.

February 12, 1999: Representative Ros-Lehtinen wrote FAA Administrator Jane Garvey requesting her positive involvement in rescinding her Agency's decision to not grant me the waiver. Rep. Ros-Lehtinen reminded Administrator Garvey that it was Congressional intent when P.L. 92-297 was passed to recognize that there would be controllers who would not lose their skills as they aged, and who should be retained in their jobs.

April 13, 1999: Lakeland, Florida, Sun-N-Fun Fly-in and Airshow. I had a chance meeting with Regional Air Traffic Division Manager Dennis Koehler, and introduced myself as the person who's been seeking help in getting a waiver to the "56 rule." Mr. Koehler stated that he didn't remember processing any requests from me. He also didn't remember reading any letter from Administrator Garvey stipulating the procedure to follow to attempt to get a waiver. Mr. Koehler stated he doesn't have the authority to grant waivers, then suggested I resubmit the request and supporting documentation to him, including the letter from Ms. Garvey. He stated that he feels that we do "slow down" as we get older, but that our experience compensates and more than makes up for any "loss of speed" we may experience as Air Traffic Controllers.

April 15, 1999: I resubmitted, via U.S. Mail, the waiver request, along with a cover letter and all pertinent documentation and correspondence, to Division Manager Koehler.

May 11, 1999: I phoned Mr. Koehler about his reviewing my request and recommendation for a waiver. He said he's "not getting a positive response from Washington. They're not providing any waivers. It's the policy at the national level." I asked Dennis Koehler with whom he'd been speaking in Washington. He said, "The ATX level, ATX-1 and Ron Morgan, and their position is that they're not going to grant waivers in this or any other Region," and that there's no point in him forwarding my request to Washington. "The policy says 'no waivers'." Mr. Koehler suggested I write a letter to Ron Morgan expressing my point of view, and forward it through Mr. Koehler.

May 12, 1999: I met with Rep. Ros-Lehtinen's Congressional Assistant, Mr. Alex Cruz, to discuss and deliver a follow-up letter concerning my May 11 conversation with Division Manager Koehler.

June 10, 1999: FAA Administrator Jane Garvey, in response to a request by Secretary of Transportation Rodney Slater, responded in writing to NATCA union representative Andrew J. Cantwell. The letter was received June 15, 1999. In her letter, Ms. Garvey reiterated the procedure to request a waiver which was outlined to me in her letter dated September 11, 1998, but as suggested in Washington memo dated October 5, 1995, from AZT-1, has not been followed by the FAA. Ms. Garvey further stated that the Air Traffic Service does not support my request for a waiver, and that she concurs with this determination. She also stated, "The exception provision in the public law by no means guarantees anyone an exception to mandatory

separation. Exceptions...are intended for extraordinary situations...the situation does not merit such an extreme measure as a waiver to mandatory separation." (Careful review of OPM manuals, P.L. 92-297 and the legislative history reveal no such claim as "Exceptions...are intended for extraordinary situations.")

June 15, 1999: I drove to Senator Bob Graham's office in Tallahassee, Florida, to meet with Constituent Advocate Ms. Kristen Kershner. I delivered supporting documents and a letter requesting Senator Graham's help in securing a waiver/exemption.

June 17, 1999: Senator Bob Graham sent letter to Mr. Pete Halpin, Director, Office of Congressional Affairs, U.S. Department of Transportation, requesting his help.

June 17, 1999: NATCA Representative Cantwell sent letter to NATCA President Mike McNally requesting his assistance.

June 22, 1999: Congressional Representative Ileana Ros-Lehtinen sent letter to President Clinton seeking his intervention and assistance.

June 25, 1999: Congresswoman Ros-Lehtinen's office received by fax a letter dated June 14, 1999, from FAA Administrator Jane Garvey. The contents were similar to that of the letter mailed to NATCA representative Cantwell. Additionally, she stated, "In addition, Mr. Rathburn's regional Air Traffic Division Manager did not support the request for a waiver," ignoring that we've pointed out to her that Washington headquarters is instructing Regional Division Managers to not support waiver requests. She also mentioned the PATCO rehire issue. She stated that they are subject to the same requirements as all other FAA controllers, implying that I'm being treated fairly compared to them. That's very misleading. If they weren't "grandfathered" under the pre-1972 exemption, they're simply joining the FERS retirement system, effectively by-passing the Age 56 rule until they have 20 years of service. This will allow many to remain on the job until in their early to mid 60's, even though they haven't performed control duties for up to 17 years.

July 2, 1999: I mailed letter dated June 22, 1999, to President Clinton seeking his intervention and assistance.

July 2, 1999: I discovered message from NATCA Southern Regional Vice-President on NATCA Southern Region web page stating the following: "...Additionally, Mike [NATCA President McNally] briefed us on a program called 'Phoenix 20.' It apparently is a plan, created by someone, to allow the hiring of retiring military air traffic controllers into the agency without regard to their age.

July 8, 1999: I visited U.S. Senator Connie Mack's Miami office to seek his assistance.

Early July, 1999: I acquired copy of ATCS Mandatory Separation Overview prepared by Air Traffic Division of an FAA Regional Office. Page 1 of Overview includes the following: "Note: Waivers to exempt an employee until age 61 may be requested through channels, up to the Secretary of Transportation. Such a waiver must be based on the exceptional skills and experience of the ATCS and is said to be so rare that it is hard for headquarters to imagine what a supportable request might look like."

July 16, 1999: Mailed cover letter and copies of other correspondence to Kristen Kershner, Senator Graham's office.

Early July, 1999: I acquired copy of Email from someone in SW Regional office stating that FAA does not intend to grant any waivers to mandatory separation, and that "this is a Ron Morgan decision."

# Legislative History of P.L. 92-297

Excerpts from the Congressional Record, House Report #92-516, Senate Report #92-774, and Congressional Quarterly Almanac

**Preface:** The following records clearly indicate that the 92nd Congress carefully considered the devastating impact of mandatory retirement on controllers in "middle age" and the need to be fair to them, as well as the need to maintain the safety of the system. They discussed that there are exceptions to the general rule of controllers losing their skills with age, and the need to prevent the "selection out" of older controllers. In addition to other amendments to the bill that was originally proposed by the Secretary of Transportation, The House Committee on Post Office and Civil Service actually **added** the proviso that a controller with exceptional skills and experience could be retained until his 61st birthday.

Clearly the 92nd Congress, which researched, debated, and passed this bill never intended the blanket dumping of older controllers into the ranks of the unemployed, regardless of skills or experience. The waiver clause was inserted into the law by Congress with the full intention and expectation that it would be used to retain exceptional controllers.

**Excerpts from 92nd Congress House of Representatives**
**Report #92-516**
**Submitted by the Committee on Post Office and Civil Service**

Page 3 "Air Traffic Control work is unique also in other respects. The Department of Transportation is practically the sole employer of air traffic controllers, and the remuneration he receives is relatively high when compared to other occupations with similar job qualifications. However, the work is highly specialized and the skills a controller acquires in his work have extremely limited value in other occupations."

"As a result, if a controller were unable to continue his work, opportunities in other fields of employment are extremely limited. The salary, in most cases, would not be commensurate with what he earned as a controller."

Page 4 & 5 "At ages 45 to 50, an air traffic controller may reasonably be expected to have dependent children and to have achieved a standard of living which necessitates a continuing income approximating that which he currently earns. Ordinarily, an individual who has achieved the standard of living of a typical controller will have attendant mortgage, taxes, insurance, and other fixed costs. Such a lifestyle will likely have created other economic goals, such as the benefits of higher education for his children, or supplemental retirement income. In fact, as a member of the upper-middle socio-economic group he anticipates continuing to live in the manner to which he has been accustomed."

"However, the opportunity to find other employment will be limited because his work experience as a controller is quite narrow and does not qualify him for many alternative positions."

Page 12 Many air traffic employees stay well beyond age 50 or 55 and into their 60's..."

Page 14 **"In sum, one of the major problems facing us is the necessity to be fair to the individual who has devoted himself in his prime productive years to the needs of the air traffic system and yet maintain the integrity and safety of the service itself** (emphasis added). The present prospect for the individual in the system--- the lack of other

alternative employment opportunities or an effective provision for retirement---is a major cause of the low morale that now pervades the air traffic work force. It poses, for the Federal Aviation Administration, an immediate need for ways of reducing or eliminating these bases of insecurity."

**Congressional Record-House October 4, 1971**
**Air Traffic Controllers Career Program**

Mr. Thaddeus J. Dulski, Chairman, Committee on Post Office and Civil Service,
Speaking in support of H.R. 8083

Page 34803 "Mr. Speaker, I rise in support of the bill H.R. 8083. It is based on an official recommendation by the Secretary of Transportation."

"In addition, except for those controllers appointed prior to the enactment of the bill, there is established a mandatory retirement age of 56, **with the added proviso** that a controller with exceptional skills could be retained until his 61st birthday" (emphasis added).

Page 34804 "This measure will also help attract able young men into this important field by giving them security that at age 45 they will not be out on the street looking for a job, with very limited skills which cannot be applied to most lines of work."

Representative Gross of Iowa, member of committee

Page 34805 "The legislation came to Congress as an official request from the Secretary of Transportation...the committee did an excellent job of resolving several problem areas which were called to our attention during the course of the extensive hearings."

"For example, the bill as originally submitted to Congress would, at least in my opinion, have permitted the 'selection out' by the Secretary of controllers...As the members are aware, I completely oppose the arbitrary 'selection out' procedures that currently exist in the Department of State...I had no intention of supporting this type of an arrangement with respect to Air Traffic Controllers. Accordingly, the bill was amended by the committee to establish proper and meaningful review procedures of any determination that may be made by the Secretary so that the controller cannot be subjected to arbitrary and capricious actions."

**Congressional Quarterly Almanac**
**92nd Congress-Second Session**
**1972 Volume XXV111**
**From: Senate Post Office and Civil Service Committee Hearing**
**Held March 13, 1972, on HR 8033 and similar bills.**

John H. Schaffer, Administrator, Federal Aviation Administration:

"The Department of Transportation is practically the sole employer of civilian controllers. The skills learned as a controller have very limited value in other lines of work...If he becomes dissatisfied with or unable to continue his work, there is little opportunity for the controller to gain employment in another field at anywhere near the salary he has become accustomed to earning."

John F. Leyden, President, Professional Air Traffic Controllers Organization, who conditionally endorsed HR 8033:

> "We are willing to accept less than is required in order to obtain an improvement over what is currently in existence..."

John F. Griner, President, American Federation of Government Employees, who declared that HR 8033 "represents a threat in the first instance to Air Traffic Controllers and, by precedent, to all Federal Employees":

> "Despite every effort at paint and perfume and promise of good intentions, the real character of the retirement program involved is clear—it is firing by 'selection out'... Through a 'selection out' system, management could throw the older controllers with longer records into the ranks of the unemployed at annuities ranging at best between $6500 and $9000 per year..."
>
> "The problems of the Air Traffic Controllers and of the Department of Transportation can be readily solved under the provisions of the Federal Employees Compensation Act...If these illnesses are job related, they should be compensated at the rates provided by the act."

**From: United States Code**
**Congressional and Administrative News**
**92nd Congress-Second Session**
**1972 Volume 2**
**Legislative History P. L. 92-297**
**Senate Report # 92-774**

Page 2288 "Their (controllers) qualifications for employment in positions other than control work are not generally high since they have performed 15 or 20 years of service exclusively engaged in the separation and control of aircraft... To retire from that kind of economic status to the hazards of seeking employment for which he may have little or no qualification is an extremely difficult proposition."

Page 2289 "**Although there are some exceptions to the general rule**, most controllers are not able to control traffic in busy facilities at any age near 55..." (emphasis added).

Page 2291 "Section 4 provides a maximum age limit for controllers. A controller may not work past the last day of the month in which he reaches 56, **unless the Secretary approves his continuance in the service as a controller until age 61"** (emphasis added).

**NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION**
**MEBA/AFL-CIO**
Local MIA, P.O. Box 593534, Miami, FL 33159-3534
Phone: 305/869-5421 FAX: 305/869-5424

February 9, 1999

Mr. Rodney Slater
Secretary of Transportation
400 7th Street, SW
Washington, DC 20590

Dear Mr. Secretary:

I am writing on behalf of Mr. Charles Rathburn, an air traffic control specialist at Miami Air Traffic Control Tower. Mr. Rathburn is seeking an exemption to the mandatory separation rule imposed by Public Law 92-297, which requires air traffic controllers to be separated from the air traffic service at age 56. As I'm sure you are aware, Public Law 92-297 also grants the Secretary of Transportation the authority to grant exemptions to the age 56 rule.

Mr. Rathburn has been attempting to secure an exemption to the age 56 rule through the proper FAA channels. Outside of the current Air Traffic Manager, Mr. William Kribble, and Mr. Rathburn's immediate supervisor, Mr. William Myers, there has been no support whatsoever from agency officials. On November 23, 1998, Mr. Ron Morgan, FAA Associate Administrator for Air Traffic, visited Miami Tower. In response to a question concerning Mr. Rathburn's situation, Mr. Morgan stated "if the FAA granted any waivers to the age 56 rule, it would kill our early retirement, and FAA's not inclined to do that."

Mr. Morgan's statement and other responses from the agency to Mr. Rathburn's requests indicate that they don't appear to have a firm grasp of the procedures for granting an exemption. In one response, Mr. Dennis Koehler, Southern Region Air Traffic Division Manager, states that agency regulations contain no provisions to allow for a waiver to the age requirement. He further states that Mr. Rathburn's only option is to wait until he receives his 60-day notice of termination and then appeal the decision. There is no provision for an appeal in Public Law 92-297 and the FAA's ignorance of the law will have a severe impact on Mr. Rathburn in the very near future.

Although it is difficult to believe, it appears as if the FAA intends to wait until they have issued a 60-day notice of mandatory separation to Mr. Rathburn before they even begin to consider the fact that he desires to continue working. This was obviously not the intent of the 92nd Congress when they enacted Public Law 92-297. It also appears that the FAA is ignoring the opinions of Mr. Kribble and Mr. Myers, the individuals best suited to make the determination as to Mr. Rathburn's ability to continue working beyond age 56.

I currently serve as Mr. Rathburn's union representative at Miami Tower, a position I have held since 1992. I have personally known Mr. Rathburn and worked with him as an air traffic control specialist since 1981. I have thoroughly reviewed Mr. Rathburn's correspondence with the agency, as well as the current law and legislative history on Public Law 92-297, and I fully support his request for an exemption. I concur with Mr. Myers and Mr. Kribble that he has exceptional skills, and further believe he is one of the rare individuals whose age has not negatively affected his ability as an air traffic controller.

I respectfully request your assistance in helping Mr. Rathburn in his attempt to secure an exemption in accordance with Public Law 92-297. As the FAA does not appear to be familiar with the procedures for granting an exemption, I am hoping that you can provide some detail as to what actions are necessary on his part. I respectfully request that you provide me with the regulations for exemptions to the age 56 rule that you or your predecessors have prescribed in accordance with 5 USC 8335(a).

I have enclosed copies of some of the correspondence between Mr. Rathburn and the FAA. If I can be of any further assistance, or if you require any additional information, please don't hesitate to contact me.

Sincerely,

Andrew J. Cantwell

Andrew J. Cantwell
President, NATCA Local MIA

U.S. Department of Transportation
Federal Aviation Administration

# Memorandum

Subject: ACTION: Waiver Endorsement; DFW Memo of 11/16/98 Date: FEB 03 1999

From: Manager, Air Traffic Division, ASW-500 Reply to Attn. of:

To: Program Director, Air Traffic Resource Management, ATX-1

The attached letter from Ms. Judith I. Bruce is a request for a waiver to the mandatory separation requirement at age 56 for FAA air traffic controllers. Ms. Bruce is currently employed as an ATCS at the Dallas/Fort Worth (DFW) ATC Tower. Also attached is an endorsement of Ms. Bruce's request by the DFW Air Traffic Manager.

Ms. Bruce is covered by the Civil Service Retirement System (CSRS), and, therefore, subject to the provisions of Public Law 92-297 which requires that controllers be separated from service on the last day of the month in which the controller becomes 56 years of age.

Presumably, the "Age 56" requirement derives from experience and studies which have shown that the skills required to perform air traffic control duties decline at a relatively early age. In other words, it is intended to safeguard the proficiency of the air traffic control work force and ensure the safety of the system.

However, this rationale is inconsistent with Public Law 92-335, which allows controllers covered by the Federal Employees Retirement System (FERS) to work beyond age 56 if necessary to complete 20 years of service and attain retirement eligibility. Ms. Bruce maintains that at the time she was hired, she was not advised of this critical distinction. Calculations performed by our servicing Human Resource Management Division indicate that transitioning to FERS at this point in her career would substantially decrease her retirement benefits.

PL 92-297 provides a vehicle for the Secretary of Transportation to exempt ATCS's having "exceptional skills and experience" from mandatory separation until age 61. Although we cannot document skills and experience exceeding the standard for DFW, as a successful performer at the busiest airport traffic control tower in the nation, it can be argued that Ms. Bruce indeed possesses exceptional skills and experience. Therefore, we endorse her request for waiver.

Although theoretically instituted to ensure a safe and proficient work force, in practice the mandatory separation requirement is applied inconsistently according to criteria which have nothing to do with safety; i.e., FERS vs. CSRS. This creates the appearance of arbitrariness and exposes the agency to claims of disparate treatment.

In a memorandum for All DOT Employees, dated October 8, 1998, Secretary Slater encouraged the use of waivers to effect positive change. Managers in each Operating Administration were challenged to "be proactive in changing internal DOT rules, regulations, policies, procedures, or processes within your authority." Though mindful of your memorandum dated October 5, 1995, we respectfully suggest this issue be revisited and that individual requests be considered on their merits.

If you require any additional information, please contact Margaret Rendon, ASW-540.4, at 817-222-5550.

ORIGINAL SIGNED BY
DOUGLAS R. MURPHY

Douglas R. Murphy

Attachment

The G & P Charitable Foundation
For Cancer Research
770 LEXINGTON AVE 16TH FLOOR NEW YORK, NY 10021
PHONE 212-486-2575 FAX 212-486-9527



PM3:30

Dear Mr. President:

Thanks to your incredible support last year, the G & P Charitable Foundation raised close to $3 million from its very first Gala. We are proud that we are fulfilling my daughter Gabrielle's wish, which was to create a foundation that would help spare others the suffering that she endured. This year alone, the G & P Charitable Foundation will be distributing close to $1.5 million to promising young researchers at renowned research institutions including: the University of Arizona Foundation for Integrative Medicine, University of Rochester Medical Center, Stanford University School of Medicine, the University of Texas M.D. Anderson Cancer Center, University of Michigan, St. Jude Children's Hospital and Harvard University Children's Hospital.

On Monday, November 13, 2000 the G & P Charitable Foundation will host our second bi-annual Gala at the Marriott Marquis Hotel in New York City. We plan to present a Humanitarian of the Year Award, a Corporate Award and an Entertainer of the Year Award. And, as you recall from last year, we plan another spectacular entertainment/musical review with the theme "*The Best of the 20th Century.*" It would mean the world to me if you would agree to once again serve as our Honorary Chair and possibly attend the event, schedule permitting.

We plan that our Year 2000 Gala will be even more sensational than last year and your support as Honorary Chair would truly bring it over the top!

With love,

Denise Rich

Denise Rich

8-10-99

Send to Burkhardt

Yes ____

No ____

C

8-10-99

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

August 5, 1999

bcc: N. Hernreich



"Love defies all pain, even death"
*Gabrielle Rich*

THE G & P CHARITABLE FOUNDATION
GALA BENEFIT
OCTOBER 12, 1998

The G & P Charitable Foundation
For Cancer Research
770 LEXINGTON AVE 16TH FLOOR NEW YORK, NEW YORK 10021

Ms. Nancy Hernreich
1st Floor, West Wing
1600 Pennsylvania Avenue NW
Washington, DC 20502

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Dept./Floor/Suite/Room

City NEW YORK State NY ZIP 10021

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*Dangerous Goods cannot be shipped in FedEx packaging.

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The G&P Charitable Foundation
*For Cancer Research*
770 LEXINGTON AVE 16TH FLOOR NEW YORK, NY 10021


G P

# THE UNFINISHED DREAM

By Aline Franzen

She grew up in Switzerland and went to Oxford University, where she earned her B.A. in philosophy and modern languages with honors, but she was attracted to acting. So while at Oxford, she made her stage debut, trying different roles in a variety of plays.

Next she came to New York, where she studied at New York University's Intensive Film Workshop, learning all aspects of filmmaking both in front of and behind the camera.

She went on to appear in eight plays, and to have seven movies to her credit.

When she was not acting, Gabrielle's competitive spirit expressed itself in sports. She was a champion ski racer, an expert in horseback riding, and a skilled rock mountain climber. The beautiful Gabrielle climbed both the San Bernardino, Italy's tallest mountain, and also the Mirroir, but she preferred skiing.

At age 23 tragedy struck when the talented Gabrielle Rich was diagnosed with advanced stage of Hodgkins Disease.



With her well-known stamina and courage, she fought a bitter fight against the disease, undergoing chemotherapy and difficult treatments. And in 1993 she won, as she was told she was in total remission — so she got married to her fiance, Philip Aouad.

She spent the next three years working on her successful career, shooting movies, performing in TV roles, and even getting selected as a finalist for the new face for Lancôme, all the while trying to forget her bad dream, hoping it would never, ever return.

Her drive brought her great success in her acting roles, and she just finished a new movie starring opposite with Fay Dunaway in *'Twilight of the Gods,'* and was writing a screenplay called *'Surprise'* which she dreamed of both starring in as well as producing.

But tragedy struck again, as Gabrielle was diagnosed with AML Leukemia.

Once again the bitter fight began with chemotherapy treatments, and though she lost all her beautiful brunette hair, her characteristic joie de vivre remained — and she put on a blond wig, as she fearlessly went on fighting for her life.

Her loving mother, Denise, donated her own bone marrow, trying to save her daughter's life, after which Gabrielle laughingly told friends, 'Mummy is giving me birth again.'

Through all this tragic situation and all her difficult treatments, the courageous Gabrielle promised herself that if she wins the battle, she will form a leukemia foundation, called the G&P Charitable Foundation (for Gabrielle and Philip), so that in the future, people afflicted with this awful disease must not go through all the side effects of chemotherapy and radiation treatment.

But tragically, Gabrielle's little heart stopped beating, and she succumbed to the side effects of her treatment.

I know that all of us who knew her will never forget this brilliant, spirited,

press photos

and talented girl who was taken from us so young, and that along with her friends and family we all will help to make her dream come true by supporting the Foundation, and finding a cure to help all those who might be afflicted with this dread disease in the future.

Gabrielle's mother, Denise, promised to continue to find a cure to eliminate leukemia forever, and in keeping with her commitment, she pledged that 100% of the funds contributed to the Foundation will go directly to cancer research, and that all general and administrative expenses of the Foundation will be underwritten by Gabrielle's family.



The Foundation will hold its first gala event on Monday, October 5, 1998 in the Plaza Hotel, and will honor Mr. Television, Milton Berle, where he will be celebrating his 90th birthday, and 85 years in show business.

Sure enough, celebrities, stars, and many talented people will contribute their skills in support of this worthy cause.

Lets' not forget that Denise is a celebrated songwriter herself, who was nominated for two Grammies for her songs — and she will be sure to have many Grammy winners and music stars at the event.

Famous presenters will be on her committees and by her side in support of her efforts that evening.

We hope that you will be able to add your support to beat leukemia related cancers, and also join us at this very first event held by the G&P Charitable Foundation to battle cancer and immune deficiency disease, and so will help Gabrielle's dream come alive by fighting leukemia, lymphoma, Hodgkins disease, and multiple myelana.

A diagnosis of leukemia provokes a profound emotional response in patients, family members, and friends. There is denial, depression, and feelings of hopelessness and fear.

Leukemia is a cancer of the blood cells, which originates in the primitive blood-forming cells in the bone marrow. The lack of functional white blood cells impairs the body's ability to fight infection.

It is estimated that there will be 28,300 new cases of leukemia in the United States this year.

Thankfully, the overall survival rate for leukemia has more than doubled in the last 30 years. At that time, there was no effective treatment for the illness — and it is now considered to be a potentially curable disease.

But unfortunately, the Leukemia Society of America prognosticates that this year, 21,300 persons will die from leukemia in the United States.

So dear friends, our mission is to cure leukemia and the related cancers — lymphoma, myelana, and Hodgkins disease, and to improve the quality of life of patients and their families.

And let's help Gabrielle's Foundation, transforming her dream into reality, so that in the future, people will not have to fight all the tortures of chemotherapy and other difficult treatment, because we will have made leukemia disappear, as we are closer than ever to a cure.

Sure enough, the G&P Charitable Foundation will keep you posted with all the new findings and progress. And as I mentioned before, the Rich family will cover all associated expenses of the Foundation's events, so that all funds raised will go directly to cancer research.

Fund raising is not about dollars — it is about hopes for the future and to help persons diagnosed with this disease face their tomorrows with hope instead of fear. As we know, new treatments mean improved survival for new patients. Research is being conducted on several approaches that may enhance the body's natural defenses. The goal is to kill or prevent the growth of leukemia cells.

The term leukemia is derived from the Greek and means 'white blood.' Leukemia cell over-growth impairs the marrow, which is then unable to maintain production of sufficient numbers of red cells. The next effect is anemia, bleeding, and impairment.

The G&P Charitable Foundation is dedicated to eradicating this disease.

And isn't that a wonderful way to start making Gabrielle's ultimate dream a reality?

Should you need more information about the G&P Charitable Foundation, call (212) 486-2575.❐

On Monday, October 13, 1997, a remarkable assemblage of 1,500 guests gathered at the Sheraton New York for the first Gala Benefit of The G&P Charitable Foundation for Cancer Research, an organization created by songwriter and prominent Aspen community member Denise Rich in honor of her late daughter, Gabrielle Rich, who lost her fight with leukemia in 1996. The evening featured performances by some of the music industry's most prominent luminaries, the presentation of a humanitarian award to CBS Television President & CEO Leslie Moonves, a tribute to Milton "Mr. Television" Berle on his 90th birthday, and a silent auction of 240 items. Over $2.5 million was raised to promote and improve cancer research.


Goldie Hawn, Martin Richards, Denise Rich, Niels Lauersen


Denise Rich with Sarah, Duchess of York


Dan Rather, presenter of G&P's first humanitarian award, with Denise Rich


Bill Cosby and Denise Rich


Placido Domingo


President Bill Clinton and Denise Rich


Patti LaBelle


Honoree Leslie Moonves and wife, Nancy


Diahann Carroll, Sarah, Duchess of York, and Denise Rich


Kylie Bax, Wolfgang Ley, and Denise Rich


Denise Rich and Stevie Wonder

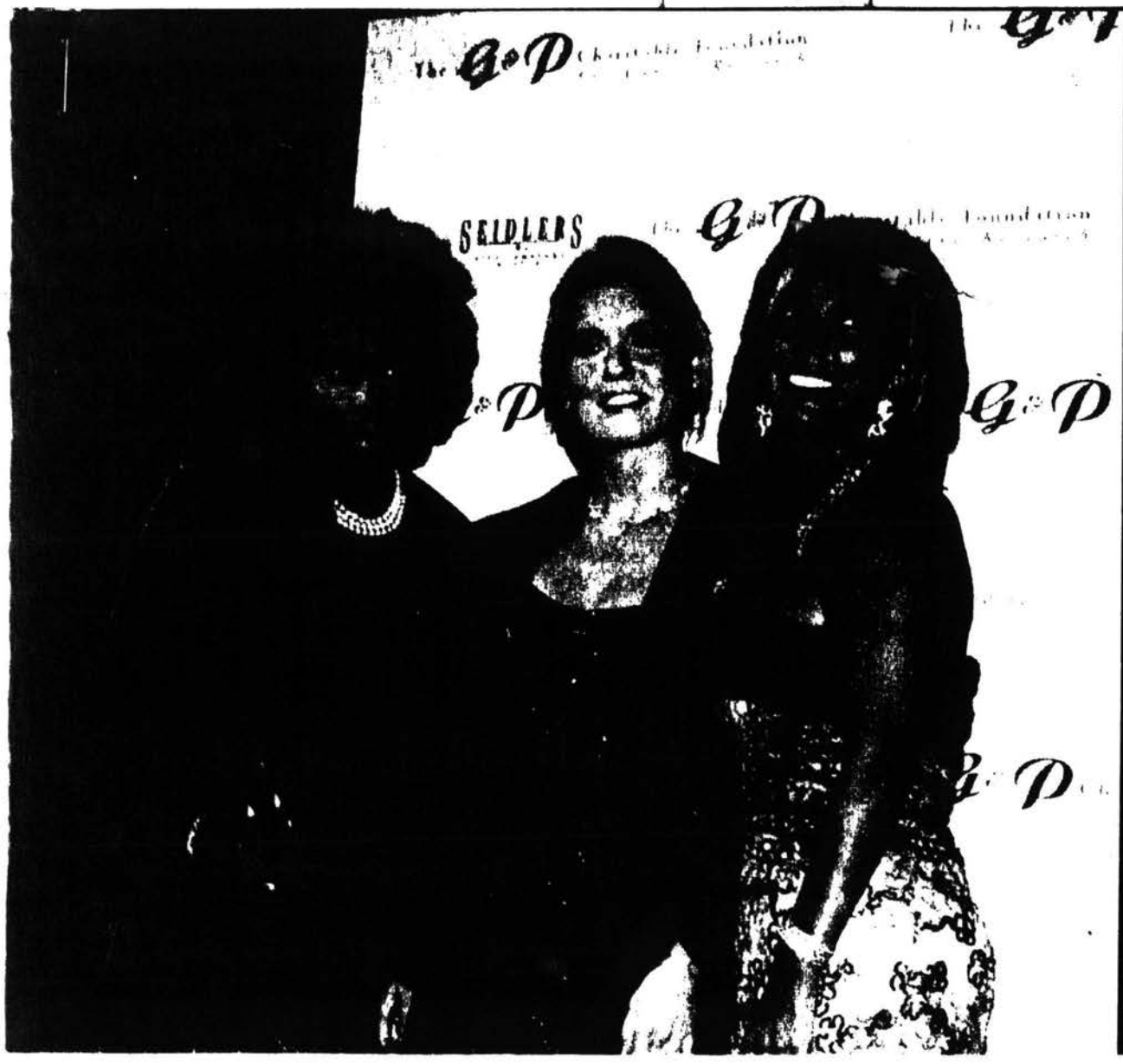

Humanitarian award recipient Leslie Moonves and Denise Rich


Niels Lauersen, Denise Rich, partygoer, Ivana Trump, Roffredo Gaetani


Joe Torre, Denise Rich, Niels Lauersen, and Michele Lauersen-Rella


Kathy Sledge, Patti LaBelle, backup singer, Billy Porter, Denise Rich, Star Jones, Dave Brown, Richard Valvo, Denise Rich, Michele Lauersen-Rella

Photographs by Karen Dolan, courtesy of Jimmy Hester




# PRESIDENT BILL CLINTON THE DUCHESS OF YORK AND A HOST OF FAMOUS FACES ATTEND A MANHATTAN GALA IN AID OF CANCER RESEARCH

The Duchess of York flew over to New York specially, donning a figure-hugging designer dress and wearing jewels said to be worth close to £2 million. Then there were Placido Domingo, Celine Dion, Goldie Hawn, Stevie Wonder, Bill Cosby and a host of other famous faces.

But the most famous of all was that of Bill Clinton, who was received like an old friend by 1,200 celebrities and high-fliers at the G&P Charitable Foundation gala benefit for Cancer Research in Manhattan last week.

The event followed a day of Democrat fundraising, for which Clinton was sardonically congratulated by Republicans on the amount of time he spends in this capacity.

But despite such barbed appraisal




and the pending impeachment inquiry. Clinton's popularity has risen in the past few weeks. In turn, the president has lost nothing of his legendary charm.

While raising $1.1 million for Charles Schumer, the Democrat candidate running for senator in New York, he was surrounded by staunch Clintonites including many young female fans.

That evening at the gala benefit, organised by songwriter Denise Rich who lost her daughter to leukaemia, Clinton encountered more fans. Playing the role of honorary chairman at the event, he prompted Bill Cosby to declare: "Let no one say he signed on as honorary chair because he was in trouble." The comedian then praised him for "signing laws which were never signed during certain administrations".

In reply to this, Clinton joked: "I think it's fair to say I've had more success out in the country and maybe out in the world than I have in Washington D.C."

Certainly he has succeeded in winning the hearts among the celebrity crowd, many of whom have signed a petition, pledging their support. H

PHOTOS: CORBIS PRESS

The Duchess of York, wearing an Escada gown, poses with the gala organiser Denise Rich and Diahann Carroll (left). Other celebrities present included Goldie Hawn (right) and Bill Cosby (far right with the President). Earlier in the day, Bill Clinton was the centre of attention as he raised funds for the Democrats in New York

The G & P Charitable Foundation
For Cancer Research
770 LEXINGTON AVE 15TH FLOOR NEW YORK NY 10021
PHONE 212-486-2575 FAX 212-486-9527

Dear Mr. President:

Thanks to your incredible support last year, the G & P Charitable Foundation raised close to $3 million from its very first Gala. We are proud that we are fulfilling my daughter Gabrielle's wish, which was to create a foundation that would help spare others the suffering that she endured. This year alone, the G & P Charitable Foundation will be distributing close to $1.5 million to promising young researchers at renowned research institutions including: the University of Arizona Foundation for Integrative Medicine, University of Rochester Medical Center, Stanford University School of Medicine, the University of Texas M.D. Anderson Cancer Center, University of Michigan, St. Jude Children's Hospital and Harvard University Children's Hospital.

On Monday, November 13, 2000 the G & P Charitable Foundation will host our second bi-annual Gala at the Marriott Marquis Hotel in New York City. We plan to present a Humanitarian of the Year Award, a Corporate Award and an Entertainer of the Year Award. And, as you recall from last year, we plan another spectacular entertainment/musical review with the theme "*The Best of the 20th Century.*" It would mean the world to me if you would agree to once again serve as our Honorary Chair and possibly attend the event, schedule permitting.

We plan that our Year 2000 Gala will be even more sensational than last year and your support as Honorary Chair would truly bring it over the top!

With love,

Denise Rich

Denise Rich

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

August 5, 1999

"Love defies all pain, even death"
*Gabrielle Rich*

The G & P Charitable Foundation
For Cancer Research
770 LEXINGTON AVE 16TH FLOOR NEW YORK NY 10021
PHONE 212-486-2575 FAX 212-486-9527



# Mission Statement of the G & P Charitable Foundation for Cancer Research

The purpose of the G & P Charitable Foundation is to encourage the development of more effective therapies for patients with leukemia, lymphoma and related cancers. The Foundation funds innovative clinical or basic science research that will lead to novel therapeutic approaches that could replace, or be used in combination with existing effective therapies. Such therapeutic approaches could include integrative (complementary/alternative) medicine.

The Foundation funds research to improve the efficiency of cancer treatments, reduce their toxicity and improve the quality of life of patients with leukemia or lymphoma.

The Foundation also supports limited scientific interchange between select leaders in different areas of bio and integrative medical research, to develop unique and important collaborative efforts, that will lead to improvements in the treatment and care of patients with leukemia and lymphoma.



"Love defies all pain, even death"
*Gabrielle Rich*

# Medical Advisory Board

Dr. Jerome Groopman
Professor of Medicine
Chief, Division of Experimental Medicine
Beth Israel Deaconess Medical Center
Harvard Institute of Medicine
Boston, Massachusetts

Stephen D. Nimer, MD
Chief, Hematology Service
Head, Division of Hematologic Oncology
Memorial Sloan Kettering Cancer Center
New York, New York

Janet Davison Rowley, MD, D.Sc.
Blum-Riese Distinguished Service Professor,
Department of Medicine and Department of
Molecular Genetics and Cell Biology
The Pritzker School of Medicine
University of Chicago
Chicago, Illinois

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Fred Hutchinson Cancer Research Center
Seattle, Washington

Sidney J, Winawer, MD
Chief, Gastroenterology-Nutrition Service
Chairman, Cancer Prevention and Control Program
Director, WHO Colaborating Center for the Prevention of
Colorectal Cancer
Memorial Sloan Kettering Cancer Center
New York, New York

a/o 7/9/99 2:43 PM

## POTENTIAL GRANTS:

Alternative:

University of Arizona, Foundation for Integrative Medicine

Conventional:

University of Rochester Medical Center

University of Pennsylvania Medical Center

Stanford University School of Medicine

University of Texas, M.D. Anderson Cancer Center

University of Michigan

St. Jude's Children's Research Hospital

Harvard University, Children's Hospital

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The following two institutions passed MAB peer review and will be funded pending additional fundraising:

Albert Einstein College of Medicine

University of Pennsylvania Health System

# THE G&P CHARITABLE FOUNDATION FOR CANCER RESEARCH
# 1999 GRANT PROPOSAL

## TITLE OF PROPOSAL:

## PRINCIPLE INVESTIGATOR (PI):

Name (last, first):
Academic Appointment:
Department and Institute:

## CO-INVESTIGATOR(S):

Name (last, first)
Academic Appointment:
Department and Institute:

## REQUESTED BUDGET (DIRECT COSTS)

| $_____ | $_____ | $_____ | $_____ |
|---|---|---|---|
| First Year | Second Year | Third Year | Total Requested |

Indirect costs: (_____%) total requested: $_____

_____ _____

**Principle Investigator Signature** **Date**

## INSTITUTE AUTHORIZATION

_____

**Name and Position** **Signature** **Date**

**DETAILED DESCRIPTION OF PROPOSED PROJECT (should include the following, with a limit of three pages):**

A. SPECIFIC AIMS

B. BACKGROUND & SIGNIFICANCE

C. METHODOLOGY TO BE USED

D. TIME TABLE

E. RESOURCES AVAILABLE

F. SCIENTIFIC ABSTRACT (less than 100 words):

G. BUDGET

Requested sums (* if applicable)

| | 1st Year | 2nd Year | 3rd Year* |
|---|---|---|---|
| Personnel | | | |
| Supplies | | | |
| Equipment | | | |
| Other | | | |
| Total | | | |

H. BUDGET JUSTIFICATION (Discuss personnel, supplies, equipment & other costs; be brief, but clear)

I. OTHER SOURCES OF SUPPORT (active/pending):
*List each investigator separately*

# Research Proposal Evaluation Form

Title: _____

Investigator: _____

Institution: _____

Use NIH Grading Scale: 1.0 = Best  5.0 = Worst

Qualifications of Investigator _____

Rationale & Significance of Proposal _____

Relevance of Proposal to Foundations Goals _____

Appropriate Methodology Proposed _____

Likelihood for Success _____

Overall Score _____

Date: _____

Medical Advisory Board member signature: _____

The G&P Charitable Foundation
For Cancer Research
770 LEXINGTON AVE 16TH FLOOR NEW YORK NY 10021
PHONE 212-486-2575 FAX 212-486-9527

**DENISE RICH**
**BIOGRAPHY**

Denise has written songs for a veritable who's who of artists, including: Celine Dion, Jody Watley, Patti LaBelle, Chaka Kahn, Johnny Mathis and Burt Bacharach. Denise has seen her magical, lyrical songs rise to the top of the charts both in the United States and Europe. Yet, being one of pop's premiere tunesmiths is just one facet of Denise's multi-textured life and career.

With her partner and long time friend, producer Rick Wake, Denise presides over a vast musical empire: one that encompasses a thriving production company, The W & R Group, Notation Music, a publishing division which oversees the work of 30 staff writers and whose success includes covers by Diana King, Brian McKnight and Celine Dion, five state-of-the-art recording studios, both in NYC and Long Island and DV8 Records. In addition, Denise and the W & R Group enjoy label distribution deals with Atlantic Records and Red Distribution (Sony Co.).

Denise is also a social and political activist, a tireless fund-raiser and champion of numerous causes including AmFar, The American Cancer Society, Gay Men's Health Crisis (GMHC) and Citymeals-On-Wheels. She is also on the board of the Songwriters Hall of Fame, LifeBEAT and The G&P Charitable Foundation, which she co-founded with Philip Aouad, and her two daughters in memory of her daughter Gabrielle.

The G&P Charitable Foundation
For Cancer Research
770 LEXINGTON AVE 16TH FLOOR NEW YORK, NY 10021
PHONE 212-486-2575 FAX 212-486-9527



**PHILIP AOUAD**
**BIOGRAPHY**

Philip Aouad graduated from Northwestern University with an MBA in Finance (1992) and a B.S. in Business Administration (1990). Mr. Aouad worked for Bristol Myers Squibb in corporate finance before joining the Refco Group as a commodities broker and trader.

Mr. Aouad has co-founded and co-manages The G&P Charitable Foundation, along with Denise Rich and her daughters, Ilona and Daniella. Mr. Aouad was married to Gabrielle Rich, who lost her battle with AML Leukemia in 1996.



"Love defies all pain, even death"
*Gabrielle Rich*

# DAILY TIMES CHRONICLE

Woburn, MA

*Also Appeared in Milford Daily News, Milford, MA*

October 13, 1998



6425GP

**NEW YORK** — Milton Berle and his wife Lorna greet the media before the Gala Benefit of The G & P Charitable Foundation for Cancer Research in New York. (AP)

# EVENING OBSERVER

*Dunkirk, NY*

October 13, 1998


## Gala benefit




AP Photo

L-4256P

**Songwriter Denise Rich, right, greets singer Diahann Carroll, left, and Sarah Ferguson, Duchess of York, at the first Gala Benefit of the G&P Charitable Foundation to fund cancer research Monday night in New York. Rich's daughter, Gabrielle, 27, lost her fight to AML Leukemia in 1986. Her family fulfilled her last wish with the creation of The G&P Charitable Foundation for Cancer Research.**

SAN FRANCISCO CHRONICLE
*San Francisco, CA*
October 14, 1998

# Clinton, Fergie at Cancer Benefit

**GOSSIP**

*Liz Smith*

Until Monday night, Time magazine's 75th anniversary dinner extravaganza in March at Radio City Music Hall was the most memorable night in recent history. But all that changed when 1,500 formally dressed swells crowded the Sheraton Hotel ballroom for the launching of the G&P Charitable Foundation. This is the charity formed by entrepreneur-songwriter-powerhouse **Denise Rich** in memory of her daughter **Gabrielle**. Only 27, Gabrielle died of complications of leukemia almost two years ago. But Denise did not allow grief to overwhelm her. She immediately put together a foundation to raise money for cancer research.



Songwriter Denise Rich (right) greeted Diahann Carroll (left) and Sarah Ferguson at the G&P Charitable Foundation benefit.

And on Monday the results came pouring in. To begin with, **President Clinton** – introduced by **Bill Cosby** – arrived to congratulate Denise and push for more research money. The crowd showered the president with shrieks of "We love you, Bill!" There were standing ovations. **Sarah Ferguson**, Duchess of York, surprised the crowd by keeping this longstanding date even though she is mourning the loss of her mother in that terrible car crash. She spoke eloquently about how cancer had devastated her family. Honoree **Milton Berle**, 90 years old, held forth with a monologue funnier than anything you could hope to hear on TV today. Uncle Miltie – whose material was also so off-color that most of it cannot be reprinted in a family newspaper – then introduced Yankees manager **Joe Torre** from the audience. A resplendent Torre, out of his baseball uniform, spent much of the night graciously having his picture taken with strangers.

Then there were the performers: **Natalie Cole, Patti LaBelle, Placido Domingo** and **Kathy Sledge** of Sister Sledge fame. Each brought down the house. (Domingo played piano and sang as if he were the Spanish **Elton John**!) And there was talent to spare in the audience: **Paula Abdul, Michael Bolton**, ex-Supreme **Mary Wilson** as well as **Stevie Wonder** – who was coaxed onstage to sing "Happy Birthday" to Berle.

Names! More names: **Goldie Hawn, Robin Leach, Diahann Carroll, Donald Trump, Ivana Trump, Katie Couric**, designer **Nicole Miller, Star Jones** and **Geraldo Rivera** all mingled with donors, press and society types when a computer glitch jumbled all the assigned seating. (Geraldo, trying to help, began reading off the 1,500 names from the stage, then gave up and advised, "Just find friends and sit with them.") The star-studded crowd raised more than $3 million. More than half a dozen of the tables donated $100,000 each, and Rich pledged to match this!

NEWSDAY

# DAILY VARIETY GOTHAM

*Los Angeles, CA*

October 14, 1998


JUST FOR VARIETY

## ARMY ARCHERD

**GOOD MORNING** from New York, where President Clinton mingled with showbiz at a cancer-research fund-raiser, for which Clinton had agreed long ago to be honorary chairman. The event: Denise Rich's G&P Charitable Foundation Gala, in memory of her actress-daughter Gabrielle Rich Aouad. (Songwriter-producer Rich is also a hefty contributor to the Demos.) The lineup of showbiz talent included Bill Cosby, who introduced the President, Natalie Cole, Diahann Carroll, Patti LaBelle, Stevie Wonder, etc. I asked Cosby if his appearance indicated he would campaign for the President at future events and for Demo candidates. He said no, this was a commitment for the President and this charity. Cos said his wife Camille "had approved what I say tonight." He went on to praise the President for "bills that never were signed by many administrations. Let no one say he signed on for tonight because he was in trouble. He is a truly a wonderful, wonderful person." Clinton (sans Hillary, who was in Prague) of course wowed this crowd of over 1,500 at the Sheraton. Clinton congratulated the honorees, CBS' Leslie Moonves and Milton Berle, who "appeared in drag more than a road show of 'La Cage Aux Folles.' " Clinton joked. Berle, very animated in the audience, threw his cigar toward the President! Berle, accompanied by wife Lorna (glamorously attired in Escada), was in great spirits. This is the fourth celebration of his 90th birthday, "So I guess I'm 360 years old!" he quipped to us. The President made his way from the stage into the throng of black tie'd guests, much to the worry of the Secret Service, as the President was totally engulfed by the hundreds of admirers. A close-up camera with monitors around the ballroom revealed some very telling reactions of adoration on the faces of guests tugging to shake his hand and share a word of encouragement — an amazing revelation of feelings by the group. It was a sight not to be ignored or forgotten. The President was finally able to be extricated from the mob and left for another personal appearance in New York City — his third on Monday night alone.

# The Metro Section

The New York Times

WEDNESDAY, OCTOBER 14, 1998

## Uncle Miltie Is 90

No wonder GOLDIE HAWN put on her sunglasses. Long before President Clinton arrived at the G & P Charitable Foundation's party honoring MILTON BERLE on his 90th birthday, the photographers were busy. First they took pictures of Ms. Hawn alone.

Then she was introduced to SARAH FERGUSON, the Duchess of York, and there was another round of snap-snap, flash-flash. "I'm so pictured out," she said.

Then she went to Mr. Berle's table, and bowed. He stood up and kissed her. More snap-snap, flash-flash.

One can only imagine what it would have been like if her longtime companion, KURT RUSSELL, had been there. "He flew to Washington to see Boston," Ms. Hawn said. It sounded like a punchline from her days on "Rowan and Martin's Laugh-In," but no. Mr. Russell has an 18-year-old son, Boston, who is a student at Georgetown University. In Washington.

Then, when Mr. Berle left the cocktail party for the ballroom where the dinner was about to begin, it was his turn for some snap-snap, flash-flash with his wife, LORNA. "She keeps telling me how happy I am," he said.

And then there was KATIE COURIC, an anchor on the "Today" show, dressed in Armani. Maybe it was just that she had stayed up past her bedtime, but when she went over to greet reporters who had been corralled behind a rope, she said: "Can you believe it? I've never had a really nice dress before."

Then a man from the Philippines introduced himself, saying that he watched her every morning. He asked if he could shake her hand. She agreed. Then he asked if he could kiss her hand.

"Sure," she said. "Why not?" So he did.

# USA TODAY

**WEDNESDAY, OCTOBER 14, 1998**

*(SAME ARTICLE APPEARED IN THE NY POST)*


# Clinton sparkles with the stars at Manhattan cancer benefit

**President Clinton** must know by now that meeting a pretty young woman has its hazards.

But on his way across the stage after a G&P cancer research benefit Monday night in New York, the president's eye was caught by stunning blond **Kylie Bax**, 20-something, in the crowd of well-wishers below.

She shyly reached up her hand, their eyes met, then he was gone. "Very nice eyes at that," beamed Bax, a supermodel who is the "face" of Escada.




**Jeannie Williams**
**News & Views**

This column appears Tuesday through Friday.


But, "I don't think he's really going to want to shake my hand again in December." Bax posed recently for a very **Monica**-ish spread due in the December *George* magazine, which she described as "the president in situations he's had. . . . I'm there with the cigar, lying on the desk, da-da-da-da."

However, Bax, a New Zealander, thinks "a man's personal life is his personal life, and his work is different from that. They should let him run the country. He's done such a good job at that."



Photo above by Win McNamee, Reuters. File photo below by Dave Allocca, DMI

**Sea of supporters:** Clinton, above, greets donors at the G&P Charitable Foundation benefit on Monday. Kylie Bax, below, opined of the prez: 'Very nice eyes.'

EVANSVILLE PRESS
October 16, 1998

# American kindness battles many cancers

## Glittering charity event allows pause to reflect on national character

Anybody who fails to note the kindness, generosity and basic decency of the American people has missed the essence of this country.

Foreigners such as Alexis de Tocqueville have spotted it instantly. But we sometimes seem the last to recognize it in ourselves.

The thought came to mind again the other night in New York City. It was one of those glittering, celebrity-studded charity galas. Big hotel ballroom. Men in hand-tailored tuxedos, women in designer dresses and serious jewelry. Top tables $100,000 a pop.

The event benefited something called the G&P Charitable Foundation. Socialite, songwriter and producer Denise Rich started it to honor her daughter, who died of leukemia.

Most of those in attendance would rather have been home watching the ball game or snuggled up with a book. Yet thousands showed up.

It took the president of the United States to tell them WHY.

"I'd like to ask you to take just a couple of minutes to seriously consider the purpose for which you have come tonight," Bill Clinton said. He looked gray, haggard, and spoke without notes.



**DAN RATHER**
Columnist

"Twenty-five years ago, America declared war on cancer," he continued. "Twenty-five years from now, I hope we will have won the war. I hope the war on cancer will have about as much meaning to schoolchildren as the War of 1812. Twenty-five years from now I hope schoolchildren don't even know what the word 'chemotherapy' means.

"The progress now being made against cancer is stunning. We are closing in on the genetic causes ... Cancer rates are actually dropping for the first time in history. Our country is moving in the right direction on this. ..."

Then he segued into another important point: "Let me also say that the fight against cancer is really a fight for life, a fight for the elemental proposition that all of us are bound to seek, not just for ourselves, but for all others, the chance to live out our dreams for as long and as well as we can. And whenever that chance is cut short, we are all diminished.

"I'm thinking about that in another context today because, like so many of you, I was heartbroken this morning to learn that young Matthew Shepard, who was beaten so viciously in Wyoming, succumbed to his injuries.

"I say that to remind you, when we come here tonight, to feel good about it, to feel good about yourselves. You're contributing money to help people you'll never know, live lives you'll never be a part of. And that is in the best tradition of humanity. You do it because you know in some profound and almost indescribable way we share a common mission in these brief lives on Earth. And when someone else takes a life — as this young man was apparently beaten to death because he was gay — that taking is done out of blind hatred and maybe even fear, like cancer It violates every sense of how we think life ought to be.

"It is this recognition of how we are all bound together across the lines that superficially divide us that makes this a very great country. When we violate that, we diminish our own lives. When we honor it, we lift our lives."

Newspapers carried little of his remarks, radio and television even less. Even those who admire him believe he's in the twilight of his presidency. But even those who can't wait for him to leave office, knew that he had reiterated something fundamental and important about America near the end of the 20th century.

# BOSTON SUNDAY HERALD

## BOSTON, MA

## October 18, 1998




# Inside Track



**By GAYLE FEE and LAURA RAPOSA**

## Side tracks

Bulletin! Bulletin! Bulletin!

■ In case you haven't figured it out, the new place to see out-of-uniform jocks is the **Backstage** at the **Comedy Connection at Faneuil Hall.** They all followed former **Daisy's** doorman **S.J. Torrez** over there. So, yes, that was **Drew Bledsoe** and a couple of other big guys yukking it up at the Connection for the **Aspen Comedy Competition Finals** the other night. They then repaired Backstage for drinks.

■ And if you'd rather see rock 'n' roll celebs letting down their hair, head for the *other* **Backstage,** the new bar in Haverhill owned by ex-**Extreme** drummer **Paul Geary.** Frolicking there this week were Paul's Extreme buddies **Gary Cherone,** now of **Van Halen,** and **Pat Badger; Peter Wolf;** former **Boston** guy **Barry Goodreau; James Montgomery;** and **Lisa Guyer** of the band by the same name.

■ We hear **Letters to Cleo** gal **Kay Hanley** "tore the house down" the other night at the new **G. Lounge** on Lincoln Street when she took the stage during **Jose Ramos'** set and belted out "R-E-S-P-E-C-T."

■ **Larry Schwartz** and **David Kaster** of Boston's **Seidlers Jewelers** gave perpetual teenager **President Bill Clinton** a leather jacket at the big **G&P Charitable Foundation Gala** in the Big Apple the other night. Seidlers, a sponsor of the event, also gave the prez 18-carat-gold cufflinks at the event, which raised tons of dough for cancer research. Seidlers had all the stars at the event — **Sarah Ferguson, Katie Couric, Celine Dion, Placido Domingo** and **Goldie Hawn** — autograph four identical leather jackets. They'll be auctioned off later for **Children's Hospital.**

■ Three cheers for the gang at the **Rattlesnake Bar,** who raised $3,500 for the **Youth Enrichment Services of Boston** at their eighth anniversary bash last week. **WEEI-AM's John Dennis** and **Gerry Callahan** were on hand to down $3 drinks. Well, it was for a good cause...

■ Congrats to **Boston Phoenix** cheese **Peter Kadzis** and his wife, Phoenix telepublishing exec **Sue Kelley,** who have two new editions — *additions* — to brag about. Twins **William Anthony** and **John Henry** arrived earlier this week at **Brigham and Women's Hospital.** Little Will weighed in at 4 pounds, 11 ounces, and Jack was 5 pounds, 3 ounces.

■ And finally, a toast to **Spookyworld** witch **Jennifer O'Rourke** and technician **David Haralambou,** who got engaged last week aboard the Haunted Hayride. While Jennifer was spooking the guests, Dave dressed up in a monster outfit and offered her the engagement ring right in front of the Attacking Lewinskys! We can only assume they'll tie the knot next Halloween.

NEW YORK
Oct. 26, 1998



**Bill Cosby, Denise Rich, and President Clinton at the gala benefit for the G&P Charitable Foundation, which funds cancer research.**

Otherwise, Clinton, honorary event chairman, did well, getting huge applause, a shout of "Love ya, Bill!" and only one (inaudible) heckler. He did cause snickers when he said aides gave him a list of facts on **Milton Berle**, there celebrating his 90th birthday again (it was July 12). At least one supposed fact about the comic's anatomy is always the cause of locker-room laughter.

**Stevie Wonder** sang *Happy Birthday* to Berle, who brought down the ballroom with his routine. **Placido Domingo** played piano and sang *Granada*, **Patti LaBelle** brought tears with *Over the Rainbow*. And with a $175,000 winning bid on a new Ferrari (from **Ivana Trump**'s beau, **Count Roffredo Gaetani**), G&P made $3.1 million.

A missing seating chart (this just never happens at big benefits!) forced VIPs to meet new friends at



their tables. **Bill Cosby** and **Donald Trump** consoled tearful organizers, but all worked out in the end.

The varied group who spoke included **Dan Rather,** honoring CBS' **Les Moonves**, and the **Duchess of York**, in "my first outing since the death of my mother" (Sept. 19).

Event chair **Denise Rich** sent invitations with a photo of daughter **Gabrielle Rich**, who died at 27 of leukemia. This struck a chord with the ~~duchess~~: "I have two healthy, beautiful girls. That speaks for itself." Fergie had a cancer scare in December, a lump that proved benign.

Clinton then went to a gathering co-hosted by Miramax Films' **Harvey Weinstein**, a G&P co-chair, at the home of **Steve Rattner** of Lazard Freres, for Democratic Senate candidate **Chuck Schumer**. Celebs at the intimate event for about 45 included **Michael Bolton** and **Goldie Hawn**, also at the G&P event, **Glenn Close, Harvey Keitel, Sean Penn, Geoffrey Rush, Tina Brown** (now of Miramax) and husband **Harry Evans**, and **Eve Chilton**, Weinstein's producer wife. The prez spent an hour and a half talking to guests, chiefly about Schumer. He wowed the room as usual.

**COUPLES:** **Barbara Walters** is not engaged to frequent date **Sen. John Warner** (R-Va.), she made clear Tuesday on *The View* in the wake of reports that a wedding is in the works. "Totally untrue," she said. . . ABC News President **David Westin**, 47, wed **Sherrie Rollins**, 43, a Children's Televison Workshop VP, Saturday in a small ceremony on Martha's Vineyard. It's her second, his third.

8-10-99

*ETHNIC OUTREACH*

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copied Podesta Berger HRC

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8-10-99

THE WHITE HOUSE

WASHINGTON

**August 6, 1999**

**MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT**

copied Cahill Podesta pg 3: Podesta/Berger

FROM: **MARY BETH CAHILL**
DIRECTOR, OFFICE OF PUBLIC LIAISON

SUBJECT: **WEEKLY REPORT** (July 31 to August 6)

## I. ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES:

*MEDICARE*

**OPL Convenes Meeting to Coordinate Strategy During Congressional Recess**. Today, I joined Joel Johnson, Steve Richetti, and Chris Jennings to brief over 40 advocacy leaders on the communications, policy, and legislative strategies for your Medicare proposal. Participants represented groups of seniors, medical providers, religious leaders, women, racial and ethnic minorities, and people with disabilities. We emphasized the importance of focusing on Medicare as the key to turning back the Republican Tax Cut proposal. Most people agreed that this was the best way to ensure success on other priorities, because it highlights the irresponsibility of cutting taxes before taking care of our country's future. They commend you for keeping up the pressure in public comments. Each participant identified activities planned for the next 5-6 weeks, including educating organization members and Members of Congress, developing a press strategy, and using real-life stories that highlight the need for your proposal. The Older Women's League, for example, is planning a mass mailing that will counter the recent "Flo" ad campaign developed by PHRMA. And, after Labor Day, the National Committee to Preserve Social Security and Medicare plans to run ads on CNN supporting your prescription drug plan. Advocates encourage us to continue linking Medicare to Social Security. While they plan to aggressively support Medicare, they want us to continue meeting with them to make sure that other priorities get addressed once Medicare is secure.

**Hospital Representatives Meets with John Podesta and Other Senior Administration Officials to Discuss BBA Fixes**. At the Monday meeting, Hospital representatives indicated they continue to push for an update on the GPD issue, as the Republicans are persistent in speaking to them about provider fixes. Currently, it is difficult for their membership to grasp the tax cut issue and the concept of "Saving Social Security First" versus saving Medicare, as they are still consumed by the financial burden laid on the hospitals. The Catholic Health Association, the National Association of Public Hospitals, and the Massachusetts Hospital Association have written, or will soon prepare, public statements supporting your Medicare proposal and opposing the Republican Tax Cut. OPL will continue dialogue in this useful effort.

THE PRESIDENT HAS SEEN
8-10-99

**AARP Meets with Senior Administration Officials Regarding August Recess Activities.** While the prescription drug issue is important to seniors, they are not interested in the tax fight. AARP's Board will meet at the end of August, but it is unlikely that the Board will take a position on our Medicare proposal this month.

*RELIGIOUS LIBERTY PROTECTION ACT*

**OPL Convenes Meeting with Civil Rights Leaders Concerned About the RLPA.** On Thursday, Wade Henderson of the Leadership Conference and Hilary Shelton of the NAACP specifically asked that you not signal whether you will sign the bill if it reaches your desk without a civil rights amendment. Henderson and David Saperstein are holding separate talks to work towards a compromise with religious organizations, and they want these groups to feel the need for compromise. The ACLU submits testimony detailing specific cases where the issue has already arisen and been a problem for civil rights proponents. Hatch indicated to WH Counsel's office that he is prepared to amend the bill. The WH meeting also included the National Fair Housing Alliance, NAACP Legal Defense Fund, National Partnership for Women and Family, Human Rights Campaign, National Gay and Lesbian Task Force, American Civil Liberties Union, and Bazelon Center for Mental Health Law. We convened a similar meeting with religious organizations.

## II. CONSTITUENT OUTREACH AND OTHER ISSUES:

*AFRICAN AMERICAN OUTREACH*

**Families of the Embassy Bombings Seek Meeting to Generate Support for Compensation.** Edith and Mary Bartley wrote a letter to you and the Vice President on behalf of all the surviving family members, requesting that both of you meet with them to discuss bipartisan efforts to pass appropriations for the surviving family members. Congressman Bennie Thompson (D-MS), a Bartley family friend, is serving as a liaison in Congress to support appropriations measures. August 7th marks the anniversary of the American Embassy bombings.

*ASIAN PACIFIC AMERICAN OUTREACH*

**60 Minutes Program Elevates Concerns on Los Alamos Case.** The program, which aired on August 1st and included an interview with Dr. Wen Ho Lee, has heightened concerns in the Asian Pacific American Community that Dr. Lee has been treated unfairly and was singled out as a scapegoat because of his Chinese ancestry. Advocates are especially concerned with Secretary Richardson's comment that Dr. Lee is using the "race card." A recent editorial in *The World Journal*, the largest Chinese language newspaper, stated that "Dr. Lee did not create the race issue. It's the media frenzy with all the leaks that have already convicted Dr. Lee by racially stereotyping him as untrustworthy Chinese spy and without the due process."

8-10-99

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-AS SEE
8-10-99

copied
Lew
Podesta
Cabinet Affairs

THE WHITE HOUSE
WASHINGTON

August 9, 1999

MR. PRESIDENT:

The attached memo from Secretary Richardson requests your approval to begin negotiations with the Senate on an acceptable nuclear waste bill. As you know, a U.S. Court of Appeals ruled that DoE has a contractual obligation to accept utilities' spent fuel.

The Senate Energy and Natural Resources Committee reported a bill in mid-June that includes some items Richardson supports (*e.g.*, DoE would take title to spent nuclear fuel at existing sites as an interim solution to placing waste at the Yucca Mountain site, a Richardson/Sen. Bingaman proposal) but also has some problems (*e.g.*, NRC would supplant EPA in setting radiation standards for repositories; the bill does not provide adequate funding mechanisms). Richardson believes that the Administration should begin negotiations with the Senate now and that failure to do so could risk losing moderate Democrats and could present an issue for the 2000 elections.

In his cover memo, Jack Lew expresses concern about adding budget obligations without offsets (*e.g.*, DoE's receipt of waste title could cost up to $2 billion over 5 years). Jack believes that DoE should work with OMB to identify viable offsets and has proposed that Richardson's negotiations be informed by a continuing high-level interaction with OMB to ensure that the Administration has a full understanding of the costs of any proposed policy alternatives. Jack adds that, if Richardson's proposed strategy is successful, it could greatly reduce DoE's potential long-term liabilities.

____ Approve Richardson negotiating with Senate, in consultation with OMB

____ Disapprove ____ Discuss

David Goodfriend DG

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

August 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew

SUBJECT: Secretary Richardson's Nuclear Waste Negotiation Proposal

Secretary Richardson is requesting your approval, in his attached memorandum to you, to begin negotiating with the Senate in an attempt to develop an acceptable nuclear waste bill. We agree with the Secretary that although the current Senate bill is an improvement, it still contains objectionable provisions, such as stripping EPA of its current authority to set radiation exposure standards.

In addition, we are concerned about the impact of any legislative outcome on the budget of the Department of Energy and its nuclear waste program. The budget issue should not be solved by adding to the deficit or by taking money out of the Nuclear Waste Fund in such a way as to threaten the long-term solution to the Nation's nuclear waste problem. We have alerted DOE that, given the overall budget picture, the Department will need to work with us to identify viable offsets to pay for any policy options it wants to advance in the course of the Secretary's proposed negotiations.

For example, one of the major issues that may have to be resolved is finding a way to pay for new nuclear waste storage costs, which may become an immediate DOE responsibility as a result of these negotiations. We believe that having DOE take title to utility waste would cost up to $2 billion over five years. Other provisions in the Senate bill would add even more program costs above the baseline. We have proposed to the Department that the Secretary's negotiations be informed by a continuing high-level interaction with OMB to ensure that the Administration has a full understanding of the costs of any proposed policy alternatives.

Courts have ruled that DOE is in violation of its contractual obligations to take waste from the nation's nuclear utilities. If Secretary Richardson's proposed strategy is successful in developing acceptable provisions, it could greatly reduce the potential, long-term legal liabilities faced by the Department. We will work with the Secretary to ensure that the budgetary consequences of any proposals he considers will not compromise the Department's budget needs, including the need to maintain, on-schedule, the scientific program at the potential repository site at Yucca Mountain, Nevada.

**The Secretary of Energy**
Washington, DC 20585

July 27, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: BILL RICHARDSON

SUBJECT: Department of Energy's Nuclear Waste Program

I believe there is an opportunity now for the Administration to begin negotiations with the Congress to reach an agreement on nuclear waste legislation that would 1) put the Administration in a position to take credit for solving this difficult problem; 2) be consistent with our positions taken on this legislation to date; 3) be acceptable to the Nevada delegation; and 4) put this issue behind us before the 2000 election cycle.

## CURRENT STATUS

In mid-June, the Senate Energy and Natural Resources Committee reported a nuclear waste bill that substantially changed the legislative dynamic on this issue. That bill dropped provisions included in previous versions that would have established an interim storage facility in Nevada in advance of a decision on the scientific suitability of the Yucca Mountain site for a repository. As an alternative to interim storage, the bill included provisions put forth by Senator Bingaman and myself authorizing the Department of Energy to take title to spent nuclear fuel but keep it at existing reactor sites on utility property until a repository is opened.

Senate floor action on Chairman Murkowski's bill is likely to occur after the August recess, and the bill is expected to be passed by the Senate, regardless of the Administration's position. It now appears that the House will defer any action on nuclear waste legislation until after the Senate acts. Earlier this year, the House Commerce Committee reported separate legislation that included provisions to place an interim storage facility in Nevada but floor action has not been scheduled.

## PROPOSED ACTION

While there are still some significant problems with the Senate bill, I think there is an opportunity now to negotiate with the Senate and to reach an agreement that will serve the Administration's interests. Many moderate Senate Democrats who have stuck with us in opposing previous versions of the legislation are now looking to the Administration for guidance and are anxious to find a position that they and the Administration can support. In the absence of that, these Senators may be inclined to support the Murkowski bill in its current form when it comes to the floor.

Printed on recycled paper

The Administration has not taken a position on the Murkowski bill to date, but there are several major issues that must be addressed in any negotiation with the Senate.

The most significant of these issues is a provision of the bill that removes the Environmental Protection Agency from its current role in setting radiation standards for a repository. It directs the Nuclear Regulatory Commission to set these standards instead of EPA and mandates specific criteria for those standards. This provision is strongly opposed by EPA and by the Nevada delegation, and EPA has indicated that it would recommend a veto over this provision. I believe it would be possible, however, to develop an alternative proposal that could be supported by both EPA and the Nevada delegation. Senator Bingaman has drafted an alternative that could offer a reasonable starting point for negotiations.

A significant issue for the Department of Energy relates to the adequacy of the budget for the nuclear waste program. As currently drafted, the bill would strictly limit the activities that could be funded by the utility ratepayer fund that pays for the nuclear waste program, thereby potentially limiting the Department's ability to take title to spent nuclear fuel at reactor sites and potentially limiting the funding available for the Department's ongoing scientific program at Yucca Mountain. As with the EPA standard issue, I believe it would be possible to develop an alternative proposal that could be supported by all parties.

I believe the Administration should begin now to negotiate with the Senate on an acceptable nuclear waste bill. As noted earlier, in the absence of that, I believe that we may lose the support of moderate Democrats, and the Congress could pass legislation that would be unacceptable to the Administration. The Administration's failure to act will also potentially provide the Republicans an issue to use in some districts in the 2000 election.

Finally, the proposal to take title to spent nuclear fuel at reactor sites put forth by Senator Bingaman and myself, which is now embodied in the Murkowski bill, provides a near-term solution to address the Department's contractual obligation to accept spent fuel from utilities and could significantly reduce the Department's litigation risk. Because of its failure to meet that contractual obligation to begin accepting spent fuel in 1998, the Department was ordered by the U.S. Court of Appeals to provide relief to individual utilities for injuries resulting from our delay in performing under our contracts. The Department's potential liability for damages as a result of this delay ranges up to tens of billions of dollars.

NEXT STEPS

I would like to begin to negotiate with the Senate on an acceptable nuclear waste bill before the August recess. I am not certain how the Nevada delegation will react; however, I believe they will be supportive of this course and I intend to begin a dialogue with Senator Reid as soon as possible. In addition, I plan to have my staff begin discussions with the White House staff.

cc: The Vice President
John Podesta
Jack Lew
George Frampton
Thurgood Marshall, Jr.
Larry Stein

8-10-99

SECRETARY OF LABOR
WASHINGTON

copies!
Sperling
Podesta

August 6, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Alexis M. Herman

RE: Unemployment Statistics

Enclosed you will find a set of charts describing recent trends in manufacturing employment; as well as two maps of unemployment rates by metropolitan area and by county for the entire country.

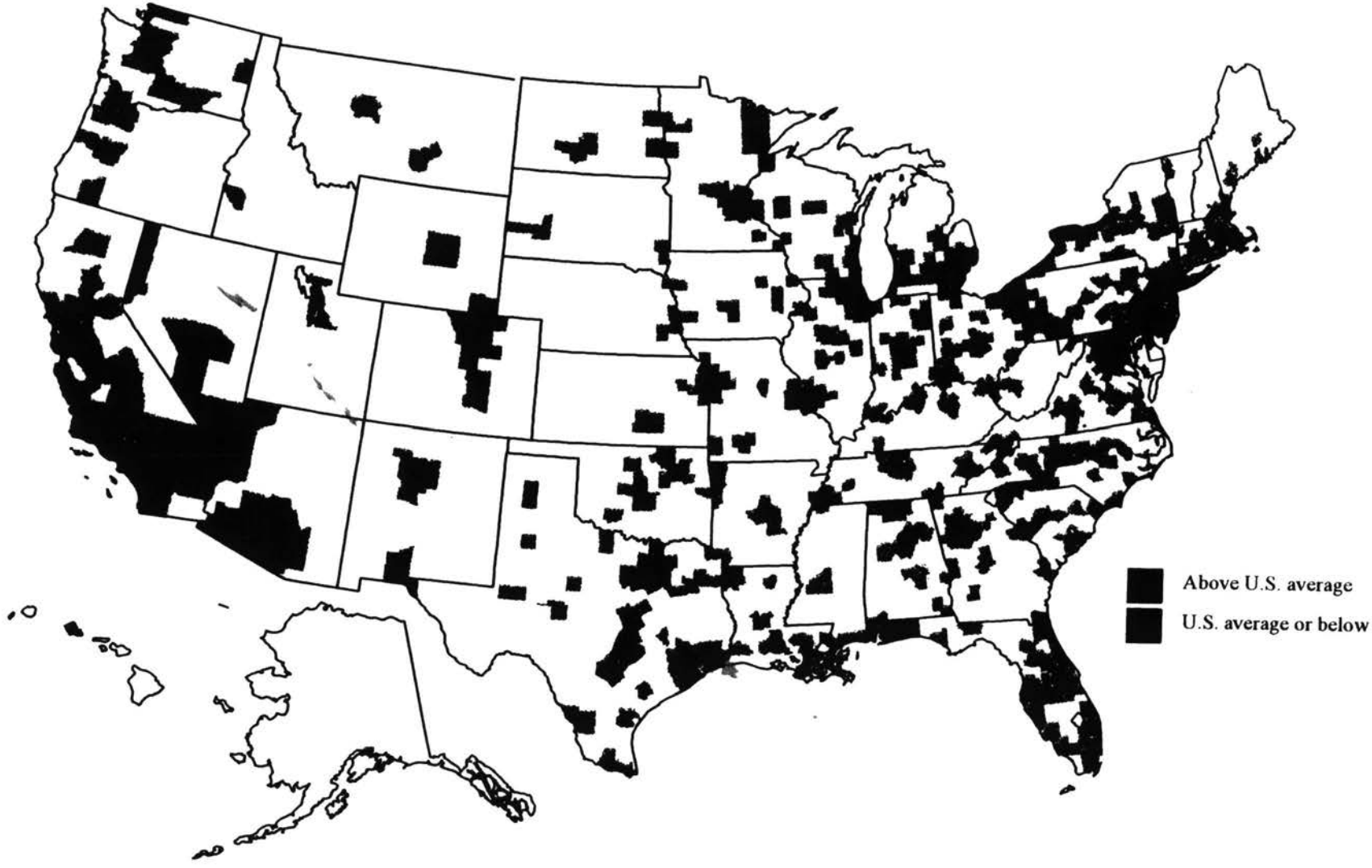
The charts indicate that, in July, manufacturing employment grew for the first time in over a year. The gains were relatively widespread, encompassing several industries (including industrial machinery, electrical equipment, and instruments) that had been seriously hurt by the Asian economic crisis. While output has been recovering in these industries for several months, employment has been lagging behind, as productivity growth and longer hours worked have enabled employers to generate higher output without additional workers. We will need to monitor these industries closely whether employment continues to grow along with output over the next several months.

The maps indicate how an average unemployment rate of 4.3% for the nation overall reflects a wide range of rates in local areas. The map of counties, in particular, indicates the large number of counties (often rural) where unemployment rates remain at least 7% (in green) or at least 10% (in black), particularly in the Southern and Western regions of the country.

These geographic concentrations of unemployment must be kept in mind as we develop our New Markets Initiative and other programs aimed at serving dislocated or disadvantaged workers.

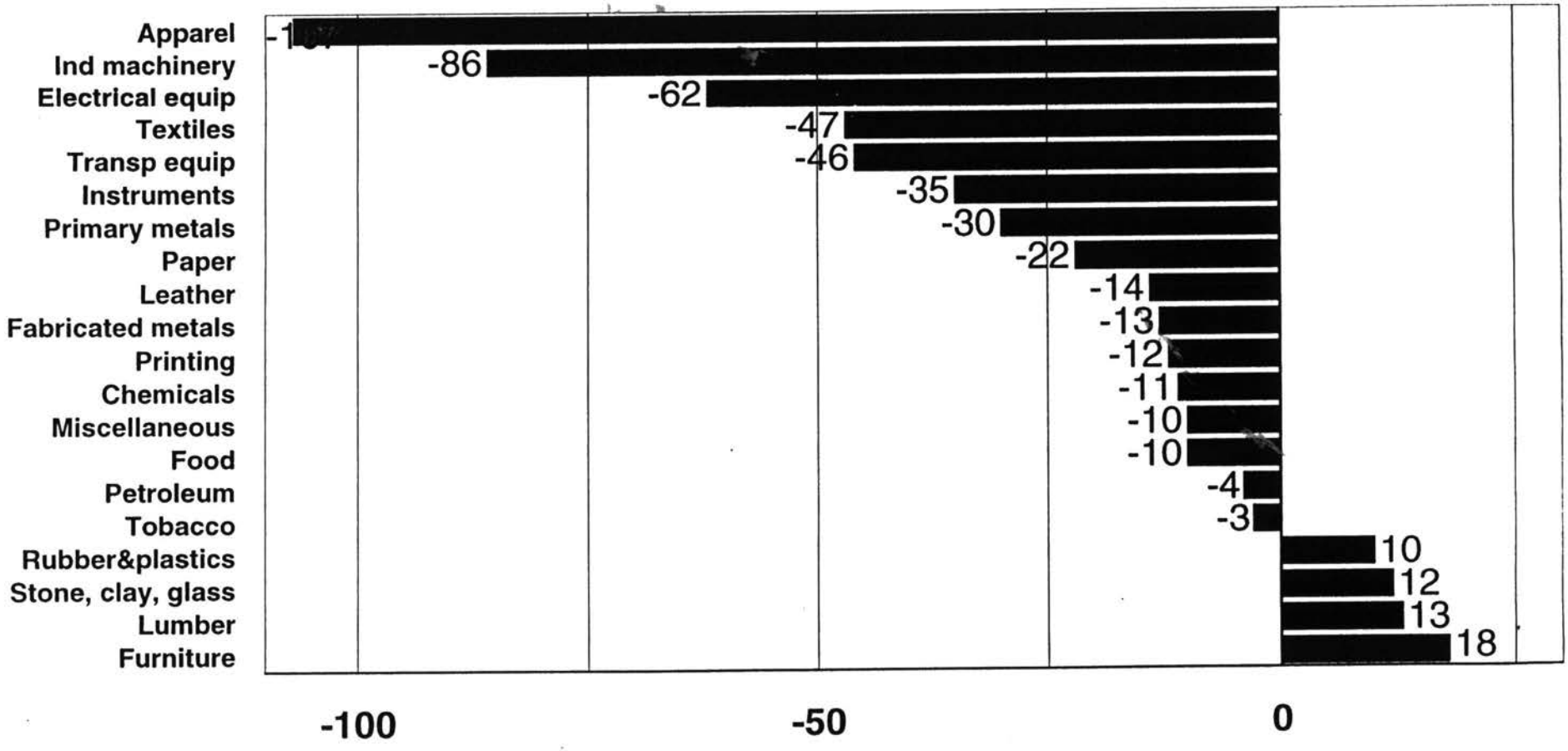
# Unemployment rates for metropolitan areas, not seasonally adjusted, June 1999

(U.S. rate = 4.5 percent)




NOTE: Map includes data for 323 areas based on 1993 definitions.

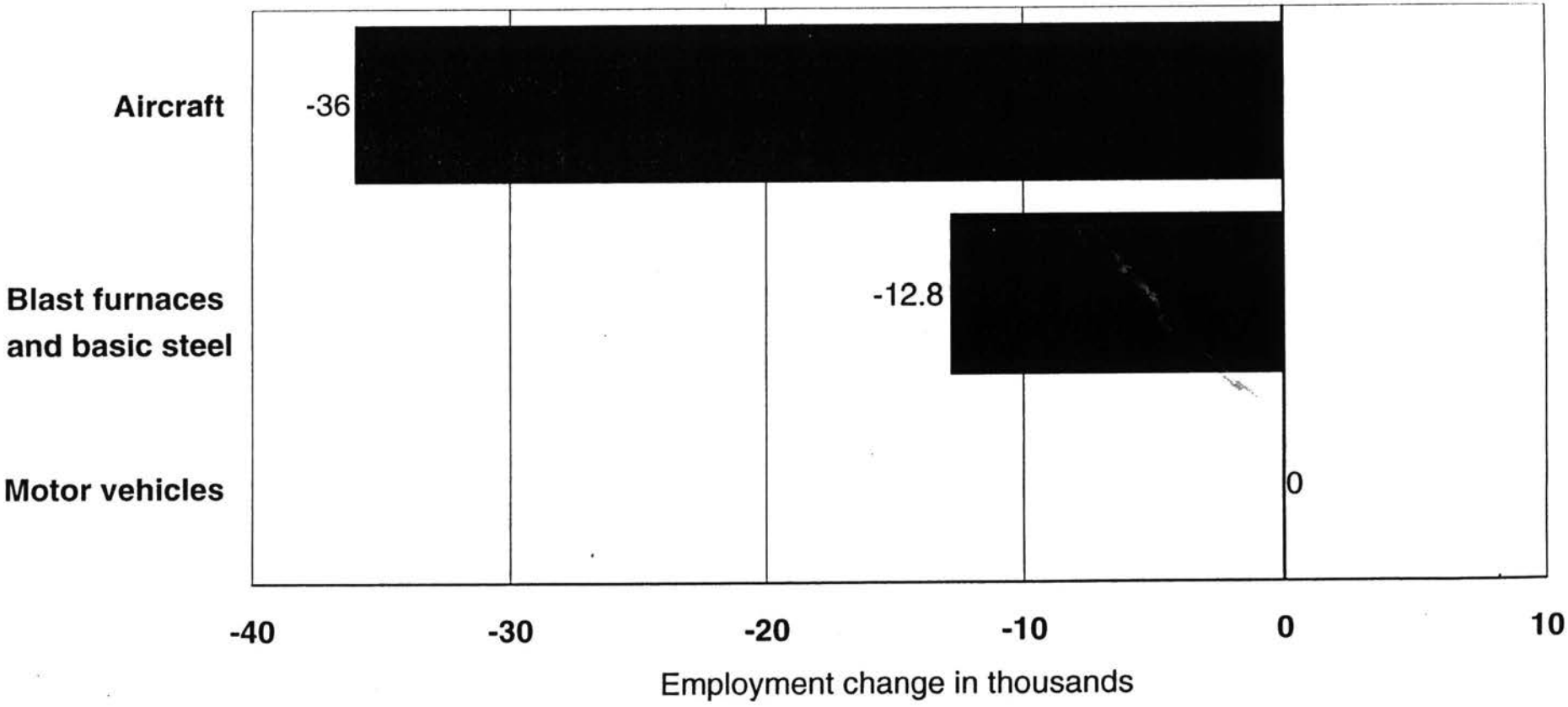
# Manufacturing employment change
# March 1998 - July 1999




Employment change in thousands, seasonally adjusted

Note: Total manufacturing lost 459,000 jobs during this period. Data for July 1999 are preliminary.
Source: Current Employment Statistics Program

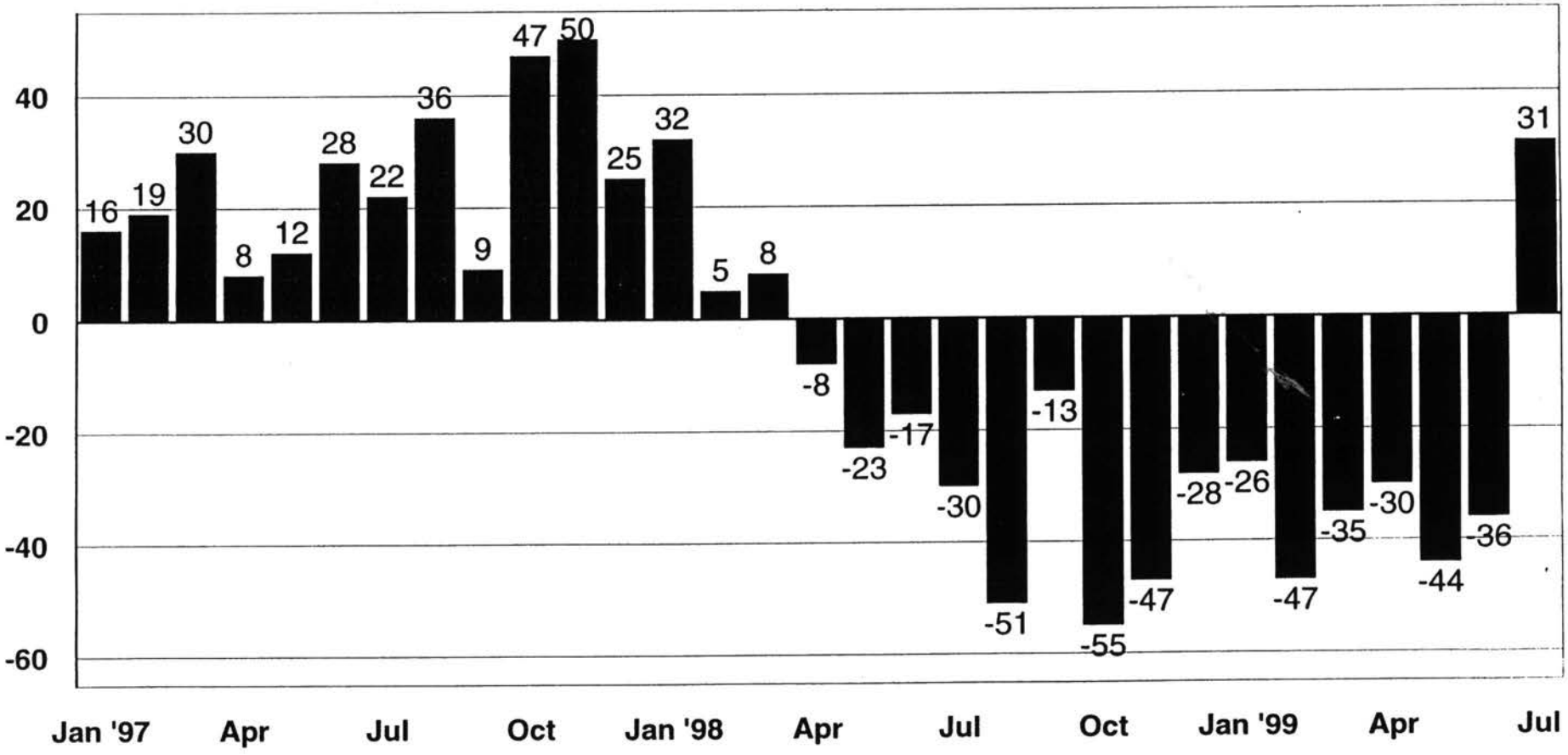
# Manufacturing employment change, selected industries
# March 1998 - July 1999




Note: All data are seasonally adjusted except for Blast furnaces and basic steel, where the seasonal component is too small relative to the trend-cycle and irregular components to be separated with sufficient precision. Data for July 1999 are preliminary.
Source: Current Employment Statistics Program

# Manufacturing monthly employment change, 1997-99

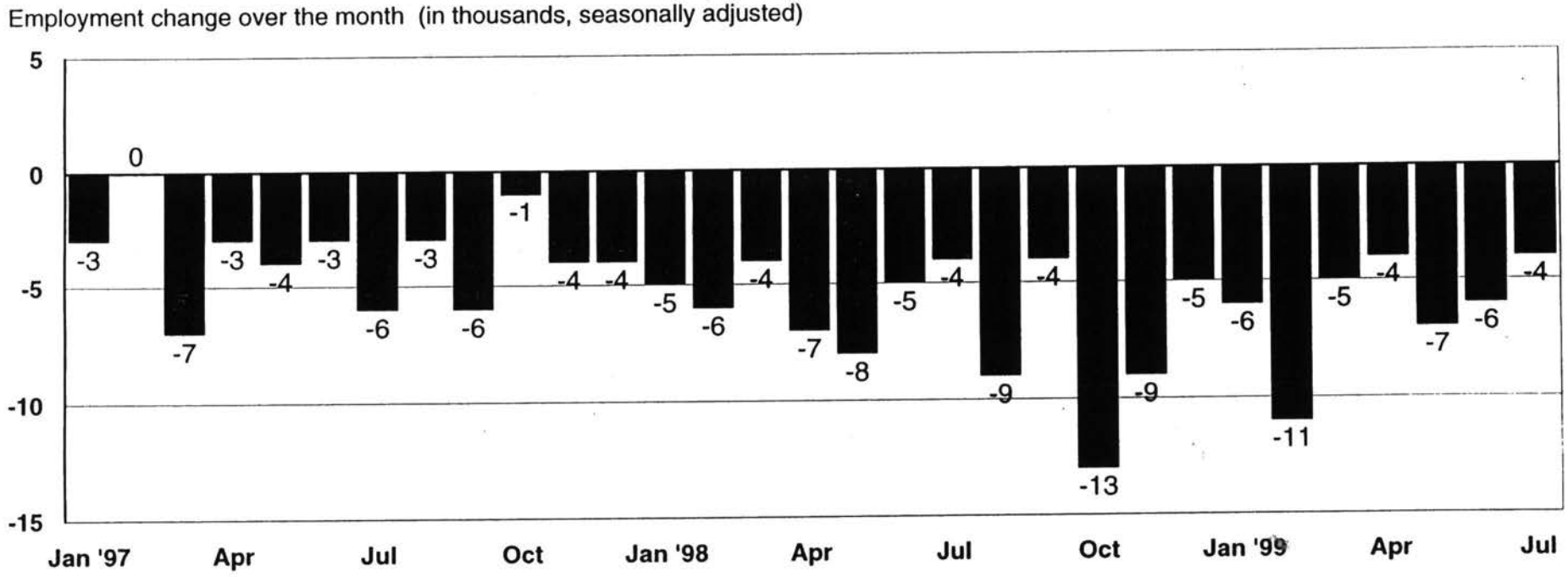
Employment change over the month (in thousands, seasonally adjusted)




Note: June, July, and August 1998 are shown adjusted for strike-related layoffs/returns (June -9, July -134, August +143). Data for June and July 1999 are preliminary.

Source: Current Employment Statistics Program

# Apparel and other textile products: monthly employment changes, 1997-99

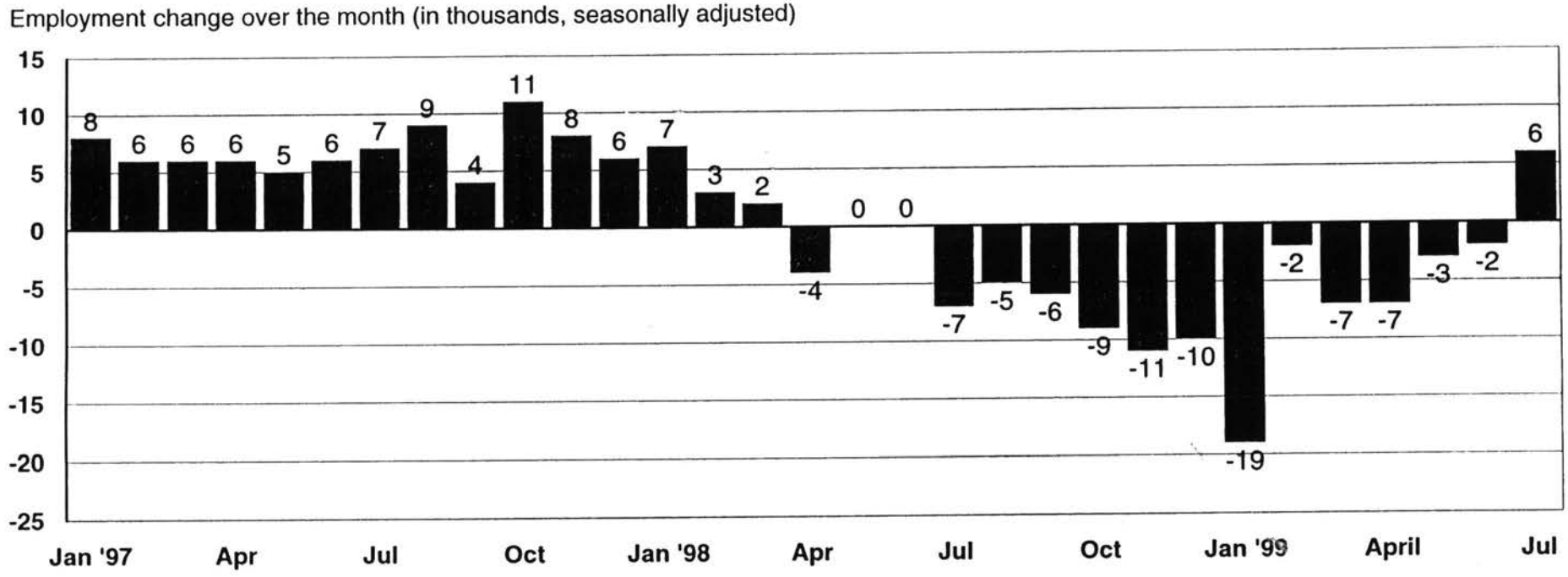



Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Apparel employment (SIC 23) has been on a long-term decline. However, the dual effect of plants moving out of the country and an increased reliance on apparel imports has intensified job loss in recent years. NAFTA became effective January 1994. In the 5 years prior to NAFTA (January 1989-January 1994), the industry lost 106,000 jobs, or 10 percent of its total workforce. From January 1994 to January 1999, the industry lost 253,000 jobs, a 26 percent reduction. Since January 1999, apparel has lost an additional 37,000 workers.

The trade deficit in apparel products increased $8.3 billion, or 26 percent, from 1994 to 1997 (latest annual data available) on an increase in imports of $11.6 billion, or 30 percent. Exports increased $3.3 billion over the same period.

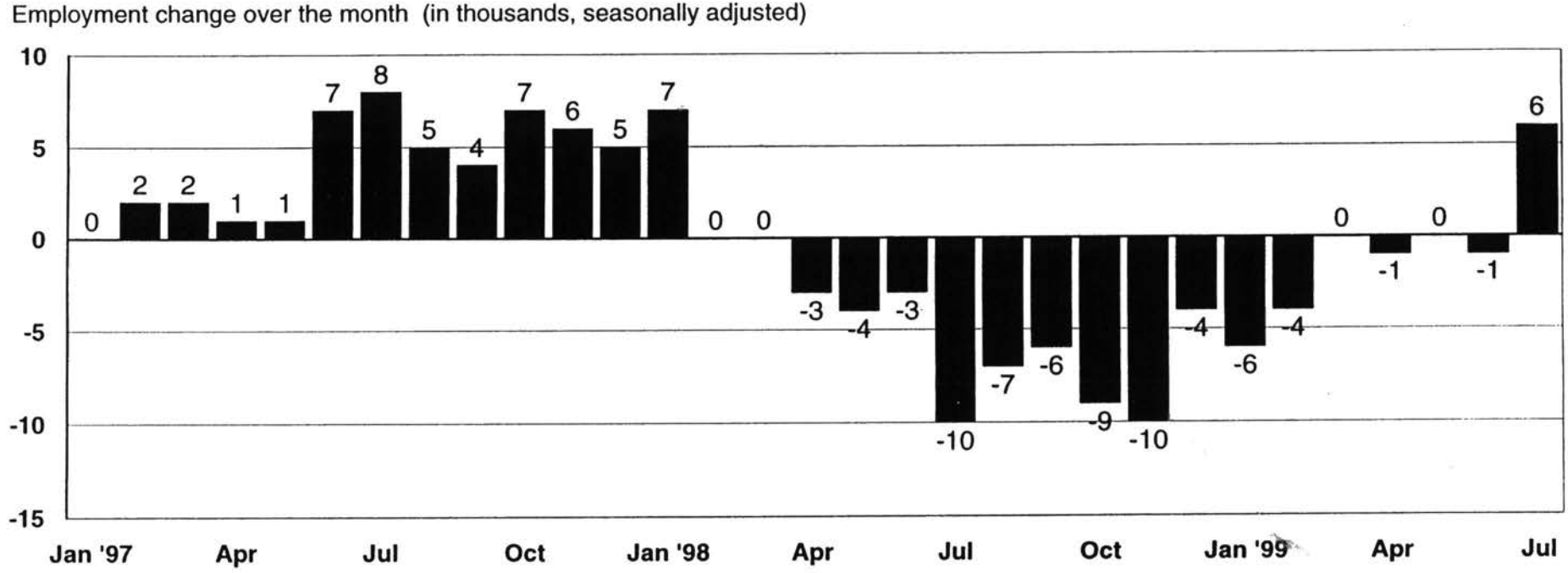
# Industrial machinery and equipment: monthly employment changes, 1997-99




Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Industrial machinery (SIC 35) gained 180,000 jobs from the end of the last recession in March 1991 to the industry's latest peak in March 1998. Employment in Industrial machinery and equipment declined rapidly after this peak. The total loss since March 1998 is 86,000, which is about half of its gain between March 1991 and March 1998. Computer and office equipment (SIC 357) contributed to this decline with a loss of 23,000 jobs. Weakness in export markets has been the major cause of the decline in Industrial machinery. Employment increased 6,000 in July. However, another month's data is needed to determine if this is a reflection of underlying strength in Industrial Machinery.

# Electrical equipment: monthly employment changes, 1997-99

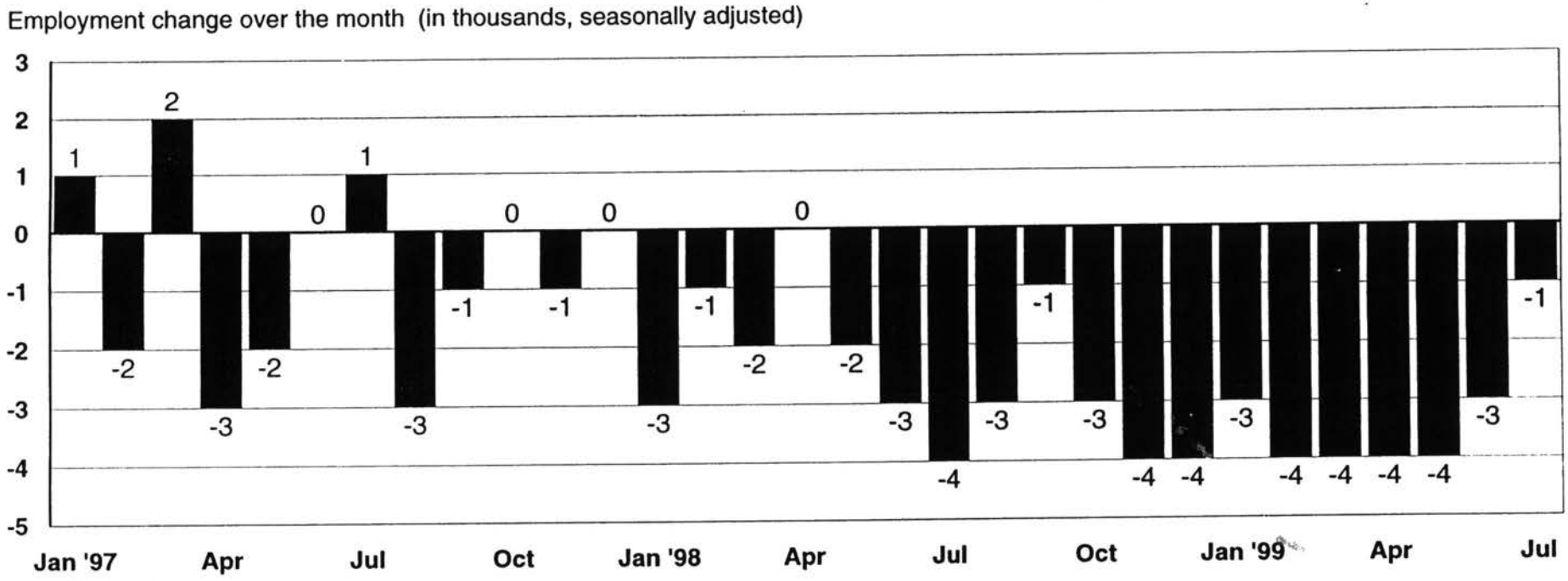



Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Electronic and other electrical equipment (SIC 36) lost 258,000 jobs from its November 1988 peak (at 1.8 million jobs) to October 1992, which includes the recessionary period of July 1990 to March 1991. The industry lost 89,000 workers from the official end of the recession in March 1991 to October 1992. From this trough to its next and most recent peak in March 1998, the industry gained 206,000 workers, bringing it close to its 1988 peak.

Since March 1998, the industry has lost 62,000 jobs or 4 percent. The change in trend through June was mostly due to weakness in export markets related to the financial crisis in Southeast Asia and other emerging markets that started in mid-1997. Since February 1999, however, job losses eased, and the first increase since January 1998 was posted in July. Electronic components (SIC 367), which represents 38 percent of the employment in electrical equipment, lost 37,000 jobs between March 1998 and February 1999, but employment had small, offsetting movements since then.

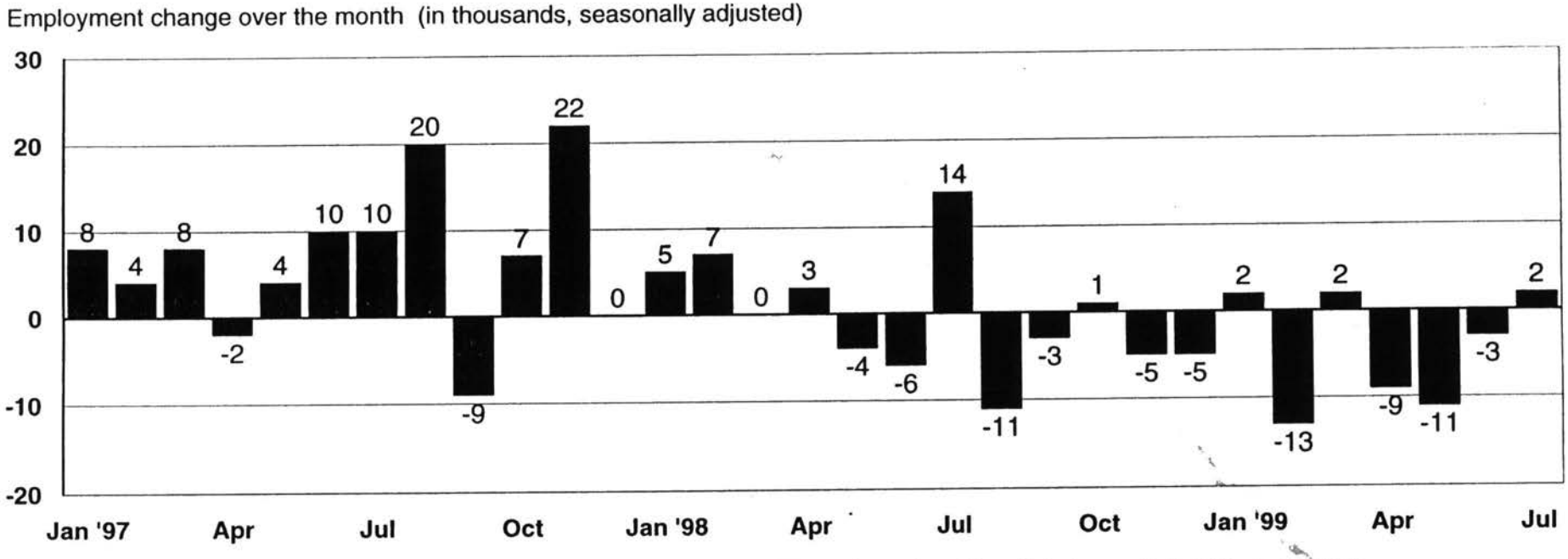
# Textile mill products: monthly employment changes, 1997-99




Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Textile employment (SIC 22) has been on a long-term decline. Since its most recent peak in December 1994, the industry has lost 123,000 jobs, or 18 percent of its employment. Improvements in textile production technology and an increase in capital spendin have improved productivity and reduced the need for labor.

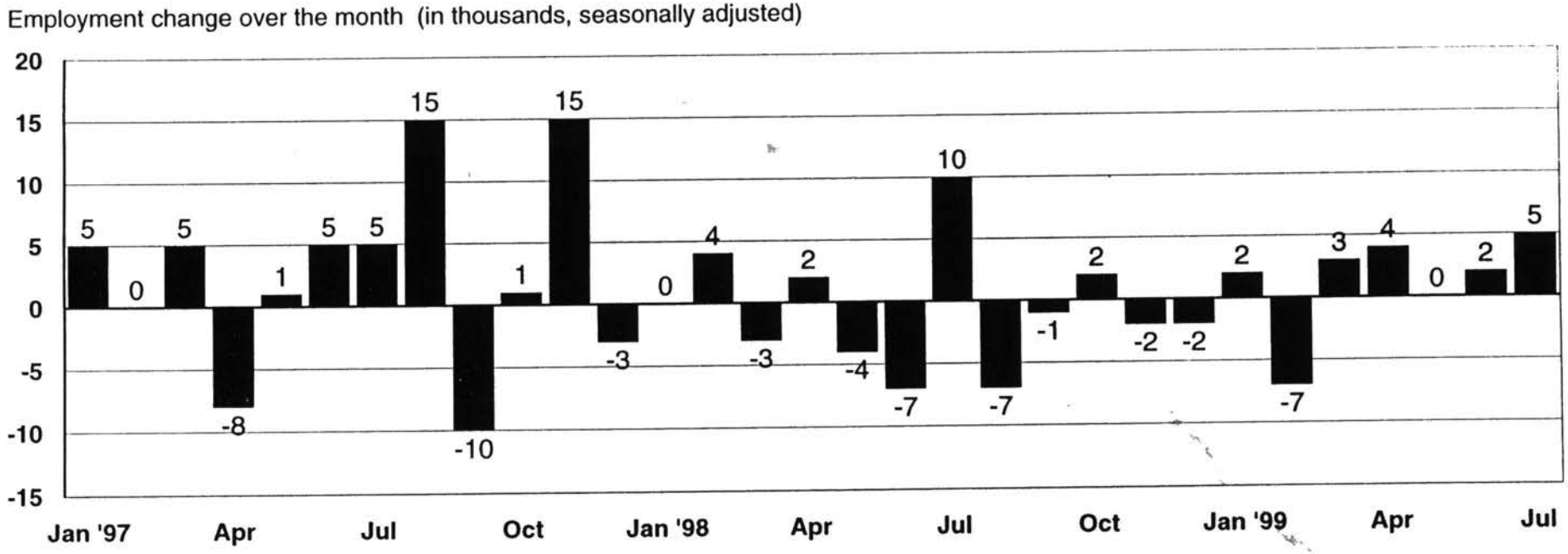
# Transportation equipment: monthly employment changes, 1997-99




Note: July and August 1998 are shown adjusted for strike-related layoffs/returns (Jul -117, Aug +117).
Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Transportation equipment (SIC 37) lost 139,000 jobs, or 7 percent of its workforce, from the official end of the recession in March 1991 to its lowest level in the last 10 years in November 1993. The industry gained 164,000 jobs from that trough to April 1998, its latest peak However, the industry has lost 49,000 jobs since April 1998. Most of this decline has come from Aircraft and parts (SIC 372).

# Motor vehicles and equipment: monthly employment changes, 1997-99

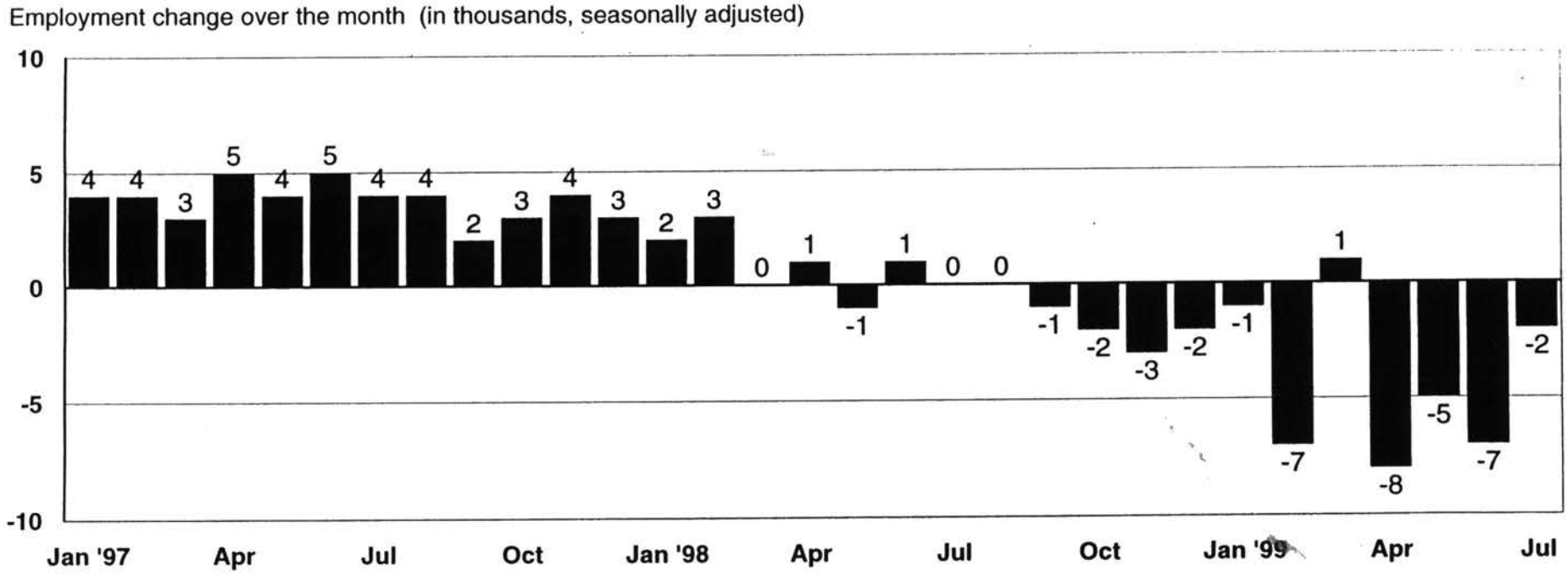



Note: July and August 1998 are shown adjusted for strike-related layoffs/returns (Jul -117, Aug +117).
Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Motor vehicles manufacturing (SIC 371) gained 255,000 jobs, or 34 percent, from March 1991 to its most recent peak in February 199 The majority of this increase came from Motor vehicle parts (SIC 3714), which grew by 180,800 (not seasonally adjusted) over the period. On the other hand, Motor vehicle assembly employment (SIC 3711) grew by only 50,100 jobs (not seasonally adjusted). Since February 1998, motor vehicles employment has declined by 3,000. The industry has been affected by a combination of consolidations cost-cutting measures, and weakness overseas.

However, a still-healthy domestic auto market has shielded the industry from widespread employment losses seen in many other export-sensitive manufacturing industries since mid-1998. Furthermore, motor vehicles manufacturing has added 9,000 jobs so far this year.

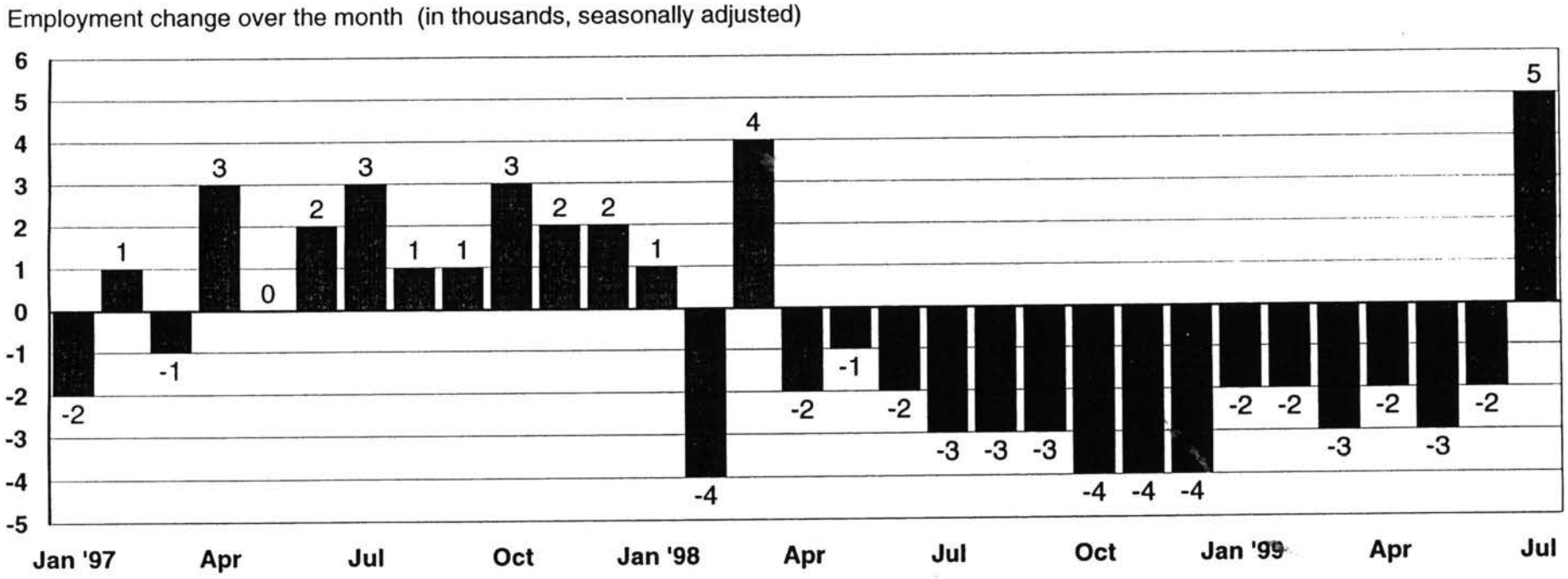
# Aircraft and parts: monthly employment changes, 1997-99




Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Aircraft manufacturing (SIC 372) lost 265,000 workers, or 39 percent of employment, from March 1991 to November 1995, affected by declines in defense spending in the late 1980s and early 1990s. Exports driven by a strong global economy and an easing in defense cutbacks helped the industry post a 25 percent increase in jobs (106,000) by August 1998. Since then, the industry has cut 37,000 jobs. The decline is associated with canceled or delayed orders from Southeast Asian customers.

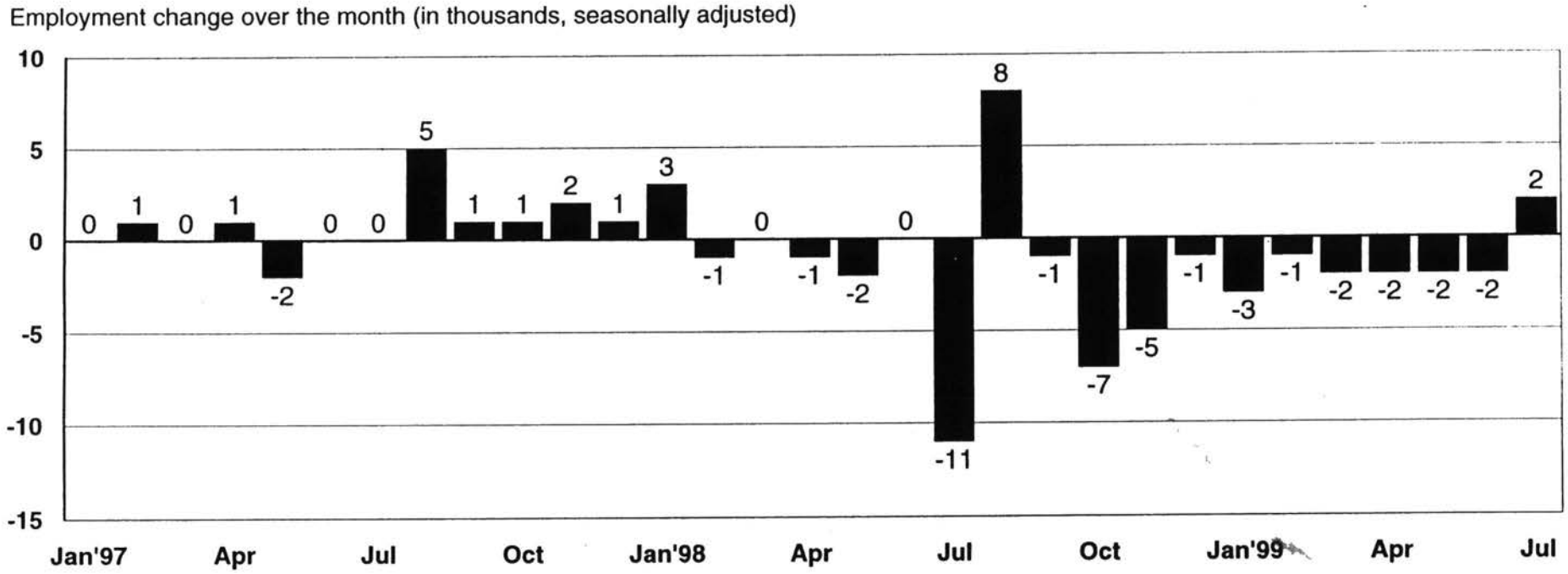
# Instruments and related products: monthly employment changes, 1997-99




Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Instruments and related products manufacturing (SIC 38) had a downward employment trend from the late 1980s to the mid-1990s, affected by a reduction in defense spending during that period. The industry gained 36,000 jobs from April 1995, its latest trough, to March 1998, its latest peak, driven primarily by export growth. From March 1998 to June 1999, this gain was offset as the industry lost 40,000 workers due to weakness in key export markets. Employment increased by 5,000 in July, as normal seasonal declines did not materialize.

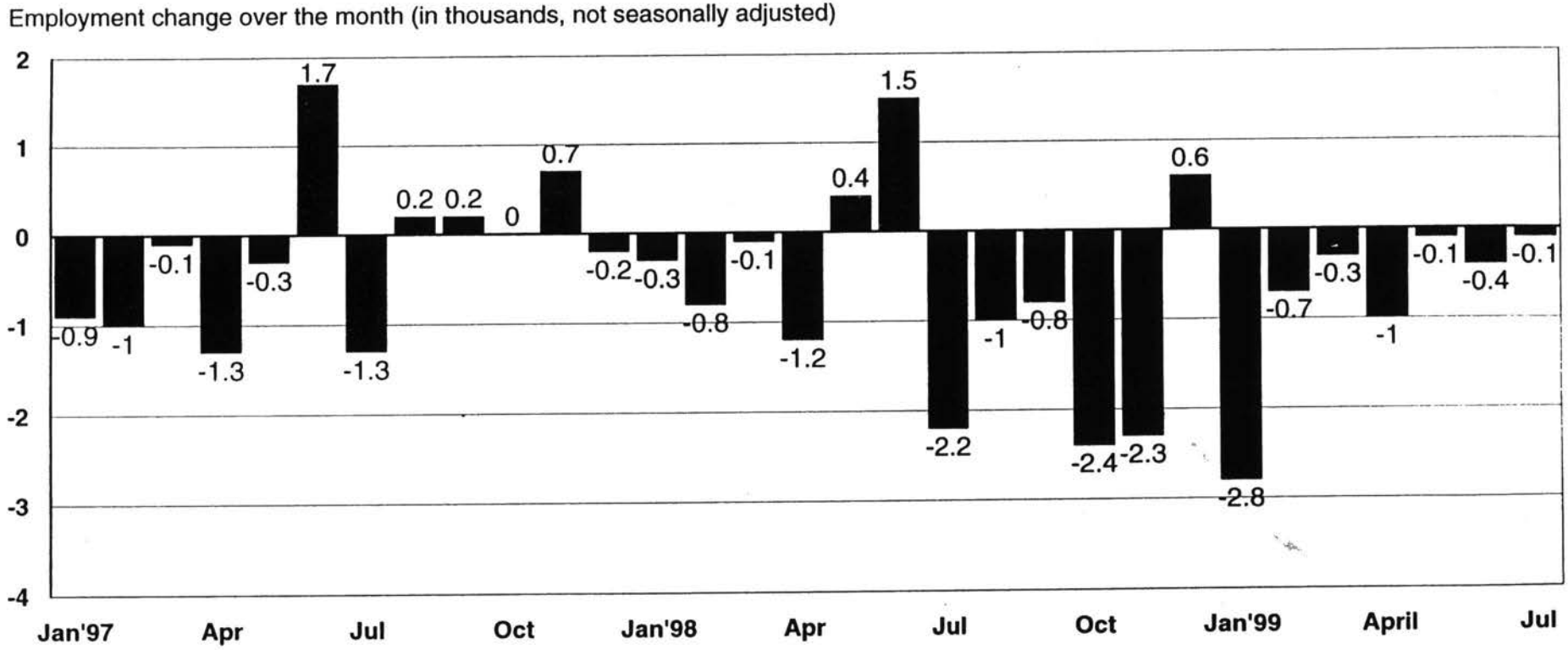
# Primary metals: monthly employment changes,1997-99




Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Primary metals (SIC 33) has lost 41,000 jobs since the end of the recession in March 1991, including a decline of 31,000 since its most recent peak in January 1998. A small employment increase in July, after seasonal adjustment, requires another month's data to confirm improvement in the industry. Blast furnaces and basic steel products (SIC 331) has lost 43,200 jobs (not seasonally adjusted) since the recession.

# Blast furnaces and basic steel mill products: monthly employment changes, 1997-99

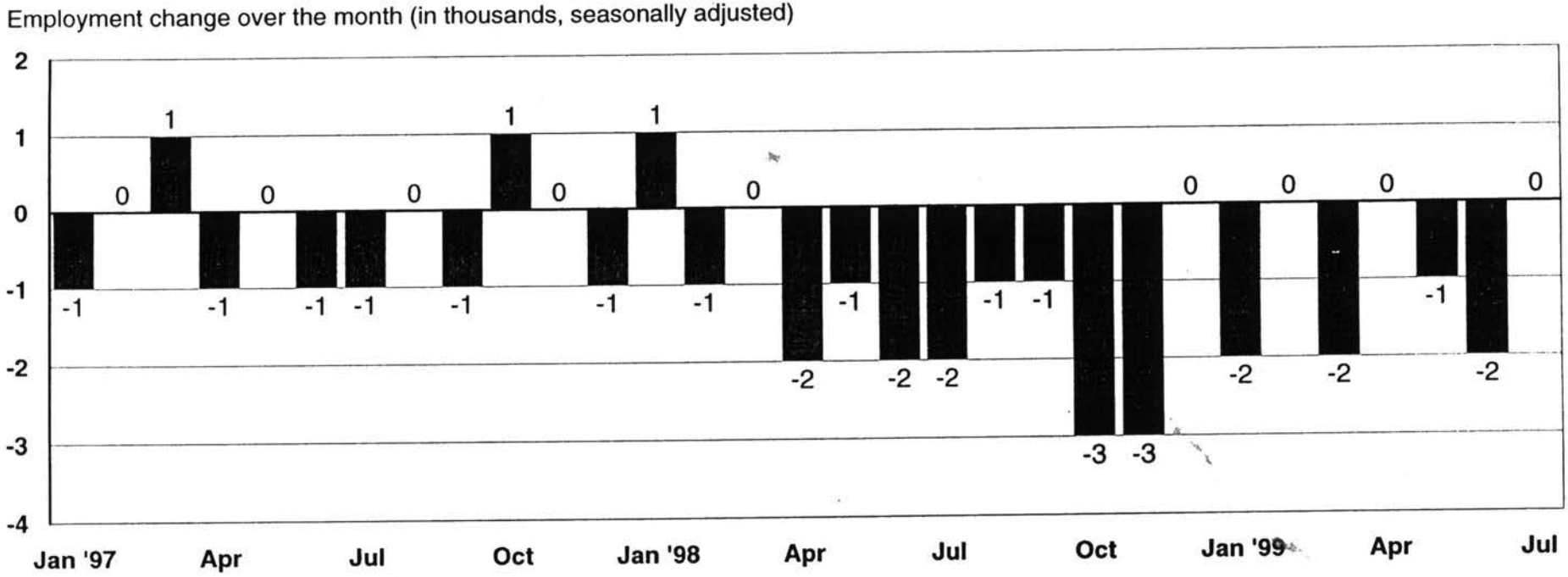



Note: Data for June and July 1999 are preliminary. Data are not seasonally adjusted because the seasonal component is too small relative to the trend-cycle and irregular components to be separated with sufficient precision.

Source: Current Employment Statistics Program

Blast furnaces and basic steel products (SIC 331) has lost 43,200 jobs since March 1991. The biggest contributor to this decline has been Blast furnaces and steel mills (SIC 3312), which lost 46,900 jobs. Since March 1998, Blast furnaces and basic steel products has lost 12,800 jobs.

# Paper and allied products: monthly employment changes, 1997-99

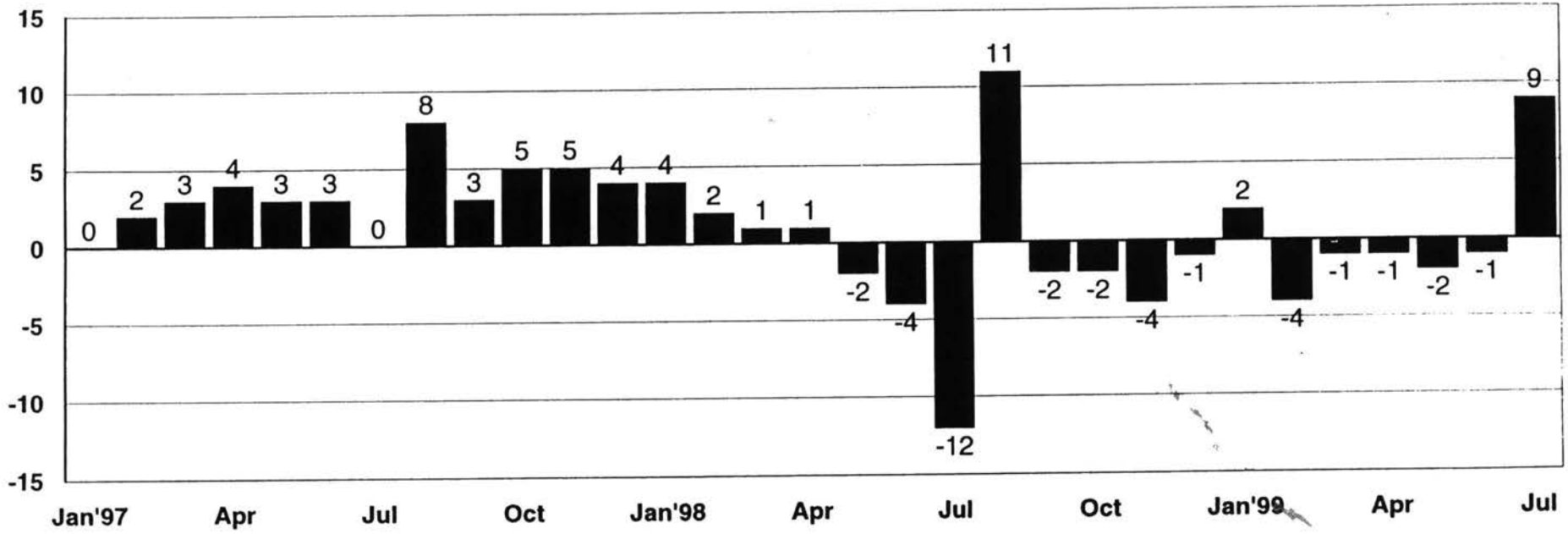



Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Paper manufacturing (SIC 26) employment at its most recent peak in March 1997 was about equal to its level at the end of the last recession in March 1991. Since the March 1997 peak, the industry has lost 26,000 jobs, or 4 percent. The recent loss can be attributed partly to the weakness in export markets. New technology and an increase in capital spending have improved productivity and reduced the need for labor.

# Fabricated metal products: monthly employment changes,1997-99

Employment change over the month (in thousands, seasonally adjusted)




Note: Data for June and July 1999 are preliminary.
Source: Current Employment Statistics Program

Fabricated metal products (SIC 34) employment is 137,000 jobs above its March 1991 level, the beginning of the current economic expansion. Fabricated structural metal products (SIC 344) was the strongest component, contributing 57,000 jobs to the increase since the recession. Metal forgings and stampings (SIC 346) was also a strong gainer with an increase of 50,000 jobs over the same period. In contrast, Ordnance and accessories (SIC 348) has declined by 31,000, or 44 percent, since March 1991.

Employment peaked in April 1998 and has been on a declining trend since then. A large increase in July 1999, after seasonal adjustment, requires another month's data to confirm improvement in the industry.

Kris / Todd Sec -

This is a bunch of stuff Maria picked up for the President in Arkansas.

Should be copied to Lisa Rountree Nash. Let Maria. me

'99 AUG 10 PM2:34

From: Kevin Smith
870-673-2132

Delta Cultural Center
8-7-99
Helena, Ark

It should be taken care of - but possibly be a part of Clinton up notes on Wh. Need response -

8-10-99

FYI: Copy of folder's contents with Maria Echaveste -

Send to Burkhardt?

Yes _____

No _____

JOE HARRIS, JR.
HOUSE OF REPRESENTATIVES
STATE OF ARKANSAS
DISTRICT 94

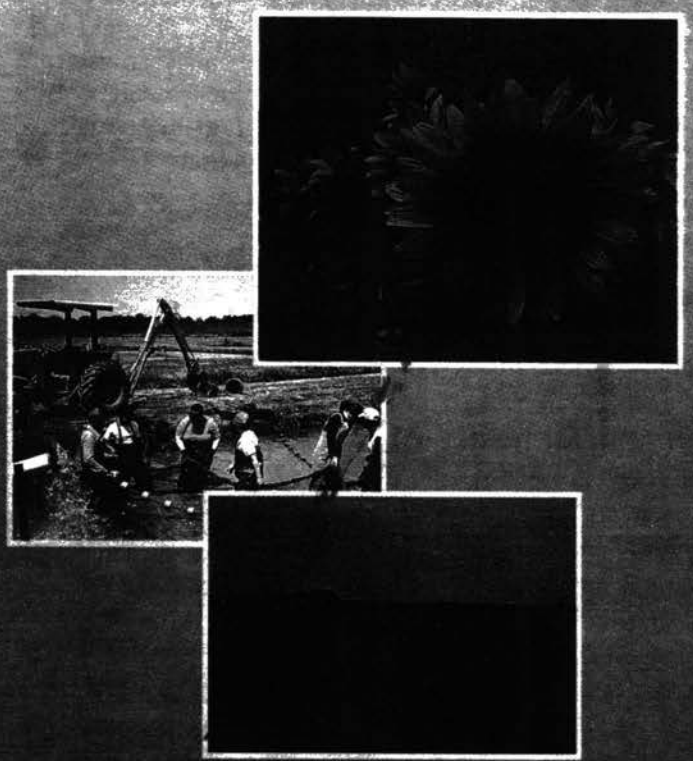
870-563-6798 BUSINESS
870-563-8360 RESIDENCE
870-563-1292 FAX

P.O. BOX 781
OSCEOLA, AR 72370-0781

# PARTNERSHIP

## UNIVERSITY OF ARKANSAS AT PINE BLUFF

## USDA NATURAL RESOURCES CONSERVATION SERVICE



**Small Farm Outreach & Water Management Center**

**Wetlands & Water Management Program**

Have Govt. Contractors

To Locate

in the Delta

# UAPB / USDA

University of Arkansas
At Pine Bluff

United States Department
of Agriculture



**Lawrence A. Davis, Jr.**
**UAPB Chancellor**

**Dan Glickman**
**USDA Secretary**

# Partners in Progress

REQUEST VIA AGENT IN
HELENA, AR
8-7-79

# Withdrawal/Redaction Sheet
## Clinton Library

| DOCUMENT NO. AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|---|---|---|---|
| 001. letter | [Personally Identifiable Information] [partial] (1 page) | 07/20/1999 | b(6) |

**COLLECTION:**
Clinton Presidential Records
Staff Secretary
Sean Maloney (Chron File (Aug 99))
OA/Box Number: 14866

**FOLDER TITLE:**
Tuesday, August 10, 1999

2016-0970-F
rs3002

**RESTRICTION CODES**

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

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

**C. Closed in accordance with restrictions contained in donor's deed of gift.**
**PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).**
**RR. Document will be reviewed upon request.**

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

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

**Zamir U. Deen**
**6236 Kirby Downs Drive**
**Memphis, TN 38115**
**(901) 360-1666**

ROger Adams
Pardon Attorney
U.S. Department of Justice
500 First Street N.W.,
4th Floor
Washington, DC 20530-0001

**July 20, 1999**

**Subject:** **Appeal for Presidential Pardon**
For Samina Z. Deen
(b)(6)

Dear Mr. Adams:

Thank you for your letter of July 15th, sending me the Information & Instructions On Pardon.

Paragraph 3, ***Five-year waiting period*** requirement allows consideration for waiver that is rarely granted, but under most exceptional circumstances.

Based a preliminary review of Samina's case, we conclude that Samina's situation may qualify for consideration of waiver under ***most exceptional circumstances***.

We realize that the ultimate determination of eligibility for waiver rests with your office, and then only after examining the merit of the case. We, therefore, request your honorable office to allow us to present Samina's case for the consideration of seeking the aforesaid waiver of the remaining portion of the five-year waiting period.

Please note that Samina is scheduled for removal on August 16th, 1999 and may **never be able to be reunited with her family in the US again**.

Sincerely,

Salma Z. Deen (Mother)
Zamir Ud Deen (Father)
(901) 355-0200 (Mobile)
(901) 360-1666 (Home)
(901) 366-0072 (Fax)
e-mail: zamir@midsouth.rr.com

**U. S. Department of Justice**

**Pardon Attorney**

*Washington, D.C. 20530*

JUL

Mr. Zamir U. Deen
6236 Kirby Downs Drive
Memphis, Tennessee 38115

Dear Mr. Deen:

Your letter to the President of June 24, 1999, regarding a presidential pardon for your daughter, Samina Z. Deen, was forwarded to this office for response.

Under Section 1.2 of the "Rules Governing Petitions for Executive Clemency" (copy enclosed), a waiting period of at least five years after release from confinement (or conviction, if no confinement was served) is required before an individual becomes eligible to apply for a pardon. If this matter is brought to the attention of this office after the eligibility requirements have been met, the necessary forms and instructions will be provided. In the meantime, you may wish to review the enclosed "Information and Instructions on Pardons."

Thank you for writing to the President.

Sincerely,

Roger C. Adams

Roger C. Adams
Pardon Attorney

Enclosures

# INFORMATION AND INSTRUCTIONS ON PARDONS

*Please read carefully before completing the pardon application*

## *1. Submit the petition to the Office of the Pardon Attorney*

All petitions, except petitions relating to military offenses (see paragraph 6 below), should be forwarded to the Pardon Attorney, Department of Justice, 500 First Street N.W., 4th Floor, Washington, D.C. 20530. It is important that the completed pardon petition be entirely legible; therefore, please print or type. *The form must be completed fully and accurately in order to be considered.* You may attach to the petition additional pages and documents which amplify or clarify your answer to any question.

## *2. Federal convictions only*

Only *federal* convictions are subject to presidential pardon since the federal pardon power does not extend to state offenses. Necessary information concerning the conviction may be obtained from the clerk of the federal court where you were convicted.

## *3. Five-year waiting period required*

A minimum waiting period of five years after completion of sentence is required before anyone who has been convicted of violating a federal law is eligible to apply for a presidential pardon. The eligibility waiting period required by the Rules Governing Petitions for Executive Clemency (as published in Title 28, Code of Federal Regulations, §1.1 et seq.) begins on the date of the petitioner's release from confinement. If the conviction resulted in probation or a fine and no term of imprisonment, the waiting period begins on the date of conviction. In addition, the petitioner should have satisfied the penalty imposed, including all probation, parole, or supervised release. The waiting period is designed to afford the petitioner a reasonable time in which to demonstrate an ability to lead a responsible, productive and law-abiding life to the betterment of the community. Accordingly, offenses committed subsequent to the offense for which pardon is sought may lengthen the minimum eligibility period for pardons. Waiver of any portion of the waiting period is rarely granted and then only in the most exceptional circumstances.

## *4. Reason for seeking pardon*

In answering question 17 on page 6 of the petition, you should state the specific purpose for which you are seeking pardon and attach documentary evidence (e.g., copies of applicable provisions of state constitutions, statutes or regulations and/or letters from appropriate officials of administrative agencies, professional associations, licensing authorities or the like) that a pardon will be helpful to you in accomplishing the purpose for which it is sought. Most disabilities attendant upon a federal felony conviction, e.g., the right to vote and hold public office, are imposed by state rather than federal law, and may be removed by state action. The federal pardon process is exacting and may be more time-consuming than state procedures for restoration of civil rights, and you may therefore wish to consult in this regard with the Governor or other appropriate authorities of the state of your residence (e.g., the state board of pardons and paroles).

## *5. Multiple federal convictions*

If you are seeking pardon of more than one federal conviction, the most recent conviction should be shown in response to question 2 of the petition and the form completed as to that conviction. The information requested in questions 2 through 4 of the petition concerning any other federal convictions, including convictions by military courts-martial, should be provided on an attachment. Any federal charges not resulting in conviction should be reported in the space provided for prior and subsequent arrests (question 5).

## *6. Pardon of a military offense*

If you are requesting pardon of a military offense only, you should submit your completed petition directly to the Secretary of the military department which had original jurisdiction in your case, completing questions 2 through 4 and question 13 of the petition form to show all pertinent information concerning your court-martial trial and conviction. You should be aware that pardon of a military offense will not change the character of a military discharge. This may be accomplished only by appropriate military authorities.

### *7. Additional arrest record*

You must disclose in answering question 5 *any* additional arrest record (civilian or military), whether local, state or foreign, both prior and subsequent to the offense for which you are seeking pardon. Your answer should list every violation, including traffic violations that resulted in an arrest or criminal charge. Your failure to disclose any such arrest, whether or not it resulted in conviction, may be construed as falsification of the petition.

### *8. Credit status and civil lawsuits*

In response to question 12, you must list all delinquent credit obligations, whether or not you dispute them. You must also list all civil lawsuits in which you were named as a party, whether as plaintiff or defendant. You must also list all unpaid tax obligations, whether federal, state or local. You may submit explanatory material in connection with any of these matters, e.g., an agreed method of payment for indebtedness.

### *9. Character references*

At least three character affidavits must accompany the petition. If you submit more than three, you should designate the three persons whom you consider to be primary references. The affidavit forms provided are preferred; however, letters of recommendation which evidence therein a knowledge of the offense for which you seek pardon may be substituted. Persons submitting references should not be related to you by blood or marriage.

### *10. Effect of a pardon*

A presidential pardon will *not* erase or expunge your record of conviction. A presidential pardon is a sign of forgiveness and not of vindication. It does not connote or establish innocence. Therefore, you will still be required to report the conviction where such information is required. In addition, in considering the merits of a pardon petition, pardon officials take into account statements by the petitioner relating to acceptance of responsibility, remorse and atonement.

### *11. Scope of investigation*

Pardon officials conduct a very thorough review in determining a petitioner's worthiness for relief. Petitioners should therefore be prepared for a detailed inquiry into their background and current activities. Among the factors entering into this determination are the nature, seriousness, and recentness of the offense, petitioner's prior and/or subsequent criminal record, any specific hardship the petitioner may be suffering by reason of the conviction (see paragraph 4 above), and the nature and extent of an applicant's post-conviction involvement in community service, charitable or other meritorious activities. Regarding the latter, submission of information concerning the petitioner's noteworthy community contributions is encouraged.

### *12. Presidential pardon authority*

The power to grant pardons is vested in the President alone. No hearing is held and there is no appeal from an adverse decision in a pardon matter. The specific reasons for the action taken in a pardon matter are not disclosed. If your petition is denied, you may submit a new petition for consideration two years from the date of denial if new and significant information or substantially changed circumstances support favorable action.

***For more information, you may contact the Office of the Pardon Attorney at the address provided in paragraph 1 above or by telephone at (202) 616-6070.***

UNITED STATES DEPARTMENT OF JUSTICE
Immigration and Naturalization Service

Attachment to Form G-639

*These instructions supercede instructions contained on the reverse of form G-639 (Freedom of Information/Privacy Act Request) regarding verification of identity by mail.*

In lieu of notarized signatures, requesters may establish proof of the identity of the subject of the record by submitting a sworn declaration under penalty of perjury with their requests. If the record subject provides proof of identity in the form of a declaration in lieu of a notarized signature, the declaration MUST INCLUDE THE FOLLOWING:

►► *If executed within the United States, its territories, possessions, or commonwealths:*

**"I declare (or certify, verify, or state) under penalty of perjury that I am the individual who is the subject of the requested record and that the foregoing is true and correct."**

**Executed on** [redacted] 7/23/99
**(date)**

[redacted] Zamirud Deen
**(Signature)**

Samina Zamirud Deen

**OR** A# 070667699

►► *If executed outside the United States:*

**"I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that I am the individual who is the subject of the requested record and that the foregoing is true and correct."**

**Executed on** _____
**(date)**

_____
**(Signature)**

IMMIGRATION AND NATURALIZATION SERVICE
1341 SYCAMORE VIEW ROOM
MEMPHIS TN 381340000

MEM99000496

JUL 20 1999

SAMINA Z. DEEN
6236 KIRBY DOWNS DR.
MEMPHIS, TN. 38115

Subject : SAMINA Z. DEEN

Dear Requester:

We received your request for information relating to the above cited subject on 07/19/99.

Your request is being handled under the provisions of the Privacy Act (5 U.S.C.552a). It has been assigned Control Number: MEM99000496. Please cite this number in any further inquiry.

In accordance with Department of Justice regulations (28 CFR 16.49), your request constitutes an agreement to pay any fees that may be chargeable up to $25.00. Fees may be charged at the rate of $.10 per page copied. We only charge if the total fee is more than $14.00. If fees in excess of $25.00 are required, we will notify you beforehand.

We will answer your request as quickly as possible. If you have further questions, please address your inquiry to this office, Attention: FOIA/PA officer.

Sincerely,

LESLIE R KLINEFELTER
OFFICER IN CHARGE

IMMIGRATION AND NATURALIZATION SERVICE
1341 SYCAMORE VIEW ROOM
MEMPHIS TN 381340000

Control Number MEM99000496

JUL 21 1999

SAMINA Z. DEEN
6236 KIRBY DOWNS DR.
MEMPHIS, TN. 38115

Subject : SAMINA Z. DEEN

Dear Requester:

Your request was received in this office on 07/19/99. The paragraph(s) checked below apply to your request:

{X} In accordance with our regulation (8 CFR 103.21(b)), individuals seeking access to records about themselves shall establish their identity by submitting either a notarized signature or a sworn declaration under penalty of perjury of law, along with their address, date and place of birth, and alien or employee identification number, if applicable. The enclosed form may be used for this purpose.

{ } Parents or guardians of minors (or guardians of persons judicially determined to be incompetent) must provide proof of their own identity and the identity of the subject, and proof that they are acting on the behalf of the subject. Guardianship or parentage may be proved by providing a court order or a copy of the subject's birth certificate.

{ } INS records on individuals are filed by name of the subjects of the record, date and place of birth, and entry. We need this information and any other identifying data, such as other names used by the subject, name of spouse and/or children, to conduct a thorough search.

{ } Your correspondence indicated the subject is deceased. If a record is located, we require proof of death before any personal data on the subject can be released. Send us a copy of the death certificate or newspaper obituary.

Please reference control number above and return all requested information. If we do not hear from you within fifteen (15) days of the date of this letter, the request will officially be closed.

Sincerely,

LESLIE R KLINEFELTER
OFFICER IN CHARGE

STATE OF ARKANSAS

*House of Representatives*

Representative DANNY FERGUSON
212 McCollum Drive
Forrest City, Arkansas 72335-2521

Mr. President

*REPRESENTATIVE*
Danny Ferguson
212 McCollum Drive
Forrest City, AR 72335-2521

Phone:
870-633-8256 Residence

DISTRICT 91

Counties:
Part of Lee County
Part of Monroe County
Part of St. Francis County
Part of Woodruff County

COMMITTEES

Revenue and Taxation
Sales, Use, Miscellaneous Taxes and Exemptions Subcommittee

Insurance and Commerce
*Vice Chairperson,*
Utilities Subcommittee

Joint Committee on Energy

Legislative Joint Auditing Committee

STATE OF ARKANSAS

# House of Representatives

Mr. President,

Please excuse my handwriting, but I am writing this on the road to Helena. After 18 years as mayor, I am now serving as state Representative and working as the Executive Director of the Forrest City Area Chamber of Commerce. Within the last few years, I have been active in the recruitment of the Forrest City Federal Prison, and several new manufacturing facilities.

Forrest City serves as the employment hub of east central Arkansas, and we have ~~two~~ current needs I would like to bring to your attention: (1) Currently there is no airport between Jonesboro & Helena that can accomodate business jets. Forrest City only has 3,000 feet, and we have had an application in to FAA for several years for a 5,000' runway. This is critical to our industrial development. (2) The Federal prison has been a big boost to our economy. Forrest City and Yazoo City, MS were "sister" projects. During this funding go around, Yazoo City got $90 million and Forrest City got $ 4.5 million.

Any push you could give to Forrest City's facility would be most appreciated.

As you know, the Delta faces huge challenges in welfare reform, including providing enough jobs for our workforce. Attached is a copy of a bill I sponsored that defines a distressed county as one having an unemployment rate 1 1/2 times the state average. It increases the state corporate tax credits to 400 times the average hourly wage, capped at $6,000 per net new employee. Perhaps similar Federal incentives could be expanded to distressed counties.

My profession is facilitating job growth, both through working with existing industries and recruiting new industries. I am familiar with the challenges of the Delta, and if there is ever anything I can do to help you in this arena, feel free to call on me.

Thank you for your service to the state of Arkansas and to our nation.

Sincerely,

Mark Ferguson

**Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82r**

State of Arkansas *As Engrossed: H2/18/99 S3/19/99*

82nd General Assembly **A Bill** **Act 11**

Regular Session, 1999 HOUSE B

By: Representatives Ferguson, Dees, Angel, G. Jeffress, Wood, Laverty, House, Willis, Davis, White, Eason, Shoffner, Hathorn, Gullett, King, Glover, French

By: Senators Mahony, *K. Smith, B. Lewellen, Everett, Scott, Wilson*

I pulled out several pages to reduce its bulk. The real meat is in page 11.

## For An Act To Be Entitled

"AN ACT TO AMEND THE ARKANSAS ENTERPRISE ZONE ACT OF 1993 TO REDEFINE THE SCOPE OF ELIGIBLE BUSINESSES WHICH MAY QUALIFY FOR BENEFITS UNDER THIS ACT; TO SPECIFY TIME LIMITATIONS FOR FILING CLAIMS FOR SALES TAX REFUNDS; TO CLARIFY THE DEFINITION OF 'NET NEW FULL-TIME PERMANENT EMPLOYEE'; TO CLARIFY THE DEFINITION OF 'AVERAGE HOURLY WAGE'; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

## Subtitle

"TO AMEND THE ARKANSAS ENTERPRISE ZONE ACT OF 1993."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 15-4-1701 is amended to read as follows:

"15-4-1701. Title. ~~[Expires June 30, 1999.]~~

This subchapter may be referred to and cited as the 'Arkansas Enterprise Zone Act of 1993'".

SECTION 2. Arkansas Code 15-4-1702 is amended to read as follows:

"15-4-1702. Definitions. ~~[Expires June 30, 2001.]~~

As hereinafter used in this subchapter:

(1) 'Average hourly wage' means the average wage of the net new full-time permanent employees based on payroll for the most recent quarter reported

**End of Page 1**

to the Arkansas Employment Security Department, and is computed by using the total of the net new full-time permanent employees' reported taxable earnings, including overtime pay, divided by the number of weeks worked, divided by the average hours worked per week per net new full-time permanent employee. Twenty-five percent (25%) of the net new full-time permanent employees' annual bonus may be added to the reported taxable earnings; ~~and~~

~~(2) 'Commission' means the Arkansas Economic Development Commission;~~

~~(3)~~(2) 'Corporate headquarters' means the home or center of operations, including research and development, of a national or multinational corporation;

~~(4)~~(3) 'Department' means the Department of Economic Development;

~~(5)~~(4) 'Director' is the Director of the Department of Economic Development;

~~(6)~~(5) 'Governing authority' means the quorum court of a county or the governing body of a municipality;

~~(7)(A)~~(6)(A)(i) 'Net new full-time permanent employee' ~~means a new permanent employee which could not have been claimed for tax credits or incentives under this subchapter during the preceding taxable year~~ means a position or job which was created pursuant to the signed financial incentive

plan and which is filled by one (1) of more employees or contractual employees who were Arkansas taxpayers during the year in which the tax credits or incentives were earned;

~~(B) The number of net new permanent employees shall be equal to the total number of new permanent employees for the current year minus the total number of new permanent employees for the previous tax year; and~~

(ii) The position or job held by such employee or employees must have been filled for at least twenty-six (26) consecutive weeks with an average of at least thirty (30) hours per week;

(B) Provided, however, in order to qualify for the provisions of this subchapter, a contractual employee must be offered a benefits package comparable to a direct employee of the business seeking incentives under this subchapter;

(C) Employees could not have been claimed for tax credits or incentives under this subchapter during the preceding taxable year;

~~(B)~~(D) The number of net new full-time permanent employees shall be equal to the total number of new full-time permanent employees for the

**End of Page 2**

current year minus the total number of new full-time permanent employees for the previous tax year; ~~and~~

~~(8)(A)(i) 'New permanent employee' means a position or job which was created as a result of a project and which is filled by one (1) or more employees or contractual employees who were Arkansas taxpayers during the year in which the tax credits or incentives were earned.~~

~~(ii) The position or job held by such employee or employees must have had someone working in it for at least twenty-six (26) consecutive weeks with an average of at least thirty (30) hours per week.~~

~~(B) Provided, however, in order to qualify for the provisions of this subchapter, a contractual employee must be offered a benefits package~~

machinery and equipment to be located in or in connection with such building.

(b)~~(1)~~ A sales and use tax refund as provided for in subsection (a) of this section shall be authorized, provided that~~:~~ the business is classified as one of the following types of businesses:

~~(A) The qualified business is an industry whose operations fit into Standard Industrial Classification numbers 20-39, 7375, 7376, 4231, 8731, 5051, continuously and throughout the project term, or a distribution center, corporate headquarters, regional headquarters, office sector business, trucking sector business, or a research, development, testing business, as defined in § 15-4-1702, and located within Arkansas;~~

**End of Page 5**

~~(B) The firm and its contractors give preference and priority to Arkansas manufacturers, suppliers, contractors, and labor, except where it is not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operational efficiency;~~

(1) Manufacturers classified in Federal Standard Industrial Classification (SIC) codes 20-39, including semiconductor and microelectronic manufacturers, that create one (1) or more net new full-time permanent jobs.

(2) Computer businesses primarily engaged in providing computer programming services; the design and development of prepackaged software; businesses engaged in digital content production and digital preservation; computer processing and data preparation services; information retrieval services; computer and data processing consultants and developers. All businesses in this group must create twenty-five (25) or more net new full-time permanent jobs, derive at least sixty percent (60%) of their revenue from out of state sales and have no retail sales to the general public.

(3) Businesses primarily engaged in commercial physical and biological research as classified by SIC code 8731 that create one (1) or more net new full-time permanent jobs.

(4) Businesses primarily engaged in motion picture production which will create twenty-five (25) or more net new full-time permanent jobs. All businesses in this group must derive at least 60% of their revenue from out of state sales and have no retail sales to the general public.

(5) A distribution center, with no retail sales to the general public that creates twenty-five (25) or more net new full-time permanent jobs.

(6) An office sector business, with no retail sales to the general public that creates twenty-five (25) or more net new full-time permanent jobs.

(7) A corporate or regional headquarters with no retail sales to the general public, that creates twenty-five (25) or more net new full-time permanent jobs.

(8) A trucking/distribution terminal, as classified by SIC code 4231, with no retail sales to the general public, that creates twenty-five (25) or more net new full-time permanent jobs.

~~(C)~~(c) The ~~firm files~~ business shall file an endorsement resolution with the ~~commission and the~~ Arkansas Department of Economic Development and the Department of Finance and Administration. The endorsement resolution must be approved by the governing body of a municipality or county in whose

**End of Page 6**

jurisdiction the facility is located and must:

(i) Approve the specific entity's participation in the program; and

(ii) Specifically state whether the municipality or county authorizes the Department of Finance and Administration to refund local sales and use taxes to the entity under the program. A municipality or county can authorize the refund of all or part of a tax levied by it, but cannot authorize the refund of any tax not levied by it.

~~(2)~~(d) In the event it is found that any business receiving the benefits contained in subsection (a) of this section has failed to comply with the conditions contained in ~~this subsection~~ subsections (b) and (c) of this

~~34 must not make retail sales to the general public.~~

35 ~~(c)~~(h)(1) The Revenue Division of the Department of Finance and

36 Administration shall authorize an income tax credit equal to one hundred (100)

**End of Page 8**

1 times the average hourly wage paid, with a maximum of ~~two thousand dollars~~

~~2 ($2,000)~~ three thousand dollars ($3,000) per net new full-time permanent

3 employee of a business qualifying under subsection (b) of this section.

4 (2)(A) This tax credit shall be used for the taxable year in

5 which the net new full-time permanent employee was hired.

6 (B) However, with respect to projects approved prior to

7 March 25, 1997, if the entire credit cannot be used in the year earned, the

8 remainder may be applied against the income tax for the succeeding four (4)

9 years or until the credit is entirely used, whichever occurs first. For

10 projects approved on or after March 25, 1997, the credit may be applied

11 against income tax for the succeeding nine (9) years or until the credit is

12 entirely used, whichever occurs first.

13 (3) The credit allowed under this section shall increase by a

14 factor of ~~two (2)~~four (4) with a maximum credit of ~~two thousand dollars~~

~~15 ($2,000)~~ six thousand dollars ($6,000) if the business is located in a county

16 that had an unemployment rate equal to or in excess of ~~ten percent (10%) or in~~

~~17 excess of three percent (3%)~~ one hundred fifty percent (150%) of the state's

18 average unemployment rate for the preceding calendar year~~.~~ as specified by

19 statewide annual labor force statistics compiled by the Arkansas Employment

20 Security Department.

21 ~~(d)~~(i)(1) An income tax credit as provided for in subsection (c) of

22 this section shall be authorized provided that:

23 (A) The request for such credit is accompanied by an

24 endorsement resolution approved by the governing body of the appropriate

25 municipality or county in whose jurisdiction the establishment is to be

KEVIN SMITH

SENATOR
7TH DISTRICT

1609 COKER-HAMPTON DRIVE
STUTTGART, ARKANSAS 72160

COMMITTEE
MEMBER:
EDUCATION
CITY, COUNTY & LOCAL AFFAIRS
RULES
JOINT COMMITTEE ON CHILDREN & YOUTH

# MEMORANDUM

**DATE: AUGUST 7, 1999**
**TO: PRESIDENT WILLIAM JEFFERSON CLINTON**
**FROM: STATE SENATOR KEVIN SMITH, ARKANSAS DELTA COUNCIL**
**RE: SPECIFIC "DELIVERABLES" FOR THE DELTA**

---

**Bob Nash asked me to draft this memorandum and deliver it to you at the Helena meeting regarding the Delta. Here are my recommendations for actions you can take both as president, without Congress, and with their support.**

**<u>Presidential Action Without Congress</u>:**

**1.) Authorize Secretary Dan Glickman to bypass OMB regulations and red tape and transfer up to $26 million in USDA monies, as specifically authorized by FY 1999 Congressional Appropriations language, to the many Delta programs that are already on his desk and have already been scored high by the grant reviewers at USDA. He can do this here at the end of the Fiscal Year when USDA does a national re-allocation of USDA funding. ASU and the Delta Council have one of those highly scored proposals on his desk, which he agreed to fund in a meeting but has since been hung-up by OMB red tape.**

**2.) Do an Executive Order to all agencies of the Executive Branch to use at least a healthy percentage of all "end of the year" monies, which are re-allocated and spent before the end of the Fiscal Year, to the Delta (within the confines of congressional authority).**

**3.) Form a "Presidential Commission on the Delta Region", similar to President Kennedy's President's Commission on Appalachia and President Bush's Points of Light Foundation.**

Organize it as a presidentially appointed non-profit commission and ask the Members of the Cabinet to allocate some discretionary spending to the entity to get it started. The Points of Light Foundation is still going strong, and a non-profit is a "New Democrat" approach that will not rely on Federal funding and congressional action, and will keep the focus on the region long after your presidency (perhaps in conjunction with your library). Put the commission in Washington to be an advocate and a coordinator for the Delta.

4.) Direct Presidential Staff to cooperate with the Delta Caucus "March on Washington" by allowing us to meet with you the week of October 4, 1999 and helping us raise the issue with the national media that week. President Reagan gave-in to demands to fund $150 million annually in new money to homeless programs (which they still receive) in his last year, even in the face of bloated deficits. This happened largely because the media focused so much on the issue that it raised national awareness. We have your support, but your help on this "March" will continue to raise this issue with a hostile Republican Congress, and perhaps cause reporters to ask Senator Lott just why he has a problem funding new money to the Delta even when he represents the poorest Delta state.

<u>Presidential Action With Congress:</u>

1.) Expand and target Tax Credits for Single Family Low Income Homes to "HUD identified substandard housing areas" in the Delta Region. This is a "New Democrat" private/public approach and is the single most successful program I have ever seen in the Delta. Unfortunately, there are not enough tax credits to meet the incredible need in the Delta. If they are expanded and targeted to the Delta as a pilot project in your New Markets Initiative, I promise you it will absolutely rebuild the Delta in a matter of two or three years.

This issue is in the tax credit bill you are about to Veto (with my support). However, in negotiations with Congress, I believe if you held out you can get this language added to an otherwise side-line issue for the over-all bill. I am assuming, of course, that you and Congress will eventually agree to

something and you will sign a final version of this bill. If it is included, this target and expansion will be a big "deliverable" that every city in the Delta will immediately recognize -- they are beating the doors down for this successful program!

2.) Introduce an amendment to the FY 2000 Budget that will set aside at least five percent of all existing Federal Domestic Assistance Programs for Delta programs which otherwise meet appropriate review criteria. If all of the funding is not awarded by the last quarter to the Delta, a national re-allocation can be conducted that will make it available again to the rest of the country.

3.) Allow USDA and HUD to approve all of the Delta applications for the EC/EZ program and at least give them priority for funding.

4.) Perhaps most importantly for the Delta, please work this last year to re-draft the Farm Bill to support our farmers and to better emphasize utilizing foreign markets for our crops.

Of course, please do not hesitate to let me know if you would like more specifics on these or other Delta issues. Thank you for all you have done for us, and for all you are trying to do for the Delta.

[redacted]

[redacted]

3940 S. Arlington Avenue
Indianapolis, IN 46203

**Gary Lynch**

**317-782-8063**
Fax: 317-782-8098

**Arkansas Housing Developers**

3940 South Arlington Avenue
Indianapolis, Indiana 46203
(317) 782-8063
(317) 782-8098 fax

August 6, 1999

State Senator Kevin Smith
State Capitol
Little Rock, Arkansas

RE: Suggested Enhancements in Affordable Housing Financing

Dear Senator Smith:

We are working on a number of housing developments consisting of the new construction of 20 single family scattered site housing units in distressed inner city neighborhoods throughout the Delta region of Arkansas. Unit size consists of three bedroom two bathroom units.

To build these single family houses yet keep rent levels affordable for the targeted population requires financing through the use of the federal low income housing tax credit, the companion Arkansas state housing credit, a Below Market Rate loan ("BMIR loan") and HOME grant funds from Arkansas Development Finance Authority.

The development of these single family houses addresses a number of the concerns and needs identified in the comprehensive redevelopment plans and the expressed desires of community leaders in the Delta region:

- Increases the supply of quality, affordable housing. As you can imagine a brand new single family three bedroom, two bath home renting for $265 to $344 is extremely popular. Our developments are fully rented in less than thirty days.
- Builds community stability through the new construction of single family homes in severely distressed neighborhoods
- Significantly increases surrounding property market values
- Provides home ownership opportunities through execution of lease purchase agreements and access to resident development initiatives leading to low income household asset development
- Creates neighborhood associations for the new residents

We seek your insight and support in continuing and improving these most worthwhile programs by:

- Increasing the level of both the federal and state housing tax credits. Demand for these powerful development finance tools in the Delta region far exceeds availability.

- Target the use of the subsidies to areas most in need, such as the Delta Region.
- Replenish the supply of the BMIR loan funds or consider a source that could replace the BMIR loan such as the use of CDBG funds.

These developments concentrate new construction activity and provide resident development initiatives. Community leaders and residents are truly excited by these developments and ask for more. We ask your assistance to expand these efforts. Please call on us if we may be of assistance in your efforts.

Sincerely,

James O'Connor
Managing Member
Arkansas Housing Developers

DELTA CULTURAL CENTER

TO POTUS VIA STAFF MEMBER

8-7-99

Helena, ARK

# MID-SOUTH TRANSPORTATION TECHNOLOGY CENTER

**A Concept Proposal Offered by**

**Mid-South Community College**
**West Memphis, Arkansas**
**April 5, 1999**

Contact: Dr. Glen F. Fenter, President
870-733-6700 FAX 870-6799

## Overview of the Proposal

Mid-South Community College proposes that a nationally recognized Transportation Technology Center be developed in Crittenden County, Arkansas, to promote education, training, and applied research pertaining to all aspects of the transportation industry, including emerging technology which supports increased safety, efficiency, service, and cost savings. Developed and supported through a partnership of private enterprise, two and four-year colleges, high schools, and government agencies, this center would provide a continuum of educational advancement in a variety of transportation-related fields as well as serve as a "proving ground" for the use of new and experimental technology. Its collaborative foundation would provide a unique opportunity to address and improve interrelationships between various segments of the transportation industry–promoting a holistic approach to transportation education and management.

## The Value of the Proposed Location

Crittenden County Arkansas is located in the central United States on the Mississippi River and at the intersection of Interstates 55 and 40, the nations' second most highly traveled crossroads. Geographically, it is one of the few locations in the United States that has major rail, intermodal, trucking, riverport, and airport facilities within a 15 mile radius of each other. Memphis, Tennessee, the recognized Distribution Center of America and the headquarters site of both Federal Express and United Parcel Service, is located just 10 minutes away across the Mississippi River. Neither the east nor west coast is as easily accessed as is this part of the county. This centralized location allows companies to ship products to customers in any part of the world in less than 48 hours.

Transportation and distribution industries are rapidly expanding in the Mid-South. Typical examples of local growth include the recent addition of one of the nation's largest, most technologically sophisticated intermodal facilities in Marion, Arkansas, as well as substantial expansions of the West Memphis riverport and airport. Nearby, Memphis, Tennessee, plans a 450 acre expansion of its international airport to help accommodate a growing influx of national distribution companies in the Mid-South area.

These companies will require a skilled workforce and innovative, high-tech solutions to their daily operational challenges to remain competitive in the global marketplace. A technology center that encourages and utilizes collaborative private and public sector educational programs is the perfect solution for assuring a trained and educated work force and the effective implementation of technology.

**The Value of an Educational Continuum**

The transportation industry remains highly labor-intensive and faces increasing difficulty in hiring and retaining employees in all. As the industry grows, this labor shortage will become critical without proactive intervention in recruiting and training future employees. Equally important is the need to change the public perception that transportation jobs are low-tech, poorly paid positions with limited opportunities for advancement. The public must be better informed about career paths which offer advancement and increased earnings. The development of a Mid-South Transportation Technology Center would increase such awareness and help ensure the availability of skilled employees in all segments and levels of the industry by providing a continuum of educational programs from high school through graduate and specialized studies.

The Center would develop appropriate courses and hands-on instructional methodology for inclusion in high schools' technical/occupational curricula to prepare students for entry-level positions. High schools outside the local area could participate through distance learning delivery such as computer-based instruction, compressed video, and telecourses. Through concurrent high school/college enrollment or Tech Prep agreements, high school courses may also be applied toward related technical certificate or associate of applied science degrees at two-year colleges. Upper division and graduate studies would be provided through transfer agreements or through the provision of distance learning degree programs from a variety of institutions across the country. Thus the Center could provide a continuum of educational opportunities from entry-level preparation through advanced studies in support of management and applied research.

**The Value of Industry/Education Partnerships**

The involvement and support of representatives from all areas of the transportation industry will ensure that the Mid-South Transportation Technology Center focuses on the real-world needs of the industry–and not simply serve as a "think-tank" for educational exercise and abstract theory. Advisory boards representing major segments of the transportation would be identified to help develop and evaluate the Center's training and educational programs, and industry partners would support student learning by providing internships and cooperative education experiences. Interaction and communication among these representatives would support a multi disciplinary perspective–promoting a holistic understanding of the industry.

The Center would make workshops, electronic training modules, and applied research findings accessible to both small and large transportation companies through publications and electronic conferencing and workshop delivery. The Center would serve as an easily accessible resource for assisting companies in improving their operations and enhancing their competitive position in the marketplace.

**Summary of the Benefits to Be Derived from the Center**

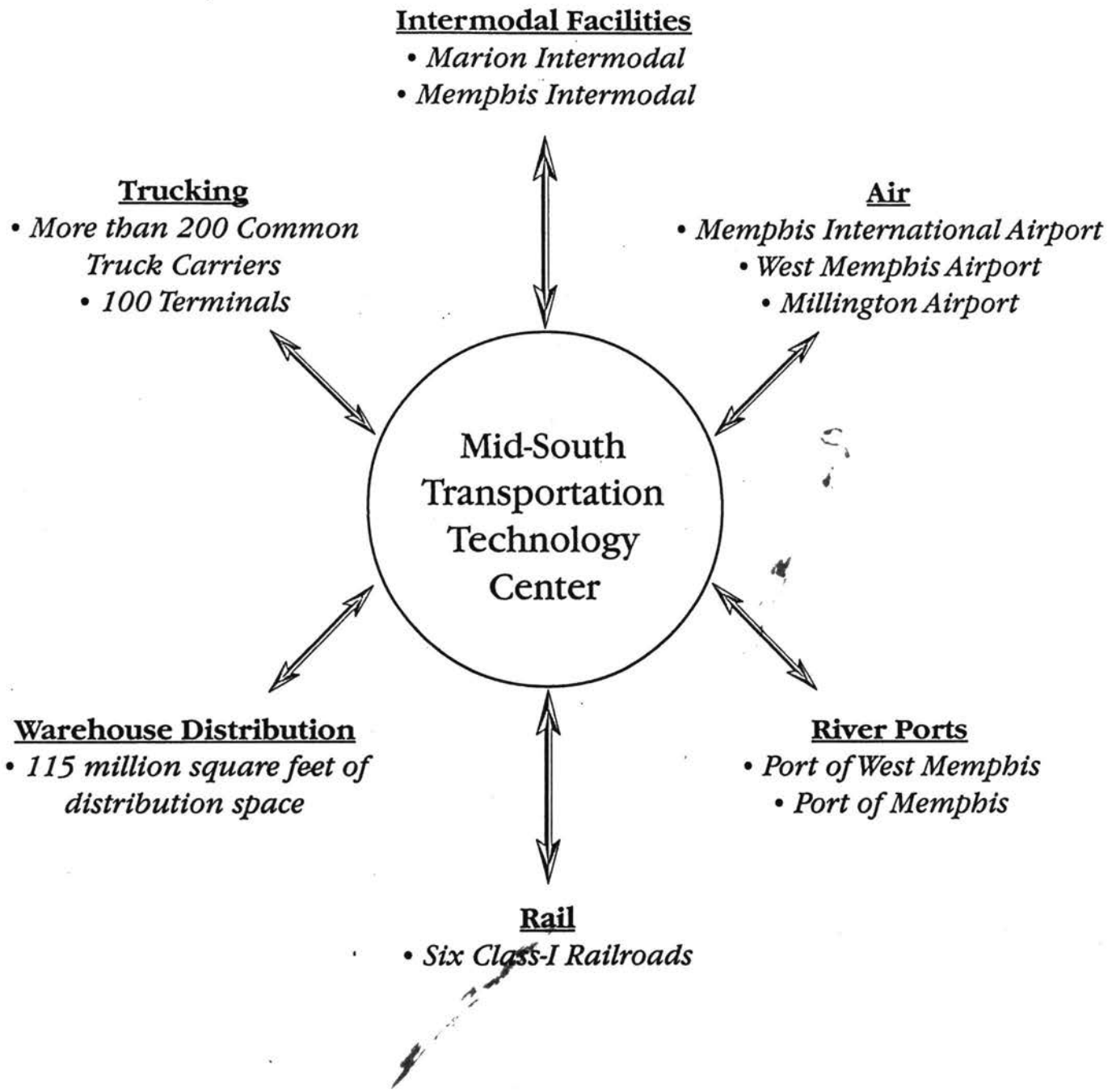
The location of the Mid-South Transportation Technology Center in Crittenden County, Arkansas would provide a centralized geographical location easily accessible from all parts of the county. The Center would help promote the industry as a high-tech one with clear career paths for professional advancement and support growth through improved recruiting and training of employees.

In addition, locating the Center in Crittenden County would have a direct positive effect in bolstering the economic development of the Mississippi Delta Region. An abundance of potential workers exists in the Delta, whose futures are dependent upon access to a continuum of training and education that will provide them with career advancement and economic stability.

Finally, the development of a Transportation Technology Center supports the Transportation Equity Act for the 21st Century by providing the following benefits:

- Improving Safety
  - Development of innovative approaches to transportation industry safety issues
  - Training of personnel in current and improved safety techniques
- Rebuilding American's Infrastructure
  - Cooperative development and industry implementation of Intelligent Transportation Systems (ITS)
  - Research and development of new infrastructure applications (i.e. magnetic levitation)
- Protecting the Environment
  - High-tech training center for individuals throughout the country to support employment opportunities–special programs focusing on welfare-to-work and other most in-need categories
  - Accessible training for employers enabling even small and disadvantaged businesses to receive high-tech, high quality support
- Ensuring Global Competitiveness
  - Mechanism to ensure efficiency and competitiveness of transportation industry through on-going research and implementation in partnership with the private and public sector
  - Opportunity for transportation industry representatives to play major roles in ongoing program development and the future of the transportation industry

Presented by MID-SOUTH COMMUNITY COLLEGE

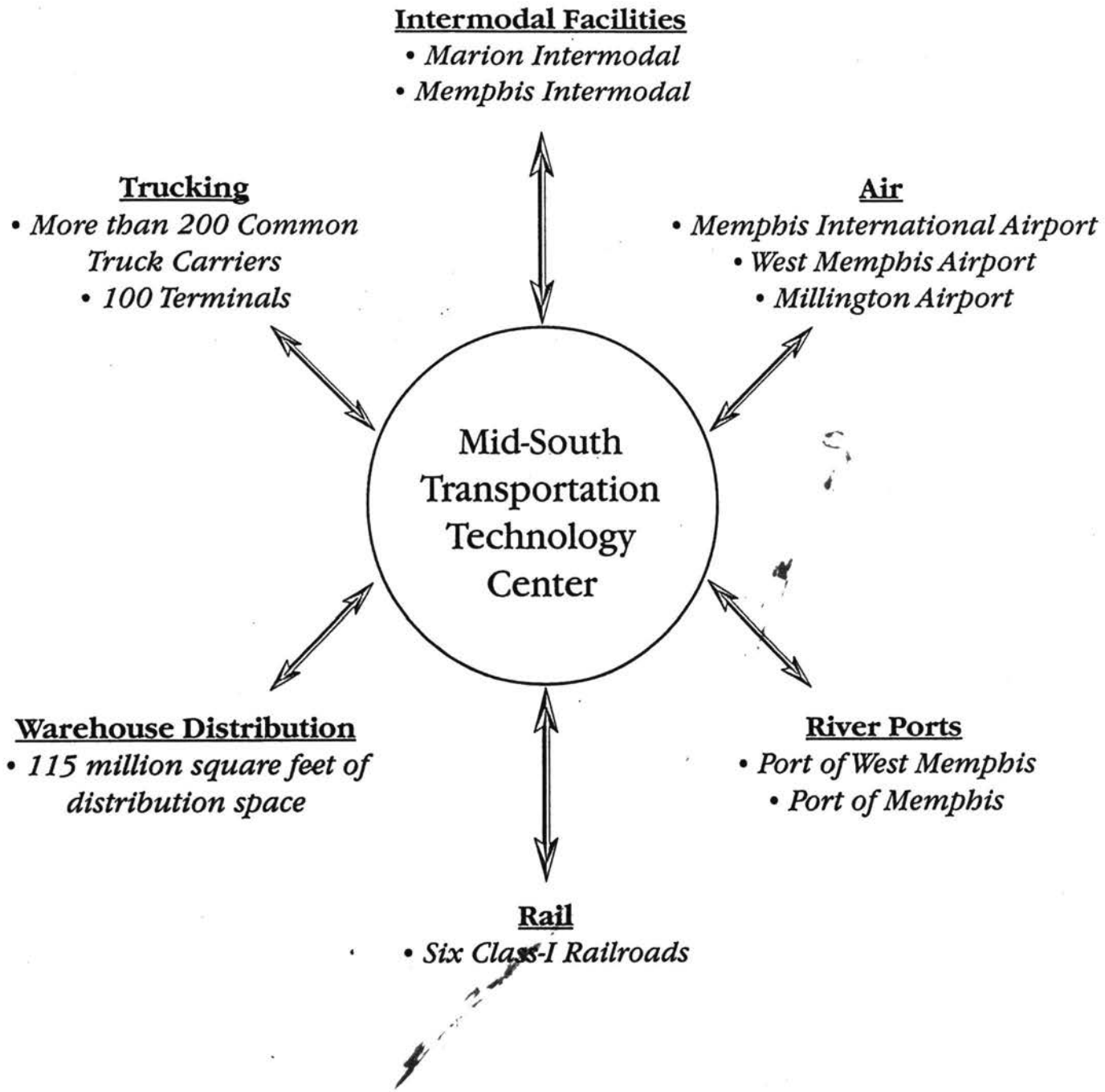



## Mid-South Transportation Technology Center

developed and operated in cooperation with:

- Private Business
- Colleges and Universities
- Local, State and Federal Agencies

Presented by MID-SOUTH COMMUNITY COLLEGE




## Mid-South Transportation Technology Center

developed and operated in cooperation with:

- Private Business
- Colleges and Universities
- Local, State and Federal Agencies

METRO

MEMPHIS, TUESDAY, AUGUST 3, 1999 THE COMMERCIAL APPEAL



By Alan Spearman

**Sylvester Loving, 67, (from left), Eva Loving, 65, and Rosie Mae Windfield, 78, sit by their houses on Powell Street in Sunset, Ark. Monday. They said they need better housing in Sunset. Their incomes range from $500 to $650 per month.**

# Ark. leaders ask for financial aid

## Delta is left out of bustling economy

By Joan I. Duffy
The Commercial Appeal
Little Rock Bureau

WEST MEMPHIS — With the nation and the state flush with money from unprecedented economic prosperity, state and local government officials and civic leaders stood in line under a blistering sun Monday to demand their piece of the economic pie.

"It's a shame," said state Rep. Steve Jones (D-West Memphis) as he turned from the gathering of 150 officials — county judges, mayors, aldermen, justices of the peace and state legislators — to gaze at the Mississippi River they all have in common.

"The part of our nation that has its richest soil is home to some of its poorest people."

He and the other officials signed a "Delta Covenant" promising to work together and spearhead grass-roots efforts in their own towns for a last-ditch effort to land coordinated federal assistance for the area.

They plan to travel en masse to Washington — Oct. 4 is the tentative date — for a rally at the White House and a march on Congress, where the officials plan to testify before congressional spending committees and a caucus of senators representing the region.

"It's just like at city council or quorum court or the state legislature — at the Appropriations Committee at Congress, the folks who get the money are the folks who are organized, who speak the loudest, who have the biggest lobbying firms and who have the greatest special interest groups organized," said Sen. Kevin

Please see **DELTA**, Page **B2**

From Page B1

# Escape

locked down the area and called for help on the radio," Pugh said.

The inmates were cornered atop the building within minutes and were locked down in solitary confinement.

The Carpenters likely will be charged with attempted escape and assault for the attack on the deputy, Marlar said.

At Fayette County Jail, the brothers are separated. Each is paired with another inmate in separate cells, Pugh said.

"The big problem to start with was, this is an old facility," Pugh said of the Fayette County Jail. "Just practically every facility surrounding us is more secure than ours."

But, he said, "since they are definitely an escape risk, I would assume we're trying to find a more secure location."

*To reach reporter Tom Bailey Jr., call 529-2388 or E-mail* baileytom@gomemphis.com

*To reach reporter John Semien, call 529-2551 or E-mail* semien@gomemphis.com

From Page B1

# Delta

Smith (D-Stuttgart), one of the caucus organizers.

The signing ceremony was largely a symbolic gesture. But Ray Bryant of Memphis, executive director of the Delta Council, said the caucus's plans to make noise could help. The message: The region is still waiting for Congress to give it the helping hand that the two-year congressionally financed Lower Mississippi Delta Development Commission concluded was needed. The report was delivered in 1990 by commission chairman Bill Clinton, then governor of Arkansas.

"It certainly can alert the Congress that the region is still looking for a helping hand," Bryant said. He supported efforts by Clinton two years ago to organize a new Delta commission fashioned after, and organized with the help of, the Appalachian Regional Commission.

That effort failed. Some have blamed Republican opposition to Clinton's budget, but Bryant said it also was doomed by fears within the Delta that the ARC would control the effort.

Wherever the help comes, Desha County Judge Mark McElroy said it must come soon.

"It breaks my heart to see the young people with college degrees coming and looking for jobs and there are just no jobs available," he said. "We have 10 to 12 percent unemployment. All our young, bright stars are going off to northwest Arkansas, other parts of the country and leaving their family behind."

Clinton's trip to the Mississippi Delta last month was part of a White House effort to focus attention on areas of the country that haven't shared in the recent prosperity. It signaled to some at Monday's gathering that the President was ready to live up to his pre-inaugural promise to Arkansans to use his office to help the Delta.

They hoped it wouldn't be too little, too late.

"I agree with Congressman (Marion) Berry (D-Ark.). (He) said he was extremely disappointed in what has been accomplished so far with a sitting president from the state of Arkansas," said West Memphis businessman Keith Ingram, a former mayor. "I hope that the President, who knows these issues better than anyone in Washington will put the full force of the White House behind this."

McElroy also said the promise of a Clinton administration lifting the Delta has fallen far short of expectations.

"You'd think that a guy that knows the problem and came from Arkansas certainly would take care of his hometown people, and that's one of the reasons we need to go to Washington and make our concerns known," McElroy said. "If the (President) from Arkansas is not worried about the Arkansas Delta, I'm sure the next one that gets elected, if he's from New York or Texas or Florida won't be concerned much about it.

Clinton is not the only person who has let the Delta down, said state Sen. Bill Lewellen, who urged a march on Little Rock to press similar demands for attention.

He said it would be easier for the Delta to ask people from Montana and other states to help the region if Arkansas itself did something to help.

"Before we can bring the nation's attention to our plight, we've got to bring our own plight to the attention of our state," Lewellen said. "I have served in six legislative sessions and I have yet to see a Delta plan come from the executive offices or our own legislative offices.

"What are we going to do in Arkansas to help ourselves in addition to asking others to help us? Charity begins at home."

*To reach reporter Joan I. Duffy, call (501) 372-2907 or E-mail* duffy@gomemphis.com

gram per citizen and last in the average payment for health services per TennCare recipient.

The legislature's Business Tax Study Committee opened three months of hearings Monday on state government's tax system and spending patterns. Legislative leaders directed the committee to conduct the study in the wake of projections of a large budget deficit next year and the failure of — in total state taxes as a percent of personal income, Fox told the committee. The state ranks 49th in state and local taxes combined as a percent of personal income.

The chairman of the committee, Rep. Matt Kisber (D-Jackson), said the panel is conducting its work with "open minds."

*Call reporter Richard Locker at (615) 255-4923 or E-mail him at* locker@gomemphis.com


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*Dr. Glen F. Fenter, President*

2000 W. Broadway • West Memphis, Arkansas 72301-3829 • (870) 733-6722 • fax (870) 733-6799

August 2, 1999

President Bill Clinton
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

On behalf of the citizens of Crittenden County, Arkansas, we cordially invite you to join us for the dedication of the Donald W. Reynolds Center for Educational Excellence at Mid-South Community College in West Memphis, Arkansas, which we will schedule at your convenience during the spring of 2000.

You may recall attending the ground-breaking ceremony at Mid-South Vocational School in November of 1980. That institution provided the first opportunity for post-secondary education in Crittenden County. Subsequently, your support for Act 1244 of 1991, which authorized the conversion of Arkansas's vocational schools to technical and community colleges, provided an additional catalyst for Mid-South's development. In response to the provisions of the Act, the citizens of Crittenden County seized the opportunity for local access to higher education by passing one of the largest millages in the state to support a community college.

Since 1991, enrollment at Mid-South has grown from approximately 100 to over 850 credit students per semester with another 2,000 students enrolling annually in non-credit community and business education classes. Concomitant with the mission of community colleges, Mid-South works closely with the public schools to improve K-12 education; with business and industry to improve workforce education, and with other institutions of higher education to provide local access to upper division and graduate education on the Mid-South campus. Mid-South also sponsors one of the largest adult education programs in the state, works with the local TEA Coalition to provide welfare-to-work programs, and houses the Crittenden County Literacy Council. We are a learning college, dedicated to student access and goal achievement at all levels.

Our success to date, despite our newness, is evidenced by investments like that being made by the Donald W. Reynolds Foundation, which has granted eight million dollars toward the construction of a new library, learning center, and student services complex on our campus. This

63,000 square foot project represents one of the largest single grants ever awarded to a two-year college in our state. The Reynolds Center, with a total cost of approximately 12 million dollars, will, unequivocally, provide a tremendous physical representation for Crittenden County and the Delta region of the many benefits that accrue to a community through access to higher education.

Because we are indebted to you for our very existence and because of your consistent commitment to the future of the Delta, we sincerely believe you should be the person to dedicate this landmark facility. Our appreciation for your role in creating Mid-South is so strong, we will schedule our dedication any time between April and August of 2000 to provide the opportunity for you to attend.

Mr. President, it is our unwavering belief that the more you learn how the fruits of your labors on behalf of education are embodied in the evolution of Mid-South, the more you will agree that you should be a part of a very significant day in the history of this college and the Delta region. We know that you will give our request serious consideration.

Sincerely,

Dr. Glen Fenter
President

Alex P. Coulter
Chairman
Board of Trustees

cc: The Honorable Blanche Lincoln
The Honorable Marion Berry

*REPRESENTATIVE*
Steven B. Jones
P. O. Box 3040
West Memphis, AR 72303-3040

Phone:
870-735-2383 Business
870-739-2137 Residence
870-735-1020 FAX
sjones@arkleg.state.ar.us

DISTRICT 95

Counties:
Part of Crittenden County

COMMITTEES

Public Transportation
*Chairperson,*
Rail and Mass Transit
Subcommmitee

Aging, Children and Youth, Legislative and Military Affairs
Legislative, Military and Veterans Affairs Subcommittee

Rules

STATE OF ARKANSAS

# *House of Representatives*

August 7, 1999

The Honorable Bill Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

I was pleased to visit with you last month at the Democratic Leadership Conference in Baltimore. I'd also like to mention that I'm proud to be an elected official, chiefly because of your commitment, passion and example of excellence, which has proven that individuals who want to make a difference, can make a difference, through public service. While and since you were our Governor, I too have endeavored to serve; volunteering for the literacy council, John Gammon Scholarship Foundation, the Earle and West Memphis Chambers of Commerce boards, Junior Achievement, the AETN Commission and Delta Service Corps board just to mention some of my volunteer service. I believe that our world can be made better one volunteer at a time. On November 8, 1998 I raised my hand as only the 20th African-American to be sworn in to the Arkansas Legislature since reconstruction

Last Monday we invited elected officials and community leaders to my district in West Memphis. People responded en masse inspite of the sizzling heat. I was pleased that nearly twice the number that we expect showed up. Why? Because they too believe the best days of our beloved Delta can still be ahead of us. Mr. President, we need your help. From Earle, Arkansas I watched what you were doing with the Delta Commission during the 80's. I was a very young man and was impressed that you cared. I now realize that if this region was going to turn its self around and prosper, it would have to receive the type of federal investment that Appalachia and the Rio Grande Valley has enjoyed.

As the immediate past chairman of Delta Service Corps, which is one of your AmeriCorps programs, I traveled extensively throughout the Delta regions of Arkansas, Louisiana and Mississippi for the last 3 years. I have seen first hand the blight, hopelessness and needs of this region. I'm troubled that the region of our country that has its richest soil is home to her poorest people. Your presence here today and the subsequent attention that can come as a result of your interest can bring hope and help within reach for those who need it most.

Mr. President I know that you care. I don't believe that your would have taken the time out of your intense schedule to be here, if you didn't. There is so much work to be done in this region and there is room for all of us who have a stake in it to participate in moving it forward. I volunteer to work with your administration and a revived Delta Commission to take the good from the previous body and add updated and comprehensive plans that address the education, healthcare, workforce training, economic development and volunteer needs of this region. We can make a difference in the time remaining in your administration, and put a formula in place that will remain after you have left office.

I want to thank you for all that you have done for our state, nation and the world. You are an individual whom God has uniquely favored. You have, for better than two decades, given selflessly of your time, resources and expertise to the poor, the disenfranchised, and those who didn't have a voice. I was the commencement speaker at two high school graduations this year. I challenge the graduates to learn all that they can-do it for the rest of their lives and consider staying in our county and region after college to live and raise a family. Let's give them a reason. You have delivered time after time. Let's make the Delta a part of your presidential legacy. Thank you for the indulgence of your time.

Sincerely,

Steven B. Jones
Representative
95th District of Arkansas

## WEST MEMPHIS ECONOMIC DEVELOPMENT NEEDS

**Public Transit System**: A city and county public transit system to move those most in need to services, training, and jobs. System in place through September, 2002 with Welfare Reform money.

Cost: $450,000 Annually

**Mid-South Transportation Technology Center**: Located at Mid-South Community College, it would provide education, training, and applied research in all aspects of the transportation industry.

Cost: $5 million Construction
$500,000 Annually

**Infrastructure Needs for Low- to Moderate- Income Area**: Four miles of residential streets have open ditches and no sidewalks. Project would bring the street, sewers, and water lines up to standard. Area developed before stricter city codes were in place. Current CDBG grants are not enough to fund the work. Annual grants are split between infrastructure improvements and other social needs.

Cost: $5 Million Construction

**Kuhn Road Overpass Modifications**: This would provide interstate access to a rapidly developing industrial area. The current developments are overloading an existing interstate interchange that is scheduled for modifications in the near future. When fully developed, this new industrial area will overload the modified interchange. Land development and traffic flow studies by the local MPO have identified the Kuhn Road Overpass Modifications as a crucial project.

Cost: $6 Million Construction

**AFCO Road Overpass**: This overpass would allow the continued development of a regional north loop truck route that would allow east/west traffic that is currently cut off by Interstate 55. It would provide direct access to major markets east of the Mississippi River by industries operating in the Industrial Park and in Union Pacific's 1000 acre intramodal yard. The overpass and north loop have been identified as transportation needs by the local MPO.

Cost: $6 Million Construction

**Truck Land USA**: A project to capitalize on West Memphis' informal designation as the "Trucking Capital of the World". Includes trucker-themed restaurant and museum.

Cost: $5 Million Construction

ARKANSAS
LAND &
FARM
DEVELOPMENT
CORPORATION

NeighborWorks®
CHARTERED MEMBER

Dr. Calvin R. King, Sr.
Executive Director
Rev. W.C. Tims
President
Shirley Baldwin
Vice President
Ruthie Ross
Secretary
Honorable Berlin Jones
A.L. Criswell
Rev. Ellihue Gaylord, Sr.
Eddie Higgins
Theodore Jones
Dr. Lawrence A. Davis, Jr.
Rebecca Martin
Honorable Olly Neal

# MEMORANDUM

**TO:** The Honorable President William B. Clinton

**FROM:** Calvin R. King, Sr.

**DATE:** August 7, 1999

**RE:** **Funding Support Needs**

**cc:** Board of Directors

---

Arkansas Land and Farm Development Corporation, since its incorporation in 1980 as a 501(c-3) tax exempt organization has made great strives with much success to impact the improvement of the quality of life for rural Arkansans. ALFDC's program implementation has been toward achieving its mission: To enhance the quality of life of rural communities through land retention, family farm development, and land-based community development for limited resource and socially disadvantaged people.

Although ALFDC has been recognized nationally and internationally for its work, the funding support needed to maintain its program efforts has not been received.

Mr. President, we are requesting your support for five years of funding for the following list of programs that are implemented through ALFDC's division level structure to address its core initiatives:

***I. Ag & Community Development Division***

| **Program** | **Source of Funding** | **Five Year Funding Needed** |
|---|---|---|
| 1. Small Farm Outreach & Technical Assistance | USDA NRCS/2501 | $450,000 x 5 yrs = $2,225,000 |
| 2. Small Business & Community Development Outreach | USDA NRCS (RDA) | $150,000 x 5 yrs = $750,000 |
| | ***Divisional Subtotal*** | **$3,000,000** |

*II. Integrated Food & Farming Systems (IFFS) Division*

| **Program** | **Source of Funding** | **Five Year Funding Needed** |
|---|---|---|
| 1. Site Specific Demo & Mentor farmer field Outreach | USDA NRCS | $300,000 x 5 yrs = $1,500,000 |
| 2. Site Specific Costshare Technical Assistance | USDA NRCS | $200,000 x 5 yrs = $1,000,000 |
| | ***Divisional Subtotal*** | ***$2,500,000*** |

*III. Youth Services Division*

| **Program** | **Source of Funding** | **Five Year Funding Needed** |
|---|---|---|
| 1. Provides a two week leadership training camp to 80 youth annually | USDA RBCS<br>USDA NRCS | $450,000 x 5 yrs = $2,250,000 |
| 2. Provides for six weeks of work experience training in production agri and other career opportunities in agri, rural business and rural community development | USDA RBCS<br>USDA NRCS<br>U.S. Department of Labor | |
| | ***Divisional Subtotal*** | ***$2,250,000*** |

*IV. Housing Division*

| **Program** | **Source of Funding** | **Five Year Funding Needed** |
|---|---|---|
| 1. Homebuyers Education for single family homeownership | USDA RCBS | $125,000 x 5 yrs = $625,000 |
| 2. Community outreach capital formation for single-family home ownership and multi-family housing development | | $150,000 x 5 yrs = $750,000 |
| | ***Divisional Subtotal*** | **$1,375,000** |

***Total Funding Needed*** ***$9,125,000***

August 04, 1999

***OFFICE OF THE SECRETARY***
***THE HONORABLE RODNEY SLATER***
***c/o MR. HAROLD GIST***
***ASSOCIATE DIRECTOR OF INTER-GOVERNMENTAL AFFAIRS***
***U.S. DEPARTMENT OF TRANSPORTATION***
***400 7TH STREET, S.W.***
***ROOM #10407***
***WASHINGTON, D.C. 20590***

***RE: EXECUTIVE SUMMARY OF APPLICATION PACKAGE, SUBMITTED JULY 27, 1999***

Dear Mr. Slater:

Attached, per our discussion on August 3, 1999, is an "Executive Summary" of the application package submitted on July 27, 1999.

Our letter to President Clinton (attached) addresses the issue that the Secretary of HUD recently awarded $3 million to the Pulaski County EC from Discretionary funds. It does not mention that on June 24, 1999 the secretary announced $25 million to other states (attached) and "0" to Arkansas. We are requesting $1.5 million from HUD Discretionary funds for the rural East Arkansas Enterprise and Champion Communities (included in $6 million below).

Our letter to you and Congressman Marion Berry (attached) requests a total of $6 million for four (4) benchmarks – Human Developments-youths, Community Development-housing, Community Development –Infrastructure, and Economic Development-business. We understand that $3 million dollars has been earmarked by the Department of Labor for youths. We are requesting $1.5 million from the Department of Labor for the East Arkansas Enterprise and Champion Communities (included in the $6 million above).

Also enclosed in the packet is a Developable Site application for the City of Marianna, Forrest City and Holly Grove. The total of their request is $11,426,500.00 (see attached letter to you).

The EAEC retained an engineer to develop Comprehensive Infrastructure Plans for all towns, cities and counties in the EAEC. These plans are a part of the package and the total estimated cost is $44,420,422.00

Again, we look forward to your favorable support and funding of this request. If there are any questions, please contact me or Dr. Robert L. Cole at (870) 630-2005.

Sincerely,

Judge Tom Catlett, Monroe County &
Board Chair – East Arkansas Enterprise Community

TC:cll

Attachments

## *EXECUTIVE SUMMARY*
## *APPLICATION PACKAGE/PROPOSAL*

# *EAST ARKANSAS ENTERPRISE COMMUNITY (EAEC)*

### *JULY 27, 1999*

---

I. Request of $6 million to upgrade four (4) of the eleven (11) EAEC Benchmarks:

| ***GOALS / BENCHMARK AREAS & BENCHMARK (BM)#:*** | ***AMOUNT OF REQUESTED FUNDING:*** | ***SOURCES OF FUNDING:*** |
|---|---|---|
| ***Human Development – Youth Education*** *Expand Children's and youth's career awareness and improve linkages between school and work. **(BM #3)** | **$1.5 million** | ***Departments of Labor*** **(one half of $3 million DOL earmarked funds), *Education, Agriculture, and Transportation*** |
| ***Community Development – Housing & Environment*** *Improve both the quality and availability of affordable housing stock for both low-income renters and buyers. **(BM #5)** | **$1.5 million** | ***Agriculture, HUD*** **(one fourth of the amount of HUD Discretionary funds awarded to the Urban EC-$750,000.00), *and Small Business Admin.*** |
| ***Community Development – Infrastructure*** *Improve infrastructure, appearance and safety of communities. **(BM #8)** | **$1.5 million** | **HUD** *((one fourth of the amount of HUD Discretionary funds awarded to the Urban EC-$750,000.00),* **Agriculture, and Transportation** |
| ***Economic Development – Business (Expansion & Development)*** *The consensus from the participants of the "Empowerment Zone Initiative of Eastern Arkansas" regarding economic development is that development must include three major sectors of the local economies which are, Agriculture, Small Business Development and Industrial Development. **(BM #10)** | **$1.5 million** | **Small Business Administration, Rural Development, and Health and Human Services** |
| TOTAL: | **$ 6.0 million** | |

II. EC Developable Sites – Marianna, Forrest City and Holly Grove:

| ***DEVELOPABLE SITE:*** | ***PROJECT COST:*** |
|---|---|
| Marianna Downtown Revitalization | $ 4,769,000.00 |
| Forrest City Industrial Park | $ 4,500,000.00 |
| Holly Grove Downtown Revitalization | $ 2,157,500.00 |
| TOTAL: | $11,426,500.00 |

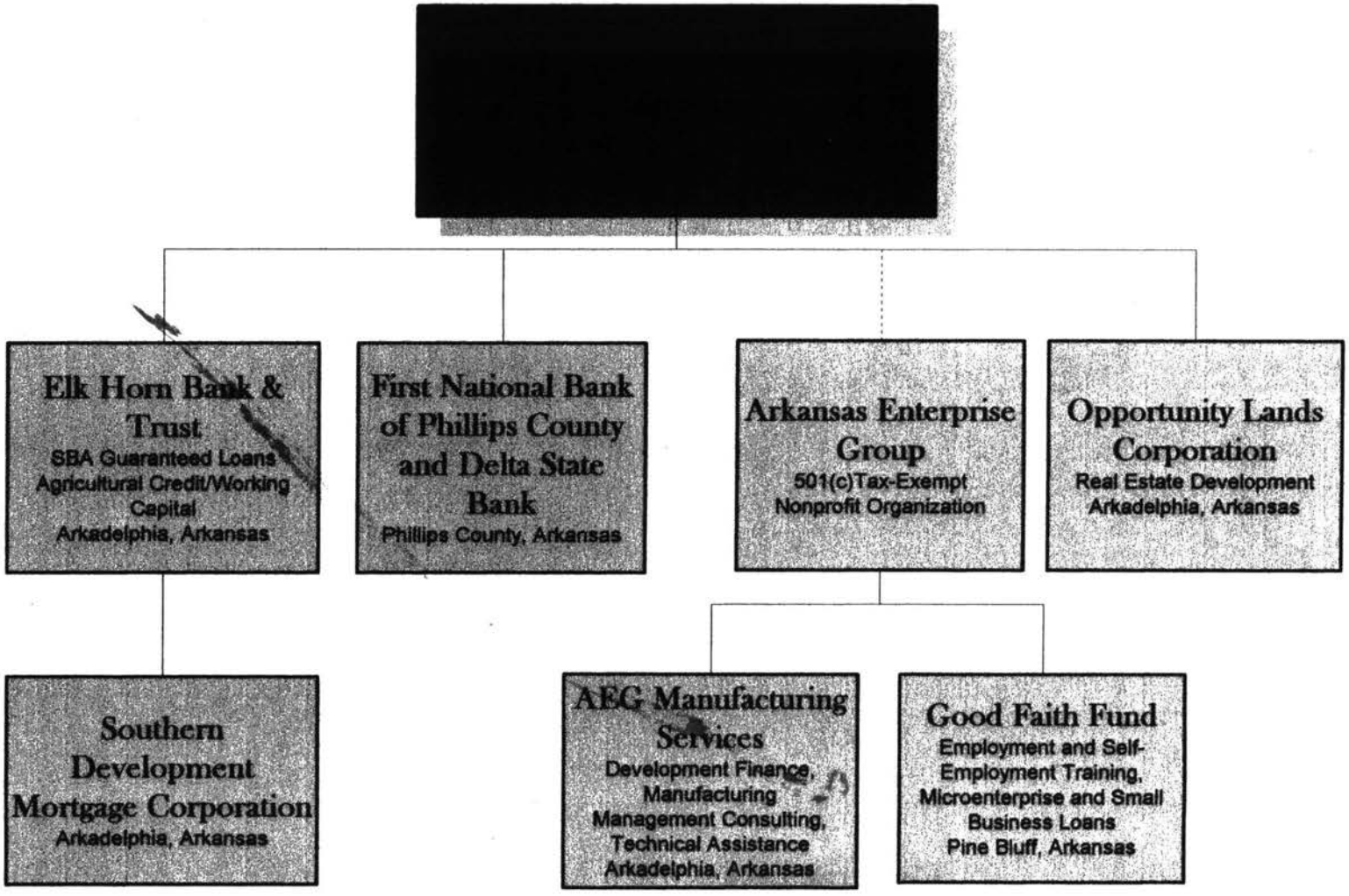
III. EAEC and Champion Community Infrastructure:

| | |
|---|---|
| Twenty (20) towns, cities and communities in five counties (see attached list of towns and communities) | $50,000.00 |
| TOTAL: | $50,000.00 |

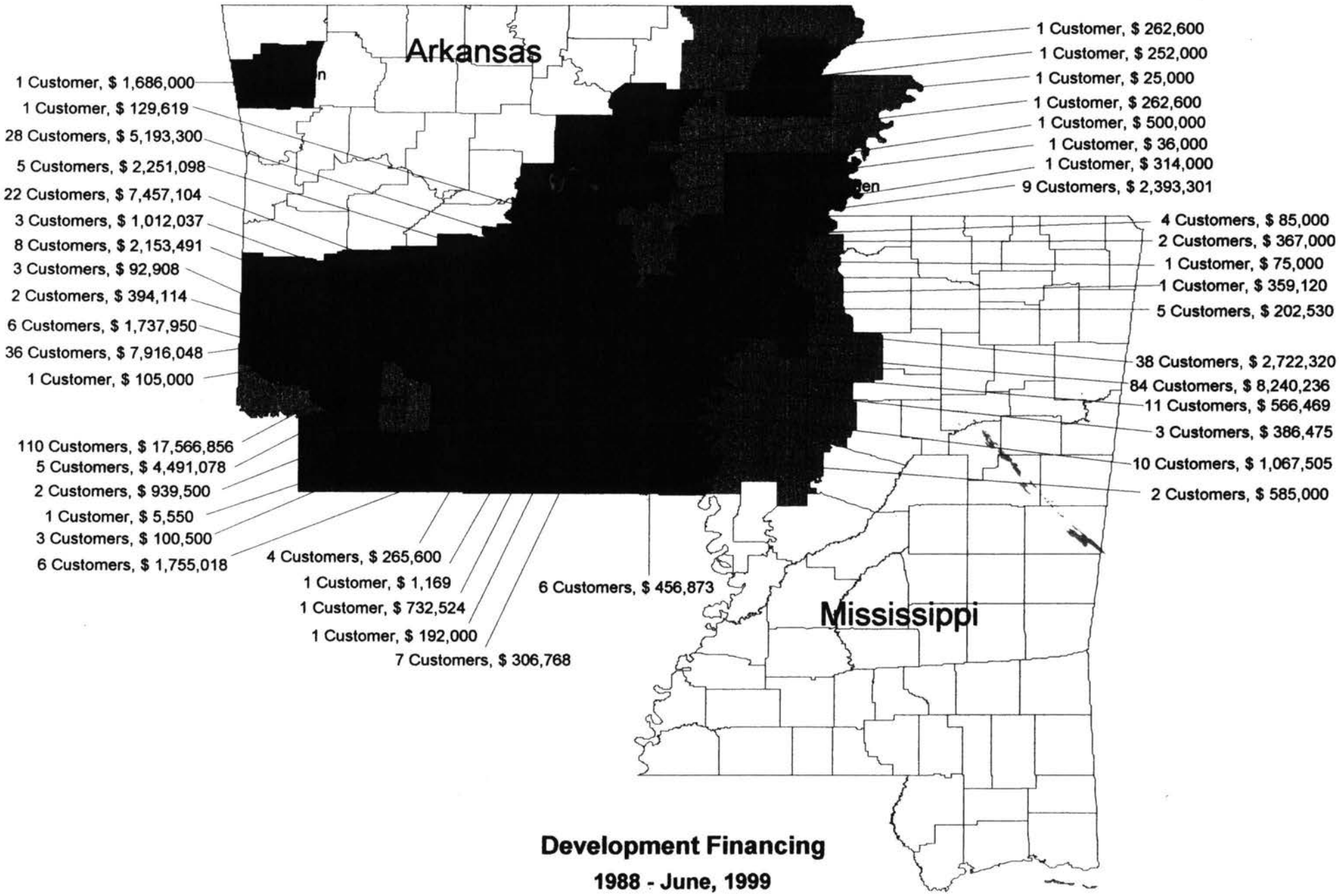
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| | |
|---|---|
| UAPB has asked us to follow-up with you on the National Wetland Water Management Center, Secretary Glickman announced to be located on the UAPB Research and Demonstration Farm (announced at a public meeting on January 30, 1998 at Lonoke, Arkansas). The proposal requested $1.5 million (see attached letter, dated 07/09/98 and follow-up letter dated 06/05/99 to Secretary Glickman). | $1.5 million |
| TOTAL: | $1.5 million |




[redacted]
Elk Horn Bank & Trust
SBA Guaranteed Loans
Agricultural Credit/Working Capital
Arkadelphia, Arkansas
First National Bank of Phillips County and Delta State Bank
Phillips County, Arkansas
Arkansas Enterprise Group
501(c)Tax-Exempt Nonprofit Organization
Opportunity Lands Corporation
Real Estate Development
Arkadelphia, Arkansas
Southern Development Mortgage Corporation
Arkadelphia, Arkansas
AEG Manufacturing Services
Development Finance, Manufacturing Management Consulting, Technical Assistance
Arkadelphia, Arkansas
Good Faith Fund
Employment and Self-Employment Training, Microenterprise and Small Business Loans
Pine Bluff, Arkansas

# Southern Development Bancorporation




## Development Financing

**1988 - June, 1999**

**440 Customers, $ 75,644,763**

- Development Financing
- Southern Development Bancorp. Target Area

Revised- 8/3/99

**Highlights of Southern Development Bancorporation's and Arkansas Enterprise Group's Financial and Development Performance**

| | Audited 1992 | Audited 1993 | Audited 1994 | Audited 1995 | Audited 1996 | Audited 1997 | Audited 12/31/98 | Unaudited 06/30/99 |
|---|---|---|---|---|---|---|---|---|
| **Financial Highlights** | | | | | | | | |
| Southern Development Bancorporation | | | | | | | | |
| Total Equity Capital | 7,372,832 | 7,747,832 | 7,239,471 | 8,636,700 | 8,884,747 | 10,323,796 | 18,521,455 | 18,637,022 |
| Net Income | 301,612 | 375,000 | 241,664 | 489,272 | 231,863 | 299,535 | 296,670 | 471,131 |
| Elk Horn Bank | | | | | | | | |
| Development Loans Outstanding | 6,535 | 8,092 | 13,094 | 13,784 | 16,209 | 19,552 | 19,070 | 18,916 |
| Net Loans Outstanding | 31,578 | 37,272 | 49,861 | 51,546 | 59,299 | 71,985 | 79,707 | 79,132 |
| Total Deposits | 81,521 | 87,221 | 86,185 | 90,594 | 92,308 | 100,934 | 105,920 | 103,586 |
| Total Equity Capital | 7,657 | 8,185 | 7,587 | 8,615 | 8,975 | 9,534 | 9,973 | 10,186 |
| Total Assets | 89,950 | 96,926 | 98,643 | 101,329 | 102,136 | 111,502 | 117,134 | 114,308 |
| Net Income | 886,980 | 1,003,163 | 802,750 | 769,075 | 944,640 | 998,283 | 1,216,845 | 648,811 |
| First National Bank | | | | | | | | |
| Development Loans Outstanding | | | | | | | 424 | 107 |
| Net Loans Outstanding | | | | | | | 61,867 | 63,340 |
| Total Deposits | | | | | | | 99,701 | 98,499 |
| Total Equity Capital | | | | | | | 14,908 | 15,466 |
| Total Assets | | | | | | | 119,694 | 118,372 |
| Net Income | | | | | | | 412,466 | 386,722 |
| Delta State Bank | | | | | | | | |
| Development Loans Outstanding | | | | | | | 0 | 0 |
| Net Loans Outstanding | | | | | | | 2,071 | 1,754 |
| Total Deposits | | | | | | | 6,238 | 5,912 |
| Total Equity Capital | | | | | | | 679 | 675 |
| Total Assets | | | | | | | 6,942 | 6,627 |
| Net Income | | | | | | | (79) | (3) |
| Arkansas Enterprise Group | | | | | | | | |
| Development Loans/Investments Outstanding (excludes inter-company loans) | 1,215,375 | 2,564,087 | 3,865,403 | 5,215,862 | 6,850,196 | 7,767,759 | 7,176,897 | 7,591,249 |
| PRI and IRP/FmHA Loans Payable | 2,160,900 | 2,884,092 | 3,764,584 | 4,084,452 | 4,625,659 | 5,114,508 | 6,698,022 | 6,698,022 |
| Total Fund Balances/Net Assets | 68,782 | 253,830 | 1,197,187 | 2,295,057 | 4,462,612 | 5,614,969 | 5,875,997 | 5,703,697 |
| Annual Increase in Fund Balances/Net Assets | (1,170,617) | 185,048 | 943,357 | 1,097,870 | 2,167,554 | 1,152,357 | 261,028 | (172,300) |
| **Development Highlights** | | | | | | | | |
| **Southern and AEG Consolidated** | | | | | | | | |
| Cumulative Jobs Created or Sustained | 1,029 | 1,146 | 1,674 | 2,268 | 2,634 | 2,678 | 3,544 | 4,168 |
| Hours of Technical Assistance Provided Annually by AEG Staff | 10,462 | 11,170 | 11,426 | 12,763 | 14,675 | 8,453 | 8,358 | 4,463 |
| Number of AEG Customers Receiving Technical Assistance from AEG Annually | 48 | 84 | 112 | 125 | 117 | 98 | 198 | 93 |
| New Development Investments Originated - $ | 9,303,791 | 6,228,248 | 11,762,706 | 9,274,729 | 10,052,708 | 11,167,393 | 6,826,067 | 5,750,001 |
| New Development Investments Originated - # | 106 | 152 | 158 | 130 | 172 | 167 | 193 | 80 |
| Cumulative Development Investments - $ | 19,303,371 | 25,531,619 | 37,294,325 | 46,569,054 | 56,621,762 | 67,789,154 | 74,615,222 | 80,365,223 |
| Cumulative Development Investments - # | 267 | 419 | 577 | 707 | 879 | 1,046 | 1,239 | 1,319 |
| New Minority Dev. Loans Originated - $ | | | | | | 1,054,170 | 1,051,433 | 1,341,191 |
| New Minority Dev. Loans Originated - # | | | | | | 30 | 37 | 30 |
| Cumulative Minority Dev. Loans Originated - $ | | | | | | 5,775,476 | 6,826,909 | 8,168,100 |
| Cumulative Minority Dev. Loans Originated - # | | | | | | 87 | 124 | 154 |
| New Women Dev. Loans Originated - $ | | | | | | 616,582 | 171,627 | 466,048 |
| New Women Dev. Loans Originated - # | | | | | | 31 | 16 | 17 |
| Cumulative Women Dev. Loans Originated - $ | | | | | | 616,582 | 788,209 | 1,254,257 |
| Cumulative Women Dev. Loans Originated - # | | | | | | 31 | 47 | 64 |
| Cumulative Number of Housing Units Developed | 24 | 30 | 62 | 69 | 71 | 78 | 78 | 78 |
| Cumulative Sq.Ft. of Enterprise Centers and Commercial Space Developed | 31,900 | 36,900 | 36,900 | 36,900 | 36,900 | 36,900 | 36,900 | 36,900 |
| Annual Net Development Investment Losses/(Gains) - $ | 1,583,076 | 945,523 | 956,944 | (1,113,737) | 479,983 | 1,077,230 | 383,920 | (190,415) |
| Cumulative Development Invest. Losses - $ | 1,888,701 | 2,834,224 | 3,791,168 | 2,677,431 | 3,157,414 | 4,234,645 | 4,618,565 | 4,428,150 |
| Cumulative Development Investment Losses as % of Cumulative Development Investment Originations | 9.78% | 11.10% | 10.17% | 5.75% | 0 | 6.25% | 6.19% | 5.51% |
| Annual Net Development Investment Losses/(Gains) Excluding SVI - $ | 417,857 | 130,671 | 370,295 | 20,763 | 479,983 | 955,761 | 524,390 | (7,408) |
| Cumulative Development Invest. Losses Excluding SVI - $ | 469,731 | 600,402 | 970,697 | 991,461 | 1,471,444 | 2,427,205 | 2,951,595 | 2,944,187 |
| Cumulative Development Investment Losses as % of Cumulative Development Investment Originations Excluding SVI | 3.08% | 2.85% | 2.96% | 2.36% | 2.83% | 3.84% | 4.22% | 3.89% |

PRESIDENT CLINTON

August 04, 1999

***OFFICE OF THE SECRETARY***
***THE HONORABLE RODNEY SLATER***
***c/o MR. HAROLD GIST***
***ASSOCIATE DIRECTOR OF INTER-GOVERNMENTAL AFFAIRS***
***U.S. DEPARTMENT OF TRANSPORTATION***
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TC:cll

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# CREATING POSITIVE

# ACROSS THE DELTA

DSC

# Hays T. Sullivan

P. O. Box 206 • Burdette, AR 72321 • (870) 763-4780


June 24, 1999

President Bill Clinton
Attn: Nancy Hernreich
The White House
Washington, D.C. 20500-2000

Dear President Bill:

In 1982 we were there for you when you needed the farmers in NE Arkansas in your bid for reelection as governor after your unexpected defeat by Frank White. Had it not been for the complete support of the farmers in that election, you would not be President today.

Several of us accompanied you to Missouri, Illinois, Iowa, and Kentucky as Arkansas travelers. You will recall seeing me in Cedar Rapids, Iowa, in August of 1992, and asking what I was doing up there. All I said was that I was helping a good friend of the farmers to be elected President.

The Farmers all across America are in the worst financial crisis today than at any time since the Great Depression of the 1930s. Soybean prices are at a 27 year low. Wheat prices are at a 25 year low, and rice, corn, hogs, milk, are all below the cost of production. Something has to be done!

We need you today as much as the farmers needed FDR in the '30s. Big business is choking the farmer to death. The Plant Protection Act you signed into law in 1996 gives Monsanto, Pioneer, ADM, and others the right to keep us from saving planting seed grown on our own farm to plant back next year. This law has put most small seed cleaning operations out of business. I could be fined $10,000 for saving one bushel of protected Roundup ready seed for next years planting. My grandfather started this seed business in 1932, cleaning soybeans and cotton seeds for neighbor farmers. My father, my brothers, and I ran the business until 1996. Thanks to this Plant Protection Act of 1966, I can no longer clean seeds for my neighbors because I could be fined if I cleaned a protected variety of seed if the owner told me a lie about the variety of the seed I was cleaning.

You have enough power to change this law so that a farmer can save enough seed after paying $30 per bushel for planting seed to plant only his acreage back next year. South America and Mexico do this every year. It only makes good sense to save beans that I would sell for $4.65 thereby saving me $25 per acre during my spring planting 2000. Bill, farmers have saved seed for generations, from the time that our founding fathers first gave corn (Maze) to the Indians to plant in the spring.

Bill don't take this personal, I have been with you from the start and personally have taken a lot of flack during the last 18 months. I, like you, have broad shoulders and I will be with you to the end. I am committed to visit with farmers in up state New York on Hillary's behalf.

Your friend always,

Hays T. Sullivan

PS: Mother is 88 and doing well; still driving and helping others. She says if and when I come to Washington, she will send you another one of the pecan pound cakes. She reminded me that she has not received the Presidential Cuff Links and lapel pin that you and she talked about in Cape Girardeau, Missouri in August of 1996.

cc: Senator Blanche Lincoln
Representative Marion Berry
Senator David Prior
Mr. Carl Whillock

bn

7/28/99

8-1099

Edward Michael Gabriel

*The Ambassador of the United States of America*

Dear Mr. President and Mrs. Clinton,

Your visit put hope back in Morocco and has given our country a new and more powerful direction in our bilateral relations.

I and my colleagues cannot thank you both enough for your compassion, friendship and leadership. You are among the greatest leaders our country and the world has known. Thank you. Ed

Sandy
Terry

BC

Copied
Berger
Podesta

President William Jefferson Clinton
and
Mrs. Hillary Rodham Clinton



Copied
Berger
Podesta



*Embassy of the United States of America*
*2, Avenue de Marrakech*
*Rabat, Morocco*

Copied
Berger
Podesta

"Mr. President"
Has Programs
and ideas that
work!

Hollowell x@AOL.

Copied
Reed
Podesta
Burkhardt
for Reply

To Bureed 8-10-99

The girl Agents was
part of the Cover Your
group Next Cover Up
Sunset Beach

Printed on chlorine free paper

8-10-99

Copied Frampton Podesta

# Grand Canyon Development Is Approved

*Associated Press*

FLAGSTAFF, Ariz., Aug. 6—Developers will be able to build housing, hotels and restaurants on 272 acres of prime national forest land just south of the Grand Canyon under a plan endorsed today by federal officials.

The $330 million Canyon Forest Village project in Kaibab National Forest, a gateway to the canyon, will include 1,270 hotel rooms and 270,000 square feet of retail space, the equivalent of four large department stores. The project also involves developing 20 acres to house people working at Grand Canyon National Park.

"Free enterprise in this region is alive and well," said Eleanor Towns, Southwest regional forester for the U.S. Forest Service, which approved the plan.

Not everyone is so happy.

Several area businesspeople and politicians have threatened to sue to stop the development. Locals fear a major commercial center will cut into their profits and threaten ground water supplies.

"When you add a Canyon Forest Village to the mix of an already fragile tourism economy, I think you can do significant damage to a community like Flagstaff," said Rick Lopez, city councilman in Flagstaff, 80 miles south of the canyon.

Towns said Canyon Forest Village would better serve tourists, help address a housing crunch in the region and help control development. The Forest Service traded the project land along U.S. 180 for 2,220 acres scattered throughout the forest that she noted could have been developed without any promises the environment would be safeguarded.

Project developer Tom De Paolo and his investors wooed local environmental groups and tribes into supporting Canyon Forest Village by promising to transport Colorado River water by train and pipeline from Arizona's western border instead of depleting ground wells in the park.

Grand Canyon National Park Superintendent Robert Arnberger said the park needed to look for outside solutions to its problems. Living space is so scarce at the park at peak times that many of the 3,500 residents are forced to cram into old, broken-down trailers and tents.

The Forest Service's decision ended five years of analysis and public wrangling over how to develop the national forest and who gets to benefit from it.

Officials with the Grand Canyon Trust, an environmental group, applauded the Forest Service's decision.

# Reported Hate Crimes On the Rise

## *Blacks Are Targeted Most, Records Show*

*Reuters*

CHICAGO, Aug. 6—Reported hate crimes are on the rise in the United States, and African Americans continue to be victims of such acts more often than any other group, experts said today.

A review of federal crime records indicates that from 1991 to 1997, 40 percent of hate crimes were committed against African Americans, 15 to 20 percent involved religious targets, 9 to 14 percent gays, 5 percent Asians or Latinos, and less than 1 percent Native Americans or the disabled.

Hate crimes against Latinos, however, appear to be on the rise, said Valerie Jenness of the University of California at Irvine, one of several experts who briefed reporters on the situation at the annual meeting of the American Sociological Association.

"We've had a documented, reported rise [in hate crime statistics], but we don't know if that's an actual rise or one caused by increased reporting," Jenness said.

However, it would be "absolutely fair" to assume that more such crime occurs than is recorded in the federal government's official crime reports, because not all acts are reported by victims, she said. Experts also have long criticized some law enforcement agencies for not properly documenting hate crimes.

Hate crimes account for only a fraction of 1 percent of all offenses reported in the United States.

Most of those committing such crimes, Jenness said, "are not members of any organized hate groups" but tend to be young white men, acting in informal groups where the victims are usually outnumbered.

Abby Ferber of the University of Colorado at Colorado Springs reported that white supremacist groups are increasingly turning to the Internet to recruit members, though it appears that many more young white men read the literature found there and elsewhere than actually join such groups.

Last year there were 537 active white supremacist groups identified in the United States, with a membership of up to 200,000 in all, she said.

Benjamin Smith, 21, who grew up in a prosperous suburb of Chicago, had ties to the World Church of the Creator, a white racist group based in East Peoria, Ill. Smith's two-day shooting rampage last month targeted blacks, Jews and Asians in Illinois and Indiana and left two men dead and nine others wounded.

Benjamin Matthew Williams, 31, and James Tyler Williams, 29, two brothers from Northern California who were charged with murder last month in the deaths of a gay couple and are suspects in arsons at three Sacramento area synagogues, also had links to the World Church of the Creator, authorities said. Investigators also found hate literature published by other white racist groups in the brothers' home.

The appeal of groups such as the World Church of the Creator, Ferber said, is to young white men who fear they will never do as well as their parents did economically and for whom "the American dream seems like an impossibility."

As a result, some young white men face a "crisis of masculinity" and are attracted to hate groups by the promise of regaining power, she said.

The Washington Post

Saturday, August 7, 1999

Pgh BC 8-1-99

*...national offers Americans a focus for their energy and idealism.*

# Keeping alive the spirit of national service

**RICHARD NORTH PATTERSON**

I doubt that many of us are nostalgic for the Great Depression, global warfare, or the military draft. But one need not wish to reprise history to notice what has been lost to America's young people – a common experience, a chance to serve, which cuts across the barriers of race, class, and education.

In the 1930s, thousands joined the Civilian Conservation Corps, undertaking scores of needed projects while trading their adverse circumstances for a broader experience of the country's needs and promise. The compelling need to wage World War II reinforced the belief that common sacrifice for the common good is an incident of citizenship. It was this spirit which led many to join the Peace Corps – a governmental call to action – or to respond to the moral call of the civil rights movement. And, in the process, their vision of America and the world became less parochial and more compassionate.

But somewhere in the last few decades, we mislaid the idea that national service is either obligatory or enriching. As with many shifts in social attitudes, Vietnam serves as a fault line. One of the ugliest truths of the Vietnam draft – with its class biases and small corruptions – is that Americans who served (and died) were disproportionately poor, black, and less educated. And one of its ugliest legacies is the elitist notion that (the officer corps aside) military service is not for everyone but is a job and a training program for those without a better place to go.

The result is that all too often, we offer young people a vision of community which extends to the nearest shopping mall.

One byproduct is to exacerbate our growing division – the America of the inner city, the worst schools, the least hope versus the America of the designer label, the gated community, the best (and, sometimes, most isolated) education money can buy.

Yet anyone who spends time with the new generation is struck by how many – while corrosively cynical about politics and politicians – are passionate about and committed to helping others. From tutoring children to building houses through Habitat for Humanity, these young people eagerly seek chances to serve. All of which makes the recent proposal to expand AmeriCorps so refreshing.

This "domestic peace corps" engaged more than 40,000 people in intense service to communities around the country. It is not a wasteful bureaucracy, a program to redistribute dollars in return for a year of civic basketweaving and singing folk songs around the campfire.

Two-thirds of its money passes through governors to grass-roots community groups; the rest goes to traditional nonprofits. Volunteers spend a year living and working wherever they're needed. They mentor, tutor, and teach, ensuring that kids stay in school. They help build housing. They augment neighborhood safety programs. They combat drug abuse. They assist disaster relief efforts: In Oklahoma, more than 60 are now working with victims of the recent tornadoes.

In short, they fulfill Robert Kennedy's vision of the original VISTA program: that Americans "invest a year of their lives . . . under Spartan conditions, to help millions of their fellow citizens who, through no fault of their own, are denied the essentials of a decent life."

And, at the end of their service, they receive a maximum stipend of $4,725 to pay off student loans or for graduate or post-graduate education.

Politicians across the political spectrum have recognized that this has been a good investment. Now, five years after its inception, AmeriCorps requires congressional reauthorization.

Those of us who believe in national service hope to make the program a continuing call to service that transcends the politics of the moment and that offers up to 100,000 Americans every year a focus for their energy and idealism.

This may fall short of a universal commitment to national service. But it's an important step in keeping alive something of universal value: the chance for our young to make their best contribution to a stronger country and a better society. We should take it.

*Richard North Patterson is the author of "No Safe Place," a novel of presidential politics in the year 2000.*




BARRIE MAGUIRE ILLUSTRATION

ing:

- In sub-Saharan Africa, 34 million people have been infected with HIV, of which nearly 12 million have already died.
- One million African children have HIV, and 8 million have lost at least one parent to AIDS.
- In South Africa, a beacon of economic and democratic hope on the continent, life expectancy will have plummeted to an average of 45 years by next year because of AIDS.

The most tragic part of this unfolding catastrophe is that it is largely preventable. A handful of developing nations, notably Uganda, Thailand, and Senegal, have demonstrated that, with consistent political commitment and widespread AIDS prevention efforts, infection rates can decline. On an international level, the US Agency for International Development and UNAIDS have shown that we can help improve developing countries' ability to fight HIV.

But international funding for AIDS is vastly outpaced by the epidemic. According to a recent report by Harvard University and UNAIDS, only $350 million is spent annually by the world's richest nations to fight it. While the United States provides more funds than any other country, it ranks ninth out of 13 industrialized countries in the percentage of GNP devoted to international AIDS programs. Nations such as the Netherlands and Norway are more generous than we are.

We can't afford to wait any longer. The African-American community has recent experience in turning denial about HIV into determination. Our own leadership, slow to act at first, is finally responding. Last year, the Congressional Black Caucus obtained $156 million for AIDS prevention and care in communities of color, and the NAACP and other organizations have made the battle against AIDS among African-Americans a central priority. With good reason – in 1999, African-Americans are eight times as likely as whites to be diagnosed with the disease.

It's time to put far greater resources toward the global fight against AIDS. This year, Congress can begin by doubling its current commitment and treating AIDS like the global emergency that it is. African-American leaders, finally fired up about AIDS in our own communities, should increase the pressure on our nation's leaders to fight AIDS in developing countries, especially Africa. The United States has invested considerable resources in helping the countries of Africa struggle toward economic development and democracy – we can't afford to let AIDS destroy that progress now.

*Julian Bond is chairman of the board of the NAACP and a professor of history at University of Virginia.*

Sally

8-10-99

# WORLD

## Today's Story Line:

Was there a hint of autumn in the Moscow air? Russian leader **Boris Yeltsin** sacks his prime ministers almost as often as the season changes. Now on No. 5, Mr. Yeltsin may be maneuvering to protect his supporters as the elections approach **(page 1)**.

Welcome back, **Libya**? Why the US and Europe are rekindling diplomatic and commercial ties to several nations in northern Africa **(this page)**.

A ban on civilian gun ownership is part of **Brazil**'s effort to reduce one of the worst rates of violent crime in the world **(page 7)**.

**– David Clark Scott**
*World editor*

## REPORTERS ON THE JOB

■ **POLITICAL CLOUDBURSTS:** When Moscow reporter Fred Weir heard that President Boris Yeltsin had picked his fourth prime minister in 18 months, he called his Russian wife. "Congratulations, you have a new prime minister," Fred said. "Here we go again," she replied. Her response, says Fred, is typical. "Russians view Yeltsin's political capriciousness like bad weather; they now feel that there's nothing they can do about it."

# West warms to shifts in North Africa




STAFF

■ New leaders and new diplomacy draw West to improve ties with the neighbors of the Mideast.

**By Eduardo Cué**
Special to The Christian Science Monitor

**PARIS** – Following years of tension and distrust as a result of terrorism and a rising wave of radical Islamic fundamentalism, the United States and Western European countries are moving quickly to rekindle diplomatic and commercial relations with Libya, Algeria, and Morocco in North Africa.

The intense diplomatic activity of recent weeks follows a series of unrelated events whose effect has been to raise hopes for defusing political tensions and consolidating democracy, and finally settling the long-standing problem of the Western Sahara. Further on the horizon lies the remarked visit at the end of July, French Foreign Minister Hubert Vedrine announced that Paris would reopen two consulates. More important, Mr. Vedrine said Paris would soften its tough stand on granting visas to Algerians.

"The French opening has simply responded to the fact that Bouteflika proved to be much more forthcoming than had been anticipated in moving forward with a plan to normalize conditions in Algeria," says Simon Serfaty of the Center for Strategic and International Studies in Washington.

The radical Islamic movements, which at one point threatened to engulf

tigation into the killing of a British citizen slain in front of the Libyan Embassy in London in 1984, allegedly by Libyan agents. The murder led to the 15-year break in diplomatic relations. Colonel Qaddafi, still considered by the US as a harborer of terrorists, has also embarked on a campaign to attract foreign investment to his oil-rich nation.

In Morocco, the sudden death of Hassan after 36 years on the throne has initiated a delicate period after decades of political stability.

The new king, Mohammed VI, comes to power at a time when few challenge the legitimacy of the monarchy. The military, occupied in trying to retain control of the Western Sahara, is no longer the threat it was to Hassan during the 1970s. Nevertheless, the young monarch faces the task of

'To injure no man, but to bless all mankind'

# THE CHRISTIAN SCIENCE MONITOR

BOSTON · TUESDAY
AUGUST 10, 1999

To Nicki Waldman with thanks Bill Clinton

Baseball People De not

**Like Uzis fo** *guns for candy*

**Learning** *Mo chess. And it's*

BULLY PULPIT



AT WORK: Michael Waldman and Clinton review a speech.

## The wordsmith behind Clinton's rhetorical pomp and circumstance

By Francie Grace
Staff writer of The Christian Science Monitor

As Clinton explains his speech, he's beginning to get excited. His arms are flailing, his voice rising, his eyes bright. Then someone says, "Michael, that was a great speech." It really soothed the savage beast. "Yeah," says Michael Waldman. After writing or editing nearly 2,000 presidential speeches, he shut down his White House computer for the final time last week.

Waldman says he wants to spend more time with his family, and he's off to teach a

See WALDMAN page 2

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# Moscow on edge at Yeltsin shakeup

■ ] copied for Waldman Podesta (original will be sent to Waldman)

...inet yesterday, naming a ...ier and presidential heir.

By ... Staff ... and ...
MOSC... now ... appar... neckti...

But yesterday's dismissal of Sergei Stepashin, his fourth prime minister in less than 18 months, has raised fears, never far from the surface, that the volatile leader may even derail presidential elections set for next year.

Mr. Yeltsin is a lame duck president whose eight-year rule as the first post-Soviet leader is due to end in June.

But Russia has never had a constitutional transfer of power, and many analysts worry that it may not happen now.

The commander of this nuclear-armed former superpower is besieged on several fronts. Several members of his entourage are the targets of corruption probes. Powerful regional governors have formed an electoral alliance to challenge his choice of successor. The economy is in tatters. Islamic insurgents in Russia's unstable Caucasus region are stirring up trouble.

Some analysts see all this as a potential pretext for a crackdown on Russia's fragile democracy.

"It could be possible the Kremlin would want a state of emergency," says

See RUSSIA page 8



ITAR-TASS/REUTERS

**PUTIN:** Russia's new acting prime minister.



**MARKE** tumblec dismiss.

**special REPORT**

# America's meltin spreads to the 'b

*Upward mobility wins new ground f*

By Mark Sappenfield
Staff writer of The Christian Science Monitor

**CARSON, CALIF.** – At the close of the 1990s, shifting immigration patterns and the rise of the black middle class have made suburbs the new crucible for issues of diversity and race in America.

For decades after the days of Ellis Island and Jim Crow, immigrants and African-Americans set their roots among the cracked pavement and steel shadows of the inner city while whites increasingly headed out of town.

Today, however, that model is changing as the energizer economy provides many African-Americans and Latinos with the money to move out of poor neighborhoods. In addition, a new

about suburbs – kids and boomer suburbs closest t "midopolis" to de of these commur

# Hungary's Robin Hood: more hoc

■ Why does the public adore someone who's robbed 28 banks?

By Michael J. Jordan
Special to The Christian Science Monitor

**BUDAPEST, HUNGARY** – On the surface, it's a bit baffling.

Hungary – a small nation proud of its contributions to world culture and science, and now striving to join the club of Western democracies – is holding up as its hero a man accused of 28 bank robberies?

Vendors are hawking t shirts of Attila Ambrus. set up a Web site. An Am pany is considering buyin rights to his life story, an firm wants Mr. Ambrus its new energy drink.

So why the hoopla f

The answer lies bu Hungarian psyche. After

# The making of a speech in the Clinton White House

**WALDMAN** *from page 1*

seminar at Harvard University until he figures out the next step.

Unlike many speechwriters in the modern presidency, however, this one belongs to that school of wordsmiths who still live by the unwritten oath of anonymity. "You don't want to do anything that takes the spotlight away from the president's message," says the self-effacing penman.

He still has plenty to say about his role as chief "collaborator" on speeches, and about working in the shadow of a man some consider a more gifted communicator than Ronald Reagan. According to Gene Sperling, economic adivser to the president, Waldman "shines" at the State of the Union, an admittedly long speech but one that political observers say Clinton uses effectively.

During the months-long planning and drafting process, "Michael keeps everyone on track," says Mr. Sperling. He effectively herds a stampede of personalities – including Clinton, of course – who all want their ideas incorporated into the most important policy address of the year.

### A collaborative process

"Writing for this president is at best a very collaborative process. It's hard to even know where [one person's] line begins and where it ends," says Waldman.

A case in point is the 1998 State of the Union. In a final draft kept secret from all but a handful of senior aides, the president implored Congress to "save Social Security first," a plea he repeated this year. An earlier draft merely stated "Social Security first." Clinton's addition of the word "save" at a rehearsal "made all the difference," recalls Waldman.

That speech, he adds, also illustrates how Clinton has come to rely on the bully pulpit to pressure an opposition-controlled Congress. Up until the president sprang the saving Social Security idea, the talk on the Hill was tax cuts. In the moment when House Speaker Newt Gingrich stood up and applauded the president, "billions of dollars shifted in the budget from the tax-cut category to the Social Security category," says Waldman.

**'You don't want to do anything that takes the spotlight away from the president ...'**
– Michael Waldman

A lawyer by training, Waldman directed Public Citizen's Congress Watch, a Ralph Nader group. After working on the Clinton campaign, he joined the White House domestic policy staff. He became chief speechwriter in 1995.

The public impression that Clinton is such a gifted speaker that he doesn't need a text is not quite accurate, according to White House officials. While he may ad lib at fund-raisers, and even at some policy events, there are many times when precision counts and he sticks close to the text.

Last September, Treasury Secretary Robert Rubin was extremely nervous about the potential market impact of a Clinton speech on how to contain the world financial crisis. Rubin didn't calm down until he learned that Waldman personally was writing the speech.

### Fun with TelePrompTers

Clinton, says Waldman, "really understands speechwriting. For him, giving a speech is not just intuition, it's a craft also." Waldman cites Clinton's deep knowledge of history, the Bible, and poetry – all tools in a speechwriter's workshop.

But the job also has its challenges, of course. Around the White House, the joke is that Waldman's time as head speechwriter could be subtitled "Fun with TelePrompTers."

In the 1997 State of the Union, for instance, Waldman made one simple change on his laptop in the motorcade to the Capitol. When he inserted the updated disk into the TelePrompTer, the entire speech turned into one huge paragraph. As Clinton worked his way through lawmakers to the podium, Waldman worked frenetically to insert hundreds of paragraph marks.

"There's always some problem," says Waldman, recalling the president's announcement of the end of the Yugoslavia bombing campaign. Before that address, broadcast live, Clinton made heavy edits that left his speechwriter feeding the TelePrompTer at the last minute.

Political experts agree with Waldman that Clinton stands apart from other presidents in his conversational style of public speaking. And because of the presence of 24-hour cable news channels and Internet outlets, he makes far more public statements than his predecessors did.

"The president's style is highly conversational. It's extraordinarily effective with audiences," says Benjamin Barber, a political scientist at Rutgers University in New Jersey.

But Barber also sees a tradeoff. On paper, conversation doesn't carry much weight. Other presidential speechwriters have simply gotten a sense of their presidents, and then written for history.

That results in memorable phrases such as "Ask not what your country can do for you" (John Kennedy), and "We have nothing to fear but fear itself" (Franklin Roosevelt). What's the most remembered Clinton phrase? Probably his finger-wagging denial in the Lewinsky affair – hardly the verbiage he'd like immortalized.

But Waldman doesn't see it this way. The president, he says, was eloquent in his Oklahoma bombing speech. And his 1996 proclamation that "The era of big government is over" redefined the Democratic party.

This, though, is a debate he can continue with his Harvard students at the Kennedy School of government.

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THE

THE PRESIDENT HAS SEEN
8-10-99



USA

Continued from previous page

caucuses, but he won the nomination anyway.

In 1988, Gov. Michael Dukakis (D) of Mass., came in third in the Iowa Democratic caucuses to Rep. Richard Gephardt (D) of Missouri, but went on to win the nomination. On the flip side, Congressman Gephardt's experience showed how a candidate can do well in Iowa, then fizzle.

McCAIN takes the whole process with some equanimity (though, among the Arizona press corps, he's known for flashes of temper).

"He's self-deprecating, he's engaging, he's funny, he's sincere and focused but doesn't take himself too seriously," says political analyst Stu Rothenberg. "He says if he loses, he'll go on, he has the rest of his life."

As a reformer, who enjoyed great favor at the recent Reform Party convention but who asserts he will remain a Republican, McCain could tap into the well of discontent voters are feeling with the two major parties. The question for him, and for all the Republican also-rans, is how to slay the dragon, George W. Bush. McCain insists he won't go negative.

**'He's sincere and focused but doesn't take himself too seriously.'**

*Military's worst manpower slide in 20 years prompts a rethinking of options – from higher pay to reviving the draft.*

# Some novel ideas to fill military rank

By Dave Moniz
Special to The Christian Science Monitor

COLUMBIA, S.C. – One idea is to let people enlist in the military for 15 months instead of four years, as is most common now.

Another is to have civilians act as military recruiters, trolling campuses in suits and ties, in place of the services' own pitchmen.

A third is to reinstitute the draft – peacetime or not – to get more of the Net generation out of low-rider jeans and into fatigues.

These are just some of the ideas surfacing to stem one of the military's worst manpower slides in more than two decades. Ranging from the radical to the predictable, they are coming from people inside and outside the military as a way to allow the United States to continue its role as the world's global policeman in the 21st century.

While experts disagree over many of the ideas – and some aren't politically tenable – nearly everyone agrees that better recruiting and retention alone won't solve all the military's problems.

"A structural change has got to come about," says David Segal, a military sociologist at the University of Maryland in College Park.




**PART 1: AUG. 5**
Reasons behind the thinning ranks

**PART 2: AUG. 6**
Hispanics: the military's new recruitment pool

**PART 3: AUG. 9**
Kinder basic training to help recruits adjust to Army life

**PART 4: TODAY**
Another draft? Ideas to put more teens in fatigues

● Spend billions to make the military competitive with the private sector in pay, housing, and health care.

● Significantly reduce global commitments. The Army, for example, has deployed 34 times since 1990, more than three times the number of missions it took on during 40 years of the cold war.

The lagging interest in the military may force the issue. Will young people take an oath to serve and protect if it means 60-hour work weeks, spotty health care, and absentee parenting? "My question is, in the 21st century, is an all-volunteer force viable?" asks Rep. Lindsey Graham (R) of South Carolina, House Armed Services Committee member.

The former Air Force officer argues it may be possible to reverse the situation by fixing decrepit housing, boosting salaries, and upgrading medical care. But he estimates that would cost hundreds of billions of dollars. "Either your wallet has got to be opened or ... you've got to say to young people: 'You're coming in whether you want to or not.' "

Congress is in the midst of reversing a 15-year trend of declining defense bud-

resources while also feeding th
aviation business a trained wo

The Army also has conclud
enough skilled workers to fee
military and a high-employment economy.

Maj. Rick Ayer, who heads Army recruiting research at Fort Knox, Ky., says his service is crafting proposals to work with US companies that could come to the military for workers after they've been trained there.

Though still experimental, the idea would be for the military to act as a funnel for the private sector. Young people could join the Army for two to four years, then go directly to companies like Ford and Pepsi. "They cut their costs of training and get older, more mature workers," Major Ayer says.

ANOTHER idea is for the services to "outsource" noncombat jobs, such as recruiting and many maintenance and logistics functions. Others envision a larger role for the National Guard and Reserves, which increasingly are being called to relieve beleaguered active-duty forces overseas.

Mr. Segal says few realize how dire the personnel problem is. He suspects that sometime in the near future, at least one member of the Joint Chiefs of Staff will say what many rank-and-file troops privately fear: that the US can no longer fight and win two regional wars at one time.

Still another concept is to shrink the time recruits are required to stay in uniform in hopes more will join. Some doubt how committed such soldiers might be and whether short hitches would produce a force with limited knowledge and experience.

**take himself too seriously.'**

– Stu Rothenberg, analyst

So his only hope may be to step aside and let billionaire publisher Steve Forbes do the dirty work. With his bottomless bank account, and a willingness, demonstrated four years ago, to aim at the front-runner, Forbes is all the other GOP candidates' best hope for wounding Bush.

"It's a pretty good bet that Forbes is going to spend a lot of money, and if history repeats itself a lot of that would be used to run negative ads against the front-runner," says Mr. Opinsky, McCain's spokesman.

McCain, he says, has pledged to follow the 11th commandment of the GOP: Thou shalt not speak ill of another Republican.

But the unspoken corollary is that all candidates are happy to reap the rewards of another Republican's decision not to take that pledge. And McCain plans to be there with them.

In the meantime, he is maintaining his status as a high-profile senator. He recently offered legislation to eliminate the ethanol subsidy, to fund in part a nationwide school voucher program,

*Henrik DePriest uses his sidearm, or 'submarine,'*

Another draft? Ideas to put more teens in fatigues

David Segal, a military sociologist at the University of Maryland in College Park, "Salami slicing won't get it."

The draft is one of the most provocative and controversial ideas – as it has been throughout history. Some believe the US now needs at least a partial return to conscription to sustain its military.

Col. Clyde Slick, a retired Marine Corps recruiting commander, says a large infusion of money to improve military pay or bolster recruiting efforts won't fix the problem. He argues the US doesn't have an "all-volunteer" force anyway. In an era when military recruiters spend hours persuading people to enlist, Mr. Slick calls it an "all-recruited force."

Yet a draft isn't likely to come about either. Congress, military officers, and others who've followed the problem consider such a move politically unfeasible. For one, the public probably wouldn't support it short of a major war. For another, no major presidential candidate is likely to champion its return.

Short of a draft, experts say, Congress and the Pentagon face difficult choices.

- Lower entrance standards. The risk is a return to the erratic post-Vietnam military, where racial problems, alcoholism, and drug abuse were common.
- Further shrink a force that many career officers say is already too small to fulfill US

Congress is in the midst of reversing a 15-year trend of declining defense budgets. It has pledged to raise military pay by 5 percent and restore retirement pay cut in the 1980s.

But what if those measures don't work?

Among the unusual ideas being considered are partnerships between the military and private sector to share workers.

Perhaps industry should reimburse the Defense Department for the thousands of pilots and mechanics it provides for the commercial sector every year. Such an arrangement might let the two manage scarce

hopes more will join. Some doubt how committed such soldiers might be and whether short hitches would produce a force with limited knowledge and experience.

Charles Moskos, a sociologist at Northwestern University, is proposing 15-month enlistments, in which recruits would be trained for six months, then sent overseas for nine months.

It's also possible that federal college-loan money soon may be tied to national service, Mr. Moskos says. That would allow the military to enter universities, a recruiting market that produces about one million new workers a year. "The status quo won't get it any more," he says. "It's a new world now."



MELANIE STETSON FREEMAN – STAFF/FILE

**SOUND OFF:** A wide range of ideas are being considered in an effort to get more young people into fatigues, like these female Marine recruits in Parris Island, S.C.