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THE PRESIDENT HAS SEEN
10-12-99

TO: Senator Breaux
FROM: Bob Okun
DATE: October 5, 1999

(Handwritten signature: Breaux)

RE: December 11, 1999 TODAY Christmas Show

Here are a couple of talking points about NBC's TODAY Holiday Show in Washington:

- The taping date has been moved to Saturday, December 11 in the afternoon. It will be at the Reagan International Trade Center, just a couple of blocks from the White House. The show will air the following week in prime time nationally on NBC and will be significantly promoted. The national exposure, not to mention the New York State exposure, will be tremendous.
- The show will be hosted by Matt and Katie, along with Al and Anne from NBC's TODAY Show. We expect a star-studded cast and a VIP audience of official Washington.
- * [The taping date has been changed to prevent conflict with George Steven's Christmas Show the following evening, December 12, which will be aired on TNT that same evening.

(Handwritten signature: Pawar)
(Handwritten signature: Alvin Lion)

(Handwritten signature: Stephen)

*(Handwritten note: Breaux NBC at
Steven's go, I'll
be around to do him
of them this year -
can I? →)*

(Handwritten signature: Bc)

*(Handwritten note: Copied
Street H.
Podesta)*

Salley
I understand the young
woman may be changed from
family - I should just do
nothing along with her suggested
PK

BC-

This came

from Hussein's
"foster child". She
was ^{only} survivor of crash
into her home by Princess
Alia's accident; King
took her in. Just
write back something that
includes how busy &
far away CVC is - hope they
meet some day etc.

✓ copied
Berger
Podesta

Please allow your daughter
CHELSI to talk to the
girls I teach in Richmond
at St. Catherine's school. I
taught at her school but
never got to meet her
at Sidwell Friends.

My Name is ABIR -

Skylor Jordan at school

His Majesty's Foster-child.

Thank you
President Clinton

10-12-99

'99 OCT 6 PM 6:13

THE WHITE HOUSE

WASHINGTON

October 1, 1999

MEMORANDUM FOR JOHN PODESTA

FROM: SIDNEY BLUMENTHAL *SB*

SUBJECT: New Consensus Speech and Thinkers Dinner

*Podesta
I think he's
right about this —
BC*

X Immediately after the resolution of the budget, the President should lose no time in delivering a major speech on the order of his past Georgetown speeches. In this speech he should capture the political momentum, crystallizing his approach and the issues that have just been the subject of brutal conflict. It is a common perception that the battle between the President and the Congress is occurring in one sphere while the campaign is happening in another. The two, however, are not isolated bubbles. Even now, the budgetary tug-of-war has dragged candidates (not least George W. Bush) into its arena. When the budget is concluded it must be made emphatically clear that our issues will dominate the campaign.

|| With a major speech, the President can instantly impose his account of the budget struggle, but place it within a far larger context. He should explain that a new consensus has emerged in the country during his administration. Then he should, issue by issue, go over the history in each category, from crime to welfare, from health care to education—and show the tangible benefits. Having established how he has made change, he can set out the unfinished agenda. But he should do more, by raising the general idea that he has developed a new progressive political philosophy. The President should explain how he combines economic growth and investing in people. He should talk about how he has transformed government, making it work in a new era. And he should explain how his approach and his policies are creating a strong society.

Leading up to the speech, or in its aftermath, the President should host a Thinkers Dinner. This one should be different from those held in the past. Rather than invite a divergent, eclectic group, those invited should be the intellectuals of the Third Way. Whether political philosophers or economists, experts on the environment or the new technology, they should see their work as part of our politics. The point of the dinner will be to organize this group into a phalanx of explainers, defenders, analysts, and proponents of the new consensus. Their emergence will demonstrate that the intellectual energy is on our side, reflecting the power of the President's approach. This event will also help draw the contrast with the Republicans' bankruptcy of ideas.

*copied
Podesta*

THE PRESIDENT HAS SEEN

10-12-99

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Trumontano

Spelling

Benger

NSC WW Desk

THE WHITE HOUSE

WASHINGTON

October 7, 1999

MEMORANDUM FOR THE PRESIDENT

Podesta

FROM: SEAN MALONEY ~~PH~~

SUBJECT: Steel Wire Rod

Sandy and Gene have sent you a long memo, which asks you to decide whether to grant trade relief to the domestic steel wire rod industry. Podesta will speak to you about it separately.

Background. During 1998 many domestic steel wire rod firms experienced significant operating losses and earnings declines. Some believe these losses were caused by a sharp increase in imports from low-cost suppliers; others believe lower demand, lower production costs, and increased domestic capacity were to blame. The evidence is mixed (e.g., import volume was up 6.3% in '98; import market share rose from 27.4% in '94 to 30.8% in '98; prices dropped 5.5% last year; import prices dropped even more; but employment held steady at 4300 until dipping by about 400 last year; and the industry remained profitable in 3 of the last 5 years; see pp.1-2). While trade relief would help U.S. producers/workers (George Becker/Steelworkers strongly support it) it could also harm U.S. "downstream" industries that use wire rod. Thirty-three countries export wire rod to the U.S., but some 40% of imports would be exempted from any trade relief (e.g., Canada/Mexico due to NAFTA; Israel and Andean nations per past practice). The ITC models suggest tariffs above 7% would likely be prohibitive.

Action/Views. The ITC commissioners split (2 found injury; 1 found a threat of injury; 3 found no injury). You must first decide whether any relief is justified. If you think it is, you must then decide what the remedy should be. Your advisers present these options: **Option 1 – Grant No Relief.** Sandy, Gene/Lael, Madeline, Larry Summers, Martin Baily, and DOJ support this option. They think the injury standard has not been met; granting relief would set a bad precedent, send a protectionist message, and hurt U.S. relations with certain trading partners (i.e., the E.U., Japan, Trinidad and Tobago, South Africa). They note that Presidents have always decided against granting relief in previous, evenly split ITC cases. **Option 2(A) – Tariff Rate Quota/Rollback.** This option would rollback imports with a quota at 2% above 1997 levels, 8% below 1998 levels, with a 2%/year growth adjustment and a 15% surcharge on imports above this level (dropping to 12% and 9% in years 2 and 3 respectively). Barshefsky, Daley, Herman, and Fuerth support this option; they believe we can defend it in the WTO and that U.S. producers and workers need the relief. **Option 2(B) – Protect Against Import Surge.** This option would impose a more prophylactic tariff rate quota (i.e., 2.6% above 1998 levels growing at 2%/year; 9% surcharge on imports above that, declining to 7% and 5% in years 2 and 3), designed to protect against import surges while minimizing the hit to our trading partners and downstream users. While preferring no remedy at all, Gene/Lael, Summers and Baily think this option is better than a rollback. Conversely, Barshefsky, Daley, Herman, and Fuerth think this is a lose-lose; that no remedy would be better than this one. On the Hill, Gephardt and the Steel Caucus support strong relief; the Black caucus wants to exempt Trinidad and Tobago.

Opt. 1 (No Relief) ___ Opt. 2A (TRQ/Rollback) ___ Opt. 2B (TRQ/Surge Protection) ___

Can we do 2A w/ Caribbean exemption?

THE WHITE HOUSE

WASHINGTON
October 5, 1999

99 OCT 5 11:21

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING *GRS*
SANDY BERGER *SB*

SUBJECT: Section 201 Steel Wire Rod Decision

ISSUE

Whether to consider the split International Trade Commission (ITC) injury determination in the Section 201 safeguard case involving steel wire rod to be affirmative or negative.

If affirmative, whether to grant trade relief to the domestic wire rod industry.

INJURY

ITC Injury Determination: The ITC has sent to you a split finding on injury. Three Commissioners made an affirmative determination, and three made a negative determination. Two Commissioners found that wire rod was being imported in such increased quantities as to be a substantial cause of serious injury, one Commissioner found a threat of injury and three found no injury. Where the ITC is evenly divided, U.S. law prescribes that you must decide whether the affirmative or negative determination is the determination of the ITC. If you decide the ITC determination is negative, the case ends. If you decide it is affirmative, you have discretion to grant a remedy.

Your senior advisors agree that the case for serious injury is weak from a policy perspective. From a WTO legal perspective, they agree an affirmative determination based on threat of injury is arguable. We have reasonable, if not necessarily compelling, arguments in support of an affirmative determination in this case. But this is a complex case, and an U.S. victory in the WTO is by no means assured. Your advisors remain divided whether you should find affirmative or negative with respect to injury.

Arguments in Favor of Affirmative Determination: The senior advisors who support an affirmative finding believe a threat of injury exists. In their view, a sharp increase in imports from low-cost suppliers in 1998 suppressed prices in the U.S. market, producing significant 1998 operating losses in 9 of 14 firms, and earnings declines in 12 of these firms. Operating losses totaled \$102.2 million in 1998, falling from 1997 profits of \$48.8 million. Overall import volume increased by 6.3 percent in 1998. Import market share rose from 27.4 percent in 1994 to

28.6 percent in 1997 to 30.8 percent in 1998. Prices declined 5.5 percent in 1998, and import prices fell even further as new suppliers (e.g., Ukraine, Moldova, and Indonesia) exported large volumes of cheap wire rod to the United States for the first time. The volume of domestic shipments fell by 3.5 percent in 1998. In the first half of 1999, import prices continued to drop and industry-wide operating losses continued. While employment remained relatively steady at roughly 4,300 between 1994 and 1998, it appears to have fallen by up to 400 workers between the first half of 1998 and the first half of 1999.

Arguments in Favor of Negative Determination: Noting that Section 201 requires injury from imports to be no less important than that from any other cause, other advisors argue that the case for injury from imports is weak and point out that increases in domestic capacity may have been a more important cause of recent financial losses. Moreover, the wire rod industry has remained profitable in three of the five years of the investigation. Capacity, wages and productivity have increased over 1994 levels. Employment has declined only slightly, with 1999 layoffs not clearly attributable to imports, and partially attributable to increased productivity. The domestic price declines in 1998 may have been driven mainly by a decline in domestic demand, sharp price declines in input costs and large increases in domestic capacity in 1997 and 1998. Declines in profitability in 1998 may have been temporary. While prices in the first half of 1999 declined further (and the import share remained high), domestic production, capacity utilization, and operating earnings all improved significantly over the second half of 1998 (but 1999 operating earnings remain negative). Capacity utilization increased from approximately 69 percent in the second half of 1998 to 80 percent in the first half of 1999.

REMEDY

Considerations

If you decide in the affirmative and determine that relief is “appropriate and feasible,” you have broad discretion in the type of remedy. By law, you must seek to ensure that the remedy will have greater economic and social benefits than costs.

- Potential Costs to Wire Producers: Any trade relief granted to the wire rod industry could adversely affect the competitiveness of the much larger downstream wire industry. Wire producers, the major downstream consumers of wire rod, have 106 plants scattered around the country employing some 20,000 workers, compared to the wire rod industry’s approximately 4,000. The wire industry has organized a significant letter campaign against relief numbering over 1,000 pieces. Rod accounts for a significant share (generally 50 to 60 percent) of the overall cost to produce wire. The wire producers strongly oppose trade relief, arguing that it would raise input prices and reduce the competitiveness of the U.S. wire products industry at a time when imports of wire have increased and domestic wire rod prices appear to be recovering. Imports of wire products increased 14.3 percent in 1998 over 1997 levels, and are up 19 percent in the first six months of 1999 over the same period in 1998. Wire rod imports increased 6.3 percent in 1998 and 2 percent for the first six months of 1999 (prior year increases were 16.9 percent in 1995, 0.0 percent in 1996, and 14.9 percent in 1998). Petitioners argue in response that many wire products do not face competition

because of transportation costs and that the wire industry has had ample profits in recent years and can afford to pay higher input prices.

- Labor: George Becker, head of the United Steelworkers, views this decision as a test of whether you will live up to your pledge to enforce our trade laws. Becker notes that failure to provide relief will compound skepticism among workers about free trade, with implications for fast track and the upcoming WTO round. He believes his credibility is on the line, having put his name on the petition and having pressed the hot-rolled steel industry to pursue a Section 201 case even though he personally has grave doubts about the efficacy of this trade law. Despite union membership in both the wire and wire rod industries, the United Steelworkers and Independent Steelworkers Alliance joined the wire rod producers as formal petitioners in this 201 case. Becker says he has heard nothing from workers in the downstream consuming industries.
- Congressional Views: Led by the Congressional Steel Caucus and supported by Minority Leader Gephardt, 20 Senators and 67 Representatives have written urging you to demonstrate your commitment to strong enforcement of our trade laws by proclaiming a four-year program of relief that addresses the serious injury they believe the industry is suffering. Some 62 members of Congress have written against relief, 36 citing adverse effects on users and 26 seeking an exemption for Trinidad. The Congressional Black Caucus strongly advocates exempting Trinidad and Tobago, the fourth largest source of U.S. wire rod imports in 1998 after Canada, the EU and Japan.
- Trading Partners: Thirty-three countries (including individual EU member states) export steel wire rod to the United States. Imports totaled 2.5 million tons in 1998. There are ten major suppliers whose individual exports ranged from 100,000 to 555,000 short tons in 1998 (Canada, Japan, Trinidad and Tobago, Indonesia, Ukraine, Turkey, Germany, Moldova, Spain, India). There are nine modest suppliers exporting between 36,000 and 75,000 short tons to the United States annually (Mexico, Brazil, Egypt, France, South Africa, United Kingdom, Venezuela, Italy, and Russia. You will recall that President Mbeke raised this with you personally and strongly in New York). The remaining countries export insignificant amounts (less than 21,000 short tons annually). Most of the traditional major suppliers (Canada, EU, Japan, and Trinidad) have not increased exports in recent years. The EU, Japan, and Trinidad allege this case lacks merit. They warn that granting relief will sour the atmosphere for the Seattle Ministerial. The Europeans have threatened to challenge any trade relief provided in the WTO. Both India and Indonesia may also be eager to challenge us, having lost heated WTO disputes with the United States in recent years.
- Future Section 201 Steel Cases: It is worth noting that the ITC will be considering a separate Section 201 case involving circular welded steel lined pipe, used for oil and gas pipelines, on October 28.

Issues in Shaping Remedies

- Domestic Assistance: All your advisors agree that regardless of whether you provide trade relief, your decision should emphasize that wire rod firms that have experienced production losses, layoffs or financial losses since 1998 and are unable to obtain credit elsewhere may qualify for assistance under the recently enacted Emergency Steel and Oil and Gas Loan Guarantee Program. This program authorizes up to \$1 billion in loan guarantees for steel companies with a maximum of \$250 million per company. At least one wire rod firm has expressed interest, but petitioners point out that only one firm is having problems securing financing. It is worth noting that other domestic assistance programs such as Trade Adjustment Assistance are not likely to be appropriate, given the relative stability in employment.
- ITC Recommendations: Three Commissioners made negative injury determinations and stated they did not believe any import relief is appropriate in this investigation. The three Commissioners who made affirmative determinations on serious injury or threat thereof recommended increasing tariffs on wire rod imports (existing tariffs range from 1-2 percent), although they disagreed on the appropriate level. The two Commissioners who found serious injury recommended a 15 percent tariff surcharge, to be reduced by 2 percent a year over a 4-year period. The single Commissioner who found a threat of serious injury recommended a 7 percent tariff surcharge, to be reduced by a half a percentage point a year over a four-year period. In the first year, the proposed 15 percent tariff increase would cut U.S. wire rod imports by approximately 26 percent relative to 1998 levels, while the proposed 7 percent tariff increase would result in a 12.3 percent reduction. None of your senior advisors support these recommendations because the adverse effects on downstream industries and our trading partners would be disproportionate. In addition, your advisors oppose maintaining relief for longer than 3 years, since WTO rules require payment of compensation to affected trading partners for relief extending beyond three years. The wire rod industry opposed both remedies as too lenient, while wire producers felt they were too restrictive.
- Administration Views: Your advisors are divided on whether you should find the affirmative or negative determination of Commissioners to be the determination of the ITC.
 - Those that support a negative finding believe the Section 201 standard for injury has not been met for the reasons cited above, and that no trade relief should be granted.
 - Those that support an affirmative finding recommend you provide relief in the form of tariff rate quotas (TRQs) in which a tariff surcharge would be assessed on imports above a certain quota. Under the TRQ options below, the remedy would be in effect for three years and quota levels would increase 2 percent a year to accommodate forecast growth in demand. In addition, the ITC would conduct a mid-term review, allowing the President to modify the remedy if appropriate.
 - Roughly 40 percent of all wire rod imports would be exempted from the relief proposed below. Under NAFTA, we are required to exclude Mexican and Canada unless they have contributed importantly to the injury, and to provide trade

compensation for any relief. Canada, while the leading exporter of wire rod to the United States, tends to sell into the U.S. market at high prices. In addition, we have traditionally excluded Israeli and Andean imports from our 201 remedies. Together, Canada, Mexico, Israel and the Andean countries comprise about 25 percent of imports. Further, specialty wire rod products not produced in commercial quantities in the United States would be excluded. Such products cover roughly 15 percent of all imports, including 80 to 90 percent of wire rod imports from Japan.

- To address foreign policy concerns, we evaluated an alternative form of TRQ that would allocate specific shares of quota to countries based on a mandatory WTO formula, but determined that it would be very difficult to achieve an equitable outcome. Such an outcome would disproportionately favor the largest traditional suppliers (the EU, Japan, Trinidad and Tobago, and Turkey), whose exports have fallen in recent years, over new, rising LDC suppliers (such as Ukraine, Moldova, India, Indonesia and South Africa). This approach would be much less efficient than a global TRQ approach, and would be strenuously opposed by U.S. wire producers.

OPTIONS

- Option 1: Negative Determination: Secretary Summers, Secretary Albright, National Security Advisor Berger, National Economic Advisor Sperling, CEA Chair Baily, Deputy National Economic Advisor Brainard, and the Department of Justice recommend you find the negative determination of Commissioners to be the determination of the ITC. Further, they believe granting trade relief would be unwarranted and damaging to U.S. interests. They note that, according to the ITC, in the four previous evenly split cases decided under the current injury and causation standards (asparagus in 1976, zippers in 1976, cast iron stoves in 1978 and rubber thread in 1993), Presidents without exception have sided with negative determinations. Thus, you would be following established precedent. To side with the affirmative would create the impression that the injury threshold for 201 cases is being lowered, stimulating further cases and higher expectations on the President when the ITC issues split decisions on Section 201 cases in the future. These advisors are concerned that the Section 201 standard for serious injury or threat of serious injury has not been met. Granting trade relief would send a protectionist signal at a time when many in the world believe we are shifting course on trade and our economic assistance to developing countries is shrinking. It would also sour trade relations with industrialized and developing trading partners on the eve of the Seattle Ministerial. The governments of the European Union, Japan and Trinidad and Tobago, and South Africa have all registered strong opposition and are likely to mount a strong WTO challenge. Finally, trade relief is likely to decrease the competitiveness of the much larger downstream steel wire industry at a time when wire products imports have increased faster than wire rod imports.
- Option 2: Affirmative Determination: Ambassador Barshefsky, Secretary Daley, Secretary Herman, and Vice Presidential National Security Advisor Fuerth believe you should find the determination of the ITC to be affirmative. They believe that the WTO standard for threat of injury has been satisfied, and that imports have caused the condition of the wire rod

industry to decline to the point where continued operating losses will lead to serious injury. They also support a trade remedy that will address U.S. producer and worker concerns and that will demonstrate to Congress and U.S. workers that U.S. laws are effective and thus help build domestic support for free trade and the Seattle Ministerial. Effective relief would also reduce domestic pressure for changes to our dumping and safeguard laws.

- Option 2A: TRQ to Rollback Imports: This option would redress injury by rolling back imports from covered countries to slightly above 1997 levels with modest annual growth thereafter. It would establish a quota fixed in the first year at 2 percent above 1997 import levels (8 percent below 1998 levels) for covered products, with an annual growth adjustment of 2 percent. For the first year, starting in October 1999, the quota level would be 1.42 million short tons. A 15 percent surcharge would be assessed on imports above this level from any covered source in the first year, falling to 12 percent in year two and 9 percent in year three. The ITC model suggests that tariffs above 7 percent would likely be prohibitive.

Ambassador Barshefsky, Secretary Daley, Secretary Herman, and Vice Presidential National Security Advisor Fuerth support Option 2A. A remedy that temporarily raises import prices and modestly cuts back import levels is needed to allow industry profits to recover. The tariff would block most imports above the quota threshold. The level of benefits to U.S. wire producers, while below that requested (30 percent tariff on all imports), should be enough to gain mild support or forestall vocal criticism from them. It would also dampen calls for changing our 201 law.

- Option 2B: TRQ to Protect against Import Surge: This remedy would not roll back imports from current levels, but rather protect the U.S. wire rod industry against future surges. The TRQ would be set sufficiently high and allow sufficient growth to minimize adverse consequences on downstream industries and our trading partners. The remedy would establish a quota fixed in the first year 2.6 percentage points above 1998 import levels, with an annual growth rate of 2 percent. For the first year, starting in October 1999, the quota level would be 1.58 million short tons. A 9 percent surcharge would be assessed on imports from covered countries above the quota level in the first year, 7 percent in year two, and 5 percent in year three. This option would better accommodate any rebound in U.S. demand in years two and three because of the lower tariffs and greater quantities.

Although Secretary Summers, National Economic Advisor Sperling, Deputy National Economic Advisor Brainard, and CEA Chairman Baily support a negative determination and recommend against relief, they believe this remedy is defensible and more appropriately targeted than the TRQ roll back option above. An argument could be made that this proposal appropriately addresses the potential threat the industry is facing by preventing future surges, while stopping short of reducing existing levels of imports, which have not clearly been shown to impose injury. Moreover, although the remedy would be deemed insufficient by the U.S. wire rod industry, it would weaken momentum for undesirable changes to our dumping and safeguard laws by demonstrating your commitment to provide appropriate relief and enforce the trade laws.

Ambassador Barshefsky, Secretary Daley, Secretary Herman, and Vice Presidential National Security Advisor Fuerth oppose this option as lose-lose. It would invite criticism from trading partners and petitioners alike. While this remedy would likely impose no real costs on our trading partners, that in itself may not preclude a WTO challenge directed against the injury determination rather than the remedy. Ambassador Barshefsky believes it would be preferable to take no trade action rather than adopt this option.

RECOMMENDATIONS

_____ Option 1: Negative Determination: Secretary Summers, Secretary Albright, National Security Advisor Berger, National Economic Advisor Sperling, CEA Chair Baily, Deputy National Economic Advisor Brainard, and the Department of Justice recommend that you consider the determination of the ITC to be negative, and grant no trade relief.

_____ Option 2: Affirmative Determination: Ambassador Barshefsky, Secretary Daley, Secretary Herman, and Vice Presidential National Security Advisor Fuerth recommend that you consider the determination of the ITC to be affirmative.

_____ Option 2A: TRQ to Rollback Imports: Ambassador Barshefsky, Secretary Daley, Secretary Herman, and Vice Presidential National Security Advisor Fuerth support this option.

_____ Option 2B: TRQ to Protect against Import Surge: Secretary Summers, National Economic Advisor Sperling, CEA Chair Baily, and Deputy National Economic Advisor Brainard believe this option is preferable to option 2A -- if you decide to grant relief. Ambassador Barshefsky believes this option is worse than no relief.

10-12-99

Guns
Ary

copied
Sperling
Podesta

THE MISSISSIPPI DELTA: BEYOND 2000



interim
report

The Mississippi Delta 2000 Initiative is interested in receiving comments and suggestions regarding the overall social and economic development of the Lower Mississippi Delta Region. Written comments should be directed to:

Albert C. Eisenberg, Deputy Assistant Secretary for Transportation Policy
United States Department of Transportation
400 7th Street, SW
Room 10228
Washington, DC 20590

Mississippi Delta: Beyond 2000, Interim Report

Editor: Lee Powell

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THE MISSISSIPPI DELTA: BEYOND 2000

**interim
report**

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Mississippi Delta Regional Initiative Interagency Memorandum of Understanding

Foreword

In the autumn of 1989, Governor Bill Clinton of Arkansas wrote eloquently of both the bright promise and the profound problems faced by the people of the Mississippi Delta region. In submitting the Interim Report of the Lower Mississippi Delta Development Commission to President George Bush, Governor Clinton first delivered the "bad news": people in the Delta "are the least prepared to participate in and to contribute to the nation's effort to succeed in the world economy." Then, Governor Clinton conveyed the "good news":

"The Delta region has tremendous human resources: people with a strong work ethic, and rekindled hopes for the future. Productive land, water, timber, energy and vast natural beauty are abundant along the banks of the Mississippi River. The Delta people are trying to help themselves. Each of the States in the Delta region made significant progress by investing in education, economic development, human services, and transportation."

In the spring of 1990, Governor Clinton submitted to President Bush the final recommendations of the Lower Mississippi Delta Development Commission. Entitled *The Delta Initiatives: Realizing the Dream...Fulfilling the Potential*, the Final Report carried out the objectives mandated by legislation passed in 1988 (Public Law 100-460): to study and make recommendations regarding economic needs, problems, and opportunities in the Lower Mississippi Delta region, and to develop a ten-year regional economic development plan. As Chair of the Commission, Governor Clinton emphasized that the report was not just another tome to be consigned to the

dusty shelves of government archives, but was a "Handbook for Action—one that can turn the Delta and its 8.3 million people into full partners in America's exciting future, full participants in the changing global economy." This Interim Report of "The Delta: Beyond 2000" summarizes some of the progress made over the past decade in fulfilling the recommendations offered in *The Delta Initiatives*, and begins to review the challenges still remaining for the Delta's people at the dawn of a new millennium.

The present volume builds upon an update on transportation and employment issues completed in 1995 by the Federal Highway Administration (FHWA), entitled *Linking the Delta Region with the Nation and the World*. The FHWA update emphasized that the 1990 Commission's recommendations "served as a guidepost in President Clinton's administration and during the 1996 budget negotiations and reconciliation efforts to balance the budget in a way that reflects the values and priorities of the American people." In 1990, Rodney E. Slater took part in the Commission's work as vice-chair of the Arkansas State Highway Commission, and in 1995 he directed the update as Administrator of FHWA. In *Linking the Delta Region with the Nation and the World*, Administrator Slater stressed that the Commission's 1990 recommendations embodied the President's goals: "investing in education, training, and the environment; protecting Medicare and Medicaid; and targeting tax relief to working families."



**SECRETARY OF TRANSPORTATION
RODNEY E. SLATER**

As Secretary of Transportation, Mr. Slater has collaborated with many Federal, State and local entities in continuing the vital efforts to promote the Delta's development. In July, 1998, Secretary Slater convened a meeting with Delta grassroots leaders and Federal officials in Memphis, Tennessee. Jill Long Thompson, Under Secretary for Rural Development of the Department of Agriculture, played a dynamic role in helping Secretary Slater organize that meeting, where ten Federal agencies signed the Mississippi Delta Regional Initiative Interagency Memorandum of Understanding (MOU). Original signatories included the Departments of Transportation, Agriculture, Commerce, Housing and Urban Development (HUD), Health and Human Services (HHS), Labor, Education, Interior, the Small Business Administration, and the Environmental Protection Agency. In 1999, the initiative was expanded to include the Departments of Defense, Treasury, Veterans Affairs, Justice, Energy, the National Office of Drug Control Policy, and other agencies. This Interim Report is a product of the collaboration of these agencies' efforts throughout the Clinton administration, and Secretary Slater would like to extend his deep appreciation to all of them for their diligent work. The MOU's purpose is to create a basic framework for cooperation among the participating agencies "on economic revitalization initiatives in the Delta region."

The Delta 2000 Initiative recognizes that the Federal agencies play only one part in promoting the region's advancement. It is essential to forge a coalition of Federal, State, local, private business, nonprofit foundations, and other grassroots organizations to meet the challenges the region will face beyond the year 2000. The Interim Report condenses many of the important developments in the Delta during the 1990s, but it is not an exhaustive study of all Federal activities in this immense

region—it would require many volumes to accomplish that feat. For those people interested in detailed analysis of particular issues analyzed in this Report, an extensive "Inventory" will be available from the Department of Transportation, and will also be placed on the DOT website (<http://www.dot.gov/>). As discussed in the Executive Summary, the major product of this year's effort to gather and update data on current issues will be a report on recommendations for the Delta's future development. In the autumn of

1999, a series of listening sessions will be held in the region to acquire ideas, information, and counsel from the Delta's people.

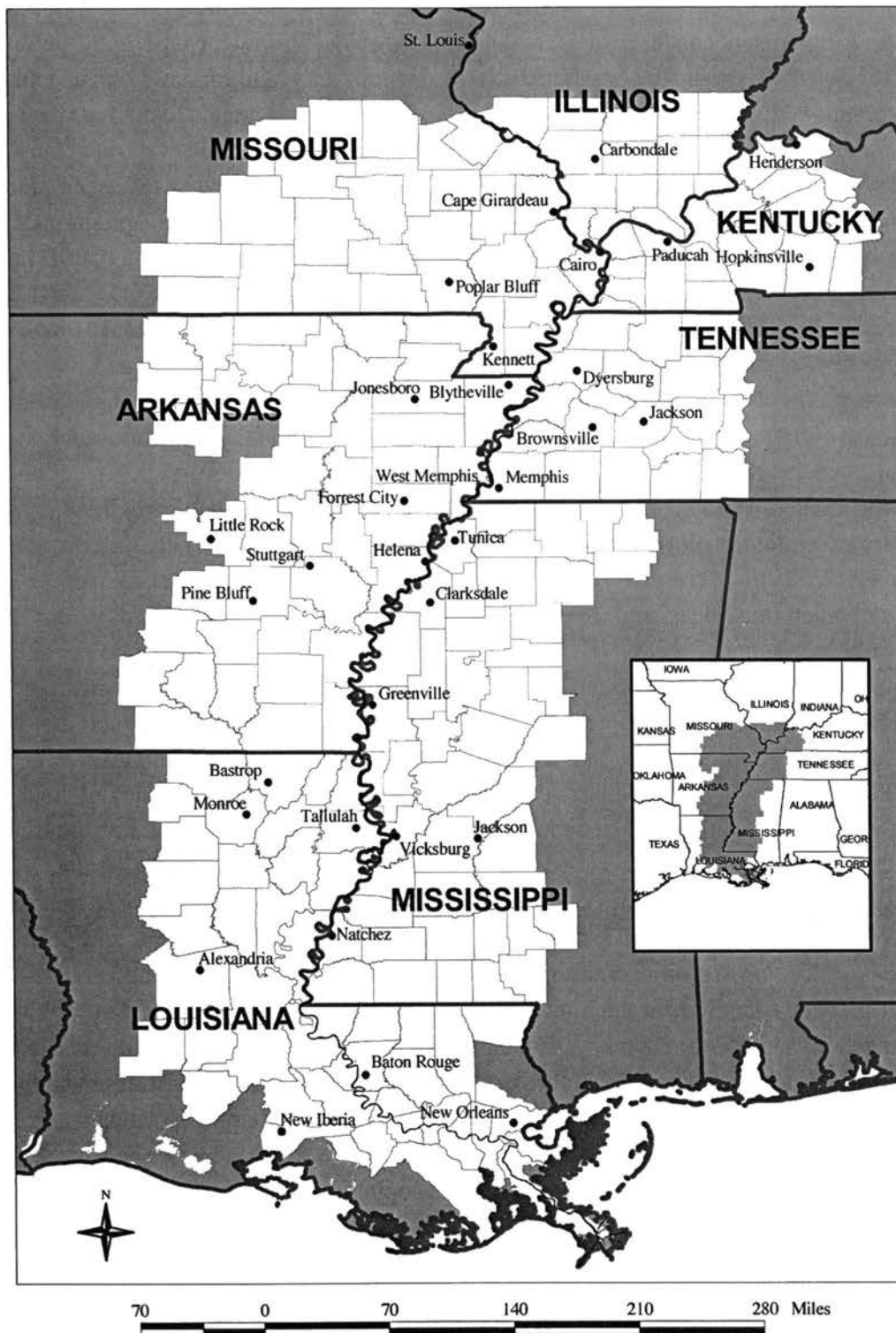
We have achieved some progress in the Delta over the last decade, but many challenges remain. During his domestic tour in the summer of 1999, President Clinton successfully reminded

**"Much more must
be done if the
Delta region is to become a full
partner in America's future."**

—PRESIDENT WILLIAM JEFFERSON CLINTON

America that certain areas of our country—such as the Southwest Border region, Appalachia, native American reservations, and the Mississippi Delta—have not fully participated in the unprecedented prosperity of the 1990s. The Delta was featured prominently in that tour, including a meeting in Clarksdale, Mississippi. In August, 1999, the President met with local leaders in Helena, Arkansas. The underdeveloped regions like the Delta offer great opportunities for new markets to the private sector, and a coalition of Federal, State, and local entities must cooperate to make those opportunities become a reality. Governor Clinton poignantly expressed that thought ten years ago, in words that ring true today: "Our own people are leading the way. However, much more must be done if the Delta region is to become a full partner in America's future. That will require the Federal, State and local governments as well as many private sector groups and the community at large to work together in a spirit of dedication and innovation."

MAP OF THE 219-COUNTY MISSISSIPPI DELTA REGION



Executive Summary

In 1988, a bipartisan coalition of U.S. Representatives and Senators supported the legislation creating the Lower Mississippi Delta Development Commission, including Rep. Mike Espy of Mississippi, Rep. Bill Alexander of Arkansas, Senator Dale Bumpers of Arkansas, and many other members of Congress from the Delta. Governor Clinton chaired the Commission, with Governor Ray Mabus of Mississippi and Governor Buddy Roemer of Louisiana serving as Commissioners. The Lower Mississippi Delta is comprised of 219 counties in Louisiana, Mississippi, Arkansas, Tennessee, Missouri, Kentucky and Illinois. The region has historically suffered from endemic poverty. *The Delta Initiatives: Realizing the Dream... Fulfilling the Potential* embodied the ideas and information gathered from many public hearings, research, and statistical information presented by the Delta's people concerning how to promote economic development and improve the region's quality of life.

The Commission published an Interim Report in October, 1989 containing an extensive array of data and detailed summaries of projects then underway. The Final Report published a year later focused on recommendations for improving the Delta's economy in the future. The Interim Report of "The Delta: Beyond 2000" initiative—published a decade after the original Commission began its work—will review the progress achieved in fulfilling many of the 400 recommendations of *The Delta Initiatives*, with some concise summaries of remaining challenges for the future. It should be emphasized that this Interim Report is only the beginning of this year's effort to gather data on current issues in the region; the major product will be an action plan for the Delta's future, to be completed by

late 1999. This major report will publish supplemental data and updates of ongoing projects along with new trends that have taken place over the last ten years. However, this plan will primarily focus upon new recommendations for the future social and economic progress of the Delta. The major emphasis in the report on the Delta's future will be upon gathering the information, ideas, and recommendations from grassroots sources throughout the region.

Solving the historic problems of the Delta is a long-term initiative, and those who worked for the original Commission in 1988-90 often pledged that they were committed to this project for the long haul. This Interim Report will demonstrate that in many respects, limited progress has been achieved in addressing the profound social and economic conditions of the people who live at the very heart of America. The great life-giving artery of the Mississippi River, as John Gunther once wrote, "remains what it always was—a kind of huge rope, no matter with what knots and frays, tying the United States together. It is the Nile of the Western Hemisphere." The region encompasses rich natural resources and physical assets, as well as a deep historical and cultural heritage.

Yet, as Governor Clinton stressed in 1990, the Delta cannot become a full partner in America's future without "an honest assessment of where we are in the emerging global economy and what we have to do to increase the capacity of all our people to succeed in it." Thus, while summarizing the advances made in many areas of transportation, health care, economic development, education, housing, environmental protection and other vital issues, the Interim Report acknowledges that many compelling problems remain in a region that has historically lagged

behind much of the nation in the realm of economic opportunity. The Delta 2000 Initiative follows the grassroots policy of the original Commission, as it seeks information and counsel from local communities throughout the region in preparing the report focusing on the Delta's future. In this endeavor to seek the counsel of Delta residents, a series of listening sessions will be held in the Delta in the autumn of 1999.

The Mississippi Delta Regional Initiative Interagency Memorandum of Understanding, 1998

This Interim Report marks the first step in fulfilling the Mississippi Delta Regional Initiative Interagency Memorandum of Understanding (MOU). As discussed in the Foreword, 10 Federal agencies signed the MOU at a meeting with local Delta leaders organized by Secretary Rodney Slater in Memphis, Tennessee in July, 1998. The MOU was expanded to include a number of additional agencies in 1999. The Memorandum's purpose "is to establish a general framework for cooperation among the participating agencies on economic revitalization initiatives in the Delta region."

The participating agencies pledged to "work together to coordinate and support a broad-based government-wide review and assessment of the Delta." The Memorandum underscored the rural nature of much of the Delta, stating: "This effort will build upon the work of President Clinton and Vice President Gore to strengthen rural communities for the 21st century." In particular, the agencies committed themselves to provide an update of the 1990 Report, *The Delta Initiatives: Realizing the Dream—Fulfilling the Potential*, as well as to continue the process of implementing that report's recommendations. Looking forward to the major report on recommendations for the future that will be published later in 1999, the MOU stressed the importance of cooperating with State and local organizations

in developing an action plan for revitalizing the region. The Memorandum recognized that the Delta "has long been considered one of the poorest regions of the Nation."

Summary of the Interim Report

The Interim Report follows the major categories set forth in *The Delta Initiatives*, focusing on transportation; human capital development (including education, community development, job training, health, and housing); natural and physical assets (agriculture, natural resources and the environment); and business and industrial development (technological and entrepreneurial enterprise, small business development, and tourism). For people interested in extensive data and analysis on a particular issue, there is a detailed Inventory on each of these issues that buttresses the Interim Report. Several of the Interim Report's key findings include the following:

TRANSPORTATION: The Commission's 10-year goal envisioned an improved network of limited access highways, airports, and rail and port facilities to promote economic growth. The great majority of the nearly 70 specific transportation recommendations in *The Delta Initiatives* have either been fulfilled or substantially fulfilled. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century of 1998 (TEA-21) dramatically increased Highway Trust Fund investment in highways and transit. Delta States have used the flexibility established in ISTEA to fund improvements to the Great River Road, as well as for scenic easements, historic preservation and other projects. For example, in Arkansas during the 1990s approximately \$140 million was used to complete about 120 miles of highway reconstruction, surfacing, widening and other projects in Delta counties. Such transportation improvements are a powerful engine for economic growth and improving the quality of life in the Delta.

JOB GROWTH: From 1993 to 1998, the annual average unemployment for the entire 219-county region declined from 7.5 percent in 1993 to 5.7 percent in 1998. During this period, 184 of the 219 counties experienced job growth. There were some substantial success stories: declining unemployment rates for the major regional urban areas such as Pulaski County, Arkansas; Jefferson Parish, Louisiana; Shelby County, Tennessee; and Hinds County, Mississippi, that were similar to or slightly lower than the historically low national unemployment averages of the 1990s. A few rural areas witnessed improvement, such as Madison Parish, Louisiana, where the unemployment rate fell from 14 percent in 1990 to 7.5 percent in June, 1999.

President Clinton signed the Balanced Budget Act of 1997 and the Workforce Investment Act of 1998, two major pieces of legislation that are dramatically helping people make the transition from welfare to work. The impact of these laws is explored in depth by the Department of Labor and other agencies in the Report and the Inventory. Virtually all of the participating agencies pursued policies directly or indirectly related to job growth, such as welfare-to-work, transportation, small business promotion, Empowerment Zones and Enterprise Communities, and other economic development initiatives.

PERSISTENT UNEMPLOYMENT DILEMMAS IN RURAL AREAS AND INNER CITIES:

However, some inner city neighborhoods did not participate in the overall urban prosperity, and rural areas in general still lagged far behind the national unemployment rate. In fact, some rural counties still suffered from unemployment rates two and three times as high as the national average. For example, St. Francis County's unemployment rate declined from 13.4 percent in 1993, but in 1998 its annual average—though a substantial improvement—still remained at a high 9 percent. The continuing unemployment problems in many rural areas

pose the greatest remaining challenge in the region's employment horizons.

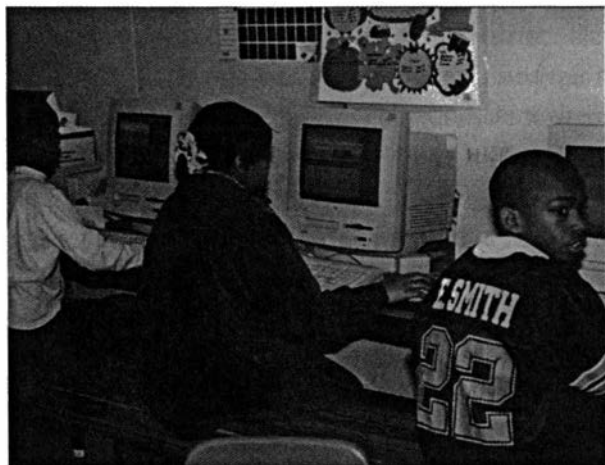
EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES (EZ/EC) AND CHAMPION COMMUNITIES:

The EZ/EC program is the major Clinton-Gore administration innovation in the field of community development. In Round I of the EZ/EC program announced in 1994, there were eight rural and five urban EZ's and EC's in the Delta, with another rural Delta EZ (in southern Illinois) being added in Round II of the program in 1999. There are more than 50 rural "Champion Communities" and four urban Champion Communities in the Delta; these are communities that did not receive EZ or EC designations, but developed strategic plans and receive priority assistance in response to their Federal applications for funding and technical help.

The program is based upon the principles of sustainable development, leadership from the local grassroots level, economic opportunity, long-range strategic planning, and community-based partnerships. The Interim Report summarizes the Federal funding and tax incentives offered by the EZ's and EC's; however, the grassroots leadership and strategic planning phases of the program are more important, ultimately, than the Federal funding amounts. One of the great successes of the program has been the communities' successes in "leveraging" funds. For example, the rural communities drew \$10.225 million from their EZ/EC funding from 1994 to the beginning of 1999, while their total funding—including State, local, private business, and nonprofit foundation sources—amounted to ten times that much, or approximately \$107.4 million. The EZ's and EC's provide a model for grassroots community leadership and sustainable development.

EDUCATION: Nearly a decade after the 1990 Commission's recommendation to target

resources to "low-income, rural students" in the Delta, the Department of Education provided over \$350 million in fiscal year 1998 alone to high-poverty school districts in the Delta. Under President Clinton's Class Size Reduction Initiative, the Department provided more than \$50 million to this region in fiscal 1999 to hire approximately 1,500 new teachers in the early grades. A series of initiatives such as the



Technology Literacy Challenge Fund (TLCF), Star School and the "E-rate" targeted funding for improving technology to high-poverty regions. For example, the Delta districts in Louisiana alone received \$4.6 million under TLCF in FY98.

While continued investment in public education is needed to increase student academic achievement in the region, many Delta schools and districts have recently demonstrated significant gains in student test scores. For example, third grade students at the Portland Elementary School in Ashley, Arkansas improved their reading scores on the Stanford Achievement Test from the 25th percentile in 1993 to the 46th percentile in 1999. The percentage of eleventh graders in the Memphis City Public Schools scoring 'proficient' on the Tennessee Comprehensive Assessment Program (TCAP) Writing Assessment increased from 19 percent in 1994 to 56 percent in 1999. "We still have a long way to go, but we believe our progress is largely a result of our schoolwide approach to reform

and the initiation of extended learning opportunities, both of which are facilitated by Federal program funding and flexibility reforms," States Memphis City Schools Superintendent – and American Association of School Administrators (AASA) 1998-99 Superintendent of the Year – Dr. Gerry House.

AGRICULTURE: Agriculture remains an economic juggernaut in the Delta. This region is one of America's most prolific producers of cotton, rice, soybeans, and other major agricultural products. USDA pursued policies to promote the economic viability of the traditional major producers, as well as new initiatives intended to promote direct marketing, sustainable agriculture, alternative products such as aquaculture, and other policies aimed at preserving marketing and credit opportunities for small and minority farmers. In the late 1990s, farmers faced one of the most severe depressions in American history. Emergency Federal relief for agriculture was developed in the summer of 1999, and this legislation will be dealt with in depth in the major recommendations for the Delta's future to be completed later in 1999.

INFRASTRUCTURE: The Departments of Commerce, HUD, EPA, Energy, and USDA's Rural Development have brought numerous local infrastructure projects to the region, such as adequate water and sewer systems, telecommunications, electricity and natural gas, rural health care, public safety and other projects needed for economic development and improved quality of life. For example, the Department of Commerce programs provided more than 370 grants totaling over \$114 million in the Delta from 1993 to mid-1999. The total funding for the 219-county area from Rural Development's Community Facilities, Rural Business Programs, and Water & Waste programs amounted to approximately \$858,224,000 from 1993 to mid-1999. The Rural Utilities Service

provided first-time telephone service to more than 8,200 rural residents, while more than 77,000 residents received improved telecommunications. In addition to traditional infrastructure, Rural Development's Distance Learning and Telemedicine program combined improvements in access to health care and educational opportunities in the health care field for approximately 800,000 rural residents in the region.

NATURAL RESOURCES AND THE ENVIRONMENT: The Clinton-Gore Administration has dealt with major natural resource and environmental issues facing the Delta, including wetlands protection and restoration, air and water quality protection, wildlife and natural resource conservation, and environmental justice. In 1993, the Administration developed a fair, flexible, and effective wetlands policy that increased regulatory certainty for private landowners while protecting wetlands. This policy has resulted in the protection, creation or enhancement of approximately 300,000 acres of wetlands through a variety of

decade. This Program encourages voluntary enrollment of highly erodible land, cropped wetlands, wildlife habitat, and wetland restoration acres to ensure protection from erosion while improving water quality and wildlife habitat.

The Administration is working to empower States and localities to prevent, assess, safely clean up, and sustainably reuse brownfields and other waste sites. It is also providing stronger public health protections by establishing new safety standards for all pesticides used on foods under the Food Quality Protection Act, and by providing new tools and resources for cleaner, safer water under the 1996 Safe Drinking Water Act Amendments and the 1998 Clean Water Action Plan. In addition, the Administration is focusing attention on the environmental and human health conditions plaguing minority and low-income communities in the Delta. The designation of the Lower Mississippi River as an American Heritage River by President Clinton in 1998 is helping to focus these and other Federal efforts to strengthen historic and cultural preservation, natural resource protection, and economic revitalization.

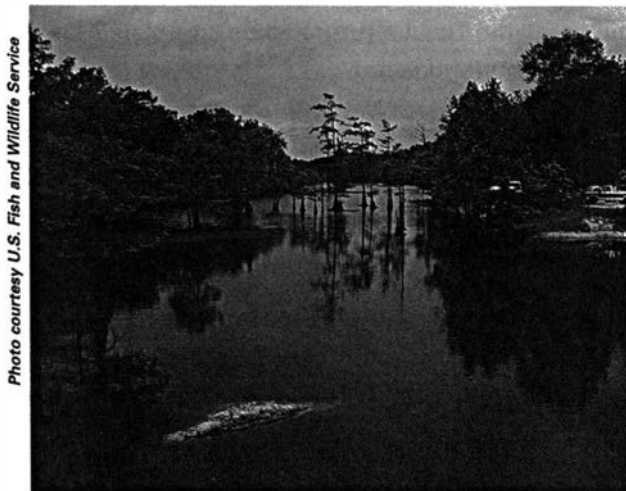


Photo courtesy U.S. Fish and Wildlife Service

UPPER OUCHITA NATIONAL WILDLIFE RESERVE

programs, including the Wetlands Reserve Program. In addition, by the end of the decade a total of 2 million acres were enrolled in the Conservation Reserve Program, which had begun before the 1990s but expanded during the

TOURISM: The natural splendors of the Delta, as well as its historical and cultural sites, are among its major tourist attractions. Thus, initiatives related to preserving natural resources and the environment support efforts to promote the region's tourist industry. Tourist revenue brought almost \$13 billion to the Delta in 1998. Millions of visitors come to enjoy the natural beauty, culture, food, and deep historical, musical and literary heritage of the region. The President's designation of the Lower Mississippi River as an American Heritage River in 1998 (as mentioned above) will help preserve and enhance the great river's appeal for tourism. The National Park Service, Department of Transportation, Department of Commerce and other agencies pursue a series of initiatives designed to promote tourism for the region.

HOUSING: Under the leadership of Secretary Andrew Cuomo, HUD has promoted more equitable housing opportunities for moderate and low-income people, both in homeownership and rental housing. HUD has vigorously enforced the Fair Housing Act to attack the problem of discrimination in housing. Funding for HUD's homelessness assistance programs more than tripled from 1992 to 1999, although the 1990 Commission's ambitious goal of eradicating homelessness entirely in the Delta remains elusive. HUD has pursued innovative housing policies to expand opportunities in inner city areas; one example is the renovation of the Farish Street district in Jackson, Mississippi.

RURAL HOUSING: USDA's Rural Housing Service assisted approximately 43,000 Delta households to buy or improve their homes; loans for single-family housing in the region from fiscal years 1993 through 1999 came to a total of \$2.236 billion. In rental housing, more than \$254 million was provided for more than 10,000 rental units in the region. Despite these achievements, senior citizens and minorities in the region still suffer from inadequate housing. Fifty eight percent of rural elderly renters in Arkansas, Louisiana, and Mississippi are "cost-burdened" in housing, meaning that they pay greater than 30 percent of monthly income for shelter costs. Rural African Americans in the Delta have a 51 percent poverty rate in Arkansas, a 54 percent rate in Louisiana, and a 52 percent rate in Mississippi. While some areas have experienced some advances in housing, large sectors of the population have not participated in these gains, especially low-income senior citizens and African Americans in rural areas.

HEALTH CARE: In the Report, the Department of Health and Human Services (HHS) reviews Medicare, Medicaid, Temporary Assistance for Needy Families (TANF), and the special needs of rural hospitals and inadequate access to health

care in rural areas. HHS also pursues programs aimed at improving health care for senior citizens, minorities, and HIV/AIDS patients in the Delta. A division of the Centers for Disease Control has worked on an initiative for health education, training, research and environmental health in the region through the Mississippi Delta Health and Environment Project, a partnership among Federal, State and local governments, Historically Black Colleges and Universities (HBCU), faith-based organizations, community organizations, and environmental advocacy groups in the region.

CHILDCARE AND YOUTH ISSUES: HHS takes the lead in a series of childcare initiatives. The early childhood education program, Head Start, expanded its enrollment in Arkansas, Louisiana, and Mississippi from 41,996 in 1990 to 55,248 in 1998. The Child Care Development Fund, Healthy Child Care America Campaign, and other childcare efforts are active in the Delta. A network of Family Youth Services Bureau Program centers operate in the region to prevent youth from dropping out of school, provide temporary shelter to runaways and reunite them with their families when possible, and help teenage parents make the transition from unemployment to self-sufficiency. Teen pregnancy declined in Arkansas by 7.9 percent from 1991 to 1995, while in that period Louisiana reduced its rate by 8.2 percent and Mississippi by 5.9 percent. The national reduction was 6.5 percent. Despite these gains, teen pregnancy in the region is still too high.

HUNGER, NUTRITION AND FOOD SECURITY: The Food and Nutrition Service of USDA reviews issues in the school lunch, food stamp, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Cooperative Extension nutrition programs, food recovery and gleaning, and other initiatives that form the hunger safety net for low-income Americans. Although these bedrock anti-hunger programs

have eliminated the most grievous cases of malnutrition that Senator Robert F. Kennedy dramatized with his travel through the Delta in 1967, low-income people in the Delta still suffer from inadequate access to good nutrition.

Two innovative models of anti-hunger efforts are the Lower Mississippi Delta Nutrition Intervention Research Initiative and the Mississippi Action for Community Education (MACE) anti-hunger partnership. The research initiative is a coalition of community leaders, nutrition experts, and USDA officials that evaluates nutritional health in the Delta and develops strategies for addressing them. The MACE anti-hunger efforts include food stamp outreach, nutrition education, support for local food pantries, and increasing School Breakfast and summer feeding programs. For example, during 1994 and 1995, MACE sponsored and administered a demonstration food stamp outreach program through a grant sponsored by USDA. MACE was instrumental in identifying and enrolling thousands of low-income and/or elderly people living in rural areas of the Mississippi Delta region who were eligible for but not receiving food stamps. This project also supports efforts to expand summer feeding and School Breakfast programs in rural school districts.

Remaining Challenges: Rural Poverty and Inner Cities

The Report demonstrates that two challenges remain especially poignant for the years beyond 2000: addressing the plight of both rural areas and of inner city neighborhoods in unemployment, health care, housing, the agricultural economy, and a host of other issues. In part, the dilemma of the rural poor feeds the problem of the inner city poor, for many agricultural laborers and small farmers forced from the land by mechanization and other broad socioeconomic trends of the past 50 years sought refuge in the great urban centers, both outside the region and in Memphis, New Orleans, Jackson, Little Rock or other cities. The statistics show that for the major-

ity of people living in the Delta's cities, employment and other measures of prosperity are improving; but some neighborhoods in the city's heart have been left behind. As Michael Harrington wrote in his classic, *The Other America: Poverty in the United States* (originally published in the 1960s and updated in the 1980s), many of the sharecroppers and cotton pickers from Arkansas and Mississippi or the rural poor from southeast Missouri "share common problems—the fact that the backwoods has completely unfitted them for urban life." Many of the inner city's poor arrived from rural areas and became mired in cycles of poor education, dependency and poverty. Attacking the problems of poverty in the most downtrodden rural areas will thus relieve some of the long-term pressures on depressed inner city neighborhoods. Among all families, average poverty rates in the rural Delta range from 6 to 9 percent higher than in urban Delta areas. Actions flowing from the Mississippi Delta Regional Initiative should be channeled into those areas which have the most urgent need for help. The Delta's rural areas persistently lag behind not only the national standards but even those of the urban areas of the region in all of the fundamental issues analyzed in *The Delta Initiatives*.

The Plight of Minorities and Race Relations

Historically, the melancholy legacy of racial discrimination has posed one of the most formidable barriers to the Delta's progress. Approximately 40 percent of the region's population is African American, yet the measures of prosperity and opportunity are depressing for this large section of the Delta's people. For example, poverty rates among rural African Americans in Arkansas, Louisiana and Mississippi all range above 50 percent. The Clinton administration has pursued an array of initiatives intended to address racial and ethnic disparities in employment, educational opportunity, health, small business, housing, and other fields. The Empowerment Zones and

Enterprise Communities in the region are located in areas with large minority populations. The voluminous data gathered in this Report and the accompanying inventories on specific issues should foster a dialogue about race relations that will aid the Delta 2000 Initiative in developing a plan for the future that will ameliorate race divisions and bring fair opportunities for all races and ethnic groups in the region. The listening sessions in the autumn of 1999 will provide another forum for this dialogue. At the height of the civil rights movement, Dr. Martin Luther King, Jr. lamented the racial oppression in the Delta in his famous "I Have a Dream" speech, but envisaged a day in the future when it would become an oasis of racial understanding: "I have a dream that one day, even the State of Mississippi, a State sweltering with the heat of injustice, sweltering with the heat of oppression, will be transformed into an oasis of freedom and justice." Mississippi and the other areas of the region have advanced beyond the racial oppression of those troubled times, yet the Delta still faces a long journey before it reaches King's vision of racial justice.

New Issues for the Approaching Millennium

The Commission's Report in 1990 was a wide-ranging, broad-minded document that looked ahead to many of the developments and issues that the region dealt with during the decade. In *The Delta Initiatives*, Governor Clinton explicitly used a phrase about expanding into "new markets" to reach areas whose potential had not yet been developed. President Clinton focused on this same theme in his New Markets Initiative, which is intended to focus investment and resources in developing those regions of America that did not fully enjoy the national prosperity of the decade, such as the Southwest Border region, Appalachia, Native American reservations, and the Mississippi Delta. No one, however, could have foreseen such extraordinary developments of the decade as the unprecedented national prosperity, with low infla-

tion, low interest rates and high economic growth; the explosion of technological advancement and gains in productivity; or the expansion of computer technology and the information revolution of the Internet. This Interim Report deals with some of these new developments, such as the use of telemedicine and distance learning, the increasing importance of computers in education and business, and others. In the listening sessions and the creation of recommendations, the Delta 2000 Initiative will remain attentive to new and emerging issues for the next century.

Empowerment at the Grassroots Level

This Interim Report is founded upon the work of literally hundreds of Federal employees, most of whom live and work in the Delta. They gathered and compiled this data from their records, experiences, and from countless conversations and interactions with the region's people. Nonetheless, this Report marks just the first step in beginning the dialogue that will be fostered in the autumn listening sessions and will culminate in a "Blueprint for the Delta's Future" by the end of 1999.

The principal contributors of the new recommendations for the future will be the grassroots leaders throughout the region. The Federal government is only one partner in the dynamic coalition needed to move the region forward. Federal, State and local governments, private business, and non-profit foundations must all play key roles. The Federal government can provide technical assistance and resources, but ultimately, empowerment and lasting change flow from leadership at the grassroots level. As Bill Clinton expressed the empowering nature of broad-based grassroots participation in 1990, "Being in the vanguard of change need not be a distinction limited to the freedom-hungry citizens of Eastern Europe or Poland or the aggressive business people of Singapore or Korea. The people of the Delta belong in that vanguard. They want to be there, and they can be, if each of us will do our part."

Definition of the Delta Region

Six decades ago, William Faulkner wrote movingly of the Mississippi River's profound allure: "A river known by its ineradicable name to generations of men who had been drawn to live beside it as man always has been drawn to dwell beside water, even before he had a name for water and fire, drawn to the living water, the course of his destiny..." The Mississippi Delta region encompasses 219 counties stretching from the area around New Orleans, Louisiana to southern Illinois. More than 8.3 million people live there. The seven States making up the region are bound together by basic shared characteristics. The region is blessed with great natural resources: the rich fertile soil along the Mississippi River's east and west banks, a warm climate with long growing seasons, and a total of over two million acres of water area, including more than 89,000 miles of rivers and streams. The region boasts a deep cultural heritage, including many of the great musical and literary figures of the twentieth century, such as Mahalia Jackson, Louis Armstrong, Richard Wright, Eudora Welty, and Faulkner.

Notwithstanding its assets, however, the Delta has historically been plagued by hardship and poverty. With the mechanization of large-scale farms early in the twentieth century, the Delta experienced an exodus of its children to the industrial centers of America. Substandard housing, inadequate transportation systems, limited access to capital, limited business and industrial development, low educational levels, and other deficiencies have troubled the region's people. Strained race relations have compounded the problems associated with the

Delta's poverty. While this Interim Report summarizes some of the constructive efforts to address these problems, much work remains if the region is to overcome the legacy of its often troubled past.

The majority of the region lies in the southernmost area of the Delta. Of the 219 counties, 42 are in Arkansas, 45 are in Mississippi, and 45 parishes are in Louisiana. For Arkansas, Louisiana and Mississippi, these counties make up over half of the area and population of these States. The Tennessee Delta region includes the large urban area of Memphis and a total of 21 counties in western Tennessee. Louisiana has the most heavily populated Delta region, with more than 2.8 million people living there—approximately one third of the entire region's population (based on the 1990 Census). The Arkansas, Mississippi, and Tennessee Delta areas had roughly similar populations in the range of 1,350,000 to 1,450,000. Over 7 million of the region's inhabitants live in the four southernmost States. A total of about 1.3 million people live in the northernmost areas of the Delta in Missouri, Kentucky, and Illinois.

The region includes 29 counties in Missouri, 21 counties in Kentucky, and the 16 southernmost counties of Illinois. Relatively speaking, of course, the Delta regions of Kentucky, Missouri, and Illinois are much smaller portions of these States. The data discussed in this Interim Report focuses on areas within the 219-county region. However, since the Delta areas are economically and politically linked to the States in which they are located, a few passages in the extensive Inventory (referred to in the Foreword) will

include some statistics placing these areas within their Statewide context. However, the great majority of the facts and figures in the Inventory, and virtually all the material in the Interim Report itself, will focus on the 219-county region. The major report on the Delta's future will include extensive additional data specific to the 219 counties.

Sections of the Inventory

For those people interested in an in-depth analysis of a particular section or sections summarized in the Interim Report, the Inventory addresses the major themes of *The Delta Initiatives*, broadly emphasizing human capital development, natural, physical and environmental assets, and business and industrial develop-

ment. This Inventory will focus on the fundamental thrust of *The Delta Initiatives* recommendations rather than a compilation of minutiae on every one of the 400 recommendations. It is important to recognize that this Inventory consists largely of Federal actions.

The authors of the 1990 Report had no illusions about the difficulty of the initiatives they were launching, and stressed that the goals were purposely designed to be ambitious. The authors stated, "The Delta Commission recognizes that some may not be fully attained within a decade's time, but together the goals outline an overall plan that can make the Lower Mississippi Delta and its citizens full partners in creating the nation's best possible future when the dawn of that new age arrives."

Human Capital Development

COMMUNITY DEVELOPMENT

"Ever since I became President, I have done what I could do to increase investment in undeveloped areas through the empowerment zones, which give tax credits and put tax money into distressed areas...through getting banks to more vigorously approach the Community Reinvestment Act and setting up Community Development Financial Institutions."

— President Clinton, speaking about community development in his Clarksdale, Mississippi "New Markets" initiative tour, July 6, 1999

The field of community development embodies one of the Clinton-Gore administration's most innovative policy initiatives: the Empowerment Zones/Enterprise Communities (EZ/EC) program. The 1990 Report contained a major section on "Community Development," the basic principles of which are now being supported in EZ/EC communities in the Delta and in other regions of the country. In Round I of the EZ/EC program announced in 1994, there were eight rural and five urban EZ's and EC's in the region, with 39 additional rural communities and four urban communities in the region gaining "Champion Community" status under the program. These communities receive priority assistance in response to applications for funding and technical assistance.

The family of EZ/EC communities enjoyed a major expansion nationwide with the announcement of Round II in January, 1999. A number of new communities were designated in the Delta, including a new Empowerment Zone in rural southern Illinois and 15 new rural Champion

Communities, bringing the total number of Champion Communities to more than 50. The U.S. Department of Housing and Urban Development (HUD) administers the urban communities, while rural communities participating in the program are assisted by the U.S. Department of Agriculture (USDA). The urban Enterprise Communities are in Pulaski County, Arkansas; Ouachita Parish, Louisiana; Memphis, Tennessee; Jackson, Mississippi and New Orleans, Louisiana. The rural Empowerment Zone and Enterprise Communities are as follows: the Mid-Delta Mississippi Empowerment Zone, Mississippi; North Delta Mississippi EC, Mississippi; Northeast Louisiana Delta EC, Louisiana; Macon Ridge EC, Louisiana; Mississippi County EC, Arkansas; East Central Arkansas EC, Arkansas; Fayette/Howard EC, Tennessee; East Prairie Enterprise Community, Missouri; and, finally, in the Round II designation in 1999, the new Southernmost Illinois Delta EZ was established in Illinois.

EZ/EC PRINCIPLES: The EZ/EC program is based upon four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change. Each community was required to engage in extensive community planning to develop a strategic plan for its EZ/EC application. The communities received Health and Human Services Social Security block grants, and Empowerment Zone employers gained a number of tax incentives, such as tax credits equal to 20 percent of the first \$15,000 in wages or training expenses for qualified employees.

A crucial feature of the program was the communities' success in leveraging their Federal funding with commitments from State, county, and local governments, private businesses, and nonprofit and foundation awards. The average leveraging ratio for rural communities in the period from 1994 to the beginning of 1999, for example, was approximately 10 dollars of additional funding for each one dollar of EZ/EC funding. The total amount these communities drew from EZ/EC funding was approximately \$10.225 million, which leveraged roughly ten times as much, or about \$107.4 million. Thus, the great majority of the EZ/EC communities managed their financial resources so as to multiply the impact of the Federal funding and make their community and economic development sustainable for the long term.

The community development section of the inventory provides details about specific projects regarding a variety of issues in the Delta, including: job creation and retention; housing; health care; infrastructure; small business development; small and limited resource farmer issues; education and training; and other issues. The program looks forward to success for the Round I and Round II communities, as well as the possibility of continued expansion through passage of a third round of community designations throughout the Delta and the rest of the country.

Moreover, in collaboration with the Department of Treasury, many communities have been assisted by the Community Development Financial Institutions initiative, which has provided extensive financial support for many community development organizations in local areas throughout the region. In President Clinton's "New Markets Initiative" trip to Clarksdale, Mississippi, in July, 1999, he announced nearly \$15 million in new private investments in the Enterprise Corporation for the Delta, a nonprofit organization that uses Federal grants to leverage private investments in business. The President

announced that the Bank of America would pledge \$500 million in equity for business enterprises in low-income areas; of that total, \$100 million will go into a Community Development Financial Institution (CDFI). The President said that "We are going to do everything we can in the government to give the financial incentives necessary for people to invest here."

REGIONAL PLANNING: The communities also played a dynamic role in promoting a regional approach to economic and community development. The rural and urban EZ's and EC's in the region banded together to form the Southern EZ/EC Forum, which is working with other nonprofit foundations as well as local, State and Federal



THE MISSISSIPPI RIVER AND THE MEMPHIS SKYLINE.

governments to promote their long-range vision of regional development. The Forum, calling itself the Mississippi Delta Regional Initiative, was organized in 1995 and has developed its own multi-State strategic plan. Vice President Al Gore has endorsed the Southern EZ/EC Forum's efforts, which are among the key forces supporting the overall "Delta: Beyond 2000" initiative.

An important regional entity that promotes the Delta's development is the Delta Compact, which is largely comprised of community-based nonprofit organizations in Arkansas, Louisiana, and Mississippi that attempt to direct resources

to the most distressed communities and populations in the Delta. More than 35 Delta Compact signatories have committed over \$40 million in resources and technical assistance to this collaborative enterprise.

The Department of Commerce continued its longstanding policy of providing regional planning support to the Delta during the 1990s. The Agency funded 29 multi-county regional planning organizations (Economic Development Districts) helping Delta communities develop comprehensive economic development strategies to provide economic opportunity. The Economic Development Administration (EDA) provided further support for regional planning efforts by funding seven University Centers servicing the Delta.

EXAMPLES OF EZ/EC COMMUNITY DEVELOPMENT ACCOMPLISHMENTS:

The EZ/EC program is the most innovative and wide-ranging of the development initiatives discussed in this report, since it is inter-related with activities for transportation, job creation, health care, education, infrastructure, small business development, and other issues analyzed in all sections of *The Delta Initiatives*. The following examples are just a tiny sampling of EZ/EC activities, but they reflect the types of grassroots community development generated by this program:

Job growth promoted by regional distribution center in Mississippi:

Using tax credits and EZ/EC funding, the Mid-Delta Mississippi EZ attracted a regional distribution center for Dollar General Stores that created hundreds of jobs in Indianola, Mississippi. The project involves a 800,000-square-foot facility that will ship household products to 370 local stores. Public and private investment in this project exceeded \$38 million. The Mississippi Department of Community and Economic Development provided \$2 million in community development block grant funds. EZ tax credits provided up to \$3,000 for every

resident hired. Dollar General invested more than \$25 million. With all the leveraging of private and State funds, this project received a 30 to 1 return on the initial EZ/EC investment of \$900,000.

In this largely agricultural area, the job base had been shrinking due to technological and market changes in farming. The CEO of Dollar General, Cal Turner, Jr., Stated that his company chose Indianola because of the availability of labor and the total community support. The center provides large numbers of well-paid jobs and has the potential to help stop the brain drain of people leaving the local area.

Job creation and/or retention at Macon Ridge EC:

By early 1998, the Macon Ridge Louisiana EC summarized its record regarding jobs: a total of \$953,000 was loaned, with leveraging of private funds adding up to \$787,000. A total of 118 minority jobs were created or retained, with 111 jobs held by women being created or retained. The EC reported 25 minority-owned businesses and 20 businesses owned by women participating in the program

Community Housing Efforts:

Housing revitalization in Mississippi County: The Mississippi County, Arkansas EC developed and implemented a comprehensive plan for affordable housing development and community improvement in Mississippi County. The plan coordinates efforts to achieve affordable home ownership, rental opportunities, and community improvement projects. To address the problem of a lack of information about credit and housing opportunities, the EC implemented a credit repair counseling and home ownership training program. Since its inception, 70 families have participated in this counseling program. The EC area has suffered from deteriorating housing stock that has lowered the standard of living for many low-income families. In response, the EC

created a preservation and rehabilitation program for owner-occupied units. The EC surpassed its original goal of rehabilitating 20 housing units and now has rehabilitated 43 homes. The EC has also focused on creating affordable, clean decent rental units for low-income residents. The EC has constructed 57 new rental houses for families, again surpassing its original goal of 20 new homes.

Partnerships with nonprofit grassroots organizations: The North Delta Mississippi EC has developed an effective collaboration with Tallahatchie Development League (TDL), a nonprofit, grassroots organization that promotes community development in "education, economics, and family life." TDL is a partner in the EC's Housing Preservation Grant Program, and also takes part in the EC's Housing Preservation Grant program. In partnership with the North Delta Area Agency on Aging, TDL offers meals every day to senior citizens in the Tutwiler community. The League has co-developed 72 units of housing within the EC. TDL also provides consulting services to communities and other nonprofits in preparing applications for housing, Rural Development Section 515 programs, the Affordable Housing Program, and community development block grant funding.

Community Health care:

Delta Futures project for reducing infant mortality and teen pregnancy: This Federally funded "Delta Futures Safe at Home Project" provides a series of services in nutrition, the Women, Infants and Children (WIC) supplemental nutrition program, health information and education about the dangers of tobacco. The North Delta Mississippi EC partners with a consortium of health care providers, schools, Head Start, businesses, and community-based organizations that contribute solutions to the fight against infant mortality, low birthweight, and infant mortality.

Nursing Assistants Program: The Northeast Louisiana Delta EC sponsored a Nursing Assistants program at the Louisiana Technical College's Tallulah campus. Students are enrolled dually in high school and the nursing assistants program, which enables them to become certified nursing assistants who can go to work immediately after graduation. In 1998, 37 students enrolled in two classes in Tallulah and 20 enrolled in a class in Lake Providence. Last year, 22 students graduated from the program. The program is an excellent preparation for students considering a job in the health care industry.

Infrastructure

Macon Ridge, Louisiana infrastructure development: Numerous examples of infrastructure development took place in 1998 in the Macon Ridge Enterprise Community, which received a series of infrastructure improvements through USDA Rural Development funding. The following are several prominent examples:

- Turkey Creek Water System received a grant amount of \$1,815,000 and a loan of \$695,000 for the construction of a rural water distribution system, including water production wells, elevated storage tank, distribution lines and service connections for approximately 400 households in Franklin Parish.
- In Ferriday, Louisiana, a Rural Business Enterprise Grant of \$225,000 was used to acquire the land and building for the Macon Ridge Enterprise Community Resource Center.
- In Harrisonburg, a \$250,000 grant and \$200,000 loan was used to construct a new wastewater treatment facility.
- For the Concordia Parish Water District, a \$1.294 million grant and \$482,000 loan upgraded a water system that had been inadequate by constructing three new water wells, four exchange units, a new metal building and a 200,000 gallon potable water storage tank.

- In the towns of Wisner, Newellton, and St. Joseph, and Catahoula Parish, USDA Community Facilities grants were used for improvements to fire and police department equipment.

Railroad improvements to Tennessee industrial park:

The Fayette/Haywood County EC solved a major transportation problem for the Haywood County industrial park in Brownsville, Tennessee. The industrial park had been filling up and there were almost no sites remaining with railroad access. The EC applied for a \$600,000 USDA Rural Development grant and started laying a railroad spur to the underserved area of the park. A Fortune 500 company got in touch with the park just as the spur was being constructed, ultimately resulting in the opening of a \$20 million high-tech papermaking plant employing 35 people. The USDA funding was essential to the project, which came in under budget, in turn enabling a second spur to be built that will encourage more firms to locate at the Brownsville park.

Telecommunications: The Fayette County/Haywood County EC is working with local and State partners to promote a State-of-the-art community telecommunications center for workforce development. The Fayette County School Board is creating a Telecommunications and Business School that will be equipped with computers and Internet access. The EC developed a strategy to establish job training programs relevant to the needs of local and regional markets. Local and State officials, Shelby State Community College, and Rural Development are all cooperating in this joint effort to enhance telecommunications in the local area.

Community Small Business Development: Historically Black colleges and Universities grant for business incubator:

The Northeast Louisiana Delta Community Development Corporation worked with Grambling State University to

obtain a grant from the U.S. Department of Health and Human Services (HHS) to develop a business incubator for new and emerging micro-businesses. The grant was awarded through the Office of Community Services' Historically Black Colleges and Universities. This project will provide economic opportunities and promote self-sufficiency for low-income residents of the area.

North Delta Revolving Loan Fund for small businesses:

The North Delta EC has funded 19 small businesses from its revolving loan fund. Each loan was in the amount of \$10,000. The businesses provide job opportunities and entrepreneurial opportunities for local residents. The EC's vision for a business revolving loan fund (RLF) became a reality for Quitman County, as the EC Board approved Quitman County Economic Development District as administrator for the RLF. In 1998, the business plan application process led to 15 loans, 88 percent of which were made to minorities. The total amount loaned was \$166,300, which was used for a variety of purposes from business expansion or purchasing equipment to inventory replenishments for existing businesses.

One third of the \$250,000 available was set aside for businesses going into the new business incubator located in Lambert, which will be in operation by the fall of 1999. An additional EC initiative is a new Community Training Institute, which will provide training in budgeting, grant writing, credit repair, and other issues of interest to EC residents.

Community Education and Training

Little Rock preschool program: In the Pulaski County/Little Rock, Arkansas EC, the "Success by Six" program is creating a community where children have the necessary skills to enter school ready and able to learn. The EC is partnering with 10 State and local entities and a steering committee representing more than 50 individuals or organiza-

tions. "Success by Six" features home visits by volunteer neighborhood residents who are trained as family resource advocates. For families with pregnant women or children under 6 years old, home visitors conduct assessments, determine household needs, and connect family members to community resources such as health care, social services, and educational programs. The program is working with roughly 20 families. Approximately 10 home visitors have been trained, with many more submitting applications to take part. Research has demonstrated that by reaching out to families when children are in their earliest formative stages, serious problems can be avoided in the future and less funds will be expended upon remedial education, health care, or other social costs. The program is planned as a long-term assistant for family resources.

New Orleans Safe Harbor Schools Initiative: The New Orleans EC created a "Safe Harbor Schools" initiative for educational activities in 10 sites within the community. Now in its fourth year of operation, the program is moving beyond basic survival skills to include creative learning experiences in language, arts and math. Safe Harbor Schools offered tutoring programs and enrichment activities presented by certified teachers. Offerings included computer skills and family learning events, as well as classes in conflict resolution and mediation. Four of the Safe Harbor sites are for middle and high school students. In the Algiers community, the program is focusing on out-of-school populations due to a high truancy and dropout rate, with GED preparation and career counseling being offered to 50 EC youths and students. Progress has been made in keeping students motivated by use of the computer lab and job training center, and through contact with the school's numerous partners. The project has been a success for many young people who completed their GED and job training.

With the success of Round I and the announcement of Round II in early 1999, the family of Delta EZ's, EC's, and Champion Communities enjoys great promise for future growth. The particular projects summarized above represent only a small fraction of the accomplishments, but they demonstrate how communities are meeting and in many cases surpassing the program's goals, leveraging resources and creating sustainable development. Ultimately, the success of the EZ/EC idea flows from men and women in the Delta communities who have demonstrated the commitment and hard work needed to make their vision of opportunity and revitalization become a reality.

Community Efforts to Fight Substance Abuse

In 1990 the Commission recommended that drug intervention, education, and prevention programs be improved and/or created to make local communities and schools in the Delta drug-free. Like other areas of America, the Delta continues to suffer from drug and alcohol abuse and associated problems of student failures, drug dependency, and crime. Obviously, Federal, State, and local law enforcement agencies play a crucial role in the fight against substance abuse. Many of the specific steps recommended by the Commission involved the Congress, the State and local level, religious organizations, or local school districts. The Clinton administration has pursued a variety of initiatives to promote collaboration among State, local and Federal entities. The Office of National Drug Control Policy (or ONDCP, based in the Executive Office of the President) coordinates many of these collaborative initiatives, including the following examples:

High Intensity Drug Trafficking Areas Program (HIDTA): This program encourages joint efforts among Federal, State and local law enforcement agencies to address critical drug trafficking problems that have a harmful impact in surrounding areas of the United States. Each HIDTA assesses

regional drug threats, and then designs and implements strategies to combat the threats. Nationwide this program grew from five regional programs with a \$25 million budget in 1990 to 31 programs and a \$184 million budget in fiscal year 1999. The Delta was included in this expansion: six counties in the region have been designated in three separate HIDTA programs. East Baton Rouge, Jefferson, and Orleans parishes in Louisiana and Hinds County in Mississippi are part of the Gulf Coast program; Cape Girardeau and Scott counties in Missouri are in the Midwestern program.

The Gulf Coast HIDTA was designated in 1996. The Coast serves as one of the transit and staging zones for drug trafficking, due to the 8,000 miles of coastline, extensive swamps, rivers, hundreds of small airstrips, and an intricate rail system. Funding of \$6 million in 1999 was distributed across the Gulf Coast to support State operations centers and associated task forces to disrupt drug trafficking organizations, reduce the demand for drugs, and strive for a drug-free environment in local communities.

Drug-free Communities Program: The Office of National Drug Control Policy funds community coalitions that work to increase collaboration among government, the private sector and community organizations that demonstrate a long-term commitment to reduce drug use. For example, in fiscal year 1998, the Shady Grove M.B. Church coalition of Greenville, Mississippi received \$100,000 to provide after-school and other prevention programs for local youth. This local coalition serves the city of Greenville as well as Washington, Bolivar and LeFlore counties. This grant in fiscal 1998 was funded as part of a nationwide competitive process, and the program is continuing, with another round of grants to be announced later in 1999.

The National Youth Anti-Drug Media Campaign: This campaign is one of the Office of National

Drug Control Policy's most important efforts to implement the first goal of the National Drug Control Strategy: "Educate and enable America's youth to reject illegal drugs, as well as alcohol and tobacco." This campaign disseminates drug prevention messages through television, radio, video, newspaper, Internet, and other formats. In 1997, the total Media Campaign funding for the Delta was \$3.087 million. This investment also generated significant pro-bono contributions in the form of free air time for the campaign through news and public affairs programs as well as other programming with drug-prevention as its theme.

The effort serves major media markets in the Delta such as Little Rock, New Orleans, Baton Rouge, Jackson, Paducah, Kentucky, and Springfield, Missouri. Examples of local outlets carrying Youth Anti-Drug Media Campaign messages include television stations such as WNOL in New Orleans, KDEB in Springfield, KBSI in Paducah; radio stations such as KIPR in Little Rock, WEMX in Baton Rouge and KMEX in New Orleans; and newspapers such as *The Jackson Clarion Ledger*, *New Orleans Times-Picayune*, and many others. A comprehensive school program reaches middle and high school students throughout the region. Vehicles for the school program include Weekly Reader, Scholastic, Channel One (in-school television). The overall media campaign reaches 82 percent of teachers, coaches, mentors and other people in a position to directly influence youth on an average of 3.5 times each week. Ninety percent of all teenagers see anti-drug advertising an average of 4.4 times each week.

HOUSING

HUD has worked with local communities throughout the Delta in promoting more equitable housing opportunities for moderate and low-income people. The Housing inventory contains detailed information on HUD's efforts to reduce the financial, informational, and systemic

barriers to homeownership as a part of President Clinton's National Homeownership Strategy.

HUD pursues a series of other projects for assisting moderate and low-income people, such as escrow accounts of a percentage of monthly

rent for high-end rent paying tenants to be used later for down payments on homes; Community Development Block Grant funding projects; assistance with loans; assistance for the elderly and disabled; and a variety of policies aimed at

HOUSING EFFORTS HELP REVITALIZE DOWNTOWN JACKSON, MISSISSIPPI DISTRICT

Forty years ago, Jackson, Mississippi's Farish Street district was a thriving commercial and residential area where African-American businesses and blues clubs flourished. The 125-block district traces its roots to a settlement founded by freed slaves in the 1860s.

From the 1920s through the era of Jim Crow, Farish Street was really in its heyday," says Michael Hervey, Executive Director of the Farish Street Historic District Neighborhood Foundation. "It was a self-contained community because African-Americans had no place else to go. After integration, though, many residents elected to move out and look for the American Dream in the suburbs."

Like other inner cities neighborhoods across the country, the Farish Street district experienced its share of disinvestment during the 1960s and 1970s. However, Farish Street was luckier than other inner-city neighborhoods that watched urban renewal change their unique characters. Historic buildings along Farish Street remain standing and intact. When the area received a historic district designation in 1994, its downward spiral began to reverse.

The first sign of that reversal was the Farish Street Housing Project, a \$2.5 million, foundation-initiated project that renovated 35 historic shotgun houses during 1998. The foundation is now seeking support for a \$15-million project to create an entertainment district that Hervey hopes will become a regional tourist destination.

The housing project, completed in March 1999, involved a host of partners. The National Equity Fund provided \$1.6 million from the sale of Historic Preservation Tax Credits. A consortium of local banks furnished \$600,000 and the City of Jackson gave \$175,000 from its Community Development Block Grant allocation from the Department of Housing and Urban Development.

The shotgun homes, built between 1930 and 1950, were completely gutted inside and their outside structures were retained and restored. Each home required new plumbing, electrical wiring, fixtures, and appliances. Eligible residents who qualify for Section 8 rental subsidies will be able to rent the one-, two-, and three-bedroom bungalows. After the 15-year tax credit compliance period ends, the homes will be sold to qualified buyers. For now, tenants won't pay more than 30 percent of their incomes for rent.

The project will provide much-needed housing in an area where more than half of the residential stock is vacant, substandard, or abandoned. In addition, the project already has helped the local economy by providing construction jobs for almost 60 local workers. Minority-owned firms received 80 percent of the project's business.



HOUSING EFFORTS IN DOWNTOWN JACKSON, MISSISSIPPI

eradicating racial, religious or other forms of discrimination in housing. The Commission had recommended that an additional 400,000 units of decent, affordable rental housing be provided for low-income Delta residents, and HUD reported that building permits for an estimated 310,000 such units had already been issued by 1998.

HOMELESSNESS ISSUES: An array of initiatives aimed at eliminating homelessness from the Delta. While acknowledging that this ambitious goal has not yet been achieved, addressing homelessness is one of the Clinton administration's priorities. Nationally, funding for HUD's homelessness assistance programs grew dramatically from \$284 million in 1992 to \$975 million in 1999. An innovative approach called Continuum of Care involves comprehensive and cooperative local planning to ensure the availability of a range of services—from emergency shelter to permanent housing—needed to meet the complex needs of the homeless. However, the 1990 Commission set the highly ambitious goal of eradicating homelessness by 2001. That goal has not been met.

HOUSING DISCRIMINATION ISSUES: HUD has greatly expanded efforts to enforce the Fair Housing Act. From the early 1990s to 1998, HUD secured more than \$3.2 million to compensate people who had suffered discrimination in violation of housing laws. Using its authority under the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act, HUD has investigated, settled, and when necessary prosecuted cases of housing discrimination.

RURAL HOUSING: In addressing housing problems for rural areas, USDA's Rural Housing Service assisted nearly 43,000 Delta households to buy or improve their homes. These loans for single-family housing in the region from fiscal years 1993 through 1999 came to a total of \$2.236 bil-

lion. Regarding rental housing, the 1990 Report recommended that Section 515 Rural Renting Housing and Section 521 Rental Assistance programs be expanded. Through these programs, RHS provided more than \$254 million in low-interest loans for more than 10,000 rental units in the rural areas of the Delta.

As the distressed rural counties of the Delta suffered many of the worst unemployment rates, these areas also experience many of the worst housing problems. The Housing Assistance Council reported in 1997 that people in rural areas of the Delta are more likely to live below the poverty line: 24 percent of the Arkansas rural residents lived below the level, 29 percent of the Louisiana residents, and 31 percent of the Mississippi rural residents lived below the poverty line. Yet even these statistics mask the staggering levels of poverty among the most vulnerable rural groups: for the three States mentioned above, rural African Americans in the Arkansas Delta have a 51 percent poverty rate, the African American rural poverty rate in Louisiana is 54 percent, and for Mississippi the level is 52 percent. Among all races, single-parent families with children are the most likely to be poor. Among all families, poverty rates in the rural Delta on average are approximately 6 to 9 percent higher than in urban Delta areas. African American, female-headed households in the rural Delta faced poverty rates of 76 percent in Arkansas, 79 percent in Louisiana, and 75 percent in Mississippi.

These poverty rates obviously pose serious problems for housing in the region. About 6 percent of African American households in Arkansas lack plumbing, 4 percent in Louisiana, and 6 percent in Mississippi—the averages of the entire population are almost three times superior to that rate. People in the Delta have a higher housing cost burden—defined as paying greater than 30 percent of monthly income for shelter costs. In Arkansas 42 percent of the rural house-

holds and 39 percent of the urban are cost-burdened, 47 percent of the rural households and 44 percent of the urban in Louisiana, and 44 percent of rural households and 43 percent of the urban in Mississippi. Senior citizens are especially vulnerable: 58 percent of rural elderly renters in Arkansas, Louisiana and Mississippi as a whole are cost-burdened. Thus, while some areas of the Delta have experienced some advances in housing, major populations have been left behind, especially the low-income elderly and African Americans in rural areas.

EDUCATION

While education is primarily a responsibility of State and local governments, improving K-12 education is a major priority of the Clinton-Gore Administration. During this decade, the U.S. Department of Education worked in partnership with the State and local level to help increase levels of student achievement, create greater regulatory freedom, and expand targeted funding in the Mississippi Delta region.

TARGETING OF FUNDS TO POOR COMMUNITIES: The Clinton-Gore Administration has met the Commission's 1990 goal of providing "targeted services to low-income, rural students" in the Mississippi Delta. The Department of Education - through its Title I program - provided over \$350 million in FY98 alone to high-poverty school districts in the Delta to help improve student achievement. Under the Administration's Class Size Reduction Initiative, Delta school districts received over \$50 million in FY99 to hire up to 1,500 new teachers in the early grades. The Project Star study conducted in Tennessee demonstrates the positive impact of smaller classes of 13-17 students in the early grades on student achievement, especially among poor students.

Migrant farmworkers and their children living in the Delta have also benefited from Federal funding. During the 1998-99 school year, 91 percent of the 135 migrant students who participated

in a University of Tennessee Program - supported by a \$350,000 Federal grant in FY99 - completed their G.E.D. A \$270,000 Federal grant in FY99 provides family literacy services to 120 migrant families residing in the Kentucky Delta through the Ohio Valley Educational Cooperative (OVEC). Native-American students living on reservations in the region have also received additional Federal funding. The Department of Education awarded \$177,097 in FY99 to the Mississippi Band of Choctaws to implement a tutorial program aimed at improving student academic achievement.

ACCESS TO TECHNOLOGY: The Delta region has received millions of dollars in Federal funding during the 1990s to help insure that teachers have the skills and resources to provide students with a rich educational experience enhanced by advanced technology. Four Federal programs - the Technology Literacy Challenge Fund (TLCF), Technology Innovation Challenge Grants (TICG), Star Schools and the E-rate - all target funding for technology to high-poverty regions. In FY98 alone, Delta districts in Louisiana received \$4,600,000 of the \$5,900,000 in TLCF funding allocated by the State in subgrants directly to districts. For example, St. Barnard, Plaquemines, St. Charles, and Jefferson Parishes in Louisiana received a \$425,000 TLCF grant in FY98 to provide teacher-training initiatives focused on technology-connected lessons in mathematics and language. Between FY98 and FY99, Concordia and Catahoula Parish Schools in Louisiana received over \$2,600,000 in Federal TICG funding to expand the successful Trainer of Teachers program to poor, rural school districts in order to help teachers use technology to improve student learning in core academic subjects, such as English, mathematics, and science.

INCREASED FLEXIBILITY FOR STATES AND SCHOOLS:

The increased flexibility provided to States and schools by the Department of Education has

helped bring about improved student achievement. The Commission recommended in 1990 that Congress allow "States and/or school districts to employ innovative pilot projects to educate low-income, at-risk students." Schools and districts were given greater authority to create their own reforms through the 1999 reauthorization of the Elementary and Secondary Education Act (ESEA). Due in great part to the implementation of a research-based schoolwide reform supported by Federal legislation and funding, the percentage of fourth graders in the Memphis City Public Schools scoring 'proficient' on the Tennessee Comprehensive Assessment Program (TCAP) Writing Assessment increased from 20 percent in 1996 to 34 percent in 1997. According to Memphis City School Superintendent - and 1998-99 American Association of School Administrators (AASA) Superintendent of the Year - Dr. Gerry House, "the increased funding and flexibility in Federal programs support our goal of improving student achievement by focusing resources in a coordinated way to meet the diverse educational needs of our urban, poor children."

In 1997, a pilot program called Ed-Flex granted 12 States (including Illinois) increased flexibility in decision-making on the use of Federal funds in exchange for increased accountability for improved student achievement. President Clinton signed legislation in 1999 expanding Ed-Flex eligibility to all 50 States.

MATHEMATICS ACHIEVEMENT: During the 1990s, students in the Mississippi Delta have made the greatest achievement gains in mathematics. The Commission called for all Delta students to demonstrate "competency" in mathematics and science at "grades four, eight and twelve." Results from the voluntary National Assessment of Educational Progress (NAEP) demonstrate that mathematics scores have improved this decade in the three States where a majority of the population reside in the Delta region. NAEP test scores for fourth and

eighth grade students in Arkansas, Louisiana and Mississippi improved by significant amounts between 1992 and 1996. Many schools within these three States experienced substantial improvements during this period of NAEP score increases. For example, fourth grade students at the Glen Oaks Park Elementary School in East Baton Rouge Parish, Louisiana have improved their median national percentile rank on the mathematics section of the California Achievement Test (CAT) from the 29th percentile in 1993 to the 75th percentile in 1997. The Federally funded Eisenhower Math/Science Educational Consortium has provided numerous teachers in the Delta with training aimed at improving teaching and learning. The Consortium recently funded Algebra Project training sessions for teachers in Jackson, Mississippi. Studies have demonstrated that the Algebra Project has had a beneficial impact in Jackson on student motivation and problem-solving skills.

LITERACY LEVELS: The Commission in 1990 called for a general increase in "literacy" for children and adults in the Delta. Under the Clinton-Gore Administration's America Reads Work-Study Program, the Federal government pays 100 percent of the wages of work-study students who tutor children or adults in literacy programs. Numerous colleges located in and near the Delta region take part in the America Reads program in order to help reach the President's goal of ensuring that all children can read by the end of the third grade. Federal funding has supported efforts in the Delta to improve literacy levels for both children and adults. Since instituting an innovative reading program through a \$60,000 Department of Education grant in 1994, the Portland Elementary School in Ashley, Arkansas saw average third grade reading scores on the Stanford Achievement Test increase from the 25th percentile in 1993 to the 46th percentile in 1999. Over 1,400 adult learners in five Mississippi Delta counties in Louisiana - East Carroll, Madison,

TEST SCORES IMPROVE AT NEWBERRY ELEMENTARY SCHOOL MEMPHIS CITY SCHOOL DISTRICT

The Newberry Elementary School in Memphis, Tennessee enrolls over 850 students in kindergarten through the fifth grade. Over fifty-five percent of the students at Newberry are eligible to receive free or reduced-price school lunches. Supported by Federal legislation passed in 1994 that expanded opportunities for schoolwide reforms, Newberry implemented a research-based reform model through New American Schools known as Expeditionary Learning Outward Bound (ELOB). Through adopting the ELOB model, educators at Newberry have instituted a schoolwide curriculum that centers on the purposeful, in-depth study of



TEST SCORES IMPROVE AT NEWBERRY
ELEMENTARY SCHOOL

two or three projects each year from an interdisciplinary perspective. School projects usually take students outside the school and bring the community inside the school. Students at Newberry have demonstrated dramatic improvements in writing. The number of fourth grade students scoring 'proficient' on the Tennessee Comprehensive Assessment Program (TCAP) Writing Assessment increased from 13 percent in 1994 to 79 percent in 1999. Teachers at Newberry foster a 'culture of revision' by maintaining writing portfolios for all students and providing real-life writing exercises. For example, during the 1998-99 school years, students were asked to write letters to local businesses requesting supplies to create a school garden. "When students write to business people in their own community requesting products, they are motivated by a desire to express themselves clearly and accurately," explains Newberry fourth grade teacher Kelly Douglas.

Technology has helped students at Newberry improve their writing skills. Federal funding has allowed the Newberry school and similar schools across the country to substantially increase their number of computers and Internet hook-ups. "The Internet pushed the roof off the building and collapsed the walls. Now the whole world is our classroom," explains Newberry Principal Marilyn Ingram.

Tensas, Catahoula, and Concordia - are provided literacy training and life skills by a \$330,000 matching Federal-State Adult Education grant.

The Department of Education and other advocates of improved education in the region recognize that these improvements are just a beginning, and much more progress needs to be achieved to bring all the Delta's schools up to the level of opportunity enjoyed by most Americans.

JOB GROWTH

In the six years following the completion of the Lower Mississippi Delta Development Commission's Final Report, 365,000 new jobs were created in the region, an increase of almost 12 percent. In 1993, the annual average unemployment for the entire 219-county region was 7.5 percent. (Averages over an entire year are more accurate than comparing the figures for a single month, which can contain temporary aberrations.) By 1998, the annual average unemployment had fallen almost two percentage points, to 5.7 percent. Over this period, all but 35 counties in the region experienced job growth.

Despite the general improvement in the region's employment level, many of the poorest counties still suffer from high unemployment. For example, in 1988, West Carroll Parish in Louisiana had an unemployment rate of 24.86 percent. By 1998, the annual unemployment rate for West Carroll Parish had declined by more than 10 percent, but it remained at the high level of 14.8 percent. In Arkansas, St. Francis County's rate fell from 13.4 to 9 percent from 1993 to 1998, while

Lee County's unemployment fell from 11.2 to 9.2 percent; the lower levels are still far higher than the national rate that hovered roughly in the 4.3 percent range in 1998-99. Unemployment in Williamson County, southern Illinois, fell from 12.8 to 8.2 percent. There were other rural counties that did not improve over this period. Coahoma County, Mississippi, for example, had a 10.9 percent unemployment rate in 1993, and by 1998 the level was still at 10.4 percent.

In contrast, many of the urban areas of the region enjoyed low unemployment levels in the 1990s. Pulaski County, Arkansas (4.9 to 4.0 percent), Jefferson Parish, Louisiana (6.1 to 4.1 percent), Shelby County, Tennessee (5.5 to 3.7 percent), Hinds County, Mississippi (from 5.3 to 4.1 percent) all improved to rates that were comparable or slightly lower than the national average from 1993 to 1998. Clearly, these figures show that the more rural areas in the heart of the Delta either did not participate at all in the economic boom, or their relative improvement left them at still unacceptably high levels. While problems remain in some areas of the large cities, the most urgent need for economic regeneration lies in the rural areas like West Carroll Parish or St. Francis County that continue to suffer from unemployment rates two and three times higher than the national average.

JOB TRAINING: The 1990 Commission Report emphasized that "even entry level positions now require advanced skills attainment," and therefore it is essential that Delta residents have access to the most comprehensive job training programs possible. The U.S. Department of Labor has promoted a series of job training and welfare-to-work projects that are summarized in this section. President Clinton has signed the Balanced Budget Act of 1997 and the Workforce Investment Act (WIA) of 1998, two major pieces of legislation that will have a major impact on achieving this goal:

Welfare-to-Work. Moving people from welfare-to-work is now one of the primary goals of Federal welfare policy. The Balanced Budget Act of 1997, signed by the President on August 5, helps to achieve that goal by authorizing the U.S. Department of Labor to provide Welfare-to-Work Grants to States and local communities to create additional job opportunities for the hardest-to-employ recipients of Temporary Assistance for Needy Families (TANF). This program is helping Americans make the transition from welfare and dependency to work and self-sufficiency.

In order to receive formula funds under the Welfare-to-Work program, a State must submit a plan to the Department of Labor for the administration of a grant. After the Department determines that the plan meets statutory requirements, States administer the formula funds and assure that they are coordinated with funds spent under the TANF block grant. Generally, private industry councils (or workforce investment boards) established under the Job Training Partnership Act administer the program at the local level in coordination with elected officials. Funds allocated to States are based on a formula that equally considers States' shares of the national number of poor individuals and adult recipients of TANF assistance. A State is allowed to retain 15 percent of the money for welfare-to-work projects of its choice. For every two dollars of Federal funding, States provide one dollar of non-Federal funding.

Under this program, the 25 percent of funds not allocated by formula are available for competitive grants awarded by the Secretary of Labor directly to local governments, private industry councils, community development corporations, community action agencies, and other private organizations that apply in conjunction with a private industry council or local government.

In 1998, substantial Federal welfare-to-work formula allocations were devoted to the Delta. The 45 Delta parishes of Louisiana received a total of over \$15 million in 1998. The Service Delivery Area (SDA)

including Cross, Phillips, Crittenden, St. Francis, and Lee counties in east Arkansas received over \$1.4 million, while the Southeastern SDA including Grant, Arkansas, Lincoln, Bradley, Ashley, Desha, Jefferson, Cleveland, Drew, and Chicot received over \$1.25 million. The central area including Arkansas' largest county, Pulaski, as well as Prairie, Monroe, and Lonoke counties received \$826,311. The northeastern Arkansas SDA received over \$750,000. Mississippi did not submit State welfare-to-work plans in either 1998 or 1999. The Inventory section on job training

contains an in-depth analysis of statistics on each local area in the region.

Examples of the kinds of programs designed to move people from welfare to work are much more instructive than a recitation of the dollar figures:

New Orleans Welfare-to-Work Collaborative:

Under the competitive grant part of the program, an important example was the \$5 million project awarded to the City of New Orleans for the New Orleans Welfare-to-Work Collaborative, an organ-

ization made up of more than 60 businesses, service providers and consumer representatives. This project emphasizes pay for performance and family self-sufficiency. It will provide specialized services for substance-abusing mothers and non-custodial parents of children receiving welfare benefits. The target community—in the central city of New Orleans in an Enterprise Community, New Orleans East and Lower Ninth Wards—faces a shortage of low-skill jobs that pay a wage sufficient to sustain a family. A lack of education,

inadequate transportation and childcare, and substance abuse are major problems this project will address. The Orleans Private Industry Council will establish an Employer's Information Line to provide information on the incentives to employers to hire welfare recipients. This line will also be a rapid response mechanism to solve any workplace problems in relation to newly hired workers in the program. A work center will provide job skills and educational assessments of each participant; it will work with local agencies

LINKING LIVABLE COMMUNITIES, TRANSPORTATION AND JOBS IN THE DELTA

In many areas of the Delta, small communities struggle with the challenge of finding jobs and obtaining transportation to the workplace. Some rural counties in Mississippi, for example, face a rising demand for transit due to substantial growth in the number of people commuting to job sites, as well as a growing population of senior citizens. Aurelia Jones-Taylor is a dynamic grassroots leader who has worked with the Federal Transit Administration (FTA) and other Federal, State and local organizations to promote connections between transportation and job growth. She has a master's degree in Business Administration and 25 years experience in project management.

Ms. Jones-Taylor was instrumental in implementing a series of public transportation accomplishments in the north Mississippi Delta. Through a Livable Communities Project, the FTA provided a \$100,000 grant for marketing and communications, improving transit facilities such as bus stops and shelters, and expanding access to job opportunities. Passengers have better knowledge of arrival and departure times of buses. The project helped to enhance other capital projects and leveraged funding from other agencies. "It means improved service delivery, safe and secure places where clients can wait for rides and better on-time services," says Ms. Jones-Taylor.

Another innovative transportation project was "JOBLINKS," designed to help Temporary Assistance for Needy Families (TANF) recipients in the North Delta Mississippi Enterprise Community find transportation to job sites. The project succeeded in helping to connect 279 people in rural northern Mississippi with jobs and to develop relationships with employers.

JOBLINKS was created by the Delta Area Rural Transit System (DARTS), which received \$90,000 from the Community Transportation Association of America to provide general public transit services. When Welfare-to-Work was first being implemented in Mississippi, DARTS partnered with local stakeholders to interview residents of housing projects about job readiness, need for childcare and transportation to jobs. DARTS provided vouchers for people seeking jobs, as well as free transportation for the first two weeks after they obtained employment, until the person received the first paycheck.

Ms. Jones-Taylor is Executive Director of DARTS, which was established in 1992 by the Aaron E. Henry Community Health Services Center, a private, nonprofit corporation providing primary health care services. The Health Services Center began providing rural public transit services for access to health care in the 1990s. The Federal Transit Administration (FTA) approved the transportation plan for

this project. In 1997 alone, for example, more than 130,000 one-way trips were provided, of which more than 80 percent were employment and job-training related.

Jones-Taylor pursued a strategy of obtaining funding from multiple sources. She coordinated an Innovative Financing Grant of \$290,000 from FTA to renovate an existing facility to become a Regional Transportation Center. A Rural Business Enterprise Grant of \$234,000 from USDA was used to provide matching funds and purchase buses. The Mississippi Department of Economics and Community Development also provided \$200,000 to buy vehicles. Service is provided 24 hours per day, seven days per week. The Regional Transportation center provides "one-stop shopping" services for multi-county areas. Jones-Taylor said, "The problem is moving a few people over a large distance with a little money. Without the cooperation of all transportation providers, it won't be done."

The center allows the coordination of dispatching, vehicle storage and maintenance for rural and specialized transit providers. The providers each had separate contracts with fuel suppliers, maintenance garages and service organizations; they would often provide service in overlapping areas. The new transportation coordinating center allows these transit providers to increase daily service up to 20 percent with their existing staff and equipment, while remaining within existing levels of funding.

Before these transportation improvements, many people in Coahoma and Quitman counties had to endure round-trip commutes exceeding 140 miles to the job center where they worked in Robinsonville, Mississippi. DARTS expanded public transportation from those counties to Robinsonville; in addition, the enhanced system supports the transportation needs of employees at small businesses by providing group rides to day care centers, job placement centers, and employment sites. Says Jones-Taylor, "The Livable Community grant, JOBLINKS, and the other innovative transportation improvements help rural people in the Delta make the critical transition from poverty to self-sufficiency."



A DELTA RESIDENT TAKES A DARTS BUS TO FIND WORK.

to expand transportation and childcare facilities. The program aims to move these populations into long-term employment, thereby increasing both the financial and emotional support that noncustodial parents give to their children.

Little Rock one-stop work center: Another \$5 million under the competitive grant phase of this program was awarded to the City of Little Rock for an innovative project that focuses on a "one-stop center" anchoring employment and supportive services. A unified, individualized Employment Support Plan will be developed with each client, with the goal being a connecting and focusing of services that promote sustained employment. A "whole family" approach includes job placement, employment education and training, substance abuse treatment, assignment of a personal mentor/job coach to assist with job retention, childcare and transportation assistance, and help in locating housing. The Pulaski County plan integrates "high tech" assistance based on computer-linked providers and data bases with "high touch" help from personal mentors and job coaches. This plan involves a coalition of State, Federal, university, private business, and nonprofit foundations as partners, including: Advocates for Battered Women, Goodwill Industries, United Way of Pulaski Center, Housing Authority—Little Rock, Southwest Airlines, University of Arkansas at Little Rock, and Arkansas Employment Security Department.

Hinds County, Mississippi Remedial Employment Opportunity Program (REOP): Although Mississippi did not submit a State plan and thus did not take part in the formula funding for welfare-to-work, Hinds County, Mississippi did receive a \$3,294,191 award under the competitive grant part of the program. The target community includes the city of Jackson, an Enterprise Community in an area of historically high poverty.

The project aims to address the same fundamental problems as do the New Orleans and Little Rock plans: inadequate education, poor work histories, substance abuse, inadequate transportation and childcare, and inadequate job skills. The goal of REOP is to match new workers and their need for economic self-sufficiency to area employers. Local substance abuse treatment centers, housing and other community organizations will work with private employers. The Education and Training Institute, Inc., (ETI) is a social service corporation charged with strengthening the family through self-sufficiency. ETI will manage the program in the recruitment, outreach, eligibility requirements, case management, referrals and follow-up for the Hinds Private Industry Council.

Workforce Investment Act of 1998. On August 8, 1998, President Clinton signed the Workforce Investment Act (WIA) of 1998. This new authority overhauls the job training system by repealing the Job Training Partnership Act effective June 30, 2000 and by bringing together many Federal, State and Local partners into a comprehensive one-stop service delivery system — a customer-driven overhaul that will help employers get the workers they need and empower job seekers to meet the challenges of the new century by getting the training they need for the jobs they want.

Annually, the Department of Labor allots by formula Federal job training funds to the seven States in the Lower Mississippi Delta Region. These funds may be used to provide a wide array of services based upon individual need for low-income adults and youth, welfare recipients, and dislocated workers. Governors, in turn, allocate the funds to local communities where decisions are made on who will be served from among the eligible population, and how the funds will be used to help or qualify individuals find new jobs or first jobs. State and local officials have significant flexibility regarding how these funds are

used and generally make decisions based upon the population being served and the needs of the local communities. One stop delivery systems have been developed throughout the Delta, where access to America's Job Bank and America's Talent Bank is available to all job seekers. Approximately twenty Job Corps Centers are located in the region, with more than 10,000 youth receiving residential basic and vocational training annually.

The welfare-to-work and workforce investment reforms are relatively new programs, and thus data on their effects are not complete as of yet, although the gradual increases in job growth and reduction in welfare rolls appear to be moving in the right direction. The welfare-to-work programs provide innovative new approaches to the old problems of ending the debilitating cycle of dependency and unemployment.

HEALTH AND HUMAN SERVICES

The 1990 Report placed great emphasis upon issues in the field of health and human services. In the Inventory, the Department of Health and Human Services (HHS) provides an in-depth review of Medicare, Medicaid, Temporary Assistance for Needy Families (TANF), and other major programs.

MEDICAID: Through HHS' review and revision of Medicaid plans, HHS and the Delta States have been working in partnership to maximize Medicaid coverage for eligible recipients and increasing coverage to the working poor not previously covered through State plans. Title XXI (the Children's Health Insurance Program, or CHIP) has allowed States to expand access to health care coverage through Medicaid and new State-designed insurance programs. The Department has exercised its authority under the Social Security Act to expand health care coverage.

Temporary Assistance for Needy Families (TANF) now partners with Medicaid to assure

that transitional Medicaid services are available to TANF recipients as they move from public assistance to self sufficiency. Moreover, in March, 1999, HHS agencies issued a guide to States that in part sets out opportunities the States have under the law to expand coverage under Medicaid to low-income working families. HHS will be contacting all States about these opportunities as well as reviewing how effectively they coordinate Medicaid and TANF.

HHS also reviews a series of programs for improving health care access for senior citizens, minorities, and HIV/AIDS treatment and services in the Delta. The Agency for Toxic Substances and Disease Registry (called ASTDR, this is part of the Centers for Disease Control and Prevention) has been working through the Mississippi Delta Project: Health and Environment, a partnership among Federal, State and local governments, Historically Black Colleges and Universities (HBCU), faith-based organizations, community organizations, and environmental advocacy groups in 219 counties in the Delta. This initiative includes health education, training and research. The research projects are designed as models for developing partnerships regarding environmental and public-health related concerns in the region. For example, the ASTDR has developed an Assessment Protocol for Excellence in Environmental Health that has been used in pilot projects in Arkansas and Mississippi to identify environmental hazards. In fiscal year 1999, the ASTDR will implement this protocol in Memphis, Tennessee, in collaboration with the Memphis-Shelby County Health Department and local community groups. ASTDR is also working with EPA as well as State and local health officials and environmental justice advocates on an initiative based in Memphis and other Delta areas focusing on environmental justice issues. This effort primarily involves minority and low-income people regarding environmental health issues.

HIV/AIDS: The HIV/AIDS Bureau of HHS targets medical services for unserved or underserved populations. This program involves formula grants awarded to States to improve the quality, availability, and organization of health care and support services for people living with HIV. The AIDS Drug Assistance Program provides assistance in providing HIV/AIDS medical therapies to uninsured or underinsured people. A Special Projects of National Significance Program provides funding to public and private nonprofit entities to assist in the development of innovative models of HIV care. For example, a project at the University of Mississippi Medical Center is enhancing the capacity of health care providers in rural clinics to diagnose and treat HIV by expanding the Delta AIDS Education and Training Center's capacity to provide clinical training. In particular, this project gives training for rural health care providers with a computer-based distance learning system. For areas of the highest HIV incidence, the Center makes available updated medical references, means for interactive training, and access to sources of additional HIV funding.

CHILDCARE: The Head Start program provides early childhood education to young people throughout the nation, and the Delta in particular enjoyed substantial increases in the number of children enrolled from 1990 to 1998. In Arkansas, Louisiana and Mississippi, the number of children enrolled in Head Start expanded from 41,996 in 1990 to 55,248 in 1998. Head Start in the Delta in recent years has increasingly placed emphasis on full-day, full-year models that meet childcare needs of working parents.

The Child Care Development Fund, which is the primary source of Federal funds to States, Indian Tribal Organizations and territories to assist low-income families to pay for childcare, has had a major impact in the Delta. A series of initiatives for improving childcare are now

underway. The Child Care and Head Start bureaus have launched a new training and technical assistance initiative, Quality in Linking Together: Early Education Partnerships (QUILT), which will work with State, tribal, and regional leaders to develop a strategic approach to support early education partnerships at the local level. A Head Start/Child Care Workgroup has been established to address the need for full-day, full-year services to children and families. Members from central as well as regional offices of Head Start, Child Care and QUILT are developing strategies for combining resources, sharing information on training and technical assistance. The Healthy Child Care America Campaign is a collaborative effort of health professionals, child-care providers, and families that has developed a *Blueprint for Action*, which identifies goals for childcare and suggests specific ways of achieving these goals. The Inventory discusses in detail a series of other childcare initiatives on childhood immunization, dissemination of childcare information, and related issues.

YOUTH SERVICES: The Family Youth Services Bureau provides programs that serve vulnerable youth in the Delta. The Basic Center Program provides temporary shelter to runaway youth while working to reunite them with their families when possible. The Transitional Living Program provides long-term residential, educational and vocational resources to homeless youth. This program works to keep youth from dropping out of school, and it especially focuses on helping teenage parents make the transition to work and self-sufficiency, thereby preventing them from becoming dependent on public assistance. There are two Basic Center shelters and a Transitional Living Program in Jackson, Mississippi, and a Basic Center shelter in Vicksburg, Mississippi. There are four Basic Centers in Arkansas, five in Louisiana, three in Kentucky, and Tennessee has several Centers, including one in Memphis.

TEEN PREGNANCY: Teen pregnancy decreased in the years from 1991 to the mid-1990s in the Delta, but is still too high. Arkansas and Louisiana reduced their rates of teen birth and pregnancies by a higher percentage than the nation as a whole between 1991 and 1995: Arkansas' reduction was by 7.9 percent and Louisiana reduced its rate by 8.2 percent, as compared to the national reduction of 6.5 percent. Mississippi's rate decreased by 5.9 percent. In 1995, the President created the National Campaign to Prevent Teen Pregnancy, through which HHS has developed partnerships with national, State and local organizations, private business, faith-based organizations, tribal organizations, parents and other family members, and adolescents. The goal is to build new partnerships that promote community-wide efforts to prevent teen pregnancy.

INFANT MORTALITY: Infant mortality declined overall in the 219 Delta counties during the last decade. Those counties experienced a 16.6 percent reduction in infant mortality between the aggregated average calculated for the four-year period 1986 through 1989 and the period 1994 through 1997; for those same periods, the national infant mortality rate declined by 25 percent.

For the densely populated counties of Pulaski, Arkansas; Hinds, Mississippi; Shelby, Mississippi; and East Baton Rouge, Jefferson, Orleans, Ouachita, Rapides, and St. Tammany Parishes in Louisiana, there were 12.42 infant deaths per 1,000 live births in 1990. That number gradually declined in the 1990s, falling to 10.71 in 1997 (the most recent year for which statistics are available). Thus, infant mortality rates declined by approximately 14 percent from 1990 to 1997 in these eight Delta counties.

These major population centers in the Delta still lag behind the national average, which declined from 9.22 infant deaths per 1,000 live births in 1990 to 7.23 in 1990, a decrease of 22

percent. Even more disturbing was the plight of minorities in the Delta: for example, in Mississippi, African Americans' infant death rates fell from 15.5 to 14.7 per 1,000 live births from 1989 to 1996; similar statistics for Arkansas showed a decline from 15.5 to 13.8, and in Louisiana a decline from 15.6 to 14.7. The rates for African Americans are approximately double those of whites in these three States. The rates for all people declined from 11.7 to 10.8 in Mississippi; 9.9 to 9.1 in Arkansas; and 11.0 to 9.8 in Louisiana. Despite the decreases, infant mortality rates in the Delta are still much too high.

RURAL HEALTH CARE: The Commission recommended a careful review and revision of Medicare/Medicaid reimbursements to eliminate inequities in payments to rural hospitals." The Medicaid program provides the following options:

Add-On Payment — States currently have considerable latitude in determining rates of payment in the Medicaid program. Rural hospitals receive Medicaid funding as described in their State plans. One way for a State take into account the unique position of rural hospitals is to establish within that State's Medicaid plan a methodology that specifically targets rural hospitals. Through a State Plan Amendment, a State could elect to institute a special add-on payment for rural hospitals in addition to their regular reimbursement.

Disproportionate Share Hospital Program — Another avenue of flexibility currently open to States is the Disproportionate Share Hospital (DSH) program. Within certain Federal limits, States can designate any group of hospitals as qualifying for DSH payments, including rural hospitals. States can amend their State plans to implement a DSH payment that would be geared toward their rural hospitals: the qualifications for

ONE DELTA COMMUNITY'S STRUGGLE FOR ADEQUATE HEALTH CARE

Many distressed communities in rural areas struggle to preserve access to health care. Como, Mississippi, home of the famous blues artist "Mississippi" Fred McDowell, is an underserved town in the Delta with 1,500 residents in town and 1,500 residents in the outlying country. "It's a sleepy, laid-back town that's had a little health clinic since God was a boy," says Stuart Guernsey, local administrator for the North Delta Mississippi Enterprise Community. Then, as happens in too many rural areas, the for-profit hospital that operated the clinic gave two weeks notice and left town.

This posed a huge burden for many residents. For the aged and disabled who lived far from town, the additional 10 miles to the next town was a logistical and economic burden. Many couldn't afford the \$20 it would cost to be driven there and back.

The town publicized the need to raise money to tide the clinic over to the next funding cycle. They sponsored many events, including one at the elementary school on Martin Luther King Day, and managed to raise \$10,000 in goods and services. They still needed \$20,000 to keep the clinic open for six months. Then the local people hit on a new idea: they asked the elementary school principal to have his fourth and fifth grade students to write an essay beginning, "We need a health clinic in Como because..."

Responses ranged from the touching to the hilarious. Sixty of these letters were sent overnight to Doris Barnett and Janet Wetmore of the Health Resources Services Administration, with whom Guernsey had been corresponding. Three days later he received a call. The money had been awarded. "We would probably have gotten their money anyway," says Guernsey, "but the timing of the letters was perfect and their poignancy bumped things along."

The Aaron Henry Community Health Center re-opened in April, 1998 to the delight of Como residents and students. One of the fifth grade students who wrote a letter, Ortavious Towns, expressed his gratitude by saying, "We want to thank the government for opening the clinic back up to provide health care for children and adults. I'm glad I wrote that letter."

The Enterprise Community (EC) helps the clinic with transportation for clients and publicity, as well as in bringing partners to the table in cases such as the closure. The EC also assists another clinic in nearby Crenshaw, Mississippi that has a dental office, pharmacy, and general family practice clinic. Crenshaw—like so many rural places in the Delta—is even more isolated than Como, with nearest town 15 to 20 miles away. The arduous efforts of these small towns exemplify the struggles of many Delta communities to maintain adequate health care.



NURSE MARY BURNETT CARES FOR STUDENT ORTAVIOUS TOWNS.

this DSH payment can be crafted in such a way that any uncompensated care costs incurred by rural hospitals could be met through the State's DSH program. Such an option would be feasible to the extent that these hospitals have incurred uncompensated free care and Medicaid costs, and provided that the State's DSH methodology overall does not cause the State to exceed the hospital-specific DSH payment limits or the State's statutorily-defined DSH allotment.

The Medicare program provides:

Rural Referral Centers — Rural referral centers (RRCs) were first identified for special consideration in the 1983 Prospective Payment System (PPS) legislation. Congressional intent was to recognize that, within rural areas, there were hospitals that provided care in a volume and with the sophistication of hospitals in urban areas. These hospitals serve as "referral" sites for rural physicians and other community hospitals that may lack the resources or expertise to handle cases outside the norm. Any hospital that was classified as a rural referral center (RRC) in 1991 and had since lost that status was grandfathered back into the RRC program by the Balanced Budget Act. In addition, the BBA made it easier for RRCs to get a higher wage index under PPS.

Medicare-Dependent Hospitals — The Medicare Dependent Hospital (MDH) program was reinstated by the Balanced Budget Act of 1997. The Medicare-Dependent Hospital designation was originally created under the Omnibus Budget Reconciliation Act of 1989. It provided extra financial assistance to rural hospitals with less than 100 beds that had 60% or more of inpatient days or discharges attributable to Medicare patients. Originally, the Medicare Dependent Hospital designation was set to expire for cost reporting periods ending on or before March 31, 1993. The Omnibus Budget Reconciliation Act of 1993

extended the designation until September 30, 1994, with a smaller financial benefit for MDH status. The Balanced Budget Act reinstated the MDH program for cost reporting periods beginning on or after October 1, 1997 and before October 1, 2001.

In 1998, the Balanced Budget Act provided for funding to States to help stabilize small rural hospitals, develop networks and integrate emergency medical services in rural areas. These development grants are being made under the State Rural Hospital Flexibility Program, authorized at \$125 million through fiscal year 2002. With a \$25 million appropriation for fiscal year 1999, this new grant program will help stabilize rural hospitals and improve access to health services in rural communities. Grants will be awarded to States for: (1) developing and implementing rural health plans with broad collaboration; (2) stabilizing rural hospitals by helping them consider, plan for, and obtain designation as "Critical Access Hospitals" (CAH); (3) supporting CAHs, providers and communities as they develop networks of care; and (4) helping improve and integrate emergency medical services.

Hospitals that are designated as Critical Access Hospitals will receive cost-based payments from the Medicare program. Medicare payments to all other hospitals will not change. Delta States have the option of participating in this program.

Hunger, Nutrition and Food Security

"There are others from whom we avert our sight. Some of them ... are on the back roads of Mississippi, where thousands of children slowly starve their lives away, their minds damaged beyond repair by the age of four or five."

— Senator Robert F. Kennedy, speaking in 1967 about hunger and poverty in the rural Mississippi Delta

In 1967, Senator Robert F. Kennedy riveted the nation's attention on the terrible plight of hungry people in the Mississippi Delta. As a

member of the Senate Labor Committee's Subcommittee on Poverty, Kennedy went with Marian Wright Edelman, Charles Evers and others to the poorest places in the Delta. Edelman recalled Kennedy holding children with bellies swollen from malnutrition and lamenting, "How can a country like this allow it? Maybe they just don't know." Partly as a result of the national outcry generated by Kennedy and others in that era, the hunger safety net has been strengthened

for the hungry in the Delta and other depressed areas of America: school lunch, food stamps, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the Cooperative Extension nutrition programs have become bulwarks in the fight against hunger in America. While it is no longer easy to find flagrant instances of hunger and malnutrition that existed in the 1960s, there are still many people in the Delta who do not have secure access at all

MISSISSIPPI ANTI-HUNGER PARTNERSHIP

Mississippi Anti-Hunger and Poverty project — Formed in the afternoon of the Civil Rights Movement, the Mississippi Action for Community Education (MACE) is a non-profit community development corporation that tries to break the cycle of chronic poverty and deprivation suffered by the rural poor in an 18-county area in the Delta.

A close look at socioeconomic conditions confronting African Americans in the Mississippi Delta reveals some startling statistics. One out of every five families is poor — twice the national average. One out of every two African American Mississippi children are born into poverty. The unemployment rates for people of color living in the MACE service area average 9.6 percent, with between 46.4 percent and 62.8 percent of all non-white families living below the poverty level. Against this background, MACE created its Anti-Hunger Partnership and Empowerment Program (MAPEP), consisting of a diverse group of AmeriCorps members working with action-oriented community-based organizations located throughout the Delta.

MACE has attempted through intensive research and collaboration efforts with various social service agencies, community-based organizations, empowerment zone initiatives, and government entities to develop a strategic plan and set of objectives that build upon each other. The anti-hunger program targets the counties of Humphreys, Washington, Sharkey/Issaquena, Madison, Tallahatchie, and Quitman. A major part of MACE's service area is located within the Mid-Delta Empowerment Zone (MDEZA) and the North Delta Enterprise Community (NDEC). The objectives of MAPEP are food stamp outreach, nutrition outreach, sup-



SHERRY KING, A MAPEP MEMBER IN MARKS, MISSISSIPPI (ASSIGNED TO THE QUITMAN COUNTY DEVELOPMENT ORGANIZATION) DISPLAYING VEGETABLES GROWN IN THEIR COMMUNITY GARDEN.

times to a high-quality, reasonably affordable food supply.

The more subtle, but nonetheless serious problem of hunger and food insecurity in the prosperous world of the 1990s confronts the basic dilemma Kennedy regretted three decades ago—the reality that many prosperous Americans are unaware that so many people, especially children, often go to bed hungry in underdeveloped areas like the Delta. The Commission in 1990 rec-

ognized the importance of these nutrition programs. Vice President Al Gore has attempted to address this issue, working with U.S. Department of Agriculture Secretary Dan Glickman in convening the 1997 National Summit on Food Security to awaken public consciousness about this persistent problem. The Vice President has emphasized the need for supporting the bedrock anti-hunger programs such as school lunch, WIC, and food stamps. The Vice President endorsed

port for local food pantries, and growth of Summer Feeding and School Breakfast Programs.

During 1994-95, MACE sponsored a food stamp outreach program through a grant sponsored by USDA. MACE was instrumental in identifying and enrolling thousands of low-income and/or elderly people living in rural areas of the Mississippi Delta region who were eligible for but not receiving benefits. The members use direct door-to-door contacts with program-eligible residents within the target counties plus other areas in need, and provide other appropriate technical assistance, transportation, and related services to connect residents with food stamp benefits.

MAPEP AmeriCorps members promote nutrition and food safety among low-income families and elderly residents. This consists of community outreach including workshops held at senior citizens' facilities, faith-based organizations, schools, recreational centers and in-home visitations. MAPEP AmeriCorps members also provide referrals on behalf of elderly residents to such programs as Meals on Wheels, elderly nutrition centers, and church-sponsored feeding programs. Where necessary, the AmeriCorps members make every effort to provide transportation for these residents. The members work with local extension agencies, specifically with their nutrition experts, to sponsor workshops in the counties served by MACE.

Despite efforts to provide adequate, nutritious food supplies to poverty-stricken residents of the Delta, many obstacles still inhibit this process — low wages, long distances to major grocery stores, poor transportation, and inadequate education. In 1998-99, nine community gardens and three food pantries were set up, with more than 50,000 pounds of food distributed. MACE also works with six local school districts to support expansion of the Summer Food Service Program and the School Breakfast Program. These are important supplements to the school lunch program. Educational research studies have amply demonstrated the importance of a healthy breakfast for students to learn.

MACE followed the principle that community self-help efforts are most effective when all segments of the community participate. Its local affiliates, located throughout the Delta, have extensive histories of providing direct services for the social and economic interest of rural residents, who comprise 95 percent of their membership. Placing MAPEP AmeriCorps members with the affiliates gave the program immediate acceptance among those it seeks to serve.

Melvina Carter of Hollandale, Mississippi stated her appreciation for this grassroots anti-hunger effort by saying, "Before I started getting food from MAPEP, we could hardly make ends meet. We had to use extra money to pay the electric bill, but now we get cheese, powdered milk, margarine and a lot of other stuff that we couldn't afford."

the efforts of USDA and other Federal agencies to work with private anti-hunger institutions to expand field gleaning activities to provide food for the hungry, and to increase the amount of food rescued from being thrown away and given to food banks and similar organizations. President Clinton signed the Good Samaritan Act, which reduced liability concerns for good faith donors of food to anti-hunger organizations. The Lower Mississippi Delta Nutrition Intervention Research Initiative and other anti-hunger organizations have played an important role in the quest to promote adequate nutrition in the region.

The 1990 Commission specifically recommended that residents of the Delta should have access to health education programs, of which food security is a vital part. As an example of research on the food security issue, USDA's Economic Research Service Geographic Information System (GIS) analyzed access to grocery stores in the Delta. The analysis combined data on the location and sales of grocery stores by postal ZIP code, with the location of all consumers, as well as consumers with incomes below the poverty level. The analysis demonstrated that substantial areas in the region are underserved by grocery stores, leaving substantial numbers of residents with little access to stores offering a wide variety of food at reasonable distances.

In response to the nutrition needs of the Delta, USDA joined with community leaders and nutrition experts in the region to form the Lower Mississippi Delta Nutrition Intervention Research Initiative. The mission of this Initiative is to evaluate nutritional health in the Delta, and to help develop successful strategies for addressing nutritional problems on a larger scale. Participating institutions include Alcorn State University, Arkansas Children's Hospital Research Institute, Southern University, University of Arkansas at Pine Bluff, and the

University of Southern Mississippi.

The Delta Nutrition Intervention Research Initiative completed a survey of 36 Delta counties and parishes in Arkansas, Louisiana and Mississippi on nutrition and health problems, community resources available to address them, and other community-based food security issues. The Initiative completed a "Foods of Our Delta Survey" that studied collection of dietary intake data and pilot projects on food security, health preferences, and food assistance programs. The Initiative continues to pursue ongoing nutritional research projects, as part of the overall effort to expand public awareness of the persistent problem of hunger and inadequate nutrition, and to develop sound models to address those problems.

Despite the progress on some issues, problems persist in the health and human services arena, particularly in providing appropriate services to low-income and minority Delta residents. HHS and its local, State, and private partners are committed to building upon the accomplishments made thus far in the 1990s to bring equal opportunities in health and human services to the people of the Delta.

Environmental, Natural, and Physical Assets

TRANSPORTATION

"The Mississippi Delta is the crucible of Southern culture. Its celebrated Highway 61 crosses the historic landscape of the Native American settlements, slave plantations, blues juke joints, civil rights scenes, agribusiness, third-world poverty and settings from the fiction of Richard Wright and Tennessee Williams. These diverse worlds offer a unique portrait of both the American South and our Nation."

— William Ferris (now chairman of the National Endowment for the Humanities), writing in *Encyclopedia of Southern Cultures*, 1989

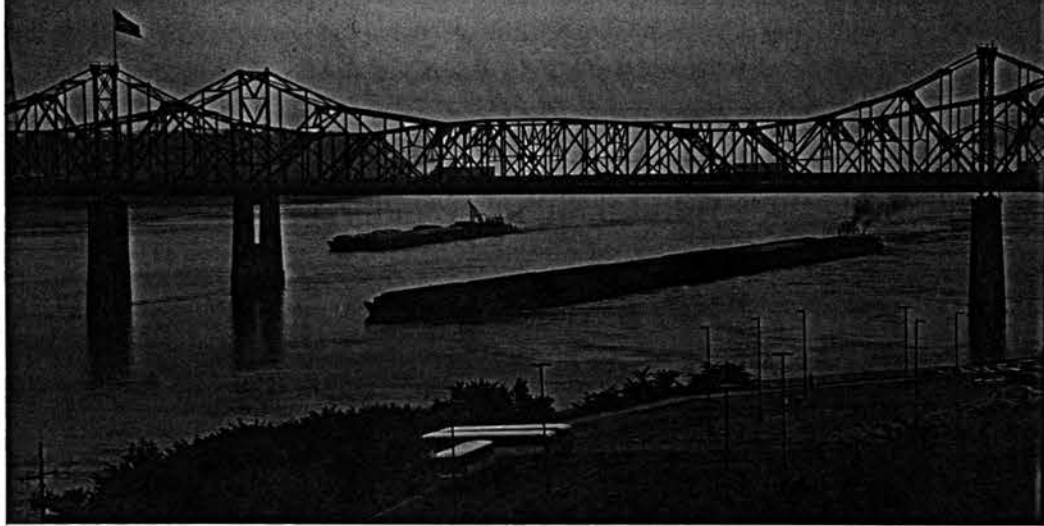
Transportation is crucial to the achievement of the Commission's goals. Transportation allows people to reach health care facilities, jobs, markets, tourist sites, and educational institutions. It helps businesses prosper by providing access for workers and customers, and it helps farmers get their produce to market. It is, as Secretary Rodney Slater says, "the tie that binds." As previously mentioned, in the six years after Governor Clinton submitted the 1990 Report, 365,000 new jobs were created in the Delta, an increase of almost 12 percent. In the period from 1993 to 1998, overall regional unemployment fell from 7.5 to 5.7 percent. Advances in the region's transportation system played a crucial role in this economic development.

The Commission's 10-year goal was an improved system of limited access highways, airports, and rail and port facilities in order to promote economic expansion and growth. More

than 70 of the Commission's recommendations were related to what it described as the creation of a "Delta Transportation Network."

The Commission made several general highway recommendations, beginning with one urging that Congress and the President should release funds currently being held in the Highway Trust Fund. Highway Trust Fund investment in highways and transit was increased dramatically by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century of 1998 (TEA-21). ISTEA authorized \$151 billion over six years for highway and transit programs while TEA-21 went one step further. The 1998 act created new budget categories for highway and transit discretionary programs, establishing a budgetary firewall between the transportation programs and other domestic discretionary spending. As a result, TEA-21 guaranteed a spending level of \$198 billion over six years. In addition, TEA-21 increased to 90.5 percent the minimum annual return on contributions to the Highway Trust Fund for every State. The Delta region States are expected to receive additional Federal transportation funding through this provision.

THE GREAT RIVER ROAD: Another major recommendation Stated that Congress should prioritize funding for the Great River Road and immediately provide funds for its completion. Individual States are using the flexibility established in ISTEA to fund improvements to the Great River Road and for scenic easements, historic preservation and other projects. For



TRANSPORTATION ALONG THE GREAT RIVER AT VICKSBURG

example, in Arkansas since 1990 about 120 miles of improvements, including easements, historic preservation, highway reconstruction, highway resurfacing and major widening, have been completed at a cost of about \$140 million.

AVIATION: The Federal Aviation Administration (FAA) provided approximately \$48 million to airports in the Delta for the Airport Improvement Program (AIP) between 1993 and 1999. Federal legislation authorizes the Secretary of Transportation to make project grants for airport planning and development under the AIP to maintain a safe and effective system of airports. Eligible projects under the AIP include airport system and master plans; construction, expansion or rehabilitation of runways, taxiways and aprons; items needed for safety or security; navigational aids; land acquisition; noise control; and limited terminal development.

RAIL SERVICE: The Department of Transportation has engaged in a series of rail service improve-

ments in the region. For example, in November, 1998, Secretary Slater announced the designation of the Gulf Coast High Speed Rail Corridor linking New Orleans with Baton Rouge and other cities in the South. Under TEA-21, this Corridor received approximately two million dollars in earmarks for high-speed rail development and grade crossings.

COMPLETION OF COMMISSION'S TRANSPORTATION PROJECTS

The heart of *The Delta Initiatives* transportation recommendations consisted of a detailed inventory of transportation improvements for the highways, aviation, maritime, and rail network of the Delta. Probably no other area discussed in the 1990 Report contained such a large number of highly specific recommendations; and there is probably no area that now displays as many successful completions of those recommendations. These efforts were led by the Department of Transportation, with important contributions by the Army Corps of Engineers and other agencies. The Corps, DOT, Commerce

and other agencies contributed substantial Federal investments in the area of maritime transportation. For example, Commerce funded feasibility studies for port facilities in seven communities of Louisiana alone. The Corps completed over 30 navigation projects along the Mississippi River, while DOT completed numerous maritime transportation projects throughout the entire region. The great majority of the nearly 70 specific recommendations for all modes of transportation in the original report have either been completed, or significant progress has been made in completing them. These transportation projects have provided a powerful impetus to improving the quality of life and economic development in the region.

AGRICULTURE

The 1990 Report recognized the major importance of the agricultural sector in the Delta. Adequate credit must be made available to high-risk farmers, and the Report generally emphasized the need for helping minority or limited-resource farmers who are troubled by small acreage and limited capital. The Commission urged more attention to direct marketing and other alternative marketing methods, and the development of sustainable agriculture. USDA under Secretaries Mike Espy and Dan Glickman inherited a problem of discrimination against minority farmers by USDA in the past, and while they have acknowledged the terrible plight of African American farmers and how much remains to be done to alleviate this problem, they have changed policies at the Department and promoted greater attention to the problems of

TRANSPORTATION AND TOURISM-RELATED PUBLIC INVESTMENTS PROMOTE PHILLIPS COUNTY

Transportation projects and public investments related to promoting the tourist industry served as a catalyst for economic development in Phillips County, Arkansas in the 1990s. Important improvements included:

1990—Resurfacing and road rehabilitation projects were begun on more than 32.4 miles of State highways connecting population and production areas.

1990—The Delta Cultural Center, a museum with exhibits on the culture and landscape of the Arkansas Delta, opened in Phillips County.

1991—The Arkansas General Assembly approved a highway improvement program that included substantial capacity improvements for Phillips County.

1993—Stage I of the new Helena Slackwater Harbor was finished and Stage II was begun. The harbor will facilitate the transfer of bulk goods (particularly agricultural goods) between highway and water transportation.

1994—The King Biscuit Blues Festival, begun in 1986, had a record success. Attendance at this festival, an annual tourist event held in downtown Helena, grew from 15,000 to 80,000 in less than a decade. Attendance continued to be high through the late 1990s.

1995—Developments continued on the Helena Riverwalk, an elevated boardwalk with a view of the Mississippi River. Site visits for passengers on the Mississippi riverboats, and the Lexa-to-McGehee bicycle and pedestrian trail (acquired partly with transportation enhancement funds) enlarged the county's scope for tourism.

1995—Further transportation improvements consisted of widening, reconstruction, and resurfacing were developed for about 32 miles in the county.

1995—Contracts were let for seven miles of new railroad construction to provide rail access to the slackwater harbor and for a 16-inch water line to serve industrial tenants. Construction began for a new road to the north end of the slackwater harbor.

1995—The first tenant for the slackwater harbor was announced and appropriate site construction began. A new plant was located in the industrial park adjacent to the slackwater harbor.

minority and limited resource farmers. USDA attempted to reverse policies of the past that had discriminated against small and minority farmers, and such programs as farm credit for socially disadvantaged farmers were expanded. In the Clinton administration, USDA has devoted tremendous attention to the task of improving the plight of the small and minority farmer.

MARKETING FOR MINORITY AND LIMITED RESOURCE FARMERS: During the 1990s, USDA increased its efforts to promote farmers' markets and other direct marketing initiatives to assist limited resource farmers. Secretary Dan Glickman pursued a series of objectives recommended by the National Commission on Small Farms in 1997-98, including promotion of better marketing for the roughly 94 percent of America's farmers who are in the medium to small range in size.

USDA conducted a series of marketing feasibility studies and other technical assistance were provided to farmers' markets in the Delta. Marketing initiatives for aquaculture, for farmers seeking to change from tobacco to other crops, and other alternative agriculture projects were assisted. The Women, Infants and Children (WIC) Farmers' Market Nutrition Program greatly expanded in scope from 1993 onwards. The WIC farmers' market program simultaneously creates a new market for small fruit and vegetable farmers while promoting better nutrition for nutritionally at risk women, infants and children. Missouri, Illinois, Kentucky were part of the program before 1998, and Arkansas and Mississippi joined the WIC Farmers' market program in 1998; the Delta is the center of activity for this program, because the region contains large concentrations of produce farmers as well as WIC clients. In addition, the Foreign Agriculture Service has conducted a new series of policies designed to include small farmer cooperatives in farm export trade opportunities.

COOPERATIVES' ASSISTANCE FOR SMALL FARMERS: In other initiatives addressing the Commission's concern for limited resource farmers, USDA promoted its programs for assisting cooperatives, which are ideal mechanisms for addressing low population densities, smaller markets, and higher service costs. USDA's Rural Business Cooperative Services funded 25 technical assistance projects in the Delta, and conducted a series of projects with 1890 land grant institutions.

SUSTAINABLE AGRICULTURE: The Commission urged Congress and USDA to support a stable, sustainable, agriculture, which is profitable yet preserves the environment. On this subject, USDA has formed the Sustainable Agriculture Research and Education program (SARE). SARE has pursued a variety of projects in the Delta aimed at promoting value-added enterprises, sustainable forestry practices, and environmental research projects. The Delta will also benefit from President Clinton's Executive Order of August 12, 1999 creating a national initiative to accelerate the growth of bioenergy, which is the use of biomass (organic matter) to produce electricity, transportation fuels such as ethanol, or chemicals. Corn has long been used to produce ethanol, and the technology is improving for using rice straw as a viable biomass resource.

THE FARM CRISIS: The Delta is one of the most prolific agricultural regions in America. Annually the region's farmers produce huge quantities of cotton, rice, soybeans, and many other agricultural products. USDA assists the Delta's farmers in their vital efforts to provide the food and fiber essential for America's livelihood. However, in the late 1990s, farmers in the Delta suffered from a national and international crisis in agriculture. Federal relief for farmers emerged in the summer of



1999, and this legislation and the farm crisis will be a vital part of the dialogue in the listening sessions and the recommendations for the future.

INFRASTRUCTURE

The Commission recommended that local infrastructure, such as adequate water and sewer systems, telecommunications, electricity and natural gas, rural health care, public safety and other projects were essential in the quest for greater economic development and improved quality of life. The Commerce Department, HUD, and USDA's Rural Development brought numerous infrastructure projects throughout the Delta. For example, from 1993 to mid-1999, EDA provided over \$114 million in assistance. The total funding for Rural Development's Rural Business Programs, Community Facilities, and Water & Waste programs amounted to approximately \$858,224,000 for the period from 1993 to mid-1999.

WATER AND WASTE PROGRAMS: The water and waste programs provided a sound water supply and improved water and waste disposal systems in many rural areas. EPA's Clean Water and Drinking Water State Revolving Funds (CWSRF and DWSRF) are providing millions of dollars in low-cost financing for a broad range of infrastructure projects, including the construction or improvement of wastewater treatment plants, management of stormwater and sewer overflows, and implementation of polluted runoff control projects. In addition, they are providing financing for the installation, upgrading, or replacement of water infrastructure to ensure that systems provide drinking water that meets all public health standards. In recognition of the special needs facing small systems, a minimum of 15% of the funds available through the DWSRF must go to systems serving under 10,000 persons. Also, to assist rural communities where even a low-interest loan may not be affordable, States have the option of providing additional subsidies

to disadvantaged systems through their DWSRF, including forgiveness of principal and extended loan repayment terms.

USDA's Rural Utilities Service provided \$287,945,936 in loans and \$217,664,431 in grants for water and waste services. In addition to financial assistance, Rural Development provided extensive technical assistance through engineers and other USDA personnel. Many of the areas served were previously burdened by inadequate or nonexistent infrastructure, as well as deficiencies in organizational structure and management needed to obtain financing. The quality of life in many areas has been substantially improved by provision of sewer, water and other services in the 1990s, although many other rural areas in the region still lag behind in infrastructure. Rural Development continues to receive a large number of applications for these types of funding.

ENERGY SUPPLY AND DELIVERY: Assuring an adequate, reliable supply of electric power to the Delta is crucial for the economy. Industry will not locate new businesses and factories without reliable power. The Department of Energy (DOE) and the Rural Utilities Service pursue a variety of programs for supporting electric infrastructure. DOE conducts numerous research and grant programs that support this critical infrastructure, benefitting public and private utilities, universities, small businesses, farms and families. Three modern nuclear power plants are located in the region: Riverbend in West Feliciana Parish, Louisiana, Waterford in St. Charles Parish, Louisiana, and Grand Gulf in Claiborne County, Mississippi. These plants produce large amounts of electric power—over a third of the region's entire electricity supply—without emitting noxious fumes displacing tons of greenhouse gas emissions. The emissions associated with acid rain and global climate change are not emitted from the region's nuclear power plants, thereby maintaining economic development without damaging air quality.

Beginning in fiscal year 2000, the Department of Energy's Nuclear Energy Plant Optimization (NEPO) program will work with utilities in the Delta and elsewhere to develop new technologies to assure that these economically vital power plants to continue supporting sustainable, environmentally responsible economic growth well into the 21st century. The Department of Energy also works with the region's universities, in cooperation with local electric utilities, to provide research and technology development. This year a new grant was awarded to Louisiana State University. DOE's nuclear technology program provides substantial support to Historically Black Colleges and Universities (such as Southern University and Xavier University in Louisiana, Tennessee State University, and others) in the form of grants and scholarships.

RURAL ELECTRIC POWER: The Rural Utilities Service (RUS) plays an important role as a Federal credit agency, providing financial assistance and technical guidance for rural utilities. RUS is the successor to the Rural Electrification Administration (REA), which was formed in 1935 at a time when only 10 percent of the nation's rural homes had electricity. The agency makes loans for construction of distribution lines, transmission lines, generating plants and related facilities so that they can provide electric service to rural areas at affordable costs. RUS makes the loans primarily to rural electrical cooperatives, nonprofit associations, and public utilities. Borrowers repay the loans with interest from their operating revenues. The electric projects contribute to job creation and encourage small business, farming and retail establishments in the region. The projects are far too numerous to list in their entirety, but to give two examples:

- Woodruff Electric Cooperative Corporation, Forrest City, Arkansas: Woodruff Electric Coop received RUS loans for investments in electric

infrastructure for projects that had created several hundred jobs by mid-1999, with estimates of total job creation over the period of the loans estimated at approximately 900 jobs by the fall of 2001. Through the aid of the Statewide electric cooperatives association, Woodruff was instrumental in recruiting several major industries to counties with endemic poverty, including Cross, Lee, Monroe, St. Francis, Woodruff, Prairie, and Phillips counties.

- Southwest Tennessee Electric Membership Corporation, Brownsville, Tennessee: This coop engaged in numerous infrastructure projects in eight western Tennessee counties during the 1990s. Approximately 4,000 jobs were generated by investments in electric power involving RUS loans. Loans included one for more than \$2 million to clients in Haywood (part of the Fayette/Haywood Enterprise Community), as well as \$1,433,958 for Lauderdale County and \$1,145,000 for Hardeman County. The agency makes substantial loans to "outmigration" counties—where more people are leaving than coming into the county.

TELECOMMUNICATIONS, HEALTH CARE AND DISTANCE

LEARNING: Rural Development provided first-time telephone service to thousands of rural residents, while more than 77,000 residents received improvements in the form of upgraded telecommunications infrastructure. The Rural Utilities Service provided a total of \$298 million from fiscal years 1993 through 1999 for electric, telecommunications, and distance learning. USDA's Distance Learning and Telemedicine program combined improvements in access to health care and educational opportunities in the health care field for approximately 800,000 rural residents of the region.

USDA's Rural Development invested a total of \$3.39 billion for infrastructure, housing and business development projects in the Delta from

1993 to 1998. However, mere dollar figures do not themselves tell the story of accomplishments or deficiencies. Community development leaders increasingly stress the importance of embracing a comprehensive approach that takes into consideration all phases of an area's social, educational and economic life. As discussed in the Community Development section, the Empowerment Zones, Enterprise Communities and Champion Communities have promoted business and industrial development in their communities, and they provide an effective model for community development. These activities, in addition to those of SBA, RBS, Commerce, as well as State and local entities, have promoted private sector development in the region. Yet it is painfully clear that in some areas of the Delta, the impact of the economic recovery has not been experienced, and the region as a whole has not participated fully and fairly in the prosperity of this decade.

ENVIRONMENT AND NATURAL RESOURCES

The Commission recognized the importance of protecting and enhancing the vast natural resources of the Delta while improving the quality of life and economic viability of local communities. The Commission focused on a variety of concerns about natural resources, including wetlands, water quality and quantity, air quality protection, and other environmental issues.

The Environmental Protection Agency and the Departments of Agriculture, Commerce, the Army Corps of Engineers and other divisions of the Department of Defense, and Interior have partnered with tribal, State, and local governments, as well as with the private sector, to achieve the Commission's goals. These collaborative efforts have resulted in a wide spectrum of accomplishments in the areas of environmental protection, water and air quality improvements, waste management, wetland quality and quanti-

ty, habitat preservation and restoration, forestry and minerals management, environmental outreach and planning, and support of local empowerment efforts. A total of approximately 300,000 acres of wetlands were protected, enhanced or created by the various wetlands programs, including the Wetlands Reserve Program. In addition, by the end of the decade a total of 2 million acres were enrolled in the Conservation Reserve Program (this program is discussed below; it had begun before the 1990s and was expanded during the decade.) The following examples highlight the Clinton Administration's achievements in these areas.

A FAIR, FLEXIBLE AND EFFECTIVE FEDERAL WETLANDS

POLICY: Following years of controversy over wetlands regulatory policy, the Clinton-Gore administration established a policy in 1993 that provides increased regulatory certainty for private landowners while protecting wetlands. This bold Administration action has substantially reduced the controversy over wetlands. Highlights include the use of a single, widely acceptable, wetland delineation procedure that all Federal agencies use, establishment of an administrative appeals process, and rules ensuring that certain prior converted croplands are not subject to wetland regulations.

PROTECTING AND RESTORING FRESHWATER WETLANDS AND BOTTOMLAND HARDWOODS:

Through land acquisition, reforestation, conservation easements, and partnerships with public and private landowners and conservation agencies, freshwater wetlands and bottomland hardwoods were restored and protected throughout the Delta. Federal agencies are collaborating with various groups on projects in Louisiana, Mississippi, Tennessee, and Kentucky. About 22,000 acres of wetlands have been restored on National Wildlife Refuges, in addition to more than 150,000 acres restored in cooperation with



Photo courtesy U.S. Fish and Wildlife Service

BOTTOMLAND HARDWOODS IN YAZOO NATIONAL WILDLIFE RESERVE

private landowners and State agencies. In addition, an extensive database has been compiled that is of wide practical value for wetlands and environmental issues.

THE WETLAND RESERVE AND CONSERVATION RESERVE PROGRAMS:

By the end of 1999, nearly 300,000 privately owned wetland acres will be voluntarily enrolled in the Wetland Reserve Program, which is aimed at restoring wetlands on marginally productive agricultural land. Expanding wetlands enrollment is one of the key actions in the Clinton-Gore Administration's Clean Water Action Plan. The financial benefits of the Wetland Reserve Program, including permanent and long-term easements and alternative sources of income in the form of hunting and other recreational leases, have enabled landowners to reduce their debt and stay on their land while restoring wetlands on a voluntary basis. In addition, privately-owned acres throughout the Delta are also currently enrolled in the Conservation Reserve Program, which encourages voluntary enrollment of highly erodible land, cropland wetlands, wildlife habitat, and wetland restoration acres to ensure protection from erosion

while improving water quality and wildlife habitat. Approximately two million acres are currently enrolled in the Delta.

RESTORING COASTAL WETLANDS: Federal agencies have been active in the protection and restoration of Louisiana's coastal marshes and swamps, which have been disappearing at the rate of 25 to 35 square miles per year. Since 1991, more than 90 coastal wetlands restoration projects have been undertaken to protect, restore or create as many as 80,000 acres of coastal wetlands. The 74 active projects will protect, restore or create about 64,400 acres of coastal wetlands.

REDUCING POLLUTION THREATS TO NATIONAL WILDLIFE REFUGES:

Restoration of wetlands and shallow water areas on former agricultural lands through Interior programs as well as USDA habitat restoration programs have reduced pollution threats to National Wildlife Refuges in the Lower Mississippi Valley.

PROTECTING AND IMPROVING WATER QUALITY AND QUANTITY:

Efforts to protect water quality in the Delta region continue to progress on many fronts, with Federal, State, public and private partners working together. More than 35,000 acres of riparian buffers have been installed, and multiple polluted runoff control projects have been implemented. Best Management Practices to help reduce agricultural runoff have been evaluated for most commodities produced in the Delta. Freshwater diversions and barrier island restoration projects are also on-going in the Delta to enhance marshlands. In addition, a series of ground water projects addressing withdrawal and recharge issues are being conducted to evaluate future demand and availability of water, including studies on the Mississippi River Valley

PRESERVING THE DELTA'S NATURAL RESOURCES

The lower Mississippi River valley has lost more than 85 percent of its bottomland hardwood forests over the last 50 years. Now, actions are being taken on public and private lands to reverse the downward slide, and to grow new forests.

On and around Yazoo National Wildlife Refuge in Mississippi, 14,000 acres have been replanted since 1989. In 1999 alone, almost 5,300 acres were planted with bottomland hardwood seedlings, including a variety of oaks such as Nuttall, willow, water and cherry bark, as well as ash, cottonwood, sycamore, persimmon, sweet pecan and sugar berry. This extraordinary effort involved the Yazoo National Wildlife Refuge, the Mississippi Department of Transportation and some private landowners. Boy Scouts, Girl Scouts, and other volunteer groups planted 1.5 million seedlings in a three-month period.



Boy Scouts assisting in the U.S. Fish and Wildlife Service's volunteer project in reforestation, near Yazoo National Wildlife Refuge in Mississippi.

"This land, like a lot of the soybean land, should never have been cleared. Three out of five years it's wet, and we have a vested interest to control and manage for duck hunting. The next natural step was to restore the high ground to trees. We are looking forward to having deer hunting there."

— David Coon, Wetland Hunting Club in the Mississippi Delta

These newly-forested wetlands benefit many wildlife species — black bears ... white-tailed deer ... wood ducks, mallards and other waterfowl ... shorebirds ... and migrating songbirds. Efforts such as this will go a long way in restoring much needed habitat for wildlife and a place for people to enjoy for generations to come.

Alluvial Aquifer in eastern Arkansas — one of the major agricultural areas in the nation — as well as the Sparta aquifer in Arkansas and Louisiana, a major source of water for public and industrial needs.

MISSISSIPPI RIVER/GULF OF MEXICO NUTRIENT TASK FORCE. Scientific investigations in the Gulf of Mexico have documented a large area with oxygen levels so low that most aquatic species cannot survive. A coalition of Federal and State agencies have banded together to assess the

causes and consequences of this Gulf "dead zone," and to develop strategies for reducing nutrient loads in the lower Mississippi Delta, which are thought to be the predominant cause of the oxygen depletion. While the focus of the assessment is on hypoxia in the Gulf of Mexico, the effects of changes in nutrient concentrations, loads, and ratios on water quality conditions within the Mississippi-Atchafalaya riverine systems is also addressed, and the Task Force has become a major force for addressing overall water quality issues in the Gulf.

REMEDIATION, RECLAMATION, AND REDEVELOPMENT:

Remediation and reclamation activities in the Delta region include Interior's rural abandoned mine program, which has reclaimed two-thirds of the 22,000 coal mine acres in the Delta. In addition, several Brownfields Assessment Demonstration Pilots are being conducted to provide a cleaner environment, new jobs, and an enhanced tax base. These goals are achieved by addressing abandoned or under-utilized industrial and commercial facilities, the expansion or redevelopment of which are complicated by real or perceived environmental contamination.

ENVIRONMENTAL EDUCATION AND OUTREACH:

Federal and State agencies and private organizations worked together to empower communities, and increase environmental education and regional awareness in the Delta region. Activities included efforts to increase public awareness of chemicals released into the air and water, medical testing on the impact of the pesticide methyl parathion, and funding of the Centers for Children's Environmental Health and Disease Prevention Research to provide community-based prevention and intervention projects.

ENVIRONMENTAL JUSTICE:

Federal agencies helped provide community training, infrastructure development, data collection and dissemination, community clean-up projects, children's health initiatives, business start-ups, strategic planning, and cooperative business ventures in low-income and minority communities through the Environmental Justice Program, various rural assistance programs, and other activities.

AMERICAN HERITAGE RIVERS INITIATIVE:

The Lower Mississippi River was designated as one of fourteen American Heritage Rivers, with segments along Memphis, Tennessee, and between Baton Rouge and New Orleans, Louisiana. The local communities that nominated their stretches of

the river have identified environmental priorities linked to reclaiming lands for people and wildlife, including wetlands protection, brown-fields redevelopment, and riverfront redevelopment. Several Federal agencies, including the National Park Service, Environmental Protection Agency, Army Corps of Engineers, Fish and Wildlife Service, National Marine Fisheries Service, and U.S. Geological Survey are working with local community groups to protect natural and wildlife amenities, preserve historic sites, develop tourism opportunities, and enhance greenways along the river.

Federal agencies have been active in the Delta in many ways. The Administration continues to work with local, State, and private partners in addressing the remaining challenges in the field of the environment and natural resources.

Business and Industrial Development

A variety of job creation and retention initiatives, welfare-to-work projects and other initiatives have been promoted in the Delta. The Small Business Administration (SBA), USDA's Rural Business Services and the Department of Commerce especially contributed regarding these issues. This section of the report concludes by addressing tourism, which has great potential not only for promoting economic development but also for preserving the Delta's profound cultural, musical and literary heritage.

In 1990, the Lower Mississippi Delta Development Commission noted that "the central challenge facing the Delta is the challenge to develop a strong business and industrial sector that will enable the region's economy to be one of growth and vitality...." Using innovative methods, such as "circuit rides," SBA's field offices and resource partners located throughout the region are conducting extensive outreach activities to the Delta's small business community. Activities focus on informing small businesses about available financing programs and about training and technical assistance resources.

ACCESS TO CAPITAL: Since 1990, the SBA has reemphasized existing programs and streamlined procedures to make it easier for small businesses to gain access to capital. For instance, since 1990 SBA's 504 program (offering fixed rate financing on purchases that also serve a public purpose) has made \$1.2 billion in loans through 41 lenders operating in the region. SBA has also developed new programs. For example, in 1991 the Microloan Program was established. It was

inspired by a community-lending program in Pine Bluff, Arkansas. The Microloan Program serves the Delta's smallest businesses and as many as 14 intermediary lenders in the Delta have provided over 1,000 SBA funded microloans. These have been powerful engines for retaining and creating jobs.

New resources, such as the Mid-Delta Enterprise Community's One Stop Capital Shop in Itta Bena, Mississippi and Women's Business Centers in Alabama, Arkansas, Kentucky, New Orleans, Louisiana, Mississippi, Missouri and Tennessee were created to help small businesses obtain the financing and technical assistance critical to building a successful small business.

SBA also helps families and businesses of the Delta during times of disaster. SBA's Disaster Assistance Program provides Federally funded assistance for funding long-range recovery. Between FY 1991 and FY 1998 SBA made over 10,00 loans in Mississippi Delta counties.

RURAL ECONOMIC DEVELOPMENT: USDA's Rural Business-Cooperative Service (RBS) pursues a number of activities for promoting business development in the rural Delta. The Business and Industry (B&I) Guaranteed Loan Program helped create jobs and stimulate rural economies by providing financial backing for businesses. Similarly, the Intermediary Lending Program provides loans to to intermediaries, which in turn provide loans for recipients developing business facilities or community development projects. The Rural Business Enterprise Program assists public bodies, nonprofit corporations, and

LOCAL INGENUITY CREATES JOBS IN A LOUISIANA DELTA COMMUNITY

Local Unemployment Falls from 14 percent in 1993 to 7.5 percent in June, 1999

The economic life of Tallulah, Louisiana, changed for the better one winter evening in 1998 when Moses Williams sat down to watch the television news. As the camera panned the New Orleans seaport, the newscaster announced that Avondale Industries, the sixth largest shipbuilding firm in the country, was looking for expansion sites in Louisiana. Williams, president of the Northeast Louisiana Community Development Corporation, knew exactly where he wanted Avondale to expand. He called Tallulah Mayor Theodore Lindsey, and in February, 1998, both sent letters to Avondale asking the company to consider opening a shipbuilding plant along the Mississippi River in Tallulah. That summer, the deal was closed and the Northeast Louisiana Delta Enterprise Community had a new employer.

The Avondale success story was part of job creation initiatives in Madison Parish during the 1990s that led to a decrease in unemployment from 14 percent in 1993 to 7.5 percent in June, 1999. "That's the lowest unemployment we've had here in 20 years," said Williams.

Williams soon discovered that because Avondale uses a modular approach to building its ships, the company could produce ship parts off the coast and then move those parts to New Orleans to be assembled. That made Tallulah a good candidate for the plant. In letters to Avondale, Williams and Lindsey pointed out Tallulah's other advantages. It already had a port facility on the Mississippi and a trained labor force of welders who were ready to work. In fact, says Williams, Tallulah had more welders than local businesses could employ. All had received their training through courses at the local campus of Louisiana Technical College.

"The college had actually been catching flack for producing too many welders," says Williams. "Once those welders were trained, they couldn't find jobs here, so they were leaving Tallulah and going down south for part of the year to work offshore."

When Avondale executives showed interest in Tallulah's port facility, State and local officials got involved to induce the company to make its move. Avondale invested \$2 million to renovate an existing building on the port. The Louisiana Legislature contributed \$1.3 million to make infrastructure improvements so the port could accommodate Avondale's operation. The company qualified for Federal and State tax credits.

Avondale now employs 75 local residents and expects to increase its workforce to 200 by the end of 1999. The new jobs are a welcome shot in the arm for an area "where unemployment is always more than twice the State average," says Williams. Those jobs may be just the beginning of economic development success for Tallulah, as the shipbuilding operation attracts other business to the city. Not long after receiving a firm commitment from Avondale, the local Enterprise Community lent \$118,000 to a sewing company (called LAPCO) that specializes in making jackets for welders. Intrigued by the possibility of selling its product directly to the shipbuilder, LAPCO leased a vacant, city-owned building and used its EC loan to purchase factory equipment. LAPCO, which opened its Tallulah plant in August, 1998, will employ 50 to 100 local residents.

The fact that Tallulah managed to recruit a large corporation to bring in a plant locally does not mean that this is the identical pattern for other communities to follow, or that the success of this project came from outside the community. To the contrary, the key elements of success behind this project came from within the community itself: the skilled labor, the technical college, the port facility, the local ingenuity, and above all the cooperation and leadership that came from people in Tallulah. The collaboration of local leaders with Federal, State, and private entities in these successful projects provides a good example for communities to follow in job creation and business development.



LOCAL MANAGERS AT THE AVONDALE PLANT NEAR TALLULAH.

Federally recognized Native American Tribal groups for development of small and emerging private business enterprises. Another major rural development engine is the Rural Economic Development Loan and Grant Program, which financed economic development and job creation projects based on sound economic plans. In the fiscal years from 1993 to 1998 in the 219 counties of the region, these Rural Business Service programs provided a total of \$245,128,336 in loans and \$28,702,124 in grants.

The Department of Commerce has also been active in the Delta, using its infrastructure, planning, technical assistance and business finance/revolving loan fund grants to stimulate economic growth and provide job opportunities. Commerce provided over \$114 million in grants to the region during the FY 1993 to mid-FY 1999 period.

TOURISM

"There are few more beautiful sights than an Arkansas forest in late February; I mean a forest in the river-bottom, where every hollow is a cypress brake...Scarlet berries flicker on purple limbs, the cane grows a fresher green, and in February, red shoots will be decking the maple twigs, there will be ribbons of weeds which glitter like jewels, floating under the pools of water and ferns waving above, while the moss paints the silvery bark of the sycamores, white-oaks, and gum-trees on the north side as high as the branches, and higher, with an incomparable soft and vivid green."

— The nineteenth century writer Alice French, writing about the natural beauty of the east Arkansas Delta, 1887.

The Delta hosts millions of tourists every year who come to enjoy the natural beauty, history, culture, food, and music of this wonderful region. These visitors are also a critical part of the Delta economy, bringing almost \$13 billion in

added revenue annually into the region. Because of the economic power of tourism, Delta communities throughout the region enjoy new businesses, jobs, home and school construction, and other opportunities. The table below demonstrates the strength of the tourist market in the Delta. The dollar totals cover only the 219 Delta counties of each State for 1998. Memphis and New Orleans are such large tourist attractions that they give a major boost to the dollar figures for their respective States. These amounts are based on national as well as State models for measuring tourist revenue.

Arkansas:	\$1.8 billion
Illinois:	\$0.27 billion
Kentucky:	\$0.55 billion
Louisiana:	\$5.67 billion
Missouri:	\$0.78 billion
Mississippi:	\$1.36 billion
Tennessee:	\$2.54 billion
Total:	\$12.96 billion

THE GREAT RIVER AS A NATURAL RESOURCE ATTRACTION:

Woven deeply into the fabric of the nation's history, the 975-mile reach of the lower Mississippi River presents the Delta's most under-utilized natural



THE GREAT RIVER AT MEMPHIS.

resource attractions. The river and its 2.5 million-acre flood plain possess abundant fisheries, wildlife

Race Relations

A fundamental theme running throughout the Report is the need to ameliorate race relations in the Delta. Racism has been one of the most destructive forces in preventing the people of the Delta from making progress in attacking the region's social, political, and economic problems. In many areas—community development, educational opportunities, small business assistance, and others—there have been important strides made in the 1990s for the African-Americans, Hispanics, Native Americans, and other minorities in the Delta. However, much remains to be done, and minorities in the Delta have not received their fair share of participation in the economic boom. Approximately 40 percent of the Delta's people are African American. The number of Hispanics in the region is relatively small but is growing rapidly.

There are exceedingly diverse and numerous issues discussed in this Report and the following Inventory that deal partly or entirely with race relations. A sketch of several examples is listed below, as an illustration of some of the important activities underway in the field of ethnic and race relations:

MAGNET SCHOOLS: The Magnet School Assistance Program (MSAP) has assisted school districts that are planning and implementing magnet schools as part of the district's approved desegregation plan to reduce, eliminate or prevent minority group isolation. For example, the Monroe City School District in Louisiana will receive up to \$3,730,659 over three years of its MSAP project to establish technology-based magnet schools at Carroll Junior High School and Carroll Senior High School. The program

will foster partnerships with business, technical colleges, and universities to create a strong link between school-based and real-world learning.

MINORITY EDUCATION AT ELEMENTARY, SECONDARY AND COLLEGE LEVELS: Through the 1994 reauthorization of the Elementary and Secondary Education Act (ESEA), additional Federal resources were directed to schools with high percentages of students living in poverty through the Title I program. A substantial majority of elementary and secondary schools in the Delta receive Title I funding. At the college and university level, a number of initiatives have been pursued, including assistance for the Historically Black Colleges and Universities (HBCUs) program, which makes up another major component of the effort to assist minorities obtain opportunities for educational advancement.

BILINGUAL AND MIGRANT EDUCATION PROGRAMS: The Department of Education's Bilingual Education program assists Hispanics and others with Limited English Proficiency (LEP), and its Migrant Education Program reaches out to migrant farm workers' children who suffer from the combined effects of poverty, mobility, and limited English proficiency that are characteristic of many migrant children. For example, the Orleans Parish School District received \$463,676 in Federal funding in FY98 through a Bilingual Education Comprehensive School grant to restructure, upgrade, and reform the current program for over 1,300 LEP students speaking more than 20 languages.

MINORITIES IN THE AGRICULTURAL SECTOR: The U.S. Department of Agriculture has pursued a number of policies for assisting small farmers and

farm workers, many of whom are minorities. Expansion of marketing opportunities, more credit opportunities, and other policies for the disadvantaged have been pursued, although much remains to be done to correct the historic discrimination that has been inflicted upon minority farmers.

FARM LABOR: Similarly, numerous efforts have been made to provide aid for farm laborers, many of whom are African American or Hispanic. In addition to the education programs cited above, housing is a major issue for migrant workers. Farm Labor Housing in the Delta region, as funded through USDA Rural Development, has traditionally consisted of single family dwellings located on private lands, which the agricultural producer funded. But, with changes in the agricultural economy of the Delta, there has been a shift away from that type of housing. In the 1990s, Mississippi built 26 on-farm labor housing units totaling \$1.23 million, and western Tennessee built two units at a cost of over \$100,000. In Arkansas, however, construction of new, on-farm units has continued at a more significant rate, and an innovative, overnight housing and referral facility for migrant farmworkers was developed in Hope, Arkansas. During the 1990s, Rural Development in Arkansas provided 47 domestic Farm Labor Housing loans to finance 62 on-farm units totaling approximately \$2,610,000.

Moreover, Rural Development in Arkansas also granted \$2.5 million to construct the new Hope Migrant Complex. The Hope Migrant Farm Labor Center was constructed to assist families and individuals as they travel through a "migrant stream"—where workers travel to points north and south, anticipating work opportunities along certain routes. Each year, thousands of families following the midwestern migrant stream travel through Hope, and many families stop at the Labor Center to rest. They are provided with

housing, job referrals and social services assistance. Farm workers have historically been among the most socially and economically distressed groups in the region, despite their essential contribution in producing the food Americans eat every day. USDA's Rural Development and the U.S. Department of Labor are working on this and other projects to assist farm workers throughout the region.

HOUSING OPPORTUNITY: The Department of Housing and Urban Development (HUD) has vigorously invoked its authority under the Fair Housing Act to prosecute cases of housing discrimination. HUD has funded the Fair Housing Initiatives Program, which supports private nonprofit organizations, State and local governments and other entities committed to enhancing compliance with the nation's fair housing laws. Furthermore, HUD launched a rigorous, independent study of racial and ethnic discrimination in housing and rental sales in order to enhance its continuing effort to enforce fair housing opportunities.

MINORITY SMALL BUSINESSES: The Small Business Administration's (SBA) MicroLoan program assisted small businesses throughout the region, with over half of them going to African Americans. SBA's Section 7(a) Loan Guaranty Program provides loans to eligible, credit-worthy small businesses that cannot obtain financing on reasonable terms through normal lending channels. This program has steadily increased its loan activity for minorities. In fiscal year 1992, 15 percent of the loans were made to minorities and 14 percent to women, while in fiscal year 1998, that percentage had risen to 24 percent to minorities as well as 24 percent to women. In Fiscal Year 1999, SBA guaranteed 4,052 loans in the region, amounting to more than \$755 million, and almost half of the loans were to minorities and women. Similarly, the Community Development Financial Institutions Fund has provided opportunities for

Appendix: Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING
between the
DEPARTMENT OF TRANSPORTATION
DEPARTMENT OF AGRICULTURE
DEPARTMENT OF COMMERCE
DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DEPARTMENT OF LABOR
DEPARTMENT OF EDUCATION
DEPARTMENT OF THE INTERIOR
SMALL BUSINESS ADMINISTRATION
ENVIRONMENTAL PROTECTION AGENCY

This Memorandum of Understanding (MOU) is made and entered into by and between the Department of Agriculture; Department of Commerce; Department of Housing and Urban Development; Department of Health and Human Services; Department of Labor; Department of Education; Department of the Interior; Department of Transportation; the Small Business Administration; and the Environmental Protection Agency (collectively, "participating agencies").

I. PURPOSE

The purpose of this MOU is to establish a general framework for cooperation between the participating agencies on economic revitalization initiatives in the Delta region. The participating agencies propose to work together to coordinate and support a broad-based governmentwide review and assessment of the Delta State region. This effort will build upon the work of President Clinton and Vice President Gore to strengthen rural communities for the 21st Century.

In particular, the participating agencies desire to work together in providing a review and update of the Delta Initiatives: "Realizing The Dream - Fulfilling the Future." This 1990 report listed 400 recommendations and 68 goals. The participating agencies will establish the parameters of the assessment. They will work separately and together with State and local entities in developing channels for accessing research. The participating agencies will coordinate an appropriate final report response and mechanism or medium for response.

This collaborative effort will promote the continued revitalization of the seven State Delta Region as discussed in the 1990 report. The Lower Mississippi Delta Region of the United States is an area flanking the lower Mississippi River, including parts of seven States: Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee. This Delta region has long been considered one of the poorest regions in the Nation.

In addition, the purpose of this collaboration is to provide assistance in furthering the implementation of the 1990 Delta Initiative recommendations.

II. BACKGROUND

In 1988, Congress established the Lower Mississippi Delta Development Commission — providing for a bipartisan commission to study and make recommendations regarding economic needs, problems and opportunities in the Delta region, and to develop a 10-year regional economic development plan.

The commission completed its work in 1990 and produced a final report, which was submitted to then-President George Bush under the signature of the Commission's Chairman, then-Governor Bill Clinton. The Report was an aggressive, ambitious plan for the development of a large and integrally important region of our Nation. The report focused on transportation; human capital development (education, job training, health and housing); natural and physical assets (agriculture and natural resources); private enterprise (entrepreneurial development, technology development and tourism); and the environment.

In 1995, the Department of Transportation's Federal Highway Administrator Rodney E. Slater commissioned the Federal Highway Administration (FHWA) to update the 1990 report with regard to the transportation element. A most important finding of the update was that the improved transportation facilities of the region had led to the creation of more jobs and more opportunity. In fact, there was a gain of 252,000 jobs from 1990 to 1995 and job growth in the Delta region has outperformed the rest of the Nation on a percentage basis since 1990.

III. APPLICABLE LAWS

All assistance provided under this MOU and subsequent interagency agreements shall be in accordance with U.S. laws and regulations. All contract work undertaken by the parties in furtherance of this MOU shall be performed in accordance with applicable laws and regulations.

IV. Statement of mutual Interest and Mutual Benefits
The participating agencies are dedicated to providing assistance for the sustainable development of American communities. The complexity of the Delta's needs warrants a continued effort of examination and action. Solutions require participation at every level of government.

These agencies recognize the Delta region is rich with natural resources and physical assets. The Delta is positioned to help the Nation as a whole increase its competitiveness in a global economy.

V. THE PARTICIPATING AGENCIES AGREE TO:

Work together with State and local leaders at developing a thorough assessment and plan of action to the extent authorized by law, and continue throughout the process of review to provide appropriate assistance when and

where needed in the Delta region to the extent appropriations are available.

VI. IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTICIPATING AGENCIES:

Each agency will develop and be responsible for its own portion of the review process.

The participating agencies will form a Working Group Task Force and meet as needed to coordinate activities and share information, and to help each agency more effectively perform its mission.

The formulation of a final review and presentation will be determined by this task force.

Each agency understands that the intention of this MOU is to foster cooperation and streamlining among the participating agencies.

Specific work projects or activities that involve the transfer of funds, services, or property between the parties to this MOU will require the execution of separate agreements or contracts, contingent upon the availability of funds as appropriated by Congress. Each subsequent agreement or arrangement involving the transfer of funds, services, or property between the parties to this MOU must comply with all applicable statutes and regulations, including those statutes and regulations applicable to procurement activities.

This MOU in no way restricts the participating agencies from participating in similar activities or arrangements with other public or private agencies.

Nothing in this MOU shall obligate the participating agencies to expend appropriations or to enter into any contract or other obligation.

This MOU may be modified or amended upon written request of any party and the concurrence of the others. Participation in this MOU may be terminated with a 60-day written notice of any party.

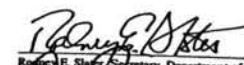
Additional agencies may be added to this MOU.

Unless terminated under the terms of section VI, this MOU will remain in full force and in effect until January 1, 2001.

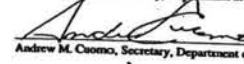
VII. PRINCIPAL CONTACTS

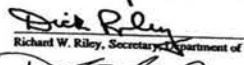
To provide for consistent and effective communications between the participating agencies, each of the participating agencies shall appoint a representative to discuss and consider activities that may be pursued under this MOU.

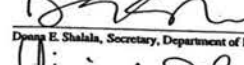
VIII. SIGNATORIES


Rodney E. Slater, Secretary, Department of Transportation

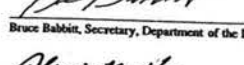

Dan R. Glickman, Secretary, Department of Agriculture

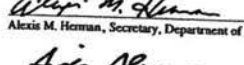

Andrew M. Cuomo, Secretary, Department of Housing and Urban Development


Richard W. Riley, Secretary, Department of Education


Donna E. Shalala, Secretary, Department of Health and Human Services


William M. Daley, Secretary, Department of Commerce


Bruce Babbitt, Secretary, Department of the Interior


Alexis M. Herman, Secretary, Department of Labor


Ada Alvarez, Administrator, Small Business Administration


Carol M. Browner, Administrator, Environmental Protection Agency



pleopo@acxiom.com
10/07/99 06:50:00 PM

Record Type: Record

To: Nancy V. Hernreich@eop

cc:

Subject: Letter to the President

October 7, 1999

Dear President Clinton,

I am writing you this letter in hopes that I am totally wrong in believing what I am hearing in the press and from the Greeks who are monitoring this so closely. If I am wrong and things are going on behind the scenes, forgive me, if I am right I am very saddened.

I am sad that the Greeks will not be able to go back to a DEMOCRATIC situation and live on their land and bury their own in their own cemeteries. I am sad that the bad guys are getting away with it. I am sad that because 27 years have past it is ok for Turkey to use weapons that the U.S. sold them and were financed by the U.S. to take control of a region of another country and put an illegal and unrecognized government in and then use that as a bargaining tool for other immoral wants. I am sad that the principals the U.S. is honoring in Kosovo do not apply in Cyprus. And I am very sad that your administration has to have a "carrot" to bribe the bad guys off to get them to do what is right. We did not try to bribe Hitler to stop what he was doing, we knew what he was doing was wrong and made him stop. The fact seems to be that Turkey's money and size is what matters, not the condition of man, the future of Europe, the little old lady who does not know where her son is and the old man who cannot visit his wife's grave.

I'm very sad.

Paul D. Leopoulos

*Sadley
I need a reply
to this
KC*

*copied
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NSC WW Desk*

David B. Mixner

October 5, 1999

1999 OCT 12 12:42 PM

Dear Mr. President:

There is no way I can possibly thank you enough for attending the ANGLE Black Tie Dinner. I so welcomed the opportunity to thank you publicly for all of your heroic deeds. I was also overwhelmed by your very kind words. With deep respect

David Mixner

TO
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POTUS
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SIGN

President William Clinton
White House
Washington, D.C.

10-7-99

DAN MUSSEN

GRAND HOTEL

MACZINAC ISLAND

MICHIGAN 49757.

Do try for Golf Shirts

10-7-99

After you have seen,
we will send to
Berkhardt —

Cesol



NATIONAL LIBERTY MUSEUM

America's Home For Heroes

October 7, 1999

99 OCT 12 AM 11:51

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Carole F. Haas

Founder & Chairman
Irvin J. Borowsky

Honorary Chairman
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Rev. Dr. John Pawlikowski
Rita Rosen Poley
Bobbi Rabinowitz
Dr. Arlene Silvers
Dr. Harris Sokoloff
Dorothy Wasserman
Aileen Whitman
Joseph Zuritsky

Executive Director
Gwen Borowsky

V.P. Development
Marcia Bronstein

Officers of Development
Sandra W. Kelly
Joanna Tahar

Ms. Carol Cleveland
1600 Pennsylvania Avenue
OEOB, Staff Secretary's Office
Washington, D.C. 20500

Dear Ms. Cleveland:

Two years ago, in a speech at the White House Conference on Hate Crimes, President Clinton reminded all of us "our futures are bound together and it is time we acted like it." Here in the *City of Brotherly Love*, men and women of many faiths took those words to heart, and created a cultural institution to promote harmony and hope.

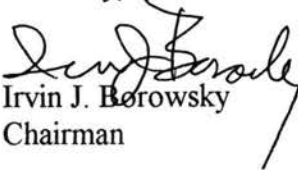
With all the violence, gangs and drugs kids face, our children need heroes to show them that their problems *can* be overcome. That's exactly what they will find when they visit the new National Liberty Museum, located in the middle of America's most historic mile. We hope you will visit, too, so that you can see what 200 citizens' foresight and funds have accomplished in such a short time.

Our museum is dedicated to defusing bigotry and violence by giving youths the one thing they don't seem to have enough of. I am talking, of course, about faith—faith in one's self, family, heritage and nation. Our exhibits and programs will help restore our children's faith by introducing them to hundreds of heroes.

In *200 Americans Like Us* they will "meet" a multiethnic group of men and women who made a difference—during the 20th century—in civil rights, politics, sports, business, philanthropy, the arts, labor, religion and education. Elsewhere in the museum, they will discover 18 American Nobel Peace laureates and 42 heroes of liberty from around the world. In *Democracy is a Delicate Balance* and *Youth Vote*, two interactives using 21st-century technology, they will voice their views—even though they are under 18—on drugs, gun control and more.

We wish to add many American "winners" of the Presidential Medal of Freedom. May we receive this information as soon as it is conveniently possible to compile?

Sincerely,


Irvin J. Borowsky
Chairman

Send to Burkhardt?

Yes ☒
No ☐

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cc: Clerk

Yes ☒

Copies Lockhart
HRC Ucelli
Podesta Podesta

THE PRESIDENT HAS SEEN
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Pam - What were
reported figures for '93
Inauguration? 800,000!
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Fyl - It's a little thing
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we can compare 2000 event
w/ '92 - How many
effort to get people
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Handwritten notes and signatures, including "HRC" and "Podesta".

Will Smith To Ring In New Year On Mall

Multimillion-Dollar
Events Announced
By SUSAN LEVINE
Washington Post Staff Writer

Actor Will Smith will host Washington's ultimate party of '99, the multimillion-dollar New Year's Eve celebration on the Mall, for which a who's who of rock music will sing backup, organizers announced yesterday.

"Just imagine for a moment," first lady Hillary Clinton began at a news conference that was provided few new specifics of the free, morning-to-midnight event but much lyrical description of its atmosphere and purpose—"the music of our century rocking and rolling, swinging and soaring."

Some of those tunes will be belted out by Aretha Franklin, Chuck Berry and B.B. King, who will perform during festivities that will stretch down the Mall and also for several blocks along Constitution Avenue.

Come evening, the spotlight will shift to the Lincoln Memorial, where Smith will lead a show to be produced by Quincy Jones and George Stevens Jr. And in the century's final hour, as composer John Williams conducts an original orchestral score, an 18-minute film by Steven Spielberg will highlight major events of the last 100 years before a high-tech sound and light display punctuates the first minute of 2000.

"It will be in the sky and it will be inspiring," Stevens said yesterday.

"America's Millennium," as the family-friendly extravaganza is billed, is being organized by the White House Millennium Council,

Smithsonian Institution, National Park Service and National Park Foundation. The city of Washington, which will mark its bicentennial as the nation's capital in 2000, is a partner in the planning.

The initial projection is for a turnout of 600,000 people. Only two gatherings on the Mall have been bigger: President Lyndon B. Johnson's 1965 inauguration and the 1976 bicentennial fireworks.

Already, the price tag has grown to \$12.5 million from initial estimates of \$10 million. The total includes the lectures, demonstrations and performances that the Smithsonian will present from Dec. 31 through Jan. 2, but does not account for the city's companion block party along Constitution Avenue—a "Main Street Millennium" expected to resemble a winter carnival of minstrels, magicians, acrobats and food tents.

The entire celebration will be privately funded, organizers reiterated yesterday, saying that with 95 days to go, half of the \$12.5 million has been raised. Democratic Party fund-raiser magnate Terry McAuliffe, who recently offered \$1.3 million from his own accounts to guarantee a New York house mortgage for the first lady and President Clinton, is leading the money effort.

Despite some private concerns that the ambitious and time-pressed plans may exceed funds—the Smithsonian, for instance, has yet to receive a budget for its role—organizers were enthusiastic yesterday. One of the guests they introduced was their first million-dollar contributor, Omaha business executive Vinod Gupta. No other individual or corporate donors were identified.

"This is a tremendous opportunity to unite our nation, to capture an extraordinary moment in mankind and human history," said Hillary Clinton, who was joined at the news conference by Stevens and D.C. Mayor Anthony A. Williams (D).

With congressional dignitaries and local residents participating, the weekend's opening ceremony will take place near the Capitol as a time capsule is sealed with the thoughts of national leaders in varied fields, Clinton said. Throughout the day on Dec. 31, the Smithsonian will offer a "digital time capsule," to which visitors can add their wishes for future generations.

Producer Stevens, the man behind the annual Kennedy Center honors program and founder of the American Film Institute, gave no timetable for releasing a full schedule of performers. For the moment, the publicity boasts of bands, choirs and military marching units. Stevens acknowledged that many celebrities were booked long ago but said it was not too late to get commitments from others.

"It's a historic opportunity. You can perform in Las Vegas any night of the year," he laughed.

One lure would be the likely worldwide audience. Organizers said CBS will broadcast live from 10 p.m. through midnight, and arrangements to carry the show around the globe are pending. Spielberg's movie, "The Unfinished Journey," will be shown on two giant digital screens to be positioned on either side of the Lincoln Memorial.

Although the Mall will return to normal Jan. 3, the city's bicentennial commemoration will just be starting. James V. Kimsey, chairman emeritus of America Online, is leading the steering committee of city and regional leaders that will plan a year of programs and festivities and raise the private funds to pay for them.

Williams's special assistant Sandy McCall said the calendar of events will not be publicized until January. Kimsey's committee members, however, will be announced by early November.

"When [others] see this new board," McCall predicted, "they'll see there's been an immense vote of confidence in this new mayor and the renaissance of this city."

The Washington Post
WEDNESDAY, SEPTEMBER 29, 1999

9-29-99

HOC
This is great!

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Access No: 93484081 ProQuest - The Washington Post Ondisc
Title: THE AFTERMATH: SMUDGED CITY, BRUISED FEELINGS
Authors: Michele L. Norris; Kevin Sullivan, Washington Post Staff
Writers
Source: Washington Post, Final Edition
Date: Friday Jan 22, 1993 Sec: D METRO p: 1
Length: Long (1334 words) Type: News DC Illus:
Photograph; Info-graphic
Subjects: Inaugurations; Social life & customs
Names: Clinton, Bill

Abstract: President Clinton's five-day inaugural celebration left the Mall in Washington DC, especially the Lincoln Memorial, a bit bruised and battered and had inaugural planners scrambling to find a way to reimburse hundreds of people who paid big bucks for ball tickets, only to be turned away at the door because of crowding.

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Article Text:

President Clinton's inaugural celebration left the Mall, especially the Lincoln Memorial, a bit bruised and battered and had inaugural planners scrambling yesterday to find a way to reimburse hundreds of people who paid big bucks for ball tickets, only to be turned away at the door because of crowding.

The inauguration drew an estimated 800,000 people to downtown to watch either the swearing-in ceremony at the Capitol or the parade on Pennsylvania Avenue NW, according to D.C. police. An estimated 500,000 came downtown to see Ronald Reagan's inaugural festivities in 1981, and 300,000 spectators attended the George Bush inauguration four years ago. The huge crowds Wednesday broke the record for Metro ridership and at times overwhelmed the subway system, which carried 406,117 people. About 250,000 people ride Metro on an average weekday.

Clinton's five-day celebration, which organizers now say will wind up costing about \$28 million, has left the National Park Service with the huge job of cleaning up the Mall and repairing chips and scratches to the Lincoln Memorial caused by preparations for last Sunday's concert.

The memorial was damaged by a forklift during construction of a concert stage. The Mall, site of a two-day outdoor festival, will need to have its grass replanted in numerous areas, according to Park Service officials.

And despite all the planning, prodding and late-night prayers, Clinton's grand inaugural blowout hit a few other snags.

Clinton and his wife, Hillary, were hosts to the last official inaugural event yesterday

when they greeted more than 2,500 people at a public reception in their new home. Flanked by Vice President Gore and his wife, Tipper, the First Family stood in a receiving line for four hours shaking hands, singing happy birthday to children and listening to everything from economic advice to tips on handling stress.

The event was supposed to be reserved for the lucky few whose postcards were pulled during a drawing. But White House guards also opened the doors to several hundred others who lined up outside, accidentally displacing those who were holding tickets for the reception.

Guards cut the visitors line off about noon, but Clinton delighted those turned away by stepping outside briefly to bid them goodbye.

The easy access to Clinton's public reception was in marked contrast to the scene at 11 official inaugural balls Wednesday night. Hundreds, maybe thousands, of party-goers dressed in tuxedos and gowns were stranded in the cold outside several hotels and historic buildings when authorities from the D.C. fire marshal's office stopped entry to the balls in the early evening because of crowding.

By 9:15 p.m., officials had stopped letting people into the Mid-Atlantic States Inaugural Ball at Union Station, which was packed with thousands of Clinton supporters from the Washington suburbs. Most people in the angry mass outside had paid \$125 for ball tickets, but some had paid as much as \$3,000 for tickets to VIP boxes that had folding chairs, boxes of cookies and commemorative bottles of Korbel champagne.

Others had an even ruder shock. When they left the main hall to use the station's bathrooms, they were not allowed to return to the party. One man who stepped outside to ask a security agent what was happening was not allowed to return.

'Once you're out, you're out,' he was told.

Fire officials closed the ball after attendance reached more than 10,000 in a room that had a maximum capacity of 8,000, according to Battalion Chief James Thorne, who huddled at the ball with D.C. Fire Chief Rayfield Alfred and Police Chief Fred Thomas to decide what to do.

Inaugural officials said they did not sell too many tickets for the balls but rather overestimated the capacity for the ball sites. Fire officials said capacity was reduced further when stages, bars and coat check areas were added to each ballroom.

'We regret any inconvenience that we caused, and the committee pledges to resolve the problem,' said Joyce Kravitz, an inaugural spokeswoman, who explained that organizers hoped to find a way to reimburse people who bought tickets and weren't able to get into the balls.

Other operations appeared to run more smoothly. By the time people left the balls on Wednesday night, for example, Pennsylvania Avenue had been cleared of all parade debris by the District's Department of Public Works.

The Park Service, however, is just beginning its restoration of the Mall, where the two-day outdoor festival left several muddy craters in the ground.

Earle Kittelman, a Park Service spokesman, said scrapes on the Lincoln Memorial, although unsightly, probably will not be fixed because they are too minor to justify the expense.

The forklift also chipped an access ramp for the disabled. The chip likely will be repaired, Kittelman said. The Park Service won't know whether there has been other damage until the concert stage is removed.

'That is an example of the wear and tear that these big, large-scale events produce

for these memorials,' Kittelman said.

But Kittelman said the Park Service does not plan to curb such events. 'In many ways, that is what the memorials are there for,' he said.

Police reported few problems associated with the inauguration on Wednesday. In a final report, District police said 22 people were arrested -- 16 on vendor violations, five on charges of disorderly conduct and one accused of illegal possession of a weapon.

But many Metro riders complained about crowded conditions on the trains and in the stations. They also said they had to wait too long to buy Farecards, could not find parking space in the station lots and had to wait for several trains to go by before finding one they could get on.

Metrorail manager Fady P. Bassily said yesterday that although officials would take some steps to speed the flow of crowds to big events, there is not much the agency can do differently.

The problem for Metro when there is a big crowd downtown is not in the number of rail cars or how often the trains arrive in the station, Bassily said. Rather, the crowding at stations and delays on trains occur because Metro cannot empty the rail cars and move people out of the stations fast enough.

Subway officials released diagrams yesterday showing that at the Capitol South and Federal Center SW stations, which were the most crowded stations on Wednesday, there are only two escalators from the platform to the mezzanine. That limitation makes it impossible to move a trainload of people from the platform to the mezzanine quickly.

Adding escalators and stairs there for a large crowd every four years 'is not a wise investment' of about \$3 million, Bassily said. But he said Metro will begin installing 90 Farecard machines at its busiest stations that will allow a rider to buy several Farecards with a single bill.

Metro officials and the agency's board members said yesterday that the criticism was outweighed by the praise they got from many riders, including tourists.

Staff writer Stephen C. Fehr contributed to this report.

Caption:

Charles Garner and Michael Wells, who work for the General Services Administration, clean up under bleachers in front of the Old Executive Office Building.

Caption:

At 12th and Pennsylvania, worker Ken Moser, top, grants a request for a souvenir piece of bunting, tossing it to Huang He, a visiting student from China.

Caption:

Outside the open house at the White House, Patte Humphries, of Savage, lobbies for a ticket. Many ticketless people turned up, hoping to get in somehow.

Caption:

HIGHEST RIDERSHIP DAYS FOR METRO

A record number of riders used Metro on Inauguration Day. Here are some recent

comparisons:

January 20, 1993
406,117 Inauguration of Bill Clinton

June 8, 1991
393,150 Desert Storm Parade

January 20, 1989
302,000 Inauguration of George Bush

June 7, 1991
288,900 Desert Storm display on the Mall

July 17, 1990
288,900 New Kids on the Block concert

June 26, 1990
282,500 Nelson Mandela visit

April 29, 1988
282,500 Washington for Jesus rally

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Title: THE INAUGURATION; CLINTON TAKES OATH AS 42D
PRESIDENT, URGING SACRIFICE TO 'RENEW AMERICA'
Authors: THOMAS L. FRIEDMAN, Special to The New York Times
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Names: CLINTON, BILL (PRES)
Abstract: Bill Clinton on Jan 20, 1993 was inaugurated as the nation's
42nd president and gave an address striking in its appeal for
sacrifice and for greater personal responsibility.

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Correction: January 22, 1993, Friday

An article yesterday about the inauguration of President Clinton referred incorrectly to the church where Mr. Clinton attended a morning prayer service. It is African Methodist Episcopal.

Article Text:

WASHINGTON, Jan. 20 -- William Jefferson Clinton became the 42d President of the United States today, and in an Inaugural Address striking in its appeal for sacrifice, he told Americans that if they assume greater responsibility for their country's future, 'there is nothing wrong with America that cannot be cured by what is right with America.'

The 46-year-old Governor of Arkansas, virtually unknown to most Americans 18 months ago and a long shot for the White House, took the oath of office under a stunningly blue sky from Chief Justice William H. Rehnquist. President George Herbert Walker Bush, who once seemed sure to win a second term, watched stoically from his seat on the Capitol steps.

Under Mr. Clinton's left hand, his wife, Hillary, held a King James Bible given to Mr. Clinton by his grandmother. His 12-year-old daughter, Chelsea, stood at his right as he uttered the traditional oath at 11:58 A.M. Eastern time. He then spoke for 14 minutes to a sea of people, flowing down from the flag-draped Western facade of the Capitol to the Washington Monument.

'What America Does Best'

'We must do what America does best: offer more opportunity to all and demand more responsibility from all,' Mr. Clinton declared in an echo of John F. Kennedy's Inaugural Address. 'It is time to break the bad habit of expecting something for nothing, from our Government or from each other. Let us all take more responsibility, not only for ourselves and our families but for our communities and our country.'

In a speech with the recurring theme of renewal, Mr. Clinton implored at one point: 'To renew America we must be bold. We must do what no generation has had to do before.' [Transcript, page A15.]

Washington never looked better, or felt better. Cheerful chaos reigned on the streets, in a subway system that is usually weirdly sedate and on the Mall, in front of the Capitol, where something like a quarter of a million people endured mobs and metal detectors and midwinter chill. Schools and Federal offices had a quadrennial holiday, so natives joined tourists beneath a Capitol that was dressed for the day in gowns of red, white and blue, and glittered in the January sun.

Walk Through the Crowd

In a day of ceremonies intended to be casual and intimate -- with lots of Presidential bear hugs for friends and a conscious assertion of the passing of power to the post-World War II generation -- the Clintons walked the last few blocks down Pennsylvania Avenue from the Capitol to the White House. Before the Clintons decided to get out of their new armor-plated Cadillac, the crowds along the route were chanting: 'Walk! Walk!'

From the viewing stand in front of the White House's iron gates, the Clintons watched a politically inclusive parade, encompassing everyone from Arkansas bands to gay groups to Elvis impersonators -- like the rest of the inaugural as meticulously scripted as any Hollywood production. Throughout, Mr. Clinton wore the amazed grin of a man whose lifelong dream had just come true.

The flag-waving crowds along the parade route were striking both for their enthusiasm and their racial diversity. The upbeat mood of the well-wishers seemed on track with that of recent national polls -- one of guarded optimism about Mr. Clinton's prospects, coupled with a strong desire to give the new President a chance.

Short, Informal Speech

Mr. Clinton's Inaugural Address, far more compact than the lengthy oratory of his long 1988 Democratic National Convention speech, was informal and almost conversational.

It was typical of the New Age political style that helped him win the highest office in the land. While Mr. Clinton paid homage to many of the themes that won him the election -- the need for renewal, health-care reform, economic revival and political reform -- his address was not an agenda for action, but rather a call to service.

'You, my fellow Americans, have forced the spring,' he said. 'Now we must do the work the season demands.'

The address was at times brutally frank in its assessment of the decline of the country under Mr. Bush and in its chastising of an aloof and self-absorbed Congress, as well as an apathetic American public.

'We know we have to face hard truths and take strong steps. But we have not done so,' said Mr. Clinton, who wore a dark blue suit and no top coat as he spoke on the

chilly winter day. 'Instead, we have drifted, and that drifting has eroded our resources, fractured our economy, and shaken our confidence.

'Thomas Jefferson believed that to preserve the very foundations of our nation, we would need dramatic change from time to time. Well, my fellow Americans, this is our time. Let us embrace it. Our democracy must be not only the envy of the world but the engine of our own renewal. There is nothing wrong with America that cannot be cured by what is right with America.'

In the age of satellite communications, which Mr. Clinton put to such good use during the campaign, the new President used his address to speak not only to the hundreds of thousands gathered before him, but also to America's allies and enemies over the horizon. He signaled the world in general, and President Saddam Hussein of Iraq in particular, that while America renewed itself at home it would not abandon its responsibilities abroad.

'Together with our friends and allies, we will work to shape change, lest it engulf us,' said Mr. Clinton, speaking behind a shield of bullet-proof glass. 'When our vital interests are challenged, or the will and conscience of the international community is defied, we will act, with peaceful diplomacy whenever possible, with force when necessary.'

Transfer of Power

A moment after being sworn in, Mr. Clinton turned and shook hands with Mr. Bush. Their eyes locked for three seconds as they pumped each other's hands in what appeared in many ways to be the real passing of authority. At that moment, Mr. Bush's military aide carrying the locked briefcase of nuclear-warfare codes, and standing on the podium behind him, began taking orders from a new Commander in Chief.

While every inauguration celebrates the peaceful transfer of power that is the hallmark of American democracy, in the case of Mr. Bush and Mr. Clinton that transfer is all the more amazing. Eighteen months ago, Mr. Bush was at the peak of his political power, the victorious commander of a successful and unusually painless war in the Persian Gulf, riding the crest of polls with 80 percent approval ratings. Most serious Democrat did not believe there was any sense in even trying to challenge him.

Mr. Clinton was then Governor of one of the nation's poorest states, worrying about getting a one-cent sales tax through his legislature, but also burning with enough ambition to set off against Mr. Bush when more cautious Democrats hesitated.

Mr. Clinton got his reward today. About 1 P.M., he and his wife waved from the Capitol steps as Mr. Bush and his wife, Barbara, flew off by helicopter to an early retirement in Houston -- while a United Van Lines trailer with Arkansas license plates was backing into the White House driveway to move in the Clintons' belongings.

Mr. Bush and Mr. Clinton had to work closely during the transition to deal with foreign-policy crises in Haiti and Iraq, and it may have left them with a measure of mutual respect undetectable in their bitter election campaign, when Mr. Bush once dismissed Mr. Clinton as a 'bozo' who knew less about foreign affairs than Millie, the Bushes' dog.

Salute to Bush

At the top of his address Mr. Clinton hailed Mr. Bush, saying: 'On behalf of our nation, I salute my predecessor, President Bush, for his half-century of service to America.'

Mr. Clinton's inauguration represents not only a change in Presidents and parties but also of generations. The generation symbolized by President Bush was shaped by the patriotism of World War II, sobered by the deprivations of the Great Depression and serenaded by the music of Frank Sinatra.

It now gives way to a fortysomething crowd who were born into politics during the idealistic, prosperous era of John F. Kennedy, but forged their identities singing along with Bob Dylan through the troublesome seasons of Vietnam, Watergate and acid rain.

For the first time America has a President and Vice President younger than the Beatles. At age 46, Mr. Clinton is the third youngest President. Only his idol John F. Kennedy, who took office in 1961 at 43, and Theodore Roosevelt, who took office at 42, were younger.

Mr. Clinton's fellow baby-boomer and now Vice President, Al Gore, the 44-year-old former Senator from Tennessee, was sworn in by Justice Byron R. White, as his wife, Tipper, and his four children crowded around. Mr. Gore had chosen the retired Justice Thurgood Marshall, but Mr. Marshall was too ill and had to beg off at the last minute.

There were 14 official balls and who knows how many unofficial ones tonight, including an 'Inaugural Ball for the Not Well Connected' and an affair sponsored by MTV, the only one where women showed up with bats tattooed on their bare backs.

'Everybody here knows that MTV had a lot to do with the Clinton-Gore victory,' Mr. Clinton told the rock-loving crowd, where attire ranged from prom dresses to ripped jeans.

The MTV crowd greeted the Clintons like celebrities, surging forward with enthusiasm when they appeared. But Tipper Gore, who has opposed violent and sexually suggestive rock lyrics, was visibly shaken when she was booed as she approached a microphone.

Presidential reserve was thrown to the winds at a ball with fellow Arkansans. The new President grabbed a saxophone from the rhythm and blues musician Ben E. King and played a solo, then topped off a little speech with the Arkansas football holler, 'Soooooweeeeee, Razorbacks.'

In his speech in the afternoon, Mr. Clinton said, 'Today, a generation raised in the shadows of the cold war assumes new responsibilities in a world warmed by the sunshine of freedom but threatened still by ancient hatreds and new plagues. Raised in unrivaled prosperity, we inherit an economy that is still the world's strongest, but weakened by business failures, stagnant wages, increasing inequality and deep divisions among our own people.'

In a line that appeared directed most at the politically reform-minded supporters of Ross Perot, Mr. Clinton included in his address a swipe at the politicians, lobbyists and political forces that he said had made Washington a city synonymous with corruption.

'This beautiful capital, like every capital since the dawn of civilization, is often a place of intrigue and calculation,' Mr. Clinton said, with Senators and Congressmen gathered on the Capitol steps behind him. 'Powerful people maneuver for position and worry endlessly about who is in and who is out, who is up and who is down, forgetting those people whose toil and sweat sends us here and pays our way. Americans deserve better.'

Biblical Flourish

Mr. Clinton then closed with a rhetorical flourish, that blended the Biblical with the

political: 'From this joyful mountaintop of celebration, we hear a call to service in the valley. We have heard the trumpets. We have changed the guard. And now, each in our own way, and with God's help, we must answer the call.'

Mr. Clinton's first official act was to sign an executive order imposing his new, much stricter ethical standards on senior officials in his Administration, and another order proclaiming Friday as a 'national day of fellowship and hope.' He also signed nominating papers for his Cabinet appointees.

Republicans, wary of being drowned in what they see as a reservoir of goodwill greeting Mr. Clinton's inauguration, despite his occasionally rocky transition to power, pledged their cooperation.

'I think he is going to have a lot of good will,' said Senate Minority Leader Bob Dole, who just returned from a Florida vacation. 'I was running on the beach and I saw a lot of people and they would shout at me: 'Give him a chance, give him a chance.' So this is Clinton's moment and we won't do anything to interfere with it.'

Mr. Clinton's day began, as his term begins, with a focus not on the domestic issues which got him elected but on the foreign crises which threaten to divert his attention. He was briefed at Blair House, one last time, by Brent Scowcroft, President Bush's national security adviser, on the state of the world he is about to inherit.

Mr. Clinton walked out of Blair House, gripping a mug of decaffeinated coffee, for the short drive to the Metropolitan African Methodist Episcopal Church, a prominent black Baptist church in downtown Washington.

A Laugh and a Tear

While the chorus gave a rousing rendition of the hymns 'Holy Ground' and 'Precious Lord Take My Hand,' Mr. Clinton laughed, nodded, and sang along, dabbing a tear on his left cheek.

President Bush began his last day in the White House by making a solitary walk around the South Lawn and then returning to the Oval Office to write a note to leave behind for Mr. Clinton, as Ronald Reagan had done with Mr. Bush.

Mr. Reagan's note said: 'Don't let the Turkeys get you down.' Mr. Bush would not say what his note said.

Mr. Clinton's inauguration was closed by a poem read by his favorite poet, Maya Angelou, who wrote 'On the Pulse of Morning' to celebrate Mr. Clinton's inauguration as the dawn of a new era of national unity. It ended with the verses:

Here, on the pulse of this new day
You may have the grace to look up and out
And into your sister's eyes, and into
Your brother's face, your country
And say simply
Very simply
With hope --
Good morning.

Caption:

Photo: Bill Clinton being sworn in yesterday by Chief Justice William H. Rehnquist as the 42d President of the United States. With him outside the Capitol were his wife, Hillary, their daughter, Chelsea, and Vice President Al Gore, who had taken his oath of office moments earlier. (Jose R. Lopez/The New York Times)

Time for Sacrifice, Clinton Says He Takes Oath, Calls for Renewal of America

■ **Presidency: Largest inaugural crowd ever hears challenge to invest more in people and jobs and cut the debt. In first official act, the President signs ethics order.**

6/201

By JACK NELSON
TIMES WASHINGTON BUREAU CHIEF

WASHINGTON—William Jefferson Clinton, the 46-year-old former governor of Arkansas who struggled through a bruising campaign to become the 42nd President of the United States, on Wednesday issued a dramatic inaugural call for sacrifice and change, proclaiming "a new season of American renewal."

"We must do what no generation has had to do before. We must invest more in our own people, in their jobs, in their future and at the same time cut our massive debt," Clinton said, after taking the presidential oath at the west front of the Capitol in ceremonies whose simplicity belied the awesome transfer of power and responsibility that they entailed.

"It will not be easy; it will require sacrifice" to revitalize the nation's economy and meet its daunting social problems, Clinton said. "... But it can be done, and done fairly, not choosing sacrifice for its own sake but for our own sake."

And, in a line that echoed Franklin D. Roosevelt's call to courage during the Great Depression and Ronald Reagan's repeated appeals to national pride, Clinton declared: "There is nothing wrong with America that cannot be cured by what is right with America."

A crowd police estimated at more than 250,000 that extended from the Capitol grounds far down the Mall—the largest inaugural crowd ever—applauded and cheered as the accession of Clinton and Vice President Al Gore ended 12 years of Republican rule of the White House and marked a generational passing of the torch from 68-year-old George Bush to the first President born after World War II.

In a stirring speech that mentioned change nine times and reaffirmed other campaign themes, Clinton pledged to "end the era of deadlock and drift" in Washington. Sitting solemnly nearby, their faces seldom changing expression, were former President George Bush and his wife, Barbara, who left Washington for a new home in Houston less than an hour after Clinton officially took office.

Although Clinton campaigned largely on the economy and other domestic issues, he declared that, to renew America, "we must meet challenges abroad as well as at home. There is no longer division between what is foreign and what is domestic—the world economy,

the world environment, the world AIDS crisis, the world arms race—they affect us all."

The speech came relatively early in an extraordinarily long day, even for Clinton, who is known as a workaholic and night owl. The events began with an emotional church service shortly after 8 a.m. at the Metropolitan African Methodist Episcopal Church, which marked the first time a President ever had attended inaugural services in a black church.

Afterward, he and his wife, Hillary, went to the White House for a 32-minute meeting with President and Mrs. Bush and the two families rode to the Capitol together for the swearing-in. Immediately after the ceremonies, the Clintons lunched with congressional leaders at the Capitol and then led the inaugural parade, emerging from their limousine to wild cheers to walk the final blocks to the White House reviewing stand.

They ended their day with scheduled visits to all 11 inaugural balls on a timetable that was to return them to the White House at 2:32 a.m. EST, just 6½ hours before they were to host the concluding inaugural event—a White House open house. To a deafening ovation at the Arkansas gala about 9:30 p.m., the nation's first saxophone-playing chief executive picked up his favorite instrument and belted out the lead in a rendition of "Your Momma Don't Dance," a 1973 rock 'n' roll hit by Kenny Loggins and Jim Messina.

In his first official act minutes after being sworn in, Clinton, eager to demonstrate his intention to move vigorously, issued an executive order detailing ethics requirements for executive branch officials. He signed the order with a black-and-gold pen inscribed "Bill Clinton, The White House."

Then, seated at a table covered with green leather in the President's Room just off the Senate chamber on the Capitol's second floor, he signed the nominations of 19 Cabinet-level appointees and six sub-Cabinet choices.

Later, in a proclamation declaring Friday a "National Day of Fellowship and Hope," Clinton, a Baptist, said:

"As I assume the office of President, I stand humbly before God and ask for His guidance and blessings for our great nation. The obligation of a President is more than the fulfillment of a set of constitutional duties. The President must carry the mantle of hope and optimism in the battle against fear and despair."

Clinton's call for sacrifice—a word that seldom if ever crossed his lips during the campaign—may portend strong medicine for the nation's ailing economy, including proposals to raise taxes, curb entitlement programs and control health care costs.

It was near-perfect winter weather—sunny, with clear blue skies and temperatures in the upper 30s—when Clinton placed his hand on a Bible opened to Galatians 6:8 and took the oath from Chief

Justice William H. Rehnquist. Justice Byron R. White, 75, the only Democrat on the nine-member Supreme Court, swore in Gore.

The Bible passage said: "For he that soweth to his flesh shall of the flesh reap corruption; but he that soweth to the Spirit shall of the Spirit reap life everlasting."

The presence on the inaugural stand of the Supreme Court justices and such older political figures as Bush and former Sens. Albert Gore Sr. (D-Tenn.) and Alan Cranston (D-Calif.), along with the robust young President and vice president, strikingly portrayed the new generation of baby boomers assuming power.

Clinton, ebullient and almost irrepressible since the five-day inaugural program began Sunday, clearly enjoyed himself. He smiled frequently and repeatedly gave thumbs-up signs to well-wishers. He hugged and kissed his wife and his 12-year-old daughter, Chelsea, hugged mezzo-soprano Marilyn Horne and poet Maya Angelou, who took part in the ceremonies, and even bearhugged Vice President Gore.

Angelou, the first poet to read at an inauguration since Robert Frost at John F. Kennedy's swearing-in on Jan. 20, 1961, read a poem she wrote for the occasion at Clinton's request. The audience cheered as she read in a deep, deliberate voice, hailing Clinton's arrival as the dawn of a new era of unity and referring to America's diversity of Asians, Irish, Hispanics, Jews, Africans, American Indians, Catholics, Muslims, "the gay, the straight, the preacher, the privileged, the homeless, the teacher."

Horne, a Clinton friend since meeting him during a concert in Little Rock, Ark., seven years ago, sang "An American Medley" and concluded the inaugural ceremony by singing "The Star-Spangled Banner."

Clinton's speech lasted only 14 minutes—relatively short for an inaugural address, especially for an exceptionally voluble politician who talked much longer than many people listened at the last two Democratic nominating conventions. But the new President spoke forcefully and with rhetorical flourishes that drew enthusiastic responses from the crowd.

"Thomas Jefferson believed that to preserve the very foundations of our nation, we would need dramatic change from time to time," he declared. "Well, my fellow citizens, this is our time. Let us embrace it."

To renew America, he said, would require boldness, and he urged Americans to "resolve to make our government a place for what Franklin Roosevelt called 'bold, persistent experimentation,' a government for our tomorrows, not our yesterdays."

Clinton declared that the nation's founders "knew that America, to endure, would have to change."

"Not change for change's sake," he said, "but change to preserve America's ideals—life, liberty, the pursuit of happiness. Though we march to the music of our time, our mission is timeless. Each generation of Americans must define what it means to be an American."

Turning to Bush, Clinton in

another reference to the generational change, said: "I salute my predecessor, President Bush, for his half-century of service to America."

Bush nodded in acknowledgment, then stood with his wife and smiled while Clinton led the crowd in applauding. The dignitaries in the stands clapped long and lustily but the mass of people below fell silent after a few bursts of applause. It was clearly a Clinton crowd.

Later, while Clinton was still speaking, Bush turned to his wife and said: "It's a good speech."

Senate Majority Leader George J. Mitchell (D-Me.), in addition to hailing Clinton's speech, paid a rare Democratic tribute to Bush in a prepared statement.

"President Bush leaves office with an enormous legacy of accomplishments," Mitchell said. "Particularly, the two START treaties with respect to nuclear arms will, in my judgment, be regarded by future historians as among the most significant actions of the close of the 20th Century."

Clinton, a self-styled "new Democrat" who has helped push his party to the center, took a swipe at the Washington power structure, saying that "this beautiful capital, like every capital since the dawn of civilization, is often a place of intrigue and calculation. Powerful people maneuver for position and worry endlessly about who is in and who is out, who is up and who is down, forgetting those people whose toil and sweat sends us here and pays our way. Americans deserve better . . ."

While out-of-towners applauded, many members of the Washington Establishment remained silent or muttered complaints about the statement.

White House aides said Clinton's first official act detailing the most stringent ethics rules ever imposed by a President was intended to highlight his commitment to minimizing the influence of lobbyists and the revolving door through which federal officials leave government service only to go to work

for industries that they had regulated. The ethics rules, which Clinton announced early in the transition, prohibit senior appointees from lobbying the government in their areas of work for five years after leaving office and impose a lifetime ban on lobbying for foreign interests.

Among other executive orders Clinton will issue soon, aides said, is one that repeals the so-called gag rule barring personnel at federally funded clinics from discussing abortion with patients.

The traditional lunch that Congress gives for the President after he is sworn in was heavily laced with rhetoric about breaking the gridlock that marred the relationship between Capitol Hill and the White House during the Bush years and much of the Ronald Reagan Administration.

House Speaker Thomas S. Foley (D-Wash.) gave each member of the Clinton and Gore families a plaque bearing one of the letter openers used by aides earlier this month to open the certificates from states formally reporting the victory of the Clinton-Gore ticket in the electoral college.

"May they symbolize the ease with which you will cut through the heavy tangle of legislative challenges to the heart of successful political wisdom and successful governance," Foley said.

Clinton offered a toast to a "new partnership in America" and said he would not succeed as President unless Congress did well and won public approval.

"Once in a generation, we really are called upon to redefine the public interest and the common ground," Clinton told the members of Congress. "I honestly do believe much of what we have to do today is work that knows no necessary partisan label and does not fall easily within the conventional divisions of liberal and conservative or Republican and Democrat."

The transition at the Oval Office began earlier Wednesday when Bush, graciously greeting the Clintons and the Gores at the White House, said, "Good luck to you,"

and reached out to shake hands.

Less than an hour later, just as a moving van bearing Arkansas license plates and containing the Clintons' furniture pulled up, Bush and Clinton entered a limousine bearing the presidential seal for the ride to the Capitol.

The Senate convened shortly after the inauguration and by voice vote without dissent swiftly confirmed three of Clinton's top Cabinet appointments: former Sen. Lloyd Bentsen (D-Tex.) as secretary of the Treasury, former Rep. Les Aspin (D-Wis.) as secretary of defense and Los Angeles attorney Warren Christopher as secretary of state.

The Senate also agreed to place the nominations of seven other Cabinet members and four other high officials on a fast track for confirmation today.

They include Rep. Mike Espy (D-Miss.) as secretary of agriculture, Harvard Prof. Robert B. Reich as secretary of labor, former University of Wisconsin Chancellor Donna Shalala as secretary of health and human services, former South Carolina Gov. Richard W. Riley as secretary of education, former San Antonio Mayor Henry G. Cisneros as secretary of housing and urban development, form Minnesota power company official Hazel O'Leary as secretary of energy and Jesse Brown, former head of the Disabled American Veterans, as secretary of veterans affairs.

Others in line for early Senate approval are Carol Browner, head of the Environmental Protection Administration; Rep. Leon E. Panetta (D-Carmel Valley), director of the Office of Management and Budget; Alice Rivlin, deputy director of OMB, and Roger Altman, deputy secretary of the Treasury.

Today, the five-day inaugural program will end with President Clinton and the First Lady playing host to throngs of Americans at the White House.

Times staff writers William J. Eaton, Edwin Chen, Robert Jackson, Matt Marshall and Constance Sommer contributed to this story.

10/06
10/06/99
October 4, 1999

Dear Nancy,

I am sending this information to you to see if the President would be interested in reading about this type of work against violence. I personally had an experience when my son was hit by a car in Italy, leaving me to definitely believe in "guarding angels", and therefore I can believe in visions.

Ann Menendez has been a friend to Chris and myself for a long time, as well as her family. This truly is not one of those nutty right-winged people or groups, and if you think this is important enough to share, please get this to the right person around you.

Nothing great has been going on in Arkansas, and we are so happy with the cool weather. Nick Wilson's trial starts this month, and that doesn't make any of us that care too elated. When will all of this stop?

Chris and I hope you have a great fall, and don't kill yourself working, especially since you have managed to survive so far.

Love,
Mary Chris Burrow

10-12-99
Send to Burkhardt?
Yes ☒
No ☐

C.

Ann Dugan Menendez

507 Shadowridge Drive ~ Wildwood, MO 63011-1707
Home Phone 636/458-3220 ~ Email Yucatan_man@msn.com

September 30, 1999

Dear Mr. President,

I am enclosing some information about a St. Louis based group aimed at stopping youth violence and senseless deaths. We call our group Save A Life Today (SALT). If you have time, please read the 2 pages entitled, "SAVE A LIFE TODAY (SALT)," which sums up our group. I have also enclosed some of the literature distributed by our group in the past.

We are hoping you will agree with our cause and designate a SAVE A LIFE DAY or weekend - which we would like to see become an annual national event. I know you get many, many requests, but we feel this is very important to the safety of our nation's youth, and hope you agree. In light of the recent tragedies around the country, we also feel this is urgent. We are hoping to turn the safety of our kids into a proactive stance, rather than a reactive one.

I also know that you are in frequent contact with several of our nation's great spiritual leaders and would love to make our cause known to them, too.

The letterhead on which this is written includes my personal information, (which might get a quicker response than using our organizational address), however please feel free to contact Ruth at:

Ruth Pfeffer
PO Box 216
New Melle, MO 63365
(636)398-5521

I appreciate your taking the time to read this and am thankful to Mary Chris for agreeing to forward it to your office. I grew up in Wynne (my family still lives there), and went to Hendrix from '78 - '82 - I had a class with Roger (Intermediate Comp - he was a much more talented writer than I!), I hope he's doing well.

As I'm expecting my first baby - Hope Dugan Menendez - on October 6th, I'll give you a third contact person, in case you would like to talk to someone about SALT and can't reach Ruth or me. Her name is Mrs. Geoege Grone (Anna Lee); 734 Walnut Creek Lane, Chesterfield, MO 63017-5719; (636)576-3701.

Thank you again for reading our information, and I hope to hear from you.

Sincerely,



Ann Dugan Menendez
(Mrs. Herman R. Menendez)

Save A Life Today (SALT)

The purpose of our group is to try to save lives, especially those of today's youths. Before I go into where we are today, I feel I must first explain the inception of our group (SALT).

October 1, 1992, the morning after a brutal murder of a young neighborhood woman, a dear 80 year old lady named Ruth Pfeffer from St. Louis was in church praying for the lives of the innocent and to stop the violence, when she felt, "The presence of God." After looking around, she realized that this sensation had not been caused by anyone nor anything physically brushing past her. It seemed that countless images of flowers were gliding past her - more like a vision. After the services, while talking with a group of friends about the experience as it related to her prayers, they all believed that Ruth had received a spiritual "sign," and that this was indeed an important cause. They discussed what they could do to stop the violence. The group decided to form a prayer group, because prayer is one tool we all have to fight violence. (Ruth likes to say that she is, "Strongly aware of the power of prayer and of the urgent need to seek God's help.") They decided to call their group SALT. Initially they simply agreed to pray for an end to the violence involving the world's young people, but they soon started spreading the word of their cause and asking others to help them.

The second spiritual "sign" came when they asked a graphic artist to design a logo which could be printed on cards to hand out. They became worried about the costs of printing the logo when they saw it, because it was done in 2 colors - a pencil sketch of a person with arms and legs stretched out spanning the earth with a red heart. They called the artist, who was also to be the printer, to ask about the cost to add the second color, but he didn't understand what they were talking about - since he'd drawn the whole sketch in pencil - no red anywhere on the logo! They held the sketch up in the sunlight, as well as inside, against the wall and against the carpet - they all saw the heart as red! At this point, they told their priest who encouraged them to take this further, saying he, too, believed this to be a spiritual "sign," saying he believed that God was asking for prayers. They had the cards printed up - with the red heart, of course - and have been distributing them since.

The following story is one of many demonstrating the impact of SALT. A St. Louis woman heard about SALT and called Ruth to learn more about the group. Her young daughter had been brutally murdered in 1993, and the police had no suspects. The family felt completely helpless and hopeless. The woman told Ruth that they had hung several pictures drawn by her daughter on their hallway walls to serve as a daily reminder of the joy their daughter's very short life had brought them. As the conversation progressed, the woman became more and more interested, especially when Ruth told her of the red heart in the logo - you see, each picture they'd hung on their walls had a red heart drawn on them by their late daughter. Even though SALT can't bring back her daughter, nor help find her killer, the woman said she felt empowered and hopeful just knowing that SALT exists. And that she now has hope - that through the power of prayer and the efforts of SALT that this tragedy might not happen to anyone else.

SALT is a non-profit organization, but has never asked for any donations in anyway. The money for printed materials always just seems to be there when it is needed. SALT currently consists

of 12 "Trustees" who meet monthly to discuss where we are in our quest to spread our message, and over 700 people who have given us their names and addresses and agreed to pray our prayer, "Dear God, hear our prayer. Save a life today." The prayer for the kids to say is, "Dear God, I pray, keep me safe today." Our original plan was to get as many people praying our simple prayers on a daily basis but we now realize that while prayer is very important, there are many other ways we can try to actively stop the violence. If anyone wants to join our group, we will take his or her name and add it to our list. (The list will never be sold to any other group.) The people on our roster receive an annual newsletter from SALT. We are planning to add stories of how SALT has impacted people's lives in our upcoming newsletters. To date, we know that our prayer cards have reached over 120,000 people. Many of these were by individuals requesting the cards, and some through other groups' newsletters where our card was reprinted.

In 1995, SALT contacted Governor Mel Carnahan of Missouri and asked him to proclaim SAVE A LIFE day or days. He did this for that year, but we need something more permanent. We are hoping to turn this into an annual national day of celebration.

The group has just asked several new people to join the group of Trustees (with these additions, has the number increased to the 12 mentioned above). We are now picking up momentum and gearing up for a national campaign. What we'd like to see happen is for this to become a nationally recognized day. Either sometime in the summer when all of the school kids are out and needing something to work towards, or early into the school year to "kick off" the year on a positive note. We are planning on contacting several national media sources. We are hoping to have a group of teachers design a program to get kids of all ages involved. We hope to see rallies, school programs, national media coverage, involvement of our nation's great spiritual leaders, an organized effort. We are hoping to see RESULTS! We've seen many groups in several states organizing rallies, and some have gone to Washington, some have been on TV - all in an attempt to make our schools and streets safer places. We believe that if we can get more people involved, and have a common name and goal, that we are more likely to see these positive results. We are hoping to have a national SAVE A LIFE DAY each year and anticipate the participation to be incredible.

SAVE A LIFE TODAY (SALT)



How would you like to "Save A Life Today" from crime and violence? Help put an end to the appalling number of murders being committed every day in America - shameless - incredible - to the point where children are killing children. The number of daily murders throughout the world is shocking. We are asking God to help us to stop these dreadful tragedies.

We invite you to join the **Save A Life Today** prayer network - the power of prayer will achieve wonders. You are invited to join a growing number of people who are turning to God each day with an urgent plea to stop crime and violence in our cities and elsewhere - a plea to "Save A Life Today". The capital letters of these four words spell SALT. Become the salt of the earth by lifting your mind and heart in prayer to help save lives.

Imagine having given someone the strength not to pull the trigger of a gun, not to use a knife, to give up drugs, and to provide protection for life. We are praying for God's guidance to help us create a just society where peace and non-violence are the reigning values. We believe in "ask and you shall receive". With faith, our goal can be reached.

THE ORGANIZATION:

Save A Life Today is a grassroots, interfaith, interracial, and nonprofit organization formed to promote the power of prayer and its daily use. We pray to save lives from cruelty, violence, drugs, and crime all over the world.

MISSION & GOALS:

The mission of Save A Life Today is to establish a program to save lives through prayer.

- Our plan is to distribute **SALT** prayer cards through clergy, friends, relatives, churches, schools, medical organizations, etc.
- We have established a Board of Trustees and it functions as a steering committee.
- Develop marketing plan to perpetuate the **Save A Life Today** program.

In the five years since **Save A Life Today** was formed, we have established a not-for-profit status - there are no membership dues or fees charged. We publish a newsletter with a mailing list of over a thousand individuals and organizations. **Save A Life Today** has been unanimously endorsed by the Interfaith Partnership of St. Louis Board of Directors as well as Catholic, Protestant, and Jewish clergy. One of the most significant activities of **Save A Life Today** has been the distribution of more than 17,000 prayer cards, printed in four languages - they have been sent to 21 different states and 6 foreign countries. Also, **Save A Life Today** has received proclamations and resolutions that have spread the message to 60,000 people.

Save A Life Today is asking all faith groups of every denomination to pray and work for an end to violence and cruelty every day. **Save A Life Today** recognizes that everyone can do something to fight crime and violence by using the power of prayer.

Recommended Prayer:

"Please God, hear our prayer, Save A Life Today"

For prayer cards (at no charge) write to:

SALT - PO Box 152, Chesterfield, MO 63006-0152

Dear Friend:

I am excited to tell you about Save a Life Today (SALT), a grassroots, interfaith, interracial, and not for profit organization formed to promote the power of prayer and its daily use. Since its inception in 1992, SALT has worked to gain exposure for its mission and recommended prayer:

"Please God, hear our prayer. Save a life today."

Our society is moving at the speed of light, global barriers seem non-existent and we continue to make great strides. Yet, each day we hear of merciless murders, harm and violence. SALT exists to stop murder and violence through the power of prayer. Our prayer is simple, however we need to build a "communication highway" to spread the message throughout our fifty States and beyond. Prayer is the inner expression of an earnest and humble request to God. We ask that you pray, in your own way, to accomplish the mission.

This is why SALT has established Regional Representatives. I call upon you to rise to the challenge to serve as our liaison in your area. This will allow us to continue our mission and spread our message, so innocent lives may be spared and a greater level of understanding can begin to spread throughout our world to bring an end to violence.

Enclosed are materials you may find helpful to introduce the message of SALT to your community. We suggest you read the material and reflect upon its message. If you have questions or require additional information, please call me.

In our pursuit to spread the message in the St. Louis area we have called upon the following:

- | | | |
|------------------|-----------------------|-----------------|
| ❖ Churches | ❖ Media: (radio & TV) | ❖ Bridge Groups |
| ❖ Sunday Schools | ❖ Publications | ❖ Your doctor |
| ❖ The Clergy | ❖ At the office | ❖ Hospitals |
| ❖ Schools | ❖ Restaurants | ❖ Museums |
| ❖ The Internet- | ❖ Social Clubs | ❖ Clients |

The possibilities are endless, just make contact with those whom you interact regularly and the multiplier effect will assure the continued growth of SALT.

Our aim is to find at least one Representative per State in our United States. Please help us find the people needed for these positions. We invite those of you who would like to become a Regional Representative to contact us. We certainly can have more than one per State.

Save A Life Today

March, 1998

Page Two

One challenge that is in concert with the goal of having a Regional Representative for each State is to embellish on what the Governor of the State of Missouri has done for us. In 1994 he designated January 21-22 as SAVE A LIFE DAYS. We challenge you to contact your Governors so we can have NATIONAL SAVE A LIFE DAYS. This will enhance the total awareness of our mission, and reinforce it as a **national** objective. Please help us with this goal. See the copy of the enclosed Proclamation and send it to your State Governor.

In an attempt to encourage youngsters to subscribe to our mission, we have and continue to sponsor art competitions for children in grades one through five, and six through eight. Prizes are given in each division to the participants who design a unique prayer card, which is printed in green and incorporates the red heart. The design includes the recommended prayer:

Please God, I pray, keep me safe today.

We hope this will help prepare our youngsters to be strong against violence and abhor murder, as they become teenagers and adults. Please let us know if you would like to have children in your area participate in this meaningful competition.

In order to keep communicating, we request your name, address and telephone number for our roster. Please note we do not give out our lists. Ideas, questions, and comments are welcome. Donations are happily received should you choose to be so inclined. Please remember, that SALT is a 501 (c) (3) organization and gifts are tax deductible according to the law.

Please do not hesitate to call us at (314) 537-0303 - Anna Marie Kuhr, Secretary or myself at (314) 398-5521. Feel free to copy this letter and share it with your friends who will support our cause.

Remember, the world needs each one of us.

Very Sincerely,

SAVE A LIFE TODAY

Ruth Pfeffer, President



S · A · L · T

S a v e A L i f e T o d a y

Volume 6
December 1998

GREETINGS TO ALL members and friends, and thank you for your willingness to pray for an end to violence in our world today.

We send special Christmas time LOVE to you along with this newsletter. Please, if you are not yet a member of "Save a Life Today," become one by saying our recommended prayer each day.

"PLEASE, GOD, HEAR OUR PRAYER. SAVE A LIFE TODAY."

If you are a member, we urge you to reach out to your relatives and friends. Invite them to help stop the killing through the power of prayer to bring hope and peace to all in our United States of America and to everyone throughout the World.

HISTORY

For the benefit of new SALT members, we like to relay how our organization came into being.

One morning after an atrocious murder had been committed, four people decided to form a prayer network. A graphic artist was asked to create a logo.

He presented us with a pencil sketch which we liked very much. It was a person with hands held high and apart, as though begging to be spared. The figure had a red heart!

Since we planned to print a prayer card in green, the color of life, we wanted to know how much extra it would cost to print the heart in red. (We asked this of the artist who also was to be our printer.) His response was, "I don't know what you are talking about. There is a heart, but it is not red." We have the original sketch—the heart is not red.

Each one of us had seen the sketch individually and saw the heart as red in color. We were perplexed and so consulted a member of the clergy. He told us, "This is a sign that you are being asked to deliver a message to as many people as possible."

Save
A
Life
Today
P.O. Box 152
Chesterfield, MO 63006-0152

FROM OUR MENTORS

Warm Greetings to our Readers!

As the Millennium approaches, we re-examine our goals in the SAVE A LIFE TODAY (SALT) Program of attempting to save lives and create a safer future for everyone. In attempting any such endeavor we must build from our strengths if we are to be successful.

We have always upheld that our greatest resource in overcoming the escalating violence of our times is the power of prayer. The cards we print and distribute are a daily reminder of this belief and the need for God's help.

Another great resource is our youth, our surest hope for the future. By providing special cards for them with the prayer, "Dear Lord I pray, keep me safe today," we hope to encourage them to pray daily and feel secure in the protection of God.

In order to assure their interest and cooperation, we will offer teens an opportunity to design their own prayer cards, and prizes will be awarded for the best of these. Currently there is in place a competition for pre-teen elementary school children, to design their own prayer cards and here too prizes are awarded to the winners. Further, information regarding this is available upon request.

We are also hoping to reach greater members of our citizens by promoting the concept of regional directors, who will, among other things, help to promote a governor's proclamation in each state for prayer on a specific date.

In 1995, Governor Mel Carnahan of Missouri issued a proclamation "requesting all persons and leaders of major faith groups to set aside January 21, 22, 1995, to pray and work for an end to violence—and to pray for the victims and their families as well as for the aggressors and their families, in order that lives may be saved and lived to their fullest potentials."

"Orchids to SAVE A LIFE TODAY (SALT) which, in today's violence-prone society, makes us aware of our power to affirm and defend the value of human life."

*Monsignor Jerome F. Wilkerson, Ph.D., pastor
St. Joseph Catholic Church, Clayton, Missouri*

"I heartily endorse SALT's noble efforts to keep before our minds the power of prayer and the value of every human life."

*Rabbi Alvan D. Rubin, Rabbi Emeritus
Temple Israel, Creve Coeur, Missouri*

THE FIRST WORDS of a human to God in the Bible are a cry from Abel. He has been murdered by his brother Cain, who doesn't accept that he is his brother's keeper. God hears the cry of Abel, the victim of violence. God listens to Abel's prayer, calling for help. Save A Life Today believes that God hears our prayers when we call upon God to help us find ways to end violence. God suffers the pain of our humanity, and in calling us to prayer, SALT is affirming our cooperation with God in sharing that pain. It is the pain of the victim and his or her family. It also is the pain of guilt and punishment of the perpetrators who violate their own personhood as well as the personhood of the victims. So, SALT calls us to offer the power of prayer for victims and violators in the assurance that our compassionate God will help us work to end violence.

The Reverend John Nourse
Pastor of Parkway United Church of Christ

Think of giving someone the strength to put down a weapon, to give up drugs, and to respect life.

**Save
A
Life
Today**



Join us in prayer each day to help stop the appalling rate of murder and crime in our world. This is a worldwide crisis. However, the power of prayer is great. Become the **SALT** of the earth by lifting your mind and heart to God and pray:

***“Please God, hear our prayer,
Save A Life Today.”***

Please help us spread this message to as many people as possible.

For more information:
Write Ruth Pfeffer,
P.O. Box 216, New Melle, MO 63365

Imagine giving someone the strength to put down a weapon, and to respect life.

PROCLAMATIONS

As Monsignor Wilkerson relayed in his message, Governor Mel Carnahan of Missouri issued an official proclamation in 1995, designating two days in January as SAVE A LIFE DAYS.

Our goal is to reach the governors of all fifty states, impress upon them the importance of the SALT program, and ask them to proclaim a day in January 2000 as “Save a Life Day.” Below is a portion of the proclamation which could serve as a model for other states:

“Whereas, SALT is requesting all persons and leaders of major faith groups to set aside a day in January 2000, to pray and work for an end to violence and to pray for victims and their families as well as for aggressors and their families, in order that lives may be saved and lived to their fullest potential.”

If you or someone you know is associated with the governor of any state, please contact us at the address shown on the back of this newsletter. Thank you!



SAVE A LIFE TODAY
P.O. Box 152
Chesterfield, MO 63006-0152

RETURN ADDRESS REQUESTED

We invite you to become a member of SALT. Membership consists in saying our network prayer each day. "Please God hear our prayer, SAVE A LIFE TODAY." Send us your name and address and you will receive our newsletter, there is no charge. We do not publish our address list.

"Thank you for praying with us." Remember, the world needs your prayer. The appalling rate of murder and crime is a world-wide crisis.



Note from the President

On Sunday, November 22, 1998, I was a visitor in Kansas City, Missouri. On that day, the *Kansas City Star's* cover page article stated, "Faith – Spiritual Quests are Growing." On the same day, *USA Today* published on their cover, "Crime Rate Recedes, But Wariness Remains." The article pointed out: "The statistics are stunning; for six years in a row, serious crime in America has steadily declined."

These stories report that it has taken six years to achieve this. SALT began in 1992, which tells us that SALT was a part of teamwork across the country and can take some credit. In some areas, the reduction is as high as 28%, which is encouraging. However, let us realize that we cannot let down. On the contrary, this should be our motivation. Leadership is more paramount than ever. This, therefore, puts new emphasis on our goal, which is to reach our governors, regional representatives, members, youth groups, and elementary school children.

Please continue to help us spread the message to **Save Lives.**

Very sincerely,
Ruth Pfeffer



S · A · L · T

S a v e A L i f e T o d a y

Volume 5
December 1997

WE ARE HAPPY to say "hello" to the members of the "Save a Life Today" program—and *pleased* to report our current position. It is great!! Of course it can be better—this is the reason we need you and the new members you can bring with you.

You might ask what constitutes membership. It is quite simple. There is no cost to you unless you wish to help by contributing toward our cost of printing, mailing and providing the SALT prayer cards. What membership *does ask* of you, is your agreement to say our recommended prayer each day:

"Please God, hear our prayer. Save a life today."

Our goal is to use the power of prayer by countless numbers of people spreading the message to stop murder and violence in our world. The appalling number of murders is a worldwide crisis.

HISTORY

One morning after an atrocious murder had been committed, four people decided to form a prayer network. A graphic artist was asked to create a logo.

He presented us with a pencil sketch which we liked very much. It was a person with hands held high and apart, as though begging to be spared. The figure had a red heart!

Since we planned to print a prayer card in green, the color of life, we wanted to know how much extra it would cost to print the heart in red. (We asked this of the artist who also was to be our printer.) His response was, "I don't know what you are talking about. There is a heart, but it is not red." We have the original sketch—the heart is not red.

Each one of us had seen the sketch individually and saw the heart as red in color. We were perplexed and so consulted a member of the clergy. He told us, "This is a sign that you are being asked to deliver a message to as many people as possible."

Save

A

Life

Today

P.O. Box 152

Chesterfield, MO 63006-0152
(314)

Save a Life Today is a grassroots, interfaith, interracial and nonprofit organization formed to **promote the power of prayer** and its daily use. It has been unanimously endorsed by the Interfaith Partnership as well as Catholic, Protestant and Jewish clergy. One of the most significant activities of the program has been the distribution of more than 20,000 prayer cards, printed in four languages. They have been sent to twenty-one different states and six foreign countries. Also, it has received proclamations and resolutions that have spread the message to 70,000 people.

IN THE SPOTLIGHT

- **Reverend John Nourse**, pastor of Parkway United Church of Christ, has the first place in our spotlight. He has been our mentor, strength and support since we began efforts to recruit others to join us in our prayer network. Reverend Nourse has agreed to remain our mentor with inviting other members of the clergy to share plans on advising us. Happily our meeting place is still to be at Parkway United Church of Christ. We are indeed grateful to him.
- **Susie Greenberg** (Mrs. Philip) of Louisville, Kentucky, took a big step up front when she suggested that we establish **regional representatives** from each state. She offered to take the lead by being Kentucky's regional representative. Therefore, Kentucky is now region number one.

Following this we have:

- #2 California headed by Lileen Dunn
- #3 Louisiana headed by Ellen Dollack
- #4 New Jersey headed by Jean Mitchell
- #5 Kansas City, Missouri headed by Dennis Dukes
- #6 Illinois headed by Jean Pettry
- #7 North Carolina headed by Tom Brennan
- #8 Minnesota headed by Deedee Fredericks

Susie also realized the power of the media and introduced us to Dianne Aprile, the author of a wonderfully creative book entitled "The Things We Don't Forget." She is also a columnist for the *Louisville Courier-Journal*. After our meeting, Dianne wrote a full column, in the Sunday edition, on crime and violence. She stated that "Save A Life Today" trustees believe that if **one** life is saved it is worth the effort.

After this we received a call from Marilyn Meredith and Lisa Scherer of Louisville, Kentucky. They were in the process of planning a prayer breakfast for 500 people and asked for 500 prayer cards, which they wanted to put at each person's place. They reported that the breakfast was a complete success. At the end of the breakfast, everyone stood and in unison said the recommended prayer. This was very impressive. In addition, they asked for 1,500 more cards which they plan to distribute later.



SALT Regional Representatives

DONORS

We are pleased to present another Role of Honor — those who make it easier for us to pay our bills:

- Kay Kinsella – Missouri
- Mr. and Mrs. Harry Morley –
Taylor Morley – Missouri
- Mr. Tom Brennan, steward for the
St. Louis National Charity Horse
Show from North Carolina
- Festival of Faiths – Kentucky
- Marian Council – Missouri
- Marilyn Meredith – Kentucky
- Lucy Huger – Missouri
- Alice Bina – Missouri
- Katherine Bronson – Missouri

CONGRATULATIONS AND APPRECIATION

- To **Katherine Bronson**, a member of Galilee Baptist Church located at 4300 Delmar, St. Louis, Missouri. She dispersed 200 prayer cards at the Sunday service November 17th. This is bringing in a number of new members of our black community that we have needed for quite a while. *Let us applaud Katherine*, who is also introducing our art competition to the children of Galilee Baptist Church. **Rosa Little**, Superintendent of Sunday School, heads the program. We extend many thanks to the pastor, **Rev. Carlton Caldwell**, for the Galilee participation.

- Yes, indeed, we take pride in congratulating **Monsignor James Telthorst**, winner of the 1997 Aquinas Institute's Great Preacher Award. Monsignor is pastor of the Cathedral Basilica of St. Louis and one of our valued clergy members.

He entered the Cathedral's Elementary School children in our art competition. The event involved the children designing their own prayer cards with their prayer:

“Please God I pray, keep me safe today!”

The competition was a wonderful experience. Sixty-five children participated and received certificates. First place was a \$100 savings bond, second and third places were \$50 savings bonds.

The competition is not over! It is still available to other schools. Please call us for details if you know a school that would like to compete.

SPECIAL ATTENTION

- This newsletter would be exceedingly lacking if we did not give special attention to our **police forces**. We are aware that they put their lives at risk for others every day. We are most grateful and have deep respect for their dedication.
- **Margie Banks**, a member of our steering committee in charge of contacting the families of victims through letters of sympathy, has written to *forty chaplains* of the various police departments asking them to become liaison friends to help us find new ways to increase devotion to the power of prayer.
- Look for **Monsignor Jerry Wilkerson** in Volume 6 of the newsletter. Monsignor is joining Reverend Nourse as a member of the committee of mentors. He is pastor of St. Joseph's Church in Clayton. His contacts are large, he plans to reach many people and to assist us in a follow-up way to extend the message of "Save A Life Today."

Words from our Trustees

To all who have true concern about the savage killings our society is experiencing today, we urgently beg you to become one more voice to God in our united prayer program. Never lose confidence in the power of prayer. Join us to help bring peace and security to our world. Realize we have a worldwide crisis that can be changed by the power of prayer. Let us each ask God To "Save A Life Today." (1997)

We wish everyone a blessed Christmas
and a great 1998, bringing peace, love
and happiness to all.

SAVE A LIFE TODAY

P.O. Box 152
Chesterfield, MO 63006-0152

RETURN ADDRESS REQUESTED

**Save
A
Life
Today**



Join us in prayer each day to help stop the murder and crime in our world. The power of prayer is great. Become the **SALT** of the earth by lifting your mind and heart to God and pray:

***"Please God, hear our
prayer,
Save A Life Today."***

Please help us spread this message to as many people as possible.

♥ Think of giving someone the

Save A Life Today



Join us in prayer each day to help stop the appalling rate of murder and crime in our world. This is a worldwide crisis. However, the power of prayer is great. Become the **SALT** of the earth by lifting your mind and heart to God and pray:

***"Please God, hear our
prayer,
Save A Life Today."***

Please help us spread this message to as many people as possible.

For more information: Write Mrs. George Grone
734 Walnut Creek Lane, Chesterfield Mo 63017-5719
314-576-3701

Imagine giving someone the strength to put down a weapon, and to respect life. ♥

strength to put down a weapon, to give up drugs, and to respect life. ♥

LITTLE ROCK, AR 722

OCT 8 1999



LITTLE ROCK AR 722

OCT 8

Ms. Nancy Herrick

The White House

1st Floor, West Wing

1600 Pennsylvania Avenue NW

Washington, D.C.

U.S.S. 10500-2000

THE PRESIDENT HAS SEEN

10-12-99

Grill
H's Motley
just another
Bo

copied
Sperling
Podesta

Food Fright

Biotech Scare Sweeps Europe, and Companies Wonder if U.S. Is Next

Hain Labels Its Snacks as Free Of Genetic Engineering; Other Firms May Follow

Veggie Burgers Feel the Heat

By SCOTT KILMAN

Staff Reporter of THE WALL STREET JOURNAL

Will U.S. shoppers demand that the foods they eat be "biotech-free," the same way they want "fat-free" or "organic" items?

"The more press it gets, the more it will become an issue for consumers," says Andrew Jacobson, a senior executive of Hain Food Group Inc., which recently decided to slap labels on its Little Bear line of natural snacks, assuring consumers that no ingredients come from genetically modified plants.

In the executive corridors of America's premier food and drink companies, no issue is more urgent than whether Mr. Jacobson is right. Although most U.S. consumers aren't aware of it, ingredients made from genetically modified crops are present in various products made by Coca-Cola Co., Kellogg Co., General Mills Inc., H.J. Heinz Co., Hershey Foods Corp., Quaker Oats Co., McDonald's Corp. — and on and on.

European Uproar

Nothing would please these companies more than for Americans to remain oblivious or indifferent to this fact. But that's hardly likely. Consumer uproar already has prompted the European Union to begin imposing mandatory labeling for some foods that contain genetically modified ingredients, and now British supermarket chains are making biotechnology a competitive issue, advertising their house brands as "GMO-free" (no genetically modified organisms). Regulators in Australia, New Zealand, Japan and Canada are devising strategies for labeling such foods, and many other countries are considering similar actions.

Increasing the likelihood that such concerns will spread to the U.S., the same organizations that incited the GMO consternation in Europe—among them Greenpeace and Friends of the Earth—are considering ways to awaken Americans to the issue. Already, the groups's efforts helped push two of the biggest baby-food makers in America, Gerber and Heinz, to try to keep their products free of genetically modified ingredients.

Half of the soybean crop and a third of the corn crop in the U.S. these days contain transplanted genes. Those crops, in turn, are used in countless food products: the syrup for Coke, McDonald's hamburger buns, Heinz ketchup and General Mills' Betty Crocker cake mixes, just to name a few.

What Consumer Benefit?

If pressure builds in the U.S. to label all genetically modified foods, the impact on sales could be chilling. That is because genetically modified products don't offer an obvious benefit to consumers the way "organic" or "diet" products do. At this point, "genetically modified" simply means that the crops processed into ingredients were easier for farmers to grow, because of resistance to bugs, disease and weeds.

On the other hand, if food companies decide to eliminate genetically altered ingredients from their products, farmers harvesting their bumper crops in Iowa this week could one day be left with a bounty nobody wants. Moreover, the grain industry has no system in place for separating conventional crops from their genetically engineered cousins.

Such a backlash also would be a devastating blow to U.S. biotechnology pioneers Monsanto Co. and DuPont Co. The premium prices they are charging farmers for genetically modified seed is only now beginning to help them recoup the billions of dollars they invested in biotechnology research and acquisitions.

Hardly Hysterical

At the moment, Americans are hardly hysterical about the issue. McDonald's, Quaker Oats and Tyson Foods Inc. say only a tiny fraction of the calls they get from U.S. customers are about the genetically modified crops they use to make their products. Hershey says it has received fewer than 25 inquiries about the issue so far this year, a period in which the candy maker handled hundreds of thousands of calls.

But that could change in a flash—the European backlash developed almost overnight—and for that reason it is a subject industry executives have little willingness to discuss, for fear that doing so will only generate more press. The list of companies unwilling to make executives available to discuss the matter for this story is long: Coca-Cola, Procter & Gamble Co., Sara Lee Corp., Kellogg, BestFoods, General Mills, and Pillsbury, the Minneapolis food division of Diageo PLC, among others.

The food industry is commissioning surveys to track public sentiment toward biotechnology. Hershey is among several companies checking to see how quickly they could switch their factories from genetically modified ingredients if attitudes soured.

Some companies aren't waiting. "We're very concerned about consumer sentiment," says a spokeswoman at Heinz, which says it "will seek to avoid" genetically modified crops in all its U.S. prod-

ucts. That is easy for the ketchup maker to do with tomatoes, because the company's breeders were skeptical of biotechnology from the beginning and stayed away. But a complete ban at Heinz would hurt millers that supply it with the sweetener used in its ketchup. A lot of that sweetener is made from genetically modified corn.

After a Consumer Reports magazine article last month identified several soyburger brands as containing genetically modified soybeans, Worthington Foods Inc., which makes Morningstar Farms veggie burgers, swore off genetically modified soybeans. Company executives, who believe altered soybeans are perfectly safe to eat, have begun to remove them from some products anyway, figuring many vegetarians don't trust modern food. "This is a technology they don't understand yet," says Ronald L. McDermott, vice president of research and technology at the Worthington, Ohio, company.

Ben & Jerry's Homemade Inc. says it is making sure that the brownies going into its products are made from nongenetically modified soybean flour. It has taken to buying soybean flour from Natural Products Inc., a small Grinnell, Iowa, company that processes unmodified soybeans and that expects its sales to triple next year to about \$10 million.

Two of the food companies doing the most to dodge genetically modified ingredients are closely tied to big-name brands. Worthington is being acquired by Kellogg, and Heinz is acquiring a 19.5% stake in Hain Food Group, the Uniondale, N.Y., firm that is putting nonbiotech labels on its organic snacks. To make sure its new labels are correct, Hain is switching the oil it uses in its fryers from corn to safflower, a plant yet to be genetically modified.

Most food executives are keeping their plans under wraps, but a look at Europe offers some insight into how they would respond to a choice between the use of labeling or ditching genetically modified ingredients. American firms that export to Europe are going to great lengths to avoid the mandatory labels there. British McDonald's fast-food restaurants, for example, have sworn off genetically modified ingredients. Likewise, Pillsbury changed the corn it uses to make the chips it sells in Britain.

Just this week, the fear of a public backlash in the U.S., and what it might push food companies to do, prompted Monsanto to swear off a promising area of research. Robert Shapiro, chief executive officer of the St. Louis company, announced Monday that Monsanto won't commercialize the so-called terminator gene, an experimental

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THURSDAY, OCTOBER 7, 1999

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technique that is controversial because it would make seeds sterile. The terminator gene is designed to prevent a black market in high-priced genetically modified seeds, but rural advocacy groups complained that it would prevent poor farmers from saving seeds to plant the following year.

In another move to defuse public concerns, Mr. Shapiro yesterday communicated by satellite to a gathering of Greenpeace leaders in London, saying "We're now publicly committed to a dialogue with people and groups who have a stake in this issue."

How often do companies request increased regulation? It's a measure of the concern of food executives that some are quietly prodding the Food and Drug Administration to greatly toughen its over-

sight of altered crops as a way to reassure consumers about the new science.

The FDA decided seven years ago to regard most genetically modified crops as identical to conventional crops, which are considered inherently safe to eat. In the FDA's book, a genetically engineered tomato is just a tomato.

The food-safety agency doesn't require inventors to get its approval or to put special labels on genetically modified food, as long as they use genes that make proteins already in the food supply. The only exceptions are when inventors greatly change a crop's composition by, say, adding a vitamin or introducing a protein known to trigger an allergic reaction in some people.

So far, the biotechnology companies have voluntarily given the FDA their research, mostly data about the composition of their novel crops; some inventions don't even go through animal-feeding trials.

Some of the science around genetically modified foods is in dispute. Critics, without the support of much research, say these foods pose risks both to humans and the environment. Proponents, without the support of much independent research, say that tinkering with the genes of plants not only doesn't hurt people, it has the potential to enhance their health. In the future, food scientists envision growing crops that have been modified to help the human body combat cancer and other diseases.

But science could become less relevant than marketing. In Europe, big grocery chains such as J. Sainsbury PLC are touting their house brands as free of genetically modified ingredients. Store brands in England already account for a much larger percentage of sales than in America, and the groceries see the GMO issue as a way to boost sales even further.

But Nestle SA, the Swiss food giant, is

complying with the labeling law in Europe, informing buyers which of its products contain genetically modified ingredients. Nestle says it is seeing "surprisingly little reaction to the labels in terms of sales figures."

Support for labeling appears to be growing in the U.S. Agriculture Secretary Dan Glickman is encouraging companies to voluntarily label their products. The pro-biotech Rockefeller Foundation, which finances agricultural research, issued a statement saying, "Consumers have a right to choose whether to eat GM foods or not." A Gallup Organization poll released this week of 1,039 adults found 68% want labels disclosing genetically modified ingredients, even if it means a higher price for foods.

"In a democracy, people want to feel like they have a choice," says Thomas J. Hoban, a North Carolina State University

sociology professor who tracks attitudes about crop biotechnology.

No food company stands to benefit more from biotechnology than ConAgra Inc., the giant Omaha, Neb., conglomerate that does everything from sell seed to farmers to make dozens of brand products such as Wesson cooking oil and Healthy Choice microwavable dinners. ConAgra scientists have looked at plans to genetically engineer crops to do things such as make a healthier cooking oil, for example, or a high-potency sports bar.

But the company's official position on crop biotechnology is neutrality. "This is a marketing question only," says Bruce Rohde, ConAgra's chief executive officer, one of the few food executives willing to talk about genetic engineering and food. "I'm open-minded about biotechnology. But right now, the public certainly isn't clamoring for it."

Jack Rosen

910 Sylvan Avenue
Englewood Cliffs, NJ 07632
201-567-4600

*Through
5/11/99*

10-12-99

October 8, 1999

Via Federal Express

Ms. Nancy Hernreich
Executive Office of the President
The White House
1600 Pennsylvania Avenue, N.W.
1st Floor, West Wing
Washington, D.C. 20500-2000

Dear Nancy:

I hope this letter finds you and your family well. I have enclosed a letter that I would appreciate your assistance in the bringing to the President's attention.

As always, thank you for your assistance and attention to this matter.

Sincerely,

J. Rosen
JACK ROSEN

10-12-99

Send to Burkhardt?
Yes ☒
No ☐

Encl.

Jack Rosen

910 Sylvan Avenue
Englewood Cliffs, NJ 07632
201-567-4600

Dear Mrs. President -

While our discussions led me to believe that you agreed in principle that Government should play by the rules and not unfairly confiscate property, as you can see from Jack Hew's letter, the administration is supporting a policy specifically and pointedly in the opposite direction.

Mrs. President, the bankruptcy provision regarding the FCC Spectrum licenses would totally destroy the small business opportunity that you created by law in 1993. I am certain that you would agree that it is wrong and unfair to retroactively confiscate these licenses.

Sincerely,

Jack Rosen



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

THE DIRECTOR

September 27, 1999

The Honorable C. W. Bill Young
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter provides the Administration's views on the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 2000, as passed by the House and Senate. As the conferees develop a final version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates the Congress' efforts to accommodate the President's priorities within the 302(b) allocation. However, the inadequacy of the 302(b) allocation has forced the Congress to make choices that are simply unacceptable.

The President's FY 2000 Budget proposes levels of discretionary spending that meet important national needs while conforming to the Bipartisan Budget Agreement by making savings proposals in mandatory and other programs available to help finance vital spending needs. Congress has approved and the President has signed into law nearly \$29 billion of such offsets in appropriations legislation since 1995. The Administration appreciates the Senate's adoption of one such proposal, language clarifying the relationship of bankruptcy law with regard to spectrum licenses. This provision will also help to ensure the integrity of the spectrum auction process. The Administration urges the Congress to consider additional such proposals as the FY 2000 appropriations process moves forward.

The Administration has very serious concerns, discussed below, with the Congress' inadequate funding of a number of priority programs, as well as with several objectionable language provisions. If the bill presented to the President does not address these issues, the President's senior advisers would recommend that he veto the bill.

Department of Commerce Critical Infrastructure Protection Programs. The Administration urges the conferees to fully fund the Department of Commerce's Critical Infrastructure programs and associated activities. These include the Critical Infrastructure Assurance Office (CIAO) and the National Telecommunications and Information Administration's lead agency function; Information Sharing and Assessment Center, and research activities for the telecommunications sector. The CIAO is crucial to implementing Presidential Decision Directive 63 and coordinating the Nation's critical infrastructure program. In addition, the Administration urges that full funding be provided for Chemical Weapons Convention, National Defense Authorization Act, and Export Control Automated Support System redesign activities in the Bureau of Export Administration.

On September 21, the President submitted a FY2000 budget amendment request to the Congress. The amendment includes \$39 million to help protect critical infrastructure. Of that sum, \$7 million would be provided to the Department of Commerce. While it is recognized that the request has been forwarded to Congress late in the appropriations cycle, we urge the conferees to provide this sum to upgrade our national and economic security. These funds will improve our ability to detect and prevent intrusion into Government computer systems.

Other Concerns

Federal Communications Commission. The Administration urges full funding of the Federal Communications Commission's (FCC's) request. The funding level in the House-passed bill could require an agency-wide furlough or reduction-in-force. The Administration also urges the conferees to adopt the Senate provision to clarify the relationship of bankruptcy law with regard to spectrum licenses, which would provide savings and help ensure the integrity of the spectrum auction process. Finally, we request that the conferees strike language added on both the House and Senate Floor that would force the FCC to discontinue the Uniform System of Accounts (USOA). The Administration pledges to work with Congress to eliminate any burdensome accounting requirements while ensuring that the FCC continues to collect information that helps protect consumers.

Securities and Exchange Commission. The Administration is concerned about the House bill's \$37 million reduction from the requested program level for the Securities and Exchange Commission (SEC). The House level would make it difficult for the agency to fulfill its core mission of protecting investors and providing oversight of securities markets. Such a reduction could require the SEC to cut staffing by 200 work-years, curtail expenditures for technology to fight internet fraud, and cut back support for litigation efforts. We urge the conferees to fully fund the request of \$361 million.

We look forward to working with the conferees to address our mutual concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacob J. Lew', with a stylized, cursive flourish extending to the right.

Jacob J. Lew
Director

Identical Letter Sent to The Honorable C. W. Bill Young,
The Honorable David R. Obey, The Honorable Harold Rogers,
The Honorable Jose E. Serrano, The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Judd Gregg,
and The Honorable Ernest F. Hollings

Enclosure

Backgrounder on Bankruptcy Rights Stripping Legislation

Congress is considering a provision in the Senate bill making appropriations for Commerce, Justice, and State (CJS) which would strip retroactively the bankruptcy rights of certain small business that hold licenses issued by the Federal Communications Commission (FCC). The House considered, and specifically rejected, including this provision in its version of the CJS bill. The proposal was included this year in the Administration's budget request, presumably at the request of the FCC. Congress rejected this same proposal during the budget debate last year and should be strongly encouraged to do the same this year.

Last year and again this year, the House Commerce Committee leadership (Messrs. Bliley, Dingell, Tauzin, and Markey) objected to the inclusion of the proposal in the omnibus bill because it undercuts well-established telecommunications law and policy. Recently, House Majority Leader Arney and Minority Leader Gephardt wrote a letter with the Commerce Committee leadership to the House Appropriations conferees urging them to defend the House position of rejecting this provision. Both the House and Senate Judiciary Committees have also objected to the proposal because it raised serious constitutional issues and bankruptcy policy concerns that have never been reviewed by the respective Judiciary Committees, the Committees with jurisdiction over bankruptcy matters.

The key policy objections to the proposal are that it would, if enacted:

- **provoke a constitutional challenge to the legislation** because of its retroactive application and its impact on constitutionally protected bankruptcy rights that could tie up the licenses in court for years.
- **eviscerate numerous federal bankruptcy, district and appeals court decisions in New York and Texas** involving FCC licenses and the rights of small businesses who have already paid over \$1 billion in down payments into the Treasury.
- **set a dangerous and dubious legal precedent** in areas where the government is a creditor, by allowing the government to reclaim an asset on the mere filing of a bankruptcy petition.
- **undercut well-established telecommunications policy** by delaying, through litigation, the prompt delivery of new services to the public.
- **tilt the competitive telecommunications landscape** in favor of incumbent service providers at the expense of competitive new entrants.
- **chill domestic infrastructure investment for years** since vendor financing would be subordinated to a perfected security interest in favor of the government.

The FCC is lobbying Congress for passage of this provision to achieve by retroactive legislative fiat what it has failed to achieve in court: namely, new, unprecedented status as a "super creditor," fully immune to the federal bankruptcy laws. The FCC has consistently refused to negotiate a "win-win" settlement with any of the companies in bankruptcy, despite the companies' repeated efforts to compromise, and instead has maintained an irrational course of seeking the return of all licenses from these companies that have exercised their constitutionally protected bankruptcy rights. Federal courts in the Second Circuit (New York) and Fifth Circuit (Texas) have at all stages and in all proceedings up till now repeatedly refused to allow the FCC to engage in this course of action.

Offensive as this proposal was last year, it is even more so this year for a couple of reasons. First, last year the courts had not fully spoken on the issue of whether the FCC is immune to the federal bankruptcy laws. Since the Administration made its budget request earlier this year, four different federal courts have unanimously held that the FCC is not immune to bankruptcy laws. Thus, the legislative provision, which the FCC claimed last year was merely a "clarification" of existing law is, in the wake of the court decisions, revealed to be a total reversal of the law as it stands today. Second, two of the larger companies devastated by this provision are poised to begin a build out to offer competitive wireless services. One in particular has raised over \$700 million in new capital to execute on a business plan that will bring the next generation of digital service for internet access, mobile, and fixed wireless applications.

This particular company has offered to settle the pending litigation with the FCC by immediately paying the agency the full amount of a federal court's determination of the market value of the licenses, which would result in an additional payment to the U.S. Treasury of \$549 million over and above the over \$500 million the company already has paid to the FCC. The settlement offer also includes numerous other features, including \$1 billion of free internet access for inner city schools, public libraries, and Native American tribal lands. The proposal has fallen on deaf ears at the FCC, and instead the FCC has lobbied for this constitutionally suspect provision in Congress, which the Congressional Budget Office has determined is worth only \$500 million to the government.

The Administration and the Congress are only a few weeks away from finalizing an agreement on FY2000 appropriations legislation. The Administration must act quickly to clarify with Congress that the FCC's legislative proposal should not be included in that legislation.

Congress of the United States**Washington, DC 20515****September 28, 1999**

The Honorable C.W. Bill Young
Chairman
Committee on Appropriations
H-218 Capitol
Washington, D.C. 20515

The Honorable David R. Obey
Ranking Minority Member
Committee on Appropriations
2314 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Harold Rogers
Chairman
Subcommittee on Commerce, Justice, State,
and Judiciary
2470 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jose E. Serrano
Ranking Minority Member
Subcommittee on Commerce, Justice, State,
and Judiciary
2342 Rayburn House Office Building
Washington, D.C. 20515

Gentlemen:

As Conferees begin consideration of the bill making FY 2000 appropriations for the Departments of Commerce, Justice, State, the Judiciary, and related agencies ("CJSJ"), we want to let you know of our strong opposition to Section 618 of S. 1217.

Section 618 of the Senate bill would have extraordinary ramifications for all telecommunications companies that have been issued radio licenses by the Federal Communications Commission pursuant to Section 309(j) of the Communications Act of 1934. The provision targets these companies specifically by stripping away important rights that are available to all other American companies under the Bankruptcy Code. Worse, it would do so retroactively.

Moreover, the provision represents a radical departure from both current telecommunications and bankruptcy policy, yet it has never been considered by the respective legislative committees.

For these reasons, we strongly urge you to defend the House position in conference by rejecting the Senate provision.

Sincerely,



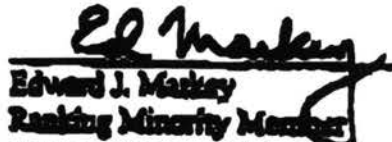
Tom Bliley
Chairman



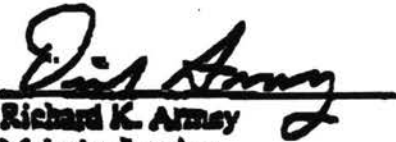
John D. Dingell
Ranking Minority Member



W.J. "Billy" Tauzin
Chairman
Subcommittee on Telecommunications,
Trade, and Consumer Protection



Edward J. Markey
Ranking Minority Member
Subcommittee on Telecommunications,
Trade, and Consumer Protection



Richard K. Armey
Majority Leader
U.S. House of Representatives



Richard A. Gephardt
Minority Leader
U.S. House of Representatives

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