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THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

sent

TO:

Jim Murr

2:01 AM 10/8/96
left J Murr a.m.
msg to
check his fax
in the A.M.

Fax Number:

5 6148

Phone Number:

FROM:

Sharon / Staff Secy's Ofc

SUBJECT:

Signing Statement for H.R. 3005

DATE:

10/8/96

NUMBER OF PAGES (including cover sheet): 3

MESSAGE:

Jim, Ellen Seidman brought this by this ofc this evening. She said she didn't know who to give this to in OMB. so she brought it here. I talked to Lois Altoff and she said to fax it to you.

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

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STATEMENT BY THE PRESIDENT

Today I am pleased to sign into law H.R. 3005, the "National Securities Markets Improvement Act of 1996." This legislation is a product of two years of hard work by, among others, Congressman Jack Fields, retiring Chairman of the House Subcommittee on Telecommunications and Finance, the ranking Democrat on the panel, Ed Markey, the ranking Democrat on the full Committee John Dingell and the Committee Chairman Tom Bliley. On the Senate side, the ranking Banking Committee Democrat Paul Sarbanes, Chairman Al D'Amato and Senators Christopher Dodd and Phil Gramm also played an important role.

This legislation represents the most significant overhaul of the securities regulatory structure in decades. Without compromising investor protection, H.R. 3005 will enhance capital formation and the competitiveness of the American economy by eliminating regulatory overlap between the states and the federal government, significantly rationalizing and simplifying the way mutual funds and corporate securities are regulated, reducing SEC registration fees, and stabilizing the SEC funding structure over a ten-year period.

H.R. 3005 achieves the difficult task of improving the efficiency of the financial markets without compromising investor protections. Lower registration fees will reduce the cost of capital formation in the United States. Changes to margin requirements should lower funding costs for broker-dealers, benefiting investors without reducing the systemic protections of the margin requirements. This legislation will more efficiently divide responsibility for regulation between the federal and state governments. The SEC will be charged with responsibility for activities in the national markets, such as regulation of securities listed

on the national exchanges and mutual funds, as well as large investment advisors. States will have responsibility for smaller issues and investment advisors with smaller portfolios, while retaining their authority to take enforcement actions against: fraudulent conduct in all situations.

The legislation gives the SEC new broad general exemptive authority under both the Securities Act and the Exchange Act, which should allow the Commission to deal more quickly and effectively with the facts and circumstances of individual situations. At the same time, it strengthens the SEC's hand in addressing fund names that use words such as "government," "guaranteed," or "insured," which can cause investors to conclude, incorrectly, that their investments are guaranteed by state or federal authorities.

This legislation will save hundreds of millions of dollars for American businesses. Corporations will benefit from the reduction in SEC fees. Mutual funds, which are sold nationally, will be regulated nationally. Broker-dealers will benefit from no longer being subject to dozens of differing state net capital and books and records requirements. The SEC's funding will be more stable and predictable than it has been in recent years. These changes will all enhance our national capital markets, helping to create and nurture new businesses and new jobs, and enhancing the returns of both businesses and investors.

I am pleased to sign this bill into law. I thank all the participants--from the Congress, from federal and state regulatory agencies, from the affected industries--for the hard work that culminated in enactment of this important piece of legislation.

MESSAGE CONFIRMATION

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cc Stiglitz

THE PRESIDENT HAS SEEN

10-8-96

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

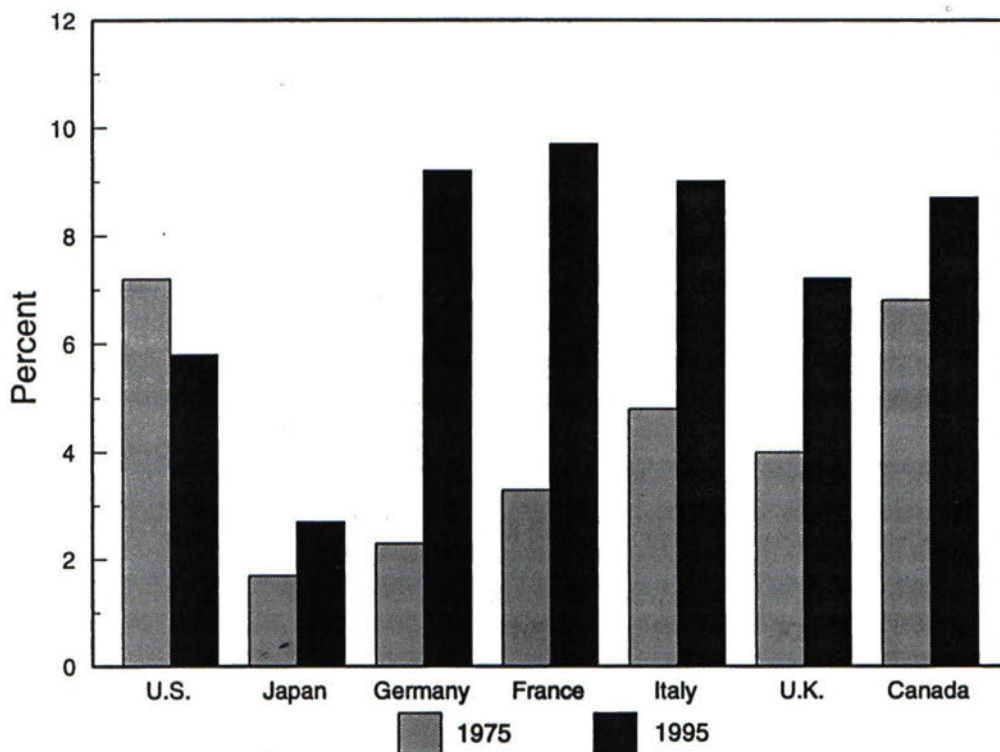
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Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

October 4, 1996

CHART OF THE WEEK

OECD Estimates of the NAIRU for G-7 Countries



According to OECD estimates, the non-accelerating inflation rate of unemployment (NAIRU), sometimes called the "natural" rate of unemployment, is lower today in the United States than it was in 1975. In all other G-7 countries (and many other OECD countries), the NAIRU has risen sharply, often to a higher rate than in the United States. (The OECD estimate for the current U.S. NAIRU is higher than some other estimates.)

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Health of Elderly and Poor Found to Suffer Under HMOs. Elderly and poor patients treated by HMOs had worse physical health outcomes than those treated by fee-for-service doctors, according to a 4-year study of chronically ill adults in Boston, Chicago and Los Angeles. Over half of HMO patients aged 65 and over reported deteriorating health over the 4-year period, compared to 28 percent of elderly fee-for-service patients. Patients who were neither elderly nor poor, however, had slightly better health outcomes in HMOs than in fee-for-service plans. While elderly patients and poor patients suffered worse health outcomes under HMOs, individuals who were poor and elderly and enrolled in an HMO were more than twice as likely (68 percent) to experience a decline in health than similar fee-for-service patients (27 percent). The study did not determine the reason for the findings, but HMO patients may receive less hospital and specialist care, or they may wait longer for treatment. Since the study focused on three large cities, its conclusions may not necessarily apply to other cities or to rural areas. It is also possible that chronically ill patients who remained in an HMO over the entire study period have different characteristics from patients in fee-for-service plans.

could
other variables
e.g. income
health go

Corporate Downsizing May Be Harder on Women. Women often fare worse than their male counterparts do after a corporate downsizing, according to new data from the Department of Labor. Women who were displaced after holding their jobs for at least 3 years are less likely to be re-employed than men. By February 1996, only 76 percent of such women who lost full-time wage and salary jobs in 1993-94 had become re-employed, compared to almost 82 percent of men. And women were more likely to be working only part-time. While nearly 40 percent of workers were re-employed at jobs that paid less than the jobs they lost, the average wage loss for women was slightly higher than the loss for men. Part of the explanation for the disparity may be that women may be less able to relocate to find another job, or that women may be more likely to not seek re-employment after being displaced.

Symphonies Silent This Season. Three symphonies have started the Fall season off on a sour note. In Philadelphia, orchestra musicians have been on strike all season for a 23 percent raise over 3 years. Management is offering 10 percent, which would raise the minimum starting pay to \$83,200 in 1999. The Atlanta Symphony went on strike on September 20, after 3 weeks of "play and talk" negotiations. The musicians are seeking 5 percent raises each of the next 3 years and extended pension benefits, while management wants to freeze both salaries and pensions. But the dissonance in the Oregon Symphony has been resolved. After canceling 6 shows during the first strike in its 100-year history, the symphony is making music again under a 4-year contract that ultimately boosts salaries 10 percent. The deal also includes performance-based incentives, so more ticket sales could yield bonuses for the players.

THE PRESIDENT HAS SEEN

10-8-96

THE WHITE HOUSE

WASHINGTON

96 SEP 30 AM: 26

September 27, 1996

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Chiles
Boutwell*

MEMORANDUM FOR THE PRESIDENT

FROM: MARCIA HALE *MHA*
INTERGOVERNMENTAL AFFAIRS

WEEKLY REPORT -- SEPTEMBER 27

CC: LEON PANETTA

Southern Alliance of States: We have been working with the VP's office and the state of North Carolina to have language inserted in the CR to facilitate the Southern Alliance of States Electronic Benefit Transfer project to proceed as intended by Treasury.

North Carolina: Leon Panetta, Frank Raines, and Marcia Hale spoke with Governor Hunt late last Friday evening to brief him on the Administration request for additional emergency funding for disasters and how to inform him of the expected share for North Carolina. Attached is a letter Governor Hunt released to the press last Saturday regarding North Carolina's request for additional emergency hurricane funding.

Governor Chiles: Attached is a newspaper clipping regarding an event Governor Chiles organized in Florida this week on the subject of the 1994 crime bill.

Mayor Mike White: Mayor White has written requesting help on an issue concerning the empowerment zone in Cleveland. He has learned very late that the Bureau of Prisons is negotiating to build a prison within the area of the empowerment zone. The Mayor is opposed to this and is willing to help locate a site for the prison elsewhere in the city. Justice is looking into the options for the Bureau and the city. The Attorney General is in Cleveland on Monday.

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on our*

Mayor Webb: We have been working with Mayor Webb on the Denver airport funding in the Transportation Appropriations Bill. Webb also announced this week a steering committee to plan the G-7 conference in Denver next June. He has requested that all Administration planning for the conference work through this committee.

JIM DORSKIND:

Please coordinate
the reply.

Immigration Legislation: Cardinal Roger Mahony of Los Angeles has expressed grave concerns with H.R. 2202, the "Immigration Reform and Control Act of 1995," and encourages you to veto the bill. The Cardinal has expressed that the legislation unfairly targets legal immigrants. As you know, the U.S. Catholic Conference has adamantly opposed the Gallegly Amendment. However, Cardinal Mahony's concerns extend beyond those related to this amendment. His particular concerns relate to summary exclusion provisions contained in the bill and the provisions of the legislation which would raise the income requirements for those who wish to sponsor the families of legal immigrants.

DOT Grants: Our office made calls to elected officials in California to invite them to take part in a Conference Call with Secretary Pena on Wednesday. Mayors Brown, Riordan, and Harris were contacted with their airports receiving \$10m, \$29m, and \$9m respectively. Pittsburgh received a similar grant for \$9m last Friday.

March AFB/Miramar Naval Air Station: We held meetings with the San Diego Chamber of Commerce, which favors the siting of Tustin helicopters at Miramar, and with Representatives Filner, Brown, Cunningham and Calvert, who favor March AFB. The latter believe that DOD has not adequately examined and compared the costs of operating the choppers out of March AFB and operating them out of Miramar. The DOD, while still studying the issue, has indicated that in terms of both mission and cost, Miramar is the best choice.

*How
would we
know this
a while?*

Subsequently, Riverside County Supervisor Tom Mullen telephoned to advise that if the choppers go to Miramar, March would be interested in other helicopter squadrons, and expressing concern that the C-141s currently based at March are slated to be retired soon. He requested that the C-141s be replaced with a squadron of C-17s.

California Forest Alliance: We met with a coalition of environmental groups who are seeking repeal of the salvage rider or, at a minimum, a delay on the consummation of sales made pursuant to the rider until the end of the year. They are also meeting with CEQ and USDA.

Long Beach: We met with Mayor Beverly O'Neill, several councilmembers, and Dorothy Robyn (NEC) regarding progress on the base reuse plan. Long Beach is very pleased with the federal effort, as two difficult issues (transfer of Naval hospital and awarding of EDA grant) were recently resolved. The current major concern is that a group of preservationists are seeking to save some of the base properties for use by "inner city kids," while the City plans to demolish the structures and expand the Port's container shipping capacity. The entire base reuse plan is premised on this expansion.

FEMA/UCLA Hospital Reimbursement: We held numerous meetings with James Lee Witt, John Angell, and FEMA personnel regarding a dispute about UCLA reimbursement. The dispute centers around the definition of the term "building unit" for the purpose of determining eligibility for funding pursuant to the FEMA Seismic Mitigation Algorithm. FEMA's interpretation leads to a reimbursement of approx. \$390 million; UCLA's leads to approximately \$510 million. Representative Jerry Lewis, who chairs FEMA's appropriations sub-committee, has advised James Lee Witt and the White House that he concurs with UCLA's interpretation. Discussions between FEMA and UCLA are ongoing.

*Can we
get
done*

Welfare Reform Implementation: We continue to meet with the NGA, NCSL, and APWA to facilitate the implementation of welfare reform. At this week's meeting, each of these groups presented their "top five" unresolved implementation issues to DPC, USDA, INS, HHS, and SSA. Their concerns include developing a consultation process for regulations, clarifying issues related to the state plan submission process, and defining "means tested" benefits among several other issues. We will work with the executive agencies to ensure that their issues are addressed.

California Food Stamp Issues: We are working with USDA, DOJ, DPC, OMB, and the White House Counsel's office to resolve California's request to extend its food stamp certification period for legal immigrants beyond one year. The Administration's directive that allows states to extend the certification periods of current recipients to one full year does not effect California as its current certification periods are already one year. We are reviewing our legal authority in this matter. In the interim, we have instructed the state that it does not need to implement the alien restriction for current participants until our review is complete.

Immigration Legislation and NCSL: The National Conference of State Legislatures has expressed its reservations with H.R. 2202. Their specific concerns relate to provisions of the bill that federalize the current state and local driver's license and birth certificate issuance process and establish federal document content standards for both. They are also concerned with portions of the bill that impose new unfunded mandates on state and local governments regarding deeming requirements for determining immigrant eligibility for all federal "means tested" programs. NCSL shares with you the goal of managing and resolving issues regarding illegal immigration. However, should these provisions remain in the conference report, NCSL will strongly urge you to oppose the bill.

Welfare Reform Implementation: We met with staff of the National Association of Counties, the U.S. Conference of Mayors, and the National League of Cities to solicit their views of the implementation of welfare reform. We are working with the executive agencies to ensure that the Administration's implementation of welfare reform legislation reflects the important role that local governments play in the administration of welfare. Moreover, we will encourage mayors and county officials to work with the private sector to begin the job creation process that will ensure the success of welfare reform.

Pennsylvania Treasurer Catherine Baker Knoll: We met with Pennsylvania Treasurer Catherine Baker Knoll this week. As you know, she has been a strong supporter of yours and continues to work hard on your behalf.

California Welfare Reform: We held a meeting with State Controller Kathleen Connell, Carol Rasco, and HHS staff. Connell is convening a welfare reform task force to address the financial implications of the new law on California. The bi-partisan task force will include county supervisors and state legislators. The purpose of the meeting was to introduce Connell to resource people at HHS who can assist in the work, and to review efforts to "fix" the legal immigrant portions of the law.

Santa Clarita, California/Elsmere Canyon: A delegation from City of Santa Clarita, just north of Los Angeles is lobbying against a proposed Angeles National Forest land transfer that would allow the development of a massive landfill in northern LA County. Apparently the staff at USDA have recommended against the transfer, and the City is concerned that the developer, BFI, might bring political pressure to bear in reversing that decision. Senator Boxer is fighting hard against the landfill and the land swap proposal.

Clinton offers \$750 million in Fran relief

Though state officials welcome the money, which includes a new \$291 million request, some say more is needed.

BY STEVE SWINDELL
AND JENA HEATH
STAFF WRITERS

President Clinton announced Saturday that North Carolina likely will get about \$750 million in federal disaster relief for damage from Hurricane Fran.

The amount is about half the \$1.5 billion in total relief he requested for victims of Fran and Hurricane Hortense, including at least four other states and Puerto Rico. Clinton's relief request adds \$291 million to this year's federal disaster-relief budget.

The announcement made good on Clinton's promise, offered during a brief visit to Raleigh on Sept. 14, to get as much aid as possible from Congress.

The news of the additional money was welcomed by state leaders, but some said more is needed.

"This is an important and significant first step toward meeting the needs of our citizens who have been affected by Hurricane Fran," said U.S. Rep. Eva M. Clayton on Saturday evening. "I will continue to work with my colleagues in Congress to seek additional funds."

Soon after Fran struck, Clayton

sponsored a bill for emergency relief. The Democratic congresswoman was joined in a rare show of bipartisanship by 21 co-sponsors from both the House of Representatives and the Senate.

Clayton said that damage estimates are still incomplete, but that about \$200 million in additional aid will be needed after Clinton's request is approved.

Gov. Jim Hunt and U.S. Sen. Jesse Helms, in another rare display of political harmony, announced Wednesday that they were seeking a total aid package from Congress of about \$2 billion.

Hunt has said that the state's total loss from Fran will exceed \$4 billion. The figure includes losses covered by various forms of insurance.

These losses include about \$1.2 billion in damage to privately insured property and about \$600 million for federally insured flood damage and crop losses. A substantial amount of flood damage and the cost of removing many downed trees is not covered by any insurance.

But much of the money for getting the area back to normal, including clearing debris from streets and rebuilding damaged roads and waterways, will come from federal aid.

"We need more," said Angie Harris, a spokeswoman for Hunt. "It's been a heavy financial blow to the state."

Harris added, "As this relief package moves through Congress over the next week, Governor Hunt will be working closely with our congressional delegates to get all the help we can."

Clayton aide Johnny Barnes said the House is expected to vote Wednesday on the hurricane aid as part of a budget package. The Senate could



Clinton visited
Raleigh on
Sept. 14.

Aid

CONTINUED FROM PAGE 1B

act as soon as Tuesday, Barnes said.

Helms and other members of the state's congressional delegation proposed on Friday a \$725 million aid package that would draw \$240 million from foreign aid programs and 0.1 percent from the budgets of other federal agencies.

Calls to Helms and Republican Rep. David Funderburk were not returned by press time.

Ed Conley, public information officer for the Federal Emergency Management Agency, said no estimate of Fran's total damage has been made yet — not even a ballpark figure.

"We have no idea at this point," he said. "For one thing, you're still having new damage occur. A lot of the flooding that occurred, for instance in the Kinston area, is still related because it's coming from the west to

the east with the heavy rains that occurred."

As of Friday, 38,564 people had called FEMA's toll-free number and applied for some form of assistance. So far, FEMA has approved \$8.4 million in disaster housing relief and for individual and family grant programs for North Carolina.

"We took in more than 1,000 applications yesterday," Conley said Saturday.

Other FEMA programs include assistance for local governments to make infrastructure repairs and to reduce future losses.

Conley said anyone affected should apply for assistance by calling (800) 462-8929, between 8 a.m. and 10 p.m. If callers don't know whether their county has been declared a disaster area, FEMA can help them find out.

President Clinton has declared 51 North Carolina counties disaster areas.

Helms blasts Clinton aid offer

The senator calls the \$750 million proposed for hurricane relief inadequate. State officials are seeking \$2 billion.

FROM STAFF AND WIRE REPORTS

WASHINGTON — U.S. Sen. Jesse Helms, urging that President Clinton go back to the drawing board, said Sunday the amount of disaster relief the president offered North Carolina is inadequate.

"President Clinton needs to tell his people to go back to the drawing board — and do it right," Helms said in a prepared statement about the \$750 million in federal disaster aid Clinton proposed sending North Carolina to help recover from Hurricane Fran.

Gov. Jim Hunt and Helms said last week that they are seeking a total aid package from Congress of about \$2 billion for all victims of Fran and Hurricane Hortense.

"I do hope that Governor Hunt is on the phone right now with President Clinton protesting the disappointing proposals by the administration," Helms' statement said. "I certainly am going to seek from the Senate leadership far more for North Carolina than the Clinton administration is proposing."

The senior state senator added:



Helms plans to seek more hurricane relief money.

"I am confident the N.C. delegation in the House will do the same. The citizens of North Carolina have always been compassionate when disaster has struck other states."

Helms, a Republican, said he is confi-

dent North Carolina's House delegation also will press for more federal money and that the Senate may vote on a budget package as early as this week.

Clinton said he thinks North Carolina probably will receive about half the \$1.5 billion in total relief he requested. Hurricanes Fran and Hortense caused damage in at least four other states and Puerto Rico.

The \$1.5 billion represents \$201 million more than is available in this year's federal budget.

A centerpiece of Helms' re-election campaign this year is the effectiveness he has had shaping legislation to help his home state.

The challenger for his Senate seat, Democrat Harvey Gantt, was not immediately available for a comment on Helms' effort to increase the relief package.

Clinton asks Congress for more hurricane aid

THE ASSOCIATED PRESS

WASHINGTON — President Clinton is asking Congress for an additional \$291 million to help cover the cost of repairs from Hurricanes Fran and Hortense. The money would supplement \$1.2 billion already being paid out in the aftermath of the storms.

"The estimated federal response ... is expected to total over \$1.5 billion, of which about half is needed specifically in North Carolina," Clinton wrote in a letter released Monday by the House Appropriations Committee.

The letter, dated Saturday, did not suggest spending cuts to finance the expenditure, but asked that it be found in the budget for fiscal 1997, which ends Sept. 30. An aide to House Appropriations Chairman Bob Livingston, R-La., said no money is available from the 1996 budget.

The request will have to be considered as part of the massive omnibus spending bill being written for fiscal 1997, said spokeswoman Elizabeth Morra.

U.S. Sen. Jesse Helms on Sunday called Clinton's proposal inadequate. He and Gov. Jim Hunt said last week that they are seeking a total aid package from Congress of about \$2 billion for all victims of Fran and Hortense. Helms said he would work to increase the aid figure included in the omnibus spending bill.

With eight days left before the start of fiscal 1997, Congress has completed only six of 13 spending bills for the new year. Lawmakers hope to send the White House a seventh bill this week, covering veterans, housing, space and environmental programs, and possibly an eighth, financing foreign aid and U.S. contributions to international organizations.

They intend to wrap the remaining bills into the omnibus measure, which House leaders hope to begin moving late this week. Last week, GOP leaders met with White House Chief of Staff Leon Panetta and said afterward they would provide most of the additional \$4.8 billion for education, job training, anti-terrorism efforts and other programs that Clinton is seeking.

Republicans want to finish their routine appropriations work, avoid a politically disastrous government shutdown and hit the campaign trail within two weeks.

Clinton's request for \$291 million in hurricane relief comes on top of three other emergency funding requests: \$1.1 billion for anti-terrorism efforts, \$650 million related to the forest fires in the West and \$250 million to combat drug trafficking, Morra said.

The \$291 million includes:

- \$110 million to the Housing and Urban Development Department for housing needs in North Carolina and Puerto Rico.
- \$82 million to the Transportation Department for highway and bridge repairs.
- \$40 million to the Agriculture Department for assistance to farmers and repair of watersheds.
- \$22 million to the Small Business Administration for loan processing.
- \$18.8 million to the Army Corps of Engineers for debris removal and dredging of harbors and waterways.
- \$18 million to the Commerce Department for upgrading, expanding or relocating damaged water and sewer facilities.

The president also asked Congress to increase the borrowing authority of the National Flood Insurance Program by \$500 million.

Hurricane Fran hit the Carolinas on Sept. 6 with winds of more than 100 mph, then barreled north to swamp Virginia and Maryland. Hurricane Hortense swept across Puerto Rico on Sept. 10, killing 20.

Fran aid to state could hit \$2 billion

U.S. senators and representatives from North Carolina are working together to increase the amount of federal aid coming to the state to cover losses from Hurricane Fran.

By SARAH AVERY
STAFF WRITER

RALPH — North Carolina stands to gain millions of dollars more in federal disaster money if the state's congressional delegation succeeds in pinning its hurricane relief request to the tail of a political budget bill.

So far, the bipartisan plan to get more money is working, and its success could put the toll for Hurricane Fran up there with the nation's costliest disasters.

On Tuesday night, both houses of Congress approved \$1.3 billion in disaster relief money for the Federal Emergency Management Agency, which lawmakers say there is enough money to help hurricane victims in North Carolina and other states.

Now, an additional \$700 million is being sought in Congress — more than twice the amount proposed for disaster relief by President Clinton. If the additional funds are approved in budget bills later this week, the total aid package would reach roughly \$2 billion.

Steve Phillips, an aide to Sen. Jesse Helms, said the senator pressed the leadership to attach the extra \$700 million to a catch-all budget bill that must be voted on before the fiscal year ends Tuesday. "It's been buttonholing senators for a week," Phillips said. Helms claimed a preliminary victory Wednesday when the money was included in the budget bill, which is expected to run a fast track through the Senate so that lawmakers can adjourn and hit the campaign trail.

Helms criticized Clinton as stingy for offering just \$201 million in extra relief, and called on his fellow delegates in the U.S. House of Representatives to jump forward the momentum for the proposed

See FRAN, PAGE 18A

FRAN

Continued from page 1A

\$700 million.

"Needless to say, I hope the House of Representatives will be as cooperative as the Senate of North Carolina's people as the Senate has been," Helms said in a statement. Rep. Eva Clayton, a Democrat from Winston-Salem, said Wednesday she would ask her leadership to add a \$725 million appropriation onto the House omnibus budget bill passed by

majority acting to get the money to the rescue.

"If any of us can get the extra money, I think we ought to try," Clayton said, adding that she was pleased with Clinton's response.

Rate of the federal agency is specifically requested for North Carolina's victims. For about half of the disaster is expected to be clustered here, because the state took the brunt of the storm.

Disaster aid works this way. Congress and the president approve large infusions of money into the

accounts of FEMA and other federal agencies after a disaster strikes.

Victims can then use that money. FEMA's money is needed to fill disaster agency coffers is based in large part on assessments from state agencies that are directly impacted.

North Carolina officials have calculated total damages of more than \$4 billion.

Where the money is needed most depends on assessments from various agencies. The state Department of Agriculture, for example, estimates that farmers lost \$627.4 million

as a result of Hurricane Fran and subsequent flooding.

To help recover some of the uninsured crop losses, the North Carolina Department of Agriculture is running for agricultural programs ranging from food preservation to farm loans. That money would come out of the \$700 million in the budget bill.

Other states have received much larger appropriations to meet disaster victims. However, Fran will likely cause the nation's next largest natural disaster expense disaster was the \$144 billion earthquake

quake in California, which cost FEMA \$2.5 billion. Congress approved an additional \$22 billion above FEMA's allocations so that damaged buildings, many of which were uninsured government property, could be repaired.

The second costliest disaster was Hurricane Andrew, which hit Florida and Louisiana in 1992. It cost \$1.3 billion in FEMA aid and another \$1.3 billion approved by Congress.

About \$1.3 billion was spent on Hurricane Hugo, which hit the Carolinas in 1989.

Depending on how much of that \$1.3 billion FEMA actually spends helping residents with housing, repairs, debris removal and other emergency services, Fran could costable Hugo as the agency's third most expensive disaster.

When people are being displaced, they certainly do need a helping hand," Phillips said. "And North Carolina has extended a helpful hand to \$463 in California and the aid when they suffered disaster."

Now, he said, it's North Carolina's turn to get help.

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9/19 ORLANDO SENTINEL

Governor in neighborhood



FRANK RIVERA/THE ORLANDO SENTINEL

Touring Pinar Drive. Attorney General Bob Butterworth, Gov. Lawton Chiles, Commissioner Mary Johnson try to sell crime policies. Chiles and Butterworth praised the Clinton crime bill of 1994.

Even Republicans enjoy Chiles' anti-crime message

By Mike Oliver

OF THE SENTINEL STAFF

In support of President Clinton, Florida's governor and the state's chief law officer brought a get-tough-on-crime message to a Republican-leaning Orange County neighborhood Wednesday.

And residents seemed to like what they heard.

"I'm impressed," said Marie Williams, a 75-year-old resident of the Rio Pinar community in east Orange County after hearing Gov. Lawton Chiles and Attorney General Bob Butterworth talk.

The Democratic officials praised the \$30 billion federal crime bill pushed by Clinton in 1994, saying it has helped put 2,200 more police officers in Florida neighborhoods and has lowered the national violent crime rate.

"We have personally had our house broken into," said Williams, who is active in her neighborhood watch. "It sounds like something is being done."

Does it mean she'll vote for Clinton? Probably not.

"I'm really not a Clinton advo-

cate," she said. "But I do like the governor."

Chiles' message was no accident. In the past week, Republican candidate Bob Dole has attacked Clinton on the dual issue of crime and drugs.

For more than an hour, Chiles and Butterworth, along with Orange County Commissioner Mary Johnson, fielded questions from about 80 residents of the tree-lined, upper-middle class neighborhood. Many in the audience were retirees, and many were Republican.

Chiles drew applause when he talked about building prisons, making criminals serve longer portions of their sentences and taking away comforts from inmates.

But Chiles couldn't talk tough enough for Bill Cope, a 73-year-old retired construction company owner.

"When a new criminal comes in," Cope told Chiles, apparently offering a solution for crowded jails. "take another one out back and shoot him."

The audience gasped and Chiles chuckled. "Your idea of due process is probably a little different than mine," the governor said.

SEP 19 1996

ORLANDO SENTINEL

Wellington E. Webb
Mayor
City and County of Denver

August 15, 1996

Dear Senator Dole:

The City of Denver is pleased that you have chosen our great City as your first post-convention campaign stop. I am sure you selected Denver because of its growing economy, vibrant downtown, declining crime rate, beautiful parks and charming neighborhoods. Unfortunately, the agenda that you and Newt Gingrich have promoted has had nothing to do with the prosperity Denver is experiencing today.

While you are here, I would like to describe to you how Denver and Colorado are better off than ever as a result of a Clinton/Gore Administration.

- It is no coincidence that for the past four years, Denver's overall crime rate has dropped 10 percent each year. President Clinton has seen to it that 27 new police officers now patrol the streets of Denver and almost 400 new police officers now patrol the streets of Colorado cities. Because of President Clinton's crime bill, Denver was able to increase community policing efforts and introduce a new youth curfew program, which has become a national model.

In addition, the Brady Bill, which President Clinton signed into law, has kept more than 45,000 fugitives and felons nationwide from buying handguns, protecting untold numbers of police officers and citizens. In 1995, homicides in Denver are down 11 percent from 1994.

I must remind you that it was your Republican party, under House Speaker Gingrich and the NRA leadership, that attempted to have this important law repealed. It was widely reported that you were in support of this repeal until you saw campaign polling numbers that showed a majority of Americans wanted this ban to remain in place.

- Under President Clinton's leadership, nationally, the combined rate of unemployment and inflation is at its lowest level since 1968; the unemployment rate in Colorado has dropped from 6.1% to 4%; and almost 185,000 new jobs have been created in 33 months — more than during the entire previous four years!

- As a result of the passage of President Clinton's economic plan, the national debt will be more than \$600 billion lower than was projected. That's about \$15,000 of reduced federal debt for each family of four in Colorado.

- As a result of President Clinton's expanded Earned Income Tax credit, 171,838 working families in Colorado will receive a tax cut — almost 10 times more Coloradans than will receive a tax cut under the previous administration.

- As a result of President Clinton expanding the annual expensing allowance from \$10,000 to \$17,500, more than 24,000 small businesses in Colorado have benefited and more businesses will benefit in the coming years. That is good news for Colorado business persons and entrepreneurs.

- Our downtown revitalization project in Denver has had an infusion of federal highway and transit dollars to help dramatically rebuild the downtown area. In addition, President Clinton's budget included a full-funding grant agreement for the \$1.2 billion downtown transit light rail project. These are projects that past Republican administrations completely ignored.

- When President Clinton signed the Family and Medical Leave act, which allows up to 12 weeks of unpaid leave for the birth of a child, a sick family member or for workers who become to sick to work, he was protecting almost 600,000 Colorado workers!

- Approximately 325,000 Colorado student loan borrowers have benefited from student loan reforms enacted by the Clinton Administration. The President has also proposed and established policies that makes it easier to attend college and has enacted real incentives for higher education!

- While President Clinton is fighting for health care for all, including Medicaid for the indigent and Medicaid for our senior citizens, *you and Newt Gingrich have voted with extremist policies that would cut Medicaid.*

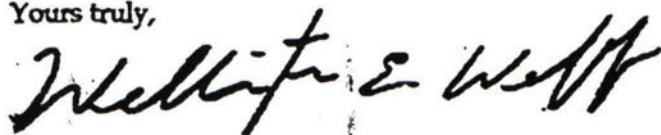
- While President Clinton and Vice President Gore are expanding our National Parks and enacting policies that protect our environment, *you and Newt Gingrich, actually allowed business lobbyists to write bills that would gut over 25 years of environmental protection legislation! These are protections that we Democrats and particularly Colorado Democrats like Tim Wirth and David Skaggs have worked so hard to establish.*

The City of Denver recognizes that during the last four years, and up until only a couple of polls ago you were closely associated with Newt Gingrich. While your campaign strategists are trying to distance you from Gingrich, unfortunately, both of your extremist voting records are a little more permanent than a photo-op.

Denver citizens are concerned about the issues that matter most to Americans - jobs, a strong economy, protecting our environment, safety, education, children, health care, and a women's right to choose. I hope that you can accurately outline your record on these issues when you arrive here and explain how the Republican party, under yours and Newt Gingrich's leadership, have tried to cut Medicaid, repeal the assault weapons ban, sought to ban a woman's right to choose, and attempted to cut education and head start and Medicaid.

Again, you are always welcome to our City.

Yours truly,



Wellington E. Webb
Mayor

Wellington E. Webb
MAYOR



City and County of Denver

CITY AND COUNTY BUILDING • DENVER, COLORADO • 80202

AREA CODE 303 640-2721
640-2720 (V/TDD)

**TALKING POINTS
MAYOR WELLINGTON E. WEBB**

It would be one thing if I stood before you and said "Vote for Bill Clinton, he's tough on crime."

- It's entirely different when I can stand before you and say that for the past four years, this City has seen overall crime decrease 10 percent each year. I do not consider that a coincidence.
- It's an entirely different thing to stand before you, as the Mayor of a large American City and share my experiences working with President Clinton to pass the 1994 crime bill.
- It's an entirely different thing to share with you the results of the Clinton administration's dedication to putting more police officers on Denver's streets.
- It's an entirely different thing to see our community enjoy President Clinton's support and the federal funding for community policing, youth curfew programs, and funds that help to support domestic violence programs.

- It's an entirely different thing when the Clinton Administration is providing our police officers with the essential technology such as mobile data terminals to help keep our officer on the street and keep our neighborhoods and community's safe.

In this City, you need to walk the talk. Bill Clinton and Al Gore have hopped, skipped, ran and walked the talk! *The undeniable fact is that this City is safer than it was four years ago*

On the other hand, Bob Dole and Jack Kemp have tripped, stumbled, dodged, sputtered, fizzled -- they are the NRA's best hope and American cities' worst fear.

Here's what's disturbing about Bob Dole and Jack Kemp --

- It's disturbing that Bob Dole and Newt Gingrich, with the help of the National Rifle Association, opposed the Brady Bill and tried to repeal the assault weapons ban.
- It's disturbing that when faced with the prospect of taking handguns out of the arms of felons, Jack Kemp, an avid NRA ally, has the nerve to say, "My idea of gun control is a steady aim."
- It's disturbing that Bob Dole, an avid NRA supporter who has a record of opposition to gun control, suddenly, with the help of public opinion, makes a cinderella switch to saying he is a supporter of an assault weapons ban.

- It's disturbing that Jack Kemp, during the 1988 presidential campaign, said "As a member of Congress, I have consistently opposed any form of gun control and if elected president, I will continue my commitment to this Second Amendment Right.

Now I know that Jack Kemp played football, and I suppose one of his favorite plays was the quarterback sneak, where the quarterback tries to sneak across the line of scrimmage. I guarantee you the Dole/Kemp ticket will be trying to sneak assault weapons and the NRA past the public in this year's election.

And let me tell you, the defenders in this football game are the police officers whose brothers have been shot and killed by assault weapons. They are the innocent family members like Raejean Stotler, of Lakewood, whose daughter was shot to death by a man wielding an assault weapon, leaving a husband and a three-year-old daughter. The defenders are the other mothers and fathers, the wives and husbands and sisters and brothers of those whose lives were also ended by these vicious weapons of war.

And the others who will make sure that Dole and Kemp do not let the NRA sneak by these weapons back onto our streets are Mayors like myself who can attest that assault weapons ban and the crime bill are working.

America is safer than it was four years ago. Denver is safer than it was four years ago. We need to keep the vision for a safer America alive and experience tells me we can do this by reelecting Bill Clinton and Al Gore in 1996.

###

Dole, Kemp to visit

Downtown rally set for GOP ticket

By The Denver Post

Republican presidential nominee Bob Dole will arrive in Denver today for a late-afternoon rally downtown at California and 17th streets.

Dole will be joined by running mate Jack Kemp for the duo's first campaign stop after the Republican National Convention. Dole and Kemp will stay overnight and depart at 9:30 a.m. tomorrow for a campaign stop in Chicago.

Dole is expected to arrive at Denver International Airport around 3:30 p.m. and is expected to arrive downtown for the rally at about 4:30 p.m.

Among the guests of honor will be Suzy Prell, Allie Cesteros and Michelle Sulewski, three lifeguards who grabbed the media spotlight last week when they saved a pregnant Parker woman from drowning at an area swimming pool.

The rally is expected to last until 6 p.m.

Joining Dole and Kemp will be



The Denver Post / Helen H. Davis

Kim Willis, a staffer with the Dole campaign, helps Colorado make signs for this afternoon's rally, volunteers with the Young Republican League of Colorado make signs for this afternoon's rally, slated for 4:30 at 17th and California streets.

Sen. Ben Nighthorse Campbell and Reps. Dan Schaefer and Scott McInnis.

Colorado is viewed as a critical battleground for Dole's presidential hopes. President Clinton carried the state four years ago, but Republicans view Colorado as a GOP state that should fall into the Dole camp.

Denver Mayor Wellington Webb

sent a letter to Dole yesterday voicing pleasure that Denver would be his first campaign stop after the convention, but the Democrat went on to tell Dole that it is because of Clinton that Denver is better off today than it was four years ago.

"It is no coincidence that for the past four years, Denver's overall crime rate has dropped 10 percent

each year," Webb wrote. "President Clinton has seen to it that 17 new police officers now patrol the streets of Denver and almost 400 new police officers now patrol the streets of Colorado cities."

Webb also mentioned Clinton's support for federal transportation money for Denver to build new viaducts, and Clinton's support of the RTD light-rail project.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

10-8-96

October 1, 1996

MEMORANDUM FOR THE PRESIDENT

From: Carol H. Rasco

Subject: Weekly Report for September 21-27, 1996

UPDATES ON KEY INITIATIVES

WELFARE REFORM IMPLEMENTATION

Start of New Block Grant Program Replacing AFDC -- As of October 1, the new Temporary Assistance for Needy Families (TANF) block grant went into effect, although states may choose to delay their entry into the program until July 1, 1997. Approximately eleven states have filed state plans with HHS as of the October 1 date. HHS approved Wisconsin's and Michigan's plans on September 30.

Wisconsin Waiver -- HHS wrapped up its activities on the Wisconsin waiver request on Monday, September 30 by sending the state two letters. One letter addressed the state's requests on welfare by informing the state that it no longer needs waivers to implement its welfare reform plan. The other letter rejected the state's request on Medicaid by saying that it goes against our principles on health care coverage, and will offer to work with the state on alternative proposals. USDA expects to resolve food stamp waiver questions this week as well.

CHILD WELFARE

Illinois Waiver -- The Department of Health and Human Services recently approved Illinois' child welfare waiver, the second of ten child welfare waiver demonstration projects. Delaware's waiver was the first to be approved. The Delaware and Illinois waivers are for subsidized guardianship, a new status in between foster care and adoption for cases in which family reunification is not possible and the foster parent wants a permanent relationship but does not want to adopt.

HIV/AIDS

Grandmothers/Guardianship Project. DPC and HHS representatives met to discuss the plight of AIDS orphans and possible measures to address various guardianship options for parents dying from AIDS and their children. DPC is analyzing options with HHS for a possible AIDS event in October with the President or First Lady.

96 OCT 1 P2:00

*(Must be on
all waivers on
welfare
Medicaid
child welfare
food stamp)*

*how many in
each category to how
many states*

CRIME AND DRUGS

COPS Funding -- On Saturday September 28, 1996, the Vice-President announced that the COPS program is providing \$147.9 million in funding to hire 1896 new community policing officers in 41 States.

ENVIRONMENT

Air Tanker Legislation: DPC staff have been working to expedite legislation that would make excess DOD airplanes available to suppress wildfires. The legislation has passed the Senate as a freestanding bill, and has a promising outlook in the House.

Dredging in the Port of New York and New Jersey: Two important steps were taken last week to implement the Administration's initiative to get dredging moving in the Port of New York and New Jersey. Specifically, EPA issued its rule related to testing procedures and the Corps of Engineers provided interested parties with a draft of the long-term options for disposal of dredged material. At the same time the economic interests (the unions, the port and companies) are very concerned that permits to dredge have not yet been issued. DPC and CEQ staff have met with interested groups and have been working to communicate to the Departments the high priority that should be given to resolving any issues related to permits. The Departments have taken some actions to issue permits in a timely way. This issue will continue to require attention in the coming months.

WOMEN'S ISSUES

Abortion Veto Override -- DPC staff worked closely with Legislative Affairs and the Women's Office throughout the effort to sustain the President's veto. The override effort is clearly not the end of this effort, and Senator Boxer introduced potential compromise language following the override vote that we will be looking at as a hopeful approach for next year.

Domestic Violence. My staff is working with HHS, DOJ and the Office For Women's Initiatives and Outreach to draft a Presidential Directive to the Sec. of HHS and the Attorney General. The directive would offer states technical assistance and support to implement the Family Violence Amendment to the welfare reform law. The Family Violence Amendment invites states to increase services and add protections in cases of battering or extreme cruelty. We are expecting to release the directive October 3 in conjunction with a crime event and the beginning of Domestic Violence month.

EXTERNAL ACTIVITIES

MEETINGS AND SPEECHES

Monday, I met with Kathleen Connell, Controller of California and Brad Kane, Deputy Controller of California regarding welfare reform.

Tuesday, I gave the keynote address at the opening of the Harry Smith Family Daycare Center and celebration of the Rolling Heights Center in Owensboro, Kentucky. These are two non-profit child care facilities that serve low-income families who are employed or enrolled in educational programs (college vocational or job training). I also held a roundtable discussion at Rolling Heights with faculty and family members and toured both facilities.

Wednesday, I held a welfare reform implementation meeting with the National League of Cities, the National Association of Counties, and the US Conference of Mayors.

Thursday, I gave the keynote speech at the Families and Communities Together: Prevention Works Conference in Orlando, Florida. I also held roundtable discussions with the Executive Board, the Conference Planning Committee and a youth group.

Friday, I traveled to Tallahassee, Florida and met with child welfare and child health care officials and participated in a working group luncheon hosted by Mrs. Chiles. On Saturday I was the keynote speaker at the Tallahassee, Florida site of the "UN Women's Conference One Year Later." Friday evening I held media interviews about the conference, attended a reception with Florida women leaders, and attended a dinner with conference Steering Committee members.

Child Welfare/Children and Family Issues. A member of my staff spoke via teleconference on children's issues and child welfare reform to students at the Honors College of Henderson State University in Arkansas.

10-8-96

major fire outside of Boise. Secretary Glickman recently announced that rural fire protection projects by USDA's AmeriCorps program have protected property from destruction and will save rural homeowners in AK, LA, SC, and VT an estimated \$48 million in one year.

- **Media Activities:** *USA Today* will interview Forest Service law enforcement officers about drug enforcement programs on the Daniel Boone National Forest in KY. *The Economist* inquired about food stamps for a story on welfare reform. *Jim Lehrer's NewsHour* asked for information on welfare reform and legal immigrants vis-a-vis food stamps in CA. New Orleans, LA's *Times Picayune* asked Forest Service regional officers recently about military use of America's national forests. The upcoming story follows a recent LA National Guard proposal to use part of a 10,000-acre tract on the Kisatchie National Forest for training. CBS's *60 Minutes* requested information on USDA's tobacco program.
- **Secretary's Schedule:** On October 4, Secretary Glickman will participate in events in Aberdeen and Watertown, SD. On October 5, the Secretary will participate in events in Great Falls and Shelby, MT. On October 10, the Secretary will participate in events in Council Bluffs, Des Moines, Pleasantville, and Sioux City, IA. On October 11, Secretary Glickman will participate in events in Lansing and Saginaw, MI.

DEPARTMENT OF ENERGY

- **Heating Oil Prices:** Secretary O'Leary met with Senators Dodd and Lieberman and Congressman Joe Kennedy regarding the low inventory of home heating oil and the resulting projected price increases. There is growing concern about the low home heating oil inventory as the winter heating season approaches. Spot (wholesale) and futures markets for home heating oil have responded to low inventory levels in recent weeks by moving higher. Higher consumer prices are expected this winter. Low inventory levels could cause supply and distribution problems in the Northeast and Midwest this winter.

- **Environmental Molecular Science Laboratory, Hanford, WA:** On October 6, the DOE will dedicate the EKMSL, a \$229 million construction project at the Pacific Northwest National Laboratory (PNNL). The dedication will highlight the Administration's commitment to science and the environment and stimulate economic growth in the private sector.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

10-8-96

96 OCT 14 09:04

October 4, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
September 27 - October 4, 1996

Leon Panetta

DEPARTMENT OF TREASURY

*Put into few matters
Page 1
down*

- **Reduction in Force (RIF):** The FY97 Omnibus Reconciliation Act requires the IRS to submit a report to Congress before it proceeds with RIFs in the field. Headquarters RIFs are presently scheduled for March 31, 1997. Approximately 2,400 employees would be affected by the field RIFs and another 2,300 by headquarters RIFs.
- **Illegal Firearms Dealer Sentenced:** On September 26, a Kansas City, MO, man pled guilty to illegally selling more than 1,300 firearms and was sentenced to a 71-month prison term. The investigation originated through traces conducted on crime guns. These traces determined that the subject, by not requiring permits and falsifying records, sold firearms illegally.
- **Youth Crime Gun Interdiction:** Beginning in November, ATF's National Tracing Center will provide monthly reports on gun trafficking patterns to participating police departments, prosecutors, and researchers. A plan is also being developed to provide additional support to participating local police departments to strengthen crime gun tracing infrastructure and increase the number of crime guns traced.
- **Church Fires Update:** - On September 28, Mark Logan, ATF Special Agent In Charge of NC, attended a meeting in Raleigh, NC, with Bridge Builders, a multi-racial organization which promotes racial harmony. On September 18, a white male subject who confessed to 11 recent arson fires in Memphis, TN, entered a guilty plea to 11 counts in U.S. District Court in Memphis, TN. The arson fires occurred at five churches (all with predominantly white congregations), two schools, three businesses, and one unoccupied dwelling under construction.

- **Postal Borrowing:** Treasury has implemented two new borrowing facilities through the Federal Financing Bank (FFB) for the Postal Service: a short term and an overnight line of credit. On September 30, the Postal Service borrowed an aggregate of \$1.5 billion from the FFB.
- **Historically Black College and Universities (HBCU) Capital Financing Program:** On October 9, DOEd will hold a public event to announce the \$3.5 million HBCU loan to West Virginia State College. The HBCU Advisory Board, Treasury officials, and others will be invited to participate.

DEPARTMENT OF COMMERCE

- **The following economic indicators will be released during the next two weeks:**

Housing Completions (August)	October 4
Wholesale Trade (August)	October 9
Advance Retail Sales (September)	October 11
Quarterly Financial Report -- Retail (2nd Q.)	October 16
Manufacturing and Trade: Inventories and Sales (August)	October 17
Housing Starts and Building Permits (September)	October 17
U.S. International Trade in Goods and Services (August)	October 18
- **Commercialization of Defense Technology Conferences:** On October 8, in San Diego, CA, and on October 10, in Oakland, CA, the Economic Development Administration (EDA) and Bureau of Export Administration (BXA) will join SBA in hosting conferences on technology transfer.
- **ITA Success Story:** On September 18, InterDigital Communications Corporation announced that it had signed a contract with the Pakistan Telecommunications Company Limited. The contract, valued at approximately \$43 million for UltraPhone, a digital, wireless, local-loop system, is its largest single order to date. Deliveries to Pakistan will begin in the second half of 1997 and continue into 1998. InterDigital estimates that this contract contains nearly \$37 million in U.S. export content and will support about 630 jobs in the following states: CA, FL, IL, MD, MA, OH, NC, OR, NY, PA, SC, TN, and TX.
- **BXA Success Story:** This week, BXA achieved a major defense trade advocacy success when AV Technology Inc. (an affiliate of Lockheed Martin) won the rights to negotiate a \$350 million contract with the Kuwait National Guard to supply up to 106 armored personnel carriers.

- **Ireland Trade Conference:** ITA continues to prepare for the U.S. Conference for Trade and Investment in Northern Ireland and the Border Counties of Ireland, to be held in Pittsburgh, PA, on October 6-8. U.S. dignitaries as well as U.K. and Irish ministers are expected to attend.
- **Oil Spill Response:** DOC is responding to a 170 million gallon oil spill that occurred September 27 on the Fore River in Portland, ME. This spill occurred when the Liberian-flagged tanker *Julien* (owned by New York based Maritime Overseas Corporation) hit the Million Dollar Bridge. The HAZMAT office in Seattle, WA, prepared trajectory and weather information for the response and is continuing to work closely with local officials. Local fishermen are extremely concerned about loss of high-seasoned dollars for lobster catches.
- **Secretary's Schedule:** On October 6-7, Secretary Kantor will participate in the U.S.-Ireland Conference in Pittsburgh, PA. On October 7-8, the Secretary will travel to Detroit and Lansing, MI, for events. On October 10-11, he will travel to Portland, OR, and Seattle, WA, for several events.

DEPARTMENT OF LABOR

- **Canadian Auto Workers:** On October 3, the Canadian Auto Workers began a strike against General Motors' Canadian subsidiary. The strike will not derail ongoing talks with the United Auto Workers. A lengthy strike could affect parts shipments to plants in the U.S.
- **Steelworkers:** On October 1, 4,500 Steelworkers went on strike at eight facilities of the Wheeling-Pittsburgh Steel Corporation in OH, PA, and WV, after negotiations failed to produce agreement on a new contract. The company's pension plan is the principal issue in dispute. The company has stated that it does not plan to perform any production work during the strike.
- **Pabst Brewing:** On September 27, the federal district court in WI denied a retirees' motion for preliminary injunction in Pabst Brewing Co. v. Corrao, a private suit under the Employee Retirement Income Security Act (ERISA). The DOL filed an amicus brief in support of the retirees, who were challenging the legality of Pabst's decision to terminate health benefits for certain retirees. The court found that the collective bargaining agreement and related insurance documents did not legally obligate Pabst to provide lifetime health benefits to retirees.

- **Secretary's Schedule:** On October 8, Secretary Reich will participate in an event to highlight the hazards of workplace fires. Secretary Reich will discuss common sense tips to prevent and avoid workplace fire disasters. On October 9, the Secretary will discuss the DOL's activities to help disabled workers adjust to new economic realities at a speech at Gallaudet University. On October 10, Secretary Reich will deliver a speech about sweatshops to the National Association of Jewish Women in New York.

DEPARTMENT OF TRANSPORTATION

- **FAA Reauthorization:** On October 3, the Senate passed legislation to reauthorize the FAA by a vote of 92-2. The bill includes funding for airports, additional security called for by the Gore Commission, and also FAA reform. The debate focused on a controversial provision that designates Federal Express as an express carrier under the Railway Labor Act. The provision requires that unions representing FedEx employees organize nationally. The provision was vigorously opposed by organized labor.
- **Secretary Travels to CA:** On October 7, Secretary Peña will speak before the annual meeting of the American Public Transit Association in Anaheim. On October 8, Secretary Peña will announce a full funding cooperative agreement for the Advanced Technology Transit Bus in Los Angeles, CA. The Secretary will also visit and tour the Los Angeles Airport and receive a security brief with Congresswoman Harmony. The Secretary will be in San Bernadino with Congressman Brown to tour the railyard and meet with local transportation leaders. On October 8, the Secretary will be in El Segundo along with Senator Boxer and Congresswoman Harmony for a Stealth Bus announcement. On October 9, Secretary Peña will attend a ribbon cutting event of a new CNG Bus Facility with Congressman Fazio outside Sacramento, CA.
- **Portland Oil Spill:** On September 27, the Coast Guard responded to an collision between the Liberian-flagged tankship JULIE N and the million dollar bridge in Portland, ME. The Coast Guard has directed booming and cleanup operations of the 175,000 gallon spill mixture of #2 and #6 fuel oil. The cleanup operation has progressed well with over 300,000 gallons of oil-water mix recovered. Secretary Peña has spoken to both the Mayor and the Governor, who expressed their satisfaction with the federal response.
- **Peru Crash:** On October 2, a Boeing 757 crashed off the coast of Peru October 2. Four Americans were among the dead. The Boeing 757, bound for Santiago, Chile, reported equipment failure immediately after take off from Lima. The FAA has sent an accident investigator and another Spanish-speaking staff member to Peru to assist.

- **OH Grant:** On September 30, Secretary Peña announced that the FAA will award a \$1million grant to Youngstown-Warren Regional Airport in northern OH. The grant will fund planning for runway expansion, a part of the proposed air cargo port. DOT continues to work on a long-term funding package for the cargo facility.
- **Iranian Overflights:** On September 27, the FAA rescinded the Special Federal Aviation Regulation (SFAR) that had prohibited overflight of Iran by U.S. registered aircraft. The SFAR was published in response to the establishment of an active I-Hawk missile site in close proximity of one of the major international air routes used by civil aircraft overflying Iran. The SFAR was rescinded upon verification that the I-Hawk missile site had been deactivated and the equipment dismantled. There continues to be congressional interest in this issue.
- **ValuJet Found Fit to Resume Operations:** On September 26, DOT issued a final order finding ValuJet Airlines fit, willing and able to resume its domestic scheduled air service. The action finalized DOT's tentative findings in its August 29 show cause order. DOT concluded that ValuJet met its three-part fitness test: skilled management, adequate financing, and disposition to comply with the law. ValuJet had not operated since June 18, pursuant to a consent order between the carrier and the FAA. The FAA approved reinstatement of ValuJet's operating privileges on August 29.
- **Meigs Field Airport:** On September 30, Meigs Field in Chicago, IL, was closed.
- **TWA 800:** The TWA 800 investigation team, headed by the NTSB, resumed its retrieval of wreckage after a brief interruption for weather. Diving should be completed by mid-October. Independent efforts of the NTSB's private contractor have located additional pieces from the center fuel tank, which is now 80 percent recovered. 95 percent of the cabin seats from over the center fuel tank are recovered. Some important items, such as a scavenger fuel pump and several fuel probes, have not been found.
- **Alameda Corridor:** The \$400 million DOT project loan was approved as part of the FY97 omnibus appropriations bill.

UNITED STATES TRADE REPRESENTATIVE

- **Japan Insurance:** On October 1, Ambassador Barshefsky announced an interim agreement between the U.S. and Japan that will establish the basis for a full resolution of all issues in the insurance negotiations by the end of the year. For over a year, the U.S. has been concerned that Japan intended to implement insurance reform in a way that targeted the third sector without any significant deregulation of the primary sectors. In the interim agreement, Japan has agreed to restrict the subsidiaries' operations in the third sector through the end of the year, pending an overall negotiated solution addressing primary sector deregulation as well as temporary limitations in the third sector.
- **Travel:** Ambassador Barshefsky will travel to Rochester, NY, and New York City next week to participate in a number of events.

SMALL BUSINESS ADMINISTRATION

- **Debate Watch Events:** On October 6, Administrator Lader will be in PA. On October 9, he will be in St. Petersburg, FL.

FEDERAL MANAGEMENT EMERGENCY AGENCY

- **Fire Prevention Week:** On October 12-13, events will be held at the National Fallen Firefighters Memorial to honor fallen firefighters and their families. On October 13, fire departments across the nation may join in tribute by lowering flags to half-staff and sounding sirens at noon.

DEPARTMENT OF JUSTICE

- **Project Life Campaign:** On September 10, two Air Force chaplains, a military service member and his wife, and the Muslim American Military Association filed suit against the DOD. Rigdon, et al. v. Perry, et al. (D.D.C.) As part of the "Project Life Campaign," Roman Catholic military chaplains urged their parishioners to send postcards to Congress in support of the Partial Birth Abortion Ban Act. Plaintiffs challenge DOD's decision prohibiting such action under DOD regulations and the anti-lobbying statute, claiming DOD's decision violates their rights under the First Amendment and the Religious Freedom Restoration Act.

- **MI Housing Discrimination:** On September 26, in United States v. Park Woods Apartments (E.D. Mich.), the court entered a consent decree in which a suburban Detroit apartment complex agreed to pay \$475,000 to settle a suit that the Department brought last year as part of its fair housing "testing" program. The settlement is the largest that the Department has obtained through the testing program.
- **Rodney King:** On September 26, in United States v. Koon and Powell (C.D. Cal.), resentencing of two defendants in the federal government's prosecution stemming from the Rodney King beating -- Stacey Koon and Laurence Powell, former officers with the LA Police Department -- resulted in the same sentence of 30 months imprisonment initially imposed in 1993, and that the defendants have already served. In addition, the court rejected the government's request that defendants be fined, stating that they did not currently have the ability to pay a fine.
- **TX ADA Certification:** On September 23, DOJ certified that the TX Accessibility Standards meet or exceed the new construction and alterations requirements of the Americans with Disabilities Act (ADA). TX becomes the second state to earn this certification, which will facilitate voluntary compliance with the ADA's building standards by making those standards readily available to builders along with their general building code.
- **BCCI Case:** On September 20, U. S. District Court Judge Green issued a 5th Order of Forfeiture in the BCCI case, directing the transfer of an additional \$211 million to the United States. The new order brings the amount forfeited in the BCCI case to \$935 million, plus interest, not counting the value of the assets of First American Bank which will also be transferred to the government once the liquidation of the bank's assets is complete.
- **Child Pornography:** On September 25, in NV, John David Hotal was indicted on two counts of receiving child pornography through the mails and possessing other child pornography. This indictment arose out of a two-year national investigation by the U. S. Postal Inspection Service known as "Project Special Delivery." As part of the project, 130 search warrants in 36 states were executed. To date, over 45 individuals have been charged in this case.
- **Former SS Officer:** On September 22, Hans Gehrels, a former SS-Sturmbannführer Major and official in the Security Service of the Reich Security Main Office was blocked from entering the United States from Canada on a cruise ship destined for Bar Harbor, ME.

- **NY Crack Gang:** This week, members of the notorious Bedford-Stuyvesant Crack Gang have been indicted for nine murders. It is believed that gang members killed witnesses who were supposed to testify against the gang leader. One mother leapt to her death when her apartment was set ablaze by gang members. The charges also include numerous shootings and firebombings, as well as the operation of a lucrative drug trafficking ring.
- **LA Food Stamp Fraud:** This week, six central LA men have been charged with conspiring to cheat the food stamp program of more than \$3.2 million. This is the third multi-million dollar food stamp prosecution in the Alexandria, LA, area this year. The indictment also charged four defendants with making false statements, money laundering, and theft of government property. The defendants face a fine of \$500,000 and 20 years in prison.
- **1,800 Pounds of Cocaine Seized in El Paso:** On September 20, DEA and U.S. Customs Service Agents executed a search warrant at a private El Paso, TX, residence believed to be a cache location. The search resulted in the seizure of 1,800 pounds of cocaine and the arrest of two Mexican nationals.
- **Heroin Seized at Boston International Airport:** On September 18, U.S. Customs personnel arrested a U.K. subject at Boston International Airport after finding 27 pounds of heroin in wood carvings.
- **MS Voter Registration Case:** Young v. Fordice involves state implementation of the "motor voter" act. While the act only requires expanded opportunities for voting in federal elections, many states also apply these procedures to state and local elections. Initially, MS did apply motor voter provisions more broadly, but recent actions by the secretary of state and the attorney general made NVRA registrants only eligible to vote in federal elections. DOJ filed suit claiming that these changes would require preclearance from DOJ under the Voting Rights Act. The district court found for the state, that clearance was not required. The Supreme Court has noted probable jurisdiction.

- **Supreme Court Oral Arguments for October 1996 Term:** Turner Broadcasting v. FCC on October 7, supporting the constitutionality of the must-carry provisions of the Cable Television Act of 1992. Ohio v. Robinette on October 8, arguing the Fourth Amendment question of when a "seizure" ends and a "consensual encounter" begins in the context of a valid traffic stop. Lopez v. Monterey County, CA on October 8, on the issue of a district court allowing a jurisdiction covered by Section 5 of the Voting Rights Act to conduct elections without receiving preclearance. O'Gilvie v. United States on October 9, contending that a punitive damage award in a wrongful death action is not excluded from gross income as "damages received on account of personal injuries or sickness."
- **Attorney General's Schedule:** On October 7, Attorney General Reno will make a formal introduction of Solicitor General Dellinger to the Supreme Court.
- **Press/Media Inquiries:**
On October 6, The *New York Times* will run an article on our successful prosecution of Rezaq, who was responsible for the deadliest hijacking in history.

This week, The *Washington Post* is doing a 5 part series on the sentencing guidelines and possible racial disparities.

The *New York Times* is working on a piece on the civil rights accomplishments of the Administration. Deval Patrick will be interviewed.

The *Los Angeles Times* is working on a piece on allegations that the CIA helped funnel drugs into minority neighborhoods.

The *Washington Post* is working on a story focusing on Tampa, FL's federal assistance to fight crime.

The *New York Times* and *Dallas Morning News* are working on overviews of the Administration's immigration programs as part of a larger series on the Administration's initiatives.

The Los Angeles Times is doing a story on enforcing marijuana laws.

The *Washington Post* is running a story on DOJ's investigation into the Los Angeles Police Department.

The *New Orleans Times Picayune* is working on a story concerning Megan's Law.

The *Washington Post* and *Legal Times* may be running stories on the issue of pardons.

The *New York Times* is working on a story concerning discrimination by insurance companies against minority homeowners.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Teen Birth Rate:** The teen birth rate dropped 3 percent from 1994 to 1995, the fourth straight year of decline. The HHS annual vital statistics report, which will be released on October 4, reveals broad gains in national health indicators. For the first time in nearly two decades, unmarried childbearing fell 4 percent from 46.9 births per 1,000 unmarried women aged 15-44 years in 1994 to 44.9 in 1995. The number of non-marital births also declined 3 percent in 1995 to approximately 1,248,000, and the proportion of births to unmarried mothers fell 2 percent to an estimated 32 percent in 1995. The proportions for white (25.3 percent) and black births (69.5 percent) were about 1 percent lower than in 1994, while the proportion for Hispanic women (40.8 percent) was 5 percent lower than in 1994. In addition, the proportion of mothers beginning care in the first trimester continued to rise for the sixth consecutive year.
- **CA Welfare Proposal:** On October 3, Secretary Shalala announced the approval of the seventh CA welfare waiver, the 79th state demonstration approved under the Administration. The Work Pays Demonstration Amendments would amend the Assistance Payments Demonstration to encourage minor parents to live at home by disregarding income from grandparents living in the same household when determining welfare eligibility.
- **IL Tobacco Lawsuit:** IL will join 15 other states in suing the tobacco industry for millions of dollars spent treating smoking related illnesses. Attorney General Ryan also proposed a sweeping package of legislation further restricting the sale of tobacco to minors. Among other things, it would require retailers to obtain a license before selling tobacco, restrict access to cigarette vending machines, and increase penalties for minors caught smoking.
- **Kurds Resettlement:** About 800 Kurdish evacuees have been screened by the INS and determined to be eligible for asylum and resettlement in the U.S. The first group is expected to arrive in the continental U.S. during the week of October 13, after completion of medical and security procedures. The Office of Refugee Resettlement (ORR) at HHS has contracted with the national voluntary agencies to secure sponsorships for these asylees and to facilitate placement into their new communities. ORR has also contracted with the International Organization for Migration to arrange for transportation from Guam.

- **Temporary Assistance to Needy Families:** On September 30, ACF sent letters to MI and WI confirming completeness of their Temporary Assistance to Needy Families state plans. Therefore, the states are able to implement their welfare plans with an effective date of October 1.
- **WI Medicaid Waiver:** On September 30, HHS informed WI Governor Thompson that WI's proposed 1115 Medicaid waiver would not be approved. The proposed waiver was signed into law on April 25, 1996, as part of Wisconsin Works, a program that would require work or job training in exchange for aid to families. HHS received the State's proposal on May 31, 1996. HCFA informed WI that the Medicaid proposal is not approvable in its current form because it runs counter to the Administration's commitment to maintain a federal guarantee of health care for low-income persons. HCFA is meeting with state officials to discuss the Medicaid proposal on October 9. *What about the waiver? When can they get it?*
- **HIV Spousal Notification:** HHS is preparing a Federal Register notice that states take administrative or legislative action to require that a good faith effort be made to notify a spouse of a known HIV-infected patient that such spouse may have been exposed to the human immunodeficiency virus and should seek testing. States that fail to take this action will be ineligible to receive grant funds under the Ryan White CARE Act.
- **Child Health Day 1996:** On October 7, HRSA's Maternal and Child Health Bureau will hold a colloquium on Child Health Day. Under a Joint Resolution of Congress, Child Health Day has been proclaimed by the President of the United States since 1928. This year's theme is violence prevention.
- **NJ Township Bans Cigarette Vending Machines:** In Cinnaminson, NJ, the Town Council unanimously approved an ordinance banning cigarette vending machines in the township.
- **National Flu Shot Initiative:** On October 7, at a press conference in Chicago, Acting Surgeon General Audrey Manley will give advice columnist Ann Landers a flu shot kicking off the campaign to encourage older Americans to get their flu shots.
- **University Research Grants:** On October 2, the Health Care Financing Administration announced that it has awarded six universities federal grants totaling \$663,148 to encourage health services research. The grants are a part of the Historically Black Colleges and Universities grants program, which focuses on HCFA's research and demonstration projects related to health care services in the African-American community. The grants were awarded to Alcorn State University in Lorman, MS; Florida A & M in Tallahassee, FL, Howard University in

Washington, D.C., Morgan State University in Baltimore, MD, Tennessee State University in Nashville, TN, and the University of Maryland-Eastern Shore in Princess Anne, MD.

- **Telemedicine Projects:** On October 7, Secretary Shalala will announce a range of new activities to promote telemedicine development in the U.S. The new actions will include funding for 19 telemedicine projects, affecting rural, inner-city and suburban areas, totaling \$42 million, and a demonstration project enabling Medicare to pay for health care services delivered via telemedicine. HHS will coordinate roll-out with the Vice President's office.
- **Medical Products Internet Promotion:** On October 16, FDA will hold a public meeting to discuss the advertising and promotion of prescription drugs, biologics, and medical devices over the Internet. Consumers, patient groups, health-care professionals, and manufacturers of FDA-regulated products have been invited to attend.
- **New Medical Device:** On September 25, an FDA advisory panel unanimously recommended approval of the Freehand System, which consists of an implanted device that uses electrical stimulation to restore some hand movement to those with certain spinal cord injuries. NeuroControl Corporation of Cleveland, OH, announced the approval as a major milestone in achieving commercial availability.
- **FDA Medical Device Approvals:** FDA approved 43 applications in FY96 for new medical devices, compared to 27 in FY95. This is the highest number of new device approvals in six years. About 50 percent of these devices represent unique advances in diagnostic and treatment technology.
- **Small Business Guide:** In an effort aimed at easing small business communication with the agency, FDA has made a Small Business Guide to FDA available on the Internet.
- **Secretary's Schedule:** On October 6, Secretary Shalala will be in Hartford, CT, to attend the debate. On October 7, Secretary Shalala will be in MA to attend events with Senator Kerry and Phil Johnston. On October 8, Secretary Shalala will offer brief remarks for the Forum of Executive Women of Philadelphia at the White House. On October 9, Secretary Shalala will attend the Vice Presidential debate. On October 10, Secretary Shalala will attend an event for Carolyn McCarthy in NY. On October 11, Secretary Shalala will conduct an on line Women's Wire interview on the anniversary of the Beijing Conference. On October 12, Secretary Shalala will be in Seattle, WA, to attend events with State Senator Kevin Quigley and Jeffrey Coopersmith.

- **Sudden Infant Death Syndrome:** On October 11, *Mortality and Morbidity Weekly Report* is scheduled to carry an article on sudden infant death syndrome (SIDS) in the U.S. SIDS is the leading cause of postneonatal mortality in the U.S. The report will analyze the ages, race and region-specific data for SIDS during 1983-1993 using infants aged 364 days born to U.S. residents.
- **Managed Care:** The October 2, 1996 *Journal of the American Medical Association* includes a study entitled regarding "Differences in 4-Year Health Outcomes for Elderly and Poor, Chronically Ill Patients Treated in HMO and Fee-for-Service Systems." The article reports on a 4-year study from 1986-1990, indicating, among a chronically ill population, the elderly and poor had worse physical health outcomes in HMOs than under fee-for-service systems. The study found no difference for the non-poor and non-elderly between HMOs and fee-for-service.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Public Housing/Welfare Grants:** On October 8, Secretary Cisneros will announce the award of \$716 million in public housing grants and Section 8 rental vouchers to help 74 cities nationwide transform decaying public housing developments into communities of opportunity.
- **Women Homeowner Program:** On October 10, Secretary Cisneros will join female celebrity artists in Los Angeles, CA, to promote the Administration's efforts to help more career women and single mothers own their homes. Fewer than 20 percent of young women heading households own their own homes. The initiatives include: (1) a dedicated, toll-free line; (2) a nationwide women's homeownership counseling network; (3) a model women's homeownership counseling curriculum; (4) special outreach and referral training for women's organizations; and (5) an interactive site on the World Wide Web.
- **New Bridal Registry Initiative:** On October 3, Secretary Cisneros was in New York City to launch a new initiative to help newly married couples become homeowners. The Bridal Registry initiative enables families and friends to contribute to the downpayment on a new house as a wedding gift for a bride and groom. Over 30 FHA-approved lenders nationwide have agreed to participate in this initiative.
- **Secretary's Travel:** Secretary Cisneros will also participate in homeownership events in New Haven, CT, Saginaw, MI, and Canton, OH.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **New York Trip:** On October 7, Director McCaffrey will visit New York City to participate in a series of interviews for the inauguration of the Fox world-wide news network. On October 8, Director McCaffrey will address the Fifth Annual Conference on the Americas, a special forum on the Administration's drug policy in the Western hemisphere sponsored by the *Wall Street Journal*.
- **Texas Trip:** On October 9, Director McCaffrey will visit TX with planned stops in Dallas, San Antonio, and Houston. In Dallas, the Director will hold a law enforcement roundtable and address the Dallas Committee on Foreign Relations. He will also address Highland Park High School students on drug prevention and participate in a National Anti-Drug campaign launched by American Youth Soccer. In San Antonio, the Director will attend a Students Against Drunk Driving (SADD) press conference and deliver the keynote address to the Texans' War on Drugs. In Houston, Director McCaffrey will meet with leaders of Families Under Urban and Social Attack and give a keynote address to the Houston World Affairs Council.

DEPARTMENT OF INTERIOR

- **Headwaters Update:** Environmentalists in northern CA are not happy with the recent agreement by the federal and state governments to acquire 7500 acres of virgin old growth redwood forest (known as Headwaters). They are skeptical that habitat will be adequately protected by the agreement's creation of a habitat conservation plan for all of Pacific Lumber's property, approximately 205,000 acres of land. Though the acquisition for a permanent preserve protects an entire watershed, environmentalists are insisting that the government should be acquiring 60,000 acres. On October 2, U.S. District Judge Louis Bechtel in Philadelphia, PA, denied the environmentalists' latest request for a restraining order to prevent salvage logging in the ancient groves.
- **Timber Act Update:** On September 30, the "sufficiency" language related to the Rescissions Act expired. This language deals with the 318 sales of old growth stands originally offered under the FY90 Appropriations Act. On September 27, the Sierra Club sought a temporary restraining order (TRO) requiring that BLM and the Forest Service suspend all their sales. On September 30, the court declined to issue a TRO but ordered the agencies to produce detailed information on the relevant sales by October 1.

- **Omnibus Parks Bill Update:** On September 28, the House approved bipartisan omnibus parks legislation. While the legislation contains certain troublesome provisions, the package includes the most important parks issues. Under the terms of an agreement, the Administration will pledge to continue to minimize any potential economic disruption from the expired logging contracts. As a result, Senator Murkowski gave his support to the omnibus parks legislation. The omnibus parks bill includes provisions addressing management of the Presidio in San Francisco, CA, land acquisition in Sterling Forest in NY and NJ, and establishment of the Tallgrass Prairie Preserve in KS.
- **Secretary's Schedule:** On October 6, Secretary Babbitt will be in southwestern KY for events with Dennis Null. On October 7, he will travel to Ann Arbor, MI, for events with Representative Rivers and Congressman Kildee. On October 9, Secretary Babbitt will be in Denver, CO, for a meeting with Governor Romer.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Rural Medicine/Education Grants:** On October 9, USDA will announce the award of \$7.5 million in grants that will allow 30 programs to move forward to connect rural America with the best medical and education professionals via technology. The states receiving grants are AL, AK, AZ, CA, ID, IL, IA, KS, LA, MI, MN, MS, MO, MN, NC, OK, PA, SD, TN, TX, UT, and Samoa.
- **Community Loans:** This week, USDA for the first time has obligated in all 50 states guaranteed funds for community projects, such as health care facilities, fire departments, hospitals, and facilities for the elderly. 314 direct loans totaling nearly \$208 million were awarded.
- **Tobacco-State Lawsuit:** This week, NC Governor Hunt has filed a motion seeking to join a tobacco industry lawsuit challenging federal efforts to regulate the nicotine in tobacco as a drug. The tobacco industry accounts for about 260,000 jobs in NC.
- **Sun Diamond Debarment:** On October 4, USDA will announce that Sun-Diamond Growers of California will be excluded immediately from participating in any federal purchase program. USDA is taking this action because of Sun-Diamond's recent federal court conviction for acts that seriously question the firm's business integrity and honesty.
- **Wildfire Fights Continue:** Initial attack activity continued in the Northwest and CA. The Western Great Basin reported one new large fire. There are currently 1,164 personnel supporting fire suppression activities. Nearly 6 million acres have burned this year. USDA has initiated \$1 million in Emergency Watershed Protection (EWP) funds to be redirected to ID for initial recovery work following a

major fire outside of Boise. Secretary Glickman recently announced that rural fire protection projects by USDA's AmeriCorps program have protected property from destruction and will save rural homeowners in AK, LA, SC, and VT an estimated \$48 million in one year.

- **Media Activities:** *USA Today* will interview Forest Service law enforcement officers about drug enforcement programs on the Daniel Boone National Forest in KY. *The Economist* inquired about food stamps for a story on welfare reform. *Jim Lehrer's NewsHour* asked for information on welfare reform and legal immigrants vis-a-vis food stamps in CA. New Orleans, LA's *Times Picayune* asked Forest Service regional officers recently about military use of America's national forests. The upcoming story follows a recent LA National Guard proposal to use part of a 10,000-acre tract on the Kisatchie National Forest for training. CBS's *60 Minutes* requested information on USDA's tobacco program.
- **Secretary's Schedule:** On October 4, Secretary Glickman will participate in events in Aberdeen and Watertown, SD. On October 5, the Secretary will participate in events in Great Falls and Shelby, MT. On October 10, the Secretary will participate in events in Council Bluffs, Des Moines, Pleasantville, and Sioux City, IA. On October 11, Secretary Glickman will participate in events in Lansing and Saginaw, MI.

DEPARTMENT OF ENERGY

- **Heating Oil Prices:** Secretary O'Leary met with Senators Dodd and Lieberman and Congressman Joe Kennedy regarding the low inventory of home heating oil and the resulting projected price increases. There is growing concern about the low home heating oil inventory as the winter heating season approaches. Spot (wholesale) and futures markets for home heating oil have responded to low inventory levels in recent weeks by moving higher. Higher consumer prices are expected this winter. Low inventory levels could cause supply and distribution problems in the Northeast and Midwest this winter.

- **Environmental Molecular Science Laboratory, Hanford, WA:** On October 6, the DOE will dedicate the EKMSL, a \$229 million construction project at the Pacific Northwest National Laboratory (PNNL). The dedication will highlight the Administration's commitment to science and the environment and stimulate economic growth in the private sector.

Handwritten signature and initials:
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CCCS

- **NY Energy Efficiency Initiatives:** On October 8, the New York City Public Housing Authority will install 20,000 General Electric energy efficient refrigerators in New York Housing Authority apartments. In total, there are 180,000 existing refrigerators to be replaced with energy efficient models in HUD subsidized housing units.
- **Aluminum Vision Compact:** On October 9, as part of the DOE's Industries of the Future Program, Secretary O'Leary will sign a voluntary compact establishing a partnership between DOE and the aluminum industry.
- **NJ Electricity Industry Public Meeting:** On October 10, Secretary O'Leary will host the Mid-Atlantic/Northeast regional public meeting on electricity industry restructuring with Congressman Pallone. This is the first of four public meetings to obtain input from affected constituencies on the wide range of relevant issues related to electricity industry restructuring.

DEPARTMENT OF EDUCATION

- **Modifying PSAT:** On October 1, DOEd announced an agreement under which the College Board and the Educational Testing Service (ETS) would add a multiple choice writing component to the PSAT. The agreement resolves a complaint that the test discriminates against girls, and because test results determine the pool of students eligible for National Merit Scholarships, the discrepancy results in fewer scholarships for girls than for boys, even though girls' average high school and college grades are higher. Some advocates for female examinees are dissatisfied with the resolution.
- **Sexual Harassment Guidelines:** On October 3, DOEd reissued its peer sexual harassment guidelines. Two cases of young children being suspended for alleged sexual harassment have received substantial national press attention in recent weeks. Incidents like these reported in the press do not constitute sexual harassment.
- **ED Teacher Forum:** 119 exemplary teachers from across the country will participate in this October 16-18 DOEd sponsored event. It is designed to promote cooperation between the DOEd and the country's best teachers and to encourage those teachers' participation in local reform initiatives. Secretary Riley is scheduled to address the Forum October 17.

- **Secretary's Schedule:** On October 4, Secretary Riley will make remarks at an event with Governor Miller in NV. On October 8, Secretary Riley will visit Lorraine Community College in Cleveland, OH, with Congressman Sherrod Brown. On October 5, the Secretary is scheduled to appear at the events for Michela Alioto in CA. On October 8, the Secretary will do events with Congressman Sawyer. On October 10, Secretary Riley will do events with Congressman Hefner in NC.

VETERANS AFFAIRS

- **Rape in the Military:** In mid-October, *ABC's 20/20* will air a one-hour special on rape in the military and the long-lasting psychological effects on women veterans. Dr. Alfonso Batres, Director, VA's Readjustment Counseling Service (RCS), is expected to be interviewed in early October. RCS operates a nationwide network of veterans' counseling centers.
- **New Treatment Facility Program:** VA has developed a dynamic treatment alternative for eligible dependents and survivors of certain veterans. The voluntary program will allow VA to treat beneficiaries at VA medical facilities on a reimbursable basis. The servicing facility will retain revenue generated from the program for local use. This aspect meets objectives of the Vice President's Reinventing Government program.
- **Secretary's Schedule:** On October 8, Secretary Brown will participate in events with Michela Alioto in Fairfield, CA. On October 10, he will participate in events with Tim Johnson in Fargo, ND. On October 14, he will participate in events with Paul Wellstone in MN. On October 18, he will participate in events with Robert Torricelli in NJ. On October 23, he will participate in events with David Price in NC. On October 25, he will participate in events with Sanford Bishop in GA.

ENVIRONMENTAL PROTECTION AGENCY

- **CA Clean Air Plans:** Last week, EPA approved CA's plans to meet federal health standards in Los Angeles, Southeast Desert, Sacramento, San Joaquin, San Diego, and Ventura. Although CA's air quality has improved markedly in recent years, it remains the worst in the nation. More than three-quarters of all Californians are currently exposed to health-threatening levels of air pollution.

- **Toxic Air Pollution Report:** This week, EPA plans to issue an interim report to Congress on toxic air pollution from the electric utility industry. This interim report contains an assessment of the toxic air pollutants emitted from utility plants, an estimation of the health risks and a discussion of options for reducing toxic emissions. The report does not make any regulatory determinations regarding the need to control air toxins from electric utilities. Such a determination will not be made until EPA issues the final report in 2-3 years.

GENERAL SERVICES ADMINISTRATION

- **Good Neighbor Program:** On September 30, Administrator Barram introduced a new GSA policy which will revitalize urban areas where federal properties and employees are located. One important component of this policy is GSA's cooperation with Business Improvement Districts (BIDs). BIDs are an effective mechanism for public-private cooperation throughout the country.

UNITED STATES INFORMATION AGENCY

- **Middle East Peace Process:** During the days of violence in the occupied territories, USIS Jerusalem distributed official statements from you calling for calm and for a summit, and facilitated a press conference when USAID donated \$100,000 in emergency medical supplies to the Palestinian Authority.
- **USIS Brings Justice Kennedy to China:** On September 23-26, U.S. Supreme Court Justice Kennedy participated in a week-long USIS China program designed to encourage Chinese legal reform. During a week of meetings and discussions, Justice Kennedy met President of the Supreme People's Court and also spent time with three Chinese Supreme Court justices, the Vice Minister of Justice, students at China's leading law schools, lawyers, and legal scholars. In addition to his lectures and meetings, Justice Kennedy pursued efforts to establish long-term legal exchanges between the U.S. and China.
- **Middle East Journalists:** On September 29, ten Arabic-speaking journalists arrived for a two week project focused on the American elections, including a trip to watch the first Presidential and Vice Presidential debates. These trips will include briefings on the political process and meetings with state and local political leaders.
- **Secretary Shalala on Worldnet:** On October 3, Secretary Shalala will discuss "The Role of Arab Americans in the 1996 Elections" with participants in Cairo, Doha, Beirut and Tunis.

- **Alvin Ailey in Cairo:** The Alvin Ailey American Dance Theater opened the season at the Cairo Opera House on September 22 to capacity crowds and rave reviews, despite heightened regional tensions. The company's week-long series of performances were the first major American cultural event in Cairo since 1991.
- **McCaffrey on Worldnet:** On October 4, WORLDNET will broadcast a Dialogue featuring General McCaffrey, Director of ONDCP. The General will discuss "Frontiers in Demand Reduction" with participants in Tegucigalpa, San Salvador, and Santiago.
- **Fulbright Association:** The Director will make remarks at a dinner on October 11 at the 19th annual conference of the Fulbright Association, celebrating the 50th Anniversary of the Fulbright program.

SOCIAL SECURITY ADMINISTRATION

- **Social Security Benefits:** On October 16, the Cost of Living Increase (COLA) for September is scheduled to be released. The COLA will probably be in the range of 2.8-3.0 percent, with 2.9 percent as the most likely increase.

cc:	The Vice President	Michael McCurry
	Leon Panetta	Doug Sosnik
	Harold Ickes	Marcia Hale
	Evelyn Lieberman	Don Baer
	George Stephanopoulos	Ron Klain
	Alexis Herman	Rahm Emanuel
	Carol Rasco	John Hilley
	Maggie Williams	



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

THE PRESIDENT HAS SEEN

10-8-96

October 4, 1996

96 OCT 4 8:45

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY *WRV for HAM*

CC:

RE: CEQ WEEKLY REPORT

ENDORSEMENTS

Tomorrow the Vice President on your behalf will accept the endorsements of three major environmental organizations at an event at Rock Creek Park. The organizations include the Sierra Club, Clean Water Action, and League of Conservation Voters who collectively represents over one million members.

OMNIBUS PARKS BILL

✓ The Senate cleared the House-passed bill without amendment on Thursday night after we reached agreement with Senator Frank Murkowski (R-AK) on the Tongass National Forest issue. The bill should be available for your signature next week. ~~In addition to the creation of large, highly visible parks -- Presidio, Sterling Forest, and Tallgrass Prairie --~~ the bill addresses a wide range of locally-important parks and other areas protecting natural, historical and cultural resources in over 30 states. While we will receive some criticism for accepting the provision revising coastal barrier designations in Florida, this bill is widely viewed by the environmental community as a very good bill. The Administration is being credited properly in the press and the environmental community with getting rid of the most highly objectionable provisions in the original conference report by taking a strong and unwavering stand against those provisions.

The major block to passing the bill in the Senate was Senator Murkowski's attempts to force concessions from us to help out the Ketchikan Pulp Company (KPC), a subsidiary of Louisiana Pacific and holder of the last remaining long-term (50 year) timber contract on the Tongass. This impasse was resolved through a letter from Panetta to Murkowski and from Secretary Glickman to the Chairman of Louisiana Pacific outlining an exit strategy for KPC from Southeast Alaska. The letter proposes an immediate mutual cancellation of the contract, allowing KPC to retain the timber currently under contract to them. In the event KPC does not agree to mutual cancellation but proceeds to breach the contract, we also agreed to a "safety net" provision for Southeast Alaska that would provide a certain amount of timber on a competitive basis for a two-year period.

Early reaction to the agreement has been reasonably positive. Environmentalists believe that the agreement gives us the opportunity to change significantly our management of the Tongass National Forest, and others are simply relieved that an agreement was finally reached. Meetings will begin next week with Louisiana Pacific to discuss cancellation issues.

I have attached editorials dated October 3, 1996, from the Washington Post and San Francisco Examiner regarding criticizing Senator Murkowski for holding the parks bill hostage.

HEADWATERS

As you now know, late last Friday (September 27) we finally reached a tentative agreement with Charles Hurwitz for the acquisition of the 3,000 acre Headwaters forest, an adjoining 425 acres of old growth forest, and several thousand acres of buffer timberland, for a total of 7,500 acres. In exchange the federal government will provide Hurwitz with \$250 million in cash and/or assets, while California will add \$130 million. Pacific Lumber Company will apply for a habitat conservation plan (HCP) which will seek to provide protection for the marbled murrelets while allowing for sound forest management on the remainder of Palco's holdings. ~~The FDIC/OTS lawsuits filed against Hurwitz are not a component of this deal;~~ the litigation is still pending. Reactions from the media have been very positive. Attached are editorials and articles from the New York Times, Los Angeles Times, and the San Francisco Chronicle. The environmentalists have not been as supportive, particularly because they believe a total of 60,000 acres should have been acquired. However, they are starting to come around, and several have expressed support for the deal.

TIMBER

I have attached an article from the Arizona Republic, dated September 28, 1996, which quoted Henson Moore of the American Forest and Paper Association saying "the rider went too far." He also stated the provision to log green trees was pushed by Senator Mark Hatfield (R-OR) who was frustrated by environmentalists' appeals of timber sales that the Forest Service had already approved.

Also, several Californian state legislators have sent you letters asking you to stop the pending sales in their state. I have attached a sample copy for your review.

UTAH

I have attached an article from the Salt Lake Tribune, dated October 1, 1996, highlighting support for the national monument designation in Utah. Both the Republican and Democratic candidates for the 2nd congressional district support your action.



October 3, 1996

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

Do Something, a national non-profit organization that we co-founded to provide young people with the tools, guidance, and financial resources to take action in their communities, is preparing to launch its latest program "Webstock '96: the Internet Community Festival". This four day celebration on the internet has been set for November 1-4, 1996, the four days prior to the election, and is expected to draw more than 500,000 visitors. Webstock partners including America Online, Yahoo, MTV, Fox Television, Blockbuster Entertainment, Silicon Graphics, Applied Materials, and Netcom will assure the large number of visitors to the site.

Webstock '96 will use the latest technology to entertain and educate a new generation of young leaders. Using the internet to build a sense of community, Webstock will enable young people to connect with each other and share their extraordinary efforts to improve their cities, towns, and neighborhoods, and spur young people into action by challenging them to make a difference in their community. Various celebrities and political leaders will lead discussions online to encourage young leaders to take action and vote during the upcoming election.

Do Something would be eager for you to host a town hall chat session on the Webstock internet site at any time between Friday, November 1 and Monday, November 4. The 30-60 minute chat session is a simple process that can be conducted by phone. You can lead this session from any place and we will accommodate your needs in any way.

Attached please find additional information about Do Something and Webstock '96. If you have any questions, please do not hesitate to contact us at (212) 523-1175. We look forward to working with you as we build our communities across the country. Thank you for your time and support.

Sincerely,

Michael F. Sanchez
President

Andrew E. Shue
Board Chair

2/10/98
2008
2009
To Scheduling? ☒
yes _____
no _____
10/8/96