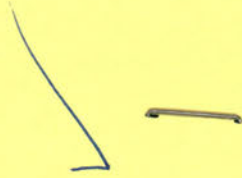


Chron



PLEASE TYPE THE
NOLET, RM 94

Congratulations

to: John Podesta Department
of the Treasury
room: _____ date: 7/15/96 Assistant Secretary
(Enforcement)

Assistant Secretary James E. Johnson
would like President Clinton to
autograph the enclosed picture taken
from the June 8th radio address.

Thank you.

Betty Reaves
622-0200

7/15/96

07/15

Todd,

This came in addressed to John Podesta

Send to Cval or to Dorskind's ofc. to
handle??

s Just do a "with
appreciation" to James
Johnson + AP it.

T.



THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: The Honorable Henry Cisneros

Fax Number: 708-1993

Phone Number: 708-0417

FROM: The Office of the President

SUBJECT: Presidential Note

DATE: July 16, 1996

NUMBER OF PAGES (including cover sheet): 3

MESSAGE:

If all pages are not received, please call 202/456-2702

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THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: July 16, 1996

TO: The Honorable Henry Cisneros

FROM: Staff Secretary

The attached is forwarded for
your information.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: July 16, 1996

TO: The Honorable Henry Cisneros

FROM: Staff Secretary

The attached is forwarded for
your information.

SOMMET DE LYON
1996

THE PRESIDENT HAS SEEN

7/16/96

Leonidal

H. Cisneros

wants me to do a weekend
housing consultation with
7/21 or 7/27 in Baltimore or
in Miami after Aug 1 —
This is worth doing!
Think — can highlight
HHS whole strategy —
affordable housing, vouchers,
empowerment, etc —
+ good visual —

Bo

MESSAGE CONFIRMATION

JUL-16-96 15:35

FAX NUMBER : 2024562215

NAME :

FAX NUMBER : 97081993

PAGE : 03

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RESULTS : O.K



OFFICE OF THE VICE PRESIDENT
WASHINGTON

July 12, 1996

*Back to
Nancy
PS*

MEMORANDUM FOR THE VICE PRESIDENT

FROM: GREG SIMON *RS*

SUBJECT: ENCRYPTION -- EXPORT CONTROLS (FOR POTUS LUNCH)

SUMMARY

Today you are briefing reporters on the Administration's proposal for a framework that will encourage the use of strong encryption in commerce and private communications while protecting the public safety and national security. By announcing our proposal today we hope both to promote progress with industry on resolving this issue and to show that Dole's position does not protect national security and law enforcement concerns.

The framework involves the development and use by industry of a system in which strong encryption may be exported if the keys to the encryption code are deposited with private, trusted parties (escrow agents) who will provide them to law enforcement personnel acting under proper legal authority as well as to the owner of the data if the owner's own key is lost or stolen.

In exchange for the industry supporting this framework, the Administration is considering taking the following actions by September:

1. Liberalizing export controls for certain commercial encryption products.
2. Developing, in cooperation with industry, of performance standards for key recovery systems and products that will be eligible for general export licenses and developing technical standards for products the government will purchase.
3. Launching several key recovery pilot projects in cooperation with industry and involving international participation.
4. Transferring export control jurisdiction over encryption products for commercial use from the Department of State to the Department of Commerce.

BACKGROUND

The Administration has been developing proposals to revise our export controls on encryption products (software, hardware, and telecommunications devices) in a way that will protect our national security and law enforcement interests. We have had months of discussions with industry and other governments regarding the development and use of a system in which strong encryption may be exported if the keys to the encryption code are deposited with private, trusted third parties (escrow agents) who will provide them to law enforcement personnel acting under proper legal authority. While industry prefers to export the strongest systems now without such a system in place, they have been willing to negotiate with us while simultaneously pursuing congressional relief. The issue may now heat up if Sen. Burns offers a de-control amendment on the DOD appropriations bill and if **Sen. Dole**, as rumored, attacks our policy in California on July 16th.

A group headed by John Deutch and including DOJ, FBI, Commerce, NEC, Treasury, OVP, OMB and NSC has been planning our policy development and response to the attacks and the legislation. In light of the possible legislative fight and the Dole event we have scheduled you to announce in a press briefing our proposal for moving the debate forward. The proposal is contained in a short statement (attached) and a longer supplement (attached).

The policy can be summarized as follows:

Companies need a safe place to store the keys to their encrypted data. Law enforcement occasionally needs access by court order to the keys to encrypted data and communications. Foreign governments who cooperate with us on law enforcement and national security matters do not want and would block unlimited exports from the U.S. of the most powerful encryption products. Industry wants to export the strongest products to as many customers as possible.

Therefore, in order to meet the needs of companies, law enforcement, national security and our trading partners, the U.S. is proposing that industry establish a framework in which strong encryption may be exported if the keys to the encryption code are deposited with private, trusted parties (escrow agents) who will provide them to law enforcement personnel acting under proper legal authority as well as to the owner of the data if the owner's own key is lost or stolen.

If industry helps build this framework, the Administration will take certain near term actions listed above.

You will also announce that we oppose the legislation pending in Congress (a bill by Burns and one by Leahy) because immediate export decontrol would have a serious negative impact on national security and law enforcement and could also adversely affect the security interests of our trading partners, leading them to control imports of U.S. commercial encryption products.

A recent report by the National Research Council argued that we should continue having some export controls but that we should allow unlimited export now of products whose keys are 56 bits long. (The current limit for key length is 40 bits.) The report downplayed the use of key escrow because its authors were not aware of anybody creating such a system. Our proposal does liberalize the export of 56 bit key encryption but it does so in a way to promote a key escrow framework (the plans for which we have developed in great detail) and protect law enforcement.

CONCLUSION

Your announcement today signals our willingness to work with industry to promote exports while protecting national security and law enforcement. We will follow this announcement with a concerted effort to promote our proposal in the press, the law enforcement community and directly with industry and to contrast it with Dole's irresponsible proposal.

I attach the following background papers on this issue:

1. Administration Statement On Encryption Policy
2. Us Cryptography Policy: Why We Are Taking The Current Approach
3. Administration reply to USA Today editorial
4. Letter from the International Association of Chiefs of Police.

Administration Statement on Commercial Encryption Policy

July 11, 1996

The Clinton Administration is proposing a framework that will encourage the use of strong encryption in commerce and private communications while protecting the public safety and national security. It would be developed by industry and will be available for both domestic and international use.

The framework will permit U.S. industry to take advantage of advances in technology pioneered in this country, and to compete effectively in the rapidly changing international marketplace of communications, computer networks, and software. Retaining U.S. industry's leadership in the global information technology market is of longstanding importance to the Clinton Administration.

The framework will ensure that everyone who communicates or stores information electronically can protect his or her privacy from prying eyes and ears as well as against theft of, or tampering with, their data. The framework is voluntary; any American will remain free to use any encryption system domestically.

The framework is based on a global key management infrastructure that supports digital signatures and confidentiality. Trusted private sector parties will verify digital signatures and also will hold spare keys to confidential data. Those keys could be obtained only by persons or entities that have lost the key to their own encrypted data, or by law enforcement officials acting under proper authority. It represents a flexible approach to expanding the use of strong encryption in the private sector.

This framework will encourage commerce both here and abroad. It is similar to the approach other countries are taking, and will permit nations to establish an internationally interoperable key management infrastructure with rules for access appropriate to each country's needs and consistent with law enforcement agreements. Administration officials are currently working with other nations to develop the framework for that infrastructure.

In the expectation of industry action to develop this framework internationally, and recognizing that this development will take time, the Administration intends to take action in the near term to facilitate the transition to the key management infrastructure.

The measures the Administration is considering include:

1. Liberalizing export controls for certain commercial encryption products.
2. Developing, in cooperation with industry, performance standards for key recovery systems and products that will be eligible for general export licenses, and technical standards for products the government will purchase.

3. Launching several key recovery pilot projects in cooperation with industry and involving international participation.
4. Transferring export control jurisdiction over encryption products for commercial use from the Department of State to the Department of Commerce.

Administration officials continue to discuss the details of these actions with experts from the communications equipment, computer hardware and software industries, civil liberties groups and other members of the public, to ensure that the final proposal balances industry actions towards the proposed framework, short-term liberalization initiatives, and public safety concerns.

The Administration does not support the bills pending in Congress that would decontrol the export of commercial encryption products because of their serious negative impact on national security and law enforcement. Immediate export decontrol by the U.S. could also adversely affect the security interests of our trading partners and lead them to control imports of U.S. commercial encryption products.

A Cabinet Committee continues to address the details of this proposal. The Committee intends to send detailed recommendations to the President by early September, including any recommendations for legislation and Executive Orders. The Committee comprises the Secretaries of State, Defense, Commerce and Treasury; the Attorney General; the Directors of Central Intelligence and the Federal Bureau of Investigation; and senior representatives from the Office of the Vice President, the Office of Management and Budget, and the National Economic Council.

**US Cryptography Policy:
Why We Are Taking the Current Approach**
July 12, 1996

We live in an age of electronic information. Information technology is transforming society, creating new businesses, new jobs and new careers. The technology also creates new opportunities for crime, and new problems in investigating and prosecuting crime. As a result, electronic information, be it corporate trade secrets, pre-release government crop statistics, or a patient's medical records, must have strong protection from uninvited modifications or disclosure. Cryptography enables that protection.

The United States is the world leader in information technology. US firms continue to dominate the US and global information systems market. Retaining this leadership is important to our economic security. The Clinton Administration, through its National Information Infrastructure initiative, has long recognized that government has an important role as a facilitator and catalyst for the industry-led transformation of the way we use computer and communications technology to work and live.

In particular, government has a strong interest in promoting the legitimate use of robust encryption to support US international competitiveness, foster global electronic commerce, prevent computer crime, and ensure that the information superhighway is a safe place to conduct one's business. At the same time, there is a growing recognition, affirmed most recently by the National Academy of Sciences that the use of encryption to conceal illegitimate activities "poses a problem for society as a whole, not just for law enforcement and national security." In brief, criminals can use encryption to frustrate legal wiretaps and render useless search warrants for stored electronic data. We know of no technical solution to the problems that would result from the global proliferation of strong cryptography (see box). The implications of this are no small matter.

Encrypted computer files have hampered the prosecution of child pornographers. Militia groups advise their members to use encryption to hide illicit weapons, financial, and other criminal activities. Aldrich Ames was instructed by his Soviet handlers to encrypt computer files that he passed to the Soviets. And international terrorists and drug dealers increasingly use encryption to prevent law enforcement officials from reading their voice and data transmissions. Grave crimes, such as a plot to shoot down several airliners over Chicago, have been foiled by the use of wiretaps. Had the FBI been unable to read those transmissions, however, a major tragedy might have ensued.

No restrictions apply to the US domestic use of cryptography, and the Administration has no plan to seek restrictions. Cryptography has long been controlled for export for national security reasons, so as to keep it from getting into the hands of foreign governments. But it has today become a dual-use technology, and international businesses want to use the same security products both domestically and abroad. The Administration is thus under strong pressure to provide relief from cryptography export controls.

For our cryptography policy to succeed, it must be aligned with commercial market forces and operate on an international basis. Further, it should preserve and extend the strong position that US industry enjoys in the global information systems marketplace. Accordingly, the US government is working with US industry and our international trading partners on an approach that will protect information used in legitimate activities, assure the continued safety of Americans from enemies both foreign and domestic, and preserve the ability of the US information systems industry to compete worldwide.

Cracking Coded Messages

We should not underestimate how difficult it is to decode encrypted electronic information. One approach advanced in the popular debate is to provide our law enforcement officials with more computing power. At first glance, this suggestion seems promising, because in theory any encrypted message can be decoded if enough computing cycles are applied. This approach fails for five reasons:

First, it relies on mathematical theory, not operational reality. Digital technology reduces voice, faxes, images, and text in any language to indistinguishable 1's and 0's. A great variety of encryption products are also available. Under ideal conditions — if the type of communication or file, language, and encryption algorithm are known with certainty, and a short key is used to encrypt the information — a large, specially-designed computer could decode a single message relatively quickly. But State, local, and Federal law enforcement officials do not operate in the clean confines of a high-tech computer center. They must first capture the 1's and 0's and discern what kind of encryption they have encountered.

Second, after the decoding problem is isolated, acquiring a machine to decode a message is neither quick, easy or inexpensive. Commercially available computers could not be used because they will not have sufficient capacity. It would, for example, take years for the computers used to process all social security claims, payments and earnings years to decode one message using the Data Encryption Standard (DES), a widely used system originally developed by the US government that uses a 56-bit key.

Third, this approach betrays a misunderstanding of how crimes are prevented. Used only in the most critical cases, legally authorized wiretaps provide crucial information just before a crime is to occur. Thus a near real-time ability to decode messages is needed. Days or weeks are too long to wait to find out that a terrorist attack is about to happen.

Fourth, this approach fails to acknowledge the volume of messages that could need decoding. Each wiretap results in the collection of thousands of messages relevant to the investigative purpose of the wiretap. Even under the most ideal conditions, had these messages been encrypted, the computing resources required to decrypt them quickly would simply not be available. And this example does not include the additional burden of decrypting, if possible, any digital information such as computer disks that are seized as evidence after a crime has been committed.

Finally, revealing the precise capabilities of law enforcement agencies to decode messages, as would be necessary in order to present the fruits of that work as evidence in court, could provide a tutorial to criminal elements bent on eluding law enforcement.

Key Management and Recovery

A consensus is emerging around the vision of a global cryptography system that permits the use of any encryption method the user chooses, with a stored key to unlock it when necessary. The encryption key would be provided voluntarily by a computer user to a trusted party who holds it for safe keeping. This is what many people do with their house keys -- give them to a trusted neighbor who can produce them when something unexpected goes wrong. Businesses should find this attractive because they do not want to lock up information and throw away the key or give an employee -- not the company -- control over company information. An individual might also use this service to ensure that she can retrieve information stored years ago. This will require a new infrastructure, consisting of trusted parties who have defined responsibilities to key owners. Under law, these trusted emergency key recovery organizations would also respond in a timely manner to authorized requests from law enforcement officials who required the key to decode information lawfully obtained or seized from a subject of investigation or prosecution.

The Federal government will use key recovery encryption on its own computers because it makes good management sense. It would be irresponsible for agencies to store critical records without key recovery, risking the loss of the information for programmatic use and the inability to investigate and prosecute fraud or misuse of the information.

A number of US and international companies are working with the US and other governments to create a system of trusted parties who are certified to safeguard the keys. In some cases, organizations might guard their own keys. In other cases, persons will use the key recovery services provided by third parties, one of a suite of services that will include electronic directories and electronic "notaries" in support of online commerce. Persons will be free to choose the type and strength of encryption that provide the degree of security they believe appropriate for their use. Taken together, an overall key management infrastructure is needed to make electronic commerce practical on a global scale.

Some commercial products and services which provide emergency key recovery are already available. Testing and refinement is needed before a widespread, robust infrastructure is put in place. The US government is committed to supporting the development of such a key management infrastructure through pilots and experimental trials. The State Department is expediting the review of several export license applications that test commercial key recovery on an international scale. An interagency working group is identifying several potential governmental uses of commercial cryptography -- both internal transactions and in communications with the public -- where key recovery can be tested. A plan outlining these government tests will be available in August. The government will be purchasing key recovery products for its own use, and will adopt a

Federal standard for evaluating such products to assure agency purchasers that the key recovery features operate properly. The Department of Commerce will be establishing an industry-led advisory committee to make recommendations regarding such a standard this Summer.

While we are open to other alternatives, a key recovery system is the only approach we know of that accommodates all public safety interests. And even it is imperfect. Some people will not join voluntary systems, preferring to run the risk of losing their keys and being unable to recover their encrypted information. Although in some countries (e.g., France) mandatory key escrowing is already in effect, we are pursuing a market-driven approach in part because we hope and believe that key recovery will develop as a cost-effective service in an electronic commerce infrastructure. We are encouraged in this effort by recent discussions we have had at the Organization for Economic Cooperation and Development (OECD) that are leading to international cryptography management principles which support key recovery.

Export Controls

No matter how successful we are in realizing this vision, American users of computer technology are demanding stronger encryption for international use now. Although we do not control the use of encryption within the US, we do, with some exceptions, limit the export of non-escrowed mass market encryption to products using a key length of 40 bits. (The length of the encryption key is one way of measuring the strength of an encryption product. Systems using longer keys are harder to decrypt.) US industry asserts that it is losing overseas sales to its European and Japanese competitors because it cannot include stronger cryptography as a component of its commercial software and hardware products. It warns that loss of a significant share of the world information systems market would cause serious economic damage to the US economy, and could reduce the US government's ability to influence the long term future of global cryptography. It also argues that, because customers do not want to use one product in the US and a different one overseas, export controls are causing US firms to provide an unsatisfactory level of protection to their electronic information, making them vulnerable to industrial espionage by their competitors and foreign governments.

While 40 bit encryption products are still strong enough for many uses, the Administration recognizes that some export liberalization may be useful to build support for a key management regime. Accordingly, we are actively considering measures that would provide limited, temporary relief from cryptographic export controls in exchange for real, measurable commitments from industry (e.g., investments in products that support key recovery) toward the building of a key management infrastructure. The liberalization proposals under discussion, which would continue the current one-time review of products

by the National Security Agency, include: permitting products using longer key lengths to be exported to specific industry sectors such as health care or insurance (similar to current policy for the financial sector); allowing export of non-escrowed products to a list of trustworthy firms beyond those sectors, with provisions for monitoring compliance to prevent product diversion to other firms; export of cryptography-ready operating systems; and, most dramatically, the transfer of jurisdiction over commercial encryption products from the State Department's munitions list to the Commerce Department's list of dual-use technologies. Our goal is to obtain commitments from industry by the Fall.

We must, however, be careful in any relaxation of controls. Other governments' law enforcement and national security needs to access material encrypted with US products could drive them to erect trade barriers by imposing import controls on strong non-escrow encryption products. In addition, we do not want to do anything that would damage our own national security or public safety by spreading unbreakable encryption, especially given the international nature of terrorism. Even 40 bit encryption, if widespread and not escrowed, defeats law enforcement.

It is for these reasons that we oppose the legislation (S. 1726) introduced in this Congress by Senator Burns and co-sponsored by Senator Lott and former Senator Dole. Although it contains some provisions, such as the transfer of export control jurisdiction for commercial cryptography to the Commerce Department, with which we could agree if constructed with appropriate safeguards, the bill is unbalanced, and makes no effort to take into account the serious consequences of the proliferation it would permit.

The importance of the US information technology industry, the security stakes, and increasing Congressional interest make it clear that there is an urgent need for clear policy and direction. The Administration's proposed approach is broadly consistent with industry suggestions and the conclusions reached by the National Academy of Sciences in its report. That report recognizes the need to address a complex mix of commercial and security issues in a balanced manner. We agree with that need. We also agree with the report's recommendation that export controls on encryption products need to be relaxed but not eliminated, and are actively considering ways of providing short term relief. (We do not agree with the report's recommendation that we eliminate most controls on 56-bit key length products.) Finally, we agree that key escrow is a promising but not fully tested solution, and are promoting the kinds of testing the report recommends as a way of demonstrating the solution's viability while providing stronger encryption internationally.

We will continue discussions with industry, other members of the private sector, the Congress, and governments at all levels to arrive at a solution that promotes a future of safe computing in a safe society.

As it appeared, June 5, 1996.

**Op-Ed for USA Today
by Sally Katzen**

U.S. policy governing the export of encryption products should serve three goals. First, it should help provide secure communications, transactions and data storage for U.S. firms and individuals operating internationally. Second, it should help U.S. software and hardware manufacturers maintain and expand their share of world markets. And third, it should protect our vital law enforcement and national security interests in preventing terrorism and crime.

These goals are not inconsistent. A company that uses encryption to secure its data can better protect that data from uninvited invasions or changes. Strong encryption can enhance our country's national interests and prevent computer crime. And strong encryption need not prevent law enforcement from detecting crimes and prosecuting criminals.

Here's what we need: A system in which a computer user gives his or her "key" to the encryption to a trusted party, who would hold it for safe keeping and would respond to court-authorized requests from law enforcement. This is what many people do with their house keys -- give them to a trusted neighbor who can produce them when something unexpected goes wrong. Companies should find this attractive because they do not want to lock up information and throw away the key or give an employee -- not the company -- control over company information.

That is why the Administration is working with industry to create a system of trusted parties who are certified to guard the keys. Our international trading partners are moving to a similar system.

Establishing a trusted party system can enhance American exports while providing encryption users and law enforcement officials the safety nets they need to do their jobs. This is a win-win approach for all Americans.



International Association of Chiefs of Police

515 North Washington Street
Alexandria, VA 22314-2357
Phone: 703/836-8767; 1-800/THE IACP
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President
David G. Walchak
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Michael D. Robinson
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Sixth Vice President
William B. Berger
Chief of Police
North Miami Beach, FL

International Vice President
Peter J. Van Zundert
District Chief of Police
Rotterdam-Rijnmond Reg. Police
Rotterdam, The Netherlands

Treasurer
G.H. (Gir) Kleinknecht
Associate Commissioner for
Enforcement
U.S. Immigration and
Naturalization Service
Washington, DC

Division of State Associations of
Chiefs of Police
General Chairman
Donald G. Pierce
Chief of Police
Bellingham, WA

Division of State and
Provincial Police
General Chairman
Lloyd Jennings
Superintendent
Indiana State Police
Indianapolis, IN

Past President and Parliamentarian
Charles D. Reynolds
Dover, NH

Executive Director
Daniel N. Rosenblatt
Alexandria, VA

June 6, 1996

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

Dear Mr. President:

On behalf of the International Association of Chiefs of Police and all of the law enforcement officers we represent, we would like to bring to your attention two technology-related issues which we believe are critical to public safety and the ability of law enforcement to effectively combat violent crime and illegal drugs. These are funding for digital telephony and the problem of encryption.

America's telephone systems are being converted to a digital format. These new systems will not support court-authorized wiretaps, a technique fundamental to our ability to protect the public safety. Hundreds of court authorizations are obtained by state and local police and most of them are in furtherance of major drug investigations. The issues we raise here, encryption and digital telephony, do not expand the authority to conduct wiretaps but merely permit our law enforcement agencies to stay technologically current with the state of the art.

Following your leadership two years ago, Congress enacted the Communications Assistance to Law Enforcement Act, legislation designed to deal with this problem. The Act authorizes \$500 million over four years to reimburse the telephone companies for modifying existing digital equipment that cannot accommodate wiretaps. This funding is desperately needed, and your commitment to fund the \$500 million fully, as demonstrated by the inclusion of \$100 million in the FBI's Fiscal Year 1997 budget request, is another example of your leadership on law enforcement issues. Without this funding, there is great risk to public safety.

Like digital telephony, the uncontrolled use of robust encryption that does not accommodate public safety concerns will seriously jeopardize our ability to combat violent crime and illegal drugs. Soon, affordable, readily available encryption could substantially defeat our ability to understand court-authorized interceptions of conversations and data. Criminals and terrorists

President William J. Clinton

June 6, 1996

page 2

will, with impunity, be able to communicate freely by telephone or computer, as well as store data and evidence of criminal wrongdoing.

We recognize the tremendous commercial benefit and necessity for the use of robust encryption. What is desperately needed, however, is a balanced encryption policy and legislation that will satisfy the commercial needs of the private sector, recognize the reality of market forces, and address the public safety concerns of law enforcement.

We are steadfast in our belief that the only viable solution that will not severely jeopardize public safety by completely defeating present law enforcement capabilities is a key escrow scheme. While much can be debated about how best to develop and implement such a system, the stark reality is that there are no other technical solutions that afford adequate public safety protections while giving the private sector robust encryption. Moreover, contrary to what some believe, there are significant limitations—both from a technology and resource standpoint—in the ability of government to break encryption.

We have heard all the arguments that it is too late to address the encryption issue because unbreakable encryption is readily available on the Internet and that the public and foreign markets will not accept American produced encryption that incorporates a key escrow system. We do not accept either argument. We believe the government can properly influence market forces, legislation can control market direction, and the American public, once informed on the issue, will place public safety concerns foremost.

We are confident that, based upon your demonstrated support in this and other areas, you will remain with law enforcement on these two issues and use the power and influence of your office to ensure funding for digital telephony and a national encryption policy that recognizes the legitimate needs of law enforcement. Without success on both issues, the risk to public safety and the harm to the ability of the police to investigate and prevent the most serious crimes will be substantial.

Sincerely,



David G. Walchak
President

THE WHITE HOUSE

WASHINGTON

7-16-96

96 JUL 16 P2:27

MEMORANDUM TO THE PRESIDENT

FROM: NICOLE ELKON *Nicole Elkon*
DATE: JULY 15, 1996
RE: OLYMPICS - JULY 19, 1996
CC: ANNE HAWLEY
PATTI SOLIS-DOYLE

As promised in last Friday's scheduling meeting, the advance team surveyed hotels downtown for the First Lady and you to use during your down time the afternoon of July 19. We strongly recommend that you go to the Governor's mansion. Although the United States Olympic Committee (USOC) has a suite available at the Hilton, the Atlanta Organizing Committee (ACOG), USOC and others caution that your presence downtown as well as your motorcade could hinder the transportation shuttles taking people to the Opening Ceremonies. A very elaborate transportation system has been devised to get all 80,000 people to the Olympic Stadium in a timely manner. Further, there are not a lot of OTR activity options downtown.

Because the press interviews previously scheduled for the afternoon have been postponed until your July 25th visit, you have four hours of down time (2:30 pm - 6:30 pm.) (The interviews were postponed because the news organizations requested to talk with you after you had seen some competitions.)

The advance team is still researching possible activities for you during down time. The High Art Museum is showing an exhibit featuring major artists such as Cezanne, Monet and Picasso called the Rings Exhibit - Five Passions in World Art. (The First Lady has told her staff she is interested in seeing this exhibit.) The High Art Museum is located between the Olympic Village and the Governor's mansion so you can go there on your way to the mansion. You may also go into Buckhead for coffee or shopping.

Will you agree to use the Governor's mansion for your down time?

Agree _____

Disagree _____

*Ant. Museum for
OTR activity
options -
Buckhead*

SCHEDULE OF THE PRESIDENT

FOR

FRIDAY, JULY 19, 1996

SCHEDULING DIRECTOR:

ANNE HAWLEY

HOME: 703-553-8940

OFFICE: 202-456-2823

WHCA PAGER: 4039

SCHEDULING DIRECTOR:

STEPHANIE STREETT

HOME: 202-332-5651

OFFICE: 202-456-2823

WHCA PAGER: 4033

TRIP COORDINATOR:

NICOLE ELKON

HOME: 202-332-2350

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WHCA PAGER: 4793

PRESS DESK:

ANNE EDWARDS

HOME: 301-565-3101

OFFICE: 202-456-2921

WHCA PAGER: 4208

**SCHEDULE OF THE PRESIDENT
FOR
FRIDAY, JULY 19, 1996**

tba

MORNING RUN

7:55 am

THE PRESIDENT and the First Lady proceed to the South Lawn

Note: This departure is closed to staff and guests.

8:00 am

THE PRESIDENT and the First Lady depart the White House via Marine One en route Andrews Air Force Base
[flight time: 10 minutes]

8:10 am

THE PRESIDENT and the First Lady arrive Andrews Air Force Base

8:25 am

THE PRESIDENT and the First Lady depart Andrews Air Force Base via Air Force One en route Dobbins Air Force Base, Atlanta, Georgia
[flight time: 1 hour, 35 minutes]

10:00 am

THE PRESIDENT and the First Lady arrives Dobbins Air Force Base, Atlanta, Georgia

Greeters:

10:15 am

THE PRESIDENT and the First Lady departs Dobbins Air Force Base via motorcade en route the Olympic Village
[drive time: 25 minutes]

10:40 am

THE PRESIDENT and the First Lady arrive the Olympic Village

Greeters:

10:45 am-

11:40 am

TOUR OLYMPIC VILLAGE

OLYMPIC VILLAGE

Staff Contact: Mack McLarty, Janet Abrams

Event Coordinator: Nicole Elkon

POOL PRESS

11:45 am

THE PRESIDENT proceeds to Chefs Meeting Hall F

11:50 am-
1:05 pm

REMARKS TO THE UNITED STATES OLYMPIC TEAM
CHEFS MEETING HALL F
Olympic Village
Remarks: Carolyn Curiel
Staff Contact: Mack McLarty, Janet Abrams
Event Coordinator: Nicole Elkon
OPEN PRESS

1:10 pm

THE PRESIDENT and the First Lady depart Chefs Meeting Hall F
on foot en route Guest Dining Room C
[walk time: 5 minutes]

1:15 pm

THE PRESIDENT and the First Lady arrive Guest Dining Room C

1:15 pm-
1:45 pm

TAPE RADIO ADDRESS
GUEST DINING ROOM C
Olympic Village
Remarks:
Staff Contact: Rica Rodman
CLOSED PRESS

2:00 pm

THE PRESIDENT and the First Lady depart Olympic Village via
motorcade en route site tba
[drive time: 15 minutes]

2:15 pm

THE PRESIDENT and the First Lady arrive site tba

2:30 pm-
6:30 pm

DOWN TIME
SITE TBA

tba

THE PRESIDENT and the First Lady depart site tba via motorcade
en route Olympic Stadium
[drive time: 25 minutes]

tba

THE PRESIDENT and the First Lady arrive Olympic Stadium

Greeters:

7:00 pm-
7:40 pm

PRESENTATION OF THE INTERNATIONAL OLYMPIC
COMMITTEE
OLYMPIC FAMILY LOUNGE
Olympic Stadium
Staff Contact: Ann Stock
Event Coordinator: Nicole Elkon
CLOSED PRESS

7:45 pm-
8:20 pm

HEAD OF STATE RECEPTION
OLYMPIC FAMILY LOUNGE
Olympic Stadium
Staff Contact: Tony Lake, Ann Stock
Event Coordinator: Nicole Elkon
CLOSED PRESS

8:30 pm-
8:45 pm

PULL ASIDE MEETING WITH PRESIDENT MENEM
OF ARGENTINA
SITE TBA
Olympic Stadium
Staff Contact: Tony Lake
Event Coordinator: Nicole Elkon
CLOSED PRESS

tba

LIVE INTERVIEW WITH KATIE COURIC OF NBC NEWS
(2 - 3 Minutes)
SITE TBA
Olympic Stadium
Staff Contact: Michael McCurry
Event Coordinator: Nicole Elkon
CLOSED PRESS

9:00 pm-
12:30 pm

OPENING CEREMONIES
PRESIDENT'S BOX
Olympic Stadium
Staff Contact: Mack McLarty, Janet Abrams
Event Coordinator: Nicole Elkon
OPEN PRESS

12:40 pm

THE PRESIDENT and the First Lady depart Olympic Stadium via motorcade en route Dobbins Air Force Base
[drive time: 30 minutes]

1:10 am

THE PRESIDENT and the First Lady arrive Dobbins Air Force Base

1:25 am

THE PRESIDENT and the First Lady depart Dobbins Air Force Base via Air Force One en route Andrews Air Force Base
[flight time: 1 hour, 35 minutes]

3:00 am

THE PRESIDENT and the First Lady arrive Andrews Air Force Base

3:15 am

THE PRESIDENT and the First Lady depart Andrews Air Force Base via Marine One en route the White House
[flight time: 10 minutes]

3:25 am

THE PRESIDENT and the First Lady arrive the White House

BC AND HRC RON

THE WHITE HOUSE

THE PRESIDENT HAS SEEN

7-16-96

4831

96 JUL 15 P6:30

THE WHITE HOUSE

WASHINGTON

July 15, 1996

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE *TL*
STEPHANIE STREETT *SS*
ANNE HAWLEY *AH*

SUBJECT:

Bilateral Meetings on Olympics Opening Day

You asked about the possibility of holding bilateral meetings or pull-asides with foreign leaders who attend the opening day of the Olympics in Atlanta.

Given your tight schedule in Atlanta and the fact that you will host a reception where you will greet all foreign leaders present, we believe it is not necessary for you to hold bilaterals other than a brief meeting with Argentine President Menem. Of those who will be present, you have recently met with most who might otherwise warrant a meeting: Polish President Kwasniewski, Lithuanian President Brazauskas and Panamanian President Perez Balladares. We expect to work out another golf game with Canadian Prime Minister Chretien when you are on vacation.

The list of all the foreign leaders currently expected to attend the opening ceremonies is attached.

Attachment

Tab A List of Foreign Dignitaries Attending Opening Day Ceremonies

Meeting with Chretien to be held,

I'd like to visit w/ Chretien a few mins maybe during opening ceremonies

cc: Vice President
Chief of Staff

Centennial Olympic Games
Opening Ceremony
Friday, July 19, 1996

* * *

CHIEFS OF STATE

(in protocol order)

<u>Leader</u>	<u>Country</u>	<u>Inaugural Date</u>
HM Queen Sofia	Spain	1975
HRH Crown Prince Felipe	Spain	N/A
✓ President Carlos Saul MENEM	Argentine Nation	7/8/89
Mrs. COMPAORE (First Lady)	Burkina Faso	12/1/91
Mrs. RAMOS (First Lady)	Republic of the Philippines	6/30/92
President Milan KUCAN	Republic of Slovenia	12/23/92
President Michael KOVAC	Slovak Republic	3/11/93
✓ President Algirdas BRAZAUSKAS	Republic of Lithuania	4/93
President Zoran LILIC	Federal Republic of Yugoslavia	6/25/93
President Ernesto PEREZ BALLADARES	Republic of Panama	9/1/94
Mrs. PEREZ BALLADARES	Republic of Panama	N/A
President Lagumont HARRIS	Republic of Nauru	11/24/95
President Aleksander KWASNIEWSKI	Republic of Poland	12/23/95
Captain Regent Pietro BUGLI	Republic of San Marino	4/1/96
Captain Regent Pier Paolo GASPERONI	Republic of San Marino	4/1/96
Grand Duke JEAN (IOC Member)	Luxemborg	

open.doc 7/10 7:00 pm

Centennial Olympic Games
Opening Ceremony
Friday, July 19, 1996

* * *

HEADS OF GOVERNMENT

(in protocol order)

Leader

Executive Deputy President Thabo MBEKI
Prime Minister Hage GEINGOB
Prime Minister Jean CHRETIEN
Prime Minister Wim KOK
Prime Minister Edison JAMES
Prime Minister Denzel DOUGLAS
Prime Minister Hasan MURATOVIC

Country

Republic of South Africa
Republic of Namibia
Canada
Netherlands
Commonwealth of Dominica
Federation of St. Kitts and Nevis
Republic of Bosnia and Herzegovina

Inaugural Date

3/21/90
11/4/93
8/22/94
6/16/95
7/3/95
1/30/96

Questions at large:

Governor General of The Bahamas
Ms. Fujimori, First Daughter of the Republic of Peru
Deputy Paramount Ruler of Malaysia

Centennial Olympic Games
Opening Ceremony
Friday, July 19, 1996

* * *

ROYALTY

(alpha by country)

<u>Name</u>	<u>Country</u>
HRH Crown Prince Frederik	Denmark
HRH Prince Joachim	Denmark
HRH Princess Alexandra	Denmark
The Royal Family	Greece (Hellenic Republic)
HRH Sultan Azlan Shah	Malaysia
HRH Crown Prince Dipendra Bir Bikram Shah Dev	Nepal
HRH Crown Prince Willem Alexander	Netherlands
HRH Princess Martha Louis	Norway
HRH Prince Walid Abdulaziz	Saudi Arabia
HRH Prince Bandar Al-Saud	Saudi Arabia

THE PRESIDENT HAS SEEN
7-16-96

THE WHITE HOUSE
WASHINGTON

96 JUL 13 P1:02

July 11, 1996

MEMORANDUM FOR THE PRESIDENT

FROM : MIKE McCURRY
PRESS SECRETARY

MMc

SUBJECT : PHOTO ESSAY FOR NEWSWEEK

We would like to propose starting a second round of photo essays as soon as possible with David Kennerly of Newsweek. The essay that Diana Walker of Time is working on this week of you and the Vice President is going very well. We would like to continue with Kennerly and others in the next few months.

Kennerly is specifically interested in the following photo scenarios:

- * Meetings in the Oval Office with staff and others
- * Some good shots of you on the campaign trail (possibly during the Denver/California trip beginning July 21)
- * Family photos - Maybe photos of you, the First Lady and Chelsea leaving for or coming back from Camp David
- * Aboard Air Force One during a campaign trip
- * Working during a limousine ride
- * Preparing for Chicago convention

The photo essay would run in the issue coming out the week of the Democratic Convention.

entire
album OK

THE PRESIDENT HAS SEEN
7/16/96

THE WHITE HOUSE
WASHINGTON

96 JUL 15 P7:31

July 15, 1996

MEMORANDUM TO THE PRESIDENT

FROM: ANNE HAWLEY *an*

SUBJECT: DEAN ORNISH

Dean Ornish has contacted the scheduling office on several occasions requesting a meeting with you during an upcoming trip to California. His main objective is to discuss with you your diet and lifestyle. You will not be able to meet with Dr. Ornish on your upcoming trip to California on July 22nd - July 23rd. Throughout the next few months you will be traveling a great deal to Northern California and could possibly meet with him in the future.

Would you like to see Dean Ornish?



YES

NO

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: July 16, 1996

TO: Harold Ickes
Doug Sosnik

FROM: Staff Secretary

For your information, we
received the attached today.

SENATOR TOM HAYDEN
STATE CAPITOL, ROOM 2080
SACRAMENTO, CA 95814
916 445-1353
916 324-4823 (FAX)

0→

202 456 6797;# 1

Through
Staff Sec

96 JUL 16 4:57

FAX TRANSMITTAL

DATE:

7/9/96

TO:

President Clinton

FROM:

Tom Hayden

NUMBER OF PAGES

(including cover page)

ADDITIONAL MESSAGE:

- ☐ SACRAMENTO OFFICE
STATE CAPITOL
SACRAMENTO, CA 95814
(916) 445-1353
(916) 324-4823 FAX
- ☐ DISTRICT OFFICE
10951 W. PICO BLVD.
SUITE 202
LOS ANGELES, CA 90054
(310) 441-9084
(310) 441-0724 FAX

Senate California Legislature

TOM HAYDEN
SENATOR
TWENTY-THIRD DISTRICT



COMMITTEES
NATURAL RESOURCES &
WILDLIFE: CHAIR
EDUCATION
ENERGY, UTILITIES &
COMMUNICATIONS
TOXICS & PUBLIC SAFETY
MANAGEMENT
TRANSPORTATION
SELECT COMMITTEE ON
HIGHER EDUCATION; CHAIR

July 9, 1996

Governor Zell Miller
Chairman
Platform Drafting Committee
Democratic National Committee

Dear Chairman Miller,

I was surprised and concerned to receive an invitation today (July 9) from the DNC to testify tomorrow in Kansas City at the Platform hearing.

That's short notice. I hope it's not short shrift.

For several months I have been trying to convince President Clinton of the need for a strong platform commitment to deal with the rising power and corruption of special interest money on the democratic process.

The national Democratic convention in Chicago needs an affirmation of such a strong commitment to reform the present campaign finance system in the coming four years. An increasing majority of disillusioned voters believe that a virtual Special Interest State has arisen in Washington and created the crisis of "downsizing" of our economic opportunity, educational affordability, health care access and environmental protection.

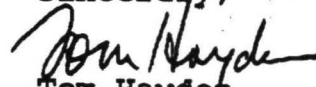
The President has expressed a personal interest in discussing such platform issues prior to the Convention. As a result, I have been in communication with Harold Ickes at the White House, who was the first to inform me that the platform hearings would be in July.

I represent and work with a number of reform advocates who hope to make a serious presentation to the platform committee. We expect to bring the endorsement of a reform plank by 1,000 leading Democratic activists to the Platform Committee and Convention. The proposed plank is enclosed.

It now appears that such an opportunity for platform testimony has been short-circuited by the last-day invitation to testify. I will try to alter my schedule, but it is unlikely that I'll be able to arrive tomorrow.

I am concerned that in seeking unity the Party may produce only platitudes in its platform when instead we need a pledge of reform that will motivate all our voters in November.

Sincerely,


Tom Hayden

cc. President Clinton,
D. Fowler, Sen. Dodd
H. Ickes, J. Emerson
J. Raskin, K. VandenHeuval, T. Carpenter

STOP DOWNSIZING DEMOCRACY

A CALL FOR REFORM OF MONEY IN POLITICS

A Proposed Democratic Party Platform Pledge / Call for Reform Platform Plank

We pledge to end the corrupting tyranny of special interest lobbyists and big money over public elections and policy-making. To restore democratic faith, we must replace the present special-interest state with meaningful civic participation and government responsive to the common good.

Campaign finance reform is more than just another platform plank. Because of priorities dictated by powerful interest groups, American cities are in grave danger from disinvestment. Millions of Americans are being crushed by a corporate-driven downsizing of decent jobs, educational opportunity, health care access, and environmental protection. Gaps between races and classes are growing larger. It is time to think anew, time to find solutions to these unprecedented crises. But none of these wrongs can be righted while democracy itself is downsized into a playground of privileged interests and paid consultants.

Campaign finance reform is the precondition to restoring citizen confidence in American institutions. With reform, all things are possible; without reform, Americans will continue losing control of our future.

The following are essential principles of reform in 1996.

- Strictly limit contributions and expenditures so that all Americans can participate with equal voice and vote.
- Reverse the U.S. Supreme Court's decision in *Buckley v. Valeo* to end the dominance of wealth over politics and build equality instead of corruption into the voting process.
- Reaffirm that the public airwaves belong to the people, not simply commercial advertisers, by creating greater media opportunities for public political debate and informed citizen choice.
- Confront the crisis of values in America by cracking down on the mercenary culture of deception and distortion in political campaigns.
- Expand democratic participation by making registration easier and adopting a weekend voting process.

July 10, 1996

MEMORANDUM

To: The President

From: Nancy Hennreich
Rebecca Cameron

Re: Larry Sweeney

Larry Sweeney will be here Fri. Do you want to invite him to the radio address?

_____ Yes _____ Not necessary

July 10, 1996

MEMORANDUM

To: The President

From: Nancy Hernreich
Rebecca Cameron

Re: Larry Sweeney

Larry Sweeney will be here Fri. Do you want to invite him to the radio address?

_____ Yes _____ Not necessary

7-16-96

THE WHITE HOUSE

WASHINGTON

July 5, 1996

96 JUL 12 P4:06

MEMORANDUM FOR THE PRESIDENT

FROM: MICHELLE HOUSTON *MH*
DIRECTOR, WHITE HOUSE GIFTS

THROUGH: JAMES A. DORSKIND *JD*
SPECIAL ASSISTANT TO THE PRESIDENT
DIRECTOR OF CORRESPONDENCE
AND PRESIDENTIAL MESSAGES

SUBJECT: Gift Unit Report for the Week Ending July 10, 1996

- A. Gifts Delivered This Week: 223
Gifts Processed This Week: 121
- B. Highlights of the Gifts Received from July 4, 1996, through July 10, 1996:

1. **Hannah Achtenberg Kinn.** Blue silk tie with fish motif and a large yellow fish predominantly displayed on the front. The appraised value is \$60.

Disposition: ☒ Keep for personal use and send to:

☒ Oval Office

☐ Residence

☐ Designate for Archives

2. **Rev. Francis Stafford.** 14" x 16" wooden framed and matted photograph of President Clinton with Pope John Paul II. The appraised value is \$50.

Disposition: ☐ Keep for personal use and send to:

☐ Oval Office

☐ Residence

☐ Designate for Archives

*See my
note on
this*

3. **Jesus M. Morales.** 9 1/4" x 12" bronze stylized sculpture of a donkey mounted on a wooden base. **The appraised value is \$450, which is over the financial disclosure limit.**

Disposition: _____ Designate as on loan and send to:

_____ Oval Office

_____ Residence

_____ Designate for Archives

Handwritten:
Let's look at
Jesus?

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 3

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT AND FIRST LADY

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386403/bxr Evangelist Richard and Phyllis Coss Christ Barrs None, Inc. Post Office Box 2154 Gulf Shores, AL 36547	Paperback. "Wanted," written and inscribed by donors. DISPOSITION: ARCHIVES	\$10
96386351/bxr Mr. Jeff Devillez Devillez & Motivo 2205 Meadowwalk Drive Corpus Christi, TX 78414	Compact disc. "Tense Present," recorded and inscribed by donor. DISPOSITION: ARCHIVES	\$15
96386398/lkk Barry Kaine Post Office Box 86035 Portland, OR 97286-0035	30" x 22" black and white matted silk screen of a woman. DISPOSITION: ARCHIVES	\$45

thoughts ?

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 4

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT AND FIRST LADY

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386341/mrm His Excellency Binyamin Netanyahu Prime Minister of Israel Israel	For the President: Bible. For the First Lady: 1) Gold necklace with an old coin. 2) Album "Hillary Clinton Warm Home." DISPOSITION: PRESIDENT AND FIRST LADY (OR FIRST FAMILY) TO RETAIN	PV
96386270/lkk Mr. and Mrs. Jerry Nichols 110 Patrick Lee Court Hot Springs Nat'l Park, AR 71913	Two honorary diplomas from the Arkansas School for Mathematics and Sciences. DISPOSITION: PRESIDENT TO RETAIN	
96386258/axw Unknown	Hardcover book. "Keeping Life in Perspective," by Jim Henry. DISPOSITION: CHARITY	

\$50
Clergy
\$12

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 1

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386262/mrm Mr. M. B. Abbasi c/o Mary K. Quirk Department of State Room 4245, NS NEA / SA / EX / FM Washington, DC 20520	Hardcover book. "Capital Markets in Pakistan," written and inscribed by donor. DISPOSITION: ARCHIVES	\$25
96386374/mrm Mr. Chauncey A. Alexander Campaign Manager Alexander for a Better Congress Box 399 19744 Beach Boulevard Huntington Beach, CA 92648	Videotape. DISPOSITION: RETURN TO SENDER	\$10
96386381/lkk Mr. Norman N. Arkin Classic Sports and Entertainment, Inc. Suite 3031 11811 North Tatum Boulevard Phoenix, AZ 85028	Wooden shaft golf putter with bronze engraved head that reads "'96 - You get more with Clinton/Gore." DISPOSITION: RETURN TO SENDER	\$100

Copy

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 4

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386376/bxr Mr. Oliver Bennett, Jr. The Bennett Group 161 Prairie View Court Westwego, LA 70094	Videotape. "The Bennett Firebreaker," produced by donor. DISPOSITION: RETURN TO SENDER	\$10
96386373/bxr Ms. Kim Bixler Post Office Box 8264-K Atlanta, GA 30306-0264	Small paperback. "365 Great Things About Atlanta," by Jon Gordon and donor; inscribed by donor. DISPOSITION: ARCHIVES	\$5
96386393/axw Class of Mrs. Brandt Kent School District Neely-O'Brien Elementary 6300 South 236 Street Kent, WA 98032	Cassette tape. "The Hundred Dollar Bill Clinton," by Mrs. Brandt's music class. DISPOSITION: ARCHIVES	\$10

*Walter Sues
for President*

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 5

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386375/bxr Mrs. Brenda Unknown Unknown	1) Package of one hundred 1990 Fleer basketball cards. 2) Two silver dollars. 3) Desert Storm five dollar coin. 4) Copper British penny circa 1940. DISPOSITION: ARCHIVES	\$15
96386335/bxr Mr. Mario Broeders c/o Music Publishing, Inc. 45-28 Vernon Boulevard Long Island City, NY 11101	Compact disc. "20 Poemas de Amor y Una Cancion Desesperada," recorded by donor. DISPOSITION: CHARITY	\$15
96386312/bxr Ms. Donna Bryant Seeds of Hope Suite 603 1200 Main Street Columbia, SC 29201	Black baseball cap that reads "Seeds of Hope: Farmers Markets." DISPOSITION: CHARITY	\$10

Leah
Stacy
Meyer

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 9

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR

DESCRIPTION OF GIFT

VALUE

96386263/bxr
Mr.
Louay Fatoohi
Physics Department Durham University
Durham DH1 3LE
United Kingdom of Great Britain and Northern
Ireland

Paperback book written in Arabic, by donor.

\$10

DISPOSITION: ARCHIVES

96386347/mrm
Ms.
Stephanie Faul
4110 Jenifer Street, N.W.
Washington, DC 20015

Paperback. "Xenophobe's Guide to the Americans."

DISPOSITION: PRESIDENT TO RETAIN

\$25

96386266/mrm
Ms.
Bonnie M. Fredricks
1001 Leidig Drive
Chambersburg, PA 17201

10" x 8" color photograph of the President, Vice
President, and Chelsea with Cal Ripkin, Jr.

DISPOSITION: ARCHIVES

\$10

②
- inc 3501

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 14

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386411/mrm Dane S. Jester 406 East Pine Avenue Bastrop, LA 71220	Cassette tape. "Patriots," written by donor. DISPOSITION: ARCHIVES	\$5
96386256/axw Drs. Jonathan and Faye Kellerman 722 North Sierra Drive Beverly Hills, CA 90210	Three hardcover book. 1) "The Butcher's Theater." 2) "The Web." 3) "Justice." All books are written and inscribed by donors. DISPOSITION: ARCHIVES	\$67
96386388/mrm Ms. Hannah Achtenberg Kinn Executive Director The League Treatment Center 30 Washington Street Brooklyn, NY 11201	Tie. Fish on a blue background with a large yellow six-eyed fish prominent in the front. DISPOSITION: ARCHIVES	\$60

I want
these
and new

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 16

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386415/bxr Mr. Eddie Maguire 64 High Field Road Cavan County Cavan Ireland	Television documentary of JFK's assassination. DISPOSITION: ARCHIVES	\$10
96386283/axw His Grace S.K. Magxey Nigerian Workers Party Box 10210 Fegge Onitsha, Anambra State Nigeria	Paperback. "Abacha: A Hero of an Epoch," by donor. DISPOSITION: CHARITY	\$10
96386271/bxr Mr. Howard S. Maier 30 Overlook Road Lattingtown, NY 11560	1) Videotape. "Abs of Steel for Men," produced by the Maier Group. 2) Videotape. "Abs of Steel for Women," produced by the Maier Group. DISPOSITION: ARCHIVES	\$30

*Steel Nut
to run*

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 17

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386425/lea Mr. Raymond M. Marsh 469 North New Haven Way Jamesburg, NJ 08831	4" X 6" framed and matted commemorative James Welson Johnson stamp. DISPOSITION: ARCHIVES	\$15
96386400/mrm Mr. James A. Martin Executive Vice President Martin's Famous Pastry Shoppe, Inc. 1000 Potato Roll Lane Chambersburg, PA 17201-8800	Videotape. "Reversing Roe: The Norma McCorvey Story." DISPOSITION: ARCHIVES	\$15
96386313/bxr Mr. Anthony Mayes 4809 Scott Pearland, TX 77581	Carved wooden heart with "The Clintons" carved in the middle. DISPOSITION: ARCHIVES	\$5

7
Turner Hall

SUMMARY OF GIFTS
RECEIVED FROM

PAGE: 19

07/04/96 - 07/10/96

INTENDED FOR: PRESIDENT

NAME AND ADDRESS OF DONOR	DESCRIPTION OF GIFT	VALUE
96386345/lea Ms. Jaunita Miller 306 Janice Street Dalton, GA 30721	1) Red knit scarf. 2) Red knit cap. 3) 8" x 10" black and white photo of donor. Arrived in Gift Unit with broken frame. DISPOSITION: ARCHIVES	\$20
96386321/lea Mr. Jesus M. Morales 3301 N.W. 20th Street Miami, FL 33142	1) 9 1/4" x 12" bronze stylized sculpture of a donkey mounted on a wooden base. 2) 10" tall bronze bud vase with a bronze sculpted rose. DISPOSITION: ARCHIVES	PV

likeness?
leaf
12

7/16/96

We also received the following items:

✓ **McLarty follow-up on foreign guestworkers.** Mack reports that Steve Silverman worked with DOL to resolve the matter of outstanding H-2B applications "in a very constructive manner." Mack says to let him know if you'd like more details.

✓ **Ickes memo on Jesse Jackson's suggestion regarding "white anger."** Jackson urges you to state more clearly that the anger of many whites who are in difficult economic circumstances is legitimate, but misdirected toward Blacks, legal immigrants, etc., as manifested by the recent rash of church burnings. He argues that a public case must be made to the "wealthy" that it is in their best interest to ensure a more equitable distribution of America's wealth in order to increase peoples' feeling of security.

✓ **Note from Mickey Kantor on Jim Wade.** At your request, Mickey talked to Wade, a supporter and successful black contractor from Philadelphia. Wade is now involved in a new Commerce initiative to attract capital and gain influence in D.C.

✓ **Sen. Stevens thank you for help on Alaska wildfire.** Commends James Lee Witt and FEMA, Mike Dombek of BLM, Mike Walker, Assistant Secretary of the Army, Jim Lyons at USDA, Phil Lader, and General Joe Ralston. "There are a lot of things the federal government does wrong...but this is one instance where everyone pitched in and worked together. I am grateful..."

✓ **Sen. Kennedy thank you note.** For calling Lloyd Grove of the Washington Post regarding the article he is doing on Sen. Kennedy. The Senator also expresses appreciation for the chance to discuss medical savings accounts with you on June 23.

✓ **Sen. Leahy thank you note.** For your phone call following the death of his mother.

✓ **Sen. Dodd thank you note.** For your hospitality at the Irish State Dinner. He mentions that his brother Tom and his sister Carolyn had a wonderful time.

✓ **Rep. Jack Quinn thank you note.** For inviting him to the Irish State Dinner in honor of Mary Robinson, noting that his grandfather was born in same country as President Robinson.

✓ **Sen. Simpson forwards letter from close friend about trip to St. Petersburg.** Mo Shields writes, "While in St. Petersburg we shopped at a stall shop near the Hermitage Gallery where you had shopped during your recent trip there. The shopkeeper was still 'aglow' from the impact of your visit... He was very impressed with your genuine warmth and friendliness... and his business has almost tripled since your visit! It makes us feel good that our President takes time to touch the common folk all over the world."

Send to Chris Walker
for reply?

Yes

No

C

Don't
know
sign

THE WHITE HOUSE

WASHINGTON

July 3, 1996

96 JUL 18 1 P7:09

MEMORANDUM FOR THE PRESIDENT

FROM: SUSAN BROPHY *sm*
LEGISLATIVE AFFAIRS

SUBJECT: CONGRESSIONAL CORRESPONDENCE

I thought you would like to review the following attached personal correspondence from Members of Congress:

1. Sen. Patrick Leahy (D-VT), thanking you for your phone call following the death of his mother.
2. Sen. Edward Kennedy (D-MA), thanking you for calling Lloyd Grove of the Washington Post.
3. Sen. Christopher Dodd (D-CT), thanking you for inviting him to the Irish State Dinner.
4. Rep. Jack Quinn (R-NY), thanking you for inviting him to the Irish State Dinner.
5. Sen. Alan Simpson (R-WY), forwarding the letter of a close personal friend.
6. Sen. Ted Stevens (R-AK), thanking you for mobilizing federal resources to combat the recent wildfire in Alaska.

Attachments

ALAN K. SIMPSON
WYOMING



United States Senator #4: 47
WASHINGTON, D.C. 20510

June 11, 1996

Honorable Bill Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

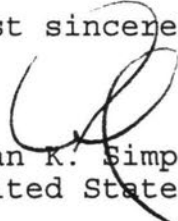
Dear Mr. President:

I know you get a ton of these -- but hang on tight! This letter was sent to me from an old friend of mine, Mo Shields, who asked that I personally "get it into your hands." He used to be the head football coach at my old high school in Cody, Wyoming. From there he went on to teach at a Department of Defense facility in Germany. His wife, Ann, is a skilled nurse and they have a delightful daughter, Abby, who must be about the age of Chelsea. These people are great fans of yours.

I have enclosed a copy of Mo's letter for you. You will note when you read the letter that the enclosed photo depicts a young man whose shop you stopped in when you visited St. Petersburg. The young man, as you will read, was, and still is, absolutely thrilled about that -- he is super-charged!

Well, I have done my duty. Ann joins in sending our fond personal regards to you, to Hillary and to Chelsea too! Take care and be well.

Most sincerely,


Alan K. Simpson
United States Senator

AKS/dke
Enclosure

22 MAY 96

PRES. CLINTON,

WE JUST RETURNED FROM A 9-DAY TRIP TO RUSSIA WITH OUR DAUGHTER'S RUSSIAN CLUB AT SCHOOL. WHILE IN ST. PETERSBERG WE SHOPPED AT A SMALL SHOP NEAR THE HERMITAGE GALLERY WHERE YOU HAD SHOPPED DURING YOUR RECENT TRIP THERE. THE SHOPKEEPER WAS STILL "AGLOW" FROM THE IMPACT OF YOUR VISIT. HE CALLED IT A "MIRACLE"... HE WAS VERY IMPRESSED WITH YOUR GENUINE WARMTH AND FRIENDLINESS, AS WELL AS YOUR STRONG HANDSHAKE... AND HIS BUSINESS HAS ALMOST TRIPLED SINCE YOUR VISIT! IT MAKES US FEEL GOOD THAT OUR PRESIDENT TAKES TIME TO TOUCH THE COMMON FOLK ALL OVER THE WORLD... DON'T YOU WISH THE RESPONSE TO YOUR VISITS WOULD ALWAYS RISE ABOVE THE POLITICS OF THE MOMENT LIKE THIS?

WE ARE SENDING THIS THROUGH OUR FRIEND SEN. ALAN SIMPSON... WE TOO HAVE ENJOYED HIS WIT AND WARMTH... (BUT, THEN, ANYONE WHO MARRIED AND CAN'T BE ALL BAD...!) THEY ARE LOVELY PEOPLE AND A CREDIT TO OUR COUNTRY!

THE ENCLOSED PHOTO OF THE SHOPKEEPER (& MYSELF) IS A LITTLE MEMENTO OF A MUTUAL VISIT TO AN INTERESTING PART OF OUR WORLD WITH VIBRANT PEOPLE... ENJOY.

Mo, Ann, Abby Shultz
LANDSTUHL, GERMANY
(NEAR RAMSTEIN)

SHIELDS
2nd GEN. HSP.
CMR- 402 BOX 297
APO AE 09180

PRES. BILL CLINTON
U.S.A.
WASHINGTON, D.C....

THE PRESIDENT HAS SEEN

7/16/96

Leonital

H. Cisneros

want me to do a weekend
housing consultation week
7/21 or 7/27 in Baltimore or
in Newark after Aug 1 -
Not a worth doing I
think - can be higher
Huss who strategy -
~~assisted~~ housing, vouchers,
employment, etc -
+ good visual ->

Bo

?

Todd -
Who else should
we send to?

Evelyn
Harold
C.

7-16-96

MEMORANDUM

✓

TO: Mr. President

FROM: Lynda

SUBJECT: Partners in Education

DATE: July 12, 1996

Cruse
FJR

Attached is our new Partners brochure. You will be pleased to know that all but two of the schools in the entire county now have business partners. We think that we will have partners for Fuller Junior High and Cloverdale by the beginning of the school year.

I wish this program could be put in place all over the nation. Some offices such as ours are small and have no money to contribute, but we give of ourselves. We are partnered with the Clinton School (of course.)

This past school year, I was a mentor to students in a sixth grade class. Twice a month, I went to the school during lunch. I would usually eat in the cafeteria with them, then return to the classroom to talk about things like peer pressure, responsibility, manners, etiquette, or any other subject they wanted to discuss. We had some wonderful times together!

If memory serves me correctly, you and Hillary started this program in Arkansas. I am grateful to you, and I know the students and teachers are grateful, too. Thanks!

Also enclosed is a report from Little Rock Alliance For Our Public Schools. Dr. Horne is a member of this group. There are some interesting findings in this report, and I hope you will have time to look at it.

William Jefferson Clinton Elementary Magnet School

Jackye Parker
Principal
142 Hollywood Avenue
Sherwood, AR 72120



Telephone (501) 833-1200
Fax (501) 833-1207

June 4, 1996

FVI

Lynda Dixon
Democratic National Committee
111 Center Street, Suite 1500
Little Rock, AR 72201

Dear Lynda,

As this academic year ends, please allow us to express our sincere gratitude to you for all you have given to our students this year. Since January alone, Classroom Mentors spent over 200 hours at Clinton Elementary interacting with students. Your presence has truly made a difference in our school.

We also thank you for bearing with us as we launched the program this year. Having learned much, we will work to continually improve our program for the benefit of both you and the students.

We hope you will consider continuing in 1996-1997 as a mentor. As you have seen, the children need and love your attention and care. You will receive a call within the next week to confirm that you will be a part of our team next year. Any suggestions you have to enhance our program would be greatly appreciated.

To express our gratitude we have enclosed a certificate of appreciation for your giving to the "Clinton kids" this year. Every time you look at it, please remember the smiling faces of loving children as they received the love you gave them.

Have a wonderful summer and we will see you in August!

Sincerely,

Jackye Parker
Principal

Nancy Eddy
Counselor
Co-coordinator

Nikki M. Johnson
Parent Volunteer
Co-coordinator

***W.J. CLINTON
ELEMENTARY MAGNET
SCHOOL***

Sincerely thanks

Lynda Dixon

For giving to our students as a

***CLASSROOM
MENTOR
1995-1996***



LITTLE ROCK
ALLIANCE
FOR OUR PUBLIC SCHOOLS

JULY 8, 1996

AN OPEN LETTER

To The Patrons, Parents, Students, Teachers, School Board Members, And Administrators Of The Little Rock School District

We, the members of the Little Rock Alliance For Our Public Schools, submit to you this paper, "Little Rock's Public Schools: A Plan for Success," as part of our continuing work to help bring stability to our public schools.

We want to emphasize that we are ordinary citizens, with no official or financial ties to the Little Rock School District. The funding that allows us to meet together and to study, think, talk, and write about our public schools is provided by Fifty For The Future, a Little Rock civic organization. This organization has granted us complete freedom in our studies and has never attempted to influence our work.

During our meetings, we enjoy a free-flowing exchange of ideas, sometimes agreeing, sometimes disagreeing, but always keeping our mission uppermost in our minds — we must do whatever we can to make the Little Rock School District a great educational institution.

This is not a scientific paper. This is a perspective on the present status of our public schools as seen by 16 ordinary citizens. Each member of this Committee has committed his or her ideas to this work. We deliberately chose to write this paper in plain language. By taking this unvarnished approach, we hope we have brought clarity to some particularly cloudy situations.

This paper should also not be perceived as merely a critique of the public education system in Little Rock. Anyone can make recommendations, but the real challenge comes in taking action. It is the intent of the Alliance to help carry out any or all parts of our recommended changes and encourage participation by other members of the Little Rock community.

We are grateful for those Little Rock citizens who have taken the time to give us their ideas through long discussions, letters, notes and phone calls. We are also grateful to Fifty For The Future for having the foresight to establish our Committee and continue its support. We are proud to be a part of this dynamic community and to play a role in making it a better place for every citizen.

Students Experience...

- Motivation to achieve
- Improved academic performance
- Enhanced self-image
- Expanded career awareness
- Enriched curriculums
- Identification with successful role models

The Community Gains...

- Strong public school systems
- Improved quality of life
- Greater potential for local economic and job development
- Improved community cooperation

Start Making a Difference ...Today!

It has been proven that the Partners in Education program has positively affected the lives and futures of students, educators, businesses and the community!

Partnerships...

- Foster a better understanding of the local school systems
- Strengthen and improve school programs and curricula
- Create a climate of involvement and interaction between business and schools

To find out how, contact...

Partners in Education
Greater Little Rock Chamber of Commerce
101 S. Spring St., Suite 200
Little Rock, AR 72201
(501) 374-4871

Greater Little Rock Chamber of Commerce
101 South Spring Street, Suite 200
Little Rock, Arkansas 72201-2486

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LITTLE ROCK, ARKANSAS
PERMIT NUMBER 1122

 **PARTNERS IN EDUCATION**

Sponsored by



Where Business Comes Together



Working Together to Make a Difference

The Partners in Education program, sponsored by the Greater Little Rock Chamber of Commerce, operates on the premise that quality education is everybody's responsibility.

Current programs have demonstrated that Partners in Education provides positive results. Partnerships benefit the community by supporting, developing and enhancing strong public schools systems, which attract new businesses and industry.

Over 425 businesses, organizations, nonprofit institutions and state and federal agencies have formed successful partnerships with approximately 100 schools in the Little Rock, North Little Rock and Pulaski County Special School Districts.

Through the Partners in Education program, concerned citizens of the business community, educators and students are making an investment in the future of Greater Little Rock.

How Can a Partner Help?

The valuable experiences this program creates for our students, the schools that our partners support and the guidance they lend, all lay the foundation upon which future citizens can build their tomorrows.

Schools and business partners are limited only by their resources and the energy and imagination of the people involved.

Every business and organization, regardless of size, has something to offer. The only requirement is the willingness to help.

Here are a few examples



Through Volunteer Services...

- Chaperone a field trip or a dance
- Tutor students
- Be a classroom assistant
- Help the school PTA
- Serve as a judge or coach
- Help teach special subjects such as foreign languages, upper level math, science or computer science
- Share travel and life experiences



Through In-Kind / Financial Services...

- Give students a tour of your business
- Prepare career education displays or teaching materials
- Award prizes and certificates for student performance
- Give perfect attendance rewards
- Recognize good behavior
- Donate equipment, supplies or furniture
- Build or improve a playground
- Assist with landscaping
- Renovate a teachers' lounge
- Provide transportation for special trips
- Award scholarships to summer camps or colleges
- Reward the accomplishments of teachers
- Sponsor eye / ear / dental exams
- Display student achievements at your business
- Sponsor visits by performing artists



Through Unique Programs...

- Become a mentor
- Display student artwork
- Provide internships
- Offer expertise by holding mock job interviews, seminars and career fairs

The Commitment to Making a Difference

A commitment on the part of the chief executive officer and the school principal is the key ingredient to the success of any partnership. In successful programs, leadership is provided by both the business and the school. Together, the partners identify appropriate activities, develop a schedule and secure involvement.

A commitment to the Partners in Education program is an investment in our future — your help ensures that today's youth will become learned, capable and responsible citizens — a contribution that will be returned many times over.



Business / Organizations Receive...

- A prepared future workforce
- Visibility and recognition from the community for your contribution
- Positive corporate image — internal and external
- An education system better informed about business needs and expectations
- Summer work often develops pre-training opportunities for post high school employment
- Rewarding experiences
- Personal satisfaction from contributing to the community

PARTNERS IN EDUCATION

Summer • 1996

School / Business Partnerships
Sponsored by the Greater Little Rock Chamber of Commerce
Education Committee

August 1 breakfast will honor over 500 partners in education

Business partners and educators will be honored Thursday, August 1 at the seventh annual breakfast for the tri-district Partners in Education Program.

The event, sponsored by the Greater Little Rock Chamber of Commerce Partners

in Education subcommittee, will be held at North Little Rock High School's East Campus cafeteria. The school is located at 2300 Lakeview Road, behind Target at The Other Center.

Dr. Chuck Jackson, nationally-known

education consultant and former Oklahoma elementary school principal, will be the featured speaker. He speaks out on children's issues and motivates and challenges his audience to think and act proactively. Jackson will use humor, music, poetry and audience participation to explore factors which affect the development of healthy self-esteem in students and the adults who work with them.

More than 500 business partners and educators will receive invitations to the annual breakfast. Business partners who support the public schools in Little Rock, North Little Rock and Pulaski County Special school districts and educators will have the opportunity to share new ideas and plan for the upcoming school year.

Co-chairs for the event are Ken Sullivan, ITT Technical Institute, and Charles Hillis, Jacksonville Hardee's.

For more information, contact Susie Marks, Greater Little Rock Chamber of Commerce, 374-4871.



Small group discussions gave participants time to get more information on successful PIE programs.

Chamber hosts spring 'idea exchange'

A spring idea exchange drew approximately 35 school and business people to the Greater Little Rock Chamber of Commerce to swap ideas and talk about successful activities that are taking place in the Partners in Education programs in the three school districts.

Little Rock Waterworks employees Marie Crawford and LaWanna Archer discussed ways to get employees involved in

partnership activities at the schools.

Principal Melvin Goodrum, PCSSD Dupree Elementary; Lynda Dixon, Clinton Arkansas Office; and Cheryl Patterson, UALR, explained how businesses could collaborate with one another in school activities.

Idea exchanges, sponsored by the Partners in Education subcommittee, are held in the spring and fall.

Program Coordinators

Little Rock School District

Debbie Milam

324-2297

North Little Rock School District

Shara Brazear

771-8013

**Pulaski County Special
School District**

Susie Roberts

490-2000

Partners Recognized at A Country Jamboree

Little Rock School District volunteers were invited to come on down to Ricks Armory on April 23 to "A County Jamboree." Volunteers in Public Schools/Partners in Education held its 14th annual "An Evening for the Stars" to recognize businesses and individuals for outstanding volunteerism in the Little Rock schools. Thompson's Book and Supply Company and Rotary Club #99 (Downtown) were among those who were presented awards by Emcee Craig O'Neill.

The Outstanding Partnership Award for a Small Business was presented to Thompson's Book and Supply Company in recognition of its partnership with Jefferson Elementary School. The staff at Thompson's stays in close contact with Jefferson, initiating much of the communication that takes place in the partnership. Awards certificates, red ribbons, science fair awards and gift baskets for the teachers have been donated to the school, but Thompson's real gift to Jefferson has been in its direct contact with students. Under the leadership of Loretta Burgess, the staff at Thompson's has developed monthly motivational hands-on activities for each grade level, designed to encourage higher thinking skills and to meet the needs of below grade-level students. As a result, teachers have noted positive academic changes in Jefferson students. Thompson's and Jefferson have been partners in for three years.

Rotary Club #99 was presented the Partners in Education award for a large business for its partnership with Hall High School. Since the establishment of the partnership in 1990, the Downtown Rotary has initiated a variety of programs, includ-

ing sponsorship of an academic incentive card to provide tangible rewards to students for improved academic scores; a monthly shadowing program which has evolved into thematic career days in medicine, law, philanthropic work, aviation and historical houses/museum management; recognition of each academic department in the school at monthly Rotary luncheons; and providing coffee and doughnuts to the teaching staff. Financial donations were made towards Drug Free After Graduation Party, needy families helped by Hall students at

Christmas, Boys' State delegations and overseas travel for educational purposes by Hall High teachers. A directory of Rotary members who are willing to volunteer as classroom resource speakers was also compiled by members.

Other businesses nominated by their partner schools include: Comcast Cablevision, Electronic Data Systems, Kinko's--Shackleford, J. A. Riggs Tractor Company, Romano's Macaroni Grill, Southwest Hospital, and Wendy's of Little Rock Corporate Office.

McClellan business program tops in nation

McClellan High School's business department was recognized as the nation's outstanding business program. McClellan teachers picked up the award and the \$1,000 cash prize on December 2 at the American Vocational Association's annual convention in Denver. McClellan is only the second high school to get the honor, which is given to a high school once every three years.

The school outdistanced its competitors in degree of student involvement in school programs and community service and in staff professionalism. The judges were impressed by the many course offerings at McClellan and the strong advisory committee made up of local business people. Phyllis Smith, McClellan business department chairperson said, "This is the ultimate honor that a school business department can get."



The Chamber of Commerce Education Committee honored McClellan High School's Business Department with a luncheon on March 28. Pictured, left to right: Terrick Green; Chavelia Bradford, DECA president; Nancy Leslie, advisor; Ashur Elia, Sears Scholarship national winner.

LRSD recognizes new business partnerships

The Little Rock School District Board of Education has recognized the following businesses and community organizations as partners in Education since December 1995: Aero Innovations, Inc.; The Aerospace Education Center; American Federation of Musicians - Local 266; August House Publishers, Inc.; Black Eyed Pea Restaurant; Capitol View/Stift Station Neighborhood Association; Church's Fried Chicken; Domino's Pizza; First Baptist Church Highland Park; Kahler Communications; Kentucky Fried Chicken - Asher Avenue; Kentucky Fried Chicken - Markham; Kentucky Fried Chicken - 12th Street; Kidsports; Magna IV Color Imaging; Pi Omicron Chapter of Omega Psi Phi Fraternity, Inc.; Romco Drums, Inc./Rosen Music Co.; Solid Brass of Little Rock; West Little Rock Kiwanis; Curtis S. Woods Insurance Services; and United States Postal Service.

Koppers and Glenview Elementary, A Winning Team

Koppers Industries, Inc., a Classmate in the North Little Rock School District has been extremely involved with students at Glenview Elementary School this year. Mr. Dick Blankenbeker, President and CEO has encouraged employees of the North Little Rock plant to be involved at Glenview. In August, a back-to-school luncheon was hosted by Koppers employees for the Glenview staff. Koppers employees served as judges for the Halloween costume parade and the Valentine card contest, as well

as participated in assemblies to announce winners and present cash prizes to the winners. Koppers employees provided Christmas cookies for all student Christmas parties and Mr. Blankenbeker and several Koppers employees joined the Glenview staff for their Christmas luncheon.

Ms. Gundaker's sixth grade class visited Koppers and sang Christmas carols and also visited the plant in May for a grand tour which has become an annual event. The tour is an educational experience which

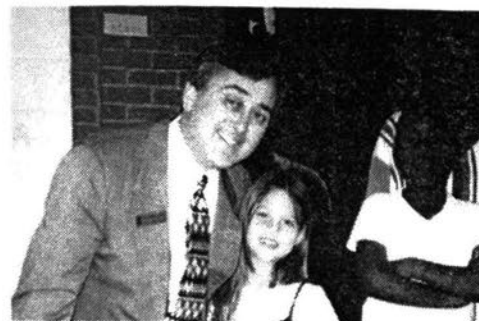
teaches sixth graders how subjects they learn in school such as science and math relate to industrial processes. The students also learn about conservation and pollution.

In addition to all the hours spent in the school, Koppers also contributes \$200 to Glenview each nine weeks for student incentive programs. Glenview Elementary School feels fortunate to have such a supportive Classmate as Koppers Industries.

NLR Volunteers are Honored

The North Little Rock School District's VIPS (Volunteers in Public Schools) Advisory Board recently honored outstanding volunteers at a luncheon in May. Each school selected an outstanding group or individual who has made a significant donation of their time to each school. Several Classmates (partners-in-education) were among the 1995-96 recipients including: Russ Kelso with American Express Financial Advisors, Charter Mortgage, Koppers Industries, Inc., Eagle Bank and Trust, Union Pacific Railroad, and Camp Robinson - CSMS Air Strip. Other volunteers recognized included Scott Abernathy, Mary Colorigh, NLRHS Stars program, Joanna Willson, Angela Cavalier, Tina Ford, Cleo Trotter, Mary Walraven, S.T.E.P., Tony Franco, Jan Scholl, Sharon

Indian Hills Elementary School in the North Little Rock School District gained the support of their Classmate, Eagle Bank and Trust, at their monthly Awards Assembly. Randy Herlocker, President of Eagle Bank presented two students each month with a \$25.00 savings account at the assembly. The winning two students were selected because of their academic improvement during the month. Students showed their appreciation by serenading Eagle Bank John F. Kennedy branch employees.



Randy Herlocker presents Ashley Williams, Indian Hills Elementary student with a \$25.00 savings account.

Gaston, Debra Rogers, Karen Cobb, Kathy West, Sherri Pettit, and Beverly McGill. The award for the Outstanding North Little Rock School District Volunteer went to Joyce Brewer. Joyce works full time at

Southwestern Bell and still seems to find enough time to volunteer her time in the Band Boosters, VIPS Advisory Board, and PTA at three schools. Joyce has four children in North Little Rock Public Schools.

Name _____

Business _____

Address _____ Telephone _____

City, State _____ Zip Code _____

Return to: Partners In Education
Greater Little Rock
Chamber of Commerce
One Spring Street
Little Rock, AR 72201

YES! We are interested in becoming a Partner in Education

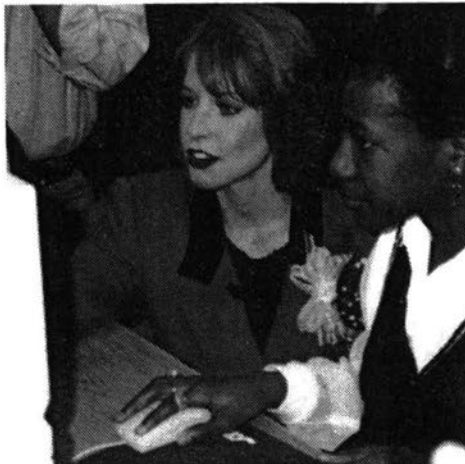
ALLTEL, Fuller Elementary form partnership

Fuller Elementary School (PCSSD) has become the first school in Arkansas and the 11th school in the nation to receive the advanced wireless network called ClassLink.

ALLTEL Mobile Communications, Inc., Fuller Elementary's new partner in education, is sponsoring the program. ClassLink is also funded through a Cellular Telephone Industry Association (CTIA) grant.

According to Principal Shyrel Rose, the program gives students enhanced educational opportunities and access to the Internet. Teachers gain more class time because they can use wireless phones rather than going in person to various parts of the school.

In addition to the technical equipment,



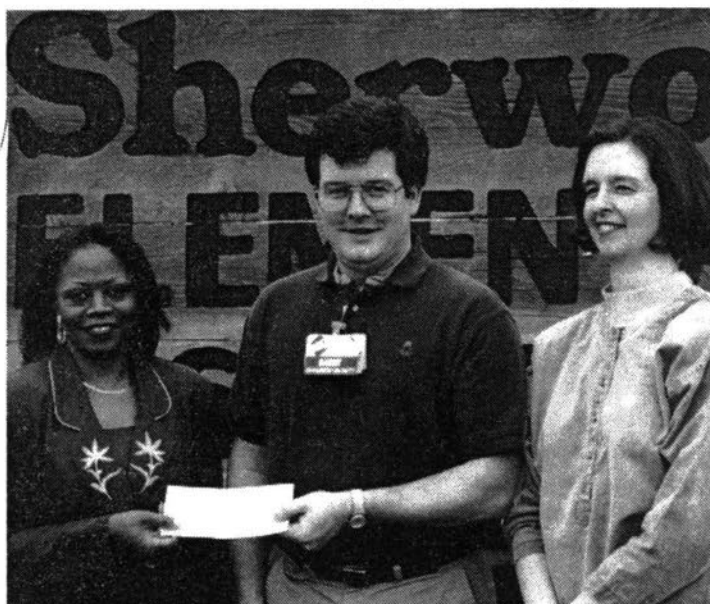
Quinesha Farr, a Fuller Junior High student, shows Miss America, Shawntel Smith, her page on the Internet.

every Fuller Elementary employee received a Panasonic wireless telephone that operates on the campus ClassLink network and can function on the ALLTEL Mobile Cellular network when off campus. The program includes a voice mail setup for each employee.

ALLTEL kicked off the ClassLink program at the school with a visit by Miss America, Shawntel Smith.

There are plans to set up a homework hotline in the ClassLink program.

According to research, teachers at a junior high in Texas gained 15 days of teaching time when wireless phones, instead of physical visits, were used for communication.



Danny Halbrook (center), store manager at NLR Sam's Club, presented Sherwood Elementary (PCSSD) assistant principal Marilyn Moore (left) and PTA secretary Christy Stine a \$2,000 check to purchase televisions for the school.

Principal Larry Fuller, school team leader, said that every classroom will have a television because of the assistance of their partner in education. Joe Longinotti serves as the business team leader.



Harris Elementary (PCSSD), the school PTA and two partners in education joined forces to recognize students who made good grades during the school year.

North Little Rock Red Lobster and Cellular One assisted in hosting a seafood buffet for honor roll students and their parents. Red Lobster manager, David Tucker, and Cellular One, Anita Rowe, serve as the business team leaders.



Where Business Comes Together

**Printing and postage provided by
Greater Little Rock Chamber of Commerce**

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Progress Report is the 1996 summer report on the Partners in Education Program in the schools in Little Rock, North Little Rock and Pulaski County Special School Districts. This publication was prepared by the districts' Partners in Education coordinators.
POSTMASTER: Send address changes to GLR Chamber of Commerce, One Spring Street, Little Rock, AR 72201-2486

CAMP DAVID

15 July 1996

Brown / Rader

Mr President,

THE PRESIDENT HAS SEEN
7-16-96

The attached article was received from Mr Ickes
for your information.

Additionally, the weather has not developed as
forecast and we should be able to return via
helicopter as late as 6:00 pm.

After 6:00 we would have to take another look
but probability of adequate weather to fly is very
high.

Please do not hesitate to contact me if I may be of
further assistance.

Very respectfully,

Charles H. Raderstorf

Major Chuck Raderstorf
Marine Corps Aide to the President

Welfare Reform Drama Auditions in Milwaukee

By Judith Havemann
Washington Post Staff Writer

MILWAUKEE—Don't tell Colleen Braam that Wisconsin is waiting for President Clinton to approve its revolutionary proposal to eliminate welfare. For Braam and her two small children, the future is already here.

Soon after Braam tried to get herself permanently off welfare by enrolling in a medical assistant certification course, the county summoned her to a three-day job orientation program. "I was making something of myself," she said. "Why should they have a fit about it? I gambled that they wouldn't do anything to me because I was going to school."

Wrong. When Braam skipped the orientation session because she was in school, the county wiped out her benefits.

Braam is one of 32,000 dazed Milwaukeeans participating in the nation's premiere welfare reform drama. Wisconsin is the first state to propose eliminating welfare, not just changing it. Since March it has implemented a demonstration "pay for performance" project that state officials call a "bridge program" between the old welfare system and the new plan envisioned by the governor.

Milwaukee County officials predict the project will reduce their caseload by 20 percent by Aug. 1 compared with a year ago, but an early look at the new system in this booming city shows the profound difficulties involved in pushing thousands of women and a handful of men off the welfare rolls and into the work force. A culture of people who have lived at home in poverty, often on the margins of society and in isolation from the world of work, now must contend with a highly regimented computerized system of strict work requirements. The result so far has been administrative chaos.

The program is a test run for the radical plan the state wants President Clinton to approve next week. Wisconsin is seeking a waiver of federal welfare rules to institute a program of universal jobs for Wisconsin's poor families so that they can support themselves on paychecks instead of being dependent on welfare.

Opponents have bombarded Clinton with more than 1,000 objections to Wisconsin's plan to replace welfare with jobs, to eliminate the entitlement to assistance simply for being poor, and to deny aid entirely to people who don't work. And this month Milwaukee Archbishop Rembert G. Weakland took up the cause and touched off a fight with the state's enormously popular—and Catholic—governor, Tommy G. Thompson (R).

Writing in The Washington Post, Weakland said, "Catholic social teaching holds that the poor, especially children, have a moral claim on the resources of the community to secure the necessities of life. We should not afflict these children with hunger in order to infuse their parents with virtue."

He cautioned the president that if Wisconsin were allowed to repeal welfare, other states would follow, and a plan designed for a progressive state with almost no unemployment would quickly spread nationwide. "Such an outcome would be a tragedy for the poor and a moral blemish on the earth's most affluent society," he said.

Thompson angrily dismissed Weakland's charges, saying, "People are going to be better off."

The Milwaukee model offers a view of the radical proposals states envision if they get permission to design their own welfare systems. Clinton said yesterday in his radio address that the Republican-led Congress was close to producing a welfare reform bill he could sign. The Republican proposals would give states broad powers to structure their own programs as Wisconsin has.

In Milwaukee, success hangs on turning around the state bureaucracy as much as it does on getting a federal go-ahead. On July 1, the state welfare bureaucracy was moved overnight into the equivalent of the state labor department. Legal appeals have gone up fourfold, computer systems are backlogged, voice mail systems overloaded, appointments with caseworkers backed up as much as a month. The state also has plans to turn over the administration of the whole system to private or non-profit contractors.

Meanwhile, welfare recipients like Colleen Braam career from defiance to despair. Braam recounts her history with a system under "guys downtown who have a job. They look at me like I'm not worth anything. They have no idea of what people have to go through to raise children by themselves."

Braam had trouble with absenteeism when she worked at the local children's hospital last year. Finally, one Sunday at 2 a.m., feeling tired

and sick, she simply went home, knowing she would be fired. Her boyfriend of 10 years had already walked out and left her with their children, Ashley and Corie Richardson, 7 and 6.

Braam, 34, says she has worked sporadically in a union office and at the post office since, struggling to take care of her children on \$517 a month, enrolling in junior college to try to boost her earning capacity and almost simultaneously violating Milwaukee's new "pay for performance" work program by "failing to register" for orientation.

She rails against the system for requiring her to meet what she considers Mickey Mouse requirements instead of getting a degree. "Their response is, 'Tough. These are the rules,'" she said.

Even for welfare recipients who are more tractable than Braam, the new Milwaukee system has proven to be "very chaotic, with lots of computer mistakes, confusing rules, people being evicted, losing their food stamps and having their checks reduced," said Loretta Williams, a community organizer for the Women in Poverty Public Education Initiative. "A lot of people are having a terrible time complying."

One of the reasons for that is the

regimented, computer-driven system that requires recipients to look for jobs and work up to 35 hours a week or go without a check. In one set of offices, welfare eligibility workers type in codes showing that each client has completed the correct number of hours of searching for jobs, performing community service work and attending classes, without which they are denied checks. Computer entries alone take almost twice as long as they used to for each client.

Another reason is that many recipients have never worked. Milwaukee County Executive P. Thomas Ament (D) fears that some welfare families will not be so easily transformed into model workers. "Most people believe that there will be an increase in neglected kids," he said. "I believe that. Not all people on AFDC are excellent candidates for jobs."

Katherine Payton, 36, a mother of three children, 17, 11 and 8, who has never worked faithfully, attends special education classes at the Silver Spring Neighborhood Center in north Milwaukee and fills out the rest of her required hours of work participation by picking up trash and cleaning bathrooms.

She complies fully in frightened silence with every task she is asked to do as she strives to improve her arithmetic to become a cashier, and yet she has difficulty stating her age or her years of schooling. Her caseworkers believe she could be eligible for a "transitional job" for a disabled worker at 70 percent of the minimum wage.

Linda Wernette, 37, also helps out at the Silver Spring Center as a teacher's aide to meet her job requirements as she tries to juggle the medical appointments for her 1-year-old developmentally delayed son. "I'm overprotective about my son," she said. "I worry about what job will hire me when I'm gone to all these doctor appointments."

Her supervisor, Linda Lee Bosetti, says Wernette would have a difficulty holding down a regular job because of her son's constant medical demands.

"Who would hire her if she had to be absent half the time?" she said.

Bosetti said Wernette might be eligible under the Wisconsin plan for a community service job at 75 percent of the minimum wage.

Brenda Dates, 38, with two children, 23 and 14, and the care of a 6-year-old grandson, faces other challenges.

She recently got fired from a nursing home for failing to report on her application that she had a nine-year-old record for welfare fraud. When she listed the record on her

next nursing home application, she was informed that it barred her from employment.

Dates fights off depression as she trudges from one employer to another filling in her required hours of searching for jobs. "I want to have a positive feeling," she said. "I can't get that down feeling."

She might be eligible for a trial job at the minimum wage if she could find an employer willing to overlook her misdemeanor conviction for failing to report income from a \$50-a-week cleaning job in 1987.

By contrast, serious and savvy Shonte Bean, 24, has seized every possible opportunity under Milwaukee's new work-based system. She looked for jobs, went to classes and completed a specialized training program Friday in auto lubrication that landed her a job at \$7 an hour.

A mother at 13 and the daughter of a man who narrowly escaped the death penalty in Texas for murder, Bean would be a success story under any welfare plan.

"They have messed with me a lot," she said. "But it is a way to get people to work."

TO: The President
7/1/96
FYE 14 and 1

WISCONSIN, From A13

SOMMET DE LYON
1996

THE PRESIDENT HAS SEEN
7/16/96

Copy given
to Todd

Recd for Medal of Freedom

John Johnson, Chicago

Kent Amos

Marian Seeman

SOMMET DE LYON
1996

THE PRESIDENT HAS SEEN

7/16/96

Leon Ital

H Cisneros

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in Newark after Aug 1 —
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HHS whole strategy —
assisted housing, vouchers,
redevelopment, etc —
+ good visual —

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SOMMET DE LYON
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THE PRESIDENT HAS SEEN

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THE PRESIDENT HAS SEEN

7-16-96

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THE PRESIDENT HAS SEEN

7-16-96

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Uneasy in Arabia

The U.S. Can't Take Its Saudi Presence for Granted

By Shibley Telhami

THE DEATH and injury of dozens of Americans in Saudi Arabia is an occasion to mourn, to grieve for affected families, to pursue the killers and to seek punishment. But it would be a mistake to conclude that this is merely another episode in the war with terrorism requiring no more than tactical responses like fortifying U.S. military installations and tracking down terrorist bombers. What the U.S. government needs to recognize is that Middle Eastern

politics are changing in ways that require new U.S. responses.

The bombing should be taken as a sign that the United States' Gulf War victory party, which began in early 1991, is now over. Since the defeat of Saddam Hussein, the United States has enjoyed unprecedented influence in the region. Fear of an aggressive Iraq and the beginning of the Arab-Israeli peace process made American policy choices simpler and easier to implement throughout the Gulf. U.S. policy in the Gulf successfully focused on a unilateral military strategy to defend oil sources against external threats. More troops, equipment and naval vessels were positioned in the region. International pressure on Iran and Iraq, seen as the most serious threats to Gulf

See SAUDI, C2, Col. 4

SAUDI, From C1

stability, was escalated. The vulnerable Gulf states such as Bahrain and Qatar grew more willing to accommodate American forces. More powerful Arab states such as Egypt and Syria went along largely because the Middle East peace process, in which the United States was a driving force, seemed unstoppable.

The Dharhan bombing, the second attack on U.S. citizens in the Gulf in seven months, highlights the internal threats to Gulf security against which the American military presence is helpless—possibly even counterproductive. The car bombing in Riyadh last November that killed six people and recent rioting and bombings in Bahrain (the main naval base for U.S. forces in the Gulf) illustrate the same reality. In the meanwhile, the apparent setback to the Arab-Israeli peace process delivered by the recent Israeli elections will reduce divisions within the Arab world and prompt rethinking on foreign policy. In this new environment, it is going to be more difficult for the United States to isolate Iraq and Iran and to expand its military presence in the region.

Nowhere do these trends matter more than in Saudi Arabia. Yet, it is remarkable how little the U.S. government knows about the extent of opposition in the kingdom. The need for U.S. diplomats to maintain a low profile in the country (so as not to exacerbate anti-U.S. feelings) has substantially reduced access to important segments of society. The relative isolation of U.S. officials in Saudi Arabia is compounded by what might be called the Gulf War Syndrome, which devalues the relevance of public opinion in Middle East politics. Since the analysts who predicted back in 1990 that war between the United States and Iraq would lead to upheaval in the Arab world were seen to have been wrong, U.S. policymakers have tended to conclude that they can be effective by simply focusing on ruling elites. Although U.S. officials have not entirely ignored reading public opinion in the Gulf, it has certainly not ranked high as a policy priority.

This is not to suggest that the militants who carried out the horrifying attacks against American troops represent a majority of those opposed to the rule of the Saudi royal family. They do not. Most opposition in Saudi Arabia is passive. There is a lot of grumbling about the political and economic conditions people face and about perceived official corruption. The public has little say in policy at a time when declining oil revenues

THE PRESIDENT HAS SEEN

7-16-96

have been matched by a rapid population increase. Individual incomes are falling—a trend that is not likely to be reversed in the foreseeable future.

The American presence in the country is viewed ambivalently, even among Saudis who are grateful for U.S. support. Although the number of American personnel in Saudi Arabia is modest (probably around 5,000), most Saudis feel the weight of the American role—a sense that their kingdom has lost much of its political independence. One prevalent conspiracy theory in the Gulf, even among policy elites, holds that the United States assured the survival of Saddam Hussein after the Gulf War in order to justify an increased military presence in the region. This fits in with a larger suspicion that the West is out to marginalize the Islamic world.

Yet it is unlikely that the militants who are behind the bombings in the Kingdom (if they turn out to be Saudis) were motivated primarily by hatred of the United States. Rather, militant Saudi dissidents use issues of U.S. foreign policy to gain sympathy among the passive opposition and to advance their primary goal: overthrowing the Saudi government. These militants see the United States standing in the way. They see the United States training the Saudi security forces to prevent the country's oil wells—as well as U.S. military equipment—from falling into the "wrong hands."

In confronting the threats from militant Saudi opposition, better security measures, pursuing and punishing the perpetrators are all necessary steps. But as the response to the November bombing in Riyadh shows, they may not be sufficient. Substantial security improvements and the sentencing of the four men accused of the crime did not deter the authors of the Dharhan blast. A reassessment of policy must go beyond such measures.

Given a stalemate on the Arab-Israeli front, the United States must anticipate a weakening of regional resolve in confronting Iraq and Iran. Arab governments should be expected to be more reluctant to accommodate the expanding U.S. presence in the region. Iran and Iraq's opportunities for subversion are likely to grow even if the United States' ability to check their conventional military forces remains strong.

Above all, public support for U.S. presence in the Gulf cannot be taken for granted, especially if American casualties continue to mount. The American public is likely to ask: If oil is one of the most vital interests for the West, why must the United States alone pay—with human lives and more than \$50 billion annually in military budget—for defending that oil? Why can't Japan and Europe, even more dependent than the United States on oil imports and trade with the Gulf, share the burden? Unless these questions can be answered in a sober and persuasive fashion, the U.S. government may find itself facing increasingly uncomfortable choices in Saudi Arabia.

THE WASHINGTON POST

SUNDAY, JUNE 30, 1996

THE PRESIDENT HAS SEEN

7-16-96



DEMOCRATIC LEADER O

Curtis Hertel
2nd District

July 12, 1996

John D. Lesby, Solicitor
Office of the Solicitor, MS6352
United States Department of the Interior
1849 C. Street, N.W.
Washington, D.C. 20240Re: Sault Ste. Marie Tribe of Chippewa Indians / Application for Gaming on After
Acquired Property

Dear Mr. Lesby:

By letter dated April 30, 1996, you responded to my letter to Secretary Babbitt, dated September 22, 1995 ("Lesby letter"). My letter, which was also signed by Pat Gagliardi, the Michigan House Democratic Floor Leader, and Edward McNamara, Wayne County Executive, urged the Secretary to proceed to take a parcel of land into trust in the Greektown section of downtown Detroit and authorize that gaming take place thereon, notwithstanding Governor John Engler's failure to concur in the Secretary's favorable findings under 25 U.S.C. § 2719(b)(1)(A) ("§ 20") of the Indian Gaming Regulatory Act ("IGRA" or "the Act").¹ Your April 30 letter raised several issues to which this letter responds.

As you correctly observed in your letter, the Tribe has argued that the Governor's concurrence power under § 20 constitutes a power to veto the Secretary's determination to permit gaming at Greektown, and therefore violates the Appointments Clause of the Constitution, U.S. CONST. art II, § 2, cl. 2. In a decision carefully analyzing § 20 of the Act, a district court has agreed with the Tribe's contention. Confederated Tribes of the Siletz Reservation v. United States, 841 F. Supp. 1479 (D. Ore.), appeal docketed, Nos. 94-35304, 94-35373, 94-35374 (9th Cir. 1994).

Notwithstanding the Siletz decision, you contend that the separation of powers doctrine has not been violated by § 20 because "Congress simply provided state governors with the power to preclude off-reservation gaming activity." Lesby letter at 2. You cite Spokane Tribe of Indians v. Washington, 28 F.3d 991, 997 (9th Cir. 1994), for the proposition that Congress tried to fashion a plan allowing states a voice in the operation of Indian gaming.

¹Your April 30, 1996 letter also responded to "arguments the Tribe and its attorneys have recently advanced," presumably referring to a letter to Robert T. Anderson, Associate Solicitor, Division of Indian Affairs, from Bruce R. Greene, counsel to the Sault Ste. Marie Tribe of Chippewa Indians, dated April 9, 1996.

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Michigan 48913
17) 373-1983

John D. Leshy
July 12, 1996
Page 2

Were the proposition as simple as you stated, perhaps the Siletz court would have reached a different result. Your contention regarding Congress' conferral of power on state governors ignores the plain meaning of § 20 of the Act, which unambiguously confers on Governors the power to override a narrow and focused determination of the Secretary, made on a case-by-case basis, to allow gaming to take place on a specific parcel of property.

Reliance on Spokane is misplaced for two reasons. First, of course, the Supreme Court's subsequent decision in Seminole Tribe of Florida v. Florida, 116 S. Ct. 1114 (1996), reached precisely the opposite conclusion reached by the Ninth Circuit. Indeed, after Seminole was decided, the Supreme Court vacated Spokane and remanded it to the Ninth Circuit for further consideration. Washington v. Spokane Tribe of Indians, 116 S. Ct. 1410 (1996). Second and more importantly, the language cited in Spokane refers to an entirely different section of IGRA (25 U.S.C. § 2710(d)) relating to the role of states in the class III compacting process. That role requires states and tribes to enter into compacts before class III gaming may occur on any Indian lands. There is no issue regarding a governor's power to override the Secretary's determination in connection with the compacting process because the Act simply does not give the governors such authority. In contrast to § 2710(d) of the Act, § 2719(b)(1)(A) explicitly purports to empower governors to override prior secretarial decisions regarding whether gaming will take place on after acquired property.

You also rely on North Dakota v. United States, 460 U.S. 300 (1983), in support of the proposition that you "know of no court decisions (other than the district court decision in the Siletz case) that use separation of powers grounds to strike down congressional schemes that condition Executive Branch action on the concurrence of state officials." Leshy letter at 2. Of course, the statutory scheme at issue in North Dakota v. United States was vastly different from the concept embodied in § 20 of IGRA. There the Court was interpreting three different but related statutes concerning the protection of migratory birds and their habitat. In particular, the statutory scheme contemplated the federal acquisition, over an extended time period, of easements designed to protect waterfowl breeding grounds. The statute provided that the governor or an appropriate state agency was required to consent to these acquisitions, which the State of North Dakota did in 1931. After a later statute was enacted in 1961, North Dakota again consented to acquisitions by the United States. The litigation arose when the state sought to revoke its prior consent to participate in the acquisition program with regard to future acquisitions and the Supreme Court held that it could not.

Your reliance on North Dakota v. United States is also misplaced because of your mischaracterization of the issue presented by § 20 of IGRA. The issue is not whether Congress can "condition Executive Branch action on the concurrence of state officials." Leshy letter at 2. Clearly it can under certain conditions, such as those presented in connection with the legislation protecting migratory birds, where prior approval by a state to participate in a federal acquisition program was required by Congress and implicitly upheld by the Supreme

Court in North Dakota v. United States. Contrast that scheme with that embodied in § 20 of IGRA. Prior approval of the state to participate in decisions to allow Indian gaming on after acquired property is not what § 20 provides. Rather, § 20 contemplates that a governor may veto a specific determination by the Secretary after he has decided to allow gaming to take place on a particular parcel of land. It is this veto power of the Secretary's prior determination, which was not presented by the migratory bird statutes, that contravenes the separation of powers doctrine and the Appointments Clause of the Constitution.

You also argue that there can be no Appointments Clause issue under § 20 because the Governor is a state official, not a federal official, citing Seattle Master Builder's Ass'n v. Pacific Northwest Elec. Power & Planning Council, 786 F.2d 1359 (9th Cir. 1986), cert. denied, 479 U.S. 1059 (1987), and that "the federal statute simply adds federal authority to a pre-existing state office." Id. at 1365. This argument also misses the point. Obviously, there can be no question that a governor of a state is a state official. The question, however, presented by § 20 of IGRA is whether that state official has the power to veto a decision made by a federal official who was appointed by the President and confirmed by the Senate. The district court in Siletz properly conceptualized the issue presented by § 20 when it concluded that the governor lacked authority to override such decisions made by the Secretary because, unlike the Secretary, governors are not appointed by the President and confirmed by the Senate. 841 F. Supp. at 1489.

In addition, Seattle Master Builder's Ass'n dealt with a statutory scheme that once again bears no relationship to the language of § 20 of IGRA. In Seattle Master Builder's Ass'n, the question was whether Congress could consent to the creation of an interstate planning council consisting of two members each, appointed by the governors of four designated states. The Council had certain planning functions that directly related to the activities of the Bonneville Power Administration, a federal agency. One issue before the appeals court concerned whether the Council violated the Appointments Clause because it "exercises significant authority over the federal government but has not been appointed by the President." Seattle Master Builder's Ass'n, 786 F.2d at 1363.

The appeals court concluded that the Council was a compact agency, not a federal agency, and that "[t]here is no bar against federal agencies following policies set by nonfederal agencies." Id. at 1364. The court of appeals said that it knew of no court that had found that the Appointments Clause prohibited "the creation of an interstate planning council with members appointed by the states." Id. at 1365. The court concluded that:

The Council violates neither the compact nor appointments clauses of the United States Constitution. The Act establishes an innovative system of cooperative federalism under which the

states, within limits provided in the Act, can represent their shared interests in the maintenance and development of a power supply in the Pacific Northwest and in related environmental concerns.

Id. at 1366. Thus, unlike § 20 of IGRA, there was no issue in Seattle Master Builder's Ass'n regarding the power of the Council to veto a final decision regarding a specific determination made by the secretary of a department of the federal government. In short, Seattle Master Builder's Ass'n is not dispositive of the issue presented by § 20 of IGRA.

You also argue that there is "[n]othing in the statute [that] suggests that the Secretary has the power to review the basis of the Governor's decision." Lesby letter at 2. Put another way, you contend the Governor has unbridled authority to reach any conclusion he or she desires and that there are no standards applicable to the Governor's concurrence or lack thereof. Of course, this interpretation ignores the plain meaning of the statute, which contains a specific standard overseeing a governor's power. Section 20 specifically provides that the governor's power is limited to concurring with the Secretary's findings; and those findings are explicitly stated: the Secretary, in the first instance, must determine "that a gaming establishment on newly acquired lands would be in the best interest of the Indian tribe and its members, and would not be detrimental to the surrounding community" 25 U.S.C. § 2719(b)(1)(A).

John Martin of Patton Boggs, L.L.P., in a letter to Robert T. Anderson, your Associate Solicitor for Indian Affairs, dated July 11, 1996, thoughtfully sets forth reasons why your interpretation of § 20 -- that the governor's authority is unrestricted and not subject to judicial review -- renders it particularly vulnerable to constitutional challenge. We will not repeat Mr. Martin's arguments, but endorse them because of their persuasiveness. To interpret Congress' delegation of authority to the governors as one without standards leaves it vulnerable to the nondelegation challenge, which was embraced by the Eighth Circuit in South Dakota v. Department of the Interior, 69 F.3d 878 (8th Cir. 1995), petition for cert. filed, 64 U.S.L.W. 3823 (U.S. June 3, 1996) (No. 95-1956).

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John D. Lesby
July 12, 1996
Page 5

All of the Michigan tribal/state gaming compacts were negotiated collectively and simultaneously. They were signed by the Governor on the same date, August 20, 1993; they were approved by the Michigan Legislature collectively and simultaneously; and their approval by the Secretary is contained in the same notice published in the Federal Register. See 58 Fed. Reg. 63262 (Nov. 30, 1993). The language in all seven compacts is identical, except for a minor difference in the Saginaw Chippewa Indian Tribe of Michigan's compact, not pertinent to the subject at hand. Thus, the Sault Tribe's reliance on Keweenaw Bay Indian Community v. United States continues and is not addressed by your erroneous contention regarding the provisions of the compacts.

✓ In summary, we remain unpersuaded by your arguments regarding why the Secretary may not proceed to take the Greentown parcel into trust and authorize that gaming take place thereon, pursuant to 25 U.S.C. § 2719(b)(1)(A). We urge you to advise the Secretary to stand by his favorable findings under the Act and to proceed with the final steps associated with the fee-to-trust application of the Sault Ste. Marie Tribe. With all due respect, we believe there are no legal impediments to the Secretary proceeding as we have urged.

Thank you for consideration.

Sincerely,



Curtis Hertel
House Democratic Leader

cc: Pat Gagliardi
Edward McNamara
Bernard Bouschor
John C. Martin
Daniel T. Green
Bruce R. Greene

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THE PRESIDENT HAS SEEN

7-16-96



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DEMOCRATIC LEADER OF THE HOUSE

Curtis Hertel
2nd District

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48913
Phone: (517) 373-1983

July 12, 1996

John D. Lesly, Solicitor
Office of the Solitor, MS6352
United States Department of the Interior
1849 C. Street, N.W.
Washington, D.C. 20240

Re: Sault Ste. Marie Tribe of Chippewa Indians / Application for Gaming on After
Acquired Property

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John D. Leshy
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Page 5

All of the Michigan tribal/state gaming compacts were negotiated collectively and simultaneously. They were signed by the Governor on the same date, August 20, 1993; they were approved by the Michigan Legislature collectively and simultaneously; and their approval by the Secretary is contained in the same notice published in the Federal Register. See 58 Fed. Reg. 63262 (Nov. 30, 1993). The language in all seven compacts is identical, except for a minor difference in the Saginaw Chippewa Indian Tribe of Michigan's compact, not pertinent to the subject at hand. Thus, the Sault Tribe's reliance on Keweenaw Bay Indian Community v. United States continues and is not addressed by your erroneous contention regarding the provisions of the compacts.

✓ In summary, we remain unpersuaded by your arguments regarding why the Secretary may not proceed to take the Greektown parcel into trust and authorize that gaming take place thereon, pursuant to 25 U.S.C. § 2719(b)(1)(A). We urge you to advise the Secretary to stand by his favorable findings under the Act and to proceed with the final steps associated with the fee-to-trust application of the Sault Ste. Marie Tribe. With all due respect, we believe there are no legal impediments to the Secretary proceeding as we have urged.

Thank you for consideration.

Sincerely,



Curtis Hertel
House Democratic Leader

cc: Pat Gagliardi
Edward McNamara
Bernard Bouschor
John C. Martin
Daniel T. Green
Bruce R. Greene

THE PRESIDENT HAS SEEN

7-16-96

Walter B. Slocombe
First Statement
SLATE Magazine
Committee of Correspondence
July 8, 1996

Jul 9 '96 18:50 P. 03/03
VP Leon / Klee / Smith / ...
Our missile defense need to
understand their own
enough to give their own
It needs to be the defense
time. Our want to see in
The campaign. — BC

The US needs a BMD program, and we have one. The Administration's program meets the actual urgent problem — theater attacks on our troops and their bases by rogue states. It will, if such nations threaten missile attacks on our homeland, also give us an effective defense. (The only thing proposed seriously is defending against these relatively small threats; about 10 years of trying under Star Wars made clear that defense against the thousands of missile warheads a superpower could use is simply not practical.)

Our program is a big one — \$3.4B to be spent this year and \$14.1B over the next five years. Most will rightly go to defenses against the here and now threat — like Saddam Hussein's SCUDs and their descendants — against our troops, their support, and our allies' cities. We will steadily increase our ability to deal with this threat, developing and deploying new and improved TMD systems.

Right now, rogue states like Iraq, Iran, and North Korea do not have missiles able to reach US territory. It is likely to be many years before they do, but we are not relying on that. Instead, our program will position us to respond quickly should homeland missile threats develop faster than we expect. Specifically, our program will allow us to have a defense of our homeland by 2003 — as soon as such a defense is technically feasible, and the same date as in the Republican bills.

The difference is this: The Republican bills would commit us now to deploy in 2003. Our program would develop the system first and deploy only if a threat was visible on the horizon and, if not, to continue to improve the technology, insuring the best possible assessment before committing the billions of dollars any deployed system will cost. It means the system we do field will use the best technology and be matched to the threat it must meet, not risk a defense that would be obsolete by the time it was fielded. Committing to a national missile defense system before it is needed would also waste resources that our military requires for modernization and readiness.

Requiring our missile defense to have priorities and avoid premature commitments is not the product of fixation on arms control. If we need a defense that requires modifying the ABM Treaty, we will modify it. But a rigid commitment now to deployment would needlessly undermine the whole nuclear arms control system. Repudiating arms control would senselessly jeopardize elimination of thousands of Russian nuclear warheads under the START I and II treaties — many more than any defense could ever intercept.

If politics and ideology are put aside, it is clear that our current program provides the best defense against the missile threats our country faces today and may face in the future.

Very Good
Worth reading
from a Greek-American
PK

THE PRESIDENT HAS SEEN

7-16-96

POLITICAL INSTABILITY, MILITARISM AND THE RISE OF FUNDAMENTALISM IN TURKEY

The collapse of the coalition government under Mesut Yilmaz on June 5, 1996, constitutes yet another sign of the deepening political, economic, social and cultural crisis in Turkey.

At the same time, the rising popular support for the Islamic movement under the banner of Refah Partisi, or the Welfare Party, of Necmettin Erbakan, reflects the growing failure of Turkey's ruling military and political elite to address the fundamental problems afflicting Turkish society. Paramount is the civil war between the Turkish army and the Kurds, which has developed into a twelve-year, Vietnam-type quagmire for the Turkish nation.

Rather than accommodate the legitimate aspirations for human and cultural rights of 14 million Kurdish citizens, the Turkish government has opted to resolve the Kurdish minority question militarily. In 1994 alone, Turkey spent \$8.2 billion in the Kurdish conflict. The total cost to date of the Kurdish war exceeds \$40 billion, a staggering burden on Turkey's feeble economy. This cost does not take into account the tragic suffering of Kurdish civilians, or their social and economic dislocation. Over 2 million Kurds have been forcibly removed from their homes, and submerged into wretched poverty in cities across Turkey. Three thousand schools have been closed or destroyed due to the war, leaving children without hope for their futures. This is the enormous vacuum into which Islam and the Refah Party enter, to promise the oppressed of Turkey tolerance, justice and opportunity for a better life. Incisively, Eric Rouleau, the former French Ambassador to Ankara and one of the most authoritative observers of Turkish and Middle Eastern affairs, wrote recently that "...what is certain is that the Kurdish conflict is among the factors contributing to the remarkable revival of Islam in Turkey."

The civil war compounds the country's other problems, which include:

- increased social and economic disparities reflected in the shantytowns spreading in major Turkish cities;
- an inflation rate of 87% that eats away the income of the working class;
- a population explosion that exacerbates runaway unemployment, with 4 out of 10 young people unemployed in a country where 70% of the population is under 30;
- systematic and massive violation of human rights, and the suppression of freedom of expression, with several members of the Turkish Parliament and over 2,750 intellectuals, artists and union leaders jailed for "crimes of opinion."

Faced with these problems, the Turkish elite have abandoned the steps towards reform on the Kurdish issue initiated by the late President Turgut Ozal. Instead, the government has embarked on a multi-billion dollar policy of reinforcement of the repressive mechanisms of the state.

Simultaneously, the over-militarization of Turkey allows it to pursue even more expansionist policies against its only neighboring democracies, Greece and Cyprus. The end result of the Turkish elite's misguided policies – supported to date by the United States – is the delivery of increasing numbers of dispossessed, disenchanting, and oppressed Turkish citizens into the arms of the fundamentalists.

The need for modernizing Turkey's defensive capabilities is understandable within the context of its problems with Iran, Iraq and Syria, as well as the instability of the Caucasus region of the former Soviet Union. Still, the external focus of Turkey's military remains Greece and Cyprus. The Turkish occupation army of 35,000 in northern Cyprus has cost Turkey, since 1974, over \$10 billion. The cost for maintaining the offensive deployment of Turkey's IV Army Corps in high alert status opposite Greece's Aegean islands adds to the burden on the Turkish economy. Similarly expensive is the constant alert status of the Turkish navy and air force, which engages in hundreds of violations of Greek airspace and territorial waters in the Aegean every year.

Given the close military ties between the United States and Turkey, and the proud tradition of our nation's armed forces in defending democracy and freedom, it is ironic that Turkey's military might is expended to suppress its own people, exacerbate its domestic crises, and threaten its democratic neighbors. The only true beneficiary of these misguided policies is the Islamic movement, which has become increasingly appealing to the Turkish people as the way out of the deepening political, economic and moral crisis.

To prevent the prospect of Turkey becoming anti-American and anti-Western, Turkey should embrace domestic democratic reforms consistent with Western democratic values and principles. Turkey cannot demand unconditional American support for its self-defeating policies, and the benefits from its customs union with the European Union, as it becomes increasingly authoritarian within its borders. Externally, Turkey must abide by international law and abandon its expansionist policies against Greece and Cyprus. If Ankara follows the path of peace and cooperation with Greece, the benefits will be enormous for the people of Turkey and for the long-term stability of the Turkish nation. Simply put, the path to Europe for Turkey passes through Greece.

Domestic reform and peace along its borders will allow Turkey to redirect tens of billions of dollars now squandered to promote militarism and expansionism. A long-term, large scale, political, financial and moral commitment by the Turkish leadership to improve the standard of living of the Turkish people, and fully respect the human rights of all Turkish citizens irrespective of ethnic origin, is the necessary solution to the multi-faceted crisis that feeds the rising fundamentalist movement.

THE WHITE HOUSE
WASHINGTON

July 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*
HELEN HOWELL
PHIL CAPLAN

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

*Leon - News
Trust in Monday*

(A) **Tarullo memo on DOT cargo sanctions against Japan Air Lines.** DOT plans on Monday to announce a tentative decision to impose sanctions against JAL on account of Japan's refusal to allow Fedex to carry cargo on six routes between the U.S. and Asia via Japan. DOT believes that GOJ actions won't hurt Fedex much and that the proposed sanctions will have only limited impact on JAL. The larger impact is symbolic -- following through on our repeated warnings to the GOJ that the U.S. would not "buy back" existing air cargo rights. How the GOJ responds isn't clear, but it is likely to threaten counter sanctions and then seek talks to resolve the dispute.

*+ FDA
negot OKs*

(B) **Fleming memo on Presidential HIV/AIDS Advisory Council.** *Praise.* The Council praises Administration AIDS efforts including commitment to increased discretionary spending on HIV/AIDS programs (a 43% increase in the first 3 years); support for Ryan White; defense of Medicaid; support for NIH Office of AIDS Research; VP's efforts to establish dialogue between pharmaceutical industry and others affected by AIDS research; your support for microbicide research; and the Administration's leadership in enforcing the ADA on behalf of people with HIV. *Criticism.* The Council expresses concern about level of integration between substance abuse prevention and HIV prevention; Federal policy on needle exchange programs; and inadequate funding for the Housing Opportunities for People with AIDS program. *Recommendations.* Among others, attendance by you and VP at display of AIDS Memorial Quilt; ensuring broader access to HIV counseling, testing, and alternative therapies; giving greater attention to behavioral research; and greater access to clinical trials for children; and increasing vaccine research.

*Leon / Chan
LH's & Chan's
PHD. Shale
dogmat*

THE PRESIDENT HAS SEEN
7/14/96

THE WHITE HOUSE
WASHINGTON

96 JUL 12 P4:45

July 12, 1996

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: Laura Tyson *Laura Tyson*

FROM: Daniel K. Tarullo *DKT*

SUBJECT: Possible All-Cargo Aviation Sanctions Against Japan

The Department of Transportation plans to issue on Monday a "show cause" order containing a tentative decision to impose sanctions against Japan Air Lines (JAL). The sanctions would respond to the Government of Japan's refusal to allow Federal Express (Fedex) to carry cargo on six routes between the U.S. and Asia via Japan. Counsel at DOT and State have found the GOJ's legal arguments against the Fedex service to be without basis for four of the disputed routes, and weak though colorable for the remaining two routes. DOT and State regard the GOJ actions as being part of a long-standing campaign to reduce the ability of US carriers to serve US-Asia markets via Japan.

DOT estimates that the GOJ actions will cause Fedex little economic harm. The proposed sanctions also would have limited economic effects on JAL by constraining, though not prohibiting, JAL's ability to serve the same U.S.-Asia markets affected by the GOJ refusal to allow Fedex's routing changes. The larger impact of the sanctions would be symbolic: over the last several months the USG has warned the GOJ repeatedly that the USG would not "buy back" existing air cargo rights, and that the current air cargo treaty (amended just this past spring) must be honored. This is the same message you sent to former Prime Minister Murayama last summer in Halifax. The GOJ is clearly pressing to see if we will stand by this position.

The GOJ response to the proposed sanctions is uncertain. Most likely, the GOJ would follow the path it took last year when the USG proposed sanctions in a similar situation involving Fedex: threaten counter sanctions and seek talks to resolve the dispute. While this reaction could produce some tense moments, the alternative is capitulation to Japanese demands to be "paid" each time we wish to exercise a right under the existing agreement.

cc: Vice President
Chief of Staff

THE WHITE HOUSE
WASHINGTON

July 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TS*
HELEN HOWELL
PHIL CAPLAN

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*Leon - Neil
Rist - see
Monday*

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*+ FDA
Regid OKs*

(B) **Fleming memo on Presidential HIV/AIDS Advisory Council. Praise.** The Council praises Administration AIDS efforts including commitment to increased discretionary spending on HIV/AIDS programs (a 43% increase in the first 3 years); support for Ryan White; defense of Medicaid; support for NIH Office of AIDS Research; VP's efforts to establish dialogue between pharmaceutical industry and others affected by AIDS research; your support for microbicide research; and the Administration's leadership in enforcing the ADA on behalf of people with HIV. **Criticism.** The Council expresses concern about level of integration between substance abuse prevention and HIV prevention; Federal policy on needle exchange programs; and inadequate funding for the Housing Opportunities for People with AIDS program. **Recommendations.** Among others, attendance by you and VP at display of AIDS Memorial Quilt; ensuring broader access to HIV counseling, testing, and alternative therapies; giving greater attention to behavioral research; and greater access to clinical trials for children; and increasing vaccine research.

*Leon - PC
Lef - discuss
Pub. St. Sch
dogmat*

7/16/96

THE WHITE HOUSE

WASHINGTON

July 8, 1996

96 JUL 8 P3:12

MEMORANDUM FOR THE PRESIDENT

THROUGH: Carol H. Rasco FROM: Patricia S. Fleming, Director, Office of National AIDS Policy 

SUBJECT: Progress Report and Recommendations of the Presidential HIV/AIDS Advisory Council

On behalf of the Presidential Advisory Council on HIV/AIDS, I am pleased to share with you the executive summary of the Council's first progress report on the Administration's efforts to implement the Council's earlier recommendations. I am also forwarding a new set of recommendations passed at the Council's April 26th meeting, but just prepared for transmission.

Progress Report on the Administration's Response to the Epidemic

In sum, the Council has high praise for your Administration's AIDS efforts. The Council said that "this Administration has clearly made an unprecedented and laudable investment of funding, human resources, and genuine personal commitment. We commend the President's dramatically heightened responsiveness to the urgency of this epidemic." The Council is especially pleased with the strong commitment to increased discretionary spending on HIV/AIDS programs (a 43 percent increase in the first three years), support for the Ryan White CARE Act, vigorous resistance to the proposed dismantling of Medicaid, and the support for a strong and well-funded NIH Office of AIDS Research.

The Council is mindful, however, of the continued need for still stronger responses to various aspects of the epidemic. It is especially concerned that you and the Vice President maintain your high level of visibility on AIDS, saying it is needed to "combat complacency and inaction, wherever they exist." It seeks continued support for increased funding for discretionary programs -- making special mention of the Housing Opportunities for People with AIDS program, which has been level-funded at \$171 million in the last three years despite the growing problem of homelessness among people living with HIV. (Secretary Cisneros has a FY 1997 budget amendment of \$25 million pending at the Office of Management and Budget.)

The Council is perhaps most critical in the area of prevention. While praising new initiatives such as community planning of prevention programs and a new set of public service announcements, and the Administration's support for increased substance abuse treatment funding, the Council expresses concern about the level of integration between substance abuse prevention and HIV prevention (the Public Health Service is sponsoring a meeting on

this subject in August, responding to your request at the White House Conference on HIV/AIDS) and it expresses the widely held view that "Federal policy regarding needle exchange...programs [is] not consistent with current knowledge regarding the impact of such programs on HIV prevention."

The Council had praise for the Vice President's efforts to establish an ongoing dialogue between the pharmaceutical industry and others affected by AIDS research. The Council also praises your support for microbicide research, saying "such compounds offer significant promise in preventing HIV transmission in a cost-effective and culturally sensitive manner." Secretary Shalala, speaking at the International AIDS Conference in Vancouver, has announced a new initiative in that regard.

Finally, the Council is quite pleased with the Administration's leadership in enforcing the Americans with Disabilities Act's prohibition of discrimination against people with HIV, the successful effort to overturn the Dornan amendment requiring the expulsion of HIV-positive service members, and endorsement of the Employment Non-Discrimination Act (ENDA), which prohibits discrimination based on sexual orientation. However, the Council looks for more action in addressing mandatory HIV testing policies as a condition of employment within the Federal government in the Foreign Service, the Peace Corps, and the military. (The Office of National AIDS Policy has worked with the Job Corps to eliminate its mandatory testing policies and is now working with the State Department regarding the Peace Corps and Foreign Service.)

New Recommendations for Action

This new set of 17 recommendations does not cover major new ground. The Council asks that:

- You and the Vice President serve as National Co-chairs and attend the display of the AIDS Memorial Quilt in October. (This request is pending.)
- Efforts are made to ensure broader access to HIV counseling and testing, including anonymous testing. (The FDA has recently approved home collection kits for HIV testing, which should increase access and privacy; there are various efforts under way to reassess how we can increase the number of people who are tested, given the new therapies that are available.)
- Access to and information about alternative therapies be improved. (The NIH Office of AIDS Research and Office of Alternative Medicine are working collaboratively in this regard.)
- Increased funding be provided for the Housing Opportunities for People with AIDS program (as mentioned above, a budget amendment is pending at OMB) and that a coordinated housing strategy be created (the Office of National AIDS Policy will convene a

group to address this).

- Increased attention be given to behavioral research, especially with regard to women and minorities and more effective dissemination of research findings to the field be assured. (This is part of the 1997 plan of the Office of AIDS Research and has received increased attention from the Centers for Disease Control and Prevention.)
- Access to clinical trials for children be improved and that drug manufacturers rapidly assess the applicability of new treatments for children. (The reauthorized Ryan White CARE Act makes provisions for closer linkage between services and clinical trials; FDA Commissioner Kessler has committed to working on the issue of more rapid availability of pediatric treatments.)
- Support for vaccines research be increased, including international collaborative efforts. (The FY 1997 budget includes increased funding for vaccine research.)

Executive Summary Progress Report

JUNE 7, 1996

The AIDS crisis has generated more than its share of advisory committees. Far too often, these committees, commissions, and councils have issued recommendations and detailed reports that have simply gone unheeded.

To avoid this all-too-frequent pattern--and to highlight the frank and continuing interchange between President Clinton and his Advisory Council on HIV/AIDS--we believe it is important to distribute not only our recommendations to the Administration, but also the Administration's responses, with our candid, independent evaluation of their responses.

This first progress report will be followed by others. Because the Council's evaluation process will constantly be evolving, this report is truly a work in progress, as are all of the efforts of the Council itself.

The differences between this report and those issued by previous national and/or Presidential councils addressing the AIDS crisis are illustrative of the differences between the councils themselves. President Clinton's AIDS Council, more than any of its predecessors, reflects the experience and expertise of those most impacted by the epidemic. Forty percent of the Council's members are HIV-positive. One-half are lesbian, gay, or bisexual. One-third are people of color. All Council members have personally been affected by the epidemic.

This Council is different in other ways as well. The Council has had unprecedented access to the President, top-level White House staff, and cabinet officials. To a degree that has surprised many Council members, Administration officials have rapidly addressed and implemented many of our recommendations. Even when the Administration has not been as responsive as we would have liked, our views as a Council, and those of others infected with or affected by HIV, have been heard and taken seriously.

While our access has been unusually broad, the scope of our mission has been more narrow than that of our predecessors. Our purpose has not been to advise the Nation, or Congress, but to advise the President on what his Administration can and should do to stop the spread of the epidemic; to find a cure and vaccine for HIV; to provide the best possible treatment and care to those who are infected; and to end HIV-related discrimination and intolerance. To augment that advisory role, the Council has established a process, which includes ongoing monitoring and evaluation, to ensure that appropriate Administration departments and agencies respond to our recommendations and are continuously held accountable for their responses.

We recognize that our work to date has yet to address a number of key issues. We encourage suggestions for future recommendations and welcome continued community input, especially from people living with HIV and their advocates. The Council believes that working with this Administration, we now have a significant opportunity to make a positive impact on national HIV/AIDS policy.

Overall, the Council has been impressed with the Administration's strong commitment to key items such as increased funding for the Ryan White CARE Act, vigorous resistance to the proposed dismantling of Medicaid, and support for a strong and well-funded Office of AIDS Research (OAR) at the National Institutes of Health (NIH). We believe that it is remarkable and laudable that the President has, during an era of flat Federal funding, helped to achieve a 43 percent increase in discretionary Federal AIDS funding during his first three years in office. However, the Council is disappointed with the Administration's lack of action on some of our recommendations, particularly regarding some of the more politically charged aspects of prevention and discrimination where greater courage and leadership are required.

This report contains our first two sets of recommendations (issued in July and December of 1995), the Administration's action in response to each recommendation, our evaluation of this response, and our proposed followup. It also includes our third set of recommendations, made in April 1996. We expect, in future months, to update these evaluations and to assess and distribute the Administration's responses to our third set of recommendations as well. We have developed recommendations in five subject areas: Presidential leadership, research, prevention, services, and discrimination. This report is presented accordingly.

Leadership:

The President's personal leadership and commitment in the battle against AIDS is clearly unmatched by his predecessors. By rapidly convening a national summit on AIDS at the Council's request, and by following our recommendation that he discuss HIV/AIDS with other broad audiences, the President has sent a much-needed message about the importance of the issue of AIDS to the American people. However, more visible leadership and direct involvement by the President, Vice-President, and cabinet officials are still needed to combat

color and gay and bisexual men; and its opposition to Congressional efforts to decrease access to substance abuse prevention and treatment programs. However, the Council continues to believe that Federal policy regarding needle exchange and the lack of integration/coordination of HIV prevention strategies with substance abuse treatment programs are not consistent with current knowledge regarding the impact of such programs on HIV prevention. Further, the Council supports increased priority for behavioral research and rapid distribution of key findings to front-line HIV prevention programs.

Services:

The Council is pleased with the Administration's continued support for increased funding for the Ryan White CARE Act. In particular, we applaud the Administration's leadership role in securing a \$105 million increase in funding for FY 1996. However, while the President's FY 1997 budget recognizes the continued need for increased AIDS funding, it still does not adequately respond to the growing need for services. Of particular concern to the Council is the Administration's failure to acknowledge in its FY 1997 budget the urgent need for increased funding for AIDS-specific housing through the Housing Opportunities for People with AIDS (HOPWA) Program. Since a growing proportion of people living with HIV/AIDS are homeless or at risk for homelessness, and the needs of this population continue to grow more complex, the Administration must make AIDS housing a higher priority.

The Council commends the President for his consistent leadership in defending the Medicaid program, which is the sole source of health care for nearly 50 percent of PWAs. The Administration has also taken a number of initial steps to develop national guidelines for managed care and Statewide Medicaid waivers, and is committed to using its limited administrative authority to encourage States to offer the broadest possible range of HIV/AIDS services and therapies through the Medicaid program. The Council urges the establishment of more formal managed care guidelines; rejection of managed care waiver applications that provide inadequate care for persons with HIV/AIDS; and the development of policy guidance related to coverage of the newly approved protease inhibitors. The Council cannot overemphasize the importance of the Administration's continued vigilance in this area, as well as in the area of health care provider training and education.

Discrimination:

The Administration's approach in this area has paradoxically been both notably strong and notably weak. The Administration's enforcement of the Americans with Disabilities Act, and the President's public words opposing discrimination based on HIV, race, sexual orientation, and other factors have been valuable and important. The Council particularly commends the President's real leadership in overturning the malicious Dornan Amendment, which would have expelled service members with HIV from the military and denied medical benefits to their families. We also strongly commend his support for the Employment Non-Discrimination Act, which would forbid employment discrimination based on sexual

orientation. The Council is profoundly concerned, however, that despite the Administration's positive words, the Federal Government is itself engaged in officially sanctioned HIV/AIDS-related employment discrimination in some departments. Thus, while we commend the Administration for reversing the policy of mandatory HIV testing and discrimination in the Job Corps, we urge the Administration to move swiftly to eliminate similar programs in the military, the State Department, and the Foreign Service, and to revise its arbitrary guidelines governing HIV-infected health care workers to bring them into accord with current public health consensus.

Conclusions:

In trying to assess the Administration's efforts to respond to the AIDS epidemic, the Council, and all Americans, are confronted with a difficult question: How do we judge and to what do we compare this Administration's efforts? When compared with that of previous administrations, this Administration has clearly made an unprecedented and laudable investment of funding, human resources, and genuine personal commitment. We commend the President's dramatically heightened responsiveness to the urgency of this epidemic. However, when compared with what truly needs to be done, this Administration's efforts are still insufficient. We must not become complacent, given the ongoing nature of this epidemic. The time for increased commitment, along with moral and political courage, is now.

Members:

R. Scott Hitt, *Los Angeles, CA*
Stephen Abel, *New York, NY*
Terje Anderson, *Burlington, VT*
Regina Aragón, *San Francisco, CA*
Mary Boland, *Newark, NJ*
Nicholas Bollman, *San Francisco, CA*
Tonio Burgos, *New York, NY*
Jerry Cade, *Las Vegas, NV*
Robert Fogel, *Chicago, IL*
Debra Fraser-Howze, *New York, NY*
Kathleen Gerus, *Sterling Heights, MI*
Edward Gould, *Encino, CA*
Phyllis Greenberger, *Washington, DC*
Bob Hattoy, *Washington, DC*
B. Thomas Henderson, *Austin, TX*

Carole laFavor, *Minneapolis, MN*
Jeremy Landau, *Santa Fe, NM*
Alexandra Levine, *Los Angeles, CA*
Steve Lew, *San Francisco, CA*
Helen Miramontes, *San Francisco, CA*
Altagracia Perez, *Los Angeles, CA*
Michael Rankin, *Oakland, CA*
H. Alexander Robinson, *Washington, DC*
Debbie Runions, *Nashville, TN*
Benjamin Schatz, *San Francisco, CA*
Richard Stafford, *Minneapolis, MN*
Denise Stokes, *Stockbridge, GA*
Sandra Thurman, *Atlanta, GA*
Charles Quincy Troupe, *Jefferson City, MO*
Bruce Weniger, *Atlanta, GA*

Copies of the full Progress Report can be obtained by calling the National AIDS Clearinghouse at 1-800-458-5231.

complacency and inaction wherever they exist, both among the American people and within the Government. For years, various groups have called for a national plan on HIV/AIDS, and this Administration has expressed its willingness to develop such a plan. However, after almost four years, a National Plan on HIV/AIDS remains in development. The Council eagerly awaits the release of this plan.

Research:

The Council is pleased with the strong commitment made by the Administration in attempting to reorganize all HIV/AIDS research within the various Institutes of the NIH under the leadership and direction of the OAR. We believe that such reorganization ensures a more coordinated, efficient, and ultimately successful research endeavor. The President's strong and consistent support for the OAR is to be commended. However, action by the Congress in FY 1996 makes clear that further work is required to ensure that OAR can exercise its full budget authority in FY 1997 and beyond. The Council is also pleased by the rapidity with which the President called upon Vice President Gore to commence an ongoing dialogue between industry leaders and Government scientists in an attempt to expedite a more coordinated approach to drug, vaccine, and microbicide research and development. Such efforts must be continued, with inclusion of additional constituencies, including the AIDS-affected community, academic scientists, and others. The strong support articulated by the President in the area of microbicide research is greatly appreciated, as we believe such compounds offer significant promise in preventing HIV transmission in a cost-effective and culturally sensitive manner. Further investment will be required in the years ahead. The Council appreciates the Administration's concerns for inclusion of women, children, and all disenfranchised groups infected by HIV into clinical research studies. We look forward to specific actions to ensure that pediatric and gender-specific plans be required at the time of any new drug application to the Food and Drug Administration. In addition, future recommendations will be forthcoming from the Council in the areas of vaccine research and development and in behavioral research.

Prevention:

We were pleased that the President announced during his December 1995 White House Conference on HIV/AIDS his goal of ensuring an annual decrease in the number of new HIV infections in the United States of America. However, the Council continues to have grave concerns that much of the Federal HIV prevention strategy is underdeveloped, lacks focus, and is overly timid. We believe that a bold and carefully conceived plan, including generation of necessary political and societal support, is essential for achieving effective prevention strategies. The Council looks forward to working with the President and his Administration to develop such a plan and support for it.

The Council commends the Administration for its support of the prevention community planning process; its development of more direct public service announcements that discuss condoms and that seek to target high-risk populations such as young people of

color and gay and bisexual men; and its opposition to Congressional efforts to decrease access to substance abuse prevention and treatment programs. However, the Council continues to believe that Federal policy regarding needle exchange and the lack of integration/coordination of HIV prevention strategies with substance abuse treatment programs are not consistent with current knowledge regarding the impact of such programs on HIV prevention. Further, the Council supports increased priority for behavioral research and rapid distribution of key findings to front-line HIV prevention programs.

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Discrimination:

The Administration's approach in this area has paradoxically been both notably strong and notably weak. The Administration's enforcement of the Americans with Disabilities Act, and the President's public words opposing discrimination based on HIV, race, sexual orientation, and other factors have been valuable and important. The Council particularly commends the President's real leadership in overturning the malicious Dornan Amendment, which would have expelled service members with HIV from the military and denied medical benefits to their families. We also strongly commend his support for the Employment Non-Discrimination Act, which would forbid employment discrimination based on sexual

orientation. The Council is profoundly concerned, however, that despite the Administration's positive words, the Federal Government is itself engaged in officially sanctioned HIV/AIDS-related employment discrimination in some departments. Thus, while we commend the Administration for reversing the policy of mandatory HIV testing and discrimination in the Job Corps, we urge the Administration to move swiftly to eliminate similar programs in the military, the State Department, and the Foreign Service, and to revise its arbitrary guidelines governing HIV-infected health care workers to bring them into accord with current public health consensus.

Conclusions:

In trying to assess the Administration's efforts to respond to the AIDS epidemic, the Council, and all Americans, are confronted with a difficult question: How do we judge and to what do we compare this Administration's efforts? When compared with that of previous administrations, this Administration has clearly made an unprecedented and laudable investment of funding, human resources, and genuine personal commitment. We commend the President's dramatically heightened responsiveness to the urgency of this epidemic. However, when compared with what truly needs to be done, this Administration's efforts are still insufficient. We must not become complacent, given the ongoing nature of this epidemic. The time for increased commitment, along with moral and political courage, is now.

Members:

R. Scott Hitt, *Los Angeles, CA*
Stephen Abel, *New York, NY*
Terje Anderson, *Burlington, VT*
Regina Aragón, *San Francisco, CA*
Mary Boland, *Newark, NJ*
Nicholas Bollman, *San Francisco, CA*
Tonio Burgos, *New York, NY*
Jerry Cade, *Las Vegas, NV*
Robert Fogel, *Chicago, IL*
Debra Fraser-Howze, *New York, NY*
Kathleen Gerus, *Sterling Heights, MI*
Edward Gould, *Encino, CA*
Phyllis Greenberger, *Washington, DC*
Bob Hattoy, *Washington, DC*
B. Thomas Henderson, *Austin, TX*

Carole laFavor, *Minneapolis, MN*
Jeremy Landau, *Santa Fe, NM*
Alexandra Levine, *Los Angeles, CA*
Steve Lew, *San Francisco, CA*
Helen Miramontes, *San Francisco, CA*
Altagracia Perez, *Los Angeles, CA*
Michael Rankin, *Oakland, CA*
H. Alexander Robinson, *Washington, DC*
Debbie Runions, *Nashville, TN*
Benjamin Schatz, *San Francisco, CA*
Richard Stafford, *Minneapolis, MN*
Denise Stokes, *Stockbridge, GA*
Sandra Thurman, *Atlanta, GA*
Charles Quincy Troupe, *Jefferson City, MO*
Bruce Weniger, *Atlanta, GA*

Copies of the full Progress Report can be obtained by calling the National AIDS Clearinghouse at 1-800-458-5231.

PRESIDENTIAL

ADVISORY

COUNCIL ON

HIV/AIDS

REPORT THREE APRIL 26, 1996 CONTINUED STEPS FOR PRESIDENTIAL ACTION

PREAMBLE

During the past few months, this Council has witnessed a heightened intensity by the Administration in the battle against HIV/AIDS. This renewed commitment has directly and indirectly contributed to a number of successes including increased funding for the Ryan White CARE Act, continued firm support for Medicaid and the repeal of the highly discriminatory provision of the Department of Defense reauthorization bill which would have irrationally and unfairly discharged HIV-positive military personnel.

While we are extremely encouraged by these victories, much remains to be done. It is imperative that we continue the momentum generated by these victories and redouble our efforts in the fight against HIV/AIDS.

At this time the Council offers its third set of recommendations.

A. LEADERSHIP

We urge the President and Vice President to accept the invitation to be National Co-chairs as well as attend the display of the AIDS Memorial Quilt in Washington, DC, this October.

B. SERVICES

1. The Administration should direct the Centers for Disease Control and Prevention (CDC) to take affirmative steps to ensure that CDC-funded HIV counseling and testing programs in all States and territories offer the option of anonymous testing that is geographically accessible and available to all who wish to be tested anonymously.

2. **The Administration should issue an Executive Directive to the Director of the Office of Personnel Management (OPM) to add nutritional foods to those medical expenses covered under the Federal Employees Health Benefits Program, a fee-for-service plan.**
3. **The Administration should direct the Social Security Administration (and other appropriate agencies) to include and add the following reminder to the Social Security Notice of Disability Award: (specific wording to be developed by the Administration - this is our proposal).**

IF YOU HAVE EXTENDED YOUR MEDICAL INSURANCE UNDER COBRA, YOUR EMPLOYER MUST BE GIVEN A COPY OF THIS LETTER NO LATER THAN—— (DATE OF LETTER PLUS 60 DAYS), AND SOONER IN MANY CASES, IF YOU ARE TO TAKE FULL ADVANTAGE OF YOUR COBRA INSURANCE. YOU MAY BE ELIGIBLE FOR AN ADDITIONAL 11 MONTHS OF COVERAGE AFTER THE FIRST 1 MONTHS AFTER YOUR COBRA COVERAGE HAS EXPIRED.

4. **The Administration should recommend a substantial increase in the NIH Office of Alternative Medicine (OAM) budget for FY 1997.**
5. **The Administration should direct Medicaid and Medicare to determine which alternative/complementary therapies can be reimbursable immediately and directly to qualified health care providers. Medicaid and Medicare also should outline a plan for investigating whether other therapies are reimbursable directly to qualified medical and paramedical practitioners.**
6. **The Administration should direct OAM and OAR to act in concert to convene a working group consisting of representatives from countries doing alternative therapy research, HIV alternative therapy practitioners, conventional researchers, representatives from private insurance and pharmaceutical companies, and HIV-positive people using alternative therapies, to investigate new and innovative ways to research and make available to people therapies that anecdotally are being identified as treatments for HIV.**

We acknowledge the Administration's achievement in obtaining level funding for housing to date. However, given the expanding epidemic level funding in the long run is not going to meet the developing needs.

7. **The Clinton Administration should address the chronic underfunding of Housing Opportunities for Persons with AIDS (HOPWA) in FY97 and FY98 by expanding funding to keep up with the growing demand for housing and related support services in existing HOPWA jurisdictions, as well as the increase in the number of eligible jurisdictions overall. In particular, given the gravity of the situation, the President should include supplemental funds for HOPWA in any budget amendment or emergency supplemental funding request that he may submit to Congress in the next year.**
8. **The Administration should demonstrate strong White House leadership and commitment to AIDS housing by convening a series of high-level White House and cabinet level meetings by the Fall of 1996 to develop a coordinated, comprehensive HOPWA Revitalization Plan. At a minimum, these meetings would include representatives from Housing and Urban Development (HUD), Health and Human Services (HHS), Health Resources and Services Administration (HRSA), Office of Management and Budget (OMB), and the White House. These meetings, and the resulting HOPWA Revitalization Plan, should establish means and timetables to achieve full funding and timely reauthorization of HOPWA as a distinct HUD program, as well as improved interagency coordination and integration of AIDS housing services with other AIDS-related programs.**

C. PREVENTION

1. **We recommend that the President direct the Secretary of HHS, with the NIH, OAR, and the CDC, to develop a coordinated and comprehensive prevention science agenda that includes biomedical, behavioral, and social science interventions.**
 - A. **The NIH and OAR must make an increased commitment to research on sexual behavior and sexuality as indicators of high risk for HIV transmission. Basic research on the underlying mechanisms for sexual and drug-using behavior clearly related to HIV transmission must immediately be solicited and supported at increased levels.**

- B. Due to the paucity of data, increased efforts should be made and funded to accurately assess the risk of oral sex. Studies should be funded to assess the potential safety and efficacy of anal usage of insertive condoms.**
- 2. The OAR should develop research initiatives that seek to identify successful models for behavior change in minority populations. Within communities of color, this population-based research should focus especially on women and gay men, the growing edge of this epidemic.**
 - 3. The limited availability of methadone and other effective substance abuse treatment modalities in many areas, especially rural regions, poses a major challenge for HIV prevention among needle users. The Secretary of HHS should order a formal review of federal regulations concerning access to methadone and other effective substance abuse treatment modalities, to consider ways in which those regulations might be changed to allow greater access to methadone without an adverse impact on substance abuse treatment.**
 - 4. The President should instruct the Secretary of HHS to ensure that federally funded research on HIV prevention interventions include specific mechanisms for rapid dissemination of findings, including resources to allow replication of programs with demonstrated effectiveness.**
 - a) Allocate funding for training of front-line prevention workers in application of relevant research findings.**
 - b) The Public Health Service should be directed to establish formal mechanisms for dissemination of accurate and up-to-date information to community and consumers in a way that is rapid, easily understandable, and widely accessible.**

D. RESEARCH

As the number of children infected with HIV continues to grow, it is increasingly important to assure their access to experimental therapies for HIV infection, and to newly licensed medications to treat the virus and the various opportunistic illnesses which may ensue. Additionally, ongoing research should be conducted to identify more efficacious interventions to decrease vertical transmission of HIV from mother to infant. Finally, despite a decreased incidence of HIV/AIDS among children, it is imperative that clinical trials for HIV-infected children continue to receive a high priority and adequate funding.

- 1. The Administration should require OAR to maintain an ongoing review of the numbers of children enrolled in NIH sponsored clinical trials, to ensure compliance with the right to access.**
- 2. The Administration should instruct the Food and Drug Administration (FDA) to place contingencies for full licensure on new drugs until safety and pharmacokinetic studies in children are completed and until the pediatric plan for the drug in question is presented by the sponsoring company.**

The consensus among scientists is that an effective vaccine to prevent AIDS is possible. Approximately 40,000 to 60,000 Americans still become newly-infected with HIV each year, despite extensive efforts to reduce risky human behaviors. The principal long-term and most cost-effective solution for the epidemic is a preventive vaccine, for which a high-priority, expedited research and development program is justified. Suitable organizational and administrative structures would facilitate such a program. Collaboration and cooperation are necessary between various governmental agencies, non-profit entities, academia, international organizations, industry and the public. International participation is essential.

The Presidential Advisory Council on HIV/AIDS is examining this issue closely, and will supplement the following initial recommendations as events ensue in this area, including progress in the ongoing efforts of the OAR to reform priorities and restructure AIDS research at the NIH.

- 3. Research and development for AIDS vaccines should receive a substantial increase in the proportion of funds devoted to it in the Federal biomedical research budget for AIDS.**
- 4. All agencies of the U.S. Government with experience in various phases of vaccine research and development -- including the NIH with its lead role in basic research, DOD, FDA, CDC, and the VA -- have valuable roles to play and should contribute their unique institutional expertise, capabilities, resources, and collaborative relationships in a coordinated and expedited Federal effort towards the common goal to produce an effective preventive vaccine for AIDS. In addition -- recognizing the need for public-private partnerships and the involvement of other nations in a global effort, and the relative advantage of private-sector, non-profit organizations in rapidly filling gaps in targeted vaccine research, product development, and testing -- the concept of an independent international AIDS vaccine initiative should be strongly encouraged and developed.**

(C) **Tyson memo on Wanninski paper.** Laura writes that Wanninski's description of a crisis in capitalism based on "massive underemployment" is a gross mischaracterization. He is an unrepentant supply-sider whose diagnosis and prescriptions (e.g., zero capital gains, gold standard) are off base. Laura notes that Administration has addressed two of the problems Wanninski identifies -- too low economic growth and stagnant wages -- by efforts to boost productivity via creating a climate for increased business investment and technological progress, and bolstering education and training. Administration has also focussed on increasing incomes for those at the bottom, via minimum wage, EITC, etc. In view of your economic team, Wanninski's proposals would do more harm than good for the economy.

(D) **Lake memo on Gen. O'Neill's alleged criticism of the NIE.** The June 14 Washington Times published an article charging that Gen. O'Neill (recently retired Director of the Ballistic Missile Defense Organization) had faulted the National Intelligence Estimate's forecast of the Third World ballistic missile threat. Defense Daily, however, reported that the General described the NIE as a "good, well done and predictable document." O'Neill recently wrote a letter of clarification to the Times, noting that while he has some "discomfort" in how the NIE dealt with uncertainties in estimating when a Third World missile threat would develop, he does not believe the analysis was "politicized." He also strongly supports DOD's "3 plus 3" national missile defense program as a hedge against these uncertainties.

(E) **Stiglitz memo on educational infrastructure and "flypaper effect."** Joe says evidence does NOT support notion of perfect fungibility of funds -- i.e., that State and local governments can simply shift funds to ensure that Federal financing for one activity substitutes for spending that would have otherwise occurred. Rather, money tends to stick where it hits. Grants for education tend to increase total education spending, and grants for infrastructure tend to increase total infrastructure spending.

(F) **Walter Slocombe information sheet on our missile defense policy.** Via Phil Jamison. Designed to counter mischaracterizations of our policy by GOP. Prepared by Slocombe with some input by Jamison for a new on-line policy wonk magazine."

(G) **Letter from Art Levinson, President/CEO of Genentech.** Via Tony Podesta. Following an evening spent with you, he describes himself as startled by the scope and reach of your vision for our country" and says "what particularly struck me was your genuine personal commitment to do what is morally right and practically important to help all Americans." He compliments you on the appointment of Harold Varmus, and he urges you to (i) support tax credits to encourage increases in R & D spending by the private sector and (ii) promote policies that "best" allow the FDA and the industry to work together to develop "effective, safe, innovative drugs."

(H) **Letter from Gerald Greenwald, CEO, United Airlines.** Via Mike Berman. Praises your commitment to seeing that current U.S. carrier rights under the U.S.-Japan agreement are fully honored. He believes the 3-phased approach taken by the Administration to the negotiations is likely to produce significant pro-competitive results, and he expresses United's full support for your negotiating efforts.

7/16/96

THE WHITE HOUSE

WASHINGTON

96 JUL 6 P1:42

July 6, 1996

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *AL*

SUBJECT: General O'Neill's "Criticism" of NIE

Purpose:

To respond to your question to Sandy concerning Lieutenant General Malcolm O'Neill's alleged criticism of the recent National Intelligence Estimate (NIE) on ballistic missile threats to the United States -- an issue Representative DeLay raised during your meeting recently with the bipartisan leadership.

Background:

On June 14, the Washington Times published an article under the headline "General Faults Forecast of Missile Threat" charging that General O'Neill (the recently retired Director of the Ballistic Missile Defense Organization) had attacked the NIE at a breakfast with defense correspondents. The paper did not report (as did Defense Daily) that the General had actually said that the NIE overall was a "good, well done and predictable document."

General O'Neill has recently written a letter of clarification to the Washington Times (Tab A). In it, he notes that while he has some "discomfort" as to whether the NIE adequately addressed uncertainties involving possible technology transfer to rogue states, he does not believe the analysis was "politicized." He also strongly supports DOD's "3 plus 3" national missile defense program as an "excellent and prudent way" to hedge against these uncertainties.

Attachment

Tab A O'Neill's Letter to Washington Times

cc: Vice President
Chief of Staff

3032 Steven Martin Drive
Fairfax, VA 22031

June 17, 1996

Mr. Thomas Sullivan
Letters Editor
The Washington Times
3600 New York Avenue, N.E.
Washington, DC 20002

Dear Mr. Sullivan:

I am concerned that my remarks about the National Intelligence Estimate (NIE) on the ballistic missile threat to the United States were taken out of context in your June 14, 1996 article, titled "General Faults Forecast of Missile Threat." I am writing to clarify any misunderstanding that may exist.

I was asked by a *Washington Times* reporter if I thought the NIE was "skewed" to meet the Administration's National Missile Defense (NMD) position. I recall, as reflected in my public affairs officer's interview notes, that I said the NIE is a perfectly good document. The members of the team that put the estimate together are career intelligence professionals and the document signed by Dr. Deutch represents the integrated assessment of the full intelligence community. I do not feel the document was politicized as some have asserted, and as your reporter's question intimated.

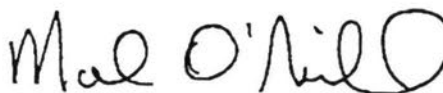
As I have repeatedly testified to Congress, my principal discomfort with the NIE is how it dealt with the uncertainty in estimating when a Third World ballistic missile threat to the United States would develop. As a scientist, I do not believe anyone can assess a date certain for this type of missile development. The NIE astutely identified many sources of uncertainty in its 15-year baseline estimate and included both "wild cards" (i.e., foreign transfer of either expertise or hardware) and "intelligence gaps" (i.e., required data which could not be collected). However, the NIE did not address how such uncertainties might reduce the 15 year threat window. In my memorandum commenting on the NIE, I asked the intelligence community to quantify how the elements of uncertainty they identified could affect the 15-year baseline -- especially how much earlier the threat could mature if "wild cards" were played and if "intelligence gaps" persisted.

Within the context of this issue, however, I think it is extremely significant that the Administration has chosen to pursue the 3 plus 3 NMD program. This approach is an excellent and prudent way to provide a hedge in case the threat appears earlier than estimated. The 3 plus 3 program could deliver an NMD system by 2003, well before the 15 years projected in the NIE. In fact, one could say that the Administration should be applauded for its efforts to fashion with Congress a consensus on rapid deployment of NMD, notwithstanding the widely quoted 15-year estimate which comes from its own NIE.

The fundamental issue of which we must not lose sight is that the linkage between threat and NMD deployment is critical and the Department of Defense must interpret the threat

such that we can effect the appropriate response in a timely manner. The 3 plus 3 program is designed to develop and test during the first three years the prototypical NMD system. If the ballistic missile threat warrants, a decision to deploy NMD could be made in 2000. Three years of deployment activities would lead to an initial operational capability in 2003. The program will begin testing critical interceptor components later this year and lead to an integrated NMD system test in 1999. The bottom line is 3 plus 3 is a concrete effort to develop the defense we may require in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Mal O'Neill". The signature is fluid and cursive, with the first name "Mal" and last name "O'Neill" clearly distinguishable.

MALCOLM R. O'NEILL
Lieutenant General, U.S. Army

June 25, 1996

ACTION

MEMORANDUM FOR ANTHONY LAKE

FROM: ROBERT G. BELL *RB*

SUBJECT: General O'Neill's "Criticism" of NIE

Sandy Berger asked me to prepare a memorandum to the President explaining the background concerning Congressman DeLay's comment to the President last week about recently retired Ballistic Missile Defense Organization (BMDO) Director O'Neill's alleged criticism of the current National Intelligence Estimate (NIE) on ballistic missile threats to the United States.

RECOMMENDATION

That you forward the memorandum at Tab I to the President.

Attachments

Tab I Memorandum to the President
Tab A O'Neill's Letter to Washington Times

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THE CHAIRMAN

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

THE PRESIDENT HAS SEEN

7/16/96

96 JUL 8 PM 6:14

July 8, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: JOSEPH STIGLITZ *JS*

SUBJECT: Educational infrastructure and the "flypaper effect"

Today's discussion of a possible school infrastructure initiative highlighted the fungibility of funds -- that State and local governments can shift funds to ensure that Federal financing for a particular activity simply substitutes for spending that would have otherwise occurred. As I mentioned in the meeting, the evidence does not support such perfect fungibility: money tends to stick where it hits, producing a "flypaper effect." The attached box from this year's *Economic Report of the President* notes that grants for education tend to increase total education spending, and grants for infrastructure tend to increase total infrastructure spending. The evidence--which examines direct grants rather than capital subsidies--suggests that a dollar grant for a particular activity raises spending for that and related activities by between 40 and 65 cents.

I have also provided for your reference a recent article from the *Journal of Economic Perspectives* on the "flypaper effect."

Box 4-1.—Federal Grants and the “Flypaper Effect”

The Federal Government provides substantial grants to States and localities—over \$228 billion in 1995. Most of this grant money can be used for projects that these governments might otherwise fully fund themselves, and most do not require that the State or locality contribute any matching funds. Because these grants can simply serve to free up State and local government funds for other uses, they can be viewed as equivalent to pure transfers of cash from the Federal Government. From an economic perspective, then, one would expect States and localities to spend these grants in the same manner as they would any other increase in income. For example, States might allocate 5 to 10 cents of each grant dollar to increases in their spending, and the rest would simply be used to reduce State taxes.

Researchers have consistently found, however, that Federal grants have much larger effects on State and local government spending than this logic would suggest. Recent studies find that the actual increase is on the order of 40 to 65 cents on the dollar. This result has been dubbed the “flypaper effect”: the money sticks where it hits. Moreover, not only does State and local spending increase when Federal grants increase, but the money tends to remain in the program area for which the grant was intended: grants for education tend to increase education spending, grants for infrastructure tend to increase infrastructure spending, and so on. Some of the grant money is used to finance other areas of government and to finance tax cuts, but such “leakages” are much smaller than economic theory would predict.

substitute for State money, as many critics of block granting have feared. (And, as is discussed later in the chapter, it is precisely the Federal Government's desire to influence patterns of State spending that justifies a Federal role at all.) On the other hand, if the substitution of Federal for local funding leads to less diligent monitoring by taxpayers, the money may not be well spent.

Federal actions can also impose costs on the States. And just as States may spend Federal money more readily than money raised through State taxes, so the Federal Government may spend State money more readily than funds raised through Federal taxes. Federal legislation that raises States' costs—so-called unfunded mandates—has recently received considerable attention. Legislation passed in 1995 attempted to address some of the most important problems posed by unfunded mandates (Box 4-2).

7-16-96

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JIM DORSKIND:
Please coordinate the reply.

PODESTA
associates, inc.

THE PRESIDENT HAS SEEN

7/16/96

96 JUL 10 AM 11:23

July 9, 1996

cc: Donslund
VP
Emerson
Chen

Mr. Todd Stern
Special Assistant to the President and
Deputy Staff Secretary
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Todd:

Enclosed is a letter from Art Levinson, President and CEO of Genentech, to the President.
I wanted to make sure this received special attention.

And as always thanks.

Regards,



Anthony T. Podesta

Genentech, Inc.

460 Point San Bruno Boulevard
South San Francisco, CA 94080
(415) 225-1102
FAX: (415) 225-6241

6-30-96

Arthur D. Levinson, Ph.D.
President and
Chief Executive Officer

Dear Mr. President:

As the relatively recently appointed CEO of Genentech I thought I knew something about pressure, but having spent an evening with you and hearing about the issues you confront daily left me startled by the scope and reach of your vision for our country. Your intelligence and insights are well known; what particularly struck me was your genuine personal commitment to do what is morally right and practically important to help all Americans.

As you look forward to the next four years I hope you will continue your understanding of the positive economic and human consequences of nurturing biomedical research. As I said during

our dinner, your appointment of Harold Varmus was inspired. For the promise of the NIH's basic research programs to bear fruit will require your continued support for tax credits to encourage incremental increases in R&D spending by the private sector, and ongoing attention to promoting policies that best allow the FDA and the industry to work together to develop effective, safe, innovative drugs.

I hope to see you again in California. You will always be welcome at Genentech.

Respectfully,

Antoniou