Chron

THE WHITE HOUSE
WASHINGTON

January 13, 1998

Mr. President:

Erskine wanted you to see this.

Phil Caplan

cc: Rahm Emanuel
Michael Waldman

Nancy Kassebaum Baker
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Walter F. Mondale
Pillsbury Center South
220 South Sixth Street
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January 9, 1998

The President
The White House
Washington, D.C.

JAN 12 P6:12

Dear Mr. President:

Last March, you asked us to assist in the cause of campaign finance reform. We were honored to accept this important assignment. We are writing at this time to report on our efforts to date and, in turn, to make a request of you.

We have attached a brief fact sheet which summarizes our activities to advance national support for campaign finance reform. We plan to continue our work in advance of the debates that are expected to occur in the U.S. Senate and House in March.

We are convinced, however, that further progress will depend on full, vigorous employment of the persuasive powers and moral authority of the Presidency. Therefore, we respectfully urge you, beginning with the State of the Union address, to redouble your own significant efforts to persuade the Congress and the public that action on reform is imperative.

Distinguished scholars Karlyn Kohrs Campbell and Kathleen Hall Jamieson have observed: "In charging presidents with reporting on the state of the Union, the Constitution gives them, in the role of national historian, the opportunity to reconstruct the past in order to forge the future. Using history skillfully, they can involve the Congress and the people in an affirmation that this is not only the way it was, but also the way it will be. More eloquent presidents have seized the opportunity to reshape reality and to imprint their conception on the nation."

We believe there is a notable historical precedent -- and historic opportunity -- for highlighting campaign finance reform in the State of the Union address.

At the turn of this century, the financing of political campaigns had become a matter of intense national controversy. The issue then was nearly identical to what it is today: the dramatic rise in large, uncontrolled political contributions and the resulting erosion of public confidence in our democratic system.

Following Theodore Roosevelt's success in the 1904 Presidential election, allegations were raised in Congress about political party fundraising practices during that campaign. In response, President Roosevelt took the initiative in leading the struggle for federal reform of campaign finance.

In the opening words of his annual message in December 1906, Roosevelt addressed matters left unfinished in the first session of that Congress. He listed first among those unfinished tasks the need for "a law prohibiting all corporations from contributing to the campaign expenses of any party."

Congress heeded the President's call and, in 1907, passed the Tillman Act, the foundation for the federal regulation of campaign finance which developed during this century. Indeed, the Tillman Act is one of the very laws undermined by the "soft money" loophole.

Ninety years after one young U.S. President exercised his leadership to transform a campaign finance scandal into the foundation of reform, we believe another young President has the historic opportunity to rise above controversy and lead the way to rebuilding that very same foundation. By doing so, you would also go far toward answering an even more profound need in our nation today -- restoring the American people's trust in the integrity of our political process and in the capacity of our leaders to act courageously to ensure that integrity.

We realize that you have already been highlighting the urgent need for campaign finance reform. And we imagine that you already have plans to make reform an important element of your State of the Union address. We wish to underscore for you our belief that now may well be a historic moment when it is possible and necessary for the President to go the extra distance, as Theodore Roosevelt did, and place campaign finance reform at the very top and center of the nation's agenda.

Our experience with this issue during the past year suggests three particular thoughts that we wish to offer for your consideration: the central importance of campaign finance reform, the urgent need for reform, and the essential role of Presidential leadership in securing the passage of reform.

First, the American public's ever-deepening cynicism about the integrity of our political process means that campaign finance reform is now central to almost every other public issue. Most Americans firmly believe that the flood of money pouring, uncontrolled, into our political process compromises the ethical character of our public institutions and leaders -- casting a shadow over the very legitimacy of federal laws and policies. The capacity of Congress to deal credibly with other issues depends on first cleaning up our nation's political household, beginning with campaign finance reform.

Second, the time for reform is now -- it must not be delayed. The Senate Majority Leader has specified a time certain, by March 6, for consideration of a reform proposal, and he has agreed to permit introduction of the McCain-Feingold bill as an amendment. Your State of the Union address later this month is a key moment to build the momentum for reform in the weeks leading up to this time certain. The actions that Congress takes, or fails to take, in the next few months will have a large role in determining the character of the next Presidential election. Our nation cannot afford the spectacle of a campaign in which ever-greater amounts of uncontrolled money inundate and overwhelm this most sacred ritual of our democracy, the election of a U.S. President. Everyone assembled on January 27 in the House Chamber -- and everyone who views your address -- needs to understand what is at stake in securing passage of campaign finance reform in 1998.

Third, Presidential leadership is essential. Many in political life appear to find comfort in the perception that the public is not insisting on reform. The evidence is actually much more sobering: The depth of the American people's cynicism about money in politics is truly staggering. It is matched by their pessimism about the prospect of any real reform by our elected officials. (In a national poll early last year, 48 percent of Americans insisted they are more likely to see Elvis Presley than campaign finance reform!) Unfortunately, this pessimism risks becoming a self-fulfilling prophecy in the hands of the opponents of reform, who mistake the public's apparent quiescence as permission for inaction. These circumstances present a special challenge for Presidential leadership.

For these reasons, we urge you to address this issue in the strongest possible terms in the 1998 State of the Union speech -- and to wield all of your persuasive powers and the authority of your office to focus the attention of the public and Congress on the central importance and urgency of campaign finance reform in 1998. As with Theodore Roosevelt more than ninety years ago, let no American doubt the priority which you believe the Nation and the Congress should assign to the unfinished task of reform.

We stand ready to provide support and assistance in whatever way we can.

Sincerely,

Nancy Kassebaum Baker

Walter F. Mondale

1997 HIGHLIGHTS OF THE CAMPAIGN FINANCE REFORM PROJECT LED BY WALTER F. MONDALE AND NANCY KASSEBAUM BAKER

MARCH

• President Clinton announces that Walter F. Mondale and Nancy Kassebaum Baker will lead an independent, bipartisan effort to build broad-based national support for campaign finance reform.

• *New York Times* op-ed article by Mondale and Kassebaum Baker.

MARCH - JUNE

• Mondale and Kassebaum Baker consult with a wide range of individuals and groups interested in campaign finance reform in order to identify key areas of potential bipartisan consensus.

MAY

• The Aspen Institute establishes The Campaign Finance Reform Project to assist Mondale and Kassebaum Baker.

• The Pew Charitable Trusts provides financial support to The Aspen Institute for The Campaign Finance Reform Project.

JUNE

• Mondale and Kassebaum Baker release an Open Letter to the President and Members of Congress, outlining four areas of potential bipartisan consensus on campaign finance reform.

JULY

• *Washington Post* op-ed article by Mondale and Kassebaum Baker.

• Former Presidents Ford, Carter and Bush declare their support for campaign finance reform, including a ban on soft money as well as improvements in campaign finance disclosure and enforcement.

SEPTEMBER

• Op-ed article by Mondale and Kassebaum Baker appears in college and university newspapers nationwide.

• *Los Angeles Times* op-ed article by Mondale and Kassebaum Baker.

• Mondale and Kassebaum Baker release a statement in support of campaign finance reform, signed by more than 80 former Members of Congress of both parties. (The number of signatories has since reached 130.)

• Mondale and Kassebaum Baker testify to the U.S. Senate Committee on Governmental Affairs.

OCTOBER

• *Washington Post* op-ed article by former Presidents Ford and Carter.

DECEMBER

• Focus groups conducted nationwide to gain a deeper understanding of the public's thinking about campaign finance reform.

MARCH - DECEMBER

• Numerous speeches and media interviews by Mondale and Kassebaum Baker, including "Meet the Press" and "The Lehrer News Hour."

1-13-98

TOUGH AND READY

By Peter Plastrik

During this century, Texas has sent some of its best politicians to Washington, D.C., to run the country: John Nance Garner, Sam Rayburn, Lyndon Johnson, Jim Wright. Now comes another Texas product, Camille Barnett, to run the city itself.

Barnett is not a Texas native, but as a government manager for 17 years in Dallas, Houston and then Austin, she is certainly made in Texas. And like the wily operators who preceded her to the nation's capital, she knows quite a bit about getting public bureaucracies to do her bidding.

"I'm here to fix things," Barnett declared upon accepting the newly created post of chief management officer for the city on Dec. 22. "My goal is to make Washington, D.C., the model for the very best cities in the nation."

Hello. Is this really in the cards? A leap from among the worst-run cities to among the best?

Barnett, 48, has been in this situation before—in another capital city, another government mess: Austin, 1989. The city, settled 150 years earlier along the Colorado River, had become a high-tech boom town of 500,000 people. But in the late 1980s, it was in an economic free fall, triggered by the collapse of the state's oil and real estate sectors. Large reductions in revenues led to big cuts in city staffing. The city council was wracked by political battles. Environmentalists brawled with developers, while liberals and conservatives skirmished over social issues. "It was Beirut on the Colorado," said one city government veteran. For 17 months, Austin did not have a permanent city manager. Finally, the city hired Barnett.

"The place was a wreck," she recalled in 1993 when I visited Austin. "There was no sense that city government could do a damned thing about it." Austin was Barnett's first chance to run a city after years as an assistant or deputy. For her, the city's debacle had its silver lining. "It seemed like a perfect situation," she told me. "It couldn't do anything but go up."

And go up it did. When I went to Austin, four years into Barnett's tenure, it was to learn more about her efforts to reinvent the city's government. I interviewed department heads, middle managers, street and bridge repair crews, health clinic workers, a city council member, the mayor, the fire chief, utility meter readers, business and university leaders, the clerk of the

See BARNETT, C6, Col. 1

Peter Plastrik is co-author with David Osborne of "Banishing Bureaucracy: The Five Strategies for Reinventing Government" (Addison-Wesley).

BARNETT, From C1

municipal court, the library director and Barnett's top staffers. The tour left little doubt in my mind that Barnett and her team had laid an impressive foundation for high performance. Barnett's record there suggests what D.C. public employees and city residents can expect from her in months and years to come.

The municipal court system began to fix its byzantine, time-wasting processes. Ron Zimmerman, the court clerk, said that before Barnett's effort started, at least 500 times a month police officers did not come to court to testify about arrests *they* had made. The cops had gotten tired of cooling their heels for hours waiting to appear in court. By redesigning the inefficient scheduling process, court employees cut the no-shows by 80 percent, he reported.

In the Public Works Department, the productivity of street repair crews soared by 250 percent and the quality of new street surfaces improved. Complaints from citizens about the paving process dwindled, while the morale of city work crews rose. The reason: The street-repair crews were allowed to manage their own work and learned new techniques from management consultants for improving quality and cutting costs.

Overall, there was evidence of a transformation of the government's bureaucratic culture. The habits, hearts and minds of many employees came to focus on doing better, not just following rules. Many began using business methods such as Total Quality Management (TQM), in which employees change the ways they work in order to better meet the needs of customers. Some formed self-managed teams, a tool for employee empowerment that shifts authority from managers to front-line workers. And government and business leaders started recognizing and celebrating scores of government employee innovations and improvements.

From the beginning, Barnett recognized that the battered city government needed her to be both therapist and visionary.

"Everybody felt really bad," Barnett said. "So I came in and said, 'Here's why you feel bad and if you do these things, you can feel better.' " She prescribed two things in particular: customer service and accountable leadership. "Every time I spoke, whether it was inside or outside the organization, I said, 'This is what I'm about: service and leadership.' I used to get standing ovations when I would say this."

Like any new leader in a difficult situation, Barnett's resolve was tested early. When someone leaked sensitive budget information to the press, she called an emergency meeting of department heads and laid the newspaper on the table. She described to me what happened next: "I said, 'I don't know which one of you did this and, what's more, I'm not going to try to find out. But I do know that one of you did it, because nobody else had this information.' Then I said, 'If you want me to play straight with you, you have to play straight with me. I don't ever expect this to happen again.' And it didn't."

Her objective, Barnett explained, was to be clear about the contract she was offering the city government's leaders. "I was very interested in making sure that the organization knew that I wasn't out to screw them; that I would be an advocate; and that if they had a good idea they could get it through. And that if they made a mistake, I wouldn't kill them."

Will she proceed the same way in Washington as she did in Austin?

Yes and no.

Yes, because she has confidence in her method for getting started. "I will be doing what I always do," Barnett told me recently. "That means assessing who is there [heading the nine departments she controls, including the Departments of Public Works and Human Services] and what they're doing; making my expectations clear; jointly agreeing with them on what the objectives are to accomplish. It's not magic, it's performance." Barnett's priorities in Washington are going to be much the same as they were in Austin: customer service and accountability of city government. "Those messages are good here, too," she said.

No, because Austin's situation at its worst was never as bad or as complex as the District's. "In D.C.," said Barnett, "the political environment is more charged. The operating systems of government seem to be in worse shape." There is much greater urgency to produce results. There are also the tricky currents of the city's racial politics, the likes of which Barnett never faced in Austin.

Barnett, in short, has stepped into a glaring spotlight, which she loves. With everyone watching and judging her performance, it won't be long before people are throwing praise or darts her way. She may have a five-year contract with the D.C. financial control board, but the clock is running.

So Barnett must light a fire under the very departments that have been unresponsive or unable to change. To get leverage, Barnett should unleash one of the most powerful weapons in the arsenal of the bureaucratic reformer: incentives for performance.

She can accomplish this by making three moves:

1. Give top managers a real bottom line. Whether Barnett changes or retains the department directors she inherits, she should put them on short-term—say, 90-

The Washington Post
SUNDAY, JANUARY 11, 1998

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PHOTOS BY LUCIAN PERKINS—THE WASHINGTON POST

Camille Barnett at her D.C. press conference last month.

day—performance contracts tied to measurable improvements in agency performance. A substantial amount of each director's salary—at least 20 percent—should be based on whether or not their departments achieve their targets. Continuing failure to meet the targets should be grounds for dismissal.

Every three months, these officials should present in a public session their performance record to the control board and their targets for the next three months. This would add light to the heat of performance contracting.

Barnett would have to play the crucial role of negotiating targets with each department director. This is an art: If she is too tough, the agencies will fail. If she is too easy, agencies won't improve enough. If she doesn't find the happy medium, she fails too.

2. Give employees a stake in improvement. Barnett needs to consider two tactics here: "Gain sharing" is a practice that allows employees to pocket a portion of the financial savings they generate, as long as they maintain service levels. The incentive can amount to thousands of dollars annually per worker. That inspires workers to keep a close eye on costs and develop cost-saving innovations.

Public-versus-private bidding forces employees to compete against private vendors for their work. City officials in Indianapolis, Phoenix, Philadelphia and other cities have used this tool to drive down costs by as much as 25 percent. This is not simply a scheme of mean-spirited people seeking to lay off city workers. Sometimes public employees win the bids, because they submit the lowest bid; other times, businesses win.

In Indianapolis, Mayor Steve Goldsmith put more than $500 million of city government work up for public-private bids between 1991 and 1995. As a result, the city saved more than $100 million and cut its work force substantially. But no unionized employees were laid off; if they lost competitions, they were retrained and placed in vacant positions, or given incentives to retire early.

Many public employees, their unions and managers resist the introduction of competition over work they have controlled for decades. This may well happen in the District. To implement such efficiency measures, Barnett and the control board may need to stand up to special interests—but they also need to enlist public employees in the drive to fix city government.

One way to achieve this is to pledge there will be no layoffs as a result of improved competitiveness. This is feasible unless Barnett is required to slash budgets further. She could also elicit cooperation by pledging to put some of the savings gained through competition back into the community, perhaps by rebuilding infrastructure: parks, sidewalks and potholed streets.

3. Invest in change, don't just order it. Most government managers and employees know very little about how to improve their performance. Typically, they don't even know what it costs to perform their work. So the demand for improvement must be accompanied by an investment in employee know-how. In Austin, Barnett found funds to help employees learn to use the techniques of TQM to gradually boost customer satisfaction and cut costs. The fire department adopted TQM and, by 1993, was recognized by the Austin Quality Council, a group of business and university leaders, who cited it for the "highest achievement in the pursuit of quality."

No matter what her approach to innovation, Barnett will encounter resistance and foot dragging, the usual games that entrenched bureaucracies play. She will take the reins of city government on Thursday but at the outset she has little help. "It's a brand new position," she pointed out. "Nobody has any experience doing this. I have no organizational structure, no desk, no phone, no secretary."

It's likely to be a bumpy ride for a while. Barnett, judging from her performance in Austin, is tough enough and smart enough to make it through the early stages. Let's hope the control board will be, too. If so, there's finally a chance that Washington's long-deprived residents will get the city services they deserve.

The Washington Post
SUNDAY, JANUARY 11, 1998

1/11/2

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THE PRESIDENT HAS SEEN
1-13-98

Thanks
Do we need to
have meet to get
approval for Summit

PG

cc Pied
Raines
COS

Lewis
COS

THE WHITE HOUSE
WASHINGTON

Vision of 21st Century America:

American Dream, American
Leadership; American Constitution

Strategy to build a bridge to trust America.
new kind of government, not do everything,
not sit on sidelines, creates conditions, and
gives America tools to realize most of
lives, promoting opportunity, demanding
responsibility, creating one America,
all a part, all challenged to serve

12:15pm

1-13-98

THE WHITE HOUSE

WASHINGTON

copies
Lewis
COS

January 9, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: ANN LEWIS AXM

SUBJECT: FIVE YEAR ACCOMPLISHMENTS

We are working to prepare the following "Five Years of Accomplishments" materials which will be available by January 20, 1998, the fifth anniversary of your inauguration:

- A book (paper cover) produced and distributed by the White House;
- A parchment-scroll type document which will be distributed at the DNC dinner on January 20;
- A double-sided double laminated pocket card (one that folds down the middle), modeled on those produced throughout 1996 (see attached sample).

The scroll and pocket card will be produced and distributed by the DNC. We are using a double card to give us more space for information. The State of The Union message and 1998 agenda could then be printed on a similar, single card so that the three pieces make a pocket-size speakers kit for the DNC and Democratic allies.

In order to meet production deadlines, we need to get copy to the printer on Monday, January 12. Attached is a draft of the text that will fit onto cards. The information was adapted from the document produced and circulated by the Research Department at the end of 1996. Please let me know if you have any edits.

Five Year Accomplishments

Visited 1/21 CAH: AM, Ann Lewis, Bruce Strategy to Publicize to Nat Hum. New kind of poet, in our country, in sit on subway, creates conduit + gives Americans to reason. Most of time, poetry app. Reading by Hillary, all right, all working to Hillary.

1-13-98

President Clinton and Vice President Gore
Preparing America for the 21st Century --A Five Year Record

"Today, we do more than celebrate America; we rededicate ourselves to the very idea of America.... An idea infused with the conviction that America's long heroic journey must go forever upward. And so, my fellow Americans, at the edge of the 21st century, let us begin with energy and hope, with faith and discipline, and let us work until our work is done."
President Bill Clinton, Inaugural Address, Jan. 20, 1993

***Economy*: the Strongest Economy in a Generation**

Balanced the Federal Budget -- The President's FY99 budget will be *the first balanced budget in a generation*, after inheriting a record $290 billion deficit in 1992.

Over 14 Million New Jobs Created -- in last two years, over two-thirds in high-paying job categories.

Lowest Unemployment in a Quarter Century -- down from 7.5% in 1992 to 4.7% today.

Typical Family Income Up $2,169 -- as adjusted for inflation, median family income has increased three years in a row since 1993.

Highest Home Ownership Rate in History -- there are nearly 6 million new homeowners since the President took office.

***Families*: Strengthening America's Working Families**

$500 Per-Child Tax Credit -- 27 million families with 45 million children will receive the $500 per-child tax credit.

Tax Cuts for Working Families -- 15 million working families receive tax relief through the President's expansion of the Earned Income Tax Credit.

Increased the Minimum Wage from $4.25 to $5.15 per hour -- increasing wages for 10 million.

Protecting Families -- Family Medical Leave allows workers to take up to 12 weeks of unpaid leave to care for family members without fear of losing their jobs. More than 12 million families have taken leave since its enactment.

Signed Landmark Adoption and Safe Families Act -- this law will help thousands of children waiting in foster care move more quickly into safe and permanent homes.

First-Ever Plan to Protect Our Children from the Dangers of Tobacco -- put in place targeted measures to stop the sale and marketing of tobacco to children.

Family Values → Tobacco, Values, Religion, Family

Family Values -

Religion

School Uniforms

1-13-98

***Education*: Largest Investment in Education in 30 Years**

Making 13th & 14th Grades as Universal As High School -- making the first two years of college universally available with $1500 HOPE Scholarship credits.

Expanding College Opportunity with 20% Tuition Tax Credits, Education IRAs, and Largest Increase in Pell Grants in 20 Years -- the 20% tax credit helps to offset tuition costs for college or lifetime learning. The expanded IRA will allow people to withdraw money for education tax-free and without penalty. Nearly 4 million low-and moderate-income students will receive a Pell Grant of up to $3,000, a 30% larger grant than when the President took office.

Making College More Affordable -- cut student fees and interest rates on all loans, expanded repayment options including income contingent repayment, and improved service through the Direct Loan Program.

Teaching Every Child to Read by the 3rd Grade -- the America Reads Initiative will provide tutors after school, improve teaching, and help parents help their children learn to read.

Striving for Excellence with National Education Standards -- on track for first-ever national test of 4th grade reading, 8th grade math.

Expanding Choice and Accountability in Public School -- supported increase of public charter schools, from only one charter school in the nation in 1993 to nearly 1,000 charter schools by the end of 1998.

Paying for College Through Community Service -- this year, nearly 50,000 young people will take advantage of the opportunity to pay for college (or repay student loans) by performing community service through AmeriCorps.

Providing Early Education to More than 830,000 Children with Head Start -- 200,000 more children are enrolled in Head Start today than in 1992, on track to meet the President's goal of reaching one million children by 2002.

Preparing for the 21st Century with Greater Education Technology -- more than doubled funding for America's Technology Literacy Challenge Fund. The e-rate will make discounts worth over $2.5 billion available every year for schools, libraries, and rural health clinics and hospitals to connect to the Internet.

***Health Care*: Increasing Access for Millions of Americans**

Protected Medicare -- protected, modernized and extended the Medicare trust fund for at least a decade while offering new options for patient choice and preventive care.

We created the Fund)

Say ~~create~~ created fund to

help connect every

classroom and library to

Internet by 2000. then

secured an E rate to ....

1-13-98

Enacted Single Largest Investment in Health Care for Children since 1965 -- the $24 billion Children's Health Care Initiative will provide meaningful health care coverage for five million children.

Passed Meaningful Health Insurance Reform -- signed the Kassebaum/Kennedy Health Care Bill which limits exclusions for pre-existing conditions, makes coverage portable and helps individuals who lose jobs maintain coverage.

Raised Immunization Rates to All Time High -- 90% of toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines -- surpassing the President's 1993 goal.

Ensuring Safe Food for Our Families -- issued new standards to prevent *E. coli* bacteria contamination in meat and signed the Food Quality Protection Act with special safeguards for kids.

***Crime and Drugs*: Longest Period of Decline in Violent Crime in 25 Years**

100,000 New Police on the Street -- already more than two-thirds or nearly 70,000 new officers have been funded.

300,000 Felons, Fugitives and Stalkers Denied Guns -- since the President signed the Brady Bill into law.

Banned 19 of the Deadliest Assault Weapons and Their Copies -- keeping assault weapons off our streets.

Developed Comprehensive Anti-Drug Strategy Including $195 Million Anti-Drug Youth Media Campaign -- appointed four-star General Barry McCaffrey Drug Czar.

***Welfare Reform and Community Empowerment*: Largest Drop in the Welfare Rolls in History**

More than 3.8 Million Fewer People Are on Welfare Today than 1992 -- a 26% decrease and the largest decline in the welfare rolls in history. The President signed the landmark welfare reform law to require work, impose time limits, and dramatically expand child care spending.

More than 50% Increase in Child Support Collections -- signed into law the toughest child support crackdown in history.

New Incentives to Move People from Welfare to Work -- the Balanced Budget includes a tax credit for employers and $3 billion to move long-term welfare recipients into jobs.

Expanded Investment in Urban and Rural Areas -- by creating over 120 Empowerment Zones and Enterprise Communities and expanding access to capital with community development banks.

Drug use down

More Acres set aside

than any other ~~Except~~ 2

Roosevelt

1-13-98

***Environment*: New Standards to Protect Our Environment for the Future**

Toughest New Air Quality Standards in a Generation -- new air quality standards for smog and soot will provide new health protections for 125 million Americans including children and the elderly.

Cleaning Up Toxic Waste -- the Clinton Administration has cleaned up more toxic waste dumps in its first four years than were completed in the previous twelve.

Signed the Safe Drinking Water Act -- ensuring clean drinking water for our families by protecting against contaminants.

Protecting Our Natural Treasures -- preserving millions of acres of scenic park land and defending precious natural areas such as Yellowstone and the Everglades.

***Foreign Policy*: World's Strongest Force for Peace, Freedom and Prosperity**

1 **Brokered Dayton Peace Accords** -- ending four years of bloodshed in Bosnia.

2 **Leading the Way on NATO Expansion and Russian Integration** -- helping to ensure a more stable, democratic Europe.

7 **Secured Bipartisan Senate Ratification of the Chemical Weapons Convention and the Start II Treaty** -- the convention bans the production, stockpiling, and use of chemical weapons. Start II, together with Start I, will reduce U.S. and Russian nuclear arsenals two-thirds from their Cold War heights.

3 **Ended Military Dictatorship in Haiti** -- stopped the flow of refugees to the U.S. and restored democracy.

Re-order

4 **Persuaded North Korea To Freeze its Dangerous Nuclear Program.**

6 **Renewed Bipartisan Consensus for Engagement with China** -- to advance U.S. interests and draw the world's most populous nation more fully into the international community.

8 **Negotiated Over 220 Separate Trade Agreements** -- tearing down trade barriers to U.S. goods, helping to increase exports by nearly 50% over the past five years and creating 1.7 million export-related jobs.

5 **Leading Force for Peace** -- including continued efforts in the Middle East, Northern Ireland, and on the Korean Peninsula.

Action vs terr, Chem Bio, land mines, etc --

Action v. terrorism.
Chem + Bio weapons
landmines
etc.

1-13-98

THE WHITE HOUSE

WASHINGTON

January 12, 1998

MR. PRESIDENT:

The attached is a memo from Secretary Pena concerning a number of ideas for events and activities on the climate change front. As you know, discussions are going on now about the organization of the climate change effort at the White House. I am sure that Secretary Pena's ideas will be given thorough consideration and that DOE will be an important part of the mix as things go forward.

Todd

Todd Stern

ELB cc cover memo Tab A to VP

This is very good — we need to do all of these things. We need a system to implement

BC

copied
Bowles
Stern

cover memo
& Tab A - VP

The Secretary of Energy
Washington, DC 20585

December 23, 1997

'97 DEC 30 PM6:45

MEMORANDUM FOR THE PRESIDENT

FROM: FEDERICO PEÑA

SUBJECT: PROPOSED ACTIONS ON CLIMATE CHANGE

This memorandum follows up on our recent conversation on what we can do to advance our climate change and energy policy objectives.

For each of the initiative areas that I noted in my recent memorandum to you (Tab A), I have attached a set of proposed initiatives, announcements and events (Tab B). The proposals provide a useful menu of options for energy and climate change-related events for your consideration. Some of the initiatives highlight progress on implementing decisions already taken, while others break new ground.

Many of the proposals involve various executive branch or domestic policies, including how the U.S. economy can become more energy efficient at an acceptable cost. A set of three initiatives address the critical question of how to involve the developing world in the treaty framework through scientific collaboration and through technology development and deployment. These could take on special significance over the next year as we engage developing countries in post-Kyoto discussions.

I hope that some of the proposals here prove useful to you and your staff to advance our climate change goals and other national priorities. I have talked with Gene Sperling about these matters. In addition, my staff has been consulting with Jack Gibbons' and Frank Raines' staffs and will work closely with them to implement those initiatives that you find useful and timely.

TAB A

The Secretary of Energy
Washington, DC 20585

December 10, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: FEDERICO PEÑA

SUBJECT: CLIMATE CHANGE INITIATIVES

With the completion of the Kyoto Conference, I would urge you to make several public pronouncements to reaffirm the United States' leadership role in addressing climate change. Your announcement can amplify the leadership role played by the Administration and demonstrate continued commitment and basis for success. In any case, the task before the United States will be extremely challenging and our R&D program will be critical to fulfilling our responsibilities at an acceptable cost. Presently, DOE is working with OMB and the NEC to develop a plan to implement major elements of your October climate change policy.

I have grouped these potential announcements in several categories–research and development, incentives for technology deployment, national energy policy, and international partnerships–to suggest how they might be appropriate to different occasions. Some of the initiatives involve near-term, concrete steps while others catalyze actions that will be vital for success in the longer term. More detailed information on each initiative and options for specific events will be transmitted separately to your staff.

ACTION: UNDERSCORE VITAL NATIONAL INITIATIVES

Initiatives relevant to your overall climate change plan include:

- **Research and Development (R&D)**

  Vital R&D. Reaffirm your commitment to increased research and development of energy technologies, along the lines recently suggested by your Committee of Advisors on Science and Technology, so that our environmental goals can be met while our economy continues to grow.

  Technology Pathways. Announce release of a study of technology pathways to reduce greenhouse gas emissions undertaken by eleven of the National Laboratories.

- **Incentives for Technology Deployment**

  Federal Energy Savings Initiatives. Announce an award of the $750 million Southeast Regional Energy Savings Performance Contracts which will provide private sector expertise and capital for funds to finance energy efficiency improvements in Federal buildings. Additionally, urge expansion and recognition of the benefits of Energy Saving

Performance Contracts for non-Federal facilities, such as local housing authorities and schools, which could significantly lower energy costs without local authorities needing to make an up-front investment.

Combined Heat and Power. Underscore the national need to remove barriers to using combined heat and power systems which will result in substantial reductions in greenhouse gases. Utilization of waste heat from generating electricity can significantly increase energy efficiency, frequently doubling the usable energy.

Small Business. Provide for closer coordination between energy audits of small businesses, sponsored by the Department of Energy and the General Small Business Loan Guarantee Program to support pollution control investments provided by the Small Business Administration.

Solar Power. The Million Solar Roof Initiative, noting that indications of interest (roughly corresponding to pledges) for over 450,000 solar rooftop systems have been received from utilities, businesses, State and local governments, and others.

- **National Energy Policy**

Electricity Restructuring Legislation. Complete and announce the Administration's legislation to restructure the electricity utility industry. The NEC has almost completed work on a proposal that includes policies to reduce greenhouse gas emissions from electric utility generation such as a renewable portfolio standard, public benefits fund, and consumer disclosure of generation sources.

Comprehensive National Energy Strategy. Announce a draft Comprehensive National Energy Strategy that we are preparing, which integrates energy security, energy efficiency, reductions in greenhouse gas emissions, electricity utility restructuring, and the globalization of energy supply.

ACTION: FORGE ESSENTIAL INTERNATIONAL PARTNERSHIPS

It is essential to engage the international community, especially the developing countries, in science, technology, development and deployment initiatives. These would include:

Collaboration on an International Geosystems Year. The U.S. could call for an "International Geosystems Year", a science and technology based collaborative effort modeled on the dramatically successful International Geophysical Year of 1957-58. This international initiative would frame a decade-long roadmap, through dialogue among National Academies, for scientific research in various areas such as on the global carbon cycle and the health of the world's ecosystems. This effort would provide a foundation for the periodic scientific and economic reviews called for in your climate change

initiative. Scientists from developing countries would be deeply involved in this initiative–an essential ingredient for building consensus.

Collaborative R&D with Developing Countries. The U.S. could actively seek to enter into collaborative agreements with developing countries to support the development of energy-efficient and low-carbon technologies to be deployed within a decade or so. This effort would build on existing bilateral agreements on energy research, including some recently signed on your recent Latin America trip and would complement the $1 billion initiative being undertaken by USAID. Items covered under these agreements could include items such as sharing best energy-efficiency practices and joint research on renewable energy sources, clean coal technologies, recovery and use of coalbed methane, and various cogeneration technologies. Such agreements would demonstrate the sincerity of the U.S. in its call for meaningful participation by developing countries in addressing climate change without hampering their economic growth potential.

Promoting Joint Implementation Projects. The U.S. must redouble its efforts to promote joint implementation projects around the world. This should include: more streamlined application and approval procedures for projects under the existing pilot phase; a guarantee that some of the emissions savings generated by joint implementation projects undertaken by domestic firms in developing countries will provide "early credit" benefits similar to actions taken domestically; increased Federal financial support for projects that reduce emissions overseas (such as loan guarantees and low-cost financing); and creation of a "joint implementation corps" of energy project experts to help move joint implementation projects forward in developing countries.

TAB B

TAB B

INITIATIVES

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TAB 1

VITAL R&D: INCREASED R&D ON ENERGY TECHNOLOGIES

PROPOSED ACTION: The President announces, as a Presidential Initiative, that a specific fraction of the $5 billion climate change commitment over the next five years (perhaps 50% or greater) will be devoted to R&D and outlines the technology goals. This increased investment would help assure long-term success in reducing greenhouse gas emissions while bolstering the economy.

BACKGROUND:

- The greenhouse gas emission targets agreed to at Kyoto require the US to reduce emissions to 7% below 1990 emissions levels by 2008-2012.

- The President's October 1997 Climate Change proposal called for a package of tax incentives and R&D spending totaling $5 billion over five years toward this goal. A recent major study carried out at the President's request by the President's Committee of Advisors on Science and Technology (PCAST) recommends an increase of $3.5 billion in DOE's energy R&D budget over five years, with additional increases in the associated basic science, to reverse a $1 billion decline in these programs since FY 1992. Such investments in energy R&D are essential for meeting the Kyoto targets.

- About 85% of anthropogenic greenhouse gas emissions are associated with energy. Thus, the development and deployment of efficient and low-carbon energy technologies, built upon a foundation of basic science, is key to meeting US climate change targets while sustaining a robust economy.

- A successful overall strategy requires integration of several program and policy elements and the participation of several federal agencies. Necessary items include: research and development of efficient and clean technologies; market incentives to promote deployment of such technologies; further development of climate-related science to reduce uncertainties and determine regional effects; further development of economic modeling to determine and minimize adverse social impacts; and electricity restructuring that harnesses the power of competition to promote efficiency and the adoption of clean energy technologies.

NEXT STEPS:

- Highlighting a Presidential Climate Change R&D Initiative in the FY 1999 budget proposal will affirm the significant multi-year commitment to addressing aggressively the major energy-related challenges of the 21st century and provide a prudent approach for reducing the risks of climate change. It will be an essential foundation for a wide range of climate change initiatives.

Specific Actions Proposed:

The Presidential Climate Change R&D Initiative will complement current energy programs in many ways. Some examples follow.

--New Efforts. Research into carbon sequestration technologies and establishment of a credit system for early industry actions.

--Acceleration of Existing Programs. Restored PNGV funding to ensure development of an 80 mpg mid-size car by 2005 and accelerated development of advanced turbines and fuel cells.

--Increased Deployment of Existing Technology. Expanded Federal energy management programs that will increase efficiency and accelerated deployment of combined heat and power systems.

--Increased International Presence. Enhanced US industry position to compete in the expanding technology markets of the developing world, and where possible, to leverage US energy expertise in advanced technology markets with private sector investments and know-how.

Potential Events:

-- The State of the Union address could reference this aspect of a bridge to the next century.

-- Many Presidential events where technological approaches to climate change can appropriately be referred to.

-- Vice President Gore's Sustainable Development Committee with China, and the Gore-Mbeki Commission may provide occasions for the US to increase cooperation with non-OECD partners.

-- The Moscow Energy Ministerial, scheduled for this spring as a prelude to the G-7 summit, provides an occasion to highlight national US R&D policy, and the linkage between national and international needs.

-- The run-up to the next Council of the Parties of the Framework Convention on Climate Change will provide the opportunity for the US to partner with developing countries in joint R&D programs.

TAB 2

TECHNOLOGY ROLE IN CLIMATE CHANGE

PROPOSED ACTION: Announce release of a recently completed study by eleven National Laboratories that establishes the potential of a broad range of advanced technologies to reduce greenhouse gas emissions. (Note: report should be released no later than mid-January).

BACKGROUND:

- At the U.N. on June 26, 1997, President Clinton stated, "In order to reduce greenhouse gases and grow the economy, we must invest more in the technologies of the future. I am directing my cabinet to work to develop them."

- The Secretary of Energy challenged the Directors of eleven DOE National Laboratories and they have conducted a comprehensive survey and assessment of a broad range of energy technologies and related technologies, focused on reducing greenhouse gas emissions.

- The completed study, which has not yet been publicly released, assesses energy efficiency technologies, clean energy technologies, and carbon sequestration/management technologies, as well as cross-cutting technologies and basic supporting research.

- The report characterizes in detail 45 "technology pathways" spanning all sectors of the nation's energy economy, plus supporting research areas. It includes substantive descriptions of these technologies, their technological status, their potential for technological advancement and market penetration, their potential for carbon emission reductions, and their technology risks, all over a 30+ year time frame.

- The study discusses the very important linkage between greenhouse gas emissions and energy technologies. The primary conclusion is that advanced technologies can indeed make major contributions to greenhouse gas emission reductions. Thus, there is a solid basis for including advanced technology R&D as a major component of a climate change strategy.

- Since the study is complete, and involved eleven different labs, it would be problematic to wait long beyond mid-January to release the results of this major study.

NEXT STEPS:

Critical needs at this point are:

1. To communicate to the nation the critical role, and the potential opportunities, of technologies in controlling greenhouse gas emissions.

2. To define and initiate a series of "First Steps" for a Climate Change Technology Initiative aimed at arresting climate change.

3. To develop a much better understanding of the likely costs and benefits of the different technology development options and policy options, including greenhouse gas emission impacts and economic impacts, both domestically and internationally.

Specific Action Proposals:

1. Launch a year-long campaign (up to the November 1998 Buenos Aires meeting) to broadly engage in the articulation, discussion, and debate on the role of technologies in controlling greenhouse gas emissions. This can be conducted in the Climate Technology Initiative, an international body chaired this year by a DOE employee.

2. Include a strong Climate Change Technology Initiative in the FY1999 Budget Request. Begin the formation of Public-Private Collaboratives for each of the major technology areas, with advisory boards to set overall directions, and with implementation teams that draw on the best private and public sector expertise.

3. Establish an interagency Climate Change Technology Assessment team, with an external advisory board, to define and initiate a comprehensive, on-going analysis of the potential role of different technologies to contribute to greenhouse gas emission reductions.

Potential Events:

1. A White House Conference focused on the role of technology in reducing greenhouse gas emissions. The Conference can incorporate release and discussion of the 11 lab study and also include:

   -- Announcement of a series of follow-up meetings around the Nation.

   -- Announcement of a public-private collaborative for implementation of the Climate Change Technology Initiative.

-- Announcement of the establishment of the Climate Change Technology Assessment teams.

2. A series of follow-up meetings around the nation to focus on the issue of technological approaches to climate change. Include presentations and discussions with key skeptics.

3. At least one public meeting with Congressional leaders on this subject.

TAB 3

EXPAND USE OF ENERGY SAVINGS PERFORMANCE CONTRACTS

PROPOSED ACTION: Announce an award of the $750 million Southeast Regional Energy Savings Performance Contracts which will provide private sector expertise and capital for funds to finance energy efficiency improvements in Federal buildings in the Southeast.

BACKGROUND:

- One element of President Clinton's climate change policy is to reduce greenhouse gas emissions from Federal sources through aggressive energy management.

- The Federal government is the largest energy consumer in the nation with an annual bill of almost $8 billion to operate half a million buildings, thousands of aircraft, and hundreds of ships.

- The first of six regional ESPC contracts, also known as Financing Renewable and Energy Efficiency (FREE) Savings contracts or Super ESPCs, were awarded in May covering eight states in the Department's Western region, Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington, and the Pacific Territories.

- Implementation of all the regional contracts will result in energy savings equivalent to the annual production of 20 one-gigawatt power plants or the annual consumption of 197 million automobiles. Carbon dioxide emissions, the gases contributing to global warming, will be reduced by 27 million metric tons over the lifetime of all projects combined.

- An expansion of the use of energy savings performance contracts (ESPCs) is a component of the climate change policy to make the Federal government more energy efficient and to help reduce the greenhouse gases that contribute to global warming.

- ESPCs use private investment capital and expertise to accomplish energy and cost saving projects in Federal facilities. When a private sector firm which has invested in federal energy efficiency improvements is fully repaid from its share of the delivered savings, all additional savings accrue to the government.

NEXT STEPS:

- The contract awards for the Southeast region will occur shortly. The scope of the contracts cover all Federal facilities in the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee, as well as the territories of Puerto Rico and the Virgin Islands.

- With the award of the Southeast regional contracts, Federal agencies can use these contracts to install energy efficient technologies in over 428 million square feet of Federal facilities within the region. This is in addition to the 628 million square feet covered by the previously awarded Western regional contracts.

- When all regional contracts are awarded, they will have the potential of providing $2.25 billion in private capital investments for Federal energy efficiency projects.

- Successful cases of federal ESPCs should be encouraged for local housing authorities and schools. Such approaches could significantly lower energy costs and use without requiring local authorities to make large, up-front investments.

Specific Action Proposal:

-- President Clinton participate with the Secretary in the announcement of the Southeast Regional FREE Savings contract awards, along with appropriate energy service company and federal representation to highlight energy efficiency projects that will be financed through the Southeast contracts.

Potential Event:

-- Announcement of $750 million Southeast Regional Energy Savings Performance Contracts awards in Washington, D.C. by January 7, 1998 would be an excellent venue to highlight the link between innovative ways of doing business, increased energy efficiency, improved federal procurement practices, and climate change.

TAB 4

COMBINED HEAT AND POWER

PROPOSED ACTION: Increase the use of efficient combined heat and power systems to improve overall efficiency of fuel utilization in the U.S. Overcome the impediments to greater use of combined heat and power (CHP) systems in the private sector and take actions to accelerate deployment of those systems in federal facilities.

BACKGROUND:

- There is great potential to use heat energy that is currently released as a byproduct of electricity generation.

- The U.S. utility sector is currently about 34% efficient, meaning that 3 units of fossil fuel energy are used to produce one unit of electric energy. In some countries, utility efficiency approaches 60%. In fact, the U.S. utility sector releases an amount of heat energy each year equal to the energy used by Japan's entire economy -- about 21 quadrillion Btu of heat energy. An initiative modifying some regulations and the provision of modest incentives for combined heat and power could reduce emissions by 25 million metric tons of carbon by 2010.

- Current obstacles to increased use of combined heat and power include: (a) Environmental permitting of new equipment is complex, costly and time consuming and discourages retrofitting of new, more efficient equipment; (b) Tax treatment of CHP may be less favorable than other alternative on-site investments; (c) infrastructure for purchasing and selling power and connecting to the grid is in flux and may be subject to prohibitive costs; and (d) CHP use is not encouraged in federal facilities and military bases -despite often favorable physical infrastructure.

- America's universities, colleges, schools and hospitals are major opportunities for CHP applications. There is escalating debt for deferred maintenance that will need to be paid by these institutions.

NEXT STEPS:

- Form a Coordination Council with appropriate CHP industry, executive branch, utility industry and NGO representation. The Council would develop proposals for changes in regulations, a more streamlined permitting process, and develop financial incentives for CHP applications.

Specific Action Proposals:

-- Issue in 1998 an Executive Order to promote CHP use throughout government after taking into account recommendations of the Coordination Council.

-- Call for the development of information, training and assistance to help agencies implement CHP systems in federal facilities.

-- Promote CHP through demonstration projects in State capitals and other targets of opportunity, such as schools, hospitals, colleges and universities.

TAB 5

SMALL BUSINESS CLIMATE CHANGE INITIATIVE

PROPOSED ACTION: Assist small manufacturers to identify, finance and implement measures to reduce greenhouse gas emissions while increasing profits by lowering their energy, operating and pollution control costs.

BACKGROUND:

- The partners in this initiative are the Department of Energy (DOE) and the U.S. Small Business Administration (SBA). Both currently offer several programs for small manufacturers.

- DOE partners with 30 universities nationwide to operate Industrial Assessment Centers (IACs), which provide no-cost energy, environmental, and productivity assessments to small and medium manufacturers. IACs conduct about 750 assessments annually, recommending an average of $110,000 in energy efficiency and pollution prevention measures per factory or company. *Companies tend to implement only about half of these measures even though all are cost-effective.*

- SBA operates 57 Small Business Development Centers (SBDC) nationwide to provide companies with training and technical assistance on business management and to link them with capital sources. In the past two years, SBDCs have helped small companies obtain nearly $4 billion in financing from State and private sources.

- SBA works with private lenders to guarantee loans to small businesses. Its largest program -- the General Small Business Loan Guarantee, or 7a Program -- guarantees up to 75 percent of the loan amount, up to $750,000. Pollution control and energy efficiency investments are eligible for these loan guarantees.

NEXT STEPS:

- Help ensure that more IAC recommendations are accepted by small business by urging vigorous implementation of the June 1995 External Agreement between DOE and SBA.

Specific Action Proposals

1. Urge Industrial Assessment Centers to focus particular attention on recommendations to reduce greenhouse gas emissions.

2. SBDCs will initiate a one-year pilot program for the Small Business Development Centers to counsel small manufacturers on financing IAC recommendations.

3. Develop a mechanism whereby SBA loan guarantees for implementing energy-saving measures identified in IAC recommendations are expedited.

TAB 6

MILLION SOLAR ROOFS INITIATIVE

PROPOSED ACTION: Affirm the progress of the Million Solar Roof Initiative, noting that indications of interest for over 450,000 solar rooftop systems have been received from utilities, businesses, State and local governments, and others.

BACKGROUND:

- Million Solar Roofs is an initiative to install solar energy systems on one million U.S. buildings by 2010. It was announced by President Clinton on June 26, 1997 in his speech before the U.N. Session on Environment and Development. This effort includes two types of solar technology -- photovoltaics that produce electricity from sunlight and solar thermal panels that produce heat for domestic hot water, for space heating or for heating swimming pools.

- The U.S. Department of Energy is working with partners in the building industry, other Federal agencies, local and state governments, utilities, the solar energy industry, financial institutions and non-governmental organizations to remove market barriers to solar energy use and develop and strengthen local demand for solar energy products and applications. The Initiative will not direct and control the activities at the state and community level nor will it pay for the installation of the solar energy systems. Instead, the Initiative brings together the capabilities of the Federal government with key national businesses and organizations and focus them on building a strong market for solar energy applications on buildings. The President in October committed to a 20,000-roof target for federal buildings.

- The three principal goals of the Initiative are:

  (1) *Reduce greenhouse gas and other emissions using clean energy from the sun.* In 2010, with one million solar energy roofs in place, the Initiative could reduce carbon emissions in an amount equivalent to the annual emissions from 850,000 cars.

  (2) *Create high-tech jobs in the solar energy industry.* By 2010, thousands of new jobs could be created as a result of the increased demand for photovoltaic, solar water heating and related solar energy systems.

  (3) *Keep the U.S. solar energy industry competitive.* By increasing the domestic market for solar energy, increasing domestic production and reducing the unit cost for solar energy systems, U.S. companies could retain their competitive edge in the worldwide market. By 2005, the photovoltaic market alone is expected to exceed $1.5 billion worldwide.

NEXT STEPS:

- The Initiative will require two steps: leveraging existing federal resources to promote solar energy sales and working with local communities and other groups to find ways to rapidly expand the use of solar technology. Energy savings, reduced pollution and other incentives will draw local communities, businesses, state governments, utilities and other interested parties into the partnership.

- Existing tools to utilize energy efficiency, renewable energy and environmental technologies will help forward the Initiative:

  -- Executive Order 12902, signed by President Clinton in 1994, calls for the federal government to accelerate the purchase of solar energy power systems for federal buildings. With more than 500,000 rooftops, the federal government is the world's largest owner of buildings and spends more than $3 billion each year on electricity for those buildings.

  -- Federal grant programs promoting strategic technology programs within EPA and the Departments of Commerce, Defense, and Energy could provide subsidies to make solar applications more affordable.

  -- Eight federal lending programs administered by the Small Business Administration, the Departments of Agriculture and Housing and Urban Development, and other federal housing programs could be tapped to make solar energy more affordable to Americans

Potential Events:

- Since the announcement of the Million Solar Roofs Initiative in June, the Department of Energy has received initial commitments (roughly corresponding to pledges) of over 450,000 solar rooftops. This tally demonstrates strong support for the Initiative and should be highlighted and publicized. The President's attendance at an announcement would give these early partners deserved credit for helping achieve the goal of one million solar rooftops and will demonstrate how Americans are rising to the challenge of addressing global climate change.

- Possible locations for a Presidential event include:

  Maryland - Dedicate new solar installation at Montgomery College in Germantown; or Solarex manufacturing plant in Frederick with backdrop of rooftop solar panels.

  Los Angeles, CA - Event with Los Angeles Department of Water & Power.

Sacramento, CA - Sacramento Municipal Utility District (SMUD) with backdrop of rooftop solar installation on a home, school, church or at the airport.

Hawaii - Manaloa Naval Base with backdrop of existing solar on base housing.

New England Area - New England Electric System (NEES) event in Massachusetts (backdrop of school in Boston with rooftop panel), Rhode Island or New Hampshire.

Washington State - Event with Governor Gary Locke - dedication of photovoltaic panel on the Governor's mansion.

White House - representatives of business and government. DOE has a solar panel available that will make the White House the first "Million Solar Roofs" partner.

TAB 7

ELECTRIC UTILITY RESTRUCTURING LEGISLATION

PROPOSED ACTION: Issue an Administration bill (or detailed specifications) for federal legislation that will facilitate and accelerate progress towards the restructuring of retail electricity markets now underway at the state level, resulting in economic and environmental benefits.

BACKGROUND:

- A commitment to pursue a ".. bold plan for electricity restructuring..." was an important element of the United States Climate Policy you announced on October 22.

- Draft legislation has been under review since May 1997 in an interagency process convened by the National Economic Council (NEC).

- A significant unresolved issue is whether to "tie" restructuring legislation to proposals to provide EPA with broad additional tools to regulate airborne pollutants from powerplants. Restructuring, through increased efficiency unleashed by competition, is anticipated to have a favorable impact on the level of carbon dioxide emissions even if no new authority is provided.

- There may be considerable common ground between the Administration and Congress on electricity restructuring. An Administration announcement could catalyze markup and floor action on comprehensive legislation that is already pending in both houses.

- Because state-level efforts towards restructuring are already advancing, our leverage to move the markets in climate-friendly directions will be greater the earlier we act. State programs enacted prior to federal legislation will probably have to be grandfathered.

NEXT STEPS:

- If the Principals cannot reach consensus by the end of January, Presidential guidance will be needed to finalize the Administration's position by early 1998.

Specific Action Proposals:

-- Determine whether the Administration will offer a bill or detailed specifications.

-- Finalize the Administration's position so that we can effectively participate in legislative markups anticipated early in the next session of Congress.

-- Use public events and outreach to support "green power" and electricity marketing tied to efficiency services in states where retail competition is being instituted. Several key States, including California, will institute retail competition early in 1998.

Potential Events:

-- State of the Union announcement of electricity restructuring legislation as a top Administration priority for 1998.

-- January. Senior Administration official highlights "green power" options in a state (or states) that is commencing retail competition.

-- February. Announce "green scorecard" program to encourage friendly competition among states and localities within states to achieve high levels of green power and energy efficiency awareness and penetration. Information and success stories would be tracked on a national web site for green retail competition.

TAB 8

COMPREHENSIVE NATIONAL ENERGY STRATEGY

PROPOSED ACTION: Announce plans to deliver a Comprehensive National Energy Strategy to Congress by April 1 and to hold prior public hearings for review of a draft document describing Administration strategies for integrating actions relating to energy security, climate change, electricity restructuring, energy efficiency, and the globalization of energy supply.

BACKGROUND:

- The Department of Energy Organization Act requires regular delivery to Congress of national energy policy plans. Secretary of Energy Peña committed to deliver a strategy document to Congress by April 1.

- A draft document was prepared by the Department of Energy's Energy Resources Board and sent to the National Economic Council in October 1997. Revisions have taken into account the President's October Climate Change initiatives and of the Kyoto protocol.

- Planning is underway for the required public hearings, interagency review, and final report preparation.

NEXT STEPS:

- Distribution of draft of the strategy to the White House and agencies is planned to occur in December 1997.

- A preliminary strategy document will be available to the public in early 1998 (February) before the public hearings.

- Approximately 4 public hearings are planned (late February at the earliest). The majority will be outside Washington, D.C.

Specific Action Proposals:

-- Draft document contains many Administration actions on energy policy.

Potential Events:

-- Delivery of plan to Congress - April 1, 1998.
-- Public Hearings (perhaps 4) - early 1998, location to be determined.

TAB 9

COLLABORATION ON AN INTERNATIONAL GEOSYSTEMS YEAR

PROPOSED ACTION: A US call for an "International Geosystems Year", a science and technology based collaborative effort modeled on the dramatically successful International Geophysical Year of 1957-58. This international initiative would frame a decade-long roadmap, through dialogue among National Academies, for scientific research in various areas such as on the global carbon cycle and the health of the world's ecosystems. This effort would provide a foundation for the periodic scientific and economic reviews called for in the Administration's climate change initiative. Scientists from developing countries would be deeply involved in this initiative–an essential ingredient for building international consensus.

BACKGROUND

- A Climate Change Treaty regime will be arrived at by steps. It will require strong scientific consensus both to negotiate evolving national emissions goals and to monitor compliance. Given the global scope of any treaty regime, it cannot be imposed: it must enhance existing or help create new patterns of cooperation. A new International Geophysical Year (IGY) can be part of the US strategy to define and give impetus to such cooperation.

- The IGY is among the most successful international scientific collaborative efforts in history and the world's first large scale "environmental" program. The scientific activity catalyzed by the IGY led to a successful multi-party treaty, the Antarctic treaty (which, like the atmosphere, remains a global commons) and helped overcome nations' basic political and economic differences about how to distribute benefits and costs. The Antarctic Treaty of 1961 has worked well for over a quarter century.

NEXT STEPS:

Specific Action Proposals:

-- Seek agreement by the Kyoto partners to declare 1998-99 an "International Geosystems Year" and to begin work immediately on defining its elements. All parties can begin to take concrete steps that advance the quality of our data, our understanding of the regional effects of climate change, and consideration of steps to mitigate them -- practical results that may otherwise be postponed indefinitely.

-- Announce that IGY 1998-99 would define a decade long road map of scientific and technical work in specific areas (e.g., global carbon cycles,

sharing of energy efficiency best practices, joint research between developed and developing countries on renewable technologies).

Potential Events:

-- Announce the new IGY in the appropriate White House and/or scientific forum. (President Eisenhower jump started the 1957-1958 IGY with invitations to the relevant participants to come to the US.)

-- Announce that the IGY 1998-99 would have a major convening activity one year after Kyoto, hosted in a developing country (for example, as part of the November 1998 Buenos Aires meeting). It would be organized by National Academies, would review the international efforts, and, as with IGY 1957-1958, would initiate a longer term process. Presidents and relevant Ministers would be invited.

-- Finally, a major culminating event would be planned for 2008, the fiftieth anniversary of IGY 1957-1958 and a timely opportunity to review a decade of scientific and technical progress and of emissions performance with regard to greenhouse gases.. The IGY 1998-99 process would help establish a collaborative cadre of scientists, in developed and developing countries, to forge a broad scientific consensus essential for effective international agreements in 2010 and beyond

TAB 10

COLLABORATIVE R&D WITH DEVELOPING COUNTRIES

PROPOSED ACTION: Initiate R&D partnerships with key developing countries leading to deployment and commercialization of environmental energy technologies tailored specifically for the culture and circumstances within those countries.

BACKGROUND:

- Most of the incremental demand for energy over the next several decades will be in the developing world. With current energy technologies this growth in demand will lead to severe environmental problems.

- Concerns about the environment are likely to become powerful forces shaping public policy in the developing world due to such factors as higher pollution levels and the information revolution.

- It will take decades for most developing countries to evolve powerful regulatory infrastructures, creating potential demand for "environmental energy technologies" if they can also be made economic.

- This effort would build on existing bilateral agreements on energy research and would complement the $1 billion initiative being undertaken by USAID.

- The Department of Energy has the most substantial expertise in advanced energy technologies of any Federal agency. Even a small program designed to take advantage of DOE expertise and leverage private sector investments and know-how can have major impacts in developing countries.

NEXT STEPS:

- Initiate a process to establish R&D partnerships on the order of $50 million per year with a primary, initial focus on two or three key countries, e.g. China, India and Mexico.

- DOE and USAID would work together, taking advantage of each other's areas of expertise and networks of relationships.

- DOE and AID will collaborate on demonstration programs. Joint DOE/AID demonstrations of innovative environmental energy technologies are especially desirable, as their success will require sensitivity to technology (DOE) and institutional relations (AID).

Specific Action Proposals:

1. Establish a DOE and USAID Steering Committee.

2. Initiate an interagency Task Force to promote and remove barriers to the formation international of *industrial* R&D joint ventures, with supporting roles played by universities and national laboratories.

3. Start a public-private collaboration to explore the methods available for accelerating market acceptance of technologies in developing countries. Partner with USAID to assess targeted countries' receptivity to new policies and programs to accelerate the adoption of environmental energy technologies.

4. Establish exchange programs for researchers from key institutions in targeted developing countries to assure long-term ties among the energy R&D communities in the United States and key developing countries.

TAB 11

PROMOTION OF JOINT IMPLEMENTATION PROJECTS

PROPOSED ACTION: Promote the Joint Implementation of clean energy technologies. Specifically, this effort would provide increased Federal financial support (such as loan guarantees and lowcost financing) for projects that reduce emissions overseas and create a "joint implementation corps" of energy project experts to facilitate the deployment of joint implementation projects in developing countries. Target technologies include renewable energy, clean coal technology, high efficiency end use technology, and methane emission reduction technology.

BACKGROUND:

- "Joint Implementation" is the collaboration between private sector entities in a developed country with an organization in a developing country, with the purpose of reducing greenhouse gas emissions at lower overall costs.

- Advanced, clean energy technologies may have higher capital cost or involve greater technological risk than conventional technologies. These factors plus a general lack of familiarity with emerging technologies create institutional barriers to the use of these technologies in developing countries.

- Some developing countries are unfamiliar with market economy approaches to evaluating competing technologies and preparing project proposals for consideration by financing organizations.

- In addition to slowing the growth of greenhouse gas emissions, clean energy technologies can reduce traditional air and water pollutants. Pollution from energy sources has become a major health issue in many developing countries.

NEXT STEPS:

- Establish a program with new or earmarked financial resources of between $500 million and $1 billion a year for five years to foster introduction of clean energy technologies overseas, using existing financing organizations in the US.

- Launch a Joint Implementation Corps of technology, environmental and business experts to provide direct assistance to developing countries in evaluating clean energy technologies and to financial institutions considering support for proposed projects. This five-year program could be funded at $25 million per year, and would assist the creation of needed decision-making infrastructure in developing countries.

Specific Action Proposals:

1. Refine the US Game Plan. Establish an interagency team of federal energy, environmental, export, and financial organizations to meet and exchange ideas on the most effective mechanisms to achieve the purposes of this initiative, including types of assistance and sources of funds.

For example:

-- Cost and risk sharing via no-interest loans could be provided on a portion of an advanced technology's capital cost. These funds would most likely be targeted at large power plant projects, demonstrating new and more efficient generating technologies. Alternatively, the US Government could insure that a proposed project would be completed on time, on budget, and meeting performance criteria, thus reducing the risk of new technology introduction.

-- In-country loan pool. A pool of U.S. funds for loans could be provided to an in-country bank for projects which meet specified criteria, as determined by a US project review team. These funds could be targeted at relatively small projects, such as end use energy efficiency improvements, or cogeneration.

2. Create an In-country Joint Implementation Corps. Identify sources of funds; appropriation needs, and legislative requirements for financial assistance.

-- This corps would consist of experts on technologies, environment and business to assist both government and private sector elements an developing countries. Areas of focus would be attracting commercial financing, conducting pre-feasibility and feasibility studies, sponsoring energy technology workshops and seminars, conducting technical training at US facilities, and "matchmaking" between US and developing country entrepreneurs. Specific actions include:

-- This first step could be setting up a pilot corp for China, consisting of members of the US Joint Implementation pilot program, as well as the DOE-funded centers an China. Initially, the US Government would fund the pilot, after which the functions would either be assumed by the host countries, or funded by private sector sources. A second step could be identifying potential additional countries (e.g., India, etc.).

Potential Events:

-- Announce the formation of the interagency financial assistance team.

-- Announce the formation of the joint implementation corps pilot, perhaps rolling out this initiative an conjunction with the expected January visit of the Chinese to the US.

1-13-98

Associated Press
Donald E. Newhouse
Chairman

1-13-98
① McCurry +
Scheduling ?
Yes ✓ No ___
B

January 12, 1998

The President
The White House
Washington

Dear Mr. President:

Throughout 1998, The Associated Press, a unique and vital American institution and a force for credible and unbiased news around the world, will be marking its 150th anniversary.

We had hoped that you would join us in marking this occasion by addressing The Associated Press annual meeting of some 1,500 newspaper publishers and editors at a luncheon in Dallas on Monday, April 20.

We are aware that you will be at the summit of the Americas in Chile in the days immediately before, a schedule which we recognize may be in conflict with an appearance in Dallas. However, we do wish to extend an earnest invitation to you, in the event it might fit into your homebound schedule.

We also wish to request a presidential statement noting our anniversary. Our people here and in New York can work with your staff on historical data and background for such a statement. And we would hope for your personal observations about our service and our journalists, as you have known them in Little Rock and in Washington.

In addition, we would hope that you might grant us an anniversary interview, to be published the weekend before our Dallas meeting, which will be the first event of the annual convention of the Newspaper Association of Americe.

The Associated Press has been witness to the news that made the history of the last 150 years. We were at Gettysburg with Lincoln, and our bulletin told the world of his assassination. We were at Little Big Horn with Custer, in London in the blitz, in Berlin when the Wall went up and when it came down, at Cape Canaveral as man leaped toward the moon. And at the statehouse in Little Rock as a young governor began his service.

The Star-Ledger, One Star-Ledger Plaza, Newark, NJ 07102-1200

Associated Press
Donald E. Newhouse
Chairman

The AP stands as a symbol throughout the world of straightforward reporting, free of opinion and partisanship.

AP was formed in 1848 by six New York publishers who decided it might be more efficient if they cooperated in bringing in the news from Europe. Today it is a half-billion-dollar not-for-profit cooperative that spans the globe with satellites, computers, landlines and the Internet.

It is an American institution worthy of celebration. We appreciate this opportunity to mark it with you, and we thank you in advance for your further recognition of our 150th.

Respectfully,

Donald. E. Newhouse
Chairman

Louis D. Boccardi
President

/rs

CBC

105th Congress

Congressional Black Caucus

Congress of the United States

2344 Rayburn Building • Washington, DC 20515 • (202) 225-2201

'98 JAN 13 PM3:5(

'98 JAN 13 PM3:49

FAX COVER

Date: 1/13/97

Pages to follow: 3

To: The Honorable William J. Clinton

Fax to: ( ) 456-6803

Telephone: ( )

From: Rep. Maxine Waters

Message:

1/13/98

Should we send to Leg Affairs?

Yes ✓

No

Chief of Staff C.

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Congressional Black Caucus

Congress of the United States

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105th Congress

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NOT PRINTED OR MAILED
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January 13, 1998

VIA TELECOPIER AND U.S. MAIL

The Honorable Janet Reno
Attorney General
Department of Justice
Main Justice Building, Room 5111
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General:

Once again I must take time out from my busy schedule to ask that the Department of Justice (DOJ) stop denying justice to black farmers.

As you are aware, black farmers have endured generations of well-documented and continuing discrimination at the hands of this government. This discrimination has caused black farmers to lose their land, their livelihood, and their homes.

Secretary Dan Glickman of the United States Department of Agriculture (USDA) and other top level government officials have pledged to remedy this discrimination and to immediately resolve the backlog of over 700 claims which have been languishing at the USDA without any action.

However, now that the USDA is finally attempting to resolve some of these cases, the DOJ has constructed roadblock after roadblock to scuttle the settlement agreements made by senior USDA officials.

The latest roadblock comes in Mr. Eddie Ross' case. The USDA settled his case by a Resolution Agreement on November 19, 1997, with full agreement by the Secretary, the USDA Office of Civil Rights, and the Office of General Counsel. The Farmer Service Agency was instructed to issue Mr. Ross' check under the terms of the settlement agreement.

Yet, the day before Mr. Ross was to receive his check, the Civil Division of the DOJ inexplicably halted the distribution of his check and refused to honor the terms of this executed settlement agreement.

Not only are the DOJ's actions in Mr. Ross' case contrary to United States District Court Judge Paul Friedman's Order of December 24, 1997, they also raise serious questions about the DOJ's willingness to remedy the long-standing pattern and practice of insidious discrimination by this government.

On December 24, 1997, Judge Friedman specifically stated that Mr. Ross is "not precluded" from "completing the administrative settlement of his case with the Department of Agriculture." I have attached a copy of this order.

It is outrageous that the DOJ would put Mr. Ross through the USDA's administrative settlement process allowed by the Court, raise his hopes that a resolution had finally been reached, and then, at the eleventh hour, dash those hopes in such a cowardly and heartless manner.

I do not know why the DOJ chose to ignore a Court Order in this instance and insist that the USDA renege on its legal obligations to Mr. Ross.

The DOJ legal tactics are dilatory and mean-spirited. They only serve to reinforce black farmers' belief that this government is not interested in remedying its admitted discrimination.

Indeed, my office has received several other complaints about the DOJ heaping more injury and harm on the black farmers by engaging in questionable legal tactics that deny them the justice they deserve.

Yes, the DOJ must do its job. However, there is a fine line between the DOJ doing its job and it acting in bad faith by engaging in questionable legal tactics that deny justice to those whom this government has admitted harming.

This government should be embarrassed and ashamed at how it has treated black farmers. I demand an immediate release of Mr. Eddie Ross' check and that the DOJ start negotiating in good faith to resolve each and every black farmer claim.

Sincerely,

Maxine Waters

Maxine Waters, Chair
Congressional Black Caucus

MW:lda

cc: The Honorable William J. Clinton
Secretary Daniel Glickman, USDA
Congressional Black Caucus Members
Charles Ruff, Esq., White House Counsel
Mr. Lloyd Wright, USDA Civil Rights Office
Mr. Frank W. Hunger, DOJ Civil Division
Phillip Fraas, Esq., Plaintiffs' Counsel
Mr. John Boyd, National Black Farmers Ass'n
James Myart, Esq., Plaintiffs' Counsel

THE PRESIDENT HAS SEEN
1-13-98

THE WHITE HOUSE
WASHINGTON

January 13, 1998

Mr. President:

Erskine wanted you to see this for comment.

Phil Caplan

This is good
Proceed
PE

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1-13-98

THE WHITE HOUSE

WASHINGTON

'98 JAN 12 P4:37

January 12, 1998

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MEMORANDUM FOR ERSKINE BOWLES

CC: RAHM EMANUEL

FROM: SIDNEY BLUMENTHAL

SUBJECT: Elite Strategy II

Many of the proposals in the "Elite Strategy" memo of November 5th have now been implemented or soon will be: the thinkers dinner, the meeting with Michael Beschloss, the Lehrer News Hour interview, the Time Magazine 75th anniversary speech. (I've appended a copy of the early memo.) But much more needs to be done.

1. The center of elite opinion-making is not Washington, but New York. (See the paragraph in the November 5th memo on New York.) The President's principal contact there is through fundraisers, not exactly an ideal forum for him to explain his thinking or for him to meet those who work in the various layers of opinion-making in the nation's cultural capital. His future trips to New York should include private meetings, no more than one a visit, with small groups of opinion-makers, who would otherwise have no opportunity to converse with him about his policies and larger ideas. The existence of such meetings should not be a secret, and the fact that they take place will help mitigate some of the static about the fundraising.

2. The runup to the State of the Union should include briefings of more than the usual pundit roundtables. I would suggest a briefing by senior staff of at least one group of less well-known media/political influentials that meets monthly for lunch to duscuss serious topics, a group that includes EJ Dionne, Tom Edsall, Jim Fallows and others whose names are not instantly recognizeable. I would also suggest a briefing by senior staff of certain members of the British press, from BBC, Guardian, London Times, London Telegraph, and The Economist.

3. Mike McCurry has wisely used Presidential downtime for off-the-record meetings with members of the media. These should be broadened to include media people who are not part of the White House press corps. I've forwarded a suggested list to McCurry.

4. The President enjoyed the thinkers dinner, and the First Lady suggested that they be

continued. I believe they should be spaced so that they retain their special quality. These should not be dinners of simply intriguing intellectuals, but those whose ideas are relevant to the presidency as this moment. Furthermore, those who attend such dinners should be called upon to expand the circulation of their ideas and the President's through writing and speaking--a project I have begun as part of the State of the Union process.

THE WHITE HOUSE

WASHINGTON

November 5, 1997

MEMORANDUM FOR THE PRESIDENT

THROUGH: RAHM EMANUEL

FROM: SIDNEY BLUMENTHAL

SUBJECT: Elite Strategy

At the end of the congressional session, the undistracted opportunity for presenting the President and his achievements will suddenly materialize. The immediate opening, from the middle of November through December, will enable the President to cast his own perspective on what he has accomplished, not only in the first year of his second term but in his first five years.

As usual, the President has been subjected to a barrage of assaults; this season's version has been an attempt to make the implicit case that the election of 1996 was somehow illegitimate. Even though the President's approval ratings remain high and the Senate investigation has ended with a whimper, the process has had an acidic effect at unseen levels. But this corrosion can be countered with a strategy aimed at solidifying understanding--among the public and the elites--of the President's intents and purposes. The vehicle is the President himself, making clear more than his aims, but his carefully reasoned approach. It is a rule that the greater that understanding, the deeper will run the gains. Given the proper forums, the President can turn the jumble of seemingly disparate events into a coherent pattern that fits into a larger historical frame.

When the Congress departs, they will take their cacophany back to their districts with them. Only the President remains to explain what the sound and fury has meant. From the beginning of this presidency, the Republican right has taken advantage of this juncture in the calendar to deliver a Christmas gift of newly wrapped scandal on the doorsteps of the media. But, now, the right and the media seem edging toward exhaustion, left to wait for a revival of mischief from those whom the right prays have been sufficiently bamboozled into doing the wrong thing--a director of a bureau or a department. So this may be an unusual holiday period, absent the annual right-wing chaff, in which the President's thoughtfulness and focus about his own actions can have a particular impact.

His special opportunities, in this period, are in elite forums. But these should not be regarded as walled off from public opinion. They should be thought of as capable of setting in motion ripples of concentric circles that extend outward. This is the oportune moment in which the President can sum up the year, his presidency to date and his sense of the future.

The President's unique chance to create events involving the elite should be largely focused in New York City, which, after all, is the preeminent media center. Over time, the buzz from New York has been instrumental in fostering the President's image. These New York circles are organically linked to the upper echelon of the political media class in Washington, which concedes New York's cultural superiority. In the case of the networks and the New York Times, editorial direction flows downward from the city to the capital. Moreover, Hollywood takes a good deal of its cultural and political cues from New York, where every major studio has a significant office. (Virtually all the funding for Hollywood is arranged in New York.) While the President has high favorabilities in New York state, and within the city, the cultural/media class has often been extremely critical (and ignorant) of him. (For them, Primary Colors is a thinly veiled documentary.) Most of the opinion-makers (who are not anchormen or Democratic big givers) have had little or no contact with the President. Yet their influence, while not exercised on the daily basis of the White House press corps, is great. It's worth noting that at least part of the reason Madeleine Albright has the positive press that she does is that she lived for a lengthy spell in Manhattan as U.N. Ambassador. She is a far more familiar figure to the elite in New York than the President.

Most importantly, the strategy that is launched at about Thanksgiving should be the beginning of a long-term approach to projecting the larger purposes of this presidency. And this strategy should be considered as integral to the overall communications.

In the immediate two months, two television appearances give the President the opportunity to explain recent events in a larger frame:

*Meet the Press's 50th anniversary show interview, which is already planned.

*Lehrer News Hour. I have been speaking with Les Crystal, the executive producer, and the possibility exists for an entire program devoted to a serious interview with the President. It may be possible and advantageous to follow that, during the same week, with 20-30 minute interviews with the Vice President and the First Lady on the issues that have preoccupied them during the first year of the second term.

There are other potential events that give the President a chance to affect elite opinion. Consider a few possibilities:

*The Council on Foreign Relations. Every year, the Council holds a special holiday meeting to which spouses and children are invited. A famous figure is invited, who speaks briefly and then answers questions. Why not the President? He might speak on "The Indispensable

Nation," summing up in just 10 to 15 minutes his vision of U.S. foreign policy at the new millennium, and then take questions, many from children. The presence of families at Christmas time would make this a non-contentious and even warm atmosphere.

*National Book Awards nominees. The authors of the nominated books might be invited for an afternoon coffee with the President to discuss books. They would be free to write about the encounter. Needless to say, the commentary of these writers would carry much more weight and interest than that of the usual pundits.

*A lunch or coffee with editors of New York based magazines. A number of editors of influential magazines have no chance to meet the President, yet run magazines with circulations in the millions, or, with smaller circulations, have disproportionate influence. I am thinking of people from Bob Silvers of the NY Review of Books to Arthur Cooper of GQ, from Katrina vanden Heuval of The Nation (she's generally pro-Clinton) to Anna Wintour of Vogue (which published the First Lady's journal from Africa), etc. Graydon Carter of Vanity Fair, for example, has never met the President, yet his magazine runs political pieces in every issues and has a circulation above 1 million. He likes the President well enough to put him on this last month's cover. Why not a small, off-the-record lunch hosted by Graydon Carter, attended by his best writers?

*Time Magazine's 75th anniversary at Lincoln Center in early March, at which the President will deliver a speech on "The American Century." The President wants to do this, and it's an occasion for an important statement locating this presidency in the stream of history.

*Meetings and interviews with significant intellectuals. Pulitzer Prize winning author Daniel Yergen, for example, has requested an interview with the President for a book he's writing on the new economy and the implications of globalization.

*On trips to major American cities, the President might schedule a meeting with major thinkers and writers who live there. On trips to Chicago, for example, he might meet with Garry Wills or Saul Bellow.

*Preparation for certain major speeches. For some speeches, a process of bringing in thinkers on the subject of the speech ought to precede its formulation and delivery. Rather than lunging at historians and appearing too eager for their approbation, it would be better to draw them in on the areas in which they are most expert. For a speech on NATO expansion, for example, Michael Beschloss who is writing a book on Germany after World War II, might be asked for his considered opinion. (Before Madeleine Albright gave her speech on the 50th anniversary of the Marshall Plan at Harvard, I gathered a group of historians for a dinner. The effect, besides providing insight, is that the historians feel that they are part of the process and a number of them wind up writing about the issues later.) I see this sort of process occurring several times a year.

What's crucial is not simply the events themselves--the media appearances, the meetings, the

speeches--but the social and intellectual influence the people who are drawn into their center exert. Their opinion of the President can spread outwards, to other influentials, and through the institutions in which they play significant roles to the greater public. While they may play a role in informing the President, they can also inform others about his ideas.

National Hispanic Leadership Conference

TONY BONILLA
Chairman

National Hispanic Leadership Conference

'98 JAN 13 PM2:1'

January 8, 1998

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I was honored to have been invited to participate in the White House Conference on Hate Crimes. I want to commend you for taking the leadership in bringing such a diverse group together and for putting the full weight of your Office behind this effort. Certainly, the fact you had members of your Cabinet participating represents your earnest commitment to combating hate crimes in this country.

Since my visit to the White House, I have brought together a group to initiate plans for preventing hate crimes in our area. Our community is very excited about working together to prevent hate crimes and owe you a debt of gratitude for beginning this initiative.

I will be honored to have an autographed picture of you hanging on my wall along with pictures of other great presidents who have been kind enough to honor me with their photos.

I wish you and the First Lady continued good health and success throughout 1998 and the remainder of your term.

Sinceramente,

Tony Bonilla

TB/yg

1/13/9
Come in interoffice mail —
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Yes ——
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C.

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THE PRESIDENT HAS SEEN
1-13-98

THAILAND:

Finance Minister Appeals to U.S., Europe for More Help on Economy

By Sandra Sugawara
Washington Post Foreign Service

BANGKOK, Jan. 12—With Thailand's currency plummeting to a historic low and its stock market reeling, the nation's finance minister today appealed to the United States and Europe for more help in stabilizing the economy.

Finance Minister Tarrin Nimmanahaeminda pointed to the recent U.S. role in arranging a financial rescue package for South Korea, and its consultations this week about new measures to aid Indonesia.

"Of course, the question comes—what about Thailand?" Tarrin said in an interview. "We hope that there is a possibility of consideration." He explained that Thailand is looking not for more money, but for assistance in restoring confidence to the country.

Tarrin vehemently denied speculation that Thailand would declare a debt moratorium to protect its companies and take pressure off the baht. "That will never be the policy of the government. Never," he said. "The possibility does not exist."

The baht was trading below 56 to the dollar today, compared with about 30 to the dollar in June, while the stock market hit a 10-year low, losing 3 percent to end at 339.17. [In early trading today, the baht was trading at 55.75 to the dollar, up .25 from Monday.]

Thailand has gone much further than Indonesia or South Korea in meeting the conditions imposed by the International Monetary Fund as part of its rescue agreements, said one Western analyst based in Bangkok. But the markets have continue to pummel the Thais, despite the effort.

"It's sad. They've done a pretty good job. But it doesn't matter," said one Singapore-based currency trader. He said there is so little confidence in the regional economies that even local residents and companies in Thailand are fleeing to dollars.

The financial crisis that has swept through Asia began in Thailand last summer. When Thailand devalued its currency, the baht, on July 2, it set off a debilitating chain reaction throughout the region, with others being forced to devalue their currencies as well.

After the IMF stepped in with a $17.2 billion bailout package for Thailand, authorities predicted the currency and stock markets would calm down, but instead the downward spiral continued. The plunging currency in turn made dollar-denominated debts far more burdensome—causing a wave of bankruptcies, defaults and unemployment that spread from Thailand across Asia.

The economic crisis contributed to the November downfall of Chavalit Yunchaiyudh as Thai prime minister. Chavalit's handling of the economy was widely criticized by market analysts and the media. In contrast, the two-month-old government of Democrat Party leader Chuan Leekpai has gotten high marks for its willingness to shut down 56 ailing financial institutions, get tougher on banks, open the banking industry to foreign investments and slash government spending.

One currency trader said with the value of the baht falling so rapidly, few companies can make their foreign debt payments. Thailand has $92 billion in total foreign debt, of which $39 billion is short-term. But its foreign currency reserves only total about $26.9 billion. Many analysts have speculated that Thailand will have to raise more foreign currency reserves.

"We are at the moment coming up with hard data as to how we plan to meet every possible scenario," Tarrin said when asked about fund-raising efforts.

He said a South Korea-style debt restructuring for Thailand would help calm markets: "We work every day on that particular subject. But in the case of Korea, it is the big countries' resolve that averted the danger. We certainly hope to attain some support along that direction."

Political analysts here have cautioned that Chaun's coalition is politically fragile with a thin margin, and that if the economy continues to worsen, the government's survival could also be threatened. "Obviously the political consensus that this government enjoys for the time being depends upon the ability to turn the economy around. But it's not easy because of the regional problems. With the strong support from major countries, maybe the situation will improve," Tarrin said.

Tarrin also stressed throughout the interview that Thailand "must demonstrate the ability to solve our problems."

"There is no easy way out," he said. "We must accept and indeed bear all the austerity measures."

Bankrupticies and unemployment in Thailand are expected to increase this year as Thailand struggles to reform its economy. The high interest rates mandated by the IMF and the closing of the financial institutions have added to the problem by creating a credit crunch, say some Thai businessmen.

But Tarrin said, "We believe it is extremely important for the restoration of confidence that we strictly adhere to the terms of the IMF agreement." Thai officials have said that some of the targets, such as the requirement for a 1 percent budget surplus, need to be reconsidered because the economy tumbled far more than expected. Market analysts have generally said such a change would be reasonable, and they expect the IMF to agree to such a change.

As part of the IMF agreement, the Thai government has opened the once heavily protected banking and finance sector to foreign investors, waiving foreign shareholder restrictions for 10 years. The Development Bank of Singapore, and Sanwa Bank of Japan have both announced investments in Thai banks. But the deal everyone is watching is Citibank, which is considering taking a 50.1 percent stake in First Bangkok City Bank, after its investigation of First Bangkok is completed in February.

In addition, weak banks have been ordered to boost their capital, while strong banks have been encouraged to do so, said Tarrin. He said that regulators would intervene in banks that failed to do so by agreed upon deadlines. The government took such action Dec. 31 against Bangkok Metropolitan Bank, replacing the management team.

Despite praise for the government's efforts, foreign bankers here said that the recovery process is going slowly, because foreigners are hesitant to invest while the baht and stock prices are still plunging.

Meanwhile the Thai budget has been cut by 18.5 percent in three rounds of budget cuts over the past year, and Tarrin said more budget cuts are coming. The value-added tax was increased from 7 percent to 10 percent after the IMF agreement was reached in August.

FOR MORE INFORMATION
For a fact sheet on IMF assistance to Asian countries, click on the above symbol on the front page of The Post's Web site at http://www.washingtonpost.com

Hutu Rebels Kill 9 Nuns In Northwestern Rwanda

Reuters

KIGALI, Rwanda, Jan. 12—Hutu rebels killed nine Roman Catholic nuns at a convent in Rwanda's troubled northwest province, local government officials said today.

The nuns—three Rwandan Tutsis, three Rwandan Hutus and three from neighboring Congo—were killed Thursday by attackers armed with guns, machetes and axes, the officials told the Independent Rwanda News Agency.

The rebels "first encircled the church of the nuns before breaking into their homes and massacring them," said an official, who declined to be named. The nuns were killed at the village of Rwerere on Rwanda's border with Congo, formerly called Zaire.

Catholic Church officials here in the capital confirmed the attack but said they could only confirm the deaths of five nuns, who they said had already been buried.

Hutu rebels operating inside Rwanda and from across the border in Congo have stepped up attacks since December in an apparent bid to destabilize Rwanda's Tutsi-dominated government.

The current Rwandan government came to power in 1994 in the wake of the massacre of more than a half-million Tutsis and moderate Hutus in a campaign of genocide orchestrated by the previous government. Elements of that government's Hutu extremist leadership, and of the Hutu militias that carried out the genocide, fled into Congo, and many are believed to be behind the recent attacks in Rwanda.

Hutu rebels also are fighting a Tutsi minority government in Burundi.

At least 55 people were killed during the past two days in battles between Burundi's Tutsi-led army and Hutu rebels outside the country's capital, Bujumbura, and hundreds of people have fled the area, the army and witnesses said.

The Washington Post
Tuesday, January 13, 1998

Sandy / Bill?
What's our response?
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cc: Gift Unit
Where is it?
Do we have?

THE WHITE HOUSE

WASHINGTON

January 13, 1998

Ann G. Tenenbaum
Thomas H. Lee
322 East 57th Street
New York, New York 10022

Dear Ann and Tom:

Hillary and I are grateful for the elegant pashmina cashmere throw and will certainly enjoy its beauty and warmth during cold, wintry days and evenings. Your generosity and kind thoughtfulness in this special gift are deeply appreciated.

We trust you had a blessed holiday season and that an abundance of joy, love, peace and fulfillment will be yours in 1998.

Sincerely,

Bill

copied
Betty Currie

ANN G. TENENBAUM
THOMAS H. LEE

The President
&
First Lady

ANN G. TENENBAUM AND THOMAS H. LEE

Dear Mr. President and Mrs. Clinton,

Tom and I look forward to seeing you on Friday night at your holiday party. Best wishes for a joyous holiday season and a healthy, happy new year.

We hope you can find some time to relax in front of a fire, with this throw, during the holidays.

Best Regards, Ann Tenenbaum

TENENBAUM • LEE
322 EAST 57TH STREET
NEW YORK, NEW YORK 10022

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January 13, 1998

Copied
E. Mercante
COS

Dr. Don Argue
President
National Association of Evangelicals
450 Gundersen Drive
Carol Stream, Illinois 60188

Dear Don:

As you return to academia, I want to thank you for the very important role you have played in helping us build bridges of communication and friendship to the faith community.

From your efforts in response to the church arson attacks, to your work with the State Department Advisory Committee on Religious Freedom Abroad, you have reminded us of the importance of protecting the freedom to worship in our nation and throughout the world. Even when we disagreed, you always made certain that we engaged in an honest dialogue and worked together constructively. I have greatly valued your wise counsel and hope that I can continue to call on you in the future.

Hillary and I are grateful for your many contributions to the religious life of our nation, and we wish you all the best in your new endeavors at Northwest College.

Sincerely,

Bill Clinton

Please stay in touch with us —
You've been great.

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WHITE HOUSE
WASHINGTON

January 13, 1998

The Honorable Edward M. Kennedy
United States Senate
Washington, D.C. 20510

Dear Ted:

Thanks for the copy of the new Archibald Cox biography and for nominating him for the Medal of Freedom. I agree that he's done much to deserve special recognition, and I'll carefully consider your recommendation during the upcoming year.

Hillary and I wish you and Vicki the best in the coming year.

Sincerely,

Bill

copies
Betty Currie

Edward M. Kennedy
Massachusetts



United States Senate
WASHINGTON, DC 20510

December 3, 1997

The President
The White House
Washington, D.C.

Dear Mr. President:

Reading the current, excellent biography of Archie Cox reminds me all over again why Jack loved him so much, and why so many others over the years have felt the same way.

I hope very much that you will decide to honor Archie with the Medal of Freedom at a forthcoming ceremony. Archie turns 86 next May 17, and he's still going strong, so that might be an appropriate date for the honor.

I'm enclosing a copy of the book, plus the remarks I gave at a tribute to Archie last month at Georgetown Law Center.

At a critical time in recent history, Archie truly did serve as the "Conscience of the Nation". I know that Jack had intended to put him on the Supreme Court. As I said in my remarks, he'd have been a Second "Yankee from Olympus" -- but I suspect that on October 1973, he did more for justice in America than any Justice.

With respect and warmest regards for the holidays,

As ever, Ted Warm regards

Edward M. Kennedy

WHITE HOUSE
WASHINGTON

January 13, 1998

PERSONAL

Ms. Margaret Speer Carter
3500 South Cliff Drive
Fort Smith, Arkansas 72903

Dear Margaret:

Thanks so much for the beautiful painting of the Tetons at Jackson Hole. It's a wonderful gift. Your kindness and support mean a lot to Hillary and me.

We send our best wishes for a healthy New Year to you and Michael.

Sincerely,

Bill

White House Gift Record

Presented: 12/15/97
Arrival : 12/15/97
Entered : 12/18/97

Gift ID: 410140/sxf

Donor Information

Ms. Margaret Speer
3500 South Cliff Drive
Fort Smith, AR 72903

Acknowledged By: BC Gift Draft

Comments:

1997 Holiday Gift. Forwarded to Gift Unit by Betty Curie. BC.SIG per Betty Currie.

Gift Information

Intended: President and First Lady

Disposition: Archives

Description:
16" x 19" gold-tone wooden framed oil painting that depicts the Tetons at Jackson Hole; signed by donor/artist.

Location of Gift:
Held in Gift Unit pending value.

Total Gift Value: Pending Value

M. Speer
3500 South Cliff Drive
Fort Smith, Arkansas 72905

Dear Bill & Hillary

This painting of the Tetons at Jackson Hole is a Christmas / Thank you gift for your help with the two sculptures. It's one of my favorite places. I hope you like it.

Merry Christmas
to your family,
Margaret

vgs

Gift Form
Send to Gift Unit
Polas will Sign.

Wishing you a Beautiful Holiday Season
and a New Year of Peace and Happiness.

❄

Jimmy Carter
Rosalynn

1-13-98

U.S. to Train Workers for Tech Jobs

Initiative Seeks to Reduce Shortage of Skilled Employees; 1 in 10 Positions Now Unfilled

By Rajiv Chandrasekaran
Washington Post Staff Writer

The Clinton administration will announce today a broad and unique federal effort to help train more computer programmers, responding to concerns from economists and business leaders that U.S. companies have a critical shortage of skilled technology workers.

The administration's initiatives, which include millions of dollars in grants to fund educational programs, the creation of a nationwide job bank on the Internet and a campaign to glamorize computer-related professions, come as a new survey shows that 1 in every 10 information technology jobs in the United States is unfilled.

The study, conducted for an industry group by Virginia Tech and scheduled to be released today, estimated that 346,000 computer programmer and systems analyst jobs are vacant in U.S. companies with more than 100 employees.

Although rapidly growing computer firms increasingly have had difficulties finding enough workers with cutting-edge skills, the Virginia Tech report indicates that the shortage has spread to many non-technology firms, including banks, hospitals and retailers that depend on programmers to design and operate large systems. The widening scope of the issue has prompted the administration to take the unusual step of intervening in a worker-training issue.

The federal government programs will form the central part of a campaign among industry and educational institutions to chip away at the shortage. The efforts will be unveiled formally at a meeting of government and industry leaders today in Berkeley, Calif., including Commerce Secretary William Daley and Education Secretary Richard W. Riley.

See TECHNOLOGY, A7, Col. 4

TECHNOLOGY, From A1

"The shortage is a fundamental threat to the economic growth of the United States," said Harris N. Miller, president of the Information Technology Association of America, an Arlington-based industry group that is organizing the meeting.

"It's not just hurting the ability of classic computer companies to grow. It's hurting the ability of the entire economy to grow through the productivity increases you get if you can install the latest technology products," Miller said.

The Virginia Tech study confirms similar findings made last year and shows the industry has made no progress in reducing the shortage of technology workers.

Though many statistical measures indicate the U.S. economy is at one of its strongest points in recent history, economists say much of the recent growth has come through technology: both the growth of the nation's tech industry and cost savings from the use of computers.

"Right now, technology represents 50 percent of the nation's economic growth," said Kelly H. Carnes, deputy assistant secretary for technology policy at the Commerce Department. "It is the most important enabling industry."

In the Washington area, for example, Labor Department surveys indicate that nearly one-quarter of the 40,000 net new jobs added over the past year were in technology-based occupations. At the same time, industry groups estimate that 25,000 technology jobs are going unfilled in the area, a deficit that economists said is costing the region more than $1 billion a year in lost wages.

Both locally and nationally, current projections show no letup in the demand for technology workers.

According to the Labor Department, from now to 2005 an average of 95,000 new computer scientists, systems analysts and programmers will be needed every year. In 1994, however, only 24,553 U.S. students earned bachelor's degrees in computer or information sciences fields, the department said.

To create more technology workers, government officials and industry leaders are focusing on urging more young people to pursue computer-related careers and on retraining older workers.

The Labor Department today plans to announce a $3 million grant program to fund efforts by schools, businesses and local governments that will provide computer skills to laid-off workers in other industries, an administration official said. The department also will commit to spending $8 million to create a large Internet site where employers can post job openings and workers can post their resumes, the official said.

The Commerce Department plans to announce that it will spend $17 million on services to bring technology resources, including training, to poor people. The department also will promise to hold four town meetings around the country this year to discuss the issue.

Administration officials said funding for the programs will come from existing agency budgets. One senior official acknowledged that the current financial commitment is modest, but he said the Commerce, Education and Labor departments intend to request additional funding in next year's budget.

The information technology industry today also will commit to paying for more training and forming local partnerships between schools and businesses.

Industry leaders acknowledge that one of their foremost challenges is to remove the "nerd" stigma that has been attached to the computer profession. To that end, the Commerce Department plans several activities aimed at highlighting past winners of the National Medal of Technology.

The industry plans to distribute to high schools and colleges a video starring actor Jimmy Smits that promotes computer-related jobs. The information technology association plans to distribute several thousand copies of the video, which was produced by Microsoft Corp.

"It's going to show that it's a hip line of work," Miller said. "It's going to say that you don't have to wear a pocket protector or a propeller-head beanie or have an 800 on your SATs to work with computers."

Critics, however, have suggested that the industry has inflated its shortage estimates, both to justify its call for Congress and the Clinton administration to relax immigration restrictions on temporary technology workers and to compel the government to pick up the tab for training programs. Those skeptics contend that technology companies aren't doing enough to attract and train workers with basic computer skills.

But government officials maintain the seriousness of the problem warrants their attention. "This is of enormous importance," Daley said in an interview. "We believe that government has a role here in ensuring that our economy stays strong."

The Washington Post
MONDAY, JANUARY 12, 1998

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Big-Government Foe's Regulatory Health Care Bill Faces Battle

By Terry M. Neal
Washington Post Staff Writer

Back in 1994, Charles W. Norwood Jr. said it over and over again: As a businessman he had been pushed too far by an intrusive government. If sent to Washington, he would make it his business to see that the bureaucrats got their nose out of everyone else's business.

As a Republican, Norwood's anti-big government fervor was not unusual, nor were the results of his campaign. The retired dentist defeated an incumbent Democrat in a landslide to take Georgia's 10th Congressional District seat.

Today, midway through his second term, Norwood finds himself in an unusual position as the sponsor of a bill that would impose broad regulations on the managed health care industry. Norwood's proposed Patient Access to Responsible Care Act (PARCA) has drawn the ire of many conservatives who are denouncing it as a Clintonian big-government plan that borders on socialized medicine.

While the issue has yet to gain much public attention, insurance companies, business groups and conservative social organizations are gearing up for a massive lobbying effort to defeat it.

Opponents are taking it seriously because a majority of House members have signed on as co-sponsors, and President Clinton has indicated he may push a similar measure this year. Furthermore, public sentiment against health maintenance organizations and other managed care companies has exploded in recent years, putting pressure on politicians to respond.

Despite the conservative opposition, more than 90 House Republicans—and 219 members total—are co-sponsors. The list defies political ideology, including some of the most liberal and some of the most conservative members.

Four years after Clinton's failed health care reform initiative helped energize anti-regulatory sentiment nationwide, Norwood is at the vortex of an intraparty battle over what role government should play in protecting the interests of health care consumers.

"For me to be doing this as a conservative is a pretty strong indication of how strongly I feel that there has to be a public policy regarding health care," Norwood said in a telephone interview last week. He added that his critics "don't understand what's in the bill. I'm not the only conservative Republican on this."

Norwood's bill is a collection of ideas backed by consumer advocates to promote accountability among managed care companies, which they argue increasingly put improving bottom-line profit over high-quality medical care.

Among other things, Norwood's bill requires employer health plans to allow enrollees to select their personal physician, eliminate pre-authorization requirements for emergency room visits, pay for specialist care recommended by a primary doctor and allow patients who have been denied care to appeal those decisions to a neutral third party.

Perhaps the most controversial provision, however, would make it possible for consumers to sue managed care companies for malpractice for the care decisions they make.

Many of the PARCA provisions parallel the recommendations made late last year by a presidential advisory commission, which Clinton endorsed. The president has been vague about specific plans to push legislation. An administration official said Clinton is considering several options and is watching how the issue unfolds on Capitol Hill, considering the unique politics surrounding it.



REP. CHARLES W. NORWOOD JR.
. . . *sponsor of managed* care bill

Norwood's bill is pending in two House committees, and Sen. Alphonse M. D'Amato (R-N.Y.) introduced a companion bill in the Senate. Meanwhile, a coalition of powerful conservative and business lobbying groups has formed to fight it and other similar measures that they argue undermine the very notion of "managed" care and would send premiums skyrocketing.

Some members of Republican leadership, most notably House Majority Leader Richard K. Armey (R-Tex.), have targeted it for defeat. House Speaker Newt Gingrich (R-Ga.) has not taken a position and believes health care in general "is a conversation the [Republican] conference needs to have when we reconvene in January," said spokesman Christina Martin.

"The entire conservative movement is poised to kill this bill," said Karen Kerrigan, speaking for the Coalition for Patient Choice, a grass-roots arm of the conservative Eagle Forum.

Pamela G. Bailey, president of the Health-care Leadership Council, said: "We have talked to a lot of people who didn't fully understand the implications of this" when they became co-sponsors.

Bailey's group includes chief executive officers from 55 health care-related companies. It is also one of several member organizations of the Health Benefits Coalition, which also includes the Business Roundtable, National Federation of Independent Business and other powerful lobbying groups. The coalition, formed last year to fend off government regulation of the industry, has been lobbying members in their districts during the congressional recess.

This week, Randy Tate, executive director of the Christian Coalition, and William A. Dal Col, president of Steve Forbes's Americans for Hope, Growth and Opportunity, said their organizations would fight Norwood's bill.

On the other hand, a coalition of 60 groups representing medical providers, including doctors, dentists, nurses and chiropractors, has formed to lobby for it.

"It's our sense that there's a major problem concerning lack of patients rights in managed care," said Dave Herbert, chairman of the PARCA Steering Committee. "What we have done is galvanize our efforts behind Charlie Norwood's bill and Senator D'Amato's bill. The political winds are such that it has a very good chance of passing."

Rep. Bill Paxon (R-N.Y.), a co-sponsor, said the issue has moved beyond partisan politics. Paxon, considered a reliable vote by the party's right wing, said "the pendulum has swung so far to the other side" in favor of managed care companies "that there is no doubt Congress is going to act."

Norwood, whose voting record has remained conservative, defends himself against charges that he is promoting socialized medicine. Unlike Clinton's defeated health care reform proposal, his measure would give patients a greater range of medical care options instead of restricting them. So many conservatives have signed on, he said, because they dislike big conglomerates making important health care decisions as much as they dislike government making them.

"I detested Clinton-care," Norwood said. "There isn't any difference between Clinton-care and corporate care. Both rationed and denied health care and failed to give people proper care."

The Washington Post
SUNDAY, JANUARY 11, 1998

20

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of this? Assault pro-marriage BC

Republican Unveils Alternative Child-Care Plan

Sen. Craig Counters Clinton, Calling His Proposal Too Expensive

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Associated Press

A GOP lawmaker has outlined a group of child-care proposals, backed by congressional Republicans, that he called a more effective and much cheaper alternative to President Clinton's $21.7 billion package.

"Congressional Republicans believe the best way to help American families care for their children is to provide as many options as possible and leave more money in their pockets, not launder it through countless federal programs that shrink every dollar they earn," Sen. Larry E. Craig (R-Idaho) said yesterday in the weekly GOP radio address.

Clinton unveiled his child-care package earlier this week, including a plan to provide subsidies to low-income parents through state block grants. Other proposals would offer certain families expanded tax credits for child-care expenses and business tax breaks for providing child-care services for their employees.

First lady Hillary Rodham Clinton said the goal of her husband's plan is to offer choices for families. "By cobbling together all of these tax credits and other kinds of incentives plus raising the minimum wage—all of these things are giving people real choices," she said in an interview with Newsweek magazine.

Craig said he was disappointed by the high cost of the president's proposal, adding: "Parents don't want the federal government telling them what they need or how to spend their money. They already know what's best for them and their children."

Republican lawmakers have been working on child-care plans of their own for the upcoming congressional session, Craig said. Among them are a measure to increase tax exemptions for couples with children and legislation that would give families greater flexibility in their work schedules, he said.

Craig also said Republicans are working on ways to encourage retiring baby boomers to become child-care workers and are pushing an "income splitting" plan.

"Income splitting would allow a spouse to claim half of his or her spouse's income as their own. Each income would then be taxed separately," he said. "This would give value to the spouse's work at home and lower the tax burden of the family, of that couple."

TV: Berger, Raines, Ferraro, Shalala, 7 Lawmakers

Guests to be interviewed today on major television talk shows:

House Majority Leader Richard K. Armey (R-Tex.), Sen. Judd Gregg (R-N.H.), National Economic Council director Gene Sperling, physicist G. Richard Seed, and Ezekiel Emanuel of the National Bioethics Advisory Commission on "Fox News Sunday" (WTTG), 9 a.m.

Sens. Christopher J. Dodd (D-Conn.) and Phil Gramm (R-Tex.), Health and Human Services Secretary Donna E. Shalala and Thomas Murray of the National Bioethics Advisory Commission on "Face the Nation" (CBS, WUSA), 10:30 a.m.

House Minority Leader Richard A. Gephardt (D-Mo.); Rep. Bill Archer (R-Tex.); Jack Kemp of Empower America; Geraldine A. Ferraro, New York senatorial candidate, and ex-representative Dan Rostenkowski (D-Ill.), former Ways and Means Committee chair, on "Meet the Press" (NBC, WRC), 10:30 a.m.

Office of Management and Budget Director Franklin D. Raines; publisher Steve Forbes; radio talk show host Oliver L. North and Elbert W. Friday Jr., National Oceanic and Atmospheric Administration research director, on "This Week" (ABC, WJLA), 11:30 a.m.

National security adviser Samuel R. "Sandy" Berger and Rep. John R. Kasich (R-Ohio) on "Late Edition" (CNN), noon.

The Washington Post
SUNDAY, JANUARY 11, 1998

16

The Outlook

Boomers May Not Like Social Security 'Return'

WASHINGTON

Give Franklin Roosevelt credit: The Social Security system he started in 1935 has been one of the most successful and enduringly popular government programs in history. But that's changing.

It's not just that Social Security is headed for bankruptcy when the baby boomers retire. It is. But the solvency problem can be fixed without fundamentally changing the system. Raise the retirement age, lower cost-of-living adjustments, tax more benefits, give the payroll tax a nudge, and it's done.

Rather, the growing pressure to renovate the retirement program is rooted in the general public's increasing financial sophistication. In the past two decades, many Americans have found out what it's like to have some control over their retirement savings. They have watched their money in IRAs and 401(k)s grow with the market. They know about rates of return. And when they look at Social Security with newly trained eyes, they see a bum deal.

A new study, scheduled for release by the conservative Heritage Foundation today, will further those misgivings. It calculates expected rates of return from Social Security for a variety of demographic and ethnic groups. And it comes up with some surprising and disturbing findings.

The overarching conclusion is that the rates are declining. The program is a good deal for today's retirees. Folks born before 1935 can, on average, expect to get back all the money paid into the system on their behalf in payroll taxes, plus inflation, plus an annual rate of return of about 5%.

But for today's 30-year-old couple – two wage earners with two children and an average income – the system promises a return of just 1.2%. If the same payroll taxes were put in a conservative IRA investment – say, a mutual fund that is half Treasury bills and half blue-chip stocks – the return would be closer to 5%. That's the difference between a retirement kitty of less than $500,000 in today's dollars and nearly $1 million.

Another conclusion is that Social Security is a far better deal for low-income families than for affluent ones – exactly what the designers intended. A low-income couple in their late 30s with one income and two children can expect a return of nearly 3.5%; a similar high-income family can expect less than 1.5%.

More surprising are low rates of return for African-Americans. As a group, single black men born in the 1960s face negative rates of return from Social Security, regardless of income. That's because black men are more likely to die before drawing benefits. Even single black women get lower rates of return than their white counterparts, as do black families.

GOP Rep. Mark Sanford, an advocate of Social Security overhaul, has used preliminary Heritage data when speaking to black audiences in his South Carolina district. "People can't believe there is that kind of unfairness in the system," he says. "Black audiences are horrified."

The numbers also show that Social Security, like the income-tax system, is biased against two-earner families. A family with two children and an average income earned by one parent born in 1960 can expect a return of 2.9%; the same family with two earners can expect only 1.4%. And high-income, two-earner families are likely to face negative returns.

All this talk about rates of return makes the system's defenders nervous. In part, they fear people will stop supporting it if they see how income is shifted from the affluent to the poor. The term "Social Security" has a certain magic in public discourse; the word "welfare" does not.

Alicia Munnell, a former Clinton economist now at Boston College, says focusing on individual rates of return also ignores the fact that Social Security was designed as a sort of insurance pool, protecting people against a host of contingencies. "When you are talking about insurance, you don't look at individual returns," she says. "It would be a funny thing to complain that you haven't collected anything under your fire-insurance policy."

She and others also point out that blacks' returns look much better if numbers are adjusted to include disability payments, which the Heritage study excluded.

Moreover, supporters argue that rates of return can be raised without adopting privatization schemes favored by Heritage, which would put some payroll taxes in IRA-type accounts. The Social Security "trust fund" is merely an accounting gimmick: taxes paid today's workers are used to pay benefits to today's retirees, and aren't saved. But if the system were on a solider financial footing, with a large surplus partly invested in equities, future returns would rise.

That may not satisfy a new generation of financially savvy Americans. Pressure to make at least part of Social Security more like private pension plans will grow.

—ALAN MURRAY

Differing Returns

The expected annual rate of return on Social Security contributions for single males born in 1960 and earning an average income.

Total population	+0.7%
African-Americans	−1.0%

The expected rate of return for high-income families, born in 1960, with two children:

Single earner	+1.4%
Two earners	−0.1%

Source: Heritage Foundation

THE WALL STREET JOURNAL
MONDAY, JANUARY 12, 1998

1-13-98

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1-13-98

Millions of national forest acres due protection under new plan

From combined dispatches

The Clinton administration is readying a sweeping protection plan for millions of acres of roadless areas in national forests but, under pressure from the timber industry, is considering excluding some forests in Alaska and the Northwest.

The Forest Service is expected as early as this week to announce a new strategy for managing the remaining roadless sections of the system's 191 million acres.

Environmentalists say these segments include 40 million to 50 million acres of pristine forests that serve as critical habitat to threatened fish and wildlife. They also say they've been given indications the administration is on the verge of taking a strong stand in support of protecting the areas.

"This could clearly be the boldest move by the Forest Service in the agency's history. But if there are regional exemptions, they lose our support," said Ken Rait, conservation director for the Oregon Natural Resources Council.

Forest Service spokesman Alan Polk said yesterday no decisions have been made and no options ruled out.

Six Republican senators from Western states said they will resist any effort by the Forest Service to ban logging in roadless parts of national forests.



Dan Glickman

"We hope you agree, given the deep resonance of this issue throughout the rural West, that the citizens who depend upon the national forests for livelihoods and recreation opportunities deserve better," the lawmakers said in a letter Friday to Agriculture Secretary Dan Glickman, whose department oversees the Forest Service.

Sens. Frank H. Murkowski of Alaska, chairman of the Senate Energy and Natural Resources Committee, and Larry E. Craig of Idaho, chairman of the panel's subcommittee on forests and public land management, were the lead authors of the letter.

It also was signed by Sens. Slade Gorton of Washington, chairman of the Appropriations subcommittee on the Interior; Gordon H. Smith of Oregon; Conrad Burns of Montana; and Craig Thomas of Wyoming.

Mr. Glickman asked Forest Service chief Mike Dombeck last year to prepare a new policy for management of roadless areas 5,000 acres and larger in the national forest system.

The agency has been besieged by last-minute lobbying efforts from environmentalists, who want a moratorium on logging of roadless areas larger than 1,000 acres.

Those who propose exempting Alaska and the Pacific Northwest said national forests in those states don't need a new roadless policy because they are subject to modern management plans, which have already called for dramatic reduction in logging levels.

F PRESIDENT
1-13-98

The U.S. and Iran: An Offer They Can't Refuse?

by Robin Wright & Shaul Bakhash

Last May, Iranians went to the polls and elected a new president. In a stunning upset, former minister of culture Mohammed Khatami swept almost 70 percent of the vote in a poll that produced a 90 percent turnout, the highest since the Islamic Republic's earliest elections. He defeated front-runner and Speaker of Parliament Ali Akbar Nateq-Nouri, who had strong backing from the regime's top clergy. President Khatami campaigned on a platform stressing pluralism and the rule of law, and his victory represented an unmistakable and overwhelming mandate for change, underlining the desire of Iranians from all classes for an easing of state restrictions on social and cultural life, for a greater say in political affairs, and for a better economy.

Given the history of U.S.–Iran relations, the idea that Khatami's election might lead to a rapprochement between Washington and Tehran is understandably being treated with skepticism. The election of

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ROBIN WRIGHT, *a former Middle East correspondent for the* Sunday Times of London, *is the author of* Sacred Rage: The Wrath of Militant Islam *(New York: Simon and Schuster, 1985) and* In the Name of God: The Khomeini Decade *(New York: Simon and Schuster, 1989). She covers global issues for the* Los Angeles Times *and travels frequently to Iran.* SHAUL BAKHASH *is Clarence Robinson professor of Middle East history at George Mason University and the author of* Reign of the Ayatollahs: Iran and the Islamic Revolution *(New York: Basic Books, 1990, new edition), as well as other books and publications. He worked as a journalist in Iran and taught at Princeton before joining the George Mason faculty.*

Ali Akbar Hashemi Rafsanjani as president in 1989 was greeted with similar expectations of improved relations. "Moderate is no longer a dirty word in Iran," declared a headline in *Business Week*, while the *New York Times* quoted a long list of experts who predicted that Tehran's new leader would pursue "more pragmatic domestic and foreign policies" and seek to "normalize Iran's relations with the West."

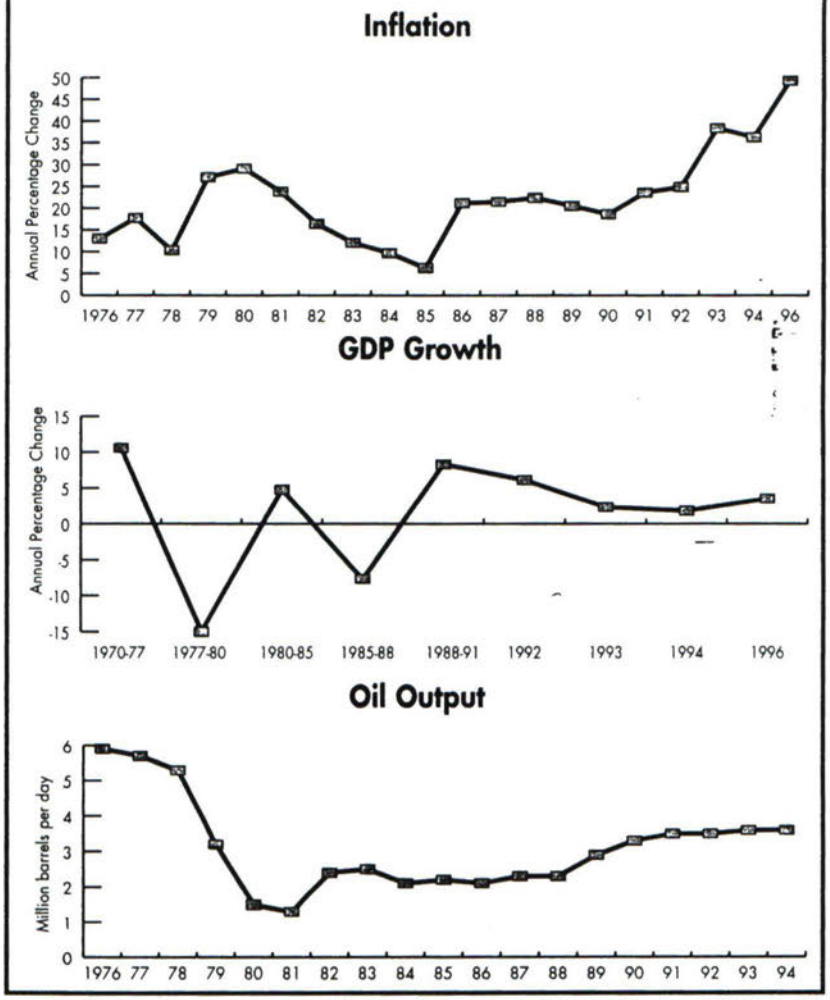
In fact, Rafsanjani succeeded in tempering Iran's policies both at home and abroad. But his success has been limited, and on the issues of greatest importance to the United States, he has little altered the course of Iranian policy. However, Khatami comes to office with a resounding public mandate. He has put together a team of advisers who understand that Iran needs to break out of its fitful isolation and attract foreign investment. In August, he convinced the Iranian parliament to approve all 22 of his cabinet ministers, including Ataollah Mohajerani, his choice for culture minister, who had provoked the wrath of hardliners when he proposed direct negotiations with Washington six years ago. Khatami's election provides a window of opportunity; the opening is not large, but it is worth pursuing.

Besides, Iran is a country that the United States can no longer afford to ignore. There are simply too many vital interests at stake. Economically, Iran's gas reserves are second in the world, and its significant oil resources make it a pivotal player in the energy markets. Before the 1979 revolution, the United States was one of the Islamic Republic's top three trading partners—a relationship that supported thousands of U.S. jobs and $2.7 billion in annual export revenues for America. Up until the early 1990s, the United States was still among the top five purchasers of Iranian oil. Today, Iran represents a potentially important market for American goods and technology, particularly in the oil, aviation, and computer industries, which could again produce billions of dollars of income. Iran also offers some of the most economically viable transit routes for oil and gas pipelines from Central Asia and the Caucasus, now freed from Soviet control.

Strategically, Iran straddles the crossroads of three vital and often volatile regions—the Middle East, South Asia, and the former Soviet republics of Central Asia. Almost one-third of these countries have, or are developing, nuclear weapons. Outside of the Western powers, this arena accounts for the largest array of countries with weapons of mass destruction in the world. In more favorable circumstances, the Islamic Republic could help underwrite Persian Gulf security, as it did during the reign of Shah Mohammed Reza Pahlavi, and assist in advancing a peaceful solu-

Higher Prices, Rising Expectations

Iran's presidential election came at a time of widespread economic discontent. The eight-year war with Iraq, U.S. sanctions, and the slow pace of economic reform have taken their collective toll upon the Islamic Republic. The inflation rate peaked at about 50 percent last year although recent figures indicate that it has dropped down to 23 percent. After years of stagnation, Iran's GDP is finally expanding at a steady rate of 3 to 4 percent. Tehran is eager to attract foreign investors, particularly to its aging energy industry. Oil production is down more than 30 percent since the final years of the shah's reign.



Source: *Iran's Economic Morass*, by Eliyahu Kanovsky and MEED, 1/3/97, 2/14/97.

tion to the Afghanistan conflict. It has already played a constructive role in containing Iraqi president Saddam Hussein during the Gulf War, and it recently helped negotiate an end to the Tajik civil war.

Despite Khatami's election, obstacles to U.S.–Iran dialogue remain formidable. Both the new Khatami team and the Clinton administration face the common problem of conservative and recalcitrant legislatures. In Washington, Congress now sets the pace on Iran policy. President Bill Clinton sought to head off more extensive congressional measures when he imposed a comprehensive ban on all U.S. trade with Iran in May 1995. Last year, Congress passed and Clinton signed a bill requiring the president to impose secondary sanctions on foreign companies investing more than $40 million annually in Iran's oil and gas industry. Proof of Iranian involvement in the 1996 Khobar bombing in Saudi Arabia, which killed 19 Americans, could also preempt or destroy efforts to better relations, and could spark demands from Congress and other key quarters to retaliate either overtly or covertly.

Both the new Khatami team and the Clinton administration face the common problem of conservative and recalcitrant legislatures.

In Tehran, a significant bloc of deputies in the unicameral Majlis is hostile to the "Great Satan" and is bound to try to stymie attempts to improve relations between the United States and Iran. Khatami has the added problem of not being Iran's highest authority, a role reserved for Ayatollah Ali Khamenei, the Supreme Leader. Khamenei, who believes his legitimacy derives in part from his anti-American stance, and who has often set the tone for Iran's anti-American rhetoric, is likely to be suspicious of U.S. motives. He has also taken the lead in opposing the Arab-Israeli peace process and in defining Israel as an "illegitimate" state. If there is to be any change in Iran's policy toward the United States, Khamenei must be brought on board.

Both countries are also prisoners of a generation of threatening rhetoric that has often been as useful for advancing domestic political purposes as it has been for confronting each other. Undoing the damage will be difficult. Previous attempts have backfired, beginning with the disastrous 1985–86 arms-for-hostage swap that burned both sides. Tehran was also angered when two subsequent overtures—helping to free hostages in Lebanon in response to President George Bush's inau-

gural pledge that "goodwill begets goodwill" and a deal to allow the Texas-based company Conoco to develop offshore oil and gas fields—were spurned by Washington. In other words, for these two countries, changing minds at home could be as difficult as convincing each other that the moment has come for cooperation.

Yet Iran's election surprise comes at a time of the most extensive policy rethinking on both sides since the 1979–81 hostage crisis—an event that has subsequently clouded every aspect of U.S.–Iran relations. Several former senior U.S. officials—both Republican and Democrat—from the National Security Council, the State Department, and the Central Intelligence Agency have publicly urged Washington to test the waters of constructive engagement through either European allies or direct dialogue. A growing consensus now argues that containment of any nation, especially one with petrodollars, is increasingly difficult in an era of globalization when borders are more porous and competition for markets unprecedented. Sanctions have had limited success in blocking Tehran's access to foreign investment or technology: France's Total SA quickly agreed to develop the oil and gas fields that America's Conoco was forced by presidential order to refuse, and Russia and China both stepped in to develop nuclear reactors when Germany declined to finish a facility started during the reign of the shah. Meanwhile, containment has had no appreciable effect on Iranian behavior in the areas Washington deems most critical—weapons of mass destruction, the Arab-Israeli peace process, and support for extremist Islamic movements.

In a speech two weeks after his election, Khatami called for "removing tensions" with other countries and establishing relations of "peace and tranquillity" that safeguard the rights, interests, and independence of all nations. Khatami is expected to work closely with Rafsanjani, who in the past has appeared to favor dialogue with Washington. The outgoing president still retains considerable clout in Iranian politics, having been appointed to head the Expediency Council, which has been entrusted with the new responsibility of setting the broad policies of the Islamic Republic. In the meantime, officials from neighboring Arab states, who once felt more vulnerable to Iranian mischief, have launched their own rapprochement with Tehran. Saudi Arabia is high on the list. In May, Rafsanjani and Saudi Crown Prince Abdullah agreed to exchange visits. In this context, a series of specific steps over the next four years—during Khatami's first four-year term and Clinton's final term—could begin the process of reengagement.

Phase One: The Opening Round

Both parties in this impasse have indicated that they are waiting for the other side to make a meaningful first move. During his first postelection press conference, Khatami argued that when it came to improved relations with the United States, the "key to the problem is in their hands, not ours." And the State Department duly noted that now "the ball is in Iran's court."

For the process to work, *both* sides will have to take difficult steps that break down roughly into four phases. Simply laying out these measures underscores the enormity of the task. The first phase would almost certainly have to be informal, with the focus on building confidence and establishing bonafides to lay the groundwork for addressing more substantive issues. To get the process going, leaders on both sides should implement three steps:

- ***Lower the decibel level and frequency of rhetoric.*** Tehran should end references to the "Great Satan" and other clichéd accusations about the United States that appear in the speeches of its top officials and its daily press. And in referring to Iran, Washington should stop using terms such as "outlaw" or "rogue" state and should also discourage the tendency to link acts of violence or even accidents, such as the explosion of TWA 800, to Iran before solid evidence is available.
- ***Ease restrictions on travel and contacts.*** Contacts between Iranians and Americans can help establish "track two" diplomacy to create an informal dialogue. Both sides could indirectly facilitate contacts by allowing visits or exchanges by scholars; representatives of cultural, professional, and nongovernmental organizations; and individuals with government contacts. American visa restrictions remain particularly severe, requiring a four-to-six-week waiting period and two trips to an American consulate abroad. "Track two" can never replace real talks, but such contacts could help change public opinion and improve the general atmosphere.
- ***Differentiate between threats and unacceptable actions.*** Both sides need to distinguish between actions that are genuinely threatening and policies that are merely uncomfortable or disagreeable. Iran may object to the American military presence in the Persian Gulf, but it must recognize that the United States has legitimate interests to protect—most notably, safeguarding the flow of oil and enforcing sanctions against Saddam Hussein. The United States may have just

cause to be concerned about Iranian efforts to develop weapons of mass destruction, but must acknowledge Iran's valid need for conventional weapons, especially after losing 40 percent of its war materiel in the eight-year Iran-Iraq war. (Despite Iraq's subsequent conflict over Kuwait, it remains better armed today than Iran.)

Phase Two: The Hurdles

A second phase should begin with an agreement—negotiated either through third parties or directly—on a structure that encompasses a series of steps and countersteps to deal with the practices and policies most offensive to the other country. The Clinton administration has stated that it would enter into direct talks with Iran, so long as the Islamic Republic is prepared to address three "areas of concern": the development of weapons of mass destruction, the sponsorship of terrorism, and the sabotage of the Arab-Israeli peace process. But so far the United States has offered little in return, other than a vague promise to restore diplomatic and economic relations. The U.S. approach is all stick but no carrot. Moreover, linking these issues together and seeking to address them simultaneously allows little room for maneuverability on either side. Iran has not indicated that it will respond in a meaningful way to engagement or to easing of sanctions, for which Europe has repeatedly lobbied Washington.

A framework of reciprocal measures would provide a road map, however roughly sketched, of engagement's ultimate goals. It would allow each side to test the other's good intentions before proceeding and would provide incentives to continue. Such an approach would embody a valuable lesson learned from the Oslo peace process—if both parties are truly committed to rapprochement, then implementing gradual confidence-building measures offers a better chance of success than tackling difficult, divisive issues all at once. This strategy would avoid the kind of confusion generated by Iran's proposed Conoco deal, which Tehran did not describe as an overture to Washington until after the White House had rejected it. Both sides need to understand that these actions would be part of an ongoing process rather than isolated gestures. Phase two, which could stretch for as long as two years, would be the hardest phase, for neither side is likely to change easily. Yet nothing will happen unless these steps are taken.

Iran

- ***End support and sponsorship of terrorism.*** Iran has long denied its involvement in extremist activities, despite the recent conviction in Thailand of an Iranian agent who intended to bomb the Israeli embassy in Bangkok, and strong intelligence data on other cases. The Khatami regime will have to erase even the perception that it is involved in targeting and sabotaging foreign governments and personnel. Tehran will also need to block terrorist acts by surrogates, stop training Arab dissidents who seek to harm the United States and Western allies, and bring its security agencies under control. Iran's behavior, in other words, should begin conforming to international standards and the rule of law. This process includes ending the assassination of its own dissidents abroad, the kind of act for which a German court recently implicated the regime's highest officials. Likewise, Tehran will have to do more than reassure European officials that it will not send a hit squad to murder novelist Salman Rushdie. It must also deal with a small religious foundation that has pledged a $2.5 million reward for his death.
- ***Stop sabotaging the Arab-Israeli peace process.*** Tehran is unlikely to return to the kind of close cooperation with Israel that prevailed during the reign of the shah, nor is it likely to change its opposition to the current détente between Israel and the Arab world. But it must end attempts to undo the peace process by training, equipping, or financing—directly or indirectly—organizations such as Islamic Jihad, which has claimed responsibility for suicide bombings of Israeli civilian targets. Iran will also have to distance itself from extremist groups targeting Arab governments that have begun to engage with Israel.

The United States

In exchange for these steps by Iran, the United States will need to take simultaneous actions. These will be the incentives for Iran to continue the process, although the Islamic Republic will not be rewarded for its actions until U.S. intelligence can verify that Tehran's behavior has changed significantly.

- ***Expedite closure on Iran's frozen assets.*** Returning assets frozen by the United States since the hostage crisis has long been a key Iranian condition for bettering relations and a yardstick by which Tehran says it will judge American intentions. A joint U.S.–Iran tribunal

What Others Are Doing

Azerbaijan and Central Asia: For years, the United States has regularly blocked proposals to use Iran as a transit route for pipelines to carry oil and natural gas from Azerbaijan and Central Asia to foreign markets. This July, in a stunning turnabout, the Clinton administration announced that it would not oppose a $1.6 billion pipeline crossing Iran that would carry natural gas from Turkmenistan to Turkey and Europe.

China: Beijing values Iran as a source of oil and foreign exchange. The total trade volume between the two countries is not large, but China has supplied Iran with small quantities of conventional weapons, including combat aircraft, artillery, C-802 antiship cruise missiles, and SA-2 surface-to-air missiles modified for use against ground targets.

European Union (EU): Advocates of a "critical dialogue" with Iran, the countries of the European Union are among the Islamic Republic's largest trading partners. Germany tops the list, with two-way trade totaling roughly $2.5 billion as of 1995. Despite objections from the United States, the EU nations rescheduled a large chunk of Iran's nearly $12 billion foreign debt in 1994.

Japan: Under U.S. pressure, Japan agreed to postpone paying Iran the second installment of a loan for a hydroelectric power dam on the Karun River. However, Japanese officials refused to abandon the project entirely or to curtail commerce with Iran. The trade volume between the two nations surpassed $3.8 billion last year, with Japan accounting for 35 percent of Iran's oil exports.

Russia: A major arms supplier to the Islamic Republic, Moscow has provided submarines, combat aircraft, missiles, tanks, and artillery. Although President Boris Yeltsin promised the United States that Russia would sign no new arms deals with Iran, current contracts are likely to keep Moscow involved in supplying equipment, spare parts, upgrades, and training.

Turkey: The total volume of trade between Iran and Turkey topped $1 billion between 1994 and 1995. Turkey signed a deal to purchase $20 billion of natural gas from Tehran over a 20-year-period, but the agreement is now moot. Turkey will get its gas from Turkmenistan instead, in an arrangement in which Iran will also play a role.

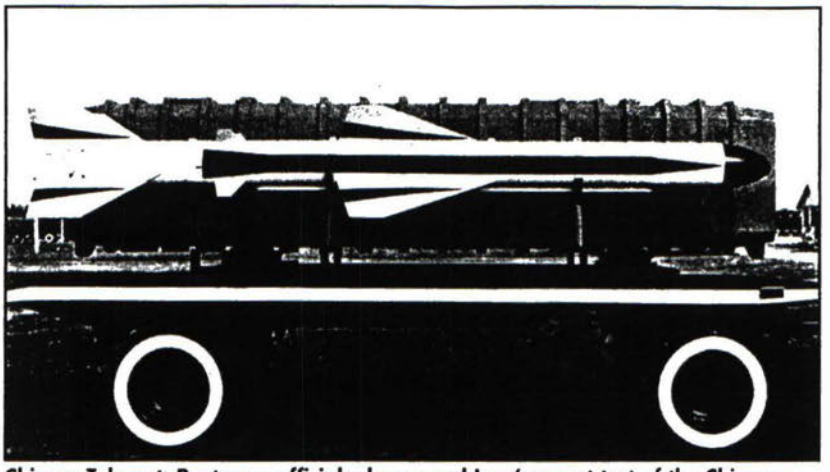
that meets in the Hague has resolved most of the 4,000 financial claims and counterclaims, but a major, multibillion-dollar dispute remains over the value and billing of arms that Tehran paid for before the revolution, most of which were never delivered.

- ***Support a European Union offer to promote constructive engagement.*** Washington should accept a bid by its European allies to prove that constructive engagement is a more effective tool for changing Iranian behavior. The initiative should be tied to a specified time frame, perhaps coinciding with Khatami's consolidation of his government. As progress is made during this roughly two-year period, the United States should suspend pressure on Europe and Japan to isolate Iran, and it should at least temporarily end opposition to Western economic credits designed to boost Iranian development. Washington should also promote diplomatic ministerial contact between its allies and Tehran. In exchange, the European Union should meet Washington halfway. The EU could be urged to respond to verified acts of Iranian misbehavior by implementing limited, punitive sanctions. Europe might favor such an approach for two reasons. First, it is part of a broad, earnest campaign to engage Iran. Second, it represents a strategy of "proportional response," which would involve limited and selective sanctions as opposed to the comprehensive penalties that U.S. policymakers advocate.
- ***Regain control of U.S. policy on Iran.*** To have any flexibility in dealing with Tehran, the administration needs to bring Congress and public opinion along from an early stage. Clinton could build bipartisan consensus for these policies by mustering the public support of Republican heavy-hitters like former national security advisor Brent Scowcroft, who recently pushed for a new approach to U.S.–Iran relations. Such a tactic served the president well during his tough battle with Senate hardliners over ratification of the Chemical Weapons Convention. Likewise, the growing backlash against sanctions by American business leaders could give the administration considerable clout when dealing with Congress, as was made apparent during the recent debate over granting most-favored-nation trading status to China. Whenever possible, the administration should emphasize that America stands to reap substantial benefits from engagement, both in terms of creating jobs at home and guaranteeing security abroad.

Phase Three: Direct Engagement

The third stage would allow a series of contacts on issues of mutual concern over perhaps a year or two. It would amount to phased engagement.

- ***Direct contact on neutral turf.*** American and Iranian officials should make a concerted effort to discuss and emphasize areas of common ground at international forums and at meetings with representatives of financial institutions and regional bodies. Many issues, from regional environmental problems and drug proliferation, to Afghanistan's instability and Bosnia's future, would benefit from direct U.S.–Iran contact. Some of these problems are becoming increasingly urgent. With NATO troops expected to withdraw from Bosnia in less than a year, the United States can no longer ignore the fact that Tehran's ties to Bosnian Muslims will make it a long-term player in the politics of that troubled region. The United States and Iran could design engagement so as to address less problematic issues first and more contentious ones later. Despite the enormous changes in Iran's political system, many of its foreign policy goals have not changed since the era of the shah. Defusing regional conflicts, attracting foreign investment, and gaining access to Western markets are as much priorities today as they were 20 years ago.
- ***Tentative commercial contacts.*** As contacts expand, commercial links between Iran and the United States could begin again, albeit gradually. For example, the U.S. government could lift legal restraints to allow U.S. companies to transship Iranian oil to Europe, help to develop Iran's oil and gas facilities, or sell oil-drilling equipment to Iran—projects that generate jobs and income for Americans. Other constraints on importing handicrafts and rugs, which primarily helps Iran's economy, could also be lifted eventually. But restoration of full U.S.–Iran commercial ties would need to await more significant diplomatic progress.
- ***Opening talks on security issues.*** Last but not least, Iranian and U.S. officials will need to address in bilateral talks a range of security concerns, from broad issues in the Persian Gulf to arms proliferation throughout the Middle East and South Asia. Iran will not even discuss its conventional-arms buildup or its pursuit of unconventional weapons unless its own legitimate defense and security concerns—including endemic instability along several borders, regional arms proliferation, and America's significant military presence in the Gulf—are



Chinese Takeout: Pentagon officials denounced Iran's recent test of the Chinese-made C-801K air-launched cruise missile, calling it a "360-degree" threat to naval forces in the Persian Gulf.

also addressed. At this stage, both sides should strive for common ground, such as containing Saddam Hussein or securing the free flow of oil. The two sides could reassure each other about their long-term intentions and craft a broader context for eventually resolving their differences on, for instance, the spread of weapons of mass destruction. Tehran would be more likely to abandon its pursuit of a nuclear capability if it felt secure about the United States, Iraq, and other neighbors. Washington, in turn, might find Iran's conventional weapons acquisition more tolerable if it felt more confident that Iran did not intend to use them against the United States or its allies.

The Endgame

Given the history of tensions between Iran and the United States, this deliberately paced sequence of steps may be the best that either side can hope to achieve over the next four years. Yet the current confluence of factors—Iran's pivotal election, growing American skepticism about U.S. policy on Iran, the Gulf monarchies' rapprochement with Tehran, Secretary of State Madeleine Albright's declaration this year that Washington will not deal with Iraq as long as Saddam Hussein stays in power—offers the best opportunity for a major policy change by both sides in many years. Clinton is also the first U.S. president since Iran's revolution not to have American hostages held either by Iranians or pro-Iranian extremists in Lebanon. In the past, the two governments were generally out of sync

on everything from regional goals to leadership cycles. The next four years, in contrast, represent a unique juncture.

Tehran will have to launch the process. Khatami must create the conditions for change by performing these specific steps, by cleaning up Iran's human rights record, and by removing the perpetrators of Iranian mischief—a process he has begun by changing the ministers of intelligence and interior. Initially, he will almost certainly have to begin by taking small steps, but Washington will have to be alert to these shifts and help to accelerate them by responding appropriately. In the past, the United States has failed to acknowledge such changes, as in the early 1990s when Rafsanjani squeezed from power several high-ranking radicals associated with hostage seizures and anti-American attacks. The United States may not be able to bend dramatically at first either, but it will need to extend a hand. Now in his final term, Clinton also has more leverage to act and perhaps even more interest as he seeks to create a legacy.

The final issues—restoring full commercial ties and diplomatic relations—will probably have to wait until Khatami's second term, pending his reelection, and a new U.S. administration. Somewhat like his counterpart in the Oval Office, Khatami's first order of business will be to build a viable political coalition that will allow him to implement the ambitious domestic platform upon which he was elected. Bringing Khamenei along, in particular, is likely to require time, heavy persuasion, and verification on the Iranian side that the cost-benefit ratio of a dramatic policy shift is worth the adjustment. Khatami will strengthen his argument if he can show the Supreme Leader that a shift in Iran's foreign policy will produce the desirable response, including the access to Western technology, credit, and investment that Tehran needs, particularly for its oil and gas industries.

During the endgame—which will also be the time to deal with the thorny problem of weapons of mass destruction—Iran and the United States should at least attempt to reach specific understandings over security issues so that there is no need or threat that leads to acquisition or use of the deadliest weapons. Throughout the engagement process, the obstacles are enormous; the chances of a new impasse or of the effort's collapse are high. But as daunting as the risks in changing course may seem, the bigger risk is to make no effort to defuse one of the world's most volatile relationships—or prevent it from getting worse.

WANT TO KNOW MORE?

The debate over U.S.–Iran engagement has recently heated up again. Two former national security advisors under the Carter and Bush administrations have argued that dual containment of Iran and Iraq no longer serves American interests in the Gulf. Zbigniew Brzezinksi & Brent Scowcroft, along with former assistant secretary of state Richard Murphy, make their case in **"Differentiated Containment"** (*Foreign Affairs*, May/June 1997). Former national security advisor Anthony Lake articulates the Clinton administration's dual containment policy in **"Confronting Backlash States"** (*Foreign Affairs*, March/April 1994). On possible new nuances in U.S. policy, see Robin Wright's article **"In Shift, U.S. Makes Quiet Overtures to Iran Following Election Upset"** (*Los Angeles Times*, July 9, 1997).

For background on the Iranian revolution and its aftermath, see Shaul Bakhash's ***The Reign of the Ayatollahs: Iran and the Islamic Revolution*** (New York: Basic Books, 1990, new edition), and ***In the Name of God: The Khomeini Decade*** by Robin Wright (New York: Simon & Schuster, 1989). Two booklets worth exploring for information on recent Iranian politics are David Menashri's ***Revolution at a Crossroads: Iran's Domestic Politics and Regional Ambitions***, paper no. 47 (Washington, D.C.: Washington Institute for Near East Policy, 1997) and Michael Eisenstadt's ***Iranian Military Power: Capabilities and Intentions***, paper no. 42 (Washington, D.C.: Washington Institute for Near East Policy, 1996).

Two recent studies shed light on the state of Iran's economy since the overthrow of the shah: former minister of finance Janhangar Amuzegar's ***Iran's Economy Under the Islamic Republic*** (London: I.B. Taurus, 1993) and Eliyahu Kanovsky's ***Iran's Economic Morass: Mismanagement and Decline Under the Islamic Republic***, paper no. 44 (Washington, D.C.: Washington Institute for Near East Policy, 1997).

For a profile of Iran's new president, see Saeed Barzin's **"Khatami's Shock Victory"** (*Middle East International*, May 30, 1997), as well as Steven Kinzer's **"Moderate Leader is Elected in Iran by a Wide Margin"** and **"Voters' Choice: Worldly Cleric's Tolerant Orthodoxy"** (*New York Times*, May 25, 1997), and **"Many Iranians Hope Mandate Brings Change"** (*New York Times*, May 26, 1997).

Anyone seeking an Iranian perspective on world affairs can read English-language news articles courtesy of the Islamic Republic News Agency. To keep track of the ebb and flow of Iran's oil industry, access comprehensive online reports from the United States Department of Energy. Both organizations' Internet sites are accessible at **www.foreignpolicy.com.**

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Commentary - *Other voices*

MEDICAL EMERGENCIES

TOO BAD WE IGNORED HILLARY'S HEALTH-CARE PROPOSALS IN 1993

By John McCarron
Web-posted Monday, January 12, 1998; 6:02 a.m. CST

Hillary Rodham Clinton had it right all along.

Every new initiative from the White House, every counter-move by the Republican Congress, all point to the wisdom of the health insurance reform that the first lady and her task force proposed back in 1993.

Hardly anybody concedes this, not even her husband. It's still uncool to support a big plan from Washington, especially one from a strong, intelligent woman. (The latter still being a handicap in American pop/politi**cal** culture.)

But Mrs. Clinton pretty much covered all the bases. Which would be water over the dam . . . were it not for the likelihood that a much worse system is headed our way.

Or did you think we could limp as is?

Not that it's that bad. Everyone gets care in America, whether you're filthy rich, dirt poor, in jail or just off the bus from someplace else. Not everybody gets Cadillac care and there's a scandalous lack of preventive services for the poor, but our emergency rooms don't turn people away.

The problem is paying for it all.

The situation was desperate in 1993, following a decade of double-digit annual increases that hurt our economic competitiveness and punche**d** holes in federal and state budgets.

Hillary & Co.'s plan, though likened to "Mein Kampf," was deceptively simple for its book length: 1) Make America's existing private, employer-based health-care system universal by mandating that all companies, directly or indirectly, contribute toward their employees' health insurance; and 2) set up a government-regulated arena for "managed competition" in which both HMOs and regular indemnity plans would compete for business, including the business of those whose premiums would be paid by the government's Medicare and Medicaid programs.

There were drawbacks, especially its imposition of price controls that would have led to the rationing of care. These problems could have been ironed out in congressional negotiations. Instead, politics and special interests ruled the day. Non-insuring employers, whose workers' medical bills are shifted onto everybody else, didn't want to give up **their** free ride. The doctors' lobby didn't like Hillary's promotion of managed care. The insurance industry, in a move it will one day regret, savaged the proposal with "Harry and Louise" TV ads, no doubt hoping their slice of medical inflation would keep rising forever.

So "Hillarycare" went down. And then, something unforeseen happened.

Big corporations seized on managed care and HMOs as the most efficient way to get maximum care for minimum dollars. Premiums stabilized. Soon a majority of working Americans were enrolled in managed care, and the doctors' lobby, which would have had considerable influence under Hillary's plan, became marginalized. Indeed, the medical associations have been reduced to begging Congress and state legislatures to force HMOs to hire their members and abide by their medical opinions.

The only winners have been those non-insuring employers, whose workers still ride free in what the policy wonks call "cost shifting."

But the do-nothing option of 1993 is coming unglued. HMOs don't like to pay the bills of non-members, so they are not letting hospitals pad the tab with shifted costs. Hospitals are failing and patients are complaining. And all the while, the number of uninsured people continues to climb as corporations downsize their core (full benefits) work forces, and as more small companies drop coverage, preferring to be subsidized rather than subsidize others.)

Not surprisingly, the number of uninsured Americans--43 million and rising--is becoming a political force in its own right. No longer confined to burger flippers and day laborers, the new uninsured include millions of laid-off managers and self-employed "consultants." With assets to protect, like houses and 401(k) balances, they are desperate for coverage yet can't afford outla**ndishly** priced individual premiums.

This is the force Bill Clinton hopes to tap with his proposal to let the laid-off "buy-in" to Medicare, beginning at age 55.

But that's just the beginning. As insurance anxiety spreads, a new majority will clamor to go on Medicare, or something like Medicare. The wonks will call it a universal, single-payer system. Corporations will welcome it, glad to have the health care monkey off their backs. A handful of the largest insurers will survive . . . but only as contractors to administer the federal program. It will be totally tax-funded, impersonal and expensive. Very expensive, because government, the single-payer, won't be able to say no to patients (voters) or providers (special interests).

So good-bye balanced federal budget. Hello, Medicare for all.

All because we wouldn't take advice from a strong woman.

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1-13-98

Harvest of Cash

U.S.-Backed Crop Insurance Is the Latest Agri-Ripoff

By Jon Greenberg

Listen to recent speeches of senators from farm states, and you get the impression that the country is putting an end to agricultural subsidies. The days when Washington would pay farmers *not* to produce and write them checks when prices fell are numbered, we hear. Instead of tinkering with the forces of supply and demand, Congress now calls for a "phaseout of price supports," "Freedom to Farm," and "risk-based management."

But as the traditional forms of subsidies are eased out, a new form has quietly put down roots. Since 1994, federal crop insurance, which originated during the Depression as a small voluntary program for farmers, has metamorphosed into a $2-billion-a-year industry to protect farmers against a host of unpredictable threats including drought, floods and pests. And for the private companies that sell crop insurance today, the program has produced stunning profits. A handful of top firms have recorded annual returns on equity that range from 30 percent to 70 percent.

And that financial success is being paid for with taxpayer dollars in an arrangement that shows clearly what can go wrong when government agencies contract out to private companies. Washington pays the crop insurance companies more than $400 million a year to sell the policies; it pays a hefty share—40 percent to 50 percent—of the farmers' insurance premiums; and it gives the companies the lion's share of the gains

See INSURANCE, C2, Col. 3

INSURANCE, From C1

when good weather prevails and farmers have few losses. Six companies control 80 percent of the business, and, since the 1994 Federal Crop Insurance Reform and Department of Agriculture Reorganization Act did away with disaster aid, they have divvied up about 80 percent of more than $750 million in underwriting gains (the term used by insurance executives to describe their profits).

All this might suggest crop insurance is a rum idea. But it's actually a smart idea that has gone awry because of an unhappy mingling of business and politics. By encouraging farmers to decide how much protection from losses they want to pay for, crop insurance is a means of giving farmers the year-to-year stability they need, as well as discouraging them from trying to raise crops where they shouldn't. But these benefits are at risk as long as a few companies are allowed to treat the crop insurance program as the new cash crop from Washington.

The history of crop insurance is checkered. In the 10 years after its launch in 1938, the program ran up such high losses that in 1948 Congress reduced it to a government experiment to evaluate whether the sorts of insurance we use for our health care and homes might also work for agriculture. It was only available for a few major crops such as wheat and corn; and farmers in high-risk areas were excluded. It remained a restricted program covering only about 15 percent of land in production until 1980 when the program expanded.

That year, in hopes of using crop insurance as an alternative to disaster aid (an unpredictable financial burden), Congress began to subsidize the farmers' premiums to encourage more of them to participate. Generally, the United States Department of Agriculture (USDA) field offices sold the policies, but 1980 also marked the entry of the private companies into the market. In return for selling policies, they received a fee called an "administrative reimbursement."

The program's great leap forward came just four years ago. As part of a sweeping reform of the country's agriculture policy, the 1994 bill finally put an end to disaster aid and signaled the phaseout of price supports—and Congress committed itself to crop insurance. With these changes, policymakers had placed their blessings—and hopes—on the insurance program. In recognition of the fact that an insurance program works best if it has many participants as possible, the new law required farmers to buy a minimal level of insurance if they wanted to participate in any other USDA subsidy program.

Between 1994 and today, the program has ballooned from the $700 million level to nearly $1.8 billion. And the acreage covered by the program shot up from 30 percent to 70 percent of land in production.

The private insurance companies and their network of some 15,000 agents were part of this expansion. Company officials argue that the expansion would have been impossible without them. Others point out that the government-imposed requirement on farmers to buy insurance did the companies' sales work for them. Regardless, revenues soared while the companies' expenses increased only modestly. One administration official told me recently, "We had no idea how well the companies would do."

A key reason for their success was the risk-sharing contract the companies periodically negotiated with the government. The contract, allowing a company to choose which policies it would keep (and thus keep most of the associated profits) and which it would pass on to the government, amounted to a intricate form of "cherry picking," or "lemon socialism": That which is sweet goes to the private sector; that which is sour goes to the public.

As Ken Ackerman, the man now in charge of the crop insurance program at the USDA told me, "This is a public-private partnership . . . . The government is not in the business to

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make a profit. Our goal is to make crop insurance available to anyone who wants it."

That's a valid public policy position, but if the government engages in a "partnership" it should act like a full partner, prepared to engage in tough bargaining, not like some addled rich aunt who throws money at her relatives out of fear they will stop visiting. And that is just what is happening now.

The companies, the largest of which is Rain and Hail based in West Des Moines, seem to be able to dictate to the USDA largely what terms they will accept. Last spring, Ackerman began negotiating a new contract, aimed at reining in the companies' profits. He offered them $50 million less in administrative fees for selling crop insurance (which would still amount to a total of about $370 million a year) and an estimated reduction in profits of 25 percent. Naturally, the companies bellowed. The USDA's response is less easy to comprehend: The department backed down and pulled Ackerman out of the negotiations.

The companies beat back the administration on another front, too. As things stand, Congress must appropriate a portion of the administrative fee. Last spring, based on a General Accounting Office study of the companies' actual costs of doing business, the USDA argued that Congress needed to appropriate only $152 million; the companies sought $202 million.

The final figure passed was closer to what the companies wanted—$188 million. When I asked Michael Connealy, the president of the second-largest crop insurance company, Rural Community Insurance Services, why the companies deserved $50 million more than the USDA offered, he said, "We felt we were entitled to it." He pointed out that servicing crop insurance policies is more labor intensive than other lines of insurance.

That may be so, but the companies' profits show those costs are amply covered. And the companies' apparent control of the USDA does not provide a sound basis on which the government should engage the services of private companies. In theory, the government contracts out in order to take advantage of the efficiencies imposed on competitive businesses. When those businesses are not subject to market pressures, the rationale for keeping them in the game evaporates.

In effect, the leading crop insurance companies are not full members of the private sector. They operate more like extensions of the Washington bureaucracy with two big differences: They conduct business without the oversight and financial controls imposed on government workers.

What's more, there are few inspectors available to verify the accuracy of the claims the companies submit for payment to the government. A 1996 internal report on insurance claims for "fresh-market" tomatoes conducted by the USDA Inspector General's Office found that of seven indemnity payments reviewed, all had been "improperly made." The investigators stated that agency oversight is inadequate and that the government is making questionable payments. Another report of claims paid in California in the same period cited "misstated historical yields, miscalculated appraised production and inconsistently established insurable acreage and production." One apricot producer was overpaid by $50,000.

The government and the companies recently renegotiated a new contract. Ackerman claims that the new terms will save taxpayers about $30 million a year and make the companies shoulder a larger share of losses when they occur. But, according to the government's own analysis, the companies' average annual profits will decline only 10 percent. One administration official said, "A ten-percent reduction is not bad, compared to other programs." But a 10-percent reduction is meaningless if the starting point is a level of inflated profits, supported by taxpayers.

The companies' strong allies throughout this wrangling have been members of Congress. Democrats and Republicans alike have been happy to let the program run its current course. In fact, in 1996, Congress moved to turn over the sales and servicing work entirely to private companies. Today, the government depends entirely on the companies to sell policies. And as the years of record profits have been duly reported to Congress, not a single lawmaker has ever publicly criticized the companies' gains.

With disaster aid gone and price supports on their way out, some lawmakers see crop insurance as a way to keep their farming constituents happy. As Sen. Pat Roberts (R-Kan.) says, "If we want a market-oriented agriculture, we must make available to farmers a crop insurance program that works." The program has been gaining popularity among farmers, who see it as a means of guarding against hard times and the vagaries of the weather. The danger is, with the present constellation of forces, crop insurance may not work. If insurance companies, operating under non-market incentives, help farmers make money off bad agricultural choices, then the public benefits of the system are lost.

But there are other, more long-term dangers from new insurance policies that protect farmers from fluctuations in market prices. If policies like these take hold, the nation's agriculture system will remain dependent on subsidies, but in a way that will be difficult to discern and untangle. What's more, those subsidies will wind up in the hands of a few financial service companies, not even agricultural producers.

Crop insurance can work, but only if the government begins to act like a full partner in the program. The current arrangement makes a folly of the cherished concept of public-private partnerships.

ON THE BOOKS

The greatest changes in crop insurance reform came with legislation passed in 1994 and 1996. Highlights:

1994: The Farm Services Agency (FSA), created to make "one-stop shopping" for farmers, combined the former subsidy programs of the USDA's Stabilization and Conservation Service, the farm-lending programs of the Farmers Home Administration and the disaster assistance programs of the Federal Crop Insurance Corporation.

- Farmers who got federal price supports for major crops were required to buy basic coverage.
- Farmers who were eligible for crop insurance were barred from receiving federal emergency disaster payments.
- Insurance benefits would be paid on crop losses greater than 50 percent at a rate of 60 percent of the expected market price for a crop.
- Congress revoked its authority to enact disaster aid bills without fully funding them.

1996: The USDA could continue to offer catastrophic crop insurance in states or regions that did not have enough approved private insurance providers.

- The FSA was to continue operating a non-insured crop disaster assistance program for crops for which crop insurance was unavailable.
- The USDA was to create a pilot revenue insurance program for crop years from 1997 to 2000 to help protect producers from either low prices or poor harvests.

Source: Congressional Quarterly

The Washington Post
SUNDAY, JANUARY 11, 1998

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The Washington Post
January 12, 1998, Monday, Final Edition

Disabled Golfer Drives for Dough; Martin Wins Season-Opening Nike Tour Event Riding Cart

By Bob Harig, Special to The Washington Post

BODY:

All Casey Martin wants is a chance. At this week's Lakeland Classic, the aspiring golfer with a debilitating limp showed what he can do when given one.

Martin, riding a golf cart that he says is imperative to his ability to compete, shot a 3-under-par 69 today at Grasslands Country Club to win the first Nike Tour event of the year.

Whether the win becomes a step toward the PGA Tour will be determined by a federal judge in Eugene, Ore., hearing Martin's lawsuit against the PGA Tour beginning Feb. 2.

Until then, Martin has business to take care of, and today he did so by holding off Steve Lamontagne by one stroke.

"I'm stunned," said Martin, who earned $ 40,500 for the victory. "I can't believe I won. I know I'm supposed to say I was totally confident coming in, but I wasn't. I had a lot on my mind.

"I think this helps in the public sector. They realize I have a chance to make it some day -- and if I don't get a cart, I probably won't."

Martin, 25, suffers from Klippel Trenaunay Weber Syndrome, a circulatory disorder. It is a birth defect that slows blood flow to his right foot and requires him to wear a special stocking to help blood flow and keep swelling down.

"We congratulate Casey Martin on his win, just as we do the victor in all events," PGA Tour Commissioner Tim Finchem said in a statement. "The fact remains that Mr. Martin participated and won using a golf cart under terms of a court order."

Martin limps, and just getting from his cart to the ball and around the greens takes considerable effort. He said he does not believe his career could continue without a cart. The PGA Tour, which oversees the Nike Tour, does not let golfers use carts in tour events.

That's why Martin sued the PGA Tour prior to last month's PGA Tour Qualifying Tournament in Haines City, Fla., where he missed getting his PGA Tour playing card by two shots but earned full privileges on the Nike Tour, which is akin to golf's minor leagues. He is suing under the Americans With Disabilities Act and was granted an injunction allowing him to ride a cart for the Qualifying Tournament. The PGA Tour agreed to let him ride in the first two Nike events prior to the trial. He will compete in this week's South Florida Open in Pompano Beach.

"The outcome of this week's Nike Lakeland Classic doesn't in any way affect the PGA Tour's position," Finchem said in the statement. "The PGA Tour should retain the right to determine the course of competition." The tour believes it is like any other pro sports league, or a private membership organization, and should be allowed to set rules and regulations free from governmental or judicial interference.

Martin's victory created a personal vs. professional conflict for Tiger Woods, who played with Martin for one year at Stanford.

"As a friend, I'd love to see him get a cart," Woods said at the PGA Tour's Mercedes Championships in Carlsbad, Calif. "But from a playing standpoint, is it an advantage? It probably is."

Mark O'Meara, who is a player representative on the PGA Tour policy board, also expressed sympathy for Martin but did not champion his cause.

"It's a tough call," O'Meara said at the Mercedes tournament. "And the public is probably on his side. But we are only trying to do the right thing."

Martin shot 66-69-65-69 to finish at 269, 19 under par. And although he was the only player allowed to ride, it didn't help Martin put the ball in the hole.

He began the day tied for the lead with former PGA Tour player Woody Austin, though both needed to complete three holes from a darkness-halted third round. When they completed those holes, Martin was two shots of ahead of Austin and three ahead of Lamontagne, who were partners for the final round.

"I really tried not to think about what position I was in," Martin said. "I just knew Steve was charging and that I kind of had to hang with him."

Austin faded with a 74 today, but Lamontagne shot 67 and pulled within one shot of the lead after Martin bogeyed the 15th hole. Martin responded with a birdie at the 16th to give himself a little cushion. But Lamontagne rolled in a birdie putt at the 17th, forcing Martin to make a tricky five-footer for par to stay ahead by one. Both players parred the 18th.

"To tell you where I was three or four months ago and then to be here. . . . It's amazing to me," Martin said.

"I've had so much on my mind, so much media attention. . . . I've never had to deal with so much attention. Maybe I should have this happen more often. . . . I certainly hope this will die down eventually. It's tough, it's draining."

Still, Martin said he didn't expect his victory to change the PGA Tour's stance. In fact, he is prepared for a long fight and knows the tour likely will appeal even if he wins.

"I don't know what the judge will say. I just want to play," Martin said. "I love playing golf. But if I don't have a cart, it's too painful. It's just not worth it. So I'm going to try and savor this."

USA TODAY
January 7, 1998, Wednesday

Pro golfer rides out storm
By Harry Blauvelt

BODY:

Although pain is his constant companion, Casey Martin isn't looking for a free ride on the pro golf circuit. But he does need a cart to be competitive.

What a bumpy road it's been for the former Stanford captain who is suing the PGA Tour for the right to ride.

"I don't take any great joy in wanting a cart," he says. "I'd be thrilled to be able to walk the course like everyone else. I just can't. I don't want to be a poster child. I just want to play golf."

He'll ride in the Nike Lakeland Classic starting Thursday in Florida, thanks to an agreement between the PGA Tour, which conducts the Nike Tour, and Martin's lawyers. Normally, neither Tour allows carts.

He also can ride in next week's Nike South Florida Classic, then the agreement ends. He is suing the PGA Tour under the Americans With Disabilities Act. The case goes to trial Feb. 2 in Eugene, Ore.

Martin, 25, was born with Klippel-Trenaunay Syndrome, an extensive veinous malformation involving the skin and muscles of his calf and the lining around his knee joint. Blood gets down his leg, but it returns very slowly. The blood pools and his leg swells, causing chronic pain.

He walks with a limp because his leg is a little shorter on that side. His swollen leg throbs from the moment he awakes each morning until he falls asleep at night. He wears two support stockings extending from his toes to his groin 24 hours a day, except when taking a shower.

When he stands without stockings, his right knee balloons to twice its normal size. What looks like clusters of grapes are visible on the back of his calf; huge numbers of veins appear on his shin.

The back of his thigh turns bluish-black

Leg in danger

There is no known cure for this rare, debilitating condition. Symptoms typically get worse. Martin's atrophied right leg is half the girth of his left leg.

"I have sharp pains in my shin and discomfort all the time from the swelling," he says. "I can't make it through the night without a lot of Advil. I don't want a pity party, but I could definitely lose the leg."

That might happen if he breaks his leg, causing a complication such as excessive bleeding into the tissues and a problem with healing.

"I'm not familiar with Casey's case, but I can understand why walking a golf course for 3-4 hours would impose stress on his leg," Johns Hopkins surgeon Bruce Perler says. "From a vascular standpoint, he has a real good case "

Players split

PGA Tour players are divided on the issue of whether Martin should be allowed to use a cart.

"If you think with your heart," you'll feel for the young man," Curtis Strange says. "But you have to think with your brain. You have to go with the tradition of playing the game, and a large part of that is walking."

Stewart Cink, a former Georgia Tech star who played against Martin in college, has known Martin since they were 15. Cink says let him ride.

"I hate to see the courts deciding our rules, but the Tour would benefit from having him," Cink says. "He's talented enough, and I hate to see him not be able to use his talents."

Cink doesn't think fans would mind if Martin rides a cart. "They just want to see us hit shots and be ourselves," he says.

Martin's quest is a public relations nightmare for the PGA Tour.

"We just look at this as something of a David-and-Goliath situation," Martin's mother, Melinda, says. "They are coming at us full force."

Purists contend it fundamentally would change the nature of golf and give Martin a competitive edge if he is allowed to use a cart. They say walking is integral to the sport.

PGA Tour Commissioner Tim Finchem praises Martin's courage and golfing skill but asks these questions:

"If I use a cart, is it fair to every other player? The other thing is where does it stop? Does a player with a bad knee not have to play a pro-am? The better course is to continue to recognize that the rules we have for our competitors are reasonable. And, we (PGA Tour) should have the right to make our rules."

Casey's father, King, a Eugene stockbroker, has spoken with Finchem. They were respectful, but neither was going to change his mind.

"If I was one of the icons of the game, I might see things differently," King says. "If he was Casey's father, he might see things differently, too."

Tiger Woods knows better than most what Martin faces. They were teammates and sometime road roommates at Stanford in 1995. Woods remembers watching Martin wrap and unwrap his leg.

"When he took the bandage off, you could literally see his leg swell in front of your eyes," Woods says.

He compares Martin to former major league left-hander Jim Abbott, who pitched for the Angels, New York Yankees and Chicago White Sox despite being born without a right hand.

"So many kids watched Abbott pitch," Woods says. "He was an inspiration. Casey can be the same way."

Would Woods let Martin use a cart? "I'd give it to him, but that would be setting a precedent."

Heading to court

When Martin was at Stanford, where he captained the Cardinal's 1994 national championship team, he was accommodated with permission to use a cart by the NCAA and the Pacific 10 Conference.

"Golf was the one sport I could play, the one sport that has accommodated me my entire life," he says. "Now, suddenly, at the highest level, they won't do it, and it's been a source of great frustration."

The court case is sure to attract national attention.

"It's a high-profile case because it's the PGA, but this is a narrow issue," says attorney Robert Meek of Philadelphia's Disabilities Law Project. "Golf is one of the few sports in which you don't have to be a superior physical specimen to play. This case isn't likely to be repeated."

Eugene's William Wiswall, one of Martin's attorneys, says the issues have been transposed with respect to whether a cart will provide his client with a competitive advantage.

"Is he at a disadvantage because he can't use a cart?" Wiswall asks.

Judge Thomas Coffin also must decide if the ADA's Title III, a component of the 1990 civil rights legislation governing accommodations, is applicable in Martin's case.

"As far as Title III at the highest level of sports, you won't find many cases," says lawyer Jacquelyn Romm, who works for a Eugene firm representing Martin. "This is a relatively new application, and quite frankly a broad reading, but consistent with what the law intended."

Unwanted attention

Martin might be breaking new legal ground, but he is not the first athlete to file suit under the ADA. College athletes have sued the NCAA over eligibility, although those cases involved learning disabilities.

In a high-profile case, Michigan State sophomore swimmer Chad Ganden couldn't compete his freshman season because the NCAA would not accept two of his core courses from high school.

"The Justice Department issued a letter of findings (Oct. 18) in our favor," his father, Warren, says. "They're in negotiations with the NCAA to rectify the problem for Chad and other disabled athletes."

In any case, a media blitz is not what the Martin family had in mind when all this started.

"We hoped we could work it out behind the scenes so it wouldn't come to this visible a confrontation," his father says. "But this isn't a tale of woe. Casey's life is about victory."

Since graduating from Stanford, Martin has played the Hooters and Tommy Armour tours, but it's been a rocky road. Not being able to use a cart has kept him from playing a full year and getting into a rhythm.

He competed at last month's PGA Tour National Qualifying Tournament, missing the big show by two strokes but qualifying for the Nike Tour. A court injunction allowed him to use a cart in all six rounds.

"It would be fun to see how good I could be with a cart," he says. "It's disturbing that people think I'm threatening the integrity of the game. I don't see why a disabled person wouldn't be a bonus for golf."

The medical community sits squarely in Martin's corner.

"He shouldn't be penalized," says Dr. John Mulliken of Boston Children's Hospital. "He should be congratulated for doing as well as he has for as long as he has."

No one has more compassion for the disabled than former PGA Tour star Ken Venturi, CBS-TV's lead golf analyst, whose problems with his hands shortened his career.

But he is not in favor of letting Martin use a cart. He says it would cause problems at major championships because of crowds and terrain.

He also wonders where you draw the line. What if a golfer has a bad back or something wrong with his foot. Should he be allowed to ride?

"Casey is a great kid and a credit to golf," Venturi says. "I wish him well. But the simplest way is to say no because it covers all bases."

Senior PGA Tour player Charlie Owens, 67, who plays occasionally

now, doesn't agree.

"Casey can play with the major-leaguers," Owens says. "He shouldn't be deprived of an opportunity because of his handicap. He's not going to hurt anything riding in a cart."

Owens, a disabled U.S. Army veteran who injured his left knee in a parachute jump, still bristles when he recalls being forced by the U.S. Golf Association to walk the 1986 Senior Open. He used crutches the first nine holes, then dropped out.

"It's a mean world," says Owens, who also has back problems. "Billboards say 'Help the Handicapped,' but you have to fight your way. The PGA is trying to knock Casey out."

Clearly, Martin needs a cart. But Stanford golf coach Wally Goodwin, Cink and Woods say riding can be a negative, too.

"I'd rather walk because I get mad at myself when I hit bad shots and walking gives me time to calm down," Cink says. "If I rode a cart, I'd be mad on every shot."

Says Woods: "If I had to ride, I'd be off rhythm. It's amazing how you can focus your mind while you walk. Let's say Casey was tied for the lead at 18, and he had to shoot over water. That would be tough because you can walk off nervous energy."

Goodwin recruited Martin out of South Eugene High even though some college coaches didn't think Martin could play four years because of his bad leg.

"He was a good player and the best kid with the biggest heart," Goodwin says. "He's gotten better because of desire and tenacity."

He was a two-time Stanford All-American. His career stroke average of 73.5 is fifth best in school history

"Casey has shown his true grit," Goodwin says. "The PGA Tour guys are way off base. If the kid has the talent, let him play. Tons of people would come out to watch him."

AP NEWSFEED
January 12, 1998, Monday

GOLF: DISABLED GOLFER RIDES CART TO VICTORY

BODY:
LAKELAND, Florida, Dec 11 AP - Casey Martin, a disabled golfer who is suing the Professional Golfers' Association for the right to ride a cart in competition, drove to victory in a Nike Tour event here today.

Martin, who has a congenital leg disability that makes it difficult for him to walk, shot a final-round three-under-par 69 today to claim a one-shot victory in the Lakeland Classic - the season-opening tournament on the Nike Tour, a developmental tour for the PGA.

"A total weight has been lifted," he said. "All the stuff about the court and all the talk about me playing in a cart, it weighs on you emotionally. Just to win is an amazing relief."

He was allowed to ride his cart in this Nike event and another tournament next week before a hearing on the issue is held in federal court in Oregon on February 2.

Martin, a 25-year-old Stanford graduate, is suing the PGA Tour under the Americans With Disabilities Act.

Martin, who earned $ US40,500 ($ A63,330) for the victory, finished the 72-hole event at 19-under-par. Runner-up Steve Lamontagne finished 18-under-par.

PGA Tour commissioner Tim Finchem released a statement congratulating Martin on his win, but reminding him the PGA's stance hasn't changed.

"The outcome of this week's Nike Lakeland Classic doesn't in any way affect the PGA Tour position relative to the use of golf carts."

The PGA Tour contends that walking is part of the essential nature of the game of golf at the professional level and it also argues that the PGA Tour and not the courts should determine the rules for pro golf.

Tiger Woods, a teammate of Martin at Stanford, said he has mixed feelings about the dispute.

"As a friend, I'd love to see him get a cart," Woods said Sunday. "But from a playing standpoint, is it an advantage? It probably is."

Martin could receive his PGA Tour card for 1999 if he finishes among the top-15 money winners on the Nike Tour this year. He would also be eligible for an immediate promotion to the PGA Tour if he won three times on the Nike Tour this year.

"It wasn't like I was all pumped to make history," Martin said. "I'm kind of saddened. I need a cart. But I would do anything to be able to walk down the fairway."

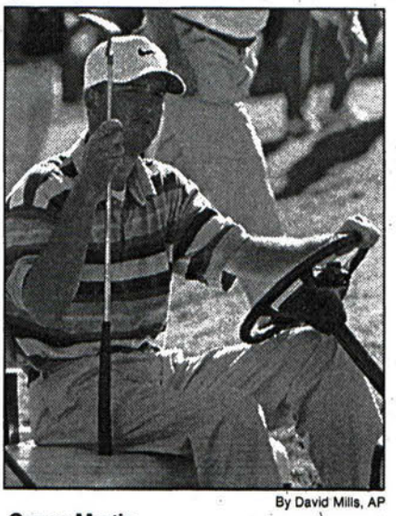
Today's debate: GOLF CARTS ON TOUR

Let handicapped golfer ride

OUR VIEW **The PGA seems to forget that, at its core, golf is not about walking, but about shot-making.**

With any luck, golfer Casey Martin's energizing victory in Florida last weekend will help root the remaining fustiness out of professional golf. Tiger Woods did much of that heavy lifting last April when, at 21, he became the first player of color to win the Masters Tournament in Augusta. But judging from the arguments against Martin, who suffers from a hereditary disease that prevents him from walking a full 18 holes, there's plenty of inertia left.

The question is: Should Martin be allowed to use a cart in PGA-sponsored tournaments? The PGA says that's against the rules. But the rules are out of date. Any reasonably fit person can walk 7,200 yards, even in high heat and humidity. That's not the point of the contest. The skills that golf requires — power, timing, hand-eye coordination, body syncopation, concentration, discipline — are not aerobic. At its core, golf is about shot-making, not walking.



By David Mills, AP

Casey Martin

Some players say carts are a competitive advantage — especially on hot days, and on occasion maybe so. But some of the same people also say that walking enhances performances. More to the point, that flimsy objection collapses entirely if each competitor has an option to ride a cart.

Critics also say that competing from carts violates golfing traditions. They talk about dehydrated Ken Venturi staggering down the fairways to win the 1964 U.S. Open; about Ben Hogan's heroic efforts to come back from injuries in 1950. Those were great individual moments, but if strength and stamina were salient traditions of modern competitive golf, the PGA wouldn't require caddies. It wouldn't allow carts on the Seniors tour. And it would require every player to pass a cardio-fitness exam before teeing off.

Martin, now playing one rung below the PGA Tour, has sued in federal court to use a cart fulltime. While waiting for the case to come to trial Feb. 2, the PGA has agreed to let him use a cart in two tournaments. You get the feeling PGA officials were hoping Martin would tank before trial.

Now that Martin has proved his skill, though, the PGA should back down. Even if his claim of discrimination under the Americans With Disabilities Act may be a stretch, the PGA doesn't need the burden of appearing so narrow-minded and exclusionary. Nor should it turn down another opportunity like the one Tiger Woods provided to reach a new and modern audience.

There's a difference between being venerable and being anachronistic. The PGA will fall victim to the distinction if it fails to put the cart before the course.

Carts distort competition

OTHER VIEWS **Allowing golf carts on tour would be unfair and warp the game, say tour pros and the PGA.**

"The PGA's position is that these participants are all athletes. It is fairly grueling. By the end of a round, golfers begin to tire. If Mr. Martin were to use a golf cart, that would provide Mr. Martin with an unfair advantage. It fundamentally alters the nature of the game."

— Attorney Michael Francis, representing the PGA in court

"When it comes to players within the ropes at the PGA Tour level, we have never allowed golf carts and we hope to maintain that. We feel that walking is part of the game. . . . It's really not an issue of whether one player with a disability should be allowed to use a cart. The question is should the courts make the rules for the game or should the governing bodies."

— PGA Commissioner Tim Finchem

"Golf's an athletic sport. I feel sorry for anybody who has a handicap, but I'd have to say, 'No,' for two reasons: Where do you draw the line, and how do you cope with it in the major championships-with the galleries at the Masters, or the terrain at the British Open?"

— Ken Venturi, who won the 1964 U.S. Open playing 36-holes on the final day in 100 degree heat and whose own career was cut short by hand problems

"A player adapts to, not ratifies, the sport. If a one-armed man decided to take up competitive golf, he would not be able to make a special club that didn't conform to the rules to compensate for his missing arm."

— Dan King, associate editor, GolfWeb

"As a friend, I'd love to see him get a cart. But from a playing standpoint, is it an advantage? It probably is."

— Tiger Woods, PGA tour pro and a former teammate of Martin at Stanford University

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DAN BURKHARDT:

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682 Millsboro Road
Mansfield, Ohio 44903
December 8, 1997

Dear President Clinton,

My name is Jason Wilkes, and I am a senior at Mansfield St. Peter's High School. I am also one of the four fortunate students from our school to experience your first step towards One America at the Akron Town Meeting. I would have never guessed that you, the President of the United States, would attempt to battle on the controversial fields of racism with your Initiative on Race.

As one of three male African-American seniors at St. Peter's High School (our class is small – only 70 students), I sometimes feel as if I am the spokesman for the entire black community here, just as Erica (at the Meeting) addressed. As she said "I am Erica; judge me for myself, not just as a black person." Sometimes society does not see beyond the color of one's skin which is a result of prejudice and bigotry. I feared a similar situation would take place on the panel, but it was surprisingly more diverse that I expected. I know that it was necessary to involve "older adults" on the panel, because I feel that racism in the adolescent world was learned from "those over 30", but I was displeased with the ratio of students to older adults. I noticed that most of the adults used note cards while voicing their opinions, whereas the students spoke extemporaneously. This idea- preparation could hinder the true, spontaneous emotions that help us uncover the hidden causes that so desperately need to be discussed. When the Akron University student shared with us his true emotions about how he would be afraid if a poorly-dressed black man walked toward him, he didn't shuffle through notes and conclude his point with a well-prepared closing paragraph. I, too, was proud of him, Mr. President. His ability to make an honest, controversial statement in the spotlight of the nation helps make your first step, your "beginning" complete. Perhaps during the next Town Meeting, we can hear from that not-so-well-dressed young black man.

In that spirit of open honesty, Mr. President, if I had been on stage and had an opportunity to ask you a question, I would have asked: "In all honesty, what would you do if Chelsea dated a black man?"

Back in Mansfield, Ohio, I have addressed these issues with all those around me, in depth, and plan to make sure that the "pebble" you dropped continues to make waves in the waters of Mansfield. My part of the bargain will be kept, Mr. President. I'm sure you will keep yours. Let's do this .....and do it right. My future depends on it. It was an honor to see you in person, and it would be an even greater honor to hear from you as we fight against these evils of ignorance together.

Yours truly,

Jason Wilkes

Jason Wilkes

THE WHITE HOUSE
WASHINGTON

Jan. 12, 1998
1-13-98

Mr. President,

I thought you would enjoy this story from the wire.

Respectfully,
Pam

cc Puzzle w/ K L.

1/13/98
Send to Burkhardt?
Yes ✓
No ____

C.

Potus wants to send them a letter - He did puzzle - enjoyed doing it. Was funny

Date: 01/12/98 Time: 16:02
ANew York Times crossword gives clues that lead to marriage

NEW YORK (AP) With help from the puzzle editor of The New York Times, 27-year-old Bill Gottlieb encoded his intentions in a Times crossword, then watched as his beloved, 24-year-old Emily Mindel, solved 56 Across: Will You Marry Me?

Mindel, a third-year student at Brooklyn Law School and a crossword devotee, worked the puzzle over brunch Jan. 7 at a restaurant, while Gottlieb, a lawyer, sat across from her, pretending to read the paper.

As the puzzle took shape, she found her first name (18 Across: poet Dickinson), Gottlieb's first name (14 Across: Microsoft chief, to some) and the three long answers that provided the puzzle's theme: ``Modest Proposal'' (20 Across: 1729 Jonathan Swift pamphlet, with ``A''); ``This Diamond Ring'' (38 Across: 1965 Gary Lewis and the Playboys hit); and ``Will You Marry Me'' (56 Across: 1992 Paula Abdul hit, with Stevie Wonder on harmonica).

A quarter of the way through the crossword, Mindel said, her heart began to race.

``In the back of my mind, I thought this has to be for me, but it can't be,'' she said. ``It was just too coincidental.''

Gottlieb affected a detached air.

``Every time I said, `Oh, my name is in the puzzle,' he said, `Oh really?' and went back to reading the paper,'' she recalled.

Gottlieb picked up the story: ``Four letters from being done, her voice is sort of quivering and she says, `This puzzle ...'

``I said, `What do you mean?'

``She says, `This puzzle ...'

``I just kissed her and said, `Will you marry me?'''

Mindel's response was identical to the answer to 57 Down: ``Yes.''

Gottlieb, who grew up in Hawaii, began dating Mindel, a native New Yorker, in 1996 after they were introduced by relatives.

He sought Times puzzle editor Will Shortz's assistance last fall, after trying and failing to create his own puzzle proposal. Shortz, who had never met Gottlieb or personalized a puzzle before, liked the idea

``Normally a crossword is something two-dimensional in the paper,'' Shortz said. ``In this case, it gave the puzzle a third dimension. For most solvers, it's just a regular good crossword puzzle. It just held special meaning for two people, or a handful of people.''

>+++++

CYBERSPACE:

Journalism and the Internet: a new world of information

ARLINGTON, Va.(AP) The Internet can make the news more democratic, giving the public a chance to question and seek facts behind stories and candidates, the head of the country's largest online service said.

But the greatest potential for public participation is still in the future, Steve Case, chairman of America Online, told a Jan. 9 meeting on Journalism and the Internet sponsored by The Freedom Forum, a foundation promoting understanding of the news media.

Already, though, the new technology of computers is changing the face of journalism, giving reporters access to more information and their readers a chance to ask questions and turn to different

National Council
of Jewish Women

NCJW

1-13-98

January 12, 1998

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President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

Your office has our invitation to you to speak at our Washington Institute, NCJW's premiere public policy and advocacy event. We have been told it is still under consideration. It would be an honor and a thrill for our 800 delegates if you could join us on the evening of our Social Action Banquet, Tuesday, February 24th, or at any other time during the four-day conference that is convenient for you.

We will be advocating on Capitol Hill on behalf of your Child Care package, celebrating the 25th anniversary of *Roe v. Wade*, honoring Bill Lann Lee and others, among the highlights of the Institute.

In other words, this is obviously the place for you to be! I hope to be able to welcome you then.

Sincerely,

Nan

Nan Rich
National President

1-13-98

Send to Scheduling?

Yes ✓

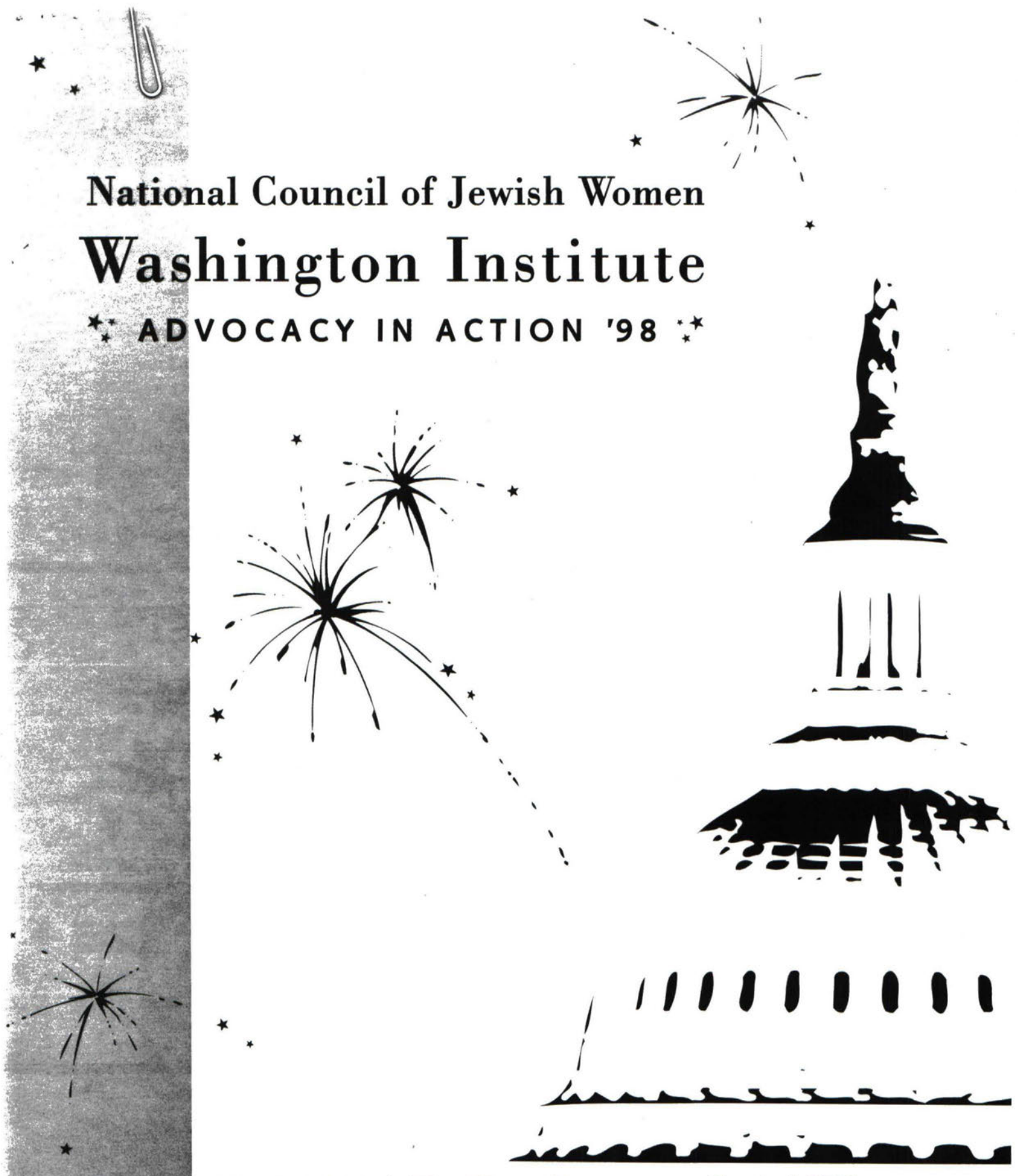
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C.

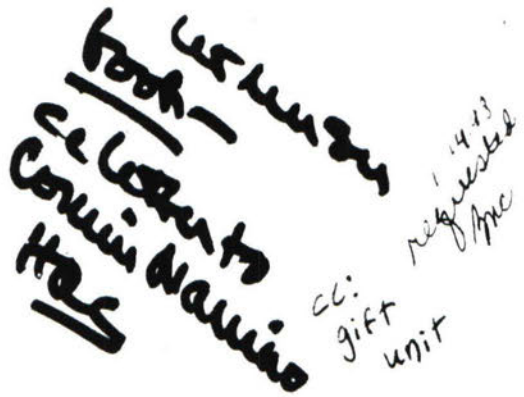
National Council of Jewish Women

Washington Institute

ADVOCACY IN ACTION '98



February 22-25, 1998 ★ The Hyatt Regency on Capitol Hill



THE WHITE HOUSE

WASHINGTON

January 13, 1998

Eric A. Weiss, MD
Associate Director of Trauma
Stanford University Medical Center
300 Pasteur Drive
MSOB X300
Stanford, California 94305-5408

Dear Dr. Weiss:

Thank you for your letter and for the book on Wilderness and Travel Medicine.

Hillary and I appreciate your kind offer to be of assistance with Chelsea's medical care while she's at Stanford. I hope we won't require your help -- but we'll let you know if we do. It is comforting to know you're there.

Thanks again for your concern and for taking the time to write.

Sincerely,

Bill Clinton

Eric A. Weiss, MD
Associate Director of Trauma
Stanford University Medical
Center
300 Pasteur Drive
MSOB X300
Stanford, California 94305-5408

STANFORD UNIVERSITY MEDICAL CENTER

STANFORD UNIVERSITY SCHOOL OF MEDICINE
Division of Emergency Medicine

November 23, 1997

President and Mrs. Clinton
White House
1600 Pennsylvania Avenue
Washington, D.C. 20005

Dear Mr. President and Mrs. Clinton:

I am the Associate Director of Trauma and an Emergency Room Physician at Stanford University Medical Center. I have been a medical instructor for the Special Forces and lecture for the Special Operations Medical Association. I am writing to offer my services to your daughter, or your family, with regard to any medical needs that you may have in the San Francisco Bay Area.

I know that you must be anxious as your daughter begins college far from home. I would like to offer my services, at any time, if Chelsea ever has any medical concerns, or would like guidance or exposure to the medical field as she pursues her studies at Stanford University.

In addition to Emergency Medicine and Trauma, I specialize in Wilderness and Travel Medicine. I am on the Board of Directors of the Wilderness Medical Society and run national conferences on Wilderness and Travel Medicine.

I am enclosing a copy of my recently published book on this topic. It is written for the lay public, and you may find it useful during your travels, or when you find time from your busy schedules to venture into the backcountry.

Please do not hesitate to call on me, if I can be of assistance with any medical matters for your family. I do not expect anything in return; I would consider it an honor to help the President and his family.

300 Pasteur Drive, MSOB X300 • Stanford, California 94305-5408
(415) 723-6576 • (415) 723- 0121

In addition to my office at the Medical School, I can also be reached through the Stanford University Medical Center paging system: (415) 723-8222 (pager #3154), or at my home address:

3936 Brookline Way
Redwood City, California 94062
(415) 369-1304

Please be advised that there are three physicians with the name "Eric Weiss" at Stanford. Please use my middle initial in any communication.

Best regards,

Eric A. Weiss, MD

Eric A. Weiss, MD
Associate Director of Trauma
Assistant Professor of Emergency Medicine
Stanford University School of Medicine

Suggested response for attached letter.

From Medical Unit. Received 1/8/98

Dear Dr. Weiss:

Thank you for your letter and book on Wilderness and Travel Medicine. We are very pleased with Chelsea's health care arrangements at Stanford, and do not anticipate requiring additional assistance.

Thank you for your concern.