

Chon

THE PRESIDENT HAS SEEN

10-16-92

Reagan



CARROLL AKERS
BUILDER
"WE AIM TO PLEASE"
NEW HOMES AND REMODELING

CERAMIC TILES
CABINET MAKING

E. POLAND
998-4944



The WALT DISNEY Company

Michael D. Eisner
Chairman and CEO

*Positive
reply*

Mouse

THE PRESIDENT WAS SEEN

10-10-96

October 9, 1996

Dear Mr. President:

Thank you for the warm greetings you sent to The Walt Disney Company on the occasion of the 25th anniversary of Walt Disney World. While we wish you could have been with us in person, we and all of our media guests were delighted that you took the time to recognize the importance of this occasion.

We were also delighted that Mrs. Clinton could be with us on Tuesday, October 1, 1996, for the Magic Kingdom rededication ceremony. The event was truly spectacular and was made especially memorable because she was part of the celebration.

I hope after the November election that you and your family will be able to take a few days off and visit us at Walt Disney World. Mrs. Clinton charmed the audience of the Regis and Kathie Lee show with stories of your family's past visits. Our 25th anniversary celebration continues over the next 15 months, so we hope you will be able to join us and be a part of the magic.

Thank you again for your kind remarks. We look forward to seeing you soon.

Warm regards,

Michael D. Eisner

The Honorable William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

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ALL 116

96 OCT 16 All : 13

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THE PRESIDENT HAS SEEN

10-16-96

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✓ **Gov. N. Harrison** appreciates your taking time to visit with his wife, the former Lucinda Dodson of Hot Springs, and her cousin, Donna Gay Webster, when you were in Longview. Your entire staff was most gracious.

GUY N. HARRISON

ATTORNEY AT LAW

217 NORTH CENTER
LONGVIEW, TEXAS 75601

*Miller
just
Stephen
Miller
194*

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Longview, Texas 75606

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Facsimile: 903/753-9557

September 27, 1996

Ms. Nancy Hernreich
The White House
Washington, D.C. 20500

Dear Ms. Hernreich:

President Clinton has just left our town of Longview, Texas after addressing some 15,000 to 20,000 people. My wife, the former Lucinda Dodson of Hot Springs, Arkansas and her cousin, Donna Gay Webster had attended high school with President Clinton and we were fortunate enough to be in the front area of the Longview crowd. President Clinton not only recognized them but took the time to personally visit with them and allowed us to come back and visit after his speech.

He was much more than simply gracious in doing this and I wanted to make sure that someone on his staff knew how much I appreciated the fact that he would take the time to visit with Lucy and Donna Gay.

Stephen Goodin was nice enough to give us your name at the rally. I would greatly appreciate it if you would pass on to Mr. Goodin our personal thanks for the way that we were treated and our appreciation for the way the entire staff of both the campaign and The White House acknowledged us. I trust that you will pass my thanks on to the President for taking the time to visit with some "home town girls" from Hot Springs.

Yours very truly,



GUY N. HARRISON
Attorney at Law

GNH/ar

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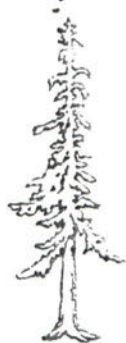
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THE PRESIDENT HAS SEEN

16-96

5/24/96

David M. Kelley enjoyed meeting you at Steve Jobs' house in Palo Alto. He was impressed with your in-depth knowledge and understanding of business in the Silicon Valley. He heard from some of his students that Chelsea is touring the Stanford campus. He'd be pleased to help you and her there.



STANFORD UNIVERSITY

DESIGN DIVISION
MECHANICAL ENGINEERING DEPARTMENT
STANFORD, CALIFORNIA
94305-4021

3176-95

September 27, 1996

The President
The White House
Washington, DC 20500

Dear Mr. President,

I enjoyed meeting you last month at the dinner at Steve Jobs' house in Palo Alto, it was quite an honor to spend an evening with you. I was very impressed with your in depth knowledge and understanding of business in the Silicon Valley.

I've heard from some of my Stanford students that Chelsea is touring the campus. I just want to give you my two-cents: Stanford is a great place!

Again, spending time you was a very memorable experience and I would be pleased to help you and your daughter at Stanford.

Respectfully yours,

A handwritten signature in black ink, reading "David M. Kelley". The signature is fluid and cursive, with the first name "David" being more prominent.

David M. Kelley



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Board Certified Diplomate

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10101 Southwest Freeway • Suite 510 • Houston, Texas 77074
(713) 778-9709 • Fax (713) 779-5866

THE PRESIDENT HAS SEEN

10-16-96

Chasco (D & C)

- She came to
one of our DMC Services
- wants to help in implementing
~~designing~~ mental health insurance
provisions
someone should call her
I thought she was sharp B.C.

copy to
Carol Rasco

THE PRESIDENT HAS SEEN

10-16-96

OCTOBER 9, 1996

To: The President
FBI
Hans

MEMORANDUM FOR:

HAROLD ICKES
EVELYN LIEBERMAN
ALEXIS HERMAN
DON BAER
MIKE MCCURRY
LORRIE MCHUGH
GEORGE STEPHANOPOLOUS
JANICE ENRIGHT
KAREN HANCOX
DEB FINE
LYN HOGAN

Ann Lewis
Younger woman
somewhat for this
at least w/ surrogate
BC

FROM:

BETSY MYERS

RE:

GLOWING REVIEW OF POTUS IN SELF MAGAZINE

The September issue of SELF Magazine offered glowing praise for the President's record on women's issues in an article entitled, "What's at Stake November 5th?"

SELF Magazine has a circulation of over 1.4 million, with a pass-a-long circulation of 3.4 million. The median age of the readership is 29. The median annual income of readers is \$19,200.

The article compares the President's record over the last two years with that of Congress and Senator Dole in the areas of education, the environment, violence, affirmative action, and economic programs. SELF Magazine clearly identifies the President as a strong advocate and leader for women.

My office provided SELF with information on the President's record for women in preparation for this article.

What's at Stake November 5th?

Almost everything women care about.

In 1994, the year of the "angry white male" at the polls, this country elected a new large group of people to Congress. They had run on a platform of balancing the budget, cutting taxes and generally breathing fresh air into the smog surrounding the way things are done in Washington. But unnoticed, or unstated, in their Contract With America was a relentlessly harsh attitude toward programs that benefit significant numbers of women. Let us look at some issues directly affecting us, and at how Congress—most of whose members are asking for reelection in November—has dealt with them. We must be sure the candidates (for President, for Congress, for state office) do not write us off. Our future depends upon it.

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by Lorraine Dusky

WHO WILL MAKE EDUCATION A PRIORITY?

Both branches of Congress wanted to cut billions from the education budget—\$3.7 billion in the House, \$2.2 billion in the Senate. These cuts would have eliminated or severely gutted programs to make children in poor districts computer literate, to raise the academic standards of 12,000 schools rated below par, to provide bilingual education and sexual harassment training and to ensure the safety and quality of our children's schools. Also under attack were direct government lending to college students, campus-administered loans and training for non-college-bound students to gain practical experience in the workplace. This vocational training particularly affects teenage girls who need exposure to high-skill, high-wage, nontraditional career options, such as electronics technician, machinist and law enforcement.

President Clinton beat back the severe measures this Congress wanted and ultimately was able to restore most of the programs to full funding. He also insisted on additional money for Head Start, which gives children from disadvantaged families early training they can't get at home.

"The GOP push is to eliminate the educational equity programs that have benefited so many," comments Leslie Wolfe, president of the Center for Women Policy Studies. "The argument is that the programs haven't worked. But they have. Head Start works. Student financial aid works. What we need is a G.I. Bill for women so they can become trained and self-sufficient."

WHO WILL FIGHT FOR A CLEAN ENVIRONMENT?

Pollsters who analyzed the recent election in Oregon of Democratic Senator Ron Wyden came to the conclusion that women have made the environment one of their major concerns. Along with choice, it was the cornerstone of his campaign, and his popularity with women unquestionably gave him the election. In fact, women rank the environment, education and abortion among the top issues they look at when considering a candidate.

The congressional freshmen elected in 1994 certainly weren't listening to women when they held hearings in an effort to roll back existing environmental protections for clean air and water. In the Senate, Republican presidential candidate Bob Dole was the author of a bill that would have done just that, but it never got to a vote. Although the Clinton administration has been criticized for not being tough enough on environmental issues, it has inaugurated standards to cut toxic pollution from chemical plants by 90 percent and toxic incinerator emissions by 98 percent, required local governments to upgrade the purity of drinking water and expanded our right to know about toxic releases into the atmosphere.

WHO TAKES VIOLENCE AGAINST WOMEN SERIOUSLY?

In 1994 the Violence Against Women Act (VAWA)—the work of Democratic Senator Joseph R. Biden of Delaware—was tucked into the omnibus Crime Bill when it passed. At the time, Republicans in the Senate, led by then Senator Dole, fili-

bustered against the bill. Dole's record on domestic violence, by the way, is not good: As far back as 1980 he voted against the first effort to provide a national response to domestic violence.

In the 1994-96 term, Congress started out to gut funds to the VAWA, which pays for battered women's shelters and rape crisis centers, special training on domestic violence and sexual assault for law enforcement officials, and a hotline for victims of domestic abuse (800-799-SAFE). The bill itself made it possible to prosecute abusers crossing state lines—felons who previously slipped through the cracks of justice like keys through a grate.

What really turned Congress around was public response to the O. J. Simpson case. Suddenly, domestic violence became a hot issue. Women's groups led a grassroots effort to keep VAWA viable. And you didn't have to be a very smart senator to see that being on the record for VAWA was a good idea. Amazingly, one Republican senator who had led the fight to gut the funding, Phil Gramm of Texas, now asked to cosponsor the bill to maintain it. The vote to maintain its original dollar amount (\$130 million) was unanimous. And now Dole goes around saying he supported key legislation that would make it easier to convict rapists. Well, yes, but voters should consider what would have happened had there not been a celebrity case of domestic violence.

"Just having the Violence Against Women Office," says its director, Bonnie Campbell, "tells women there is a place they can go to for help." And they do. As of mid-July, more than 30,000 people have called the VAWA hotline since it opened in February.

President Clinton's commitment to reducing domestic violence is well known, since he witnessed it as a teenager in his own family. As Wolfe notes, "Clinton might not be the first president who has seen domestic violence firsthand, but he is the first president who is willing to say, 'I am determined to stop it.'" (See "Breaking the Cycle of Domestic Violence," page 192, about the struggle of four battered women to reclaim their lives.)

Perhaps you thought the issue of gun control was over with the passing of the assault weapons ban in 1994, but a Republican initiative to overturn the ban passed in the House. Fortunately, cooler heads prevailed and it never reached the Senate floor. Next time it might. Meanwhile, 110 Americans die from handgun injuries every day.

WOMEN NEED AFFIRMATIVE ACTION. PERIOD.

We've heard a lot of noise recently about how we no longer need a federally mandated program to assure that women and minorities are given opportunities that would otherwise almost automatically go to white men. But reality tells a different story. Despite gains in some job categories, we still make 72 cents for every dollar a man makes; we are 46 percent of the workforce and 5 percent of senior management. Although stories about white men suffering reverse discrimination make headlines, these cases are few and far between.

Affirmative action refers to guidelines regarding the employment and promotion of women and people of color. It mandates that governmental agencies and firms that have federal contracts meet certain quotas. Affirmative action also refers to a program that is instituted voluntarily by an organization or business to diversify its workforce or student population. In some cases, it can mean that an applicant's ethnic background or gender will give that individual

preference over, say, a white female or male, a fact which is the basis of highly publicized suits that have gone all the way to the Supreme Court.

Progress has certainly been made since President John F. Kennedy called for "affirmative action" to promote disadvantaged populations; without it, women and minorities would still be routinely left out of the pool considered for hiring and promotions, and it would be much more difficult than it is now for women to join trade unions.

According to a 1995 report commissioned by the Department of Labor, 6 million women in "higher occupational classifications" would not be where they are today without the affirmative-action legislation of the 1960s and 1970s. Another government study found that women made greater strides at companies doing business with the federal government and therefore subject to affirmative-action mandates.

A widespread movement to end affirmative-action programs has gathered force. A bill introduced in the current Congress, ironically called "The Equal Opportunity Act of 1995," would eliminate all gender- and race-based federal affirmative-action programs, thus ending 30 years of federal civil rights enforcement. At press time, initiatives to end

affirmative action are being circulated in California, Colorado, Florida and Oregon for the November ballot. Similar legislative efforts have been introduced in several other states. If these measures are successful, the basis for all sex discrimination suits, Title VII of the Civil Rights Act of 1964, will be endangered, because the proposed language in "equal opportunity" bills would make it more difficult to sue for sex discrimination.

Dole cosponsored the anti-affirmative-action bill in the Senate; President Clinton opposes the rollback, and a Democratic Congress would almost certainly do the same.

WHO WILL FUND THE ECONOMIC PROGRAMS WOMEN MUST HAVE?

Increasingly, women are starting their own businesses, producing \$2.28 trillion in revenues annually. A significant number of them must use their credit cards and personal resources to finance their enterprises because they can't get bank loans. The Clinton administration has made generating economic opportunities for women a major initiative, according to Linda Tarr-Whelan, president and CEO of the non-partisan Center for Policy Alternatives. As a result, the Small



Election Year Health Issues

by Beryl Lieff Benderly

A threat to choice

Probably no issue grows out of a more bitter controversy than a woman's right to terminate a pregnancy. Although candidates can waffle on some health care issues, on this one they have virtually no alternative but to line up on one side or the other, either in favor of today's open access to early abortion (with some limitations in the later months) or in favor of a general ban on abortion (often with some exceptions in cases of rape or incest or to save the mother's life).

Although no one has yet succeeded in dislodging the historic 1973 *Roe v. Wade* decision that legalized abortion nationally, Presidents have since tried to influence the outcome through their appointments of judges to the federal courts. An appointee favorable to either side can potentially affect the nation's law for decades, and perhaps even for generations.

The Supreme Court is now divided on issues of choice, and the next president may well get to appoint a justice or two, and maybe even more. Judges in the lower courts, who are appointed either by the President to the federal

bench or by governors to state benches, can also influence who has access to abortion through decisions on parental notification, waiting periods and the like. The people who control the Senate, the House of Representatives, state legislatures and even town councils can also help determine whose agenda on abortion has a chance of being enacted into new laws.

Beyond any outright changes in the law, the people whom a President or governor appoints to posts throughout an administration can make policy decisions that also affect abortion access, such as how aggressively laws controlling demonstrations at clinics will be enforced and whether new initiatives to expand or contract abortion rights are pursued.

Will there be a stronger push to end or curtail today's access to abortion? How available will abortion services be to poor women, military women and civilian government workers at home and abroad, and even to women of foreign nations served by family planning agencies supported by foreign aid? The people elected in November will have a major say.

AIDS affects women, too

Though many people still erroneously consider AIDS a disease that primarily affects gay men, the fastest growing group of victims are young, female and straight. In many urban areas AIDS is now the largest killer of women ages 25 to 44, especially among minority women and those who are IV drug users or whose sexual partners are HIV positive or use IV drugs. Research and prevention efforts, though, have long focused mainly on male concerns. The use of the condom as the first—and essentially the only—available line of defense, for example, generally takes women's health out of women's hands.

Research also shows that the course of the disease is not necessarily identical in the two sexes, with gynecological infections, cancers and pregnancy issues playing a large role in the lives of HIV-positive women.

Many women's health advocates now insist that far greater openness, as well as significantly more research money channeled toward female concerns, is needed to save women (and babies) who are at risk for, or already infected with, HIV. *Continued on page 224*

Business Administration increased the volume of loans to women (from 1993 to 1994 it jumped 86 percent) and beefed up a nationwide business assistance program for women by adding 19 new centers where we can go for management and marketing training. In addition, the administration is responsible for opening up federal procurement contracts to women-owned businesses, insisting that 5 percent of the contracts go to women. The administration also appointed a committee of senior officials from 10 federal agencies to address women's economic issues. One of their first orders of business was to issue a report showing how critical women-owned businesses are to our economy. President Clinton also created an office at the White House to ensure that he and others in the administration hear women's voices. Not only is it a liaison with women's groups, it brings hundreds of women to discussion tables to air their thoughts on policy issues.

It is worth remembering that the GOP labored long and hard to defeat the Family Medical Leave Act prior to Clinton's election, with Dole leading two filibusters against it. The bill, allowing workers to take up to 12 weeks off to care for a sick family member without fear of losing their job, finally passed in 1992. Symbolically, it was the first bill that Clinton signed into law upon taking office.

Since poor women and children don't have political muscle in Washington, cutting aid to them became a kind of election year Ping-Pong played by the White House and Congress. Both sides said something had to be done but clashed over how. Essentially, the GOP wants harsh measures, including a five-year lifetime limit on benefits. At press time, Congress was expected to send the President a bill that included some of the softening measures President Clinton and the Democrats were insisting on, such as leaving Medicaid alone and keeping the food stamp program as a federal entitlement. But whether the bill will be one that President Clinton signs is anybody's guess. The main recipients of Aid to Families With Dependent Children (AFDC), the major program of "welfare," are children (68 percent). Another 29 percent are women, the children's mothers. It should come as no surprise that half of the women on welfare at any one time are there because of divorce. And only 15 percent of all women who go on welfare remain on it continuously for five years or more.

With the cuts in education that Congress has also proposed, one wonders how people will get the skills they need to join the workforce at anything but a subsistence level, if that. While some programs allow full-time college students to receive aid, the antiwelfare lobby is trying to shut down even that option—and has managed to do so at many local levels. And the kind of training that "workfare" provides doesn't allow one to move above low-paying, dead-end jobs. "The economy clearly doesn't have a million jobs for women who don't have skills for the information age," remarks Wolfe.

No one denies that welfare needs reform. Some 38 states are trying out a variety of options to see what works. But all this ballyhooing that has taken up so much of Congress' time recently is about a very small percentage of federal spending. AFDC amounts to only 1 percent of federal spending. But then, poor people don't have a strong lobby in Washington.

LORRAINE DUSKY is the author of *Still Unequal: The Shameful Truth About Women and Justice in America*, to be published by Crown this fall.

The Personal and the Political

There are times when you have to speak out. This woman did—and made a difference.

Earlier this year, President Clinton vetoed a bill that would have banned what has been dubbed the "partial birth" abortion, a rarely performed, late-term procedure. Defeated on the national level, proponents of this bill turned to the state level. Similar bills were defeated in California, Washington and Maryland but passed in Utah and Michigan; currently, bills are pending in New York and Illinois.

In vetoing the bill, Clinton credited the congressional testimony of several women with influencing his decision. One of them was Claudia Crown Ades of Los Angeles. This is her testimony.

My name is Claudia Crown Ades. I have been married to Richard Ades for five years.

Three years ago, when I was 26 weeks into what seemed like a perfect pregnancy, I made the decision along with my doctor not to have amniocentesis. At age 33, there seemed no need. Then one day, worried about declining that test, I went to my doctor. There was no basis for my anxiety; it was just an instinct. To set my mind at ease, however, he sent me to a radiologist, an ultrasound expert.

The radiologist spent far too long conducting what was supposed to be a routine examination of a healthy baby. The next day, there was a call: "I'd like you to come back in so that my partner can take a look at your ultrasound. Please don't worry. I don't think it's anything," he said.

You can't tell a pregnant woman not to worry.

His partner immediately determined that there was a sac of fluid in my baby's brain. He called it Dandy Walker Syndrome. He also told us that many people walk around with Dandy Walker Syndrome without any impairment. On the other hand, it could be more serious, and he referred us to a perinatologist. The doctor put his hand on Richard's shoulder and told him not to lose hope; everything could be okay.

You don't console someone if nothing is wrong.

Because of his suspicions, which we were unaware of at the time, the perinatologist rearranged her schedule to see me the next day. We went into the office, apprehensive about what we might discover. She prepped me for an ultrasound. Within 30 seconds, the perinatologist said, "I concur with your doctor." Concur with what?

This was when our first fears were realized. At that moment we learned that in addition to a fluid-filled, nonfunctional brain, our son had a malformed heart with a large hole between the chambers that was preventing normal blood flow. He had also developed an extremely large cyst filled with intestinal matter, and hypertelorism [abnormally wide-set] eyes, another indication of severe brain damage. We later found out that these symptoms added up to Trisomy 13, a serious chromosomal disorder.

With each new bit of information, the tears flowed harder. Richard was holding me. I thought we were the only parents in the world who had ever heard such devastating news. We wanted this baby desperately. This was our son. We were preparing our family and our world for him. And now, we had to prepare for a tragedy. Away went the baby-name books, the shower invitations, the first birthday party, the baseball games, the bar mitzvah. Away went our dream.

Along with the tears, the questions flowed. Could a cardiologist fix our son's heart? Could a neurosur-

Continued on page 225



Election Year Health Issues

Continued from page 212

Must women die of lung cancer?

What, if anything, the government should do to discourage smoking has become a major political controversy, with antismoking forces pushing for more controls, some even advocating that the federal government regulate nicotine (declared addictive by the Surgeon General in 1964) as a drug. The tobacco industry and its supporters, meanwhile, are fighting to maintain the nation's traditional hands-off policy.

Smokers of both genders risk serious damage to their health, but the demography of smoking has taken a decidedly feminine turn in recent years. The population puffing on cigarettes—long disproportionately male—now includes more and more young women, who constitute one of the fastest growing groups of new smokers. Lung cancer,

once considered a man's disease, is now the major cancer killer of women, having outpaced breast cancer almost 10 years ago. Indeed, female smoking rates have risen even as male ones have dropped. Since many smoking-related ills take decades to develop, women's rates of lung cancer, heart disease, reproductive cancers and other deadly ailments are expected to rise sharply if today's record numbers of teen and twenty- and thirtysomething female smokers continue to light up.

The multibillion-dollar tobacco industry will be pouring large amounts of money into supporting its candidates. No corresponding big-money lobby supports the antismoking side.

The elderly and us

For the foreseeable future, care for the frail and disabled elderly will be overwhelmingly a female issue. Not only do women constitute most of our nation's seniors, they are a huge majority of those in nursing homes and dependent on Medicaid. In many cases these women are widows who spent their life's savings on their husband's final illness, leaving very little or nothing to pay for their own medical bills and long-term care. Though often their husband's main caregiver in his final months or years, such women have no spouse to care for them, and so must enter nursing homes when they need long-term care.

This issue may seem academic if your own old age lies four or five decades in the future. But it becomes rapidly less so when the health of your own family's elders starts to decline.

You, like many other young or middle-aged women, may find yourself with major responsibility for increasingly frail and dependent parents, parents-in-law, aunts and uncles, even grandparents. (According to *The Wall Street Journal*, "24 percent of people under age 32 have provided, or are providing, hands-on, long-term care to a family member or friend.") Women are still the majority of those responsible for providing care to elderly family members (including their husband's families). As our nation's senior population grows rapidly in the coming years, the need for long-

term care will become increasingly acute. Depending on what the government does in this area, including social security, many younger women may find themselves torn between working at a job and caring for aged relations or between saving for a child's college or their own retirement and paying a parent's nursing home bills.

Staying alert to the health care reform debate

Although it's impossible to predict what actions or positions various officials will take, one thing is clear: Any reform will have profound effects on women, many of whom lack adequate coverage for pregnancy and childbirth. Women also use the majority of mental health treatment in this country, which has traditionally been insured at much lower levels than other types of health care, and have major responsibility for the health care of children.

To complicate matters further, hospitals have recently begun shortening stays and thus sending still-sick people home. This pushes onto many Americans (usually women) the need to provide a level of at-home nursing not seen in this country for generations. In addition, many women lack insurance sufficient to cover them during the long, degenerative diseases of old age, such as osteoporosis and Alzheimer's, that afflict many more women than men.

The national health care debate involves not a single controversy but many. Proposals range from special tax-free savings accounts that will allow individuals to accumulate money for their health needs, all the way to a Canadian-style "single payer" system, in which the government sets all fees and pays all bills. Predicting the debate's future course is impossible, but as it proceeds (as politicians of all stripes agree that it will) women need to stay alert to the issues that particularly affect our interests.

Our stake in medical malpractice laws

The right to sue for damages because a doctor, hospital or manufacturer was negligent appears on the surface to be a topic of interest only to specialists, in this case lawyers. In reality, the burgeoning number of medical liability suits and the gigantic size of some of the awards have seriously distorted the medical care now available to American women.



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Once the leader in contraceptive research, for example, this country now offers women fewer types of contraceptives than other industrial nations. In the 1980s, tens of thousands of women injured by a defective contraceptive, the Dalkon Shield, began winning suits against the manufacturer, A.H. Robins Company, that eventually totaled billions of dollars. Robins was found to have knowingly misled doctors and patients about the device's safety, but firms guilty of no wrongdoing feared that they, too, could be sued. Almost all the companies researching new contraceptives abandoned the effort.

The smaller but still substantial medical liability awards won in suits against doctors by parents of babies born with various birth defects have also drastically raised the cost of malpractice policies for doctors who practice obstetrics. Many general practitioners and family physicians who used to deliver as part of general medicine have found the ob-

stetrical coverage they need prohibitively expensive and have dropped obstetrics from their practices. Even some ob/gyns have been discouraged from accepting high-risk pregnancies. Across the country, and especially in rural areas and poor inner cities, more and more women now have difficulty finding adequate medical care during pregnancy and childbirth.

This is a touchy and technical issue. Patients who are victimized by negligence or incompetence obviously deserve adequate compensation. But doctors who are willing to undertake risky procedures required by their patients and companies trying to develop new treatments and techniques also need protection against financial ruin because of complications or deaths that inevitably occur.

BERYL LIEFF BENDERLY is the author of *In Her Own Right: The Institute of Medicine's Guide to Women's Health Issues*, to be published by the National Academy Press this fall.

The Personal and the Political

Continued from page 213

geon repair his brain? Could an eye surgeon help him to see? Could this baby survive? Was there anything, anything at all, that could be done? The answers were emphatically no. It was our worst nightmare and it was real. Even if my son survived the pregnancy, he had no chance of life. Every day meant pain and torture for him. What were we going to do? As his mother, I could not allow my child to suffer.

By this time, a geneticist had joined us to discuss our options. We went through them all. I could carry to term. I could have a cesarean. I could induce premature labor in the maternity ward. All of those posed high risks for me, and more pain and suffering for my son. The doctors felt that an Intact Dilation and Extraction (Intact D&E) would be the safest for me, my baby and for my future children. This is when we learned about Dr. James McMahon and his clinic in California.

When I met Dr. McMahon, I asked him only one question: "Would my baby be in any pain?" This kind and gentle man assured me he would not. He specialized in cases like ours—families in crisis and tragedy. He explained the procedure step by step to us. He set our minds at ease. We knew we were in good hands.

The procedure was difficult and painful. Dr. McMahon put me under anesthesia and inserted Laminaria (a type of seaweed) to slowly dilate my cervix. He and his staff were compassionate and patient as he painstakingly deter-

mined how wide my cervix had to be to remove my baby safely and gently and prevent my uterus from tearing. Living 10 minutes away, Richard and I were lucky enough to go home between treatments. Many of Dr. McMahon's patients came from out of state, some from other countries. Being able to go back to my own comforting home was a luxury I relished.

The entire process took three days. There were no scissors stabbed in the back of his head, no brains sucked out, no skulls crushed and no pain to my baby.

Ironically, the final day of my procedure was Yom Kippur, the holiest day of the Jewish year. On Yom Kippur, we are asked to mourn those who have passed and pray to God to inscribe us into the Book of Life. I prayed more than one person can pray. I was praying for all of us.

Although I never imagined I would be faced with such a decision, I can honestly say that for many reasons, I feel very blessed. First, I was able to find out when I did. Second, I had access to the finest medical care in the world. And third, I live in a place where my rights as an individual have not been compromised.

Though I pray that no one has to go through what we did, there are people who will. Many families who are opposed to abortion have chosen this procedure, having come to realize its necessity. All women should have the protection, the guidance and the access that modern medicine allows. —Claudia Crown Ades

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OFFICE OF THE VICE PRESIDENT
WASHINGTON

September 26, 1996

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN

10-16-96

THROUGH: THE VICE PRESIDENT

FROM: GREG SIMON

SUBJECT: FCC INTERCONNECTION ORDER – TALKING POINTS

BACKGROUND

You may meet with representatives of Southwest Bell during your trip to Texas. This memo provides background and talking points on the FCC's interconnection order.

DISCUSSION

I attach a description of the FCC interconnection order that was submitted in your Weekly Economic Briefing by the CEA. I suggest you read that first to put this memo in context. The following summarizes the Bell companies' arguments against the Order and the likely responses.

Objection: The FCC order allows competitors to buy pieces of the local network (so-called "unbundled elements") at prices below cost. This allows competitors to circumvent the higher rates they would otherwise pay for the same services on a resale basis. This discourages capital investment, especially in rural areas.

Reply: A company using resale can only offer services the Bell is offering. Only by buying unbundled elements can the competition offer new and diverse services. Thus the incentive to use unbundled elements exists independent of the relative costs of resale and the unbundled elements.

As for the cost of unbundled elements versus resale, the Order requires competitors to continue paying to the Bells, for a time, the "access charges" now levied for the privilege of using the Bells' networks, even if the competitor has direct access to customers through the use of resale or unbundled pieces of the Bell's network. This is, in effect, a double payment to the Bell.

New entrants have announced plans to invest over \$2 billion in local telephone facilities. As for rural investments, the Act's exemption for rural carriers from having to open their networks is the real limit on investment, not the FCC's order.

Objection: The FCC is not allowing the recovery of embedded costs because it implemented a pricing methodology that only looks at costs going forward.

Reply: The FCC argues that its pricing methodology permits rates that recover the economic costs of providing service, including a reasonable profit. It argues that economists agree that historical costs are not relevant in a competitive market and imposing prices based on the historical costs would impede competition. In fact, the Telecommunications Act explicitly rejected setting prices to guarantee a specific rate of return to the Bells.

Ironically, in filings in other countries where they are the new entrants, some of the Bells support forward-looking pricing schemes similar to the one the FCC adopted in order to avoid paying prices that reflect the costs of the inefficiencies of the incumbent operator's network.

Objection: The FCC exceeded its authority over the states by preempting the state regulatory bodies in the setting of prices.

Reply: The FCC argues that the Telecommunications Act expressly gives the FCC authority to preempt state regulations that impede the ability of new entrants to provide service. The authors of the bill, Senators Pressler and Hollings, both referred to the need for a national system and uniformity, and for broad preemptive powers to achieve that uniformity.

TALKING POINTS

- My Administration considered the issues you are raising very carefully before filing our comments before the FCC. I think it is fair to say that our comments were generally well-received by both sides in this debate as a moderate, forward-looking approach, and we will continue to pursue that path.
- The FCC interconnection order is too complex and technical to be addressed by political solutions. The questions the Bell companies and others have raised about whether the FCC exceeded the intent of Congress will be determined best by the numerous court challenges the Bell companies and some local state regulators have filed.

- As I understand it, the FCC set a zone within which the state regulators can set prices and terms for interconnection and set a zone for resale discounts. If we are going to have a national phone system with competition for local and long distance service, it is reasonable that the FCC would need to set some ground rules.
- One problem the telecommunications bill created was that the interconnection rule had to be decided before the universal service rule. I am hopeful that some of the problems you raise can be addressed in the universal service rulemaking. I know the issue of access charges is especially of concern to you, and we will consider your position carefully in preparing the Administration's comments in the next phase of the rulemaking.
- My main concern is that we have fair competition that provides competitive services at affordable prices for consumers.

ARTICLE**Implementing the Telecommunications Act of 1996: The Devil Must Be in the Details Because It's Hot Down Here**

With deserved fanfare, the Telecommunications Act of 1996 became law in February, promising a competitive telephone industry unencumbered by the regulations and monopolies of the past century. But creating competition is not simply a matter of legislative declaration, especially when controversies regarding market power and dominance will persist for some time. The magnitude of the Federal Communications Commission's Order on interconnection with local telephone companies, and efforts by some of those companies to overturn the FCC's regulations in the courts, point out that translating the promise of competition into reality will be a long and arduous process.

Hefty orders for hefty issues. The First Report and Order implementing the local competition provisions of the Telecommunications Act—known as the “Section 251” proceeding—weighs in at over 700 pages, with over 3,200 footnotes. The length and complexity of the order are especially striking in light of the fact that the Act gives competitors the right to negotiate among themselves, subject only to state mediation and arbitration.

Much of the complexity arises because firms wishing to enter new markets to offer local telephone service in competition with the incumbent may do so in three ways:

- End-to-end providers. An entrant can build a network that allows its customers to make and receive local telephone calls without using the incumbent's facilities. Because a telephone system is more valuable if it can communicate with everyone who has a phone, these “end-to-end” entrants need to interconnect with the established telephone company, so that their customers and those who stay with the incumbent can talk to one another.
- Using the incumbent's facilities. An entrant into local exchange service may find it useful to provide some facilities on its own (for example, a switch that can direct incoming calls to its customers), but it may still wish to use “network elements” provided by the incumbent (for example, the copper wire loops that connect an individual telephone to the rest of the system).
- Reselling the incumbent's service. Finally, an entrant may wish to purchase the ability to provide local telephone service from the established carrier on a wholesale basis, and then “resell” the service to final customers. A long-distance company like AT&T, MCI, or Sprint, for example, might want to offer its customers “one-stop shopping” for both long distance and local service in advance of or instead of building its own local network.

The following table summarizes some of the disputed issues and the FCC's resolution:

Entrant type	Entrant concern	Incumbent position	FCC decision
End-to-end	Incumbent preserves monopoly by refusing to interconnect	Act provided for negotiation between entrants and incumbent; FCC intervention will undermine process	Sets standards for negotiating interconnection agreements between existing local telephone companies and new end-to-end providers
Use "network elements"	Incumbent offers too few elements at too high a price	Entrants demand inefficient slicing of network; forward-looking incremental cost rules will not pay for past investments	Determines what "network elements" (loops, switches, and other discrete components) incumbent carriers should make available; specifies cost-based methods for setting their prices
Reseller	Obtain service at wholesale rates that permit profitable retail competition	Inadequate compensation; grants resellers rights to buy residential service at subsidized, below-cost rates	Sets a default discount of 17-25% based on estimates of incumbents' "avoided costs" related to retailing

The tip of the iceberg. Despite its size and scope, this Order represents only a small fraction of the regulatory effort necessary to implement the Act fully:

- State regulators will still have to mediate and arbitrate interconnection negotiations between incumbent local telephone companies and new entrants.
- The FCC will have to make contentious decisions regarding whether the local telephone companies have met the Act's conditions for being allowed to offer long distance service.
- The FCC still has to determine a long-term mechanism for funding "universal service" subsidies for telephone service to low-income or high-cost (generally rural) areas. Those services have traditionally been funded through "access charges" paid by long distance carriers to local telephone service providers. The current charge is 6¢ per minute; long distance carriers such as AT&T argue that the cost is less than a penny. Even the incumbent local telephone companies concede that the costs are only about 1.5¢ per minute, but they claim that the additional revenues are necessary to provide subsidies that hold down local telephone rates. Their opponents claim that the incumbents are merely "lining their pockets."

The road to competition is long and potholed. State and FCC decisions in all of these matters are unlikely to be the final word. This interconnection Order has already wound up in the courts, and according to the FCC Chairman, "almost every communications company will have sued" the Commission by the time it finishes its work on universal service and access charges. The years of debate prior to passage of the Telecommunications Act likely presage the years of regulation and litigation necessary to realize its goals. The lesson in this industry, as in others that have been or will be deregulated, is that the issues are complex and will require active policy oversight to ensure a proper outcome.

Pokes like a
power grab to
me. Bruce

shared with entrants." First Report and Order, para. 11. In crafting implementing regulations, the Commission sought to ensure that the incumbents' economies would "be shared in a way that permits the incumbent LECs to maintain operating efficiency to further fair competition, and to enable the entrants to share the economic benefits of that efficiency in the form of cost-based prices." Id.

The Commission also recognized that incumbent LECs have incentives to avoid such sharing, particularly since new entrants will compete directly for the incumbents' customers. First Report and Order, paras. 10, 15, 55. In the FCC's view, Congress' recognition of the inequality of bargaining power between incumbents and new entrants was the basis for its decision to require incumbents to open their networks subject to "just, reasonable, and nondiscriminatory" rates and terms (see 47 U.S.C. §§ 251(c)(2) - (4)) and to make swift arbitration procedures available after a modest period for voluntary negotiation. First Report and Order, para. 15. The Commission concluded that this disparity in bargaining power could best be addressed by defining the requirements of the statute in sufficient detail to advise parties of their minimum rights and obligations, and to establish a national baseline that could reduce the transaction costs of national and regional entry strategies. Id., paras. 55, 60-61.

With respect to pricing, the Commission found that "[t]he price levels set by state commissions [in arbitration proceedings] will determine whether the 1996 Act is implemented in a manner that is pro-competitor and favors one party ... or, as we believe Congress intended, pro-competition." First Report and Order, para. 618 (emphasis in original). Thus, the FCC determined that it was "critical ... to establish among the states a common, pro-competition understanding of the pricing standards" for the interconnection, unbundled

elements, and resale offerings that the statute required incumbents to make available. Id.

For interconnection and unbundled element offerings -- which the statute requires to be priced at "just" and "reasonable" levels "based upon the cost"⁹ -- the Commission required states to apply a forward-looking long run incremental cost methodology referred to as Total Element Long Run Incremental Cost (TELRIC). Id., paras. 620, 672-732. The Commission explained:

In dynamic competitive markets, firms take action based not on embedded costs, but on the relationship between market-determined prices and forward-looking economic costs. If market prices exceed forward-looking economic costs, new competitors will enter the market. If their forward-looking economic costs exceed market prices, new competitors will not enter the market and existing competitors may decide to leave.

First Report and Order, para. 620. The FCC concluded that pricing on a TELRIC basis would, consistent with Congressional intent, allow incumbents a reasonable market return and give new entrants the proper economic incentive to compete against the incumbents. Id.

For resale offerings, the statute requires incumbent LECs to make their services available to new entrants at "wholesale" prices that are based upon the incumbents' retail charges, "excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided" by selling at wholesale. 47 U.S.C. §§ 251(c)(4), 252(d)(3).

Noting the concurrence of a number of state regulators on the issue, the Commission construed "avoided costs" to mean those costs that "are reasonably avoidable when a LEC sells its services wholesale." First Report and Order, para. 911 (emphasis added). The Commission rejected arguments that the statutory standard permitted exclusion only of those costs that actually are avoided, because it found that, given the competitive purposes of the 1996 Act, Congress did not intend "to allow incumbent LECs to sustain artificially high

⁹ 47 U.S.C. §§ 251(c)(2) & (3), 252(d)(1).

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wholesale prices by declining to reduce their expenditures to the degree that certain costs are readily avoidable." Id.

Because section 252(b) requires states to complete arbitration proceedings promptly, the FCC concluded that (at least at the initial stages of implementing the 1996 Act) some states might find it difficult to apply the economic costing methodologies the Commission had prescribed for interconnection, unbundled elements, and resale services within the statutorily-prescribed timetable. See First Report and Order, para. 623. The Commission thus established simple-to-apply "default proxies" -- designed to approximate the results of the FCC's prescribed methodologies -- that states could elect to employ in setting rates for an interim period until cost studies could be completed. Id., paras. 623, 767-71, 921-34.

With respect to the (non-price) terms and conditions of opening incumbent networks to new competitors, the Commission determined, as a general matter, that the statute's nondiscrimination requirements (see section 251(c)(2) & (c)(3)) mandate that interconnection and unbundled elements be made available -- to the extent technically feasible -- at quality levels and upon terms at least equal to those that the incumbent applies to itself. See, e.g., First Report and Order, paras. 26-27, 312-313. The FCC also noted that section 251(c)(3) requires incumbents to make unbundled elements available "at any technically feasible point" and "in a manner that allows requesting carriers to combine such elements" to provide a telecommunications service of their choice. See First Report and Order, paras. 198-206, 209-212, 292-297. The Commission construed these requirements to compel incumbents to vary the technical specifications of, or make other technically feasible modifications to, their network elements upon request, so long as the requesting carrier paid the cost. See, e.g., First Report and Order, paras. 382-384. Such requirements would permit new entrants to

THE PRESIDENT HAS SEEN

10-16-96

Stiglitz

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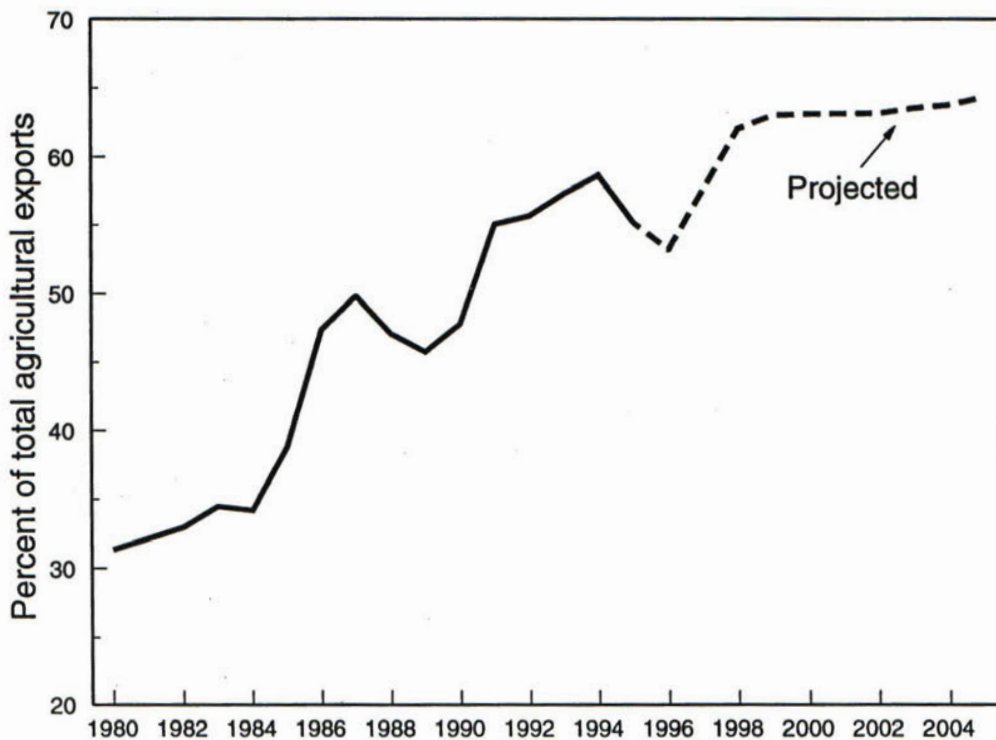
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

October 11, 1996

CHART OF THE WEEK

Processed Farm Exports Grow in Importance



American agricultural exports are, increasingly, processed and "ready-to-eat" goods like meat, poultry, vegetables, fruit, and snack foods, as opposed to bulk goods like corn, wheat, soybeans, and cotton. U.S. meat and poultry exports are growing rapidly and account for much of the increase in the share of processed agricultural exports.

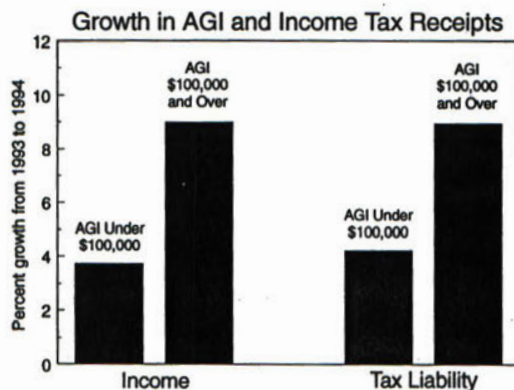
CURRENT DEVELOPMENT

Dire Predictions Gone Awry

✓ Dire predictions by some economists that the 1993 increase in top marginal income tax rates would produce little new revenue and would discourage economic activity appear wrong. Recent data show that both incomes and tax liabilities grew faster for high-income taxpayers than for everyone else between 1993 and 1994 (see chart).

Analysis. Claims that the Administration was too optimistic in its revenue estimates were based on the belief that high-income taxpayers would substantially rearrange their economic affairs to minimize the amount of income subject to the new rates. Indeed,

some evidence exists that many high-income taxpayers with flexible compensation packages shifted taxable wage payments from the early months of 1993 to late 1992 in anticipation of tax increases in 1993 (see Weekly Economic Briefing, July 12, 1996).



But recently published data from individual tax returns filed for 1994 show faster income growth for taxpayers with Adjusted Gross Income (AGI) of \$100,000 and over (9.0 percent) than for those with AGI under \$100,000 (3.7 percent). Differences in tax liability growth mirror these differences in income growth.

Part of the growth in the \$100,000-and-over category reflects the fact that the threshold is not adjusted for inflation. Hence, the amount of income in that category would be expected to increase just as a result of normal growth and inflation. However, the observed growth for those with AGI over \$100,000 is much too large to attribute to these factors alone. Instead, people in the top income classes appear not to have reduced their work effort, or hours, or shifted compensation toward fringe benefits very much, in contrast to the pessimistic predictions made in 1993.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Macroeconomists Reach Consensus Forecast. *The Economist* magazine recently made its own foray into political polling, asking half the macroeconomists at the top 15 U.S. universities whether the economy would benefit more under Clinton or Dole. By a margin of almost 3-to-1, the economists think the economy will benefit more under Clinton. Nearly half disagree with the notion that higher growth should be the top economic priority; many instead put issues like income distribution and poverty higher on the agenda. Most are wary of the assertion that we can dramatically boost our growth rate: only 5 percent think we can realistically achieve sustained long-term growth greater than 3 percent per year, while a majority (60 percent) think 2.5 percent or less is the most reasonable target. When asked to rate different policy proposals on their long-term growth potential, most economists think a cut in marginal tax rates with corresponding spending cuts would have little or no impact on growth. Over half, however, think education reform would raise the long-term growth rate.

Policies Could Help Extinguish Youth Smoking. After declining sharply during the 1970s, youth smoking rates have remained flat during the 1980s and 1990s, and they have increased for some cohorts such as teenage girls. Since almost all adult smokers acquire the habit by the time they finish high school, tobacco control policies discouraging youth from smoking may contribute most to long-term reduction. A new study examining middle- and high-school students finds that several tobacco control policies are particularly effective with youth. Youth demand for cigarettes is very sensitive to price—much more so than adult demand. Therefore, significant increases in cigarette excise taxes will likely lead to sharp reductions in youth smoking. The study estimates that if smokers had to pay an additional 75-cent-per-pack tax beginning in 1992, overall youth cigarette consumption would have been cut in half by 1994 and the number of youth smokers would have decreased by about a quarter. Stronger restrictions on smoking in public places would also reduce the incidence of smoking among youths, and more limits on smoking in schools would reduce young smokers' average cigarette consumption.

California and Oregon Ballot Initiatives Seek Managed Care Reform. When they go to the polls next month, Californians may determine the future of managed care in their state, which has more HMO enrollees than any other state. Proposition 216 would outlaw bonuses and other financial incentives for doctors to withhold treatment, prohibit HMOs from limiting what doctors tell patients, and require HMOs to disclose all written criteria for denial of care. HMOs would not be allowed to deny payment for services without a second opinion. The measure would also establish four new taxes: on the elimination of hospital beds, on mergers and acquisitions in the health care industry, on the sale or conversion of a nonprofit health care business to a profit-making enterprise, and on "excessive compensation." The new revenue would be used for regulation of the health industry and public health measures. Provisions in an Oregon initiative would go even further, disallowing capitation, the payment system often used by HMOs, in which insurers pay doctors a fixed amount per patient regardless of the amount or type of care provided.

INTERNATIONAL ROUNDUP

Economic Progress May Be Returning to Africa. After the "lost decade" of the 1980s and average growth of only 1.4 percent during 1991-94, Sub-Saharan Africa's economic performance is improving. The region's GDP is estimated to have grown 4 percent in 1995, with even higher growth expected this year. But aggregate numbers mask the fact that economic performance has varied dramatically across the continent. Although at least 15 countries grew by 5 percent or more last year (with Angola, Lesotho, Malawi and Uganda growing in excess of 10 percent), 8 countries registered declines. And growth has not yet been sufficient to reduce poverty in most of the continent. Indications exist that economic performance has responded to policy reforms, which are spreading. For example, the French-speaking countries that use the CFA franc adjusted their exchange rates in early 1994 and registered the sharpest increase in exports.

Canada's Finance Minister Announces Tough Deficit Targets. In the annual fall update given to the Canadian Parliament, Finance Minister Paul Martin announced that, for the second year in a row, the federal government bettered its deficit target. The deficit fell to 3.7 percent of GDP in the 1995-96 fiscal year, and the goal is to reduce the deficit to 1 percent by the 1998-99 fiscal year. Contractionary effects of deficit reduction may be eased by lower interest rates, which in the past year have fallen by more than 4.5 percentage points for shorter maturities. But the Canadian economy does not yet appear to have responded to these lower rates. As recently as June, unemployment was 10 percent, although it has fallen somewhat since then. And no growth in youth employment has occurred since the beginning of the year. With economic activity still weak, prices rose at an annual rate of only 1.4 percent in August, and unit labor costs have grown by less than 0.5 percent per year since the beginning of 1991.

Kuwait's Lawmakers Approve 1996-97 Budget. The Kuwait National Assembly recently unanimously approved next year's budget. The budget package entails deficit reductions until 2000, the target year for a zero deficit. With successful completion of the post-Gulf-War reconstruction and rehabilitation program, government attention is now directed at reducing fiscal imbalances and strengthening the structure of the economy. In 1995, Kuwait recorded strong GDP growth and a reduction in the deficit to 12 percent of GDP. This improvement was primarily due to higher oil prices, as the hydrocarbon sector accounts for close to 40 percent of GDP and oil revenues represent 75 percent of total government income. Looking forward, the Kuwait economy faces the challenge of finding enough employment opportunities for the growing number of Kuwaitis who will be entering the labor force. Currently, 40 percent are below the age of 14. Furthermore, an increasing number of women are entering the labor force. Kuwait is heavily dependent on imported labor, with surveys suggesting that nearly 80 percent of the labor force is expatriate.



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

October 11, 1996

96 OCT 11 P 9:05

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY *WFW for KAM*

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

THE PRESIDENT HAS SEEN

10-16-96

PIPELINE SAFETY BILL

Tomorrow (Saturday), you will be presented with a bill to reauthorize the Department of Transportation's (DOT) pipeline safety program. This bill, which reauthorizes the program at your requested budget levels and creates greater flexibility in the regulatory process, resulted from months of negotiations convened by Senator Trent Lott (R-MS) among Republican and Democratic Senate staffs, DOT, and industry. The bill passed by unanimous consent in the Senate and on the suspension calendar in the House.

After final passage, however, several environmental organizations and two House members, Representatives John Dingell (D-MI) and Frank Pallone (D-NJ), began to urge you to veto (or pocket veto) the bill. These groups and EPA argue that the bill creates dangerous precedents in the areas of regulatory reform and wetlands protection, and their arguments were reflected in a New York Times editorial on Thursday. OMB led a process to assess the seriousness of the substantive and political objections to the bill.

Handwritten: "Good" with an arrow pointing to the following paragraph.

Following that process, all White House offices and all affected agencies (except EPA) recommended that you sign the bill, provided that you simultaneously direct the Secretary of Transportation to implement a number of administrative safeguards that respond to the major criticisms of the bill. CEQ prepared this memorandum and directive, which should be executed when the bill is signed. Industry will give you strong praise for signing the bill, citing it as an example of your leadership on regulatory reform. Environmentalists may express disappointment that the bill is being signed but will also express appreciation for your leadership in addressing most of the problems in the bill through the directive.

HEADWATERS

Although our agreement was signed only two weeks ago, several events occurred this week which will make its implementation even more challenging. First, Pacific Lumber Company (Palco) began salvage logging in old growth areas. Although Palco was legally entitled to do this, there was an understanding among the parties that it would refrain as a show of good faith. During salvage logging, state and federal officials discovered that Palco was removing

standing trees in violation of state regulations. As a result, Palco was ordered to stop logging for at least 24 hours. These events confirm people's negative perceptions of Mr. Charles Hurwitz, thus undermining our ability to get support from environmentalists, Congress, and others who could help us secure cash and assets for the deal.

Second, I sent a letter to the California Board of Forestry urging it to adopt emergency regulations to require environmental reviews prior to salvage logging (which would have stopped Mr. Hurwitz from salvage logging for months). The letter supported a challenge brought by environmentalists to Palco salvage logging. Although the board voted 4-2 to adopt such regulations, the environmental groups lost on a procedural point. The next two weeks or so will be critical in defining what direction we are headed. We still have our work cut out for us.

I have attached copies of endorsements for permanent protection of the 7,500 acre Headwater preserve from the Save the Redwoods League and the Planning and Conservation League.

NEW WORLD MINE

I have attached copies of editorials from this week in Montana. The Bozeman Daily Chronicle and the Billings Gazette have been reporting that the Administration is refusing Montana's request to release details of the recent agreement to stop the New World mine. Governor Marc Racicot (R-MT) is angry that the Federal government has refused to provide the state with a draft agreement -- the consent decree -- outlining the wastes that must be cleaned up near the site. I met with Governors Racicot and Geringer last week to brief them on our accomplishments to date and promised to keep them engaged throughout the process. This week I sent a letter to Governor Racicot and Governor Jim Geringer (R-WY) providing a copy of the agreement signed on August 12, 1996.

PROJECT XL

Project XL has recently been criticized by some in industry and some environmentalists. As you know, the program is based upon providing regulatory flexibility while requiring accountability. Some in industry do not think EPA is being sufficiently flexible. Some environmentalists do not think EPA is holding industry sufficiently accountable. Much of this is to be expected. Current difficulties reflect the fact that we are attempting something that is both ambitious and difficult. I met with EPA Deputy Administrator Fred Hansen this week to discuss the situation. EPA will soon launch an effort to involve critics from both sides in improving the design of the program so it can achieve its goal of producing better environmental performance at a lower cost. One note: In your own references to Project XL, it is critically important you make clear that in exchange for allowing industry to "throw away the rule book" we require that industry not only meet, but they also exceed current environmental requirements.

WATER RIGHTS

On Thursday, I joined Senator Harry Reid (D-NV) in Reno to announce a landmark agreement on a very contentious water quality and water rights dispute. State, local, and tribal governments participated in the events and supported the agreement we reached. In short, the agreement provides additional water resources for the tribes in growing metropolitan areas and for endangered fish species. To achieve that objective, water rights will be purchased from agricultural interests. The interests involved are nearly identical to the ones that we face in the California Bay-Delta and elsewhere. All of this is a harbinger of the dynamic that will surround water resources issues as development and population growth increasingly press those resources, and as public values toward water resources change, to emphasize environmental recreation and aesthetics in addition to immediate economic issues and agriculture. Water is a critical issue and it will only grow in importance in years to come. We will have many more of these hurdles to jump.

EVERGLADES

The battle over Florida's proposed penny-a-pound tax on sugar companies to clean up the Everglades could end up being the most expensive political campaign in Florida history. So far, about \$13.1 million has been spent by the main combatants on the issue. Three major sugar interests, including U.S. Sugar Corporation, have spent \$6.9 million to fight the penny tax over the past three years.

I have attached an article from the Miami Herald, dated October 6, 1996, regarding the Everglades.

ANIMAS LA PLATA

As you know, the proposed Animas La Plata water project in Colorado and New Mexico has generated significant opposition from a number of groups. There are also interagency disagreements regarding its potential environmental and fiscal impacts. This summer, in an effort to resolve these issues, Governor Roy Romer (D-CO) established a stakeholder working group. A meeting of the group was held this week in Denver, at which both proponents and opponents indicated a general willingness to be flexible. It was agreed that by October 18 an agreement would be drafted to address the extension of short-term stays in both pending litigation and EPA's formal referral of the project to CEQ under the National Environmental Policy Act. It was also agreed that a process would be set up to ensure that as key events occur, all stakeholders will be contacted so the issues can be addressed in a timely manner. Finally, a working group was established to identify criteria within which options or alternatives would be developed that would meet project goals. The next stakeholder meeting is scheduled for December 3 in New Mexico.

TONGASS

Following up on last week's agreement reached between Leon Panetta and Senator Frank Murkowski (R-AK) that cleared the path for signing of the omnibus parks bill, Department of

Agriculture and Department of Justice representatives began meeting with Louisiana Pacific and their subsidiary in Southeast Alaska, the Ketchikan Pulp Company (KPC). The agreement committed us to seeking an immediate mutual cancellation of KPC's contract, allowing them to retain timber currently released to them and possibly settling outstanding contract claims. During the first meeting, it became clear that Louisiana Pacific did not necessarily share the same goals as Senator Murkowski and may not be interested in pursuing mutual cancellation to a successful fruition. However, another meeting will take place later this month. In the event we cannot reach a cancellation of the contract and KPC breaches the contract, we are committed to offer making a certain level of timber available in Southeast Alaska for a 24-month period.

At the same time, we are attempting to bring to a close the final revision of the Tongass Land Management Plan and the accompanying EIS. We are committed to completing that process by the end of this year. However, it is not clear that the Forest Service's current thinking about a preferred alternative adequately addresses scientific concerns about wildlife and resource issues on the Tongass. We have much work to do before we arrive at a satisfactory decision to guide future management on the Tongass.



Save-the-Redwoods League

114 SANSOME STREET, ROOM 605, SAN FRANCISCO, CALIFORNIA 94106-3214
TELEPHONE (415) 362-2352 • FACSIMILE (415) 362-7017

October 3, 1996

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OBJECTS

1. To rescue from destruction representative areas of our primeval forests.
2. To cooperate with the California State Park Commission, the National Park Service and other agencies in establishing Redwood parks and other parks and reservations.
3. To purchase Redwood groves by private subscription.
4. To foster and encourage a better and more general understanding of the value of the primeval Redwood or Sequoia and other forests of America as natural objects of extraordinary interest to present and future generations.

The Honorable Dianne Feinstein
United States Senator
331 Hart Office Building
Washington D.C. 20510

Dear Senator Feinstein:

I am writing to thank you for your critical role in securing the Agreement to lead to permanent protection of the 7500 acre Headwaters Preserve. This is a very significant step in the preservation of the few remaining unprotected fragments of the ancient Redwood forest.

The ten month intensive effort to complete regulatory approval of a multi-species Habitat Conservation Plan and a Sustained Yield Plan for Pacific Lumber Company's entire acreage will certainly be a challenge to the dedication of everyone concerned. We appreciate the parties' commitment to public involvement in the process and urge you to continue to bring your considerable influence in this matter to bear in creating a model of openness. The public's access to the information and criteria being considered throughout the process will be a critical step in building a broad-based sense of success and accomplishment in the result.

The League has publicly stated its hope that all owners of virgin Redwood stands, regionwide, will defer entry into their groves while the League completes a comprehensive review and development of a Redwood Master Plan. We share the concern that Pacific Lumber Company's four groves not presently slated for acquisition might be entered before the property specific management plans are complete.

Thank you once again for your commitment to our shared goal of saving the irreplaceable majesty of the ancient Redwoods.

Sincerely,

Mary A. Angle-Franzini

Mary A. Angle-Franzini



PLANNING AND CONSERVATION LEAGUE

October 4, 1996

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PAULUS OF THE RIVER

SAN MOUNT DIABLO

SANCTUARY FOREST

TAMALPAIS CONSERVATION CLUB

Senator Dianne Feinstein
Undersecretary of Interior John Garamendi
California Resources Secretary Doug Wheeler

Dear Senator Feinstein, Secretary Garamendi, and
Secretary Wheeler:

Many thanks to all of you for your hard work in
developing a proposal to preserve the Headwaters Forest
and other related lands, including old growth forests
owned by Pacific Lumber. You are to be congratulated
on your efforts to save these important areas.

The Planning and Conservation League is strongly
in support of preservation not only of the Headwaters
Forest, but also the other remaining old growth stands
owned by Pacific Lumber and the appropriate management
or preservation of surrounding lands. We hope that the
Habitat Conservation Planning process will determine
that these stands need to be preserved, and that
surrounding lands must be managed in a way which
preserves habitat values.

We stand ready to assist in developing a
reasonable habitat management plan, and in helping to
find ways in which California can pay its share of the
costs of land which will be acquired. We urge
Secretary Wheeler to communicate to the Board of
Forestry the importance of not allowing salvage logging
in any existing old growth stands while the HCP is
being developed.

Again, we thank you for your continued efforts to
preserve Headwaters and the other old growth stands
owned by Pacific Lumber, and we hope to work with you
to make this preservation a permanent reality.

best personal regards,

Gerald H. Meral
Executive Director

TUESDAY, OCTOBER 10, 1996

■ GAZETTE OPINION

Who decides the public's best interest?

The issue: Information about mine land swap

We say: Information should not be kept secret

THE GOVERNMENT of the United States of America is of the people, by the people and for the people — sometimes, maybe, unless it is inconvenient.

Negotiators trading up to \$65 million in federal lands for Crown Butte Mines Inc.'s proposed gold mine near Yellowstone Park would like to work out part of the deal in secret.

The owners of federal government, the overseers of those negotiators, the title holders of the federal lands at stake in the trade, spell that the American public, prefer the

bright light of public scrutiny.

At stake is a "confidential" draft of an agreement outlining how old mine waste will be cleaned up near the proposed mine site. The state of Montana asked for a copy of the draft agreement.

Feds said the state could have a copy only if it took an inviolable oath of secrecy.

It is best, in the feds' view, to keep the public business hidden from the public, the better to serve us, of course.

We aren't buying that pitch. In the words of Gov. Marc Racicot:

"What in God's name should anyone fear by involving the people who own Yellowstone National Park and this government?"

That's the point. All we have to fear are those fearful of managing the public's business in public.

OUR OPINION

Secrecy question one that demands an answer

The federal government could take a few lessons from the state of Montana. The feds plan to conduct secret negotiations over the cleanup of mining wastes of near the site of the once-proposed New World. That wouldn't fly under Montana law, and there's no conceivable reason it should be permitted by the federal government.

The cleanup is part of a larger plan whereby Crown Butte Mines Inc. will drop plans to mine gold just outside Yellowstone National Park near Cooke City in exchange for some \$65 million worth of public land or assets elsewhere. As part of the deal, Crown Butte is to clean up the area where the mine would have been located — the site of extensive mining decades ago — under terms to be negotiated.

The federal government is expecting the state of Montana to be part of the negotiations in some vaguely defined advisory capacity, but is refusing to give the state details about the negotiations unless the state agrees to keep the information secret.

One problem. That very likely would be illegal in Montana — as well it should be.

This type of government secrecy assumes the public is too dumb, obnoxious, irritating — or all of the above — to be allowed to know about government operations it owns and finances every day. That is nothing but pure arrogance.

Responding to the feds' insistence on secrecy, Montana Gov. Marc Racicot rightly responded, "What in God's name should anyone fear by involving the people who own Yellowstone National Park and this government?"

That's more than a rhetorical question. It's a question that demands an answer.

Democratic government at its best should thrive on public debate. The more people that eyeball government policy and offer criticism and suggestions, the better the end result should be. Complete openness may slow negotiations such as those over the cleanup of the New World mine site. So what? just exactly what is the big hurry?

A defense of the closed negotiations was offered by Doug Honnold of the Sierra Club Legal Defense Fund, one of the groups involved in the negotiations. "The negotiations are in an awkward position now," Honnold said. "The federal government and Crown Butte and anyone in the negotiations are going to be doing some horse trading." Then, he adds, the public will have a chance to comment after the end product of the negotiations after it's filed in court.

Excuse us, but don't you have that backwards?

There are functions of the federal government that demand secrecy, such as the conduct of war. The cleanup of old mine wastes near Yellowstone, however, does not fall into the same category.

The public availability of government documents and process in the state of Montana is decided on the strength of one test: Does the public right to know outweigh the individual's right to privacy?

That should be a good enough test for the U.S. government as well and, in this case, the public clearly has the right to know.

The Herald

THE BROWARD EDITION OF THE MIAMI HERALD

SUNDAY, OCTOBER 6, 1996

Everglades a pivotal issue in Florida vote

By CYRIL T. ZANESKI
Herald Staff Writer

Environmentalists had hoped the Everglades might emerge as the big winner in this fall's presidential campaign.

They saw Bill Clinton and Bob Dole battling to woo South Florida voters with dueling promises for helping the region's natural resources — and the tourism economy that depends on them.

But Dole's been mum on the Everglades and on the environment generally, and

that may hurt him in Florida.

"The Everglades is a potent local issue," said Karlyn Bowman, a resident fellow at the American Enterprise Institute for Public Policy Research, a conservative think tank.

And the environment may account for as many as 9 percentage points in Clinton's 12-point lead in a recent statewide poll, said Jim Kane, director of the non-partisan Florida Voter

■ **Tonight:** President Clinton vs. Bob Dole in the first presidential debate, 9 p.m., in Hartford, Conn. Telecast on all major networks and CNN, C-SPAN, MSNBC. 90 minutes.

■ **Monday:** Deadline to register to vote in the November election. You can register at any supervisor of elections office, driver's license office, public library or military recruiting office.

PLEASE SEE GLADES, 15A

poll.
 "If you control for two variables — people's gut feelings about those two candidates and their partisan beliefs — environment stands out as the one issue in Florida that affects how people will vote in the Presidential election," Kane said. "It's the one issue that matters for people who vote truly based on issues."

Conservationist Ron Tipton, co-chairman of the Everglades coalition, said Dole has not been active on environmental issues. "You have to wonder what kind of priority the restoration of this ecosystem would have in a Dole administration," he said.

On the other hand, top Clinton officials — including Miami native Carol Browner, chief of the Environmental Protection Agency — listed protecting the Everglades as a top priority four years ago. And they raised the stakes last February when Al Gore outlined a broad, long-range, \$1.5 billion restoration plan during a splashy visit to Everglades National Park.

Clinton's Everglades proposals came at a time when national polls were showing sharp disapproval of Republican-led efforts in Congress to weaken environmental protections.

"Clinton's approval rating nationally for his handling of the environment is at 62 percent, higher than for any other specific issue," said Bowman.

Florida's representatives in Congress have crossed party lines to work on environmental issues, trying to get money for the restoration of the Kissimmee River, the cleanup of Lake Okeechobee and research in Florida Bay.

Many expected the environment would play a key role in the race to win Florida. Indeed, at the Everglades Coalition meeting in January, environmental activists talked of playing both sides in the presidential race.

Dole's record

Dole encouraged the environmentalists in the early going.

First, he mentioned protecting the Everglades as a national priority during an appearance on Larry King Live. Then, as Senate majority leader, he led the effort to put \$200 million for buying land for the Glades restoration into the 1996 Farm Bill.

But Dole has spoken only once since on the Everglades: He expressed strong opposition to a proposed penny-a-pound tax on Florida sugar that would help pay for the Everglades cleanup. The Clinton Administration is backing the tax.

"I've been very, very disappointed in Bob Dole," said Mary Barley, the leader of Save Our Everglades, the group campaigning for the sugar tax. "As a Republican, I find it difficult to say this, but Bob Dole does not care about the environment."

The Republican platform focuses most of its environmental section on protecting property rights and regulatory reform. And though Dole's campaign literature says he is "the only Presidential candidate ever to have voted for and helped pass every major piece of environmental protection legislation in the past 25 years," his record is the object of scorn from environmentalists.

Dole voted last year to suspend the listing of new endangered species and supported property rights and regulatory reform bills that would have weakened protection for wetlands.

'Throw in the towel'

The administration has not always been the darling of conservationists. During its first two years, the administration was criticized for not doing enough to fulfill campaign promises on providing greater protection to federal forests and rangeland and reducing energy consumption.

"On some of these issues, there probably wouldn't have been enough votes to pass the Congress," said Daniel Weiss, the Sierra Club's political director.

"But we felt they weren't fighting hard enough. That they threw in the towel too early."

But criticism faded in November 1994 with the election of a Republican majority in Congress. As part of an effort to reduce federal regulations called for in the Contract With America, GOP lawmakers proposed a host of changes to the nation's environmental laws.

Babbitt, Browner and Gore went on the offensive. They toured the nation, accusing the Republicans of rolling back environmental protection.

"The administration," Weiss said, "played excellent defense."

In South Florida, though, the Clinton administration has been on an offensive that peaked with Gore's speech at Everglades park, Tipton said.

"This administration has sided with the Everglades in every instance," he said. "They made tough choices to go against Big Sugar. They've proven they'll take big risks politically for the Everglades."

Panetta
Caplan
Liberman

THE WHITE HOUSE

WASHINGTON

56 OCT 11 P8:38

October 11, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
October 4 - October 11, 1996

THE PRESIDENT HAS SEEN

10-16-96

DEPARTMENT OF TREASURY

- **IRS RIF:** IRS and National Treasury Employees Union (NTEU) negotiations on the RIF are at an impasse. Later this month, NTEU and IRS officials are scheduled to meet with a mediator from the Federal Mediation and Conciliation Service. On October 7, Secretary Rubin met with NTEU President Tobias to discuss the RIF. He assured Mr. Tobias that the RIF plan, which will be submitted to Congress in March 1997, will be reasonable and well-conceived.
- **New Document Processing System:** On October 7, IRS "partially terminated for convenience" its \$1 billion contract with Lockheed Martin and Eastman Kodak to develop a new image and data capture technology for processing tax returns. The decision was necessary given the IRS's investment priorities, current budget reality, and limited ability to manage large technology implementation projects.
- **College Construction Loans:** On October 9, Treasury officials discussed the privatization process of the College Construction Loan Insurance Association with Oliver Stockwell, President and Chief Executive Officer. Proceeds from the privatization are to be allocated to the DC Control Board for school construction.
- **Dynamic Scoring:** On October 4, the Joint Committee on Taxation disclosed that the Committee has commissioned a panel to conduct a set of studies analyzing tax reform proposals, such as the Arme y flat tax, using various macroeconomic models. Treasury understands that the committee will use ten models which range from the relatively conservative to the extremely optimistic. It is not clear how policy conclusions will be drawn from the anticipated wide spectrum of results, other than the possible conclusion in favor of the use of "dynamic scoring."

- **Tax Policy:** The *New York Times* is working on stories on pension portability and excesses in executive pension compensation plans. On October 13, part of their study of pension plans may appear.

DEPARTMENT OF COMMERCE

- **Baldrige Awards:** On October 15, the winners of the 1996 Malcolm Baldrige National Quality Awards will be announced. Secretary Kantor will place calls to the winners that morning and a joint press release with the White House will be issued the following day.
- **New Technology:** On October 14, NIST, the Tennessee Valley Authority, and the National Park Service will announce the beginning of a year-long test of NIST's novel solar water heater at Great Smoky Mountains National Park in TN.
- **The following indicators will be released during the next two weeks:**

Advance Retail Sales (September)	October 11
Quarterly Financial Report--Retail	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
- **New Metro Export Sales Report:** On October 23, Secretary Kantor will release a new report on 1995 metropolitan area export sales data for 253 U.S. metropolitan areas. The data will show that exports from these 253 areas grew by 12.6 percent from 1994-95. The top ten leading cities are: Detroit, New York City, San Jose, Los Angeles/Long Beach, Chicago, Seattle, Houston, Minneapolis/St.Paul, Miami and Portland.
- **Tomato Case:** On October 10, DOC and Mexican tomato growers initialed an agreement that would suspend DOC's antidumping investigation regarding exports of tomatoes into the U.S. from Mexico. The proposed agreement will ensure that there is no undercutting or suppression of prices, and it addresses concerns about the dumping of tomatoes in the U.S. If adopted, the agreement would put in place strong measures to prevent circumvention. The agreement will be finalized after a 14-day comment period, but not later than October 28. Secretary Kantor called Governor Chiles, Lt. Gov. MacKay, Senators Graham and Mack, and FL Agriculture Commissioner Crawford.

- **Secretary's Schedule:** On October 16, Secretary Kantor will travel to New York City for a breakfast with CEOs, an event to release the report of the Environmental Technology Trade Advisory Committee, and two editorial board meetings. On October 17, the Secretary will travel to Boston, MA, to deliver a speech at the Kennedy School of Government and make remarks at an Organization for a New Equality dinner. The Secretary will also participate in several events with Senator Kerry.

DEPARTMENT OF LABOR

- **Canadian GM Auto Strike:** On October 3, the Canadian Auto Workers' strike at General Motors began, affecting GM's U.S. operations. The 26,000 striking workers have idled production at all GM plants in Canada. On October 8, GM reported that the strike forced lay-offs at the Tonawanda, NY, engine plant which employees 1,050 workers and the Ypsilanti, MI, transmission plant which employees 800 workers. On October 7, talks resumed with little progress.
- **Steelworkers:** On October 1, 4,500 steelworkers from the Wheeling-Pittsburgh Steel Corporation facilities in OH, PA, and WV left their jobs after negotiations failed to produce an agreement on a new contract. No talks have been held and none are scheduled in the strike by the steelworkers.
-  **Sweatshop Merchandise:** On October 4, Secretary Reich notified some of the nation's major retailers, distributors, and manufacturers that they had received goods made in sweatshops. Sears, Macy's West, Hub, and Guess were cited as receiving merchandise from Chums Casual of Los Angeles, CA. A DOL investigation revealed that Chums paid workers less than the minimum wage.
- **Employer Costs:** On October 10, the Bureau of Labor Statistics issued its annual report on employer costs for employee compensation for March 1996. The average employer cost for employee compensation was \$18.82. The compensation was a 2.4 percent increase in nominal compensation over March 1995.
- **Atlanta Gas Light:** On October 7, 750 workers represented by Teamsters Local 528 struck the Atlanta Gas Light Company after rejecting the utility's final offer for a contract to replace the one that expired on September 15. The parties reportedly had reached agreement on non-economic matters, but could not come to terms on economic issues. The company plans to continue service with supervisory personnel and existing contractors. Atlanta Gas Light is the largest natural gas distribution company in the Southeast.

- **Aircraft and Aerospace:** Next week, contracts in the aircraft and aerospace industry are scheduled to expire. Cessna Aircraft and Learjet of Wichita, KS, have contracts expiring on October 13 and November 5, respectively. On October 23, Hughes Missile Systems of Tucson, AZ, contracts will expire. On November 1, the contracts at Lockheed Martin in Austin, TX, will expire.
-  **Pension Security:** On October 3, Secretary Reich announced that the DOL's "Pension Payback Program" had restored about \$5 million in delinquent retirement savings in pension funds. The program provided a six month amnesty for employers who had improperly delayed contributions to employee pension funds. In total, 170 employers took advantage of the program and restored \$4.8 million in delinquent contributions.
- **Health Care for the Unemployed:** On September 27, Senator Kennedy introduced legislation to provide health care for unemployed workers. Kennedy described the bill as the next logical step in health care reform and a modified version of your proposal. The bill is paid for by closing \$2 billion worth of corporate loopholes. Senator Kennedy intends to pursue this legislation as an early priority in the 105th Congress.
- **Secretary's Schedule:** On October 16, Secretary Reich will participate in an event with Senator Kerry in Boston, MA. On October 16, the Secretary will participate in an event for Congressman Kleczka in Milwaukee, WI. In the evening he will attend a debate-watch party. On October 17, Secretary Reich will participate in events with Congressman Obey in WI.

DEPARTMENT OF TRANSPORTATION

- **Chinese Smuggling Ring:** On October 2, the Coast Guard Cutter *RELIANCE* interdicted the Chinese-flag 221-ft. coastal freighter *XING DA* northeast of Bermuda and found 109 PRC migrants and crewmembers living in a very poor sanitary conditions. This effort was coordinated with State, DOJ, DOD, and INS.
- **Highway Trust Fund:** On October 3, Senators Baucus, D'Amato, and Domenici met with Secretary Rubin and other senior Treasury and DOT officials to discuss the possibility of administratively correcting Treasury's fiscal years FY94-95 Highway Trust Fund (HTF) data. They claim that Treasury, which agrees that there is an under-reporting of \$1.59 billion in fuel and excise tax receipts in FY94, should have retroactively corrected the data to FY94, not FY95 when the error was noted. Whether the credit is made to FY94 or FY95 will make a significant difference for a number of states, who would see their respective FY97 Federal-aid highway

spending authority rise or fall. Senator Baucus introduced legislation in the DOT FY97 Appropriations bill to correct the error, but it failed in conference. This is a very significant funding issue which pits large groups of states against one another.

- **Airport Revenue Diversion:** The FAA will investigate whether the September 30, transfer of \$31 million from the Los Angeles International Airport account to the general fund of the city of Los Angeles constitutes an illegal revenue diversion. The City reportedly claims the transfer reflects the amounts of unreimbursed loans to the airport dating back to the 1950's and 1960's. There is significant Congressional interest in this issue.

- **Alhambra Lawsuits:**

Alameda Corridor - In the City of Alhambra v. Federal Highway Administration (C.D. Cal.), the city of Alhambra has filed suit against the FHWA, the FRA and the CA Department of Transportation challenging the construction of the Alameda Corridor Project. Alhambra claims that the defendant agencies have failed to comply with requirements of the National Environmental Policy Act (NEPA) by not adequately considering the potential environmental impacts on Alhambra from increased train traffic resulting from the Alameda Corridor Project. Alhambra seeks a preliminary injunction stopping the project and a determination that the defendants failed to comply with NEPA requirements.

I-170 Freeway - In the City of Alhambra v. Department of Transportation (C.D. Cal.), the city of Alhambra, CA, has filed a mandamus action against the DOT and the FHWA seeking to compel the agency to issue a Record of Decision (ROD) concerning completion of the I-710 freeway between the city of Alhambra and the city of Pasadena. Alhambra alleges that the over 20-year delay in completing the project has adversely affected the city and its residents.

- **Media Activities:** This week, *CBS News* is preparing a segment on unsolved aircraft accidents. The report is focusing on four to six unsolved accidents, including USAir 427. *CBS* requested Critical Design Review, Power Control Unit information. The air date is unknown.

- **Secretary's Schedule:**

On October 17, Secretary Peña will address the Association of Machinists and Aerospace Workers Conference in St. Louis, MO. Later that day, he will participate in the announcement of a full funding grant agreement of \$39.7 million for a Metro-Link extension in St. Claire County, IL.

On October 18, Secretary Peña will address the third annual ITS World Congress and the Orlando Chamber of Commerce in Orlando, FL.

On October 15, Secretary Peña will sign an FFGA for the Hudson-Bergen Light Rail Transit project, one of seven New Jersey Urban Core projects designed to form a complete transportation system in NJ. Secretary Peña will be joined by Senator Lautenberg, Congressman Torricelli, and Congressman Menendez.

UNITED STATES TRADE REPRESENTATIVE

- **Cambodia MFN:** This week, Ambassador Barshefsky signed a bilateral trade agreement with Cambodia that will extend most-favored nation treatment from the U.S.
- **Japan Distilled Spirits:** On October 4, the WTO Appellate Body decided in favor of the complaint brought by the U.S. and others against Japan concerning Japan's discriminatory taxation of distilled spirits.
- **Trade Policy Forum:** On October 15, Ambassador Barshefsky will address the Trade Policy Forum to discuss the Administration's trade policy agenda.

DEPARTMENT OF JUSTICE

- **Gays In The Military:** Richenberg v. Perry (8th Cir.; D. Neb.). Former Air Force Captain Richenberg was ordered discharged under the statutory "Don't Ask, Don't Tell" policy, based upon his statement to his commander and fellow officers that he is homosexual. The court rejected Richenberg's arguments that the military's policy violates the First Amendment and equal protection. The court held that the policy was consistent with equal protection under rational basis review, since "Congress and the President may rationally exclude those with a propensity or intent to engage in homosexual acts." The court also held that the policy does not violate Richenberg's speech rights since the statement was evidence of propensity to engage in prohibited conduct.
- **International Heroin Ring:** On October 11, Federal, state and local law enforcement officials executed search warrants and arrested 34 members of an alleged heroin smuggling and distribution ring in Bangkok, Pakistan, Chicago, New York and Detroit. The operation, conducted by the Organized Crime Drug Enforcement Task Force, dismantled a network that stretched from Southeast Asia to the U.S. Since 1995, investigators charged 44 individuals and seized more than \$26 million in heroin. The operation relied on the unprecedented cooperation of law enforcement in Thailand, France and Great Britain. The Attorney General and DEA Administrator Constantine made the announcement on the morning of October 11.

- **Mountaineer Militia:** On October 11, federal, state and local law enforcement arrested seven individuals in WV, OH, and PA, following an investigation of allegations of illegal activities of members of the Mountaineer Militia. The investigation focused on attempts by the commanding general of the group to obtain explosives and target the FBI's Criminal Justice Information Services facility in Clarksburg, WV. The arrests took place without incident.
- **Meigs Field:** In *Aircraft and Pilots Association v. Hinson*, litigation was brought by a group opposed to the closing of Meigs Field. The suit sought to block the closing and sue the FAA for failing to conduct a National Environmental Policy Act evaluation when approving the city plan. The state intervened on behalf of the plaintiffs but the district court denied their motion. The airport was closed September 30, but the 7th Circuit has prevented demolition of the airport pending outcome of the appeal.
- **IL Gang:** On September 26, former Chicago businessman Noah Robinson and four high-ranking leaders of the El Rukn street gang were convicted of racketeering and narcotics conspiracy, murder, and other violent crimes.
- **NY Police Drug Ring:** On September 26, two New York City police officers were sentenced for distribution of narcotics and conspiracy to violate civil rights laws. This brings the total to 29 officers formerly assigned to the 30th Precinct who have been convicted of various federal and/or state crimes.
- **Jamaican Drug Fugitive:** On September 27, Jamaican authorities found Eric Vassell extraditable to the U.S. for RICO and other offenses. Vassell is wanted in the Eastern District of NY for his role as the kingpin of a drug enterprise that operated in Brooklyn for several years.
- **Ireland Seizure:** On September 30, the Irish National Police reported the largest cocaine seizure to date in the Republic of Ireland. Police seized approximately 640 kilograms of cocaine from a maritime vessel in the harbor of Cork.
- **Abortion Clinics:** On October 16, the Solicitor General will argue, as amicus curiae in *Schenck v. Pro-Choice Network*, in support of health care clinics and doctors who provide abortion services. The doctors and clinics brought suit against petitioners and others who had blocked access to their clinics. DOJ will emphasize that the injunction does not ban any speech by the petitioner. Sidewalk counseling is permitted within the 15-foot area, and even if a person rejects counseling, the counselor may continue to address that person from a distance of 15 feet.

- **COPS MORE Program:** On October 9, the COPS Office announced \$58 million in grants under the COPS MORE program. The grants will result in the redeployment of over 2,500 officers in 26 states.
- **Media Inquiries:** The *New York Times* is working on a piece on the civil rights accomplishments of the Administration. Deval Patrick has been interviewed. The *New York Times Magazine* is finishing their story on INS Commissioner Doris Meissner. The *Los Angeles Times* is working on a series investigating claims that the CIA was involved in the crack epidemic in inner cities. The *Miami Herald* may have a story on DOJ's failure to release the Inspector General's report on former U.S. Attorney Kendall Coffey. The *Wall Street Journal* is working on a piece about a police officer in Miami, FL, who was sent to jail for child abuse while Attorney General Reno was state prosecutor.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Crib Death:** Between 1992 and 1995, deaths due to Sudden Infant Death Syndrome (SIDS) fell 30 percent. Secretary Shalala, crediting the public-private "Back to Sleep" campaign with improving SIDS mortality, announced that more than 50 percent of SIDS mortality may be prevented if babies are put to sleep on their sides or backs. Since the "Back to Sleep" campaign was launched by HHS in 1994, SIDS deaths have declined 12 percent in 1994 and 18.5 percent in 1995, the largest annual declines ever observed in the U.S.
-  **Delinquent Child Support:** On October 15, the Administration will announce that a record of over \$1 billion in delinquent child support was collected by the federal government from federal income tax year refunds for tax year 1995. The amount was 23 percent higher than the previous year and up 57 percent since 1993. Over 1.2 million families have benefitted. HHS is working with the White House on this announcement.
- **MD Medicaid Waiver:** On October 15, HHS will announce that MD will become the 14th state to win approval for a comprehensive Medicaid reform demonstration project. It will allow the state to enroll most beneficiaries in managed plans.
- **Aetna Contract:** Aetna Life Insurance Company, which is the largest commercial insurer participating in Medicare, announced in July that it would not renew its contract. Currently, Aetna services hospital and other facilities providers in eleven states and physicians and outpatient providers in nine states and three territories. HCFA has begun the transition process to move Aetna's workload to other contractors over the next year beginning with hospital and facility providers.

- **Medicare Fraud Settlement:** As a result of an investigation by the Office of Inspector General, the FBI, and Defense Criminal Investigation Services, Damon Clinical Laboratories has agreed in a global settlement to plead guilty to submitting false laboratory test billings to Medicare. Corning Inc., which purchased Damon and stopped the illegal billing, has agreed to pay \$119 million.
- **Giuliani Welfare Challenge:** Mayor Giuliani announced that he will broaden the city's challenge to the new federal welfare law with a lawsuit to block provisions that cut benefits to legal immigrants. Giuliani claims that the federal change represents "invidious discrimination" against legal aliens, violating their constitutional rights to equal protection.
- **MA Cigarette Tax Increase:** October 1, marked the start of a 25 cent increase in state cigarette taxes in MA. The funds levied will support recently enacted state legislation intended to expand health care coverage for uninsured children and prescriptions for the low income elderly. The legislation passed over Governor Weld's veto.
- **Welfare Reform:** Secretary Shalala's article, "Welfare Reform: We Must All Assume Responsibility," appeared in the October 4, edition of *The Chronicle of Higher Education*.
- **FL Temporary Assistance to Needy Families:** On October 8, ACF sent a letter to FL confirming completeness of their Temporary Assistance to Needy Families (TANF) state plan. The effective implementation date requested by the state is October 1. As of October 9, TANF plans have been submitted by 25 states and one tribe. FL is the third state to receive its notification.
- **Secretary's Schedule:** Secretary Shalala will attend the following events:
 October 13 - Jeff Coopersmith event in Seattle, WA.
 October 14 - Congressman Fazio and Ellen Tauscher event in CA.
 October 15 - Congressman Farr event in Santa Cruz, CA.
 October 16 - LEEZA Show domestic violence taping in Los Angeles, CA.
 October 16 - Presidential debate in San Diego, CA.
 October 17 - Congressman Luther event in MN.
 October 18 - Mary Reider event in Rochester, MN.
 October 19 - Congressman Mascara event in PA.
 October 20 - Mayor Pascrell event in Cedar Grove, NJ.

- **Firearm Violence Study:** Next week, Dr. Arthur Kellerman, of Emory University, will publish an article in the *New England Journal of Medicine* entitled "Firearm Injuries in Three Cities." The work was supported by a grant from the CDC. The study examines the incidence and outcome of firearm injuries from both fatal and nonfatal gunshot wounds in Memphis, TN, Seattle, WA, and Galveston, TX. It concludes that firearm injuries are a major cause of morbidity and mortality in these urban areas and that handguns are disproportionately involved.
- **Medicare Costs of Fractures:** On October 18, the *Mortality and Morbidity Weekly Report* is scheduled to carry an article on the costs of the incidence of fractures in older adults in the U.S. Approximately 1.3 million fractures occur annually in the U.S. among persons 65 or older. Osteoporosis is a major cause of these fractures, which typically result from a fall to the floor. Up to 25 million persons in the U.S. are at risk for fractures because of low bone mass, and this number is expected to increase substantially as the population ages.
- **Infectious Diseases:** On October 18, the *Mortality and Morbidity Weekly Report* is scheduled to carry an article on the ten most frequently reported nationally notifiable infections diseases in the U.S. for 1995.
- **Child and Family Welfare Report:** On October 11, the U.S. Commission on Child and Family welfare released its final report. The report emphasizes the need for involving both parents in the lives of their children after divorce or out-of-wedlock birth and includes 23 recommendations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **MI Demolition Project:** On October 14, Secretary Cisneros will be in Detroit, MI, to participate in the demolition of Jeffries Homes, a troubled public housing development in the heart of Detroit's Empowerment Zone. The future of Jeffries Homes calls for the demolition of over 1,400 units and building a new townhouse community in its place. Additional rental housing and homes for ownership will be built in neighborhoods throughout Detroit, MI.
- **New American Economy:** On October 15, in an address before the Detroit Economic Club, Secretary Cisneros will unveil the results of a HUD study for a new regional economic structure in the U.S. The regional economic clusters, dubbed as "metroeconomies," are responsible for the economic rebirth in communities across the country. The metroeconomies will create millions of new jobs and increase the U.S. lead in the global economy.

- **National Homeownership Rates:** On October 22, the Census Bureau will release the 1996 Third Quarter Homeownership Rates. The rate's trajectory will continue to move upward, demonstrating the success of your economic policies and homeownership strategy. The Second Quarter Homeownership Rate is the highest in 15 years. The rate rose to 65.4 percent, which means that 66.1 million Americans are homeowners, the highest level in U.S. history.
- **MI and CA Homeownership Events:** Next week, Secretary Cisneros will also participate in homeownership events in Pontiac and Taylor, MI, and Los Angeles, CA.
- **Secretary's Schedule:** On October 11, Secretary Cisneros will travel to **Palo Alto, CA** to participate in a roundtable discussion on saving U.S. cities. The Secretary will also travel to **San Jose, CA**, to participate in a Hispanic political event. On October 12, Secretary Cisneros will travel to **Fresno, CA**, to participate in an event with Congressman Dooley. On October 15, Secretary Cisneros will travel to **Lincoln Park, MI**, to participate in an event with Mayor Soll. On October 16, the Secretary will travel to **San Diego, CA**, to attend the Presidential debate. On October 17, the Secretary will address the CT Conference of Municipalities, via satellite. On October 18, Secretary Cisneros will travel to **New Orleans, LA**, to participate in a public housing awards event with Mayor Morial.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Peru/Panama Trip:** On October 19-24, Director McCaffrey will travel to Panama and Peru. In Panama, Director McCaffrey will meet with President Perez Balladares, Foreign Minister Arias, senior government officials and members of the banking community. Director McCaffrey will reinforce U.S.-Panamanian cooperative efforts to address money laundering issues. In Peru, Director McCaffrey will meet with President Fujimori and Foreign Minister Tudela to discuss increased cooperative efforts to reduce the supply of drugs.
- **Media Activities:** On October 14, a major profile on Director McCaffrey in *Newsweek* is expected. The article will focus on Director McCaffrey's realistic, comprehensive, 10-year approach to fighting drugs.

DEPARTMENT OF INTERIOR

- **Headwaters:** On October 8, the CA Board of Forestry issued emergency rules on salvage logging on lands owned by Pacific Lumber. At issue is the timber company's ability to remove dead and downed trees from the old-growth groves prior to the drafting of a Habitat Conservation Plan (HCP) for Pacific Lumber's 195,000 acre holdings in Humboldt County. Both the Fish and Wildlife Service (FWS) and the EPA strongly opposed the logging activities. The Forest Service has begun an analysis of the lands in the Sierra Nevada Range which will be the Federal government's contribution to the Headwaters deal. The selection of the trade lands is expected to be completed within the month and appraisals will follow.
- **New World Mine:** On October 8, the BLM is leading the property exchange effort in the New World Mine activity. A Task Force comprised of several agencies met to refine the list of potential exchange properties nationwide. A recommendation to the joint agency subcabinet executive committee on the most realistic exchange options is scheduled for November 15.
- **California Condor:** On October 16, the Fish and Wildlife Service will publish a Final Rule to establish a nonessential experimental population of CA condors in Northern AZ. The designation gives the Service flexibility to manage the population in a manner that will ensure that current and future land, water or air uses and activities should not be restricted. Condors will be moved to the release site in the fall of 1996 and be released in the winter.
- **Parks for Tomorrow Update:** Of the 18 elements in your "Parks For Tomorrow" Initiative, sixteen were legislative in nature. Of the legislative items, ten were passed at the end of the 104th Congress, including fee reform, Presidio, Sterling Forest in NJ/NY, increased appropriations for park operations, and Point Reyes land acquisition. Congress failed to act on the National Park Foundation, park wilderness designation, protection of Old Faithful, the Historic Preservation Fund, and concessions reform. The NPS and the FAA are on schedule to publish final rules on overflights at Grand Canyon and Rocky Mountain National Parks.
- **Omnibus Park Bill:** A provision within the Omnibus Park bill requires that the Director of the National Park Service be confirmed by the Senate, effective on February 1, 1997. The confirmation process for any prospective nominee will likely prove complicated given the interests of individual members of Congress with regard to particular parks in their districts and states.
- **Secretary's Schedule:** On October 16, Secretary Babbitt will be in San Diego, CA, for the debate. On October 17, the Secretary will travel to Gainesville and Orlando, FL, for environmental events.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Canadian Potato Issue:** On October 4, at your directive, Secretary Glickman and Ambassador Barshefsky announced that the U.S. will begin issuing a new daily report on Canadian potatoes entering the U.S. This special report is in response to concerns raised by ME potato growers, Senator Snowe, and Representative Baldacci, about the impact Canadian imports have had on the marketing of ME potatoes.
- **Rural Development Accomplishments:** On September 30, Secretary Glickman discussed the Administration's accomplishments in agriculture, rural, and other areas in trips to MT, NC, and SD. All events were covered by local print and broadcast media. On October 4, the Secretary joined Representative Johnson at a public meeting in Aberdeen, SD, to discuss the Conservation Reserve Program.
- **National Forest Payments:** On October 9, USDA announced that 41 states and Puerto Rico will share interim payments totaling more than \$185 million as their portion of FY96 National Forest receipts. These states will receive an estimated \$247 million in total payments from national forest receipts for the year. The interim payment represents 75 percent of the estimated total each state will receive as its share of funds collected from timber sales, grazing, recreation, minerals, and land uses. The funds are used for schools and roads. The largest interim payments will go to OR, CA, WA, and ID.
- **Wildfire Update:** Large fire activity has increased in the Eastern Great Basin. CA reported increased initial attack activity, with 26 crews assigned to the fire suppression effort.
- **Air Tanker Legislation:** Before adjourning, the House passed legislation which would permit the sale of surplus DOD aircraft to private firefighting contractors. On September 26, the Senate had passed an identical bill. USDA is working with the White House regarding a signing ceremony for the bill.
- **Forest Service Chief Announces Resignation:** On October 10, the Forest Service Chief, Jack Ward Thomas, announced his intent to retire from the Forest Service.
- **Talks Continue On Alaska's Ketchikan Pulp Company:** On October 9, USDA and DOJ officials met with Ketchikan Pulp Company (KPC) representatives pursuant to letters to Senator Murkowski from Leon Panetta and to KPC from Secretary Glickman.
- **Secretary's Schedule:** On October 11, Secretary Glickman will join Senator Wellstone for events in MN. On October 12, Secretary Glickman will participate in Farm Aid in Columbia, SC.

DEPARTMENT OF ENERGY

- **IG Trade Mission Report:** DOE's Inspector General released its final report on DOE trade missions. After ten months of careful scrutiny, the value of the trade missions was confirmed, the administrative problems have been addressed, and no laws were found to be broken. Media coverage included the *AP*, *Washington Times*, and *NBC News*.
- **Propane Prices:** As of October 4, propane was trading at its highest levels since the Gulf War. Low inventories and the July explosion at the Cactus Gas Plant in Mexico are the major factors that are driving up propane spot prices at the two major trading hubs in Conway, KS, and Mont Belvieu, TX.
- **NM Research Institute:** On October 16, a ceremony will mark the privatization of DOE's Inhalation Toxicology Research Institute at Kirtland AFB, NM. The Institute has been a premier facility for evaluating the health risks of inhaled energy pollutants. This step toward privatization enables the Institute to accept funds from a much wider variety of sources. Currently, the ITRI has an \$11 million yearly budget.
- **AR Energy Efficiency Program:** On October 7, DOE officials briefed Little Rock Mayor Dailey on energy conservation and renewable energy programs and technologies for buildings, transportation, industry, and utilities. Mayor Dailey enrolled the city in several of DOE's energy efficient programs.
- **WA Environmental Molecular Science Laboratory (EMSL):** On October 16, DOE will dedicate the EMSL, a \$229 million construction project at the Pacific Northwest National Laboratory (PNNL). The facility will aid in the cleanup of the Hanford Site and act as a focal point for the collaboration of scientists from around the world. Vice President Gore, Senators Gorton and Murray, and Congressmen Hastings and Dicks have been invited to attend.

DEPARTMENT OF EDUCATION

- **Sexual Harassment:** On October 7, in Rowinsky v. Bryan Independent School District, the Supreme Court denied the plaintiffs' petition for review of a Fifth Circuit Court of Appeals ruling that stated a school cannot be held liable for peer sexual harassment unless the school itself discriminated based on gender. The Fifth Circuit's decision conflicts with the long-standing position of DOEd. DOJ filed a brief in support of the plaintiffs' petition.

- **Education Progress Report:** On October 11, DOE issued a Report in Brief: *NAEP 1994 Trends in Academic Progress*. The report provides information about overall trends in science, mathematics, reading and writing from the year each assessment was administered to 1994. Average scores for three grade levels in each field are reported. The report states that over the long term, American students' scores generally remained stable in reading and writing. In math and science, average scale scores varied by no more than 1 point on a 0-500 scale between 1992 and 1994. In reading and writing, scores declined between 1992 and 1994 for all but one group, which remained stable. Most declines were slight.
- **Secretary's Schedule:** On October 11, Secretary Riley will make remarks at the nation's first charter school with Senator Wellstone and Congressman Vento in St. Paul, MN. On October 12, Secretary Riley will speak to The Dodge Foundation, an organization in Princeton, NJ, that presents awards to groups that have promoted parental participation in education.

VETERANS AFFAIRS

- **Gulf War:** On October 7, Congressman Shays, Chairman, House Governmental Reform and Oversight Committee/Subcommittee on Human Resources and Intergovernmental Relations, announced that he is "deeply concerned that the VA's policies toward Gulf veterans will continue to rely on discredited DoD conclusions" concerning exposure of U.S. troops to chemical weapons. Congressman Shays also said that VA has given "little or no priority" to the possibility of chemical exposure in its research, diagnosis, and treatment of Persian Gulf War veterans. Secretary Brown responded by noting VA's early, comprehensive, and ongoing response to veterans' health concerns related to possible chemical agent exposure.
- **Secretary's Schedule:** Secretary Brown will participate in the following events:
 October 14 - Senator Wellstone event in MN.
 October 16 - Presidential debate in San Diego, CA.
 October 18 - Dedication ceremony of new VA Outpatient Clinic in Rochester, NY.
 October 20 - 100th Anniversary Celebration of the Department of Ohio's Jewish War Veterans' organization in Cleveland, OH.
 October 23 - David Price event in NC.
 October 24 - VA Voluntary Service National Advisory Committee Meeting and National Awards Presentations in Tampa, FL.
 October 25 - Sanford Bishop event in GA.
 November 7 - Jewish War Veterans' National Convention in Washington, D.C.

ENVIRONMENTAL PROTECTION AGENCY

- **Casco Bay, ME:** EPA will approve a Comprehensive Management Plan for the Casco Bay Estuary Program. This will set forth a framework and identify specific actions to protect the Bay from future degradation. Governor King has been a vocal advocate of this Plan and will attend a public signing ceremony later this week with EPA Regional Administrator John DeVillars and former Senator Mitchell.
- **UT Chemical Weapons Destruction:** EPA is continuing to work with DOD on a time frame for issuance of an interim permit to destroy chemical weapons at the Tooele, UT, site. While permits are in place to destroy the hazardous waste, the data are currently lacking that would confirm hazardous PCB chemicals would be managed in a manner protective of public health and the environment. Sides are near agreement on a strategy involving a mini-test-burn. Presentation of the results to the public would not hold up the destruction process.
- **Guidelines for Reproductive Toxicity Risk Assessment:** Next week, the EPA will announce the final Guidelines for a Reproductive Toxicity Risk Assessment. The guidelines represent an important milestone in EPA's efforts to address human reproductive toxicity. EPA will use these guidelines to analyze studies on reproductive effects from exposure to environmental threats.
- **Administrator's Schedule:** On October 17, Administrator Browner will attend Florida Environmental Day in Miami, FL. On October 18, the Administrator will meet with the Society of Environmental Journalists in St. Louis, MO. On October 23, she will attend events with Senator Harkin in Waterloo and Mason City, IA. On October 24, Administrator Browner will attend events with Senator Levine and Congressman Durbin in IL and MI.

OFFICE OF PERSONAL MANAGEMENT

- **Investigations Privatization:** On October 17, the House Civil Service Subcommittee will hold a field hearing in Butler, PA, to review OPM's policies and procedures related to the creation of an employee stock ownership program to conduct background investigations for federal employees. Director King will testify.
- **Diversity in Government Report:** On October 8, OPM issued a report on the growing representation of women and minorities in Senior Executive Service (SES). When SES was created in 1979, only 5 percent of its members were women. In December 1992, the figure was 12.7 percent, and by June 1996, the figure had risen to 19.7 percent. With regard to minorities, representation stood at 5.4 percent in 1979, 8 percent in December 1992, and 11.7 percent in June 1996.

- **Government Downsizing:** August federal employment figures show that the government employs 12,725 fewer than in July. That means a downsizing of 237,635 since January 1993.
- **Federal Health Insurance Survey:** On October 10, OPM will release the results of the annual Federal Employees Health Benefits Plan (FEHBP) customer satisfaction survey. Eighty-seven percent of employees and retirees enrolled in fee-for-service plans and 85 percent of HMO enrollees are satisfied with the overall performance of their health plans.
- **Veterans Preference:** OPM stressed to a reporter from *VFW Magazine* the inaccuracy of rumors that the Administration blocked the veterans legislation that stalled in the Senate late in the session.

UNITED STATES INFORMATION AGENCY

- **Nazi Gold:** USIS Bern has fielded numerous interview requests for Ambassador Kunin on the disposition of gold deposited in Switzerland during WWII. The Washington Agreement of 1946 established a commission for this purpose, but State recently created a task force to look into whether victims of the Holocaust received a fair share of the gold settlement and whether the Swiss withheld some gold. USIS issued a press release, which was picked up by *Reuters*, *AP* and the *Swiss News Agency*. Queries have come from *CBS' 60 Minutes*, the *New York Times*, *USA Today* and *Christian Science Monitor*.

SOCIAL SECURITY ADMINISTRATION

- **Back Payments:** On October 4, there was extensive national and local media coverage concerning back payments due to about 300,000 Social Security beneficiaries as a result of a "computer glitch" that dates back to the early 1970s. People who work after retirement sometimes are due Social Security benefit increases because of their additional earnings. In 1994, SSA identified 426,000 beneficiaries who did not receive increases that were due. SSA has paid \$350 million to about 400,000 of them and has identified another 295,000 people who are due an estimated \$440 million in additional benefits.

- **Social Security Solvency:** On October 9, the *AP* released a story concerning changes that are being proposed to address the solvency of the Social Security programs. The article discussed the work of the Social Security Advisory Council and the Advisory Council's report that is expected to be released soon after the election. It states that the 13 members of the council could not agree on a single remedy, but it will put forward three plans for privatization. The *AP* article also reports that you and Senator Dole both endorsed the idea of appointing a blue-ribbon commission to study the funding issues.
- **Advisory Council:** The *Los Angeles Times* has requested materials on different proposals being considered by the Social Security Advisory Council.
- **Commissioner's Schedule:** Commissioner Chater will participate in the following events:
 October 14 - Institute of Medicine's annual meeting.
 October 21 - University of North Carolina's Breakfast in Greensboro, NC.
 October 22 - National Training Conference of the National Association of Disability Examiners in Chicago, IL.
 October 2 - University of Wisconsin's 125th Anniversary in Oshkosh, WI.
 October 25 - Site visit to Social Security field offices in Philadelphia, PA.
 October 26 - University of Pennsylvania School of Nursing speech.

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	

THE WHITE HOUSE
WASHINGTON

96 OCT 11 P7:18

October 11, 1996

MEMORANDUM TO THE CHIEF OF STAFF
FROM RAHM EMANUEL *RE*
SUBJECT WEEKLY REPORT

See memo
THE PRESIDENT HAS SEEN

10-16-96

CRIME/DRUGS: The Sunday papers should lead with the new FBI uniform crime report. The report will show that crime is down for the forth consecutive year. It will also report that murder is down 13% since 1991, and that the total number of offenses are down 7% compared to 1991.

I have drafted a Presidential statement to be released with the report. The statement acknowledges the progress but calls for more action, specifically on juvenile crimes.

We have also released a Presidential statement on the International narcotics bust that the Department of Justice announced today. This announcement could not have come at a better time. This narcotics ring moved heroin and many studies have shown heroin use significantly up among Americans.

We recently received the Rohypnol legislation (the date rape drug) which strengthens the penalties for those who use the drug with the intent to facilitate a violent crime. I have recommended that the President sign the legislation on Sunday. The signing would make a good picture for the networks as they file stories on the FBI crime numbers.

(X)
IMMIGRATION: Commissioner Meissner was in San Diego on Thursday to announce the addition of 244 new border agents and technical support. She received good coverage in the Los Angeles and San Diego markets. (See attached) We released a Presidential proclamation that acknowledges the two year anniversary of Operation Gatekeeper.

*agree
we need
to sign
this*
We have assembled material for the debate on the President's immigration policy. (I do not believe that we received adequate coverage for signing the immigration legislation.)

TV VIOLENCE: Professor Cole will release a new UCLA study that reports a drop in television violence this past year. He will fly out to New Mexico to do a briefing and statement with the President to introduce the report.

WELFARE: Bruce and I are working with HHS to coordinate the release of two reports. The first is scheduled for the end of October and would report, state by state, that 2 million people have dropped off the welfare roll since 1993.

The second report acknowledges the fact that we have collected over \$1 billion in child support.

Good

↑
Track collections
on up collections
(HHS) - Legal changes
also helping non-federal collections

SDUT
10-11-96

224 more agents for the border

*New high-tech gear also
assigned to East County*

By Leonel Sanchez, STAFF WRITER

Marking the second anniversary of Operation Gatekeeper, the nation's top immigration official announced yesterday that 224 additional Border Patrol agents will be assigned to beleaguered East County by the end of the year.

In the meantime, 100 more agents will be temporarily deployed there starting next week.

Doris Meissner, commissioner of the Immigration and Naturalization Service, said the increase will allow the Border Patrol for the first time to have effective enforcement measures along the entire 66-mile San Diego County border with Mexico.

Until now, she said, the Border Patrol has concentrated heavily on slowing illegal immigration along the traditional smuggling corridor from Imperial Beach to Otay Mountain and parts of East County. Other parts of East County have not been well guarded.

Meissner said she had met with East County residents and heard their frustrations.

"It's reminiscent of what I heard from residents in Imperial Beach two years ago," she said. "I told them we will control illegal immigration in East County as

See **BORDER** on Page A-23

Border

INS beefing up East County patrol

(Continued from A-1)

have controlled it in Imperial Valley."

"Resources will continue to be deployed in East County to establish a zone of control," she said during a press conference.

In addition to the new agents, the stations in East County will also receive six new night vision scopes, 14 underground sensors, three three-wheel-drive buses to transport illegal immigrants, and a five-member horse patrol team. About 6 1/4 miles of new fencing will be built in Calexico and Jacumba.

Currently, 189 agents are assigned permanently to the stations to cover East County. The Border Patrol will increase that number to 413 by the end of the year. In the meantime, about 100 agents from across the country will temporarily be deployed there by

next Tuesday. In addition, the INS has increased funding for overtime pay to allow more agents to work six-day weeks, officials said.

The 100 agents are to be replaced by 224 permanent border agents before the end of the year.

Meissner said the INS is bolstering its East County staffing to prepare for the post-holiday influx of illegal immigrants that typically occurs from January through March.

Some East County residents were skeptical that the Border Patrol could make a significant difference right away.

"Certainly, more help is welcomed," said East County Supervisor Diane Jacob. "My fear is that it is too late and too little. Adding 100 or 200 agents is not going to do the job when you have to spread them over a (vast) open border."

Jacob also said the announcement may be a political ploy, because it came three weeks before the presidential election.

Rep. Duncan Hunter, R-El Cajon, criticized the Clinton administration for rejecting Republican attempts to raise the number of Border Patrol agents even higher than

those targeted for the San Diego sector. He attended Meissner's press conference and then immediately called his own to assail the administration's efforts along the border.

An East County resident, Tom Wester, said his life has been disrupted by increased crossing through Japantul Valley. He, too, was skeptical about the increased Border Patrol staffing, saying he thought more agents would be needed.

"My family and I always lived in peace and tranquility here, but now the quality of life has been sucked from us," he said.

T.J. Bonner, president of the National Border Patrol Council, a frequent critic of the INS, challenged the idea that the new agents would bring quick relief to East County residents. He said it would take months for the new agents to get accustomed to the rugged terrain.

Meissner said the goals of Operation Gatekeeper have been accomplished so far, and that her agency was moving aggressively to tackle illegal immigration in East County.

One way was outlined yesterday

by Alan Bersin, U.S. attorney for the San Diego region, who said his office plans to prosecute more illegal immigrant smugglers. He appeared with the commissioner.

Meissner said the Border Patrol was a neglected agency for years until the federal government got serious about controlling illegal immigration three years ago.

Since then, the sector's force has doubled to nearly 2,000 agents and has received vast resources, including new computers, night vision scopes, sensors and vehicles, plus added fencing and roads.

"These unprecedented resources helped us gain control of Imperial Beach, Chula Vista, Brown Field and now eastward across East County," Meissner said, referring to large Border Patrol sections where arrests have dramatically dropped since Gatekeeper began on Oct. 1, 1994.

"The border is harder to cross than at any time in history," she declared.

Immigration officials generally view a reduction in arrests as a sign that enforcement tactics are discouraging people from attempting

to cross the border illegally.

Last fiscal year, which ended Sept. 30, Border Patrol arrests throughout the sector dropped 483,815, from 524,231 in 1995.

However, they rose for the second year in East County — from 5,136 in fiscal year 1995 to 76,656 last year in El Cajon, and from 39,052 in 1995 to 78,762 last year in Campo.

Meissner said she believes the Mexican economy is stabilizing and that fewer people will attempt to cross.

Not all experts agree. A leading Mexican scholar disagreed with her contention that the devaluation of the Mexican peso had spurred illegal immigration into the United States.

Jorge Bustamante, president of the Colegio de la Frontera del Norte, said yesterday that the Mexican peso crisis forced more people to stay home because they could not pay for the trip north.

Bustamante agreed, however, that the increased Border Patrol presence has made it more difficult for illegal immigrants to enter the United States.

MEDIA REPORT - 10/10/96 INS GATEKEEPER ANNOUNCEMENT
San Diego, CA -- (as of 10/11/96)

The following news coverage was generated regarding INS' announcement of new agents in East County and the success of Operation Gatekeeper:

10/9/96

- The following San Diego media covered the Commissioner's media availability on Wednesday evening at the border. Their stories ran on the late news and previewed Thursday's announcement:

KUSI- local independent
KGTV- local ABC affiliate
KNSD- local NBC affiliate
KNN- local stringer service
ECO- international Spanish news service

10/10/96

- Advance stories on the announcement ran in the San Diego Union Tribune (with photo); the North County Times and AP.
- The backdrop for the news conference: Border Patrol trainees, supervisors, and new 4X4 transport vehicles. Stories ran Thursday on all network and independent San Diego affiliates on both the early and late evening news broadcasts; other notable media covering the event included the following:

ABC National News (LA) - no story aired.
Los Angeles Times
Orange County Register
Channel 19 TV(LA)
North County Times
KPBS, KSDO, KOGO, KNX radio
San Diego News Service
Notimex
Newsweek

10/11/96

- Coverage of the announcement ran in the San Diego Union Tribune, the LA Times (with photo), and the Orange County Register, etc.

Oct 11

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(301) 251-9709 (H) / (703) 695-5678 (W)

$$10 - 16 \div 96$$

October 11, 1996

~~The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000~~

To Use
Representing
T. G. Lewis
Commissioner of Southern
California
B.C.

Dear Bill,

Really enjoyed getting to see you after the debate in Hartford -- as I told you then, you did a terrific job.

✓ Enclosed a package Jim Durham provided me which briefly covers an admittedly dry, boring, but very important military acquisition area that will involve you eventually.

Hope to see you around election day in Little Rock. I cleverly planned a visit home to see Mom about that time.

By the way, in the "isn't it a small world" category, Ensign Elizabeth Jamison is leaving San Diego today on a six-month deployment to the Persian Gulf and other exotic locations on the carrier USS Kitty Hawk as an Intelligence Officer for the ship's Air Wing. If by chance you have to punish Sadaam again, she will be one of the officers on the Kitty Hawk making recommendations as to which targets should be struck. She assured me she would take time to vote by absentee ballot, however.

Hope you have continued success.

Sincerely,

Phil

OFFICE OF THE SECRETARY OF DEFENSE

10/7/96

MEMO FOR

Phil

These articles mention two of my major rightsizing projects lately. I am the architect for both the Joint Strike Fighter and the DAWMS Part 2 Force Structure Trades. I have done both of these while working for the DPA&E, Bill Lynn, and he has allowed me great freedom to set up and maintain them. The JSF will get us a tri-service aircraft with the lowest possible cost, and DAWMS Part 2 will tell the Secretary, and the President how many fighter wings we really need, how many carriers, and whether or not we should buy any more B-2s. I routinely brief Dr Kaninski and Gen Polston as well as other senior officials on our progress. Someday I hope to brief the President. What we are doing is that important.

Jim

3 of 8

dump leftover bombs in the ocean to reach their landing weight, an untenable option for planes totting today's million-dollar precision munitions. But a June report by the General Accounting Office said the Navy could save almost \$17 billion by simply buying more of the older F/A-18s, with only a marginal loss in capability. Rear Adm. Denny McGinn, director of air warfare for the Navy, argues that the Super Hornet is "exactly the right blend of capabilities" and points to an unusual feature of the program: The plane, already in production, is on budget and on schedule.

The joint strike fighter, which isn't due for delivery until at least 2008, represents a much larger technological leap, though at a price the CBO says will ultimately work out to not much more per plane. While its speed and maneuverability will roughly match that of other modern fighters, its edge should come from its advanced electronic gear and stealth characteristics. In November, the Defense Department will narrow down the bidding contractors from three to two, with the winner to be determined by 2001.

Tanks, but no tanks. For now, the main mission is to determine whether the three planes together amount to overkill. "The question," says Rand analyst Ben Lambeth, "is where is that line between absolutely essential and really nice to have?" Less money for airplanes could mean more money for other equipment the services say is badly needed now. Army officials, for instance, argue that advanced infrared sights could be installed on all of its tanks, providing a "quantum leap in capability," for the price of about one F-22. France and Turkey already have such systems, but the U.S. Army isn't planning to purchase them until at least the turn of the century.

Top Defense Department officials, including Army Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, have acknowledged that the Pentagon's appetite for new combat jets is bigger than its budget. Curt Weldon of the House Military Research and Development Subcommittee foresees one or more of the programs being canceled outright, although Pentagon planners contend that simply buying fewer of each type of plane may suffice. The first crack at resolving the mismatch is a "deep attack" study currently underway at the Pentagon, which will begin to sort out the best mix of new aircraft, long-range munitions and proven, if aging, systems; results are due by early next year. America's dominion over the skies should last at least that long.

978

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BY RICHARD J. NEWMAN

9/28

DAWMS Part 2, the Force structure and platform trades will provide the answer!
 (DAWMS = Deep Attack Weapon Mix Study, Part 2 has trade-offs, including B-2s)

Where's the target?

U.S. war planners have set their sights on three new advanced fighter planes. But with few rivals in the skies, is it worth \$355 billion?

In aerial hot spots such as the no-fly zones over Iraq, the Air Force's F-15 reigns as the undisputed king of the sky. The highly maneuverable fighter jet is revered by pilots for its record during the Persian Gulf war—26 shoot-downs, with no losses—and can “outperform and outfight any current or projected enemy aircraft,” according to the Air Force's F-15 page on the Internet.

Yet on a different battlefield—the one where the military services fight for money for future weapons—the F-15 barely holds its own. It “cannot guarantee air superiority,” according to Air Force documents, and “is less capable than emerging threats.” In everything but their electronic systems, foreign-made competitors like Russia's Su-27 and MiG-29, which are already flying, “are far superior to any airplane the U.S. has today,” says Gen. Joseph Ralston, vice chairman of the Joint Chiefs of Staff. The Pentagon, to no one's surprise, has a solution for this alarming situation: new, improved planes, like the stealthy F-22 air-to-air fighter, at a new, improved cost—more than \$100 million apiece.

U.S. military officials say the F-22 and two other advanced jets under development—the Navy's F/A-18E/F “Super Hornet” and a “joint strike fighter” to be shared by the Air Force, Navy and Marine Corps—are badly needed to modernize a fleet of combat, or “tactical,” aircraft whose average age will reach record highs in the next decade. The F-22, officials say, will have a combination of speed, stealth and sophisticated electronics that will allow it to shoot down enemy fighters before its presence is even detected on radar screens.

The new planes, however, may not be robust enough to survive the budget battle that defense analysts expect to take place after the November elections.

“There's no way we're going to have the dollars to pay for what they want,” says Republican Rep. Curt Weldon of Pennsylvania, chairman of the House Subcommittee on Military Research and Development. The joint strike fighter might ultimately be the most expensive weapons buy ever, over \$200 billion. Altogether, the planned purchases could top \$355 billion when historical levels of

cost overruns are factored in, says the Congressional Budget Office.

Paper threat. Budgetary realities are one thing, but what really may make the Pentagon's dream fighters seem more of a fantasy than a dream is the awkward question of who precisely they are meant to fight against. “It's not obvious that additional capabilities are needed for the threat that's out there,” says Richard Davis, director of national security analysis for Congress's General Accounting Office. The Pentagon points to a half-dozen foreign-combat jets under development, including Russia's Su-35, China's F-10, the French Rafale and the Eurofighter EF-2000, the product of a British, German, Italian and Spanish consortium. If the manufacturers' claims for the products all came true, each of the planes would be able to match or beat current U.S. aircraft like the F-15 Eagle and the F/A-18C/D Hornet in at least some performance categories, such as range, speed and agility. While the United States obviously is unlikely to encounter its European allies in a dogfight, and may avoid conflicts with Russia and China as well, each of those countries is likely to promote its planes aggressively on the world market.

Which raises another consideration: U.S. contractors face a bigger threat of getting blown out of the marketplace than pilots face of getting blown out of the sky. A May report by Merrill Lynch estimates that if the joint strike fighter is developed as planned, exports could more than double its sales: the British Royal Navy has already agreed to purchase 60 of the fighters.

American military planners, sticking to more traditional definitions of national security, insist that war game simulations make the case for modernization. In future scenarios in which the United States fights without the new planes, it sometimes takes days or weeks—and the lives of many pilots—before U.S. and allied forces control the skies as they did almost from the outset of Operation Desert Storm in the Persian Gulf.

Yet a lot of the handicapping of the combat threat involves comparing a real Eagle with a paper tiger. Foreign planes under development have already hit cost

delays and other snags. The Russians' highly advanced “fifth-generation fighter”—which was expected to be fielded by about 2000 when the first F-22 prototype was being developed in the late 1980s—now won't make it into production until at least 2020, according to a knowledgeable U.S. defense official. And even if the “threat” planes are as capable as advertised, it's not clear who can afford them. Of the two nations with superpower potential that U.S. pilots could conceivably face, Russia can afford few new aircraft, says the official, and China, even with its strapping economy, still lacks the technical expertise to field a modern air force before 2020. Lesser powers such as Iran, Iraq and North Korea will be able to afford advanced planes only if they slash the size of their air forces, according to *Trends in the Global Balance of Airpower*, a 1995 Rand Corp. study. Any air force that hopes to compete with the United States must also provide rigorous and frequent pilot training, stockpiles of high-tech precision munitions, a logistics system that can service planes rapidly and a fleet of support aircraft like airborne warning and control planes and aerial refuelers.

Unfair fight. U.S. air power experts counter that because U.S. forces may be called on to strike targets deep in enemy territory or stop a land offensive far from the United States—running a gantlet of highly sophisticated surface-to-air missiles that even small countries can now afford—a level playing field is not good enough. Most commanders also feel that since the gulf war, the American public has come to expect military actions to be short lived and relatively bloodless, which requires a greater advantage than planners typically sought during the cold war. “Anytime we send our people into combat, we want to make sure they are dominant,” says General Ralston. “We're not looking for a fair fight.”

In the unique logic of defense procurement, the least expensive of the three planes is probably the most susceptible to cancellation. The Navy's new Super Hornet, due to be fielded in 2001, flies farther than its predecessors and can land on a carrier with a bigger load of unused ordnance; older planes sometimes have to

The fact that the Joint Strike Fighter is the low-cost alternative is lost on everyone as the service posture to keep their high-cost options (F-22 and F/A-18 E/F) alive vs the low cost JSF.

548

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News Staff Writer

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Oct-11-'96

Strat, Forces & Ops Centre Fax: 703-614-6793

The studies are expected to play a key role in defining the issues to be debated in the still-evolving Quadrennial Program Review of military force structure and weapon systems required for the future. The strategy review is ex-

Since the war game shows smart weapons being depleted, officials with the Joint Staff's office of Force Structure

The services, quite naturally,
are very nervous about it.
But, they are necessary if
we are to down-size
smoothly and efficiently.

Staff Writer Robert Holzer contributed to this report.

104TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
104-863

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR FISCAL YEAR 1997

CONFERENCE REPORT

TO ACCOMPANY

H.R. 3610



SEPTEMBER 28, 1996.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1996

27-409

*The Congress has put
DAWMS Part 2
into law!*

7/8

To: Under the heading, "Shipbuilding and Conversion, Navy, 1994/1998":

DDG-51 destroyer program, \$41,800,000; and

Under the heading, "Shipbuilding and Conversion, Navy, 1995/1999":

For craft, outfitting, post delivery, conversions and first destination transportation, \$16,800,000.

SEC. 8106. (a) The Secretary of Defense shall require not later than June 30, 1997, each disbursement by the Department of Defense in an amount in excess of \$3,000,000 be matched to a particular obligation before the disbursement is made.

(b) The Secretary shall ensure that a disbursement in excess of threshold amount applicable under section (a) is not divided into multiple disbursements of less than that amount for the purpose of avoiding the applicability of such section to that disbursement.

SEC. 8107. Notwithstanding any other provision of law, the Air Force shall not introduce any new supplier for the remaining production units for the AN/ALE-47 Countermeasures Dispenser System without conducting a full and open competition that will include, but not be limited to, small businesses.

SEC. 8108. The Under Secretary of Defense (Comptroller) shall submit to the congressional defense committees a detailed report identifying, by amount and by separate budget activity, activity group, subactivity group, line item, program element, program, project, subproject, and activity, any activity for which the fiscal year 1998 budget request was reduced because Congress appropriated funds above the President's budget request for that specific activity for fiscal year 1997.

SEC. 8109. In applying section 9005 of the Department of Defense Appropriations Act, 1993, Public Law 102-396 (10 U.S.C. 2241 note), during the current fiscal year and thereafter—

(1) the term "synthetic fabric and coated synthetic fabric" shall be deemed to include all textile fibers and yarns that are for use in such fabrics; and

(2) such section shall be treated, notwithstanding section 34 of Public Law 93-400 (41 U.S.C. 430), as being applicable to contracts and subcontracts for the procurement of commercial items that are articles or items, specialty metals, or tools covered by that section 9005.

SEC. 8110. Notwithstanding any other provision of law, including Section 2304(j) of title 10, United States Code, of the funds appropriated under the heading "Aircraft Procurement, Navy" in Public Law 104-61, \$45,000,000 shall be made available only for acquisition of T-39N aircraft, associated ground-based training system (GBTS), service life extension related components and parts, associated equipment, and data that meet the Undergraduate Flight Officer (UNFO) training requirements by procurement of the T-39N aircraft currently being used by the Navy for UNFO training under a services contract.

SEC. 8111. TRADEOFF STUDY OF CURRENT AND FUTURE DEEP-

(1) The Secretary of Defense shall carry out the deep-strike tradeoff study announced by the President to study tradeoffs between bombers, land and sea-based tactical aircraft, and missiles capable of striking targets in an enemy's rear area.

(2) The Secretary of Defense shall establish an ad hoc review committee under the auspices of the Defense Science Board to establish the methodological approach to the tradeoff study, to establish a broad range of stressing scenarios of interest, and to review assumptions regarding the analysis to be conducted.

(3) The ad hoc review committee to be established under paragraph (2) shall include among its members analysts who have performed or participated in bomber tradeoff analysis, retired military personnel with broad experience in recent conventional warfare operations, and experts on the logistics of both initial deployment and sustaining support. These members shall be selected without regard for current service on the Defense Science Board.

(4) After submitting its recommendations for the conduct of the deep-strike tradeoff study to the Secretary of Defense, the ad hoc review committee shall continue to meet regularly to review preliminary results of the analysis and to recommend additional variations in assumptions that may be required to illuminate particular force tradeoff issues.

SEC. 8112. Notwithstanding 31 U.S.C. 1552(a), of the funds provided in Department of Defense Appropriations Acts, not more than the specified amounts of funds from the following accounts shall remain available for the payment of satellite on-orbit incentive fees until the fees are paid:

"Missile Procurement, Air Force, 1990/1992", \$17,800,000;

"Missile Procurement, Air Force, 1991/1993", \$19,330,000;

"Missile Procurement, Air Force, 1992/1994", \$23,570,000;

"Missile Procurement, Air Force, 1993/1995", \$16,780,000;

"Missile Procurement, Air Force, 1994/1996", \$16,780,000.

SEC. 8113. TACTICAL AIRCRAFT REQUIREMENT STUDY.—The Secretary of Defense and the Chairman of the Joint Chiefs of Staff shall carry out a joint study under the direct supervision of the Joint Requirements Oversight Council (JROC) assessing future tactical aircraft requirements across service jurisdictions. This study shall determine the best and most affordable mix of weapon systems to carry out different mission areas and shall include recommendations for changes to the planned numbers and types of tactical aircraft to be developed and procured over the next ten years if appropriate. Such report shall be submitted to the congressional defense committees no later than March 30, 1997.

SEC. 8114. None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair, or maintenance of any naval vessel homeported on the West Coast of the United States which includes charges for interport differential as an evaluation factor for award.

SEC. 8115. (a) None of the funds available to the Department of Defense under this Act may be obligated or expended to reimburse a defense contractor for restructuring costs associated with a business combination of the defense contractor that occurs after the date of enactment of this Act unless:

96 OCT 16 All : 10

JIM DORSKIND:
Please coordinate
the reply.

THE PRESIDENT HAS SEEN

10-16-96

Dear President Clinton,

OCTOBER 12, 1996

I Am Truly Honored By The Opportunity To Host You For
The Next Day. We Sincerely Welcome You To The INVERNESS HOTEL
AND GOLF CLUB, AND HOPE YOU WILL ENJOY THE BRIEF OPPORTUNITY
TO PLAY OUR GOLF COURSE. STEERING FROM EXPERIENCE, IT IS A CHALLENGE.

I Am Proud Of You MR. PRESIDENT, AND HOW YOU
REPRESENT AMERICANS LIKE MYSELF. THANK YOU FOR THE TIRELESS
EFFORTS YOU AND VICE PRESIDENT GORE PUT FORTH ON OUR BEHALF.
YOU HAVE MADE THE WORLD SAFER, AND OUR FUTURE BRIGHTER.

Should You Desire To Run Around THE OFFICE PARK ON SUNDAY
MORNING, I WOULD BE HAPPY TO JOG WITH YOU PLEASE LET ME KNOW
THANKING YOU IN ADVANCE FOR YOUR SIGNING OF THESE BOOKS, I AM,

Sincerely,
Mark Dorskind

THE PRESIDENT HAS SEEN
10-16-96

10/10/96

96 OCT 16 AM: 13

Dear President Clinton:

Thank you for saving MEDICARE!

I am an 81 year old widow who had a stroke in February, 1995. I spent 100 days at Patricia Neal Rehab Center in Knoxville, Tn. I have since had a year of Physical and Occupational Therapy. My medical bills have exceeded \$200,000.00. Instead of placing me in a Nursing Home my son and his wife took early retirement and moved me into their home and give me 24 hour care. I couldn't make it without Medicare and Social Security. I will be forever grateful.

I am one of your greatest fans. You have my vote and I am ready to follow you over the bridge into the 21st Century!

Sincerely,

Helen B. Ohlsson

Helen B. Ohlsson
146 Leatherwood Drive
Walland, Tn. 37886
(423) 981-2090

*I'll be walking
over that bridge
with you
God bless you*

JIM DORSKIND:

Please coordinate
the reply.

*Wonderful letter
So many
sent to Clinton
Camp. - ~~sent~~ for
press contact*

BC

Maurer

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THE PRESIDENT HAS BEEN

10-10-96

October 10, 1996

cc: *Edmund*
Umberg (Tom Umberg)

President Bill Clinton
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500-2000

Dear Bill,

I thought you did a really nice job during the debate--part of which I watched with Sasha, my four and a half year old fashion consultant--and it is her feedback that I want to convey. After watching for a few minutes she turned to me and said "I think his (meaning Bob Dole's) tie is prettier because it has red in it." Then she asked me how old each of you are and after I told her she said authoritatively, "Well, Bill looks much better for his age." And I thought you sounded as good as you looked.

I am really glad that my dire predictions about California have not turned out to be true. It's too bad that strong support for you doesn't translate into opposition to the anti-affirmative action initiative, which unfortunately still has a comfortable lead.

Good luck during the final weeks of the campaign. We're rooting for you and Sasha wears her Kids for Clinton t-shirt regularly.

Warmly,

Abby