THE PRESIDENT HAS SEEN

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August 7, 1997

To Jay / Vicki

MEMORANDUM FOR THE PRESIDENT

FROM: MACK McLARTY

SUBJECT: NAFTA -- COUNCIL OF THE AMERICAS STUDY

I felt we had a productive fast track meeting this morning and reached the right conclusions as to how to proceed.

Per your comments and concerns about the specific results of NAFTA, I am enclosing for your perusal a Council of the Americas study that I received today. I think it responds at least in some measure to your concerns, and there are specific anecdotal company and worker examples which support the very positive data included in this report. I am sure Jay Berman and Vicki Radd plan to make good use of this information on a district-by-district basis.

Mcl

Attachment
cc: Erskine Bowles
Jay Berman
Vicki Radd

Copied
Berman
Radd
COS
McLarty

Chron.

COUNCIL OF THE AMERICAS
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1310 G STREET, NW SUITE 690 WASHINGTON, D.C. 20005 TEL: (202) 639-0724 FAX: (202) 639-0794

For Immediate Release:
Contact: Lisa C. McLean
(202) 639-0724

NAFTA PROVES BENEFICIAL TO STATE ECONOMIES, SAY STUDIES RELEASED BY THE COUNCIL OF THE AMERICAS

(Washington, DC – June 26) – The North American Free Trade Agreement has produced significant benefits for state economies since its implementation in 1993, according to a series of studies commissioned by the Council of the Americas. Twenty-one studies of NAFTA's impact on individual states are now available, and they demonstrate that positive effects include export growth, job creation, foreign direct investment and environmental enhancements. States studied include Arizona, California, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas and West Virginia.

- All states examined saw their exports to Canada and Mexico grow during the 1993-1996 period. Nineteen states enjoyed cumulative export growth of more than 25 percent for the three-year period. Three states – Kentucky, Louisiana and Mississippi – enjoyed cumulative export growth of more than 75 percent for the three-year period.

- Many states have realized sharp gains in exports of high-tech products (semiconductors, telecommunications and computer equipment, electronic components and medical devices) and industrial machinery (construction and farm equipment, automobile engines and machine tools), as well as agricultural products (fruits, vegetables, beef, soybeans, cotton and dairy products).

- U.S. exports to NAFTA countries support almost 3 million U.S. jobs, many of which have been created since 1993.

- Several states, including Iowa and Texas, have enjoyed large inflows of foreign direct investment by Mexican companies eager to expand into the U.S. market.

- Several border states, such as Arizona, California and Texas, have realized improvements in drinking water and wastewater collection as a result of NAFTA-related programs.

The Council of the Americas is a business organization dedicated to promoting economic integration, free trade, open markets and investment, and the rule of law throughout the hemisphere. On behalf of its corporate members, the Council acts as an advocate in public policy discussions in Washington and in capitals abroad, and provides a forum for dialogue on economic and political issues. The Council played a key role in the creation of NAFTA and is one of the leading private sector organizations supporting the Free Trade Area of the Americas.

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COUNCIL STUDIES SHOW SIGNIFICANT EXPORT INCREASE FOR 21 STATES TO BE A NAFTA BENEFIT

Council of the Americas' studies on the impact of NAFTA in twenty-one states demonstrate that exports to Canada and Mexico have grown significantly for each state during the three years NAFTA has been in effect. The percentages of export growth for individual states between 1993 and 1996 are as follows:

- Arizona up 25.8 percent
- California up over 40 percent
- Florida up 7.1 percent
- Georgia up 35.6 percent
- Illinois up nearly 38 percent
- Indiana up 47.1 percent
- Iowa up 52.8 percent
- Kentucky up over 75 percent
- Louisiana up 110 percent
- Massachusetts up over 31 percent
- Michigan up over 10 percent
- Mississippi up 32.9 percent
- Missouri up 45.2 percent
- New Jersey up nearly 30 percent
- New York up nearly 30 percent
- North Carolina up over 63 percent
- Ohio up 34.7 percent
- Pennsylvania up 33 percent
- Tennessee up 40 percent
- Texas up over 41 percent
- West Virginia up over 38 percent

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IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) ON INDIVIDUAL U.S. STATES

Executive Summaries from 21 Individual Reports

JUNE 1997

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON ARIZONA

Executive Summary

The people and economy of Arizona benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Arizona's exports to Mexico and Canada have grown strongly under NAFTA--up 25.8 percent between 1993 and 1996.

- In 1996, Mexico and Canada were Arizona's leading and third-most important export markets, respectively, accounting for 27.8 percent of total state exports.

- High-tech, high-value-added products lead Arizona's exports to both Mexico and Canada, including semiconductors, telecommunications equipment, electronic components, computer equipment, specialized industrial machinery and helicopter and aircraft parts.

- Arizona's farm sector also benefits from the agricultural provisions of NAFTA. Key exports to Mexico and Canada include breeding cattle, lettuce, cantaloupes and broccoli.

- The passage of NAFTA created a unique opportunity for Arizona and the Mexican state of Sonora to form an bi-national, integrated economic region that will be more competitive in the global market.

- Because of its key location along the Mexican border, Arizona's transportation and distribution industries profit from increased trade and investment between the United States and Mexico under NAFTA.

- Arizona's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.

- NAFTA's Border Environmental Cooperation Commission (BECC) and North American Development Bank (NADBANK) have helped Arizona communities promote economic development while improving their drinking water and environment.

- Numerous Arizona companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Arizona companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON CALIFORNIA

Executive Summary

The people and economy of California benefit greatly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- California's exports to Canada and Mexico have grown strongly under NAFTA, up over 40 percent between 1993 and 1996.
- The 1994-95 decline in California's exports to Mexico, caused by the devaluation of Mexico's peso, was more than fully recovered by export growth during 1996.
- High-technology manufactured goods lead California's exports to Canada and Mexico. These products include semiconductors, computers, specialized industrial machinery, medical devices, aerospace equipment--even sports equipment.
- California's farm sector has also benefited from the agricultural provisions of NAFTA. Key exports include beef and beef products, table grapes, cotton, dairy products, vegetables and fruits.
- California's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Because of the large increase in trade and investment between Mexico and California, California's border region, including such important California cities as San Diego, has enjoyed economic growth under NAFTA.
- NAFTA's establishment of both the Border Environmental Cooperation Commission (BECC) and the North American Development Bank (NADBANK) has helped California communities promote economic development while improving their drinking water and the environment around them.
- Numerous California companies across a range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for California companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON FLORIDA

Executive Summary

The people and economy of Florida benefit from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Florida's exports to Canada and Mexico have grown under NAFTA, increasing 7.1 percent between 1993 and 1996.
- The 1994-95 decline in Florida's exports to Mexico, caused by the devaluation of Mexico's peso, was nearly recovered in 1996 when exports reached $750.4 million, up 31.7 percent from 1995.
- High-technology, high-value-added manufactured goods lead Florida's exports to Mexico. These products include computers, aerospace equipment, medical devices, chemical products and telecommunications equipment.
- Between 1993 and 1994, Florida exports of electronic and electrical equipment to Mexico grew 35 percent, and exports of industrial machinery grew 14 percent.
- Florida's farm trade with Canada has benefited from the agriculture provisions of NAFTA, as well as NAFTA's predecessor, the U.S.-Canada Free Trade Agreement. Agriculture products lead Florida's exports to Canada, including a wide variety of fresh fruits and vegetables such as oranges and tomatoes.
- Exports of leading Florida agriculture products to Mexico are growing strongly. U.S. exports to Mexico of live cattle increased over 350 percent to $26.3 million in the first seven months of 1996 compared to the same period in 1995. U.S. exports to Mexico of citrus products increased 113 percent during this period, reaching $1.3 million.
- Florida ports expect to enjoy strong growth under NAFTA from the large increase in trade and investment between Mexico and the United States.
- Florida's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous Florida companies across a range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Florida companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON GEORGIA

Executive Summary

The people and economy of Georgia benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Georgia's exports to Mexico grew strongly by 37.5 percent during the first year of NAFTA. The 1994-95 decline in Georgia's exports to Mexico, caused by the devaluation of the peso, was more than fully recovered by 1996, when Georgia's exports to Mexico jumped by 20.9 percent.

- Georgia's exports to Canada also increased under NAFTA. Between 1993 and 1996, Georgia exports to Canada grew 32.3 percent.

- In 1996, Canada and Mexico were Georgia's leading and third-most important export markets, respectively.

- Over 55 percent of Georgia's exports to Mexico are made up of paper and paper products, chemicals and related products, apparel and textile mill products and electronic and electrical equipment and parts.

- Over half of Georgia's exports to Canada are transportation equipment, industrial machinery and equipment, electronic and electrical equipment and textiles.

- Georgia's textile exports to Mexico have been growing, up 12 percent from 1993 to 1995 (despite the fall in the peso), and up a phenomenal 69 percent during 1996. Georgia apparel exports to Mexico have been virtually doubling every year since NAFTA went into effect.

- Georgia's agricultural sector has also benefited from the agricultural provisions of NAFTA.

- Georgian banking firms have taken advantage of NAFTA provisions to open full-service banks in Mexico.

- In 1996, 2,900 jobs in Georgia directly benefited from the state's exports to Mexico; an additional 10,460 jobs were directly linked to Georgia's exports to Canada for a total of 13,360.

- Numerous Georgia companies are enthusiastic about the prospects for business under NAFTA.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON ILLINOIS

Executive Summary

The people and economy of Illinois benefit from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Illinois' exports to Mexico and Canada have grown strongly under NAFTA, up nearly 38 percent between 1993 and 1996.
- The 1994-95 decline in Illinois' exports to Mexico, caused by the devaluation of Mexico's peso, was nearly recovered by export growth during 1996.
- In 1996, Canada and Mexico were Illinois' leading and fifth most important export markets, respectively. Exports to these two countries accounted for 34.8 percent of total Illinois exports in 1996.
- High-value-added manufactured goods lead Illinois' exports to Mexico and Canada. These products include construction equipment, farm equipment, specialized industrial machinery, pharmaceuticals, telecommunications equipment, and auto and auto parts. Forty-six percent of Illinois exports to Mexico are made up of industrial machinery (including computers), chemicals, and electronic and electrical equipment. Similarly, these three categories represent half of Illinois' exports to Canada.
- The Illinois food and farm sector has enjoyed increased exports due to the agricultural provisions of NAFTA. Key exports include bulk commodities such as corn and soybeans in addition to high-value-added processed food products. Agricultural production ranked as Illinois' fifth most important export to Mexico in 1996, following an astounding 520 percent growth between 1993 and 1996.
- Illinois companies have profited from the liberalization of Mexico's foreign investment laws, opening a number of new Mexican markets to Illinois manufacturers, among others.
- Illinois' production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous Illinois companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about is prospects for increasing business for Illinois companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON INDIANA

Executive Summary

The people and economy of Indiana benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Indiana's exports to Canada and Mexico have grown strongly under NAFTA, increasing 47.1 percent between 1993 and 1996.
- The 1994-95 decline in Indiana's exports to Mexico, caused by the devaluation of Mexico's peso, was partially recovered during 1996, when exports reached $340.6 million, up 21.2 percent from 1995.
- High-value-added manufactured goods lead Indiana's exports to both Mexico and Canada. These products include pharmaceuticals, electronic components, household appliances, medical equipment and metal-working machinery.
- Over 40 percent of Indiana's exports to Mexico are made up of industrial machinery and electronic and electrical equipment. Similarly, these two products made up one-quarter of the state's exports to Canada.
- Indiana's large auto-parts industry has benefited from increased integration of the North American auto sector resulting from NAFTA.
- Indiana's farm sector has also benefited from the agricultural provisions of NAFTA. Key exports include corn, soy meal and pork products. According to the U.S. Department of Agriculture, two Indiana products--corn and soybeans--enjoyed the largest U.S. agricultural gains to Mexico in 1996.
- Indiana's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs. In 1996, for example, 28,420 jobs were directly linked to exports to the two NAFTA partners.
- Numerous Indiana companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Indiana companies.

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THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON IOWA

Executive Summary

The people and economy of Iowa benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Iowa's exports to Mexico and Canada have grown strongly since the implementation of NAFTA--up 52.8 percent between 1993 and 1996.

- The 1994-95 decline in Iowa's exports to Mexico, caused by the devaluation of the peso, was more than fully recovered by export growth during 1996.

- In 1996, Canada and Mexico were Iowa's leading and fourth-most important export markets, respectively, accounting for 37.4 percent of total Iowa exports.

- Agricultural and food products accounted for 65.1 percent of total Iowa exports to Mexico, and 10.6 percent of Iowa's total exports to Canada, in 1996. Leading Iowa agricultural exports include corn, soybeans and meat products. Iowa's exports of agricultural products to Mexico have increased over 170 percent between 1993 and 1996.

- Iowa companies also export high-value-added manufactured goods to Mexico and Canada, particularly construction and farm machinery, household appliances such as refrigerators and washing machines, agricultural chemicals and aerospace equipment.

- NAFTA and the U.S.-Canada Free Trade Agreement spurred an increase in foreign direct investment in Iowa, to the benefit of many Iowa workers.

- Iowa's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.

- Numerous Iowa companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Iowa companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON KENTUCKY

Executive Summary

The people and economy of Kentucky benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Kentucky's exports to Canada and Mexico have grown strongly under NAFTA, up over 75 percent between 1993 and 1996.

- The 1994-95 decline in Kentucky's exports to Mexico, caused by the devaluation of Mexico's peso, was recovered by export growth during 1996.

- In 1996, Canada and Mexico were Kentucky's leading and seventh most important export markets, respectively. Exports to these two countries accounted for 40.5 percent of total Kentucky exports that year.

- High-value-added manufacturing goods lead Kentucky's exports to Mexico and Canada. These products include computers and peripherals, audio equipment and inorganic chemicals.

- Nearly 54 percent of Kentucky's exports to Mexico are made up industrial machinery (including computers), electronic and electrical equipment and parts, and chemicals. Similarly, these three categories represent over 25 percent of Kentucky's exports to Canada.

- Automobile exports from Kentucky grew substantially between 1993 and 1994 due to NAFTA's automotive provisions. 1996 export data indicate that these exports will continue to grow strongly as the Mexican economy grows.

- Kentucky's farm sector has also benefited from the agricultural provisions of NAFTA. Key exports include processed foods and beverages such as bourbon and popcorn, as well as dairy cattle and lumber.

- Kentucky's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.

- Numerous Kentucky companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Kentucky companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON LOUISIANA

Executive Summary

The people and economy of Louisiana benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Louisiana's exports to Mexico and Canada have grown strongly since the implementation of NAFTA--up over 110 percent between 1993 and 1996.

- The 1994-95 decline in Louisiana's exports to Mexico was more than fully recovered by export growth during 1996. Between 1995 and 1996, Louisiana exports to Mexico expanded 77.3 percent to $1.2 billion.

- In 1996, Mexico and Canada were Louisiana's fifth- and eighth-most important export markets, respectively, accounting for 8.8 percent of total Louisiana exports.

- Increased trade and investment between the United States and Mexico have proven to be extremely profitable for Louisiana ports.

- Louisiana food producers have benefited from the agricultural provisions of NAFTA. Leading exports include rice, soybeans, processed meat products, and sauces.

- Louisiana's non-agricultural exports to Mexico and Canada are made up of high-value-added, high-tech products, including organic chemicals and fertilizers, refined petroleum, telecommunications equipment, industrial machinery and paper products.

- Louisiana's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.

- Numerous Louisiana companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Louisiana companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON MASSACHUSETTS

Executive Summary

The people and economy of Massachusetts benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Massachusetts' exports to Canada and Mexico have grown strongly under NAFTA, up over 31 percent between 1993 and 1996.
- The 1994-95 decline in Massachusetts' exports to Mexico, caused by the devaluation of the peso, was recovered by export growth during 1996.
- Canada and Mexico are Massachusetts' leading and twelfth most important export markets.
- High-value-added manufactured goods lead Massachusetts' exports to both Mexico and Canada. These products include computer equipment and software, pharmaceuticals, telecommunications equipment, medical equipment and aerospace equipment.
- Massachusetts' agricultural sector has also benefited from the agricultural provisions of NAFTA, particularly Massachusetts' exports of apples, dairy products and cranberries.
- Massachusetts' financial services and computer programming firms, in addition to other service providers, have been able to take advantage of NAFTA provisions that liberalize Mexico's service industries.
- Massachusetts' production of goods for exports to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous Massachusetts companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Massachusetts companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON MICHIGAN

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Executive Summary

The people and economy of Michigan benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Michigan's exports to Canada and Mexico have grown strongly under NAFTA, up over 10 percent between 1993 and 1996.
- In 1996, Canada and Mexico were Michigan's leading and second most important export markets, respectively, accounting for 70 percent of total state exports. Michigan exports more to the NAFTA trading partners than any other state in the country, both in terms of volume and value.
- Michigan, the leading manufacturer of automobiles in the United States, is one of the biggest beneficiaries of NAFTA because of the agreement's extensive automotive provisions.
- Other leading Michigan exports to Mexico and Canada include high-value-added manufactured goods, such as engines, machine tools, metal stampings, chemicals, computers and household appliances.
- Michigan's farm sector also benefits from the agricultural provisions of NAFTA. Key exports to Mexico and Canada include dried beans, blueberries, organic food products, snack products, onions, processed asparagus, turkeys, flour, and pork products.
- Detroit is in a prime position to become a leading center of NAFTA-related commerce, as numerous Canadian and Mexico companies establish offices in the city.
- Michigan's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous Michigan companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Michigan companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON MISSISSIPPI

Executive Summary

The people and economy of Mississippi benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- During the first three years of NAFTA, Mississippi's exports to Mexico grew strongly to $168.9 million, an increase of 86.8 percent from 1993-96.

- Mississippi's exports to Canada also increased under NAFTA. Between 1993 and 1996, Mississippi's exports to Canada grew 19.8 percent to $445.7 million.

- In 1996, Canada and Mexico were Mississippi's second- and third-most important export markets, respectively. Exports to these two countries accounted for 21.8 percent of total Mississippi exports in 1996.

- Fifty-two percent of Mississippi's exports to Canada are made up of industrial machinery (including computers), electronic and electrical equipment, chemicals and related products, and transportation equipment.

- Exports to Mexico are more concentrated: electronic and electrical equipment, industrial machinery, and paper and related products, and chemicals and related products account for 69 percent of total Mississippi exports to Mexico.

- The Mississippi agricultural sector has also benefited from the agricultural provisions of NAFTA. Mississippi crop exports to Mexico grew strongly between 1993 and 1996 following the passage of NAFTA. From just $900,000 in 1993, they climbed steadily to reach $9.8 million in 1996.

- Thousands of jobs in Mississippi benefit from the state's exports to Mexico. These are high-paying jobs.

- Many Mississippi companies have benefited from NAFTA and are optimistic about prospects for future growth as a result of the benefits provided by the agreement.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON MISSOURI

Executive Summary

The people and economy of Missouri benefit from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Missouri's exports to Mexico and Canada have grown under NAFTA, up 45.2 percent between 1993 and 1996.
- The 1994-95 decline in Missouri's exports to Mexico, caused by the devaluation of the Mexican peso, was more than fully recovered by export growth during 1996.
- In 1996, Canada and Mexico were Missouri's leading and third most important export markets, respectively, accounting for almost half of total Missouri exports.
- Missouri's farm sector has benefited from the agricultural provisions of NAFTA. The state's agricultural exports to Mexico reached $186.6 million in 1996, up 150 percent from 1993. Key exports include feed ingredients, corn, wheat and veterinarian supplies.
- High-value-added manufactured goods are leading Missouri exports to Mexico and Canada. These products include electronic components, electrical motors, household appliances, steel, metalworking machinery, refrigeration equipment and pharmaceuticals.
- Missouri's large transportation equipment industry has benefited from the automotive provisions of NAFTA. Transportation equipment is the state's leading export to Canada, accounting for nearly 60 percent of total state exports to that country. Meanwhile, exports of transportation equipment to Mexico grew 72.5 percent between 1993 and 1994, reaching $32.6 million.
- Missouri's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous Missouri companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Missouri companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON NEW JERSEY

Executive Summary

The people and economy of New Jersey benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- New Jersey's exports to Canada and Mexico have grown strongly under NAFTA, up nearly 30 percent between 1993 and 1996.

- The 1994-95 decline in New Jersey's exports to Mexico, caused by the devaluation of the peso, was nearly recovered by export growth in 1996.

- In 1996, Canada and Mexico were New Jersey's leading and seventh-most important export markets, respectively, accounting for 27.6 percent of total New Jersey exports.

- High-value-added manufactured goods lead New Jersey's exports to Mexico and Canada, including chemicals and pharmaceuticals, computers, medical equipment, office equipment and refrigeration equipment.

- New Jersey's agricultural sector has also benefited from the agricultural provisions of NAFTA. Key exports include fresh fruits and vegetables and high-value-added manufactured food products.

- A number of New Jersey service industries, including telecommunications and financial services, have profited from the liberalization of these industries in Mexico under NAFTA.

- New Jersey's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.

- Numerous New Jersey companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for New Jersey companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON NEW YORK

Executive Summary

The people and economy of New York benefit greatly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- New York's exports to Canada and Mexico have grown strongly under NAFTA, up nearly 30 percent between 1993 and 1996.
- The 1994-95 decline in New York's exports to Mexico, caused by the devaluation of Mexico's peso, was nearly recovered in 1996, when exports reached $930.8 million, up 21.2 percent from 1995.
- High-value-added manufactured goods lead New York's exports to both Mexico and Canada. These products include medical equipment, pharmaceuticals, computers, office equipment and photographic equipment.
- Over 38 percent of New York's exports to Mexico are made up of high-technology instruments and chemical products. Transportation equipment, electronic and electrical equipment, and industrial machinery and computers make up over 43 percent of the state's exports to Canada.
- New York's farm sector expects to benefit from the agricultural provisions of NAFTA. Key exports could include high-value-added dairy products, such as ice cream and yogurt, processed fruits and vegetables, apples, and other high-value processed foods, such as pet food, snack foods and beverages.
- In 1996, New York exports of crops to Mexico reached $26.1 million, up over 169 percent from the same period in 1995. Canada is New York's leading market for agricultural products, with exports expanding to $188.0 million in 1996.
- New York's large financial services and telecommunications sectors have been able to expand into the Mexican market following the implementation of NAFTA.
- New York's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous New York companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for New York companies.

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THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON NORTH CAROLINA

Executive Summary

The people and economy of North Carolina benefit greatly from increased trade and investment opportunities in Mexico and Canada resulting from the North American Free Trade Agreement (NAFTA).

- North Carolina's exports to Mexico and Canada have grown strongly under NAFTA, up over 63 percent between 1993 and 1996.

- North Carolina's production of goods for export to Mexico and Canada support thousands of high-paying manufacturing, transportation, services, finance and other related jobs. In 1996, for example, industrial machinery was the largest category of products exported to Canada from North Carolina, and the third-largest category of exports to Mexico.

- Two North Carolina industries, textiles and apparel, have particularly benefited from NAFTA, even during Mexico's peso crisis. Indeed over 44 percent of the state's exports to Mexico and 11 percent of its exports to Canada are comprised of those two categories. And NAFTA's stiff rule of origin has proved a boon to North Carolina's textile manufacturers.

- Chemicals (including pharmaceuticals and agricultural chemicals) are important high-value North Carolina exports. Chemicals made up the second most important category of exports to Mexico, and the fourth most important category of exports to Canada in 1996. (Upon implementation of NAFTA, over 60 percent of U.S. exports of chemicals, plastics and rubber products entered duty-free, with tariffs on the remaining 40 percent to be phased out before 2004.)

- In 1996, 4,650 jobs in North Carolina directly benefited from the state's exports to Mexico. An additional 20,000 jobs were directly linked to North Carolina's exports to Canada, for a total of 24,650 jobs.

- North Carolina companies from agriculture to transportation use NAFTA to their advantage and remain optimistic about its prospects for increasing business for North Carolina companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON OHIO

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Executive Summary

The people and economy of Ohio benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Ohio's exports to Canada and Mexico have grown strongly under NAFTA, up 34.7 percent between 1993 and 1996.
- The 1994-95 decline in Ohio's exports to Mexico, caused by the devaluation of the peso, was partially recovered by export growth during 1996.
- In 1996, Canada and Mexico were Ohio's leading and sixth most important export markets, respectively. Exports to these two countries accounted for nearly half of total Ohio exports that year.
- High-value-added manufactured goods lead Ohio's exports to Mexico and Canada, including such products as specialty chemicals, air conditioning equipment, metal-working equipment, food processing equipment and electronic components.
- Sixty percent of Ohio's exports to Mexico are made up chemicals, industrial machinery, primary metals and electronic and electrical equipment. Industrial machinery, electronic and electrical equipment, chemicals and fabricated metal products make up 35 percent of Ohio's exports to Canada.
- Ohio's agricultural sector also benefits significantly from NAFTA. Leading Ohio exports to Mexico and Canada include soybeans, corn and breeding hogs and cattle.
- The automotive and tire manufacturing industries in Ohio will profit from NAFTA's extensive automotive provisions and a recent agreement between the United States and Mexico regarding the export of tires under NAFTA.
- Ohio's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- Numerous Ohio companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Ohio companies.

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THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON PENNSYLVANIA

Executive Summary

The people and economy of Pennsylvania benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- During the first year of NAFTA (1994), Pennsylvania exports to Mexico grew strongly and recovered in 1996 from the effects of the peso devaluation. Exports from Pennsylvania to Canada also increased substantially under NAFTA.

- Canada and Mexico are Pennsylvania's leading and fourth most important export markets, respectively.

- High-value-added manufactured goods dominate Pennsylvania's exports to both Mexico and Canada. Over 75 percent of the state's exports to Mexico are made up of primary metals, electronic and electrical equipment, industrial machinery, and chemicals and related products. Chemicals and related products, industrial machinery, transportation equipment, and primary metals make up 47 percent of Pennsylvania's total exports to Canada.

- Pennsylvania's agricultural sector has also benefited from the agricultural provisions of NAFTA. Mexico is the state's sixth-largest agricultural market, broadly defined, and the third-largest market for Pennsylvania exports of processed food products.

- Philadelphia is an important East Coast port for U.S.-Mexico trade. Overall, it ranked 14th in total value of U.S. exports to and imports from Mexico in 1996. Excluding the border and Gulf ports, however, Philadelphia ranked third, after Cleveland and New York City.

- NAFTA supports thousands of high-paying jobs in Pennsylvania, most directly linked to the state's exports to Mexico and Canada.

- Impressive numbers of Pennsylvania companies support NAFTA and favor its expansion to other countries in Latin America.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON TENNESSEE

22

Executive Summary

The people and economy of Tennessee benefit significantly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Tennessee's exports to Mexico and Canada have grown strongly under NAFTA, up 40 percent between 1993 and 1996.

- The 1994-95 decline in Tennessee's exports to Mexico, caused by the devaluation of Mexico's peso, was fully recovered by export growth during 1996.

- Tennessee's large auto and auto-parts sector has been a primary beneficiary of NAFTA and its automotive provisions.

- Other leading exports from Tennessee to Mexico and Canada include high-value-added manufactured goods such as paper products, aluminum products, metal-working machinery and air conditioning equipment.

- Tennessee's farm sector has also benefited from the agricultural provisions of NAFTA. Key exports include beef cattle, hogs, soybeans, dairy cattle, lumber, processed food products and fresh produce.

- Memphis' important distribution and transportation industry profits from the increased trade that has resulted from NAFTA.

- Tennessee's production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.

- Numerous Tennessee companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Tennessee companies.

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON TEXAS

23

Executive Summary

The people and economy of Texas benefit greatly from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- Texas' exports to Mexico and Canada have grown strongly under NAFTA, up over 41 percent between 1993 and 1996.
- The 1994-95 decline in Texas' exports to Mexico, caused by the devaluation of Mexico's peso, was more than fully recovered by export growth during 1996.
- High-value-added manufactured goods lead Texas' exports to Mexico and Canada. These products include semiconductors, electronic components, oil and gas drilling machinery, auto and auto parts, and chemical products.
- Texas' farm sector has also benefited from the agricultural provisions of NAFTA. Key exports include livestock, processed meat products, meat proteins. and livestock genetics.
- Studies show that while NAFTA has boosted Texas exports to Mexico, the agreement has had only minimal impact on Texas imports and, thus, has caused an increase in net Texas exports to Mexico.
- Texas' production of goods for export to Canada and Mexico supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- The Texas economy has profited from a large influx of foreign direct investment since the passage of NAFTA, investment which has injected millions of dollars into the local economy and employed hundreds of Texas workers.
- NAFTA's establishment of both the Border Environmental Cooperation Commission (BECC) and the North American Development Bank (NADBANK) has helped Texas communities promote economic development while improving their drinking water and the environment around them.
- Numerous Texas companies across a wide range of sectors use NAFTA to their advantage and remain optimistic about its prospects for increasing business for Texas companies.

24

THE IMPACT OF THE NORTH AMERICAN FREE TRADE AGREEMENT ON WEST VIRGINIA

Executive Summary

The people and economy of West Virginia benefit from increased trade and investment opportunities in Canada and Mexico resulting from the North American Free Trade Agreement (NAFTA).

- West Virginia's exports to Mexico and Canada have grown under NAFTA, up over 38 percent between 1993 and 1996.
- In 1996, Canada and Mexico were West Virginia's leading and twenty-third most important export markets, respectively. Exports to these two countries accounted for 18.9 percent of total West Virginia exports in 1996.
- High-value-added manufactured goods lead West Virginia's exports to Mexico and Canada. Eighty-one percent of West Virginia's exports to Mexico are made up of chemicals; primary metals; stone, clay and glass products; and industrial machinery (including computers). Chemicals, primary metals, rubber and plastic products and industrial machinery represent 76 percent of West Virginia's exports to Canada.
- Other manufactured goods important to West Virginia's economy are exported to Canada and Mexico. They include coal and coal mining equipment and auto parts.
- West Virginia's production of goods for export to Mexico and Canada supports thousands of high-paying manufacturing, transportation, services, finance and other related jobs.
- West Virginia companies use NAFTA to their advantage and remain optimistic about its prospects for increasing business for West Virginia companies.

The Jefferson®
GROUP

Art Roberts
Chief Executive Officer
Jefferson Government Relations

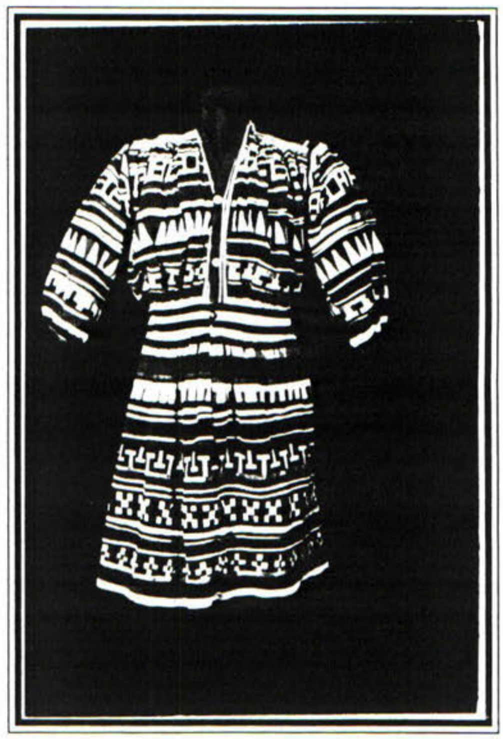
The Jefferson Group, Inc.
1341 G Street N.W. Suite 1100
Washington, D.C. 20005
(202) 626-8500
Direct (202) 626-8520
Fax (202) 626-8593

Jim -
Short acknowledgment
letter - AP
let me see
Phil

The Jefferson®
GROUP

Phil -
Kevin Varney
suggested I send
this to you.
Thank you,
Art

1341 G Street, N.W., Suite 1100, Washington, D.C. 20005
(202) 638-3535 Fax (202) 638-3536



AH-THA-THI-KI
❖ MUSEUM ❖

The Jefferson
GROUP

July 31, 1997

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing to follow up to our conversation at the DCCC dinner last week concerning The Seminole Tribe of Florida. In your remarks to the group you spoke of the homogenization of our society. When you stopped by my table later that evening, I pointed out that you had left out one group that continues to be overlooked: Native Americans. I told you of The Seminole Tribe of Florida's "Catch-22" dilemma involving the Departments of Interior and Justice.

The problem is that one arm of the Administration (the Justice Department) is threatening to shut down what it claims are illegal Class III machines operating on Seminole reservations, while another arm (the Interior Department) is failing to exercise its authority to provide for the legal operation of Class III devices on Seminole lands. The future of the 2,500 members of The Seminole Tribe of Florida, more than 2,200 non-Indian employees, and hundreds of local vendors who provide $25 million each year in goods and services to tribal gaming operations, is at stake.

You indicated when we spoke that you were going to have your staff look into what could be done about the situation. We would greatly appreciate any assistance you could offer in resolving this situation.

On a happier note, The Seminole Tribe will be celebrating its 40th anniversary as a federally recognized tribe on August 21, 1997, with the grand opening of its Ah-Tha-Thi-Ki museum on the Big Cypress reservation. The Tribe has extended an invitation to Secretary Babbitt to give the keynote address at this event. The Secretary's participation in this celebration of 40 years of government-to-government relationship with the United States would be a powerful symbol of how your Administration is honoring the promise you made to tribal leaders in the White House on April 29, 1994, to "dramatically improve the Federal government's relationships with the tribes and become full partners with the tribal nations." I hope the Secretary will be able to join us on August 21.

Thank you for your attention to these important matters.

Sincerely,

William A. Roberts
Senior Vice President

Enclosures

The Jefferson Group, Inc. The Colorado Building
1341 G Street, N.W., Suite 1100, Washington, D.C. 20005 (202) 638-3535 Fax (202) 638-3536

Seminole Tribe
of Florida

For Release
Friday, June 13, 1997

Contact: Phil Armstrong
202-626-8504

Seminole Tribe of Florida Sues Secretary Babbitt to Force Decision on Class III Gaming

Hollywood, Florida -- The Seminole Tribe of Florida today filed suit in federal district court to force the Secretary of Interior to issue procedures to guide the Tribe's gaming operations in Florida.

This legal action is necessary because the Secretary has failed to issue procedures for the operation of Class III gaming on Seminole tribal lands, even though he is required to do so under the Indian Gaming Regulatory Act (IGRA) and despite repeated formal appeals by the Seminoles.

"The Seminoles and many other Indian tribes across the U.S. have waited long enough for Secretary Babbitt to accept his responsibility under IGRA," said James Billie, chairman of the Seminole Tribe of Florida. "It's too bad we have to sue the Secretary to force him to do his job, but continued threats of litigation from both the State of Florida and the Justice Department leave us little choice."

"We have been working in good faith for six years to reach a compact with the State of Florida to operate gaming activities on tribal lands, and the governor refuses to deal with us in a fair and honorable manner," Chairman Billie said. "According to IGRA and the federal courts, the Secretary of Interior must now intervene."

Because the State of Florida violated IGRA and refused to negotiate with the Seminoles, the Tribe sued the State in federal court in 1991. The federal courts granted the State immunity from the suit under the Eleventh Amendment.

-more-

In its decision, the court said that if a state uses the Eleventh Amendment defense to avoid negotiating with a tribe on a Class III gaming compact "the Secretary of Interior may prescribe regulations." This lower court decision was affirmed by the U.S. Supreme Court in March, 1996.

Since that time, the Seminole Tribe of Florida has been asking the Secretary of Interior to issue procedures for Class III gaming on Seminole lands. The Department issued an "advance notice of proposed rulemaking" in May, 1996, and there was overwhelming public support for this action. However, the Department has taken no further action in over a year.

"We cannot wait any longer," Chairman Billie said. "The State of Florida and the U.S. attorney in Tampa both have threatened our gaming operations, which would harm thousands of Seminole families by jeopardizing their housing, health care and education. Their actions would also bring severe economic harm to hundreds of Florida businesses which benefit from the Seminole gaming operations."

"We are calling on Secretary Babbitt to show the courage to do his sworn duty, and to act quickly to mediate an equitable resolution to this situation between the Seminole people and our neighbors in the state of Florida," said Chairman Billie.

Among the first inhabitants of Florida, the Seminoles have been living in the state for centuries. Currently the Tribe is comprised of 2,500 members living on five reservations in Southern Florida -- Big Cypress, Hollywood, Immokalee, Brighton and Tampa. The Tribe received federal recognition as a sovereign nation in 1957.

Seminole Tribe in "Catch-22" With Federal Government

The Interior Department is failing to do what is required of it under the Indian Gaming Regulatory Act of 1988, as interpreted by federal District Court in the Seminole case: to issue procedures that will allow The Seminole Tribe of Florida to legally operate Class III, or casino-style, gaming on its reservations. At the same time, the Justice Department is threatening to shut down existing Class II gaming activities on the Seminole reservations. If it succeeds, the effects on the Tribe and its members will be devastating.

The Indian Gaming Regulatory Act of 1988 (IGRA) requires that states negotiate compacts with tribes for the establishment of Class III, or casino-style, gaming, based on what games are available in the state "for any purpose by any person, organization, or entity...". The law gives tribes the right to bring suit in federal district court if a state refuses to negotiate. If the court finds that the state did not negotiate in good faith, the tribe has the right to petition the Secretary of the Interior to develop procedures under which the tribe may conduct Class III gaming.

The Seminole Tribe brought such a suit against the State of Florida in 1991. The State responded by asserting its Eleventh Amendment immunity to suit. The District Court denied the State's motion to dismiss in June, 1992. On appeal, however, the Eleventh Circuit held in January, 1994, that IGRA did not prevent a State from asserting sovereign immunity. It further said that, if a State asserts its immunity to suit, the Tribe has the right to engage in Class III gaming via procedures to be developed by the Secretary of the Interior. Later that month, the Tribe accordingly requested that Secretary Babbitt issue procedures. In March, 1996, the U.S. Supreme Court affirmed the Eleventh Amendment holding of the Eleventh Circuit.

In May, 1996, Secretary Babbitt published an Advance Notice of Proposed Rulemaking on establishing procedures for Class III gaming in lieu of a tribal/state compact. While initial indications were that the Secretary planned to move forward, the Department has taken no action in the 15 months since the notice was published.

Denied access to the Class III games available elsewhere in the State of Florida, The Seminole Tribe has relied on bingo, poker and electronic pull-tabs for income needed to provide basic governmental services for tribal members residing on five reservations throughout the State of Florida. Recently, the U.S. Attorney for the Middle District of Florida and the National Indian Gaming Commission have threatened this source of income, as well, by claiming that the electronic pull-tab machines in Seminole gaming facilities are Class III devices, and therefore illegal to operate without a tribal/state compact. The Tribe has full confidence that these devices are Class II machines, and therefore legal to operate in the absence of a Class III compact. The issue currently is being resolved in the courts.

It is disingenuous, at best, for one arm of the Administration to threaten to shut down what it claims are illegal Class III machines, while another arm of that same Administration refuses to exercise its authority to provide for the legal operation of Class III devices on Seminole lands. Shutting down the electronic pull-tab machines would bring to a halt 15 years of progress toward economic self-sufficiency, force many tribal members back to a subsistence-level of existence and dependency on welfare and other forms of state and federal assistance, and have a significant ripple-effect on surrounding, non-Indian communities.

SEMINOLE TRIBE OF FLORIDA

JAMES E. BILLIE
Chairman

MITCHELL CYPRESS
Vice Chairman

JIM SHORE
General Counsel

PRISCILLA D. SAYEN
Secretary - Treasurer

6300 STIRLING ROAD
HOLLYWOOD, FLORIDA 33024
(954) 967-3950
Telecopier (954) 967-3487

COMMENTS OF THE SEMINOLE TRIBE OF FLORIDA IN RESPONSE TO THE SECRETARY OF THE INTERIOR'S MAY 10, 1996, ADVANCE NOTICE OF PROPOSED RULE MAKING ON ESTABLISHING DEPARTMENTAL PROCEDURES TO AUTHORIZE CLASS III GAMING ON INDIAN LANDS WHEN A STATE RAISES AN ELEVENTH AMENDMENT DEFENSE TO SUIT UNDER THE INDIAN GAMING REGULATORY ACT

JUNE 28, 1996

I. EXECUTIVE SUMMARY

The Seminole Tribe of Florida demonstrates below that the Secretary of the Interior has the authority to issue Procedures for tribes for the regulation of class III gaming when a state has interposed its Eleventh Amendment immunity to block the judicial remedy provided by Congress to vindicate tribal compact rights under the IGRA. The landmark decision of the United States Supreme Court in Seminole Tribe did not in any way disturb the Eleventh Circuit's severance analysis that the IGRA could be saved by 1) severing its offending attempt to abrogate state sovereign immunity and also 2) severing the requirement of judicial action and the appointment of a mediator as a predicate for the issuance of Secretarial Procedures.

The Seminole Tribe and other tribes which have not been able to achieve compacts are looking to the Secretary to follow the decision of the Eleventh Circuit and provide a realistic alternative remedy that carries out congressional intent. The many tribes that have compacts are also concerned that the Secretary proceed in a positive manner; a refusal to act, leaving the tribes without any remedy against state intransigence, raises grave doubts about the constitutionality of all the provisions of the IGRA that govern class III gaming.

We recognize that there will be considerable opposition by the State of Florida and other states to the Secretary going forward in the manner we propose. We are encouraged by the fact that the Secretary has recognized the importance of this matter by issuing the Advance Notice of Proposed Rulemaking. We hope that his careful analysis of the contentions of the tribes and the states will lead him to the same conclusion that we have reached -- that Secretarial Procedures are necessary and appropriate in the circumstances outlined by the Eleventh Circuit and that the Secretary has ample authority under the IGRA to pursue that course.

A summary of our specific comments follows:

(1) <u>The effect of the Supreme Court's decision in Seminole Tribe on the operation of other provisions in 25 U.S.C. Section 2710(d)(7) when a State does not waive its Eleventh Amendment immunity to suit</u>

In light of <u>Seminole Tribe</u>, when a state raises its Eleventh Amendment immunity to a tribe's compact suit under the IGRA, the application of certain portions of the statute must be severed to preserve the statute itself. Specifically, the statute's grant of federal district court jurisdiction and the mediation mechanism to be utilized by the federal district court are no longer enforceable against an unconsenting state. The Secretary, however, retains the authority granted in 25 U.S.C. § 2710(d)(7)(B)(vii) to issue gaming Procedures for tribes when the state refuses to participate in the IGRA process. This result is wholly consistent with Congress' intent that each section and subsection of the IGRA remain intact and only the constitutionally offending portion of the statute be stricken, as evidenced by the express severance clause contained in the IGRA at 25 U.S.C. § 2721. This severance analysis is also wholly consistent with and, indeed, required by Supreme Court precedent on severability. If the IGRA were not severable in such a manner that preserved the Secretary's authority to issue Procedures, the class III provisions of the IGRA would be rendered meaningless, in effect, giving states carte blanche to stifle tribal gaming, though the states themselves engage in or allow such activity. Since Congress never intended such a result, failure to follow the Eleventh Circuit severance analysis would mean that the class III provisions (at least) may be struck down in their entirety as unconstitutional. The resulting confusion and controversy over gaming in Indian country would result in utter chaos.

(2) Whether, and under what circumstances, the Secretary of the Interior is empowered to prescribe Procedures for the conduct of Class III gaming when a State interposes an Eleventh Amendment defense to an action pursuant to 25 U.S.C. Section 2710(d)(7)(B)

In enacting the class III provisions of the IGRA, Congress provided states with the opportunity to play a role in regulating tribal gaming that the Supreme Court in Cabazon confirmed they did not have. Congress, however, recognized that states would likely attempt to thwart tribes' class III aspirations by refusing to cooperate in the negotiating and compacting process. Accordingly, within the IGRA, Congress expressly provided the Secretary with the authority to issue gaming Procedures in consultation with tribes whose corresponding states refuse to participate. See

25 U.S.C. § 2710(d)(7)(B)(vii). Thus, at the point at which a state renders the judicial remedies of the compact process futile, whether by refusing to follow a mediator's recommendation or by asserting Eleventh Amendment immunity, the Secretary maintains the authority and responsibility to prescribe Procedures for the affected tribe.

(3) <u>What is the appropriate process for the development of Secretarial Procedures</u>

Secretarial gaming Procedures should be available pursuant to a process spelled out in a comprehensive rulemaking. Regulations governing this process should be designed to facilitate uniformity in the decision-making process governing fundamental issues, such as a clarification of the scope of gaming standard. At the same time, the process must preserve the individual tribes' rights to consult with the Secretary regarding the issues particular to each tribe that cannot be addressed by the standard provisions. Accordingly, the Secretary should develop regulations setting forth the standard gaming procedure provisions to be implemented in concert with the negotiated provisions addressed directly to a particular tribe's needs. Therefore, the Secretary should issue regulations that set standards for common issues associated with tribal gaming operations and provide a scheme by which tribes may propose and obtain Procedures through consultation with the Secretary.

(4) <u>What Procedures should be followed if a State Interposes an Eleventh Amendment Defense to an Action Filed Under 25 U.S.C. Section 2710(d)(7)(B)</u>

Once a state has asserted its Eleventh Amendment immunity in the IGRA context, a tribe should be free to request Secretarial Procedures from the Director of the Gaming Management Staff, with notice to the Secretary and the affected state. The Director should respond to the tribe's request within a specified time by either accepting its proposal, at which point it must be approved by the Secretary and published in the Federal Register, or suggesting changes, beginning the consultation process. Should the Director and the tribe be unable to reach agreement on all issues during a fixed period, a Special Master should be appointed by the Secretary to resolve disputes, or, if necessary, recommend Procedures to the Secretary. As in the mediation context under the IGRA, the Secretary will be required to promulgate Procedures consistent with the Special Master's recommendation and applicable law. The Secretary's decision, upon publication, will become final for the Department and will be subject to review under the Administrative Procedures Act (APA). (Proposed regulations are contained in Appendix A.)

(5) <u>What Procedures can be, and should be, utilized for determining legal issues that may be in dispute, such as the "scope of gaming" permitted under State law</u>

The scope of gaming available to a particular tribe in a given state has been the most fundamental area of dispute under the IGRA among the various tribes and states. The Secretary should develop and issue precise definitions to aid the resolution of this issue and other identifiable problem areas resulting from ambiguous or unclear language within the IGRA. For instance,clear articulation of the meaning of the phrase "permits such gaming" by the Secretary would avert legal disputes arising from the ongoing debate about that phrase's meaning. To the extent such clarifying definitions do not fully resolve the legal issues arising between the tribe and the Director, the Special Master can recommend a solution to the Secretary, whose ultimate decision will be reviewable under the APA.

(6) <u>How any Procedures promulgated by the Secretary may, and should, provide for appropriate regulation of Indian gaming</u>

Without question, once a state has declined to participate in the IGRA process, thereby requiring the Secretary to issue Procedures, the regulation of the tribe's gaming should not involve the state in any aspect (unless invited by the tribe), but should be left solely to the regulation of the tribe, assisted and overseen as needed by federal authorities, such as the Secretary, the Director, and the National Indian Gaming Commission (NIGC). Through the promulgation of minimum federal regulatory standards and/or a model regulatory scheme, the Secretary could greatly assist the tribes and requisite federal authorities in the regulation and oversight of tribal gaming ventures. The NIGC has applicable experience and has expressed its interest in performing any necessary oversight of these operations. Furthermore, through the implementation of user fees, the Secretary could defray the costs associated with such federal regulation. Again, however, unless it requests otherwise, the tribe should maintain the primary regulatory authority over its gaming operation, with minimal federal oversight, once the state has refused to avail itself of the opportunity provided in the IGRA to share in such regulation.

6/13/97 U.S. Attorney Charles Wilson files suit in the U.S. District Court for the Middle District of Florida against the Indian Tribe in U.S. District Court to shut down electronic pull tab machines. The Seminole Tribe of Florida files suit in U.S. District Court for the Southern District of Florida against Secretary Babbitt in U.S. District Court to compel the Secretary to issue procedures for Class III gaming.

CHRONOLOGY OF EVENTS

1957 -	The Seminole Tribe of Florida applies for and receives federal acknowledgment.
1979 -	Seminole Tribe opens the country's first high-stakes bingo hall, located on Hollywood reservation.
1982 -	Seminole Tribe opens a second bingo hall on Tampa reservation.
1988 -	Indian Gaming Regulatory Act (IGRA) enacted, providing a federal statutory basis for operation of gaming by Indian tribes on Indian lands for the purpose of promoting economic development and strong tribal governments.
1/29/91	Seminole Chairman James Billie writes to Florida Governor Lawton Chiles, requesting a tribal-state compact between the Tribe and the State of Florida for Class III gaming activities on Seminole reservations.
2/91 - 9/91	Seminole Tribe submits proposed compact to the State and attempts to negotiate a resolution of terms by which Class III gaming could be conducted on tribal reservations. IGRA requires the state and the Governor respond in good faith to the Tribe's request within 180 days.
9/19/91	The Tribe files suit against the State of Florida and Governor Chiles in the U.S. District Court for the Southern District of Florida, seeking to compel good faith compact negotiations under IGRA.
12/16/91	State of Florida, asserting the Eleventh Amendment to the U.S. Constitution deprived the federal court of jurisdiction, moves to dismiss Seminole lawsuit.
6/18/92	District Court denies the State's motion to dismiss.
1/18/94	Court of Appeals for the Eleventh Circuit reverses the order to dismiss, holding that the State had Eleventh Amendment immunity from the suit.

The court concludes, however, that "if a state interposes the Eleventh Amendment to defeat the remedial compact provisions of IGRA, and the suit is dismissed, then upon due notice by the tribe, the Secretary of the Interior may prescribe regulations governing Class III gaming on tribal lands," as required by IGRA.

1/20/94 Seminole Tribe requests that the Secretary of the Interior issue procedures to govern the operation of Class III gaming on Seminole reservation lands, pursuant to the Eleventh Circuit decision.

3/17/96 The United States Supreme Court affirms the Eleventh Amendment holding of the Eleventh Circuit. (Seminole Tribe of Florida v. Florida.)

4/08/96 Seminole Tribe renews pending request for Secretary Babbitt to prescribe Class III gaming procedures.

4/15/96 The United States Supreme Court denies Florida's cross-petition for certiorari.

5/10/96 Secretary Babbitt publishes Advance Notice of Proposed Rulemaking on Establishing Class III Gaming on Indian Lands When a State Raises an Eleventh Amendment Defense to Suit Under IGRA, seeking public comments on the process and authority for issuing Secretarial procedures.

6/28/96 Seminole Tribe submits comments in response to Secretary Babbitt's advance notice of proposed rulemaking, asserting that "at the point at which a state renders the judicial remedies of the compact process futile, whether by refusing to follow a mediator's recommendation or by asserting Eleventh Amendment immunity, the Secretary maintains the authority and responsibility to prescribe procedures for the affected tribe."

7/29/96 State Attorney General Bob Butterworth files a civil suit, asking the U.S. District Court to shut down the electronic pull tab machines at all Seminole gaming sites. (State of Florida v. Seminole Tribe of Florida and James E. Billie.)

6/13/97 District Court dismisses State's lawsuit, holding that Seminole Tribe is protected by sovereign immunity and that IGRA provides no basis for the State's claim.

Seminole Tribe
of Florida

July 22, 1997

The Honorable Bruce Babbitt
Secretary of the Interior
U.S. Department of the Interior
1849 C Street, N.W.
Room 6151
Washington, DC 20240

Dear Secretary Babbitt:

On Thursday, August 21, 1997, the Seminole Tribe of Florida will be celebrating a very special moment in its history. It will be a day of festivities for new beginnings while recognizing the importance of the past. I would like to ask you to be a part of this meaningful day.

As you are aware, forty years ago the Seminole Tribe of Florida became a federally recognized tribe under the Indian Reorganization Act. It signified the beginning of a new type of relationship between the Tribe and the federal government. We are excited about celebrating such a landmark event in our culture.

We are incorporating this 40th Anniversary with the grand opening of the new Ah-Tha-Thi-Ki Museum of the Big Cypress Reservation in Florida. This is the first comprehensive museum to preserve and protect our unique history and culture and to share this with the world. Ah-Tha-Thi-Ki, Seminole for "A place to learn, a place to remember," will provide the important link to the past and the future for all people.

In honor of the past forty years, I would like to ask you to serve as a keynote speaker when we dedicate the museum in August. The grand opening event will take place from 11 a.m. until 2 p.m., with an air-conditioned lunch on the museum grounds. Lunch and the official program will begin at 12:30 p.m. An official invitation will be sent to your office later this month.

6300 Stirling Road, Hollywood, Florida 33024

To: The Honorable Bruce Babbitt
July 22, 1997

On behalf of the whole Seminole Tribe of Florida, we welcome your participation on a day that has such significance to the Tribe and our history with this county.

Sho Naa Bisha,

James Billie
Chairman

JB/cac

C:\WPDOCS\JIM\BB7-22.LTR

Patrick Michael Benson
The Hermitage at Harmony Hill
HC 80 Box 15 F
Gamaliel Arkansas 72537
870-467-5692
870-467-5629 FAX

#5172
S/to Rebecca Cameron -
Pls see attached letter. Would the President want to do something for this guy?

August 1, 1997
The Chains of St. Peter

James A. Dorskind
Special Assistant to the President
The White House
1600 Pennsylvania Ave
WAshington DC 20500

Dear Mr. Dorskind,

THANKS for your very kind note of July 16th regarding my request for a note from the President.

I suppose there are a number of people who ask the President for favors who have had no relationship with him. I do, however know him and he, me. We've visited in Little Rock, in Hot Springs and Mountain Home. He always even remembered my name.

Three people we know in common are my immediate Superior, Bishop Andrew MacDonald and Jim Guy and Betty Tucker.

Please Mr. Dorskind, take just a minute and allow the President time to look over my letter (copy enclosed). If he doesn't remember me . . . then, certainly, I haven't any right to ask such a favor.

Thanks for your effort on my behalf. Be assured, I am very grateful for your kindness. If I can serve you in any manner, please do not hesitate to contact me.

Sincerely,

Patrick

Jim -
Decline letter from you. OK with you.
Nancy
Phil

Phil - I don't think we can do this, can we? NS

Copy

Patrick Michael Benson
The Hermitage at Harmony Hill
HC 80 Box 15 F
Gamaliel Arkansas 72537
870-467-5692
870-467-5629 FAX

June 16, 1997
St. John, the Martyr

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

My dear Mr. President,

Greetings and all Good to you in the Holy Name of the Lord!

As always, it is the highest honor for this Catholic monk to write to you, and I thank you for the opportunity.

Mr. President, I have served you for many years now. All that time, even when we did not agree on the capital punishment issue, our relations have always been cordial and you have been remembered in my pleas and offerings before the Lord each day.

While Governor, it was three times a day - when not, once a day - and since becoming President, you have been remembered in each of the seven prayer offices of my day.

I now have an opportunity to expand my ministry. This job is serving the poorest of the poor . . . and of course, in the nature of such things, has no money to it and no prestige, either. Appealing to few, I personally value such a wonderful opportunity to serve "the least of our brothers and sisters" here in the Ozarks.

After providing the usual references, Bishop Allmen has asked for a letter from a public official.

The nature of my work precludes a wide circle of friends and associates from which to draw. As I have faithfully served you for all this time, and we have written from time to time, would you kindly write a note for me?

It might read "Brother Patrick has served my family and I for many years through the uniqueness of his vocation - penance and prayer. I heartily trust this expansion of his ministry will enhance the lives he will touch." Or something other, as you may choose.

I'm not sure of the quality of the competition, but I **do** know such a note from the President of the United States would surely give me an edge. Bishop Allmen's address is:

The Most Reverend Robert J. Allmen
THE PASTORAL CENTER
Post Office Box 725
Hampton Bays NY 11946

Thank you VERY much, Mr. President. May I have a copy for my files, please?

If I can serve you in any other manner, please feel free to contact me at any hour of the day.

Your friend,

THE WHITE HOUSE

WASHINGTON

Date 8/8

To: Gene Sperling, John Hilley, Jack Lew, Rahm Emanuel, Erskine Bowles

From: The Staff Secretary

Feinstein letter came in via Situation Room last night.

Phil

FAX from . . .

Senator Dianne Feinstein

of California

'97 AUG 7 PM 8:07

525 Market Street
Suite 3670
San Francisco, CA 94105
415-536-6868

DATE: 08 2055Z Aug 97

TIME:

TO: President William Clinton

FROM: Senator Dianne Feinstein

COMMENTS:

TOTAL NUMBER OF PAGES (INCLUDING COVER SHEET): 2

NOTE: The information contained in this facsimile is confidential. If you receive this transmission in error, please notify the sender immediately.

DIANNE FEINSTEIN
CALIFORNIA

COMMITTEE ON FOREIGN RELATIONS
COMMITTEE ON THE JUDICIARY
COMMITTEE ON RULES AND ADMINISTRATION

United States Senate

WASHINGTON, DC 20510-0504
(202) 224-3841

August 7, 1997

The Honorable William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, DC 20002

Dear Mr. President:

I strongly urge you to use your line-item veto authority to strike a provision in the 1997 Budget Agreement regarding the $24 billion in tobacco tax revenue intended to finance an expansion of health insurance for children. As I understand it, a clause was added to the Budget Tax Bill that permits the cigarette tax to be credited toward any payments owed by tobacco companies under the tobacco settlement now pending before Congress.

As a member of the Senate Judiciary Committee I have listened to hours of testimony on the proposed tobacco settlement. One thing has become very clear: The total amount of the settlement of $368 billion is greatly reduced by the fact that, under current Tax Laws, approximately 30% of any monies paid by the tobacco companies pursuant to a settlement would be tax deductible. I have been advised that this could total as much as $122 billion. Crediting the $24 billion in cigarette taxes contained in the Budget Bill to the tobacco settlement would be added on top of this enormous tax deduction, and would further reduce the actual dollars available for the prevention and education programs which are a fundamental part of the proposed settlement.

To permit such generous reductions in the monies owed by tobacco companies in the proposed settlement only further dilutes the effectiveness of any monetary judgment and eventually works to negate the value of the entire settlement.

Very truly yours,

Dianne Feinstein
Dianne Feinstein
United States Senator

FRESNO OFFICE
1130 "O" Street
Suite 2446
Fresno, CA 93721
(209) 485-7430

LOS ANGELES OFFICE
11111 Santa Monica Blvd.
Suite 915
Los Angeles, CA 90025
(310) 914-7300

SAN DIEGO OFFICE
750 "B" Street
Suite 1030
San Diego, CA 92101
(619) 231-9712

SAN FRANCISCO OFFICE
525 Market Street
Suite 3670
San Francisco, CA 94105
(415) 536-6868

July 29, 1997

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Leadership is often talked about, but all too few act on it or are willing to follow. Your leadership has been inspirational to me. So much so that I believe I must now bear witness to your commitment to the issues of our time.

I feel compelled to leave Washington, and a job I love, to go and work with people who rightfully look to you and your leadership as they struggle to make America even greater -- in their homes, neighborhoods, cities, and states. I can do no less.

Having the opportunity to have served with you, Mr. President, Mrs. Clinton, and your extraordinary team has given me and mine a true sense of public service in the context of the very best. I started each day with one wish: to be worthy of your trust in me. Please know I did my best and tried to make a difference.

My departure will be by Labor Day, an ideal moment to continue your mission in another setting.

May you and Washington be free of snow for the rest of your term.

8/8/97

Sincerely,

Jim King

James B. King

Send to Donskind?
Yes ✓
no ______
Reply by next week
(Wednesday)

SERVICE WHOLESALE, INC.
Office, Art and Collegiate Supplies

2825 Henkle Drive • Lebanon, Ohio 45036 • Phone: (513) 933-9042 • Fax: (513) 933-9214

'97 AUG 8 AM 9:19

August 5, 1997

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

Dear President Clinton:

I am asking today for your assistance in a matter that greatly impacts my business and thousands of other businesses around the country as well. The issue to which I'm referring is the International Brotherhood of Teamsters strike against United Parcel Service.

My business relies on UPS to ship 100,000 packages each year which amounts to approximately 385 shipments each day. The vast majority of those shipments cannot be handled by other carriers. Those packages simply will not go anywhere, endangering our business and that of our customers.

Mr. President, let me be very clear. Every single day this strike is allowed to continue, it's going to cost our company $60,000. And that's just the beginning. Left unsettled, it impacts employees, subcontractors, suppliers, vendors and the families of all involved.

Over the next few weeks, hundreds of thousands of college students will return to campus. They, and the campus stores that serve them with required books and supplies, will face immediate and long term direct educational damage without their required educational materials. The supplies they require are SITTING on our docks!

Specifically, I am asking you to use your Presidential powers under the Taft-Hartley Act to intervene in this strike and get UPS, our company and the rest of the country back to work.

Every day this continues represents a serious setback to our currently robust economy. In more human terms, it also represents serious problems for the employees of UPS, our company and all the other companies that rely on UPS to conduct their business.

I fail to see how it is in anyone's best interest to let this strike continue. I urge you to do whatever you can to get UPS back to work and let the company and the union settle their differences in a manner that does not rely on holding my, and thousands of other businesses hostage.

I thank you in advance for your help and look forward to your reply.

Sincerely,

Raymond K Benza

Raymond K. Benza, President/Owner

cc: Secretary Alexis Herman
Department of Labor

8-8-97

Send to Donskind

Yes ✓

No

C

OPWA
OFFICE PRODUCTS WHOLESALERS ASSOCIATION

Staff. Sec.

MACK'S SPORT SHOP

DATE: 8-8-97

FAX FROM: Marion McCollum

FAX TO #: 202-456-6610

NUMBER OF PAGES INCL. THIS COVER SHEET 3

IF FAX IS NOT LEGIBLE CALL 501-673-6969

MESSAGE/ATTENTION The Honorable William Jefferson Clinton

AUGUST 07, 1997

Mack's Sport Shop
East Michigan at Grand Street
P. O. Box 391
Stuttgart, Arkansas 72160

'97 AUG 11 A8:55

THE HONORABLE WILLIAM JEFFERSON CLINTON
PRESIDENT OF THE UNITED STATES
THE WHITE HOUSE
1600 PENNSYLVANIA AVE., NW
WASHINGTON, DC 20500

DEAR PRESIDENT CLINTON:

I AM ASKING TODAY FOR YOUR ASSISTANCE IN A MATTER THAT GREATLY IMPACTS MY BUSINESS AND THOUSANDS OF OTHER BUSINESSES AROUND THE COUNTRY AS WELL. THE ISSUE TO WHICH I'M REFERRING IS THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS STRIKE AGAINST UNITED PARCEL SERVICE.

MY BUSINESS RELIES ON UPS TO SHIP 30,000 PACKAGES EACH YEAR WHICH AMOUNTS TO APPROXIMATELY $15,000 PER DAY. THE VAST MAJORITY OF THOSE SHIPMENTS CANNOT BE HANDLED BY OTHER CARRIERS. THOSE PACKAGES SIMPLY WILL NOT GO ANYWHERE, ENDANGERING OUR BUISNESS AND THAT OF OUR CUSTOMERS.

MR. PRESIDENT, LET ME BE VERY CLEAR. EVERY SINGLE DAY THIS STRIKE IS ALLOWED TO CONTINUE IT'S GOING TO COST OUR COMPANY $15,000.00. AND THAT'S JUST THE BEGINNING. LEFT UNSETTLED IT IMPACTS OUR EMPLOYEES, SUBCONTRACTORS, SUPPLIERS, VENDORS AND THE FAMILIES OF ALL INVOLVED.

SPECIFICALLY, I AM ASKING YOU TO USE YOUR PRESIDENTIAL POWERS UNDER THE TAFT-HARTLEY ACT TO INTERVENE IN THIS STRIKE AND GET UPS, OUR COMPANY AND THE REST OF THE COUNTRY BACK TO WORK.

EVERY DAY THIS CONTINUES REPRESENTS A SERIOUS SETBACK TO OUR CURRENTLY ROBUST ECONOMY.

IN MORE HUMAN TERMS, IT ALSO REPRESENTS SERIOUS PROBLEMS FOR THE EMPLOYEES OF UPS, OUR COMPANY AND ALL THE OTHER COMPANIES THAT RELY ON UPS TO CONDUCT THEIR BUSINESS.

8/11/97

Send to Dorskind?

Yes ✓

No

Mack's Sport Shop
East Michigan at Grand Street
P. O. Box 391
Stuttgart, Arkansas 72160

I FAIL TO SEE HOW IT IS IN ANYONE'S BEST INTEREST TO LET THIS STRIKE TO CONTINUE. I URGE YOU TO DO WHATEVER YOU CAN TO GET UPS BACK TO WORK AND LET THE COMPANY AND THE UNION SETTLE THEIR DIFFERENCES IN A MANNER THAT DOES NOT RELY ON HOLDING MINE, AND THOUSANDS OF OTHER BUSINESSES HOSTAGE.

I THANK YOU IN ADVANCE FOR YOUR HELP AND LOOK FORWARD TO YOUR REPLY.

SINCERELY,

Chuck Lock

CHUCK LOCK, MANAGER
MACK'S SPORT SHOP
MACK'S PRAIRIE WINGS
MAIL ORDER CATALOG

Marion McCollum, Owner

Viacom Inc.
1515 Broadway
New York NY 10036-5794

'97 AUG 11 PM1:52

Sumner M. Redstone
Chairman of the Board and
Chief Executive Officer

212 258 6310

August 6, 1997

VIACOM

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

8-11-97

Dear President Cl...

Send to Doskind ?

Yes ✓

No

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... impending school year. I know you share
... about education in our country and understand how this disruption
would impact many students in our nation's schools.

Simply put, every day the impasse continues, American businesses and our economy stall. I am asking for you to do what you can within your powers to intervene and get both sides together and back to work.

With deep respect and warm regards,

Sumner

Sumner M. Redstone

c: Nancy Hernreich
Special Assistant to the President

Viacom Inc.
1515 Broadway
New York NY 10036-5794

'97 AUG 11 PM 1:52

Sumner M. Redstone
Chairman of the Board and
Chief Executive Officer

212 258 6310

August 6, 1997

VIACOM

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

Dear President Clinton:

Making a request of you is not something that I take lightly. However, I am compelled to ask you for assistance in a matter that greatly impacts Viacom and thousands of other businesses around the country -- the International Brotherhood of Teamsters strike against the United Parcel Service.

Viacom's business relies on UPS to ship 12 million packages each year. This amounts to approximately 48,000 shipments each business day, the vast majority of which cannot be handled by other carriers.

Our publishing business will be particularly hard hit by a prolonged strike. Publishing is a transaction-intensive business with a large volume of small individual orders. With UPS out of service, Simon & Schuster could be prevented from getting textbooks to schools for the impending school year. I know you share my concern about education in our country and understand how this disruption would impact many students in our nation's schools.

Simply put, every day the impasse continues, American businesses and our economy stall. I am asking for you to do what you can within your powers to intervene and get both sides together and back to work.

With deep respect and warm regards,

Sumner

Sumner M. Redstone

c: Nancy Hernreich
Special Assistant to the President