PREPARED STATEMENT OF MR. REICH

I thank Senator Kerry for his warm introduction. We have been friends and neighbors for many years. I look forward to working with him as he continues his commitment to work force issues.

My congratulations to Senator Nancy Kassebaum, who has just become ranking minority member of this committee.

I can not proceed without acknowledging another friend. Senator Edward Kennedy has based his distinguished career in public service on fighting for health care, worker training and job creation. As chairman of this committee, he brings not only an intellectual commitment to the working men and women of our Nation, but an emotional one as well.

I want to thank each of you for all the courtesies extended to me, not the least of which is the speed with which you have scheduled this hearing. If confirmed, it will be a privilege to work with all of you.

Also, I want to introduce my wife, Clare. Our two young boys, Adam and Sam, are back in Cambridge, at school.

Mr. Chairman and members of the committee, I am deeply honored to have been asked by President-elect Clinton to serve as America's 22nd Secretary of Labor. I have known the President-elect for many years, and of his deep commitment to the issues on which this committee has taken the lead over many years—the education, training, working conditions, and living standards of our Nation's work force.

These issues lie at the heart of our economy and our society. In the emerging global system of production and distribution, our work force in many ways is the Nation's economy. How we address these issues in the years ahead will help determine the standard of living of Americans.

I know that this committee is concerned about unemployment levels which are distressingly high for this stage of a so-called recovery; the official unemployment figures mark an even larger number of people too discouraged to look for work, or who are working part-time who'd rather work full time. Indirectly or directly, the unemployment has touched everyone. My best friend since grade school has been looking for a job for more than a year. If confirmed, I will work as a member of President-elect Clinton's National Economic Council to help design macroeconomic policies which put Americans back to work.

But behind the business cycle—and beyond the capacities of fiscal and monetary policy—lies another, deeper longer-term problem, having to do with the quality of American jobs. For even as Americans go back to work, many are finding that their wages, benefits, and working conditions are worse than before. This is particularly true for the majority of Americans—front-line workers without university degrees. And if confirmed as Secretary of Labor, I am determined to help reverse this trend.

The American economy is putting an ever greater premium on education and skills. In industry after industry, the "knowledge" content of goods and services is rising. The gap in wages between university graduates and those without degrees is widening. I graduated from a first-rate college, was fortunate enough, along with the President-elect, to win a scholarship to a world-class universit and then to attend one of the Nation's leading law schools. I wa lucky. But unskilled, untrained Americans are losing out. If nc competing with low wage workers abroad, they increasingly ar competing with new technologies at home which are replacing rou tine work of all kinds.

Mr. Chairman and members of the committee, if you confirm m I will ensure that the Department of Labor is the Department the American Workforce—dedicated to nurturing our most impo tant national asset. The overarching goal is not only more jobs fc our citizens, but higher-wage jobs, and business organizatior which foster such jobs by continuously upgrading their workforc and providing safe and rewarding work for all their employees.

The specific goals which I will set for the Department refle these broad objectives.

The first is to provide a path to good jobs for the 75 percent our young people who do not complete 4 years of college, and who real wages are lower than they would have been had these you people entered the work force years ago, and career prospec bleaker.

The second goal is to help workers who have permanently lo their jobs get new ones which pay at least as well. This challeng too, is growing, as the American economy changes fundamenta through the development of labor-saving technologies, the perm nent downsizing of certain industries and large corporations, t contraction of national-defense industries, and the ever-great scope of global trade and investment. Unlike previous recessions significant portion of the jobs lost in this one will not return wh the economy rebounds.

Publicly supported job training alone will not create good jo Thus, the third goal is to foster business organizations which c ate ladders toward high-wage jobs even for those without univ sity degrees. Otherwise, the wage and benefit gap will continue widen.

My fourth goal is to foster the creation of good jobs which good not only because they pay well, but because they also prov a good work environment. High-performance work organization companies in the vanguard of American industry—are fan friendly to all their employees—responsive to the growing need single parents and of two-income families by offering pare leave, child care, elder care. They do not discriminate on the b of race, gender, or disability. They provide all their employees safe and healthy workplaces. And they ensure that all their ployees have adequate incomes when they retire.

America's leading businesses need no coaxing. They underst the importance of their human resources—including their front- workers—and the market is rewarding them for their long-t view. But I am concerned that other businesses are taking a sh er-term view, and the Nation's capital markets do not necessa encourage farsightedness. If the American work force as a whol to enjoy a higher standard of living in the future, and if Ame is to be competitive in the world economy, government must st ready to encourage the private sector as a whole to treat their force as their most precious asset.

How to encourage? I am not yet sure of the best combination of carrots, sticks, and educational outreach. I am aware of the inefficiencies and burdens upon all parties of a strategy based solely on regulations, inspections, and penalties. Business must be ready to collaborate, to become a true partner. Labor must join in the partnership. Human resource professionals and not-for-profit institutions must be involved as well. Sometimes the most efficient path will be to establish worker-management committees within companies; sometimes, for government to provide compliance education and assistance.

If confirmed, I will work closely with other departments of the Federal Government to promote higher-skill, higher-wage work for all Americans. I already have met with Secretary-designees Riley, Brown, Cisneros, and Aspin about these issues, and our collaboration will be ongoing. The Secretary of Labor sits on the President-elect's National Economic Council, and I can assure you that this agenda will be a major focus of attention there.

I also look forward to working closely with the Congress—the distinguished members of this committee, and your colleagues in the Senate, as well as with the Members of the House of Representatives. You all bring many years of experience and commitment to these issues.

Many States and cities have made enormous progress developing their workforces, and we have much to learn from their successes as well as their failures. I also hope to work closely with them.

Mr. Chairman, members of the committee, both of my parents worked. They owned a small retail business, two small shops which demanded 6 days a week from each of them. And my father spent a good part of his Sundays going over the accounts and the inventories. It was not an easy way to earn a living. They were both the workers and the managers of their small business, and at the dinner table I witnessed labor and management collaboration at its best (and on a few occasions, its worst). I'm sensitive to the unique concerns as well as the special opportunities of small businesses, and to their importance in the economy. Dad often complained about government and paperwork, but when one of his two shops was washed away in a flood, he got the help he needed from the government to start up again.

If I am confirmed as Secretary of Labor I will dedicate myself to the well-being of all Americans who work, who want to work, who must work. It will be truly the Department of American Workforce, a center of America's strategy for economic growth.

Thank you.

For Release Upon Delivery

Opening Statement
The Honorable Rodney E. Slater
Federal Highway Administration Administrator
Secretary of Transportation Designate
Committee on Commerce, Science and Transportation
The United States Senate
January 29, 1997

Mr. Chairman, Senator Hollings, members of the Committee -- I am doubly honored today.

First, by the very generous introductions I've heard from my home state Senators. Secondly, by the opportunity to come before this Committee to share the vision -- and the values -- that will guide me, if the Senate confirms my nomination to serve as the next United States Secretary of Transportation.

I have submitted a written statement that outlines this vision in detail. With your permission, Mr. Chairman, I ask that this statement be entered into the record.

My first aim today is to first keep my remarks brief; second to focus on what would be my main priorities, if confirmed; and third, and most important, to respond to -- and learn from -- your questions, as I did in my confirmation hearing as Federal Highway Administrator.

Let me begin by saying that when President Clinton nominated me, I was genuinely proud that I would have this opportunity, subject to your confirmation, to lead a Department that truly can, as the President said in his second inaugural address, "unleash the limitless potential of all our people, and, yes, form a more perfect union."

I was proud to learn that the President considered me worthy of leading the men and women of the DOT, who have done so much to shape and safeguard and improve the lifelines of America.

I was also honored to be asked to succeed my friend, Federico Peña.

During his tenure as Secretary, our Department of Transportation has helped to create hundreds of thousands of new jobs through infrastructure investments that have raised the productivity of our nation's entire economy. We have truly fostered the intermodalism envisaged by ISTEA. And we have responded competently -- with care and dispatch -- to fellow Americans stricken by a series of natural disasters from earthquakes to floods.

These are just a few elements of Secretary Peña's legacy that I hope, with your confirmation, to carry forward.

I'd like to turn now, Mr. Chairman, to outline for you the key priorities that will guide me if the Senate sees fit to confirm my nomination.

First and foremost, the safety and security of all of our nation's transportation systems will be my highest priority -- a moral commitment as well as a policy imperative. Nothing is more important to me, to the American people, and, of course, to the members of this Committee.

If confirmed, I will do everything I can to see that the Department of Transportation continues to make the safety of the American people our number one goal -- the true"North Star" that guides our moral compass.

Together with our partners in the states, local officials, community groups and private industry, the Department of Transportation has made enormous strides over the years on safety.

I would submit to you, Mr. Chairman, that the steady progress we've made over the past two decades, in a none-partisan manner, has saved countless thousands of American lives -- lives that would have been lost, absent our safety efforts.

But as our population and economy grow, we are also experiencing rapid growth in vehicle miles travelled, in airline seats boarded, in rail tonnage shipped -- indeed in virtually all modes of travel and transport.

That means we must re-double our efforts -- increase our vigilance -- if we hope to accommodate Americans' rising demand for mobility without back-sliding on our hard-won safety gains. In safety, with lives in the balance, we all must do everything we can to ensure the highest possible levels of safety.

Mr. Chairman, I pledge to you, to the Senate, and to the American people that if my nomination is confirmed, saving lives and improving safety will be my highest goal -- bar none.

My second key priority, Mr. Chairman, will be to work with you and with all of the members of Congress to continue a series of vital investments and initiatives to improve America's transportation infrastructure.

These strategic investments include the reauthorization of ISTEA and the creation of a policy framework for the post-Interstate era, the reauthorization of several other key transportation programs, and continued reform at the Federal Aviation Administration.

I hope, for example, to work closely with Congress to secure enactment of FAA financial reform to complete the work of the Administration and Congress in providing the FAA with the tools and resources to meet -- and master -- the challenge of dramatically rising air travel demand -- while maintaining the world's most stringent safety standards.

I will use our new legislative authority as well to reform our nation's Maritime programs, to continue our efforts to revitalize a vibrant commercial ship-building industry, and to enhance the safety of America's network of oil and natural gas pipelines.

All of these investments in the efficiency and safety of our transportation systems do more than create good jobs in our transportation industries. They sustain the growth of our whole economy -- equipping Americans to move people and goods more efficiently than any other nation's citizens or business enterprises can. These investments are what enables America to meet the challenge of tough global competition.

More than that, if we mange these investments well, in the international spirit of ISTEA, we can ensure that all of our modes of transportation come together to create a more and more seamless, truly national network that is, like the United States itself -- something more than the sum of its parts.

Mr. Chairman, transportation spending isn't an end in itself; it is an investment that spurs the growth of our economy and creates jobs. Indeed, as we move forward to meet the transportation needs of the 21st century, we must look ahead to prepare our existing workforce and our young people for the growing number of high-paying transportation jobs that will be created as the result of our progress. I hope to strengthen the linkages with the Departments of Education and Labor, as well as the private sector, to ensure that the right training programs are in place to ensure a steady stream of quality workers in the years ahead.

Mr. Chairman, I believe that transportation investments do more than anything else that we do in Washington to knit together America's diverse states in regions and peoples in to a "more perfect union."

That's why, if I am confirmed as Secretary, investment in and improvement of our transportation infrastructure will come second only to safety itself on my list of priorities.

I look forward to working toward that goal in partnership with the Senate and the House, with state and local officials, and private industry. I believe that in the years that follow reauthorization of ISTEA, we can, together, match and even surpass the historic achievements of the Interstate Era.

My third priority, if confirmed, will be to continue the progress we have made in bringing common sense government to a Department of Transportation that works better and costs less.

Let me point to a good example of common sense government in the Department -- the U.S. Coast Guard -- whose men and women are on the front lines of safety every day using technology to work smarter. Over the last four years, the Coast Guard's streamlining plan has saved more than $300 million dollars and eliminated almost 4,000 positions.

I will encourage more of the innovative and flexible financing and contracting techniques that we have already pioneered.

Precisely because we have already begun to adopt such disciplines -- and to build such partnerships -- President Clinton, with your support in Congress, has been able to sustain record-level investment in transportation infrastructure over the past four years.

We must carry on that work: making sure that every federal dollar we invest is used as strategically and as commonsensically as possible.

Because while we must -- and we will -- continue the path of restoring real discipline to the national budget, we also need to continue making the transportation investments that are the seeds of an even brighter future for America.

Those are my priorities Mr. Chairman, but not my whole agenda.

I've elaborated my broader vision in my prepared statement -- and I look forward to discussing it with all of you in response to your questions.

Let me conclude by thanking this committee for the courtesy and consideration that you have extended to me. Mr. Chairman, members of the Committee, I am privileged to be here before you, and honored by the job for which you are considering me.

I am ready to do that job. So, let's get started. Mr. Chairman, I welcome your questions.

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Opening Statement

Secretary of Energy Designate

Federico Peña

Committee on Armed Services

United States Senate

February 5, 1997

Mr. Chairman, Senator Levin and Members of the Committee, I am honored to appear before you as President Clinton's nominee for Secretary of Energy. At the outset, I would like to express my gratitude for this opportunity to discuss the national security programs at the Department of Energy. These vital programs constitute approximately two-thirds of the Department's overall budget, utilize almost 60 percent of the Department's human resources, and cover a broad range of activities that are of interest to all Americans.

I take very seriously the national security responsibilities of the Department of Energy. You have my pledge that if confirmed, I will work closely with each of you to ensure that these responsibilities are fully met.

If confirmed, I will address four key priorities among the national security programs at the Department of Energy:

1. Maintaining a safe and reliable nuclear weapons stockpile without nuclear testing.

2. Ensuring that there is an adequate and timely supply of tritium.

3. Reducing the global nuclear danger by aggressively pursuing non-proliferation programs, eliminating excess weapons grade materials, and safely dismantling nuclear warheads pursuant to international arms control treaties.

4. Cleaning up former nuclear weapons sites and finding a more effective and timely path forward for the disposal of nuclear waste.

These priorities present significant challenges -- each of which will require a sustained bipartisan commitment to ensure success. I welcome these challenges. I am also grateful for the confidence the President has placed in me to discharge these responsibilities effectively. I look forward to the opportunity to work with you and your colleagues to address them.

Stockpile Stewardship and Management

Maintaining a safe and reliable nuclear deterrent without nuclear testing is a firm commitment the Department has made to the President and to the Nation. I can think of no more serious responsibility than certifying to the President on an annual basis the safety and reliability of the nuclear stockpile. And if at any time this certification cannot be made, I would advise the President promptly and bring to his attention the full range of options that might be needed to resolve the problem.

To carry out its nuclear stockpile responsibilities, the DOE has formulated the Stockpile Stewardship and Management program. The program's goal is to maintain a safe and reliable nuclear deterrent without underground testing. The program will maintain the core intellectual and technical competencies of the weapons plants and laboratories. DOE is maintaining the ability to resume underground testing at the Nevada Test Site and reconstitute weapons production capacities, consistent with Presidential Directives and Senate conditions of ratification of the START II Treaty. The DOE has worked closely in developing this program with the Defense Department and others in the national security arena. I was pleased to learn that the Department of Defense and, specifically, the Nuclear Weapons Council has endorsed DOE's plans.

Tritium

In December 1995, the Department announced a "dual track" approach for the production of tritium, a gas that is necessary to maintain reliable, effective nuclear weapons. Under the "dual track" approach, the Department is advancing two options for the production of tritium -- using existing commercial light water reactors and building an accelerator to perform this mission. By December 1998, the Department plans to select an approach to be the primary, long-term source of tritium; the other would be maintained as a backup.

This "dual track" approach follows direction from the President and has been reviewed and approved by the Department of Defense. DOE's strategy is proceeding on schedule. The Department has completed detailed program plans for the accelerator. A prime contractor has been selected to work with Los Alamos and Savannah River to complete the design phase of the accelerator program and if the accelerator is chosen as the primary supply, begin construction.

The Department has solicited expressions of interest from a number of civilian light water reactor owners. On January 15, the Department published a draft Request for Proposal (RFP) and issued the draft for comment on January 28, 1997. The RFP will trigger the first stages of a federal procurement for civilian light water reactor production of tritium. Tritium target testing is planned for late 1997 to provide necessary technical and licensing information for the civilian reactor approach.

Last month, the Department decided to maintain the Fast Flux Test Facility at the Hanford site in Washington in a standby condition, while any future role it may have in the Department's tritium production is evaluated. I support this strategy as a low-cost approach that would add to the Department's ability to ensure that the tritium needs for the strategic nuclear warhead stockpile are met.

Mr. Chairman, on the basis of my review of the Department's plans, I am confident that the "dual track" approach that the Department of Energy has adopted will meet the requirements of Defense Department. Of course, the Committee will also want to be satisfied on this matter including whether the selection of a primary option could be advanced to an earlier date. It is my hope that the report required by the Defense Authorization Act of 1997 will provide an opportunity for a full review of Department plans.

Nuclear Nonproliferation

If confirmed, I will work equally hard on matters relating to nuclear nonproliferation, a major thrust of the Department's national security program. We cannot allow nuclear weapons materials to fall into the hands of terrorists or rogue states. DOE's unique expertise in designing, manufacturing and protecting the U.S. arsenal allows it to play a lead role in controlling the materials, technology, and knowledge needed to build nuclear and other weapons of mass destruction.

Already, the Department has a number of successful efforts underway to control specialized materials and technology domestically and internationally. Excess nuclear weapons materials, particularly highly enriched uranium and plutonium, must be rendered unusable for future weapons purposes. With additional funds provided at the urging of this Committee, DOE is working on disposition of U.S. plutonium, through its recently developed dual track plan, and is engaged in discussions with Russia on options for disposition of that nation's substantial plutonium stockpile.

DOE and its personnel are also actively involved in other key nonproliferation activities: in North Korea, protecting spent fuel from diversion to weapons use; in Russia and the Newly Independent States, protecting existing nuclear weapons material and working to halt additional production of materials; and with the International Atomic Energy Agency, stopping nascent weapons programs internationally. This Committee was instrumental in allowing the skills of the DOE complex to be applied to fighting chemical and biological as well as nuclear threats. I would ensure, if confirmed, that DOE approaches this enlarged mission with the urgency it demands.

Weapons Site Cleanup

Another vital national security activity, in which this Committee has been closely involved, is cleaning up the legacy of the Cold War nuclear weapons program. Mr. Chairman and Members of the Committee, I understand the significant responsibility and challenge that the Secretary of Energy has in cleaning up the former nuclear weapons sites. My experience with Rocky Flats, which produced plutonium parts for our nuclear arsenal, makes me particularly sensitive to the concerns of millions of Americans who want a prompt, safe and efficient cleanup of their communities. The Department now is achieving "on the ground" results under a program that is far more cost-effective than it was four years ago. This is being accomplished by working cooperatively with the states, local officials, and citizens through improved contracting, technology development, and risk management.

DOE has had a number of successes in speeding up the cleanup. For example, at the Savannah River Site in South Carolina the Department deployed three new technologies to achieve a 75% increase in the removal of organic solvents, including more than 90,000 pounds removed from soil and groundwater within the "A/M" area. At the Oak Ridge Reservation in Tennessee, the Department's cleanup program has capped 121 contaminated acres, remediated 38 acres of radioactively contaminated collection ponds and incinerated over 1.5 million kilograms of waste.

STATEMENT OF ANDREW CUOMO, SECRETARY-DESIGNATE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BEFORE THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
UNITED STATES SENATE
JANUARY 22, 1997

THANK YOU CHAIRMAN D'AMATO, SENATOR SARBANES, AND OTHER DISTINGUISHED SENATORS FOR GIVING ME THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY. AND THANK YOU, SENATORS D'AMATO AND MOYNIHAN, FOR YOUR KIND INTRODUCTION.

I'M GRATEFUL FOR THE CONFIDENCE THIS COMMITTEE EXPRESSED IN ME IN 1993 IN CONFIRMING ME FOR MY CURRENT POSITION AS ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT. I VERY MUCH APPRECIATE THE PRODUCTIVE BI-PARTISAN PARTNERSHIP THAT WE HAVE ENJOYED.

I ALSO WANT TO THANK ESPECIALLY SECRETARY HENRY CISNEROS FOR BEING HERE TODAY TO SUPPORT ME. I COULD USE MY ENTIRE TIME AT THIS HEARING JUST TALKING ABOUT WHAT SECRETARY CISNEROS HAS DONE FOR THIS COUNTRY. PUT SIMPLY, HIS VISION, LEADERSHIP AND COMMITMENT HAVE MADE HIM AN OUTSTANDING LEADER -- AND IN MY OPINION -- THE BEST SECRETARY IN THE HISTORY OF HUD. IT HAS BEEN A PERSONAL HONOR TO SERVE WITH HIM OVER THE PAST FOUR YEARS. THANK YOU, MR. SECRETARY.

I AM PROFOUNDLY GRATEFUL TO THE PRESIDENT FOR THE CONFIDENCE DEMONSTRATED BY HIS NOMINATION AND THE EXPANDED OPPORTUNITY TO SERVE IN HIS ADMINISTRATION. I LOOK FORWARD TO HELPING BUILD ON THE PRESIDENT'S ALREADY HISTORIC RECORD OF ACHIEVEMENT.

I WOULD ALSO LIKE TO EXPRESS MY APPRECIATION TO MY COLLEAGUES AT THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WHO WORK HARD AND EFFECTIVELY EVERY DAY TO SERVE AMERICA'S COMMUNITIES.

ON A PERSONAL NOTE, IF I MAY, I'D LIKE TO PAUSE A MINUTE TO INTRODUCE MY WIFE, KERRY, AND ASK HER TO STAND.

THE LAST FOUR YEARS HAVE SHOWN THAT WHEN WE WORK TOGETHER WE CAN PRODUCE REAL RESULTS FOR AMERICA. TODAY, BECAUSE OF <u>ALL</u> OF OUR EFFORTS ON BOTH SIDES OF THE AISLE IN CONGRESS AND IN THE EXECUTIVE BRANCH, THE ECONOMY IS STRONG AND MORE AMERICANS ARE BENEFITING. JOBS ARE UP. HOMEOWNERSHIP IS UP. CRIME IS DOWN. UNEMPLOYMENT IS DOWN AND SO IS POVERTY.

AMERICA IS POINTED IN THE RIGHT DIRECTION -- BUT AS THE PRESIDENT NOTED MONDAY -- THE BEST IS YET TO COME. HE KNOWS WELL THE CHALLENGES THAT STILL LIE AHEAD.

TODAY, ONE OUT OF FIVE AMERICAN CHILDREN LIVE IN POVERTY. OVER 5 MILLION AMERICAN FAMILIES SPEND OVER 50% OF THEIR INCOME ON RENT. THERE ARE MANY IN OUR MIDDLE CLASS WHO PLAY BY THE RULES AND WORK HARD EVERYDAY BUT WHO HAVE NOT GAINED A FAIR SHARE OF THE AMERICAN DREAM.

AND THE CHALLENGES FACING AMERICA'S COMMUNITIES ARE NOT LIMITED TO CERTAIN GEOGRAPHIC AREAS. CHALLENGES ONCE ASSOCIATED SOLELY WITH URBAN AMERICA NOW ARE EVIDENT COAST TO COAST.

CHALLENGES ONCE ONLY THE PROVINCE OF OUR OLDER CITIES -- PLACES LIKE BOSTON, BALTIMORE, CHICAGO AND NEW YORK -- TODAY, PLAGUE AREAS ONCE THOUGHT TO BE SAFE HAVENS -- PLACES LIKE DENVER, PHOENIX, TACOMA AND LAS VEGAS.

THE CHALLENGES WE FACE ARE ALSO NOT JUST LIMITED TO THE CITIES. FINDING SOLUTIONS FOR THE CHALLENGES OF POVERTY IN RURAL AMERICA CAN BE JUST A DIFFICULT AS FINDING SOLUTIONS FOR THE CHALLENGES OF POVERTY IN URBAN AMERICA. TO COMPOUND THE SITUATION, THE CHALLENGES COME AT A TIME WHEN THERE ARE FEWER AND FEWER RESOURCES.

IF WE WERE ALLOWED TO MAKE A CHOICE BETWEEN FISCAL PRUDENCE AND MEETING THE OBVIOUS NEEDS OF TROUBLED AMERICANS, THE CHOICE WOULD BE DIFFICULT INDEED. BUT IN TRUTH, WE HAVE NO CHOICE BECAUSE WE HAVE AN UNDENIABLE RESPONSIBILITY TO BALANCE THE BUDGET AND, AT THE SAME TIME, WE HAVE AN EQUALLY UNDENIABLE RESPONSIBILITY TO MEET THE CHALLENGES THAT LIE AHEAD -- WE HAVE TO DO BOTH.

HOW? WITH A GOVERNMENT THAT IS SMARTER, SMALLER, AND BETTER. AS THE PRESIDENT SAYS, "BY DOING MORE WITH LESS."

WE MUST REMAIN COMMITTED TO OUR WORTHWHILE GOALS, BUT NOT TO FAILED MEANS. WE MUST BE WILLING TO ADMIT THAT SOME PROGRAMS DON'T WORK. WE MUST RECOGNIZE THE ROLES OF GOVERNMENT AND THE PRIVATE SECTOR AND THE PARTNERSHIPS THAT CAN BE FORGED.

I UNDERSTAND THIS IN A VERY PERSONAL WAY. AS THE SECRETARY MENTIONED, I ENTERED HOUSING -- NOT AS A GOVERNMENT OFFICIAL -- BUT AS A BUILDER, OPERATOR, AND MANAGER, RESPONSIBLE FOR MEETING A PAYROLL AND BALANCING A BUDGET.

I LEARNED THAT THE OBJECT OF OUR EFFORTS MUST BE THE DEVELOPMENT OF SELF-SUFFICIENCY -- NOT THE PERPETUATION OF GOVERNMENT PROGRAMS. MY EXPERIENCE REMINDED ME THAT THE PRIDE AND DIGNITY OF HAVING A JOB AND EARNING ONE'S OWN BREAD IS THE BEST SOCIAL SERVICES PROGRAM THAT EXISTS. I LEARNED THAT THE PRIVATE SECTOR IS THE ENGINE THAT WILL DRIVE THE ECONOMIC REBIRTH OF A COMMUNITY AND THAT REAL SOLUTIONS WILL BE FOUND IN THE LOCAL COMMUNITIES -- THROUGH LOCAL PARTNERSHIPS AND LOCAL INITIATIVES.

THESE EXPERIENCES WILL HELP GUIDE ME AS I SEEK TO FULFILL HUD'S MISSION -- A MISSION WHICH BEGINS WITH A SIMPLE, YET PROFOUND GOAL CLEARLY PROCLAIMED BY THE HOUSING ACT OF 1949: "**A DECENT HOME AND A SUITABLE LIVING ENVIRONMENT FOR EVERY AMERICAN FAMILY**."

THE FEDERAL HOUSING ADMINISTRATION, SECTION 8 PROGRAM, AND -- THANKS TO THIS COMMITTEE -- THE VERY SUCCESSFUL HOME PROGRAM ARE POWERFUL TOOLS TO BUILD THAT FOUNDATION. PUBLIC HOUSING IS BEING TRANSFORMED TO PROVIDE SAFE, SUPPORTIVE ENVIRONMENTS. HOMEOWNERSHIP, AT THE HIGHEST RATE IN OVER A DECADE, IS WITHOUT EQUAL IN GIVING PEOPLE A STAKE IN THEIR COMMUNITY. COMMUNITY DEVELOPMENT BLOCK GRANTS PROVIDE A COMPREHENSIVE APPROACH. ECONOMIC DEVELOPMENT INITIATIVES HELP CREATE THE JOBS THAT DRIVE AND SUSTAIN

A COMMUNITY. FAIR HOUSING RECOGNIZES OUR OBLIGATIONS TO ONE ANOTHER, AND THE DEPARTMENT'S HOMELESS PROGRAMS EXTEND A HAND UP FOR THOSE WHO ARE DOWN.

ALL OF THESE PROGRAMS MUST BE SUPPLIED IN ALL OF THE PLACES WHERE THE CHALLENGES EXIST; AND, AS I HAVE NOTED, THAT GOES FAR BEYOND THE URBAN AREAS. TODAY, MORE AND MORE AMERICANS LIVE IN EXTENDED METROPOLITAN AREAS WHERE THE LINE BETWEEN CITIES AND SUBURBS HAVE BECOME BLURRED. A HEALTHY, VIBRANT, SAFE CITY OF TODAY MEANS A HEALTHY, VIBRANT, SAFE SUBURB OF TOMORROW. THE INTERRELATIONSHIP BETWEEN CITY AND SUBURB PROVIDES A RELEVANT CONTEXT FOR OUR MISSION AS WE ENTER THE NEXT MILLENNIUM.

HUD'S MISSION, HOWEVER, CANNOT BE CARRIED OUT IN THE FUTURE UNLESS **HUD'S** OWN HOUSE IS IN GOOD ORDER TODAY. I HAVE HEARD THE COMMITTEE'S CONCERN, AND I AGREE, THERE **MUST** BE EFFECTIVE MANAGEMENT AND FINANCIAL ACCOUNTABILITY AT HUD. LET ME ASSURE THE COMMITTEE, THAT WHILE MUCH PROGRESS HAS ALREADY BEEN MADE, I WILL CONTINUE TO BUILD ON SECRETARY CISNEROS'S EFFORTS AND MAKE FURTHER MANAGEMENT IMPROVEMENTS.

I THINK MY TRACK RECORD IN HUD'S OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT REFLECTS MY COMMITMENT TO MANAGEMENT REFORM. OVER THE PAST FOUR YEARS AT HUD, MY OFFICE'S PERSONNEL HAS BEEN REDUCED BY ABOUT TWENTY-FIVE PERCENT -- WHILE PROGRAM RESPONSIBILITY HAS NEARLY DOUBLED. HOW HAVE WE DONE IT? BY STREAMLINING, DECENTRALIZING, AND CONSOLIDATING. I WILL TAKE THESE EXPERIENCES WITH ME TO THE SECRETARY'S OFFICE.

DISTINGUISHED SENATORS, RECOGNIZING THAT OUR SHARED GOALS UNITE US MORE THAN OUR PARTY LABELS DIVIDE US, I ASK YOU FOR THE CHANCE TO WORK WITH THIS COMMITTEE, WITH EACH OF YOU INDIVIDUALLY, AND WITH THE REST OF THE SENATE TO FORM A BI-PARTISAN CONSENSUS THAT WILL CARRY OUR CURRENT SUCCESSES TO A NEW LEVEL OF REALIZATION.

DESPITE ALL THE POSITIVE ECONOMIC READINGS, THERE ARE STILL MILLIONS OF AMERICANS WHO HAVE NOT EXPERIENCED THE AMERICAN MIRACLE.

OUR GOAL MUST BE TO CREATE A FUTURE UNLIKE ANY THAT HAS COME BEFORE -- A FUTURE OPEN TO ALL -- IN WHICH NO PERSON IS LEFT BEHIND AND IN WHICH NO COMMUNITY IS FORGOTTEN. A FUTURE IN WHICH EVERYONE WILLING TO DO HIS OR HER PART WILL BE EMPOWERED WITH THE TOOLS TO REACH AS HIGH AS THEIR TALENTS AND HARD WORK WILL TAKE THEM. A FUTURE IN WHICH THE BRIGHT SUN OF OPPORTUNITY WILL REACH THOSE WHO HAVE LIVED TOO LONG IN THE SHADOWS. WE CAN DO IT -- TOGETHER.

THANK YOU.

Background Materials

for

Members of Congress

on

The Nomination of Charlene Barshefsky

to be

United States Trade Representative

January 1997

Materials Enclosed

1- Biography on Ambassador Charlene Barshefsky

2- President's Transmittal Letter

3- Background Information on Waiver process

4- A copy of S. J. Resolution 5 and Roth Statement Introducing the bill.

5 Statements by Members of Congress on Charlene Barshefsky and her Nomination

6- Quotes on Charlene Barshefsky from the Public and Private Sectors

7- Selected Articles on Trade and Charlene Barshefsky

Ambassador Charlene Barshefsky
United States Trade Representative Designate

Throughout her tenure at the Office of the U.S. Trade Representative (May 1993 - present) Ambassador Charlene Barshefsky has played a central role in developing and implementing the Administration's trade policy objectives. Upon naming her Acting U.S. Trade Representative in April 1996, the President noted Ambassador Barshefsky's tenacity and labeled her "a brilliant negotiator for our country." In announcing his intention to nominate her as United States Trade Representative on December 13, 1996, President Clinton said, "She is a tough and determined representative for our country, fighting to open markets to the goods and services produced by American workers and businesses...I'm very glad she'll be on the job for America."

In his announcement, the President referred explicitly to the recent World Trade Organization Ministerial Meeting in Singapore where Ambassador Barshefsky marshaled support for a global Information Technology Agreement (ITA) to boost world technology trade. The Information Technology Agreement would expand trade in an area that today represents more than $500 billion in global trade in which the United States is the world leader in exports and new technological development. *The Washington Post* (December 15, 1996) noted "the energetic acting U.S. Trade Representative Charlene Barshefsky... deserves much of the credit for the agreement."

As the President's chief trade negotiator and trade policy maker, she has played an instrumental role in solving trade disputes with Japan, China and numerous other nations on behalf of the United States. Ambassador Barshefsky's tenure at USTR demonstrates a consistent focus to open global markets through bilateral and multilateral trade agreements that increase export opportunities for U.S. businesses and workers, a central principle in President Clinton's economic strategy to build domestic prosperity. Of her nomination to serve as U.S. Trade Representative, Gary Hufbauer, Senior Fellow at the Institute for International Economics, said "she is easily the most qualified, most knowledgeable person on trade law ever nominated to this post."

Prior to her appointment as Acting United States Trade Representative, she served as Deputy United States Trade Representative since May 28, 1993. In this role, she was instrumental in successfully negotiating multiple trade agreements and investment treaties, and directed unprecedented efforts to protect intellectual property rights around the world. In the past four years, she has played a leading role in devising and implementing the Administration's strategy to expand trade within the Asian-Pacific Economic Cooperation (APEC) region and throughout the Western Hemisphere through the Free Trade Area of the Americas (FTAA).

With regard to Japan, Ambassador Barshefsky has served as a key policy maker and was a negotiator of the comprehensive "1994 Framework Agreement." Under the Framework Agreement, Ambassador Barshefsky has negotiated numerous market access agreements in such areas as Japanese government procurement practices, telecommunications equipment, insurance, flat glass, agricultural products, wood products, computers, semiconductors, medical equipment and technology, and cellular phone service. She was also instrumental in formulating the

Administration's strategy with respect to the U.S.-Japan auto dispute. "Charlene Barshefsky is a powerful, effective advocate for American trade interests -- exactly the type of person I want in our corner, as we continue to seek greater access to foreign markets for American products," said Robert J. Eaton, Chairman, CEO & President, Chrysler Corporation.

In August 1996, Ambassador Barshefsky secured a new U.S.- Japan agreement on semiconductor trade that retains key features of previous agreements while encouraging other nations to eliminate tariffs on semiconductors -- another area where the United States is the world leader in production and exports. In December 1996, Ambassador Barshefsky negotiated a market access agreement that builds on the 1994 Framework Agreement by providing for substantial deregulation of the Japanese insurance market while securing concrete opportunities for foreign companies to sell insurance in Japan on a competitive basis.

With regard to trade matters with China, Ambassador Barshefsky negotiated the 1995 and 1996 landmark intellectual property rights enforcement agreements that require closure of illegal CD and software factories and open the Chinese market for the legitimate sale of U.S. software, music, and film products. Ambassador Barshefsky has also fought to increase market access in China for U.S. agricultural products, high-tech equipment, and services such as insurance and telecommunications. She has also been instrumental in formulating the DEC process in Korea and the Alliance for Mutual Growth (AMG) with the ASEAN countries, as well as directing an activist approach with APEC on trade and investment issues.

With regard to agricultural trade, Ambassador Barshefsky has led efforts to open markets for U.S. producers leading to a 30% increase in the value of agricultural exports 1994 through 1996. She has aggressively sought to eliminate non-scientific trade barriers with market-opening actions to boost beef exports to Korea and increase the availability of fresh produce in Japan and China. Recently, she successfully fought back potential European trade barriers that could have far-reaching consequences for soybean and corn exports. Dean R. Kleckner, President of the American Farm Bureau Federation noted, "Ambassador Barshefsky's appointment will provide the needed continuity to address the current and growing number of trade barriers facing American agriculture." In November 1996, Ambassador Barshefsky and Israel's Minister of Industry and Trade, Natan Sharansky, launched a new agricultural trade agreement which could push U.S. agricultural exports to Israel to more than $800 million by the year 2000.

Ambassador Barshefsky has been leading U.S. efforts to expand trade with the European Union under the New Transatlantic Agenda, including a round of new mutual recognition agreements that will reduce manufacturers' costs -- a key objective of the U.S.-EU Transatlantic Business Dialogue. She is also directing cooperative trade initiatives with Russia and the former Soviet Republics to accelerate economic development in the region. Ambassador Barshefsky has also called for comprehensive reform of the U.S. General System of Preferences (GSP) trade benefits program to meet the needs of the least-developed countries, particularly in sub-Sahara Africa so that trade policy complements other global development objectives.

In the Western Hemisphere, under the North American Free Trade Agreement (NAFTA), U.S. exports to Canada and Mexico are up by more than 34% over pre-NAFTA levels -- and 1996 exports to Mexico are up 21% from 1995, recovering dramatically from a temporary fall-off in 1995 due to the Mexican Peso crisis. Ambassador Barshefsky is continuing to press for increased market access on a wide range of issues. For example, she has initiated several actions against restrictive Canadian trade barriers in areas that would expand dairy and poultry exports, increase sales opportunities for U.S. publications, enhance access for U.S. telecommunications companies, and strike-down discriminatory software policies. At Ambassador Barshefsky's direction, the U.S. has also maintained a close watch on some commodity and staple crops such as wheat and barley to ensure that domestic producers are not adversely impacted by market disruption.

With the rapid growth of U.S.- Latin American trade, Ambassador Barshefsky has served as the lead policy maker and negotiator of the Free Trade Area of the Americas Agreement (FTAA). She has also led the Administration's efforts to develop bilateral and regional trade initiatives with particular emphasis on Brazil, Argentina, the CARICOM countries and Central America. Among these efforts, she has pursued the CBI Parity initiative, as well as promoting policies that ensure the adequate and effective protection of U.S. investment and intellectual property rights within the region.

On a global basis, Ambassador Barshefsky is working to secure an investment agreement among OECD countries in 1997 to protect American interests abroad. Her pioneering efforts in global intellectual property rights enforcement have led to enforcement actions in more than fifteen countries under "Special 301" provisions of U.S. trade law.

Prior to her appointment at USTR, Ambassador Barshefsky was a partner in the Washington, D.C. law firm of Steptoe & Johnson. She specialized in international trade law and policy for 18 years and co-chaired the firm's substantial International Practice Group.

Both during her tenure at USTR and at Steptoe & Johnson, Ambassador Barshefsky has published, lectured, and testified extensively on U.S. and international trade policy and laws.

Ambassador Barshefsky graduated from the University of Wisconsin in 1972 and, in 1975, from the Columbus School of Law at the Catholic University in Washington, D.C., having received numerous academic honors and awards at both institutions.

Ambassador Barshefsky is married to Edward B. Cohen. The couple resides in Washington, D.C. with their two daughters Mari and Devra.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 8, 1997

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit herewith for your immediate consideration and enactment legislation to provide a waiver from certain provisions relating to the appointment of the United States Trade Representative.

This draft bill would authorize the President, acting by and with the advice and consent of the Senate, to appoint Charlene Barshefsky as the United States Trade Representative, notwithstanding any limitations imposed by certain provisions of law. The Lobbying Disclosure Act of 1995 amended the provisions of the Trade Act of 1974 regarding the appointment of the United States Trade Representative and the Deputy United States Trade Representatives by imposing certain limitations on their appointment. These limitations only became effective with respect to the appointment of the United States Trade Representative and Deputy United States Trade Representatives on January 1, 1996, and do not apply to individuals who were serving in one of those positions on that date and continue to serve in them. Because Charlene Barshefsky was appointed Deputy United States Trade Representative on May 28, 1993, and has continued to serve in that position since then, the limitations in the Lobbying Disclosure Act, which became effective on January 1, 1996, do not apply to her in her capacity as Deputy United States Trade Representative and it is appropriate that they not apply to her if she is appointed to be the United States Trade Representative.

I have today nominated Charlene Barshefsky to be the next United States Trade Representative. She has done an outstanding job as Deputy United States Trade Representative since 1993 and as Acting United States Trade Representative for the last 9 months. I am confident she will make an excellent United States Trade Representative. I urge the Congress to take prompt and favorable action on this legislation.

WILLIAM J. CLINTON

THE WHITE HOUSE,
January 7, 1997.

Waiver of Statutory Requirements Related to Persons Appointed By and With the Advice and Consent of the Senate

Background

In general, there are few statutory provisions containing explicit requirements relating to the background qualifications or other attributes of those persons that may be appointed to an executive branch positions by and with the advice and consent of the Senate. This is due to the fact that such broad restrictions are generally viewed as violating the President's constitutional prerogative to nominate persons of his choosing to senior executive branch positions, and as unnecessary because the Senate can factor in any concerns regarding background qualifications as part of its advice and consent process.

Nonetheless, the Congress has established, in limited circumstances, specific criteria for certain executive branch positions. These restrictions most often focus on whether the nominee is a civilian or a member of the armed services. For example, both the Administrator of the Federal Aviation Administration[1] and the National Aeronautics and Space Administration[2] are required by statute to be civilians.

Waivers Granted

Notwithstanding the specific statutory requirements that a civilian be appointed to head the FAA and NASA, Congress has routinely enacted a waiver of that requirement in those instances in which the President has nominated and the Senate has provided its advice and consent to the appointment of a person from the armed services to such a position.

Examples of such waivers include:

1. Rear Admiral Richard Harrison Truly was appointed to be head of NASA through a waiver to the statutory requirement for a civilian head of the NASA.

    P.L. 101-48, June 10, 1989, 103 Stat. 136

2. Major General Jerry Ralph Curry was appointed Administrator of the FAA through a waiver of the statutory requirement for a civilian head of the FAA.

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[1] Section 301 of the Federal Aviation Administration Act of 1958 (49 U.S.C.§ 106) requires that the Administrator of the FAA, at the time of his nomination, be "a civilian and shall have had experience in a field directly related to aviation."

[2] Section 202 of P.L. 85-568 (42 U.S.C. § 2472) requires that both the Administrator and Deputy Administrator of NASA be "from civilian life."

P.L. 102-223, December 11, 1991, 105 Stat. 1678

Process for Granting a Waiver

In general, when such waivers are enacted, they are done through legislation reported out of the Senate committee with jurisdiction over the nominee at the same time as the nomination is reported out of the committee. The waiver bills typically read along the following lines:

> "Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that notwithstanding the provisions of [section of statute with language containing specific requirement], or any other provision of the law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint [name of nominee] to the [title of position]."

Historically, such bills have been passed by the Senate by unanimous consent and then passed by the House by voice vote without any further consideration by the House. The general presumption has been that since the Senate has the power to provide advice and consent to the President with respect to nominations, the House committees do not take up bills relating solely to the waiver of provisions relating to a particular nominee.

Joint Resolution with Respect to Ambassador Barshefsky

Senators Roth and Moynihan (Chairman and Ranking Member of the Finance Committee) have introduced a joint resolution that waives the application of the provisions added by the Lobbying Disclosure Act[3] to Ambassador Barshefsky. The resolution notes that these provisions were added after Ambassador Barshefsky had already been confirmed to serve as Deputy USTR and that the provisions explicitly did not apply to her when enacted. The resolution would extend this "grandfather" to Ambassador Barshefsky in order to permit her to be appointed USTR. Senator Roth has indicated his strong support for Ambassador Barshefsky and his intention to have the Finance Committee mark up the joint resolution when it acts on Ambassador Barshefsky's nomination.

[3] As part of the Lobbying Disclosure Act of 1995, the Congress enacted an amendment to the Trade Act of 1974 that bars the President from appointing anyone to be USTR or Deputy USTR if that person had in their past "directly represented, aided or advised a [foreign government] in a trade negotiation or trade dispute with the United States." 19 U.S.C. 2171 (f)(3).

105th CONGRESS
1st Session
S. J. RES. 5

Waiving certain provisions of the Trade Act of 1974 relating to the appointment of the United States Trade Representative.

IN THE SENATE OF THE UNITED STATES

January 21, 1997

Mr. Roth (for himself and Mr. Moynihan) introduced the following joint resolution; which was read twice and referred to the Committee on Finance

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JOINT RESOLUTION

Waiving certain provisions of the Trade Act of 1974 relating to the appointment of the United States Trade Representative.

Whereas paragraph (3) of section 141(b) of the Trade Act of 1974 (19 U.S.C. 2171(b)(3)) became effective on January 1, 1996, and provides certain limitations with respect to the appointment of the United States Trade Representative and Deputy United States Trade Representatives;

Whereas paragraph (3) of section 141(b) of the Trade Act of 1974 does not apply to any individual who was serving as the United States Trade Representative or Deputy United States Trade Representative on the effective date of such paragraph (3) and who continued to serve in that position;

Whereas Charlene Barshefsky was appointed Deputy United States Trade Representative on May 28, 1993, with the advice and consent of the Senate, and was serving in that position on January 1, 1996;

Whereas paragraph (3) of section 141(b) of the Trade Act of 1974 does not apply to Charlene Barshefsky in her capacity as Deputy United States Trade Representative; and

Whereas in light of the foregoing, it is appropriate to continue to waive the provisions of paragraph (3) of section 141(b) of the Trade Act of 1974 with respect to the appointment of Charlene Barshefsky as the United States Trade Representative: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of paragraph (3) of section 141(b) of the Trade Act of 1974 (19 U.S.C. 2171(b)(3)) or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Charlene Barshefsky as the United States Trade Representative.

<all>

USTR WAIVER LEGISLATION

STATEMENT OF SENATOR WILLIAM V. ROTH

Mr. President, today I, along with my colleague Senator Moynihan, introduce a joint resolution that will waive certain provisions of the Trade Act of 1974 relating to the Administration's nomination of Ambassador Charlene Barshefsky to the position of United States Trade Representative (USTR).

Specifically, the resolution will provide a waiver for Ambassador Barshefsky from the application of section 141(b)(3) of the Trade Act of 1974, as amended by section 21 of the Lobbying Disclosure Act. This provision prohibits the appointment of any person to serve as USTR or Deputy USTR, who has directly represented, aided, or advised a foreign government or foreign political party in a trade dispute or trade negotiation with the United States.

The Administration has sought the waiver because of questions surrounding Barshefsky's work for the government of Canada while practicing law in the private sector. Ambassador Barshefsky was already serving as Deputy USTR when the law went into effect.

When the Finance Committee acts on her nomination, I will ask it to mark up the joint resolution waiving, in her case, the application of the prohibition to eliminate any questions about her eligibility to serve. Ambassador Barshefsky now enjoys an exemption from this prohibition as Deputy USTR, and I believe that the extension of this exemption by waiver is appropriate. Because this waiver will have the force of law, it must be passed by both the Senate and the House and then presented to the President for signature.

In past statements, I have expressed my strong support for Charlene Barshefsky's nomination as USTR. She is a very capable public servant, and I fully expect she will distinguish herself as USTR much as she did in her service as Deputy USTR.

Committee On Finance

William V. Roth, Jr., Chairman

NEWS RELEASE

FOR IMMEDIATE RELEASE
January 8, 1996

Press Release #105 - 02
Contact: Ginny Koops or
Christina Pearson
202/224-4288

COMMITTEE RECEIVES NOMINATION OF BARSHEFSKY; ROTH ANNOUNCES STRONG SUPPORT

WASHINGTON -- "I am pleased to announce my strong support for Charlene Barshefsky to be United States Trade Representative (USTR). She has distinguished herself in her four years of service as Deputy USTR, and I intend to move her nomination through the Senate Finance Committee as expeditiously as possible," stated Senate Finance Committee Chairman William V. Roth, Jr. (R-DE).

The official nomination paperwork was received by the Committee late Tuesday. The Administration included with the nomination legislation effectively waiving Section 21 of the Lobbying Disclosure Act of 1995. This provision of the Act prohibits the President from appointing to the position of USTR or Deputy USTR anyone who has directly represented, aided or advised a foreign government or foreign political party in a trade dispute or trade negotiation with the United States. The Administration sought the waiver because of questions surrounding Barshefsky's work for the government of Canada while practicing law in the private sector.

Both the full House and Senate need to approve the legislation.

The Senate Finance Committee is expected to take up Ambassador Barshefsky's nomination sometime during the week of January 27.

# # #

Committee On Finance
William V. Roth, Jr., Chairman
NEWS RELEASE

FOR IMMEDIATE RELEASE
December 13, 1996

Press Release #104-309
Contact: Ginny Koops or
Christina Pearson
202/224-4288

ROTH STATEMENT ON NOMINATION OF BARSHEFSKY

WASHINGTON -- The following is the statement of Senate Finance Committee Chairman William V. Roth, Jr. (R-DE) on the nomination of Charlene Barshefsky to United States Trade Representative (USTR). Nominees to the position of USTR are confirmed by the Senate Finance Committee.

"I am pleased that President Clinton has nominated Charlene Barshefsky to the position of United States Trade Representative. Ms. Barshefsky is a well qualified and very able trade specialist. From everything I have seen of her work at USTR, she is doing an outstanding job.

"However, there is a question of whether her service for the government of Canada would require some form of waiver for her to be confirmed. It is my hope that the Administration can resolve this issue and that the full Senate can confirm her."

# # #

United States
of America

Senator John Breaux

Democrat-Louisiana

Contact: Bette Phelan, Laine Glisson, 202-224-4623; Bob Mann, 504-382-2050

FOR IMMEDIATE RELEASE December, 13 1996

BREAUX SAYS NEW U.S. TRADE REPRESENTATIVE A GOOD CHOICE

WASHINGTON (Dec.13) -- President Clinton has made an excellent choice for his new trade representative, someone who will work hard to promote the interests of Louisiana businesses here and abroad, Sen. John Breaux (D-La.) said today.

"I've worked closely with Charlene Barshefsky on many trade issues important to Louisiana and she is a strong advocate for American interests abroad," Sen. Breaux said. "She is a tough negotiator who clearly distinguishes between a good trade agreement that benefits the United States and a bad agreement that would hurt our business community."

Sen. Breaux said she was already confirmed by the Senate as deputy trade representative, and since last spring she has acted as U.S. trade representative since Mickey Kantor replaced Ron Brown as Secretary of Commerce.

"I believe Charlene has the respect of both her peers and the business community, which is further recognition of her good work in expanding our trade markets abroad," Sen. Breaux concluded.

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IEWS from

Senator Kent Conrad

North Dakota

For Release: December 14, 1996
Contact: Jim Berard (202) 224-2993

Conrad Lauds Barshefsky Nomination To Permanent Trade Rep Post

WASHINGTON--Senator Kent Conrad today praised the nomination of Charlene Barshefsky to be United States Trade Representative (USTR).

"Ambassador Barshefsky is an excellent choice to head USTR. She has been a tireless advocate of United States trade interests over the past several years," Conrad said. "She has led our efforts to open markets in the fast-growing Pacific Rim, and she has demonstrated a strong interest in and grasp of the complexities of agricultural trade issues important to North Dakota."

Barshefsky served as Deputy USTR from 1993 until Commerce Secretary Ron Brown's death in March, 1996. When President Clinton asked then-USTR Mickey Kantor to take over as Commerce Secretary, Barshefsky was named Acting USTR. Questions regarding her previous work as a trade lawyer, where she briefly advised the Canadian government on U.S. trade laws, had delayed her nomination to become Trade Representative until President Clinton announced his decision Friday.

Conrad said he has no reservations about Barshefsky's ability to act in the interests of the United States.

"I can't think of anyone who would make a better choice -- for North Dakota, or for the United States as a whole," Conrad said. "Over the past four years, I have worked very closely with USTR on Canadian grain and other trade issues involving Canada. Barshefsky has been extremely tenacious in fighting for U.S. interests and rights. I don't see how anyone who has looked at her record could credibly suggest that she has been 'soft' on Canada or any of our competitors."

Conrad added that these issues were reviewed by the Senate when she was nominated as Deputy USTR in 1993.

"Obviously, when I first learned in 1993 that Barshefsky had represented Canada, it raised some questions. But she was very forthright in explaining what she had done and how she would turn it to advantage in working for USTR. I think her record at USTR speaks for itself. When people look at her record in enforcing our trade agreements and opening markets for U.S. products, I have no doubt that she will be confirmed easily."

The Office of the United States Trade Representative is responsible for developing U.S. trade policy, and negotiating and enforcing trade agreements.

--End--

BOB GRAHAM
FLORIDA

United States Senate

WASHINGTON, DC 20510-0903

December 20, 1996

The Honorable William V. Roth, Jr.
Chairman
Senate Committee on Finance
SD-219 Dirksen Senate Office Building
Washington, D.C. 20510-6200

Dear Senator Roth:

I support President Clinton's choice of Charlene Barshefsky for his trade representative. I have worked closely with her on many trade issues and she is a tough negotiator working hard to promote and protect the interests of U.S. companies here and abroad. She continues to do an outstanding job.

I urge you to schedule a hearing on the nomination of Charlene Barshefsky as the U.S. Trade Representative during the week of January 6-10. An early Senate confirmation will provide certainty for U.S. interests and our trading partners permitting earlier achievements on trade issues and agreements.

With kind regards.

Sincerely,

Bob Graham

United States Senator
Bob Graham

U.S.' Barshefsky Vows Focus On Agriculture Issues

WASHINGTON (AP-Dow Jones)--U.S. Trade Representative designate Charlene Barshefsky assured the Senate Agriculture Committee chairman Tuesday that agriculture will be a major focus in trade negotiations under her leadership.

Senator Richard Lugar, Republican of Indiana, met for nearly an hour Tuesday with Barshefsky to discuss various trade issues.

In a news release, Lugar said he told Barshefsky he will support her nomination as U.S. trade representative.

Barshefsky's nomination hearing will be held later this month before the Senate Finance Committee.

Barshefsky told Lugar she realizes agricultural issues are among the most complex trade issues. She also pointed out that she and U.S. Agriculture Secretary Dan Glickman have developed a team to coordinate the 'strongest united front' on U.S. agricultural trade negotiations, particularly with China and Europe.

Lugar agreed, saying, 'The United States has been on the right track in reducing trade barriers and producing for world markets.'

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U.S. Senate Minority Leader Eager To Clear Barshefsky

WASHINGTON (Dow Jones)--U.S. Senate Minority Leader Thomas Daschle, D-SD, said Tuesday he expects the Senate to quickly pass legislation exempting Charlene Barshefsky from provisions of a 1995 law that clamp tight restrictions on who can serve as the U.S. trade negotiator.

"I think we ought to clear the roadblocks and let her do her work." Daschle told reporters.

President Clinton asked Congress to waive requirements passed after Barshefsky joined the administration that bar anyone who has ever represented a foreign government from serving as trade representative or deputy trade representative.

Before joining the administration, Barshefsky for 18 years had been a trade lawyer with the Washington firm of Steptoe & Johnson, which included among its clients the government of Canada.

"People fully appreciate the limited role she had," Daschle said.

Congressional Republicans are mixed on the issue. While Senate Finance Committee Chairman William Roth, R-Del., has said he will support the waiver request, Senate Majority Leader Trent Lott, R-Miss., has indicated he had unresolved questions.

"I don't like waiving laws on the books," he told reporters. "I think most Republicans have a pretty positive opinion of her but we do want to think about what we are waiving here and we want to get clear that we're not going to be setting a precedent."

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JESSE HELMS
NORTH CAROLINA

United States Senate

WASHINGTON, DC 20510-3301

STATEMENT OF SENATOR JESSE HELMS IN SUPPORT OF AMBASSADOR CHARLENE BARSHEFSKY AS U.S. TRADE REPRESENTATIVE

January 22, 1997

Washington, D.C.:

"During the past few years, I have had the opportunity to work with Ambassador Barshefsky on a number of trade related matters. Not only is she very bright: she is a smart, tough negotiator with has a deep understanding of the importance of our trade laws and the need to increase the exports of American products by eliminating foreign trade barriers.

As Chairman of the Senate Foreign Relations Committee, I shall do everything possible to promote U.S. exports. In the coming months, Congress and the Administration must face up to important trade issues (e.g., China's interest in joining the World Trade Organization); also agricultural issues, intellectual property disputes, and textile negotiations. The United States must send an unmistakably clear message to our trading partners that they must open their markets if they expect to have continued access to U.S. markets.

I am confident that Charlene Barshefsky can and will handle these issues with vigor and professionalism. Therefore, I strongly support her nomination as U.S. Trade Representative."

(Note: Senator Helms and Ambassador Barshefsky met for almost an hour last week.)

-30-

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6348

December 18, 1996

The Honorable Charlene Barshefsky
Acting U.S. Trade Representative
600 Seventeenth Street, N.W.
Washington, D.C. 20506

Dear Madam Ambassador:

I am writing to congratulate you on your recent nomination to be U.S. Trade Representative, as well as on the results of the WTO Singapore Ministerial meeting. I gained a fuller appreciation while on the Congressional delegation in Singapore of how difficult it is to achieve consensus in the WTO. The success of the Ministerial particularly in achieving the Information Technology Agreement, as well as resolution of the bilateral dispute with Japan on insurance, are in large measure a result of your expertise, considerable negotiating skills, and persistent hard work.

The President could not have made a better choice for USTR. You have my full support and I will be happy to help in the confirmation process. I look forward to continuing to work with you on the trade agenda in the 105th Congress, including the relationship between trade and labor rights and improved worker education and training.

Sincerely,

Charlie

Charles B. Rangel
Ranking Democrat

CBR/mwc

CHARLES B. RANGEL
15TH CONGRESSIONAL DISTRICT
NEW YORK
DEPUTY WHIP

COMMITTEE:
WAYS AND MEANS
RANKING MEMBER
SUBCOMMITTEE ON TRADE
JOINT COMMITTEE ON TAXATION

Congress of the United States
House of Representatives
Washington, DC 20515–3215

☐ 2354 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–3215
TELEPHONE: (202) 225–4365

DISTRICT OFFICES:
MS. VIVIAN E. JONES
DISTRICT ADMINISTRATOR

☐ 163 WEST 125TH STREET
NEW YORK, NY 10027
TELEPHONE: (212) 663–3900

☐ 2110 FIRST AVENUE
NEW YORK, NY 10029
TELEPHONE: (212) 348–9630

PLEASE RESPOND TO
OFFICE CHECKED

December 20, 1996

Ambassador Charlene Barshefsky
Acting United States Trade Representative
USTR Executive Office of the President
Washington DC 20506

Dear Ambassador Barshefsky:

I extend my warm congratulations on your nomination by President Clinton to serve as the US Trade Representative. I am confident that you will continue your record of achievement in this prestigious post during this critical juncture in US trade relations.

You bring a wealth of expertise and experience to USTR that will certainly help our nation to expand the principles of free and fair trade. I cannot think of a more capable and deserving candidate to serve in this capacity.

I would also like to thank you for our recent meeting in my office and for your outstanding work at the WTO Ministerial in Singapore. I applaud your achievements and look forward to continuing our work together.

I am particularly looking forward to receiving the Administration's Comprehensive Trade and Development Policy Report for Africa. I commend the steps that you have taken to give Africa more prominence on the US foreign trade policy agenda. In this regard, I have attached a copy of a letter that I have forwarded to President Clinton and Franklin Raines urging the creation of an Assistant US Trade Representative for Africa.

Again, I extend my heartiest congratulations and support.

Charlene
You made
me proud

Sincerely,

Charlie

CHARLES B. RANGEL
Member of Congress

JIM RAMSTAD
THIRD DISTRICT, MINNESOTA

WAYS AND MEANS
COMMITTEE

TRADE SUBCOMMITTEE

OVERSIGHT SUBCOMMITTEE

WASHINGTON OFFICE:
103 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2871

DISTRICT OFFICE:
8120 PENN AVENUE SOUTH, #152
BLOOMINGTON, MN 55431
(612) 881-4600

Congress of the United States
House of Representatives
Washington, DC 20515–2303

December 16, 1996

The Honorable Trent Lott
Majority Leader
U.S. Senate
S-230 the Capitol
Washington, D.C. 20510

Dear Mr. Leader:

I am writing to express my strong support for Charlene Barshefsky for the position of U.S. Trade Representative.

Since her designation as Acting USTR last April, Charlene has quickly established a distinguished record of professional excellence and achievement. She is well known by all our trading partners as a tenacious, skilled and successful negotiator. She has a superior knowledge and understanding of international trade law and has already played a pivotal role in developing and pursuing important trade policy objectives.

The Information Technology Agreement reached this month at the Singapore Ministerial Meeting is a prime example of her abilities to secure the international agreements and treaties needed to increase market access for American exports and services. The long-awaited agreement recently made with Japan to open their primary insurance markets, as well as the comprehensive intellectual property rights (IPR) enforcement agreement achieved with China, illustrate her skills for enforcing current agreements and settling trade disputes.

In my many meetings with Charlene, I have always been impressed by her understanding of the issues and her willingness to work with my office and constituents when problems arise. I know she will continue to represent the U.S. well as we continue to work to improve export opportunities for American products and services and I strongly support her nomination.

Sincerely,

Jim

JIM RAMSTAD
Member of Congress

JR:mi

Merry Christmas, Trent, to you and your wonderful family!

JIM RAMSTAD
THIRD DISTRICT, MINNESOTA

WAYS AND MEANS
COMMITTEE

TRADE SUBCOMMITTEE

OVERSIGHT SUBCOMMITTEE

WASHINGTON OFFICE:
103 CANNON HOUSE OFFICE BUILDING
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(612) 881-4600

Congress of the United States
House of Representatives
Washington, DC 20515–2303

December 16, 1996

The Honorable William V. Roth, Jr.
Chairman
U.S. Senate Committee on Finance
219 Senate Dirksen Office Building
Washington, D.C. 20510

Dear ~~William~~: Bill

I am writing to express my strong support for Charlene Barshefsky for the position of U.S. Trade Representative.

Since her designation as Acting USTR last April, Charlene has quickly established a distinguished record of professional excellence and achievement. She is well known by all our trading partners as a tenacious, skilled and successful negotiator. She has a superior knowledge and understanding of international trade law and has already played a pivotal role in developing and pursuing important trade policy objectives.

The Information Technology Agreement reached this month at the Singapore Ministerial Meeting is a prime example of her abilities to secure the international agreements and treaties needed to increase market access for American exports and services. The long-awaited agreement recently made with Japan to open their primary insurance markets, as well as the comprehensive intellectual property rights (IPR) enforcement agreement achieved with China, illustrate her skills for enforcing current agreements and settling trade disputes.

In my many meetings with Charlene, I have always been impressed by her understanding of the issues and her willingness to work with my office and constituents when problems arise. I know she will continue to represent the U.S. well as we continue to work to improve export opportunities for American products and services and I strongly support her nomination.

Sincerely,

Jim

JIM RAMSTAD
Member of Congress

JR:mi

Happy holidays Charlene!

Robert T.
Matsui
Congressman
Fifth District, California

U.S. HOUSE OF REPRESENTATIVES

NEWS RELEASE

FOR IMMEDIATE RELEASE:
December 13, 1996

CONTACT: JIM BONHAM
202/225-7163
703/979-8027

CONGRESSMAN ROBERT MATSUI APPLAUDS BARSHEFSKY NOMINATION

WASHINGTON, D.C. -- California Congressman Robert Matsui (D-CA-05) today applauded the nomination of Charlene Barshefsky to serve as United States Trade Representative. Matsui has long worked with Ms. Barshefsky in his capacity as a member of the powerful House Ways and Means Committee, which holds primary jurisdiction over issues concerning the U.S.T.R.

"I have been deeply impressed with Ambassador Barshefsky's unprecedented record of reducing barriers to American products in foreign markets. There is no doubt that she is one of the most tenacious and effective trade negotiators the United States has ever enjoyed," Matsui said. "Charlene Barshefsky was the obvious choice to continue her work from the last seven months since becoming acting USTR."

30-30-30

CONGRESSWOMAN
BARBARA B. KENNELLY
REPORTS

Release: Immediate
December 13, 1996

Contact: Ross Brown
(202) 225-2265

Kennelly Hails Barshefsky Nomination

(Washington, D.C. - December 13, 1996) - Congresswoman Barbara B. Kennelly (D-CT) issued the following statement regarding the nomination of Charlene Barshefsky as United States Trade Representative:

"I am delighted that the President has nominated Charlene Barshefsky to the position of United States Trade Representative. Ambassador Barshefsky is extremely well-qualified to serve as our nation's next Trade Representative.

"I have had the opportunity and great pleasure to work with her on many trade issues over the past three years in her capacity first as Deputy USTR and recently as Acting USTR. Ambassador Barshefsky has been instrumental in achieving several bilateral and multilateral trade agreements and investment treaties during her tenure. Her expertise and experience with Japan, China and Latin America will be particularly important to Connecticut companies in the years ahead.

"Ambassador Barshefsky is greatly respected on Capitol Hill and perceived to be a tenacious negotiator by our trading partners. I am confident that she will continue to pursue a national trade agenda that promotes free and fair trade."

One Hundred Fourth Congress

Congress of the United States

Committee on International Relations

House of Representatives

Washington, DC 20515

Statement by the Honorable Doug Bereuter
Vice-Chairman, House International Relations Committee
in support of
Ambassador Charlene Barshefsky

December 19, 1996

In my judgment, Ambassador Charlene Barshefsky is an extraordinarily able and successful strategic trade negotiator. She promotes United States interests with tremendous zeal and intelligence. I reach these conclusions as a result of my contact with her on a variety of difficult trade issues.

From insurance negotiations with Japan to agricultural trade liberalization in the Asia Pacific Economic Cooperation Forum to protection of intellectual property rights in China, Ambassador Barshefsky has significantly advanced and promoted America's commercial and trade interests. Moreover, she has been forthright with Congress while not being afraid to disagree when she feels it is appropriate. Accordingly, I have tremendous respect and high praise for Ambassador Barshefsky, so I am hopeful that the Administration, the appropriate congressional committees, and the full Senate can agree to do what is necessary to secure her nomination as United States Trade Representative.

***

COMMITTEE ON RESOURCES

RANKING DEMOCRATIC MEMBER, SUBCOMMITTEE ON NATIVE AMERICAN & INSULAR AFFAIRS

NATIONAL PARKS, FORESTS, AND LANDS

COMMITTEE ON INTERNATIONAL RELATIONS

ASIA-PACIFIC AFFAIRS

INTERNATIONAL OPERATIONS AND HUMAN RIGHTS

ENI F.H. FALEOMAVAEGA
AMERICAN SAMOA

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(684) 633-1372
(684) 633-2680 (FAX)

Congress of the United States
House of Representatives
Washington, D.C. 20515-5201

December 20, 1996

ra...

Ms. Charlene Barshefsky
Acting United States Trade Representative
The United States Trade Representative
Executive Office of the President
Washington, D.C. 20506

Dear Ms. Barshefsky:

Thank you for your kind letter of December 4, 1996 regarding my re-election to the 105th Congress.

I am honored the people of American Samoa have re-elected me to a fifth term in the U.S. House of Representatives and I look forward to the challenges the next two years will bring. I, too, look forward to working with you in the 105th Congress to expand trade opportunities and economic benefits for the American people.

With kindest regards,

Sincerely,

Eni Faleomavaega

ENI F. H. FALEOMAVAEGA
Member of Congress

Congrats on your appointment!

EFHF:vdl

3D District, Georgia
COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES:
HUMAN RESOURCES
SOCIAL SECURITY

(Um

HOB
Washington, DC 20515
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5704 Beallwood Connector
Suite 200
Columbus, GA 31904
(706) 327-7228

UNITED STATES
HOUSE OF REPRESENTATIVES

January 7, 1997

The Honorable Trent Lott
Majority Leader
U.S. Senate
S230 Capitol
Washington, D.C. 20510

Dear Senator Lott:

I would like to offer my support for the nomination of Ambassador Charlene Barshefsky as the United States Trade Representative.

As a member of the Congressional Delegation to the World Trade Organization Ministerial Conference in Singapore, I participated in several trade negotiations meetings. Some of these meetings were particularly difficult sessions in which Ambassador Barshefsky proved to be a very resourceful, steadfast and diplomatic negotiator. She is a superior candidate for Trade Representative and I believe it is in the best interest of our nation's trade security that the Senate move forward with her nomination as quickly as possible.

Sincerely,

Mac

Mac Collins
Member of Congress

MAC:ccb

Gary L. Ackerman
Congress of the United States
5th District, New York

December 12, 1996

Ms. Charlene Barshefsky
Acting United States Trade Representative
Executive Office of the President
Washington, D.C. 20506

Dear Ms. Barshefsky:

Thank you so much for your note of congratulations.

I am very honored to have been returned to Congress to represent the people of the 5th Congressional District.

I look forward to working with you throughout the next two years and beyond.

I hope you have a happy and healthy holiday season!

Sincerely,

Gary

GARY L. ACKERMAN
Member of Congress

GLA/hfj

Thanks — and congratulations on your appointment — well deserved.

PRESIDENT CLINTON

"[Ambassador Barshefsky] is a brilliant negotiator for our country."

-- *President Clinton*, announcing Barshefsky's appointment as Acting U.S. Trade Representative, April 12, 1996.

"I have gone to many places and had world leaders ask me who she was, because they virtually got tears in their eyes after four or five hours of trying to outmaneuver her."

-- *President Clinton*, announcing Barshefsky's appointment as Acting U.S. Trade Representative, April 12, 1996.

"[Ambassador Barshefsky] is a tough and determined representative for our country, fighting to open markets to the goods and services produced by American workers and businesses. Her skill is demonstrated by the information technology agreement I just announced. She has been negotiating it around the clock in Singapore for the last week. Indeed, I'm not sure she's had any sleep in the last week, but this is a remarkable achievement. I spoke to her last night in Singapore to congratulate her on this remarkable achievement. I know she wishes she could be here, and I'm very glad she'll be on the job for America."

-- *President Clinton*, announcing his intention to nominate Barshefsky as U.S. Trade Representative, December 13, 1996.

"I want to congratulate Ambassador Barshefsky and her entire negotiating team on the agreement reached today on semiconductors. Their tireless efforts to advance our nation's economic interests around the world have reaped enormous benefits for America's businesses and workers."

-- *President Clinton*, in White House Press Release, August 2, 1996.

"[I]'m elated that we got a semiconductor agreement. This is a very, very big issue, and very important for us because of the enormous comeback American industries had in that area. [I] want to congratulate Ambassador Barshefsky on getting the semiconductor agreement. And I know that the people in that industry in America -- there are many, many thousands of good jobs involved in this -- are very happy today."

-- *President Clinton*, in Remarks to the Apparel Industry Partnership, August 2, 1996.

"I am pleased that President Clinton has nominated Charlene Barshefsky to the position of United States Trade Representative. Ms. Barshefsky is a well qualified and very able trade specialist. From everything I have seen of her work at USTR, she is doing an outstanding job."

-- *Sen. William Roth, Jr. (R-DE), Chairman of Senate Finance Committee*, in December 13, 1996 news release.

"I am pleased to announce my strong support for Charlene Barshefsky to be United States Trade Representative (USTR). She has distinguished herself in her four years of service as Deputy USTR, and I intend to move her nomination through the Senate Finance Committee as expeditiously as possible."

-- *Sen. William Roth, Jr. (R-DE), Chairman of Senate Finance Committee*, in January 8, 1996 news release.

"I have worked closely with Charlene Barshefsky on many trade issues important to Louisiana and she is a strong advocate for American interests abroad. She is a tough negotiator who clearly distinguishes between a good trade agreement that benefits the United States and a bad agreement that would hurt our business community."

-- *Sen. John Breaux (D-LA)*, in December 13, 1996 news release.

"Ambassador Barshefsky is an excellent choice to head USTR. She has been a tireless advocate of United States trade interests over the past several years. She has led our efforts to open markets in the fast-growing Pacific Rim, and she has demonstrated a strong interest in and grasp of the complexities of agricultural trade issues important to North Dakota."

-- *Sen. Kent Conrad (D-ND)*, in December 14, 1996 news release.

"I can't think of anyone who would make a better choice -- for North Dakota, or for the United States as a whole. Over the past four years, I have worked closely with USTR on Canadian grain and other trade issues involving Canada. Barshefsky has been extremely tenacious in fighting for U.S. interests and rights. I don't see how anyone who has looked at her record could credibly suggest that she has been 'soft' on Canada or any of our competitors."

-- *Sen. Kent Conrad (D-ND)*, in December 14, 1996 news release.

"I support President Clinton's choice of Charlene Barshefsky for his trade representative. I have worked closely with her on many trade issues, and she is a tough negotiator working hard to promote and protect the interests of U.S. companies here and abroad. She continues to do an outstanding job."

-- ***Sen. Bob Graham (D-FL)***, in December 20, 1996 letter to Senator Roth.

"From insurance negotiations with Japan to agricultural trade liberalization in the Asia Pacific Economic Cooperation Forum to protection of intellectual property rights in China, Ambassador Barshefsky has significantly advanced and promoted America's commercial and trade interests. Moreover, she has been forthright with Congress while not being afraid to disagree when she feels it is appropriate. Accordingly, I have tremendous respect and high praise for Ambassador Barshefsky, so I am hopeful that the Administration, the appropriate congressional committees, and the full Senate can agree to do what is necessary to secure her nomination as United States Trade Representative."

-- ***Rep. Doug Bereuter (R-NE)***, in December 19, 1996 press release.

"I have been deeply impressed with Ambassador Barshefsky's unprecedented record of reducing barriers to American products in foreign markets. There is no doubt that she is one of the most tenacious and effective trade negotiators the United States has ever enjoyed. Charlene Barshefsky was the obvious choice to continue her work form the last seven months since becoming Acting USTR."

-- ***Rep. Robert T. Matsui (D-CA)***, in December 13, 1996 news release.

"I am delighted that the President has nominated Charlene Barshefsky to the position of United States Trade Representative. Ambassador Barshefsky has been instrumental in achieving several bilateral and multilateral trade agreements and investment treaties during her tenure. Her expertise with Japan, China and Latin America will be particularly important to Connecticut companies in the years ahead. Ambassador Barshefsky is greatly respected on Capitol Hill. I am confident that she will continue to pursue a national trade agenda that promotes free and fair trade."

-- ***Rep. Barbara B. Kennelly (D-CT)***, in December 13, 1996 news release.

"Since her designation as Acting USTR last April. Charlene has quickly established a distinguished record of professional excellence and achievement. She is well-known by all our trading partners as a tenacious, skilled and successful negotiator. She has a superior knowledge and understanding of international trade law and has already played a pivotal role in developing and pursuing important trade policy objectives."

-- ***Rep. Jim Ramstad (R-MN)***, in letters to Sen. Trent Lott and Sen. William Roth, December 16, 1996.

"I extend my warm congratulations on you nomination...I am confident that you will continue your record of achievement in this prestigious post during this critical juncture in trade relations. You bring a wealth of expertise and experience to USTR that will certainly help our nation to expand the principles of free and fair trade. I cannot think of a more capable and deserving candidate to serve in this capacity."

-- *Rep. Charlie Rangel (D-NY)*, in letter to Ambassador Barshefsky, December 20, 1996.

"As a member of the Congressional Delegation to the World Trade Organization Ministerial Conference in Singapore, I participated in several trade negotiations meetings. Some of these meetings were particularly difficult sessions in which Ambassador Barshefsky proved to be a very resourceful, steadfast and diplomatic negotiator. She is a superior candidate for Trade Representative."

-- *Rep. Mac Collins (R-GA)*, in letter to Senator William Roth, January 8, 1997

"Ambassador Barshefsky is a highly-skilled negotiator with an in-depth knowledge of trade issues. She has the highest integrity and works tirelessly for the good of the country. At the trade advisory committee meetings, Ambassador Barshefsky dazzles the group of CEO's and organization heads with her amazing analytical grasp of the issues. She also displays warmth and a sense of humor that reveal a wonderful person behind the tough negotiator."

-- *San Jose Mayor Susan Hammer*, in December 13, 1996 news release.

"Ambassador Barshefsky's skills as a negotiator are legendary. The President's selection of her as the USTR demonstrates his continued commitment to opening markets to benefit Silicon Valley and the country."

-- *San Jose Mayor Susan Hammer*, in December 13, 1996 news release.

"This important agreement [with China on intellectual property protection] represents the culmination of tireless efforts by Ambassador Barshefsky on behalf of the U.S. industry, and I want to take an opportunity to congratulate her for this significant achievement. From the start she has worked closely with the U.S. industry. Many representatives have been here today and they have voiced their strong support for this agreement."

-- ***Dr. Laura Tyson***, National Economic Advisor, at White House Press Briefing, June 17, 1996.

"She is easily the most qualified, most knowledgeable person on trade law ever nominated to this post."

-- ***Gary Hufbauer, Senior Fellow at the Institute for International Economics***, in the Reuter Business Report, December 13, 1996.

"[Barshefsky] would be an excellent trade representative and should be confirmed."

-- ***Pat Choate, Reform Party Vice-Presidential Nominee***, in Journal of Commerce, November 22, 1996.

"[Barshefsky is] an extremely good negotiator, a good listener who understands all the technical, political, domestic and foreign policy ramifications in a negotiation."

-- ***Jeff Garten, Dean of the Yale School of Management, and former Undersecretary of Commerce***, in The Financial Times, May 9, 1996.

"We at the Council of Americas who have enjoyed a close working relationship with you and your staff are pleased (and relieved) that you will be confirmed in your important position. We look forward to continuing our association."

-- ***Ambassador Everett Ellis Briggs, President, Council of the Americas***, in letter to Ambassador Barshefsky, December 20, 1996.

INFORMATION TECHNOLOGY AGREEMENT NEGOTIATED BY USTR

"Charlene is a terrific choice. She has gone to bat for our industry time and time again -- most recently in Singapore. President Clinton has selected a superb negotiator."

-- *Rhett Dawson, President, Information Technology Industry Council*, in December 13, 1996 press release.

"The Telecommunications Industry Association (TIA) applauds...Charlene Barshefsky's permanent appointment as United States Trade Representative. [She has] an excellent record of promoting business interests abroad."

-- *Matthew J. Flannigan, President of the Telecommunications Industry Association*, in December 13, 1996 press release.

"Ms. Barshefsky's accomplishments in promoting U.S. business interests, most recently in the WTO for the Information Technology Agreement, as well as in Japan and Korea, speaks for itself. She is an invaluable resource."

-- *Matthew J. Flannigan, President of the Telecommunications Industry Association (TIA)*, in Newsbytes News, December 17, 1996.

"We give her high marks. We were very pleased with what came out of Singapore. It's probably one of the most significant breakthroughs for the information industry in some time."

-- *Greg Farmer, Vice President at Northern Telecom*, in The Washington Times, December 14, 1996.

"I applaud the Adminstration's appointment of the Honorable Charlene Barshefsky as the next United States Trade Representative. Ambassador Barshefsky has definitely pressed hard on issues of concern to the high-tech industry and won. Cisco looks forward to working with Ambassador Barshefsky in her new leadership role promoting free trade."

-- *John T. Chambers, President & CEO, Cisco Systems*, in press statement.

"[Amb. Barshefsky] has been...successful in representing U.S. interests in difficult areas such as Japan and Korea, and most recently in the Information Technology Agreement (ITA). [Barshefsky] is a talented, enthusiastic and effective advocate of U.S. business in the diplomatic and world commercial arenas."

-- *Peter F. McCloskey, President, Electronics Industries Association*, in December 13, 1996 press release.

"Ambassador Barshefsky has a keen grasp on America's global priorities and trade opportunities. Those of us who do business in the global arena everyday welcome Ambassador Barshefsky's proven experience as a skilled negotiator and tough advocate for open markets."

-- ***Jim Morgan, Chairman and CEO, Applied Materials, Inc.***, in press statement.

"President Clinton's nomination of Charlene Barshefsky as the permanent U.S. Trade Representative is a strong and welcome signal of the Administration's commitment to eliminate trade barriers on high-tech products. Ambassador Barshefsky is a tenacious champion on trade issues for all U.S. high-tech industries. The President could not have found a more talented and dedicated envoy to represent American interests. [W]ithout Barshefsky's personal involvement, we wouldn't have a new semiconductor trade agreement with Japan or a new global Information Technology Agreement. She has proven, time and again, that she not only has the energy to knock down trade barriers, but the diplomacy to bring competing nations together and negotiate compromises."

-- ***Thomas W. Armstrong, President, Semiconductors Industry Association (SIA)***, in December 3, 1996 press statement.

"On behalf of Hewlett-Packard, I would like to extend to you our enthusiastic congratulations on the successful outcome of the ITA negotiations in Singapore. For the U.S. high-tech sector and our workers, this is a huge win that will benefit us and the U.S. economy for years to come. I think we can already see that the ITA will serve as one of the gateways to the global information infrastructure of the future."

-- ***Lewis E. Platt, Chairman, President & CEO, Hewlett-Packard Company***, in letter to Ambassador Barshefsky, December 17, 1996.

"Congratulations on your recent nomination by the President. You enjoy our enthusiastic support as the permanent U.S Trade Representative. [T]hank you for your personal dedication to the completion of the ITA in Singapore. Your efforts are duly recognized and appreciated by Intel's 35,000 American employees on this and many vital trade issues."

-- ***Michael C. Maibach, Vice President, Government Affairs, Intel***, in letter to Ambassador Barshefsky, December 18, 1996.

"You have our congratulations and gratitude for your achievement of closure at Singapore on the Information Technology Agreement. The tenacious focus with which you pursued our goal speaks well for the future of your leadership at USTR."

-- ***Louis V. Gerstner, Jr., Chairman & CEO, IBM***, in letter to Ambassador Barshefsky, December 19, 1996.

"President Clinton made a terrific choice in nominating you to be the U.S. Trade Representative. Your tireless dedication to ensuring the global competitiveness of the U.S. information technology industry is surpassed only by your superb negotiating skills."

-- ***Rhett B. Dawson, Information Technology Industry Council***, in letter to Ambassador Barshefsky, December 20, 1996.

"There are few people in public service more deserving of recognition, and none with whom this happy constituent is more satisfied. As the CFO of a growing New Jersey electronics manufacturer bringing technology to Shenzhen, I know how much U.S. businesses have benefitted from your outstanding results in China."

-- ***Mark A. Shornick, CFO, Measurement Specialties***, in letter to Ambassador Barshefsky, December 17, 1996.

"I want to congratulate you on the outstanding victory you and your team of negotiators achieved on the Information Technology Agreement (ITA). You have proven over the course of many challenging negotiations to be a true champion of America's high technology industries. Your efforts to open foreign markets to competitive American products have yielded great successes."

-- ***Gilbert Amelio, Chairman and CEO, Apple Computer, Inc.***, in letter to Ambassador Barshefsky, December 19, 1996.

"The contributions you have made in the interests of U.S. policy and world trade are most impressive and the free marketplace has been enhanced directly as a result. The ITA will be particularly beneficial not only to Bay Networks's sales strategies but the global economy as well. Bay Networks views your success as a clear indication of the Clinton Administration's commitment to American businesses and its efforts to develop and promote solutions for world-wide, information-sharing."

-- ***David L. House, Chairman, President and CEO, Bay Networks***, in letter to Ambassador Barshefsky, December 19, 1996.

"The Software Publishers Association (SPA) thanks you for your steadfast pursuit of an important goal for the computer software industry --eliminating tariffs on computer software through the Information Technology Agreement (ITA). On behalf of our 1200 member companies, we commend you for making this such a prominent issue at the recent APEC ministerial meeting in Manila and in bilateral talks with the European Union in Geneva. We appreciate your persistent efforts."

-- ***Ken Wasch, President, Software Publishers Association***, in a letter to Ambassador Barshefsky, December 5, 1996.

"On behalf of the American Electronics Association and the Information Technology Agreement Coalition, I want to than and congratulate you and your staff for bringing home an ITA. You have served this industry well during your tenure at USTR and we have every confidence that you will continue to promote the productivity and international competitiveness of this vital sector of the American economy."

-- ***William Archey, President & CEO, American Electronics Association***, in a letter to Ambassador Barshefsky, December 13, 1996.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

"I have watched her in action. Charlene Barshefsky is about as first-class a trade negotiator as I have ever witnessed."

-- ***Jack Valenti, President of the Motion Picture Association***, in Daily Variety, December 1, 1996.

"There is an integrity of purpose about her. Mickey Kantor is more of a political animal, but in the implacability of their objectives and the relentless way they pursue them, I think they are cut from the same DNA."

-- ***Jack Valenti, President of the Motion Picture Association***, in the Financial Times, May 9, 1996.

"No one could have achieved more in such a short time as you did with such energy and such skill."

-- ***Jack Valenti, President of the Motion Picture Association***, January 22, 1997 letter to Ambassador Barshefsky.

"As the Acting U.S. Trade Representative, Ambassador Barshefsky has demonstrated her strong and steady commitment to the long-term growth of American industry in the global economy."

-- ***Ken Wasch, President of the Software Publishers Association (SPA)***, in IAC Industry Express, December 16, 1996.

AGRICULTURAL ISSUES

"Ambassador Barshefsky is an excellent choice for the nation's top trade official. whose skills are needed to secure access for U.S. dairy products to Canada and to advance the cause of agricultural trade liberalization in the WTO and the various regional trade negotiations over the next few years. I look forward to her rapid confirmation by the Senate."

-- ***James P. Camerlo, Jr., President, National Milk Producers Federation***, in December 13, 1996 press release.

"I am pleased with President Clinton's decision to appoint Ambassador Charlene Barshefsky as the United States Trade Representative. Her dedicated leadership at the First Ministerial Meeting of the World Trade Organization has proven to her counterparts that she is a strong defender of American trade. Ambassador Barshefsky's appointment will provide the needed continuity to address the current and growing number of trade barriers facing American agriculture."

-- ***Dean R. Kleckner, President, American Farm Bureau Federation***, in December 13, 1996 news release.

"Ambassador Barshefsky is an acknowledged trade expert and experienced trade negotiator, and has effectively represented the interests of the United States during her tenure at USTR. Monsanto's future depends on access to foreign markets and expanding international trade. We need the talent and energy that Ambassador Barshefsky will bring to the many trade policy challenges that lie ahead. As USTR, Ambassador Barshefsky can be expected to aggressively represent U.S. interests, both by enforcing existing trade agreements and by continuing to open new markets for U.S. goods and services. She is an excellent choice for this position."

-- ***Robert B. Shapiro, Chairman and CEO of Monsanto***, in December 12, 1996 letter to President Clinton.

"[Ambassador Barshefsky's] continued fine leadership is needed in pursuing the agricultural agenda, keeping agriculture in the forefront of WTO negotiations and in solving the dairy, poultry, egg and barley problem with Canada. We wholeheartedly support her appointment and rapid confirmation by the Senate."

-- ***Roger J. Baccigaluppi, Chairman and CEO, RB International***, in press statement.

"Ambassador Barshefsky has always been knowledgeable, professional and accessible in her approach to agricultural trade issues we have discussed with her while she has been at USTR. We hope that Ambassador's Barshefsky's nomination will be considered on the merits and soon."

-- ***Robbin S. Johnson, Corporate Vice President, Cargill***, in January 9, 1997 letter to Senator Roth.

OTHER INDUSTRIES

"Charlene Barshefsky is a powerful, effective advocate for American trade interests -- exactly the type of person I want in our corner, as we continue to seek greater access to foreign markets for American products. I commend the President for his appointment, enthusiastically share his support for this outstanding woman, and urge the Senate to approve the nomination so that she can continue the diligent work she has begun."

-- ***Robert J. Eaton, Chairman, CEO & President, Chrysler Corporation***, in December 13, 1996 press statement.

"I am delighted that the President has selected Charlene Barshefsky to be the United States Trade Representative. She is a brilliant negotiator with a tremendous grasp of the issues. The President could not have made a better choice."

-- ***Jerome Siegel, Chairman of the Board, The Titan Industrial Corporation***, in December 13, 1996 press statement.

"The President has made an outstanding decision in nominating Charlene Barshefsky to be the U.S. Trade Representative. Ms. Barshefsky has earned a reputation as an honest, tenacious, and forceful proponent of free trade throughout the world. Her negotiating skills are renowned and her grasp of the complex issues of international trade are solid. Since the airline industry is not subject to USTR jurisdiction, I can be particularly objective in my observations."

-- ***Robert L. Crandall, Chairman and President, AMR***, in December 13, 1996 press statement.

"I know quality when I see it and Charlene Barshefsky is one of the best. I hope the Senate will promptly confirm her nomination."

-- ***Robert L. Crandall, Chairman and President, AMR***, in December 13, 1996 press statement.

"During the past four years [Charlene Barshefsky] has brought energy and determination to the vital task of creating a level playing field around the world for competitive U.S. companies. The international expansion of Toys "R" Us into nearly 30 countries is owed partly to the efforts of Charlene Barshefsky. I'm sure the President's confidence in Charlene will be repaid many times over as companies like Toys "R" Us surge through the doors she has opened in one foreign market after another."

-- ***Charles Lazarus, Chairman, Toys "R" Us, Inc.***, in December 13, 1996 press statement.

"We fully support the President's nomination of Ambassador Barshefsky. She is exceptionally well qualified and has demonstrated her abilities and skills through her performance. We hope that she will be promptly confirmed, and we look forward to working with her as our Trade Representative."

-- ***Curtis H. Barnette, Chairman of Bethlehem Steel,*** in December 13, 1996 press statement.

"Ambassador Barshefsky has proven that she is a skilled negotiator who represents U.S. trade interests around the world in an aggressive yet diplomatic manner. She has fought hard and effectively to open foreign markets to U.S. goods and services. The nation is fortunate to have Ambassador Barshefsky as our U.S. Trade Representative."

-- ***John E. Pepper, Chairman of the Board and CEO, The Procter & Gamble Company***, in December 13, 1996 press statement.

"I just wanted ... to express the tremendous feeling of confidence that I, and I know thousands of others in the business community, feel on your formal appointment as U.S. Trade Representative. I admire so much the work that you are doing and the way you do it."

-- ***John E. Pepper, Chairman of the Board and CEO, The Procter & Gamble Company***, in December 26, 1996 letter to Ambassador Barshefsky

"Ambassador Barshefsky's experience and achievement in the international trade arena make her an ideal choice for this key position. We are especially gratified that she brings to this post an unparalleled understanding of the Asia-Pacific region."

-- ***John Bryson, Chairman and CEO, Edison International,*** in news release.

"I consider Ms. Barshefsky to be an extremely knowledgeable, capable, dedicated, serious minded and respected person who has been well prepared to handle this responsibility. If appointed to this position, I believe that Ambassador Barshefsky will do what a United States Trade Representative should do - forcefully and fairly advance the economic interests of the United States in executing trade negotiations with other countries."

-- ***Donald R. Hughes, Burlington Industries, Inc.,*** in January 17, 1997 letter to Senator Ernest Hollings.

"I have worked personally with Ambassador Barshefsky and her senior staff in connection with the effort of the U.S. government to open financial services in China, a critical matter for my company. In addition to her persistent and forceful advocacy on behalf of American financial services in that market, I have noted on several occasions her exceptional skill as she negotiates and enforces trade agreements of benefit to other sectors of the American business community. I have concluded that the standard that she has set in the performance of these duties shows without doubt that she is highly qualified to be U.S. Trade Representative."

-- ***Ronald E. Compton, Chairman, President and CEO, Aetna***, in January 20, 1997 letter to Senator Trent Lott.

"The President could not have found a more talented and dedicated envoy to represent the U.S. trade interest. The semiconductor industry is greatly encouraged by your selection."

-- ***Alfred J. Stein, Chairman and CEO, VLSI Technology, Inc. and Chairman, Semiconductor Industry Association***, in a letter to Ambassador Barshefsky, December 13, 1996.

"I was impressed with your achievement in securing a Semiconductor Trade Agreement in the face of some daunting opposition, and with your successful efforts to close on Information Technology Tariffs at the WTO."

-- ***Wilfred J. Corrigan, Chairman and CEO, LSI Logic Corporation***, in a letter to Ambassador Barshefsky, December 13, 1996.

"Having worked closely with Ambassador Barshefsky as a member of the Advisory Committee for Trade Policy and Negotiations (ACTPN), I am enormously impressed with her intelligence and her abilities. The Administration could not have found a more capable, qualified, and outstanding individual for this post."

-- ***W.L. Lyons Brown, Jr., retired Chairman and CEO of Brown-Forman Corporation***, in December 13, 1996 press statement.

"Charlene Barshefsky is bright, tough-minded and a splendid negotiator, as amply demonstrated by her success as Acting U.S. Trade Representative. [N]o one is better than Ambassador Barshefsky at balancing the imperatives of trade with America's priorities. She deserves speedy confirmation so there will be no discontinuity at this critical time for global trade."

-- ***Walter Y. Elisha, Chairman & CEO, Springs Industries, Inc.***, in December 13, 1996 press release.

"This is a magnificent nomination. Charlene is tough, smart, savvy and widely respected on Capitol Hill and around the world. The President could not have made a better choice."

-- ***Alan F. Holmer, President of PhRMA,*** in December 13, 1996 news release.

"Ambassador Barshefsky has proven to be a tough, shrewd negotiator who vigorously promotes U.S. trade interests around the world. She will continue to be a big asset to the President's economic team."

-- ***George Fisher, Chairman, President & CEO, Eastman Kodak Company,*** in December 13, 1996 press statement.

"[I] was pleased to learn that you had been nominated for United States Trade Representative. It is a position that you deserve and that needs a person with your talents."

-- ***Marc J. Kennedy, Associate General Counsel, Occidental Chemical Corporation,*** in letter to Ambassador Barshefsky, December 17, 1996.

"[Acting U.S. Trade Representative Charlene Barshefsky was praised] for standing by the [insurance and reinsurance] industry so consistently and showing great skill in finding solutions to the many highly technical issues that were on the negotiating table. Now insurers from both markets can get back to work and combine skills to meet client needs in Japan and elsewhere."

-- ***Gordon Cloney, President, International Insurance Council,*** in International Insurance News, December 16, 1996.

"We at Compaq deeply appreciate the care and dedication --tenacity-- you have shown in bringing home a great victory with a broad-based ITA. It will be a boon to trade and the American economy, as well as to our industry's competitiveness."

-- ***Eckhard Pfeiffer, President and CEO, Compaq,*** in a letter to Ambassador Barshefsky, December 17, 1996

"On behalf of the 14,000 members of the National Association of Manufacturers, I want to congratulate you on the President's selection of you for United States Trade Representative. I know that you will do well in this important position, and we in the manufacturing community look forward to working with you."

-- ***Jerry Jasinowski, President, National Association of Manufacturers,*** in January 7, 1997 letter to Ambassador Barshefsky.

NYT 11/23/96

Time for a Broader Asian Agenda

During the cold war, Washington saw its role in as clearly defined — containing the spread of Soviet-backed Communism. The region today defies easy classification. While East Asia is the world's fastest-growing region economically, it is also an arena where four of the world's most powerful countries — Japan, China, Russia and the United States — are awkwardly working out new relationships with each other. The Clinton Administration has yet to devise a policy that adequately balances American economic and security interests in this vital region.

President Clinton's current trip underscores the need for such a policy. The trip's ostensible centerpiece, an Asia-Pacific economic conference in Manila this weekend, is largely an empty event. Two years ago, Pacific leaders agreed to create a regional free-trade zone by 2020. But there is no real consensus for taking concrete steps toward this laudable goal. The more vital business is likely to come in side discussions among some of the 18 leaders assembled in Manila. Mr. Clinton, for example, is discussing economic and security issues individually with Prime Minister Ryutaro Hashimoto of Japan and Presidents Fidel Ramos of the Philippines, Kim Young Sam of South Korea and Jiang Zemin of China.

China's economic clout and rising military power are reshaping relations among Asian nations. Japan, an economic but not a military power, is anxiously studying Chinese intentions. But Tokyo also understands that any attempt to rebuild Japanese military power would stir angry memories throughout Asia of past Japanese aggression.

South Korea, guarding the last military frontier of the cold war, worries about a second Korean War and a militarily resurgent Japan. Suspecting that Washington is too complacent about both dangers, it is edging closer to Beijing as a strategic insurance policy. Meanwhile Russia, though militarily weak, cannot be discounted. Traditionally a rival of both Japan and China, it now seems interested in warmer relations with both.

The United States can serve its own interests and the region's by helping to maintain a security balance in the area. As long as China, Russia and Japan do not feel threatened, they can be encouraged to assert themselves economically rather than militarily, sustaining the surge toward prosperity that has characterized the region in the last decade.

The United States must recognize that Russia has a legitimate role to play in the region. Washington can work with both Moscow and Tokyo to encourage the return to Japan of islands Moscow seized at the end of World War II.

American relations with Japan, after several years of trade confrontations, have settled down as Japan struggles to climb out of a recession. This has given the Clinton Administration a chance to re-emphasize security cooperation. Tokyo can continue to rely on Washington for protection from external threats while expanding its own participation in United Nations and other international peacekeeping operations.

China presents the hardest challenge. Washington and Beijing are talking again after last spring's chill over Taiwan. But the Administration has not found effective ways to moderate Chinese behavior or hold Beijing to the agreements it has worked out with the United States and other countries. Mr. Clinton's ability to establish a more productive dialogue with China will be an essential measure of his success in Asia during his next term.

Over the last four years, the Clinton Administration has positioned America to compete effectively in Asia's booming markets. But the growth of those markets now depends on assuring stability in the region. That will require more than a strategy to sell American cars in Japan and to protect American intellectual property in China.

WP 11/21

Pushing Ahead on Trade

EVEN BEFORE his second inauguration, President Clinton has an opportunity to set the stage for progress in trade policy during his next term. In the Philippines, he will meet with other leaders of the 18-member Asia-Pacific Economic Cooperation group (APEC), which includes Chile and Canada as well as most of East and Southeast Asia. Then his administration will take part in a World Trade Organization summit in Singapore. Both are important in maintaining momentum toward free trade.

As the NAFTA debate demonstrated, progress in this area will never come easily, because trade liberalization challenges in fundamental and often disturbing ways a society's definition of itself, its national sovereignty and its control over its own destiny. Open trade produces losers as well as winners, and often the losers—at least in the short term—are workers poorly placed to defend themselves. But freer trade also is crucial to maintaining U.S. prosperity and will become increasingly so in coming years. Trade makes up a steadily rising share of the U.S. economy, and access to foreign markets is essential to continued growth.

The Clinton administration pushed hard on trade during its first term, particularly its first two years. It not only threw its weight behind the North American Free Trade Agreement but also helped to get the World Trade Organization off the ground and to have APEC commit itself to free trade by a date certain. But the challenges ahead are no less great now.

Increasingly, the push toward open markets is moving away from traditional arguments over tariffs to "non-tariff barriers" related to fundamental differences between economies—labor and environmental policies, antitrust and competition law, investment rules and anti-corruption strategies. As foreign trade and investment become more and more essential to economic success, countries will see it in their interest to bring policies in such non-traditional areas more into line. But right now, even discussion of such matters arouses opposition and suspicion. The United States is right to push on issues that legitimately involve trade and are not smokescreens for protecting jobs back home. Common rules discouraging corruption—mandating openness in government procurement—would benefit developing countries as much as wealthy ones, for example; only the kleptocratic elites would suffer.

But it is also important to keep pushing on the meat and potatoes of trade liberalization, where much work remains to be done—opening markets in telecommunications, shipping, insurance, agriculture and more. At APEC, Mr. Clinton and his partners have a chance to endorse a free-trade agreement on all products related to the information superhighway—computers, software, faxes, telephones and more—which would cover a half-trillion dollars in annual trade. It's not all that glamorous, but it would certainly help "grow the economy," as the candidates liked to promise during our recent election campaigns.

The Washington Post

AN INDEPENDENT NEWSPAPER

Sleepless in Singapore

AN AGREEMENT to eliminate tariffs on computers and telecommunications equipment, achieved in Singapore last week, marks a significant step forward for open trade and for U.S. high-tech companies. The pact will spur growth in a $500 billion industry that already accounts for about one-tenth of all world commerce, helping to create jobs and economic opportunities in the United States.

The energetic acting U.S. trade representative, Charlene Barshefsky, whom President Clinton Friday nominated to assume the job on a permanent basis, deserves much of the credit for the agreement. Working through sleepless nights at the first-ever ministerial conference of the two-year-old World Trade Organization, Ms. Barshefsky alternately jollied the European Union and Asian countries to give up protections for their domestic industries in the interests of overall growth. Mr. Clinton also had boosted the agreement in the Philippines last month at a meeting of leaders from Pacific Ocean countries. By Friday, when the WTO conference ended, 28 countries representing 85 percent of world trade in computers, semiconductors, software, telephones and related equipment had signed on. If the total reaches 90 percent by April 1, as expected, tariffs will begin coming down on July 1 and will be eliminated by the year 2000. U.S. exports, already exceeding $90 billion, can be expected to rise.

On other matters the WTO made slower progress. The United States had hoped to push trade ministers to begin removing obstacles to trade that, unlike tariffs, are not traditional subjects of negotiation but that can pose equally forbidding barriers. Foremost among these is corruption, a subject that was broached under the more polite rubric of "transparency in government procurement." Many nations are understandably suspicious of WTO interference in such an area, which they regard as a matter of domestic concern, and the ministers in Singapore agreed only to study the issue. In the long run, though, it would serve everyone's interests—everyone except the world's kleptocrats, that is—to reduce the role of bribery in big construction, energy-related activities and other contracts. The study should be regarded as a first step, and Ms. Barshefsky, if confirmed by the Senate, should expect to lose a few more nights of sleep promoting this worthy goal.

THE SUN

EDITORIALS

Tough leadership for trade policy

■ **Barshefsky appointment:** *Clinton puts together most of his second-term economic team.*

TWO SKILLED, TOUGH women are now President Clinton's top negotiators on the international scene. His nod for Secretary of State went to Madeleine Albright, who made her mark with sharp elbows as U.S. ambassador to the United Nations. Then last Friday he chose for U.S. Trade Representative Charlene Barshefsky, whose reputation for aggressiveness in promoting U.S. economic interests is legendary wherever importers and exporters meet.

It was symbolic when the president's new appointees lined up at the latest Clinton press conference that Ms. Barshefsky was nowhere to be seen. She was in Singapore, having just completed a World Trade Organization agreement to eliminate practically all tariffs by 2000 in the booming information technology field. Mr. Clinton estimated this will be a $5 billion bonanza for U.S. exporters of computers, semiconductors and telecommunications equipment.

As a Cabinet-level member of the president's economic team, Ms. Barshefsky will be working with the new secretary-designate of Commerce, William Daley, of the Chicago political family. Mr. Daley was instrumental in gaining congressional approval of the North American Free Trade Agreement in the face of liberal Democratic opposition.

Heading the administration's overall economic policy operation will be Treasury Secretary Robert Rubin, whose work in putting together a financial rescue package after the collapse of the Mexican peso probably saved NAFTA during its difficult infancy.

Other Clinton economic advisers in a shuffling of somewhat overlapping portfolios: Gene Sperling, a long-time Clinton aide, as chairman of the National Economic Council; Dan Tarullo, former NEC deputy as special presidential assistant in international economics, and, probably, former Federal Reserve Board vice chairman Alan Blinder as chairman of the Council of Economic Advisers.

With the World Trade Organization still in a formative stage, with the U.S. in dispute with major trading partners over practices smacking of unilateralism, with China and Japan still racking up unsustainable trade surpluses, with the U.S. plunging into the information age at a speed that creates domestic pressures for economic nationalism — with all these factors and more, Ms. Barshefsky promises to be a high-profile administration figure in a world where political diplomacy has to share pride of place with economic diplomacy.

Mr. Personality and Mme. Stonewall

■ Nominees for two key Clinton administration posts could do a lot to aid the U.S. position in Asia.

He is so personable, he can tease a smile from dour North Korean officials. She is so tough, her Japanese counterparts— themselves the toughest of the tough—dub her "Stonewall."

But whatever people say about Mr. Personality, as New Mexico Rep. Bill Richardson has been called, not to mention Madame Stonewall, trade negotiator Charlene Barshefsky, there's no question that these are two of America's best. Even in Asia, which can frustrate the most experienced diplomat, they have made their mark. The Senate will want to waste no time concurring with President Clinton's nominations of each for Cabinet-level positions.

CALIFORNIA PROSPECT
By Tom Plate

Last month, Barshefsky, the acting U.S. trade representative, now named to take the post officially, faced a mountain in the molehill of diminutive Singapore. Could she rally enough support at the first ministerial meeting of the newly minted World Trade Organization for a new glo technology agreement? The aim open foreign markets and lo consumer costs for some $. billion in products semiconductors, telephon software, computers and compu equipment. How? By eliminat import taxes, or tariffs, and ot import restrictions at natio borders. For high-tech busines in the U.S., particularly California, Utah and Washingt with their international competitive technology a software firms, the stakes w enormous.

The bargaining wasn't easy in steamy Singapore. Clouds hung over the World Trade Organization. With 127 trade ministers from all over pouring in, with their 127 different agendas and 127 giant egos, at first nothing seemed doable. How could the marathon WTO session produce more than the usual pile of press releases that even the press would not want released? But when Asian nations (especially, says Barshefsky, Japan, Singapore, Hong Kong and to a somewhat lesser extent Korea) started siding with the U.S. delegation, the tide turned.

Barshefsky lavishly praised the work of the president at a previous Asian economic showdown—the APEC summit outside Manila in November. That's not all hype: There, a personally charming President Clinton lobbied one Asian head of state after another to back America's plan for a worldwide technology tariff reduction and market-opening agreement. The Chicago-born-and-toughened Barshefsky delivered the package in Singapore. Her stock in trade: keeping an infinite number of trade-talk details in her head without losing her cool, or her mind. That's certainly what's needed these days for trade agreements that are scarcely less complicated than a double-helix formula encoded via calligraphy. Says outgoing Commerce Secretary Mickey Kantor, her former boss at the U.S. trade office: "Yes, Clinton's lobbying in Manila helped, but without her setting it up in Singapore and finishing the deal, it wouldn't have gotten done. If I had to pick one quality of hers out of all the others, it is preparation. No one is more organized and disciplined. And no one is tougher."

Meanwhile, elsewhere in Asia, Bill Richardson, now up for the U.N. ambassadorship, was inadvertently helping pave the way for North Korea's public admission of "deep regret" for that commando-packed submarine that went aground in South Korean waters. Recall what went before: Two years earlier, Richardson had helped sweet-talk the North Koreans into releasing a captured U.S. helicopter pilot. Then the Richardson charm struck again. In November, amid all the tension over the sub incident, the North Koreans talked with Richardson and then released one Evan Carl Hunziker, an errant and emotionally troubled American missionary they had been holding for straying into their territory. With that, Richardson, former chair of the Congressional Hispanic Caucus, boldly predicted a breakthrough on the sub incident impasse. In December, the North Koreans bowed to worldwide public opinion and the South's demand.

To be sure, Winston Lord, the outgoing U.S. assistant secretary of state for Asia, rightly reminds us to keep the champagne corked: "I don't want to inject euphoria here. The Korean negotiations are still going to be tough. But Bill has had a very positive impact." Says a nongovernmental source who has good contacts in Pyongyang, the North Korean capital: "Richardson deserves a lot of the credit. He has tremendous style. When the North Koreans would get difficult, Bill would just sit there, light up a cigar and smile. Then, suddenly, he'd jump up, go over, practically put his arm around someone, and say, grinning and just about bear-hugging the negotiator: 'Come on now, work up an apology for the South Koreans, you know you've got to do that some time or other.' You had to laugh—even the North Koreans would laugh. His style broke the ice but he always showed the North respect." Respect—now, that's something Americans don't always display in Asia.

In fact, Barshefsky and Richardson do not possess a true expert's long history with Asia. Neither, of course, does almost anyone currently at the top tier of this European-oriented second-term Clinton Administration. But if Pyongyang and Singapore seem remote from America—and organizations like the WTO and APEC seem even further out—these two recent efforts have brought the relevance of Asia home in a most dramatic way. Decisions made in any of these places can hit our pocketbooks and our peace of mind, for better or for worse. Having talents like Richardson and Barshefsky on the job gives America a better chance.

Times columnist Tom Plate also teaches in UCLA's policy studies and communication studies programs. E-mail: tplate@ucla.edu

LA Times
1-7-97

High-Tech Trade Pact Draws Praise

By Jon Swartz
Chronicle Staff Writer

Silicon Valley heavyweights lined up yesterday to hail one of the world's biggest trade pacts, which opens the spigot on international high-tech sales and promises price cuts on home computers and hundreds of other products for consumers.

Hewlett-Packard, Sun Microsystems, Intel and Microsoft said the U.S.-backed Information Technology Agreement — abolishing import duties on computers, software, semiconductors and telecommunications equipment between July 1, 1997, and Jan. 1, 2000 — amounts to a "global tax cut."

Representatives from 28 countries who conduct most of the world's $600 billion high-tech trade business inked the deal yesterday in Singapore. Analysts say that market is growing by at least 15 percent a year.

"These tariff barriers in the IT sector have been, in essence, a tax on information, competitiveness and productivity," HP Chief Executive Officer Lewis Platt said in a statement. "The phaseout of these tariffs will mean increased economic development and growth because individuals, businesses, schools and organizations worldwide will increase their use of the emerging global information infrastructure."

"This is great news for PC and Internet users worldwide," said Craig Barrett, Intel's chief operating officer. Chet Silvestri, president of Sun Microelectronics, a division of Sun, said the sweeping pact moves a worldwide information network "closer to reality."

A Microsoft spokeswoman called the deal a "win-win for every country and every consumer."

Much of the equipment necessary to construct computer networks that tap into the Internet is covered under the pact, and personal computers themselves will be cheaper.

U.S. Trade Representative Charlene Barshefsky negotiated the deal at the World Trade Organization conference. She hammered out differences with the European Union, which has some of the highest duties, before enlisting Asian

INFOTECH: *Page D? Col. 3*

INFOTECH

From Page D1

countries.

Tariffs in some parts of Asia, a hub of info-tech product manufacturing, are as high as 30 percent.

Six other nations have assured the United States they will join the ITA group before a March 15 deadline, Barshefsky said. Those nations are crucial to the agreement, which will be effective only if it covers 90 percent of world info-tech trade.

Together, the six nations make up 6 percent of the world info-tech trade while the 28 committed countries account for 85 percent. They will start cutting tariffs in four phases beginning July 1997, Barshefsky said.

The 28 countries that signed up includ[e] the United States, Germany, France, Japan, Canada and Australia.

In a related deal, WTO members ar[e] close to an agreement that would open u[p] telephone services to foreign investmen[t] and competition around the world. Suc[h] an agreement would almost surely reduc[e] both the cost of calls and Internet connections.

The telecommunications talks collapsed in April, but the deadline has been extended to February 15.

Chronicle wire services contributed to this report

San Francisco Chronicle
12/14/96

Pact to Cut Tariffs on $1 Trillion in High-Tech Trade

By DAVID HOLLEY
TIMES STAFF WRITER

SINGAPORE—Key countries reached agreement here today on a pact to eliminate tariffs on most products of the world's $1-trillion information technology industry, a step that should benefit California's economy while cutting prices and boosting global production of everything from telephones to computers and CD-ROMs.

While some other countries still must also approve the pact, it appears highly likely that the agreement will hold together and that tariffs on most trade in information technology will be cut to zero by 2000.

By the time today's final declaration for a five-day World Trade Organization ministerial meeting

Please see WTO, A18

WTO: High-Technology Tariffs Targeted

Continued from A1

was drafted, 28 countries representing nearly 85% of world trade in information technology products had signed onto the deal. That is not quite sufficient to guarantee its implementation.

But enough countries are expected to join in the next few months to make the deal binding.

The Unites States, the 15-member European Union, Canada and Japan announced their approval Thursday, and 10 more countries joined today.

Conclusion of this Information Technology Agreement during the 128-member WTO conference was a top goal of the U.S. government.

President Clinton personally lobbied many Pacific Rim leaders on behalf of the deal during last month's Asia-Pacific Economic Cooperation forum in Manila.

The potential effects of the agreement range from more rural villagers getting telephones for the first time, to making it cheaper to buy computers and surf the Internet, to the opening of more attractive overseas markets for Silicon Valley software producers.

Because electronic components used in computers and telecommunications equipment are also covered, many firms should be able to cut costs enough to simultaneously boost profits and reduce prices on finished goods.

Such a development would particularly boost California's economy because of its many high-tech companies and its consumers who buy high-tech products.

Trade officials here called the pact the world's most important free-trade step since the 1994 Uruguay Round negotiations, which established the WTO. They also said it is the largest trade liberalization agreement ever concluded for what can be considered a single industrial sector.

In order to become binding, the information technology deal must be formally joined no later than March 15 by enough countries that it will cover at least 90% of world trade in information technology products. Another condition, backed by the European Union, requires that in order for the overall pact to come into effect, agreement must be reached on accelerated elimination of tariffs on some products before 2000.

European Trade Commissioner Leon Brittan said at a news conference this morning that he is "very confident" both these conditions will be met.

U.S. trade representative Charlene Barshefsky said that six countries—including Malaysia—said they intend to join the pact, and that together these countries account for about 6% of information technology trade.

"There is no question this agreement is a full go-ahead," Barshefsky said.

Global trade in products covered by the agreement was estimated at $500 billion in 1995, including $90 billion in U.S. exports, which have increased about 40% in the past four years despite significant tariff barriers on many items.

The new pact should make the rapidly growing information technology industry grow even faster, thereby hastening the globalization of the world economy.

"The extent of tariff savings, which would be quite hefty, doesn't begin to measure the ultimate economic benefit of agreements of this sort, because of simply the more rapid growth in trade that tends to accompany tariff reductions," Barshefsky said.

The pact covers all kinds of computers, semiconductors and almost all telecommunications equipment.

Among items that were subject to last-minute bargaining this week, the United States gave ground to European Union demands and agreed that music CD and recorded films would not be covered. All computer software, however, is covered, including anything "interactive" in which the user can manipulate what appears on the screen.

Many products that are not in the agreement might also be more affordable as a result of the deal. Semiconductors and many electronic components, for example, are important items in cars, and lowering their cost through zero tariffs can affect the final product's price.

In another key item for the WTO conference, significant progress was made toward the group's goal of concluding by Feb. 15 an accord on liberalization of telecommunications services, Brittan said.

LA Times
12-13-96

Fed Up

WASHINGTON

This was a good foreign policy week for both Mickey Mouse and Ronald McDonald.

It started with the Walt Disney Company rejecting China's demand that it scrap a movie Disney is co-producing about the life of the Dalai Lama, the exiled Tibetan religious leader, whose drive for Tibetan rights is the bane of Beijing. Less well publicized, but no less important, was the deal struck this week between McDonald's and the Beijing authorities over the world's biggest McDonald's, next to Tiananmen Square. For two years McDonald's resisted an arbitrary order by the Beijing Government that McDonald's remove the restaurant, despite a 20-year lease, because the city wanted to erect a lucrative commercial complex in its place. After standing up to Beijing, McDonald's finally won compensation for its move and the right to open at least two more outlets along an adjacent street.

There are some lessons here worth reflecting on. To begin with, both of these cases remind us that for too

U.S. companies buck Beijing.

long the American business community in China has behaved as if human rights and business rights were two different things, and that as long as business rights were not trod upon by the Chinese, human rights could be ignored. Wrong. Human rights and business rights are just flip sides of the same coin, and the coin is called "the rule of law." If democracy advocates in China are subject to arbitrary arrest or intimidation, then sooner or later Mickey Mouse will be as well. And that's what really happened in this Disney case. Mickey Mouse got thrown in the slammer with Wang Dan. The Disney folks shouldn't forget that.

The second lesson, for both business and the Clinton Administration, is that we have leverage with the Chinese; we've just spooked ourselves into thinking otherwise. They crave Big Macs, Macintosh, Microsoft and Mickey Mouse. They can't finance their growth without exporting to America. They desperately need the $38 billion trade surplus they have with the U.S. Whenever America actually does use this leverage in a sophisticated manner, whether it's McDonald's or the Government, it's successful.

Look at how the U.S. Trade Representative's negotiators dealt with China in June on the question of piracy of U.S. goods. The U.S. negotiators went to the Guangdong Province government and said, "Look, guys, if you don't close your pirate factories we're going to block Guangdong's textile exports to the U.S., and, more importantly, we're going to let people know that this is a pirate province and you won't attract a dime of high-tech investment, and that will leave you making Nike tennis shoes forever." To reinforce that message the U.S. team brought along some American high-tech executives. Surprise, surprise, the Guangdong government cracked down. (True story: At the dinner to seal the agreement in June, the U.S. negotiators asked for dim sum, but the Guangdong officials insisted on sending out for McDonald's.) Show the Chinese you have leverage, make a specific set of demands and then show them why the way out is in their interest and they will respond.

Finally, there is a message here for China's leaders: Look at all the columns, editorials and articles written this week about the Disney case in the U.S. What is striking about them is the hooray for Disney that comes through. In part it is a hooray that a U.S. company has finally put principle before profit. But in part it also reflects the simmering anger with Beijing in this country — a sense that for the last four years the Clinton team has bent over backward, shamelessly at times, to address China's concerns in order to improve the relationship, while the Chinese have done nothing — not one thing, zippo, nada, zero — to address even the most minimal U.S. concerns about human rights or arms proliferation to improve the relationship. People are fed up, so there is a certain irrational joy in America with Disney's slam-dunking Beijing's demands.

The Chinese leadership ought to reflect on that mood. There are many Americans who want to see a healthy relationship with China, who want to see China develop, and who understand the difficult transition it is embarked upon, but Beijing has made it very hard to be a friend of China in this country. That's the real moral of this Mickey Mouse story. □

NYT
12-4-96

WP
8/14

Chips on the Table

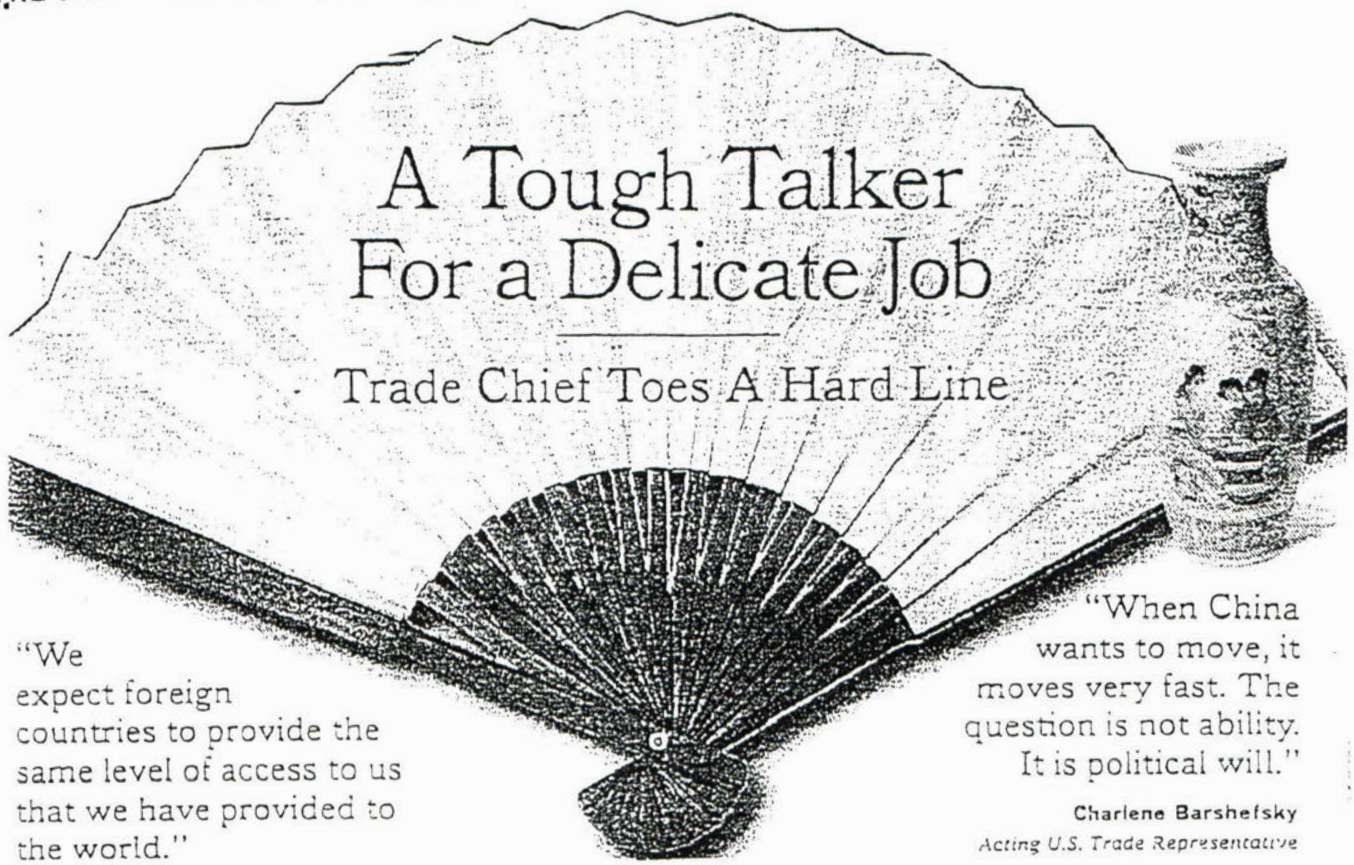
JAPAN'S TRADE minister boasted that a new semiconductor trade pact with the United States, sealed Friday at dawn after 50 hours of nonstop bargaining, "almost exactly" reflects his original proposal. That was an exaggeration, but the new agreement does avoid setting targets or floors for U.S. semiconductor sales in Japan, thus—according to the Japanese—ending a decade of hateful "managed trade." Ironically, their negotiating success last week may end up putting more pressure on Japanese industry than a more intrusive agreement would have.

Semiconductors are the key components of all electronic products and are integral to almost every other industry now, too, including automobiles. Ten years ago, when Japanese firms were buying only 9 percent of their chips from foreign companies, U.S. makers feared that Japan might dominate this essential building-block industry. But two successive five-year trade agreements raised that foreign share from 9 percent to more than 30 percent while spurring a raft of alliances between U.S. and Japanese firms.

Coming into this summer, Japanese officials argued that the agreement should simply be permitted to lapse. They had always resented the pacts, particularly a 1991 provision that enshrined an "expectation" that the foreign share of the Japanese chip market would exceed 20 percent, and now they said there was clearly no more need. U.S. officials agreed that Japan's market had changed radically, but they pressed for some agreement to prevent backsliding. In the end, U.S. officials also got what they wanted.

The three-year agreement struck Friday leaves most of the work to industry executives, who will collect data and continue to encourage cross-Pacific cooperation. Government officials, as the Japanese insisted, will play no official role in collecting information, let alone setting targets for U.S. market share. But U.S. and Japanese officials will meet regularly to review the status of semiconductor trade and—reflecting the changing nature of the business—invite other countries to join in.

Thus the Vancouver talks have set up an interesting experiment and put the onus on Japanese industry. If it is truly open to foreign products, as Japan's officials insist, U.S. semiconductor makers should be able to maintain a share of the market commensurate with their high level of competitiveness and their success elsewhere in the world. If U.S. makers once again begin encountering closed doors, then it will be clear that outside pressure and "managed trade" remain necessary tools in dealing with Japan.



A Tough Talker For a Delicate Job

Trade Chief Toes A Hard Line

"We expect foreign countries to provide the same level of access to us that we have provided to the world."

"When China wants to move, it moves very fast. The question is not ability. It is political will."

Charlene Barshefsky
Acting U.S. Trade Representative

By DAVID E. SANGER

WASHINGTON, May 16 — On the verge of becoming acting United States trade representative, Charlene Barshefsky faced a particularly delicate negotiating challenge: persuading three hockey fans at a bar to change the channel on the television.

A month ago, Ms. Barshefsky was on her way back from Beijing, where she had just warned the Chinese that failure to carry through on their commitment to shut the factories pirating American software, music and videos would result in billions of dollars in sanctions against their exports. Switching planes in Los Angeles, she checked in with her office and was told that President Clinton was about to make an announcement that would change her life. She had to find a TV — fast.

"The only working television was at the bar," Ms. Barshefsky recalled, warming to an oft-told White House tale. "There are these guys, glued to a hockey game. So I ask them: 'Would you mind switching to the President's news conference?' And I get this look of disgust that says, 'Watch *what*?' "

Announcing Ms. Barshefsky's promotion, the President described her as a woman who "has brought tears to the eyes" of leaders around the world. The barflies were not impressed. "They didn't even buy me a drink," she said.

Now, Ms. Barshefsky — known in Washington as a supreme tactician, a quick study, an extraordinarily patient negotiator and a mother who ignores the phone in the evenings so that she can help her two daughters with violin and piano lessons — must prove as wily in dealing with China's aging leaders as she was with those grumpy hockey fans.

On Wednesday, Ms. Barshefsky made her opening parry. Stepping into the television lights, she looked around, smiled, and — making good on her threat — crisply announced a sanctions list of $3 billion in Chinese goods that could soon be subject to 100 percent tariffs.

Facing down China would be a daunting task at any time, but it is particularly challenging just as Ms. Barshefsky must make the leap from the tactical role of the No. 2 and emerge from the shadow of Mickey Kantor, her former boss. Mr. Kantor left the job to succeed Ronald H. Brown as Commerce Secretary after Mr. Brown was killed in a plane crash in Croatia.

She has already proved to be plenty tough. Within weeks of taking up her post as a top trade deputy in 1993 and plunging into talks with Japan, Ms. Barshefsky's colleagues named her "Stonewall." "Believe it or not, she is even more direct and blunt than I am," said Mr. Kantor, who is not known for shyness.

Still, by her own admission, Ms. Barshefsky, 45, lacks the long experience of Mr. Kantor as a Washington deal maker, or his deep connections to President Clinton and other members of the Cabinet. "Mickey's political, I'm not," she said shortly before she was appointed to the job. Moreover, the trade representative's office she is inheriting — a scant 150 people — has been transformed in recent years into a central player in the formation of American foreign policy. And she must do all this in the supercharged atmosphere of a Presidential election year.

Yet until she joined the trade office in 1993 from one of Washington's top law firms, Steptoe & Johnson, Ms. Barshefsky had never stepped foot in Asia, where the contours of merging trade with diplomacy are most treacherous. Nonetheless, by virtually all accounts — including Japanese opponents who are not easily impressed — she is a natural.

"She may be the most intuitive negotiator I've ever seen," Joan Spero, the Under Secretary of State for Economic and Agricultural Affairs and one of Ms. Barshefsky's closest friends, said the other day. "She has this incredible ability to pick up the body language of the negotiator on the other side of the table. She reads them brilliantly. And she can be incredibly sweet or incredibly brassy — or both at once."

In public, Ms. Barshefsky is remarkably confident, talking in perfect paragraphs. At her news conference on the Chinese sanctions, swathed in one of her trademark French silk scarves, she began with a concise description of the Administration's objectives in China, focusing on enforcing trade accords, but

David Scull/The New York Times

The acting trade representative, Charlene Barshefsky, announced sanctions against China on Wednesday.

remembering to touch on nuclear nonproliferation, human rights and a detailed defense of the dangers of isolating Beijing by terminating its broader trade privileges, called "most-favored nation" status.

Friends say that behind the articulate barrage, she is torn by at least a few self-doubts about the difficulty of doing her job without slighting her daughters, 8 and 12 years old.

Indeed, in the Winder Building near the White House — where Lincoln used to get reports from the Civil War battlefield and that now serves as the command center for America's late 20th-century trade wars — she is still adjusting to her new status in the Clinton inner circle.

But whether she can ever drop the "acting" from her title depends largely on the interpretation of an amendment to American trade law adopted last year that prohibits appointing anyone as trade representative who has "represented, aided or advised" foreign governments in trade negotiations. That rule, if taken in its broadest sense, would ban from the post nearly every trade lawyer in Washington.

Just before leaving private practice, Ms. Barshefsky played what the Administration terms a "monitoring" role for the Canadian Government in its disputes with the United States over imports of softwood lumber, a subject from which she recused herself in office. Viewed in light of Congress's intent, Ms. Barshefsky said, "Nothing we have seen so far suggests there will be any problem."

Nonetheless, she has not yet moved her desk into Mr. Kantor's old office.

But from her slightly more cramped quarters, she has already given the stiff arm to most of America's trading partners, large and small, over the issue that became her first test — a global agreement on telecommunications.

For years the United States has been sparring with other nations that want access to the world's most lucrative telecommunications market but say their own markets are not yet developed enough to throw open their doors to the American giants. When Ms. Barshefsky came face-to-face with the deadline to close the global deal at the end of last month, she concluded that many countries simply had not given enough.

So she pulled the plug, telling the rest of the world to try again next year, with better offers.

"Twenty years ago we were willing to enter nonreciprocal agreements," she said. "We were a fully developed nation, compared to others, and we had economic leeway and political leeway to place other priorities well ahead of trade. And there was the cold war, which drove our agenda. Now, we expect foreign countries to provide the same level of access to us that we have provided to the world. You get what you give. It's that simple. No free rides."

Ms. Barshefsky's critics, none of whom would speak for attribution, say the problem with that philosophy is that Washington now gives lip service to working within the World Trade Organization that sets global trade ground rules, but sidesteps unpredictable panels of international judges and threatens unilateral sanctions whenever a big problem erupts. America, many in Europe and Asia say, cannot have it both ways.

"The U.S. is between a rock and a hard place," she shoots back. "If it flexes its muscle in the W.T.O. or outside of it, the charge is that we are putting the international trading system at risk. If we are passive or agreeable, the charge is we are not showing leadership. The presence of a W.T.O. system does not mean the United States cannot pursue other interests, in other ways."

Ms. Barshefsky was, by her own admission, a reluctant trade warrior. "I was captured by indecision for 10 days," she recalled about her initial move to the trade deputy job, "looking for any sign of what I should do." She found it driving to work one morning with her husband.

Edward B. Cohen, on a car with the license plate "GO4IT."

"That pushed me over the edge," she said.

The first country to get a dose of Ms. Barshefsky's driven, focused style was Japan. In 1993, just weeks into her job as Mr. Kantor's deputy, she opened negotiations on an umbrella agreement that would eventually cover more than 20 different industrial sectors. That July, as President Clinton arrived on his first trip to Japan, Ms. Barshefsky picked up on the differences between Tokyo's more accommodating Ministry of Foreign Affairs and the hard-line Ministry of International Trade and Industry and managed to strike a deal that drove a wedge between the bureaucratic rivals. The result was a much publicized fistfight in the lobby of the Okura Hotel — witnessed by many, but denied by the Japanese Government — between the feuding Japanese bureaucrats.

Since then Ms. Barshevsky has held endless negotiating sessions, mixing a hard line — sometimes harder than Mr. Kantor's — with some graceful touches. A senior Japanese diplomat remembers receiving a shawl from Ms. Barshefsky and her daughters for his wife, who was fighting cancer. The gesture was so unusual that Prime Minister Ryutaro Hashimoto later thanked her.

But China is a very different challenge and its hardball response that Ms. Barshefsky's approach will only end up forcing China to close its doors to American investors and products has already shaken some big American companies. But Ms. Barshefsky's public pose is firm.

"Certainly China is a desirable market," she said the other day, "but it is by no means the only growing market in the world."

Must Barshefsky Add Beltway Smarts to Global Skills?

By HELENE COOPER
Staff Reporter of THE WALL STREET JOURNAL

SINGAPORE—Here at the World Trade Organization's first big meeting, Acting U.S. Trade Rep. Charlene Barshefsky is in her element: prodding ministers to upgrade global labor standards; exchanging verbal abuse with her perennial adversary, European Union trade negotiator Sir Leon Brittan; and shuttling between Asian countries and the EU to broker a global technology pact.

It is a far cry from her more subdued role in Washington's inner circles, where she lacks lifelong political connections to the president and is only beginning to gain public renown.


Charlene Barshefsky

Yet early next year President Clinton is expected to nominate Ms. Barshefsky to be the permanent U.S. Trade Representative, succeeding his political pal Mickey Kantor. If confirmed by the Senate, she would become the first holder of the top trade job without close political connections to her chief executive boss or the ruling party.

Novice at Political Games

In fact, she isn't always certain how to play Washington's political games at its upper levels. The day after being named acting trade representative, one aide recalls, Ms. Barshefsky asked Mr. Kantor if she should send Mr. Clinton a letter thanking him — and was told her new status allowed her to call him directly.

But Ms. Barshefsky, 47 years old, would be, with one exception, the first to take over with extensive experience as a trade negotiator. Such predecessors as former party bosses Robert Strauss (Democrats) or William Brock (Republicans) were better known for things like political fund raising, in contrast to her days as a trade lawyer for the Washington firm Steptoe & Johnson. And unlike political operators such as White House economic official Daniel Tarullo and Economic Strategy Institute president Clyde Prestowitz, who are her rivals for the trade post this time around, she was a political unknown before being named trade deputy three years ago, her first government job.

But Ms. Barshefsky is no longer unknown overseas. To Japanese officials, who have endured three years of her attacks on their trade practices, she is "the Dragon Lady." Her tough tactics include threatening China — twice — with trade sanctions for copyright piracy. And this week, along with the quick-tongued Sir Leon, she has played a leading role at the WTO's first ministerial meeting, eclipsing trade officials from some 125 other nations and even the WTO head himself, Renato Ruggiero.

Yesterday, Ms. Barshefsky and Sir Leon were completing a tentative agreement to abolish tariffs on $500 billion of trade in technology products by the year 2000. The pact, which will cover computers, software and related products, still must be ratified by EU members and Asian countries, but officials say they expect this to happen by tommorrow.

Relishing Contentious Meetings

That tentative pact emerged after tense days of haggling, trading and name-calling between Ms. Barshefsky and Sir Leon, who seem to relish their contentious encounters. At one point, she accused the Europeans of adding extraneous measures, causing him to say she was "talking nonsense," before tacking on some extraneous issues, anyway. Ms. Barshefsky then called him schizophrenic.

"They both have a healthy respect for each other's ability to plan and scheme," Ira Shapiro, a leading U.S. trade negotiator, says. Adds Peter Guilford, Sir Leon's spokesman: "They like roughing each other up a bit."

However, Ms. Barshefsky still must be confirmed by a Republican Senate, and that requires some maneuvering. A law pushed through last year by former Sen. Robert Dole bars anyone who ever lobbied for a foreign government from serving as chief trade negotiator, and Ms. Barshefsky once represented Canadian lumber interests.

But her hard-nosed style is admired by many in the GOP. Administration officials will choose one of two arguments on her behalf: that she should be confirmed because the law was enacted after she became Mr. Kantor's deputy or that it shouldn't apply because she represented Canada's industry and not its government. (Though once she did monitor trade issues for the Canadian Embassy in Washington).

Lack of Connections

However, if she is confirmed, her lack of political connections might bring problems when she tries to persuade fellow cabinet members to take her policy advice on trade issues. "Charlene is so uncomfortable in the [White House] west wing playing that political game that sometimes she opts out of it completely," one senior U.S. trade official says. Adds her friend Dick Thurston, a Dallas trade attorney: "She's not too adept at dealing with the politicians in the White House staff."

That lack of political clout helps explain why she had to wait so long after Mr. Kantor's departure before receiving presidential assurance that she would get the top job. As Mr. Clinton worried about his re-election, his advisers floated other names for the post. One contender reportedly visited her office to say he wanted the top job.

In the end, Ms. Barshefsky won, in part, because of her reputation as a tough negotiator. Yet White House officials also cite a perceived need to have more women in the cabinet as another reason for choosing the clearly qualified Ms. Barshefsky, a proven negotiator, over more political candidates.

Get-Tough Tactics

After three years in the trade office, Ms. Barshefsky is hardly a political novice. She is tough at lower-level bureaucratic infighting, and managed, among other things, to wrest much of China trade policy from the State Department. But now she will have to learn to play the top-tier Washington game. As the U.S. Trade Representative, she can expect trouble persuading some cabinet members to accept her get-tough tactics for dealing with trade foes. She often favors using sanctions to prod countries like Japan and China into opening their markets to U.S. products. But that approach often doesn't go over well at the State and Treasury departments, where officials aren't eager to roil the diplomatic calm or disturb financial markets.

Here in the trading center of Singapore, Ms. Barshefsky's fame is such that her presence is front-page news. She has brought a varied agenda of more labor rights for workers in developing countries, the technology pact so desired by the U.S. computer industry and a telecommunications proposal to open world telecommunications markets.

But her desire to move fast can ruffle foreign bureaucratic feathers here. She irritated many counterparts by skipping a ministerial meeting to work on the technology pact, sending instead a lower-level U.S. official. Malaysia and others are annoyed by her turning what was supposed to be a bland trade conference in Singapore into a serious negotiation. Her speech, which is sometimes too colorful to print in most newspapers, can raise eyebrows.

And then there is Sir Leon, with whom she often squabbles. For example, earlier this year, relations between them grew so intense that Ms. Barshefsky flew to London to patch things up over dinner with a miffed Sir Leon. They have had to make up so often here in Singapore that no one was surprised to see them, once again, strolling out of a restaurant Tuesday, chatting amiably.

That particular detente lasted about 60 minutes before they were at it again.

Women of the Year 1996

Glamour Magazine, Dec. 1996

CHARLENE BARSHEFSKY

For flexing American muscle overseas

[illegible]

[illegible]

[illegible]

'Confidence' in Kodak's Japan case

U.S. trade official, in local visit, says WTO may take year to act

By WILLIAM PATALON III
STAFF WRITER

Eastman Kodak Co. has built a strong case detailing its claims that illegal trade barriers are keeping its film off many store shelves in Japan, acting U.S. Trade Representative Charlene Barshefsky told reporters after touring part of Kodak's plant in Gates yesterday.

IMAGING

The Trade Representative's office has taken part of Kodak's case to the World Trade Organization for adjudication. The WTO — an independent, international body established to resolve trade disputes between countries — could set up a panel to hear the Kodak dispute next Wednesday.

"We have great confidence in the case we brought to the WTO," Barshefsky said. The case "details the closed nature of the Japanese distribution system."

Kodak filed the case in mid-1995. The company claims that Japanese rival Fuji Photo Film Co. Ltd. has put in place powerful and illegal trade barriers — including a vassal-like distribution system — that keeps Kodak film and photographic paper from gaining little more than a toehold in the Japanese market. What's more, Kodak claims the government of Japan has looked the other way.

Fuji has repeatedly denied Kodak's allegations and says marketing mistakes, lesser quality and a failure to offer innovative new products are the factors responsible for Kodak's small market share in Japan.

Last week, Japanese trade officials said they would agree to hold talks with their U.S. counterparts about access to Japan's film and photographic paper market for American products — so long as the U.S. government agreed to talk about better access to the U.S. market for similar products made in Japan.

Barshefsky, in town yesterday to talk to Kodak executives and to attend a fundraiser for U.S. Rep. Louise Slaughter, D-Fairport, said Japanese trade officials made those comments last week in an attempt to pull attention away from the trade barriers in Japan.

"We have great confidence in our case," Barshefsky said after touring the area at Kodak's Elmgrove plant where the company assembles its single-use cameras — including one developed for Japan.

The case has actually been broken up into several pieces. The portion now before the WTO focuses on alleged barriers either overlooked by — or encouraged by — the Japanese government that discriminate against Kodak's film and photographic paper.

The second part of the case, which also will go before the WTO, deals with the extent that allegedly blocks access by keeping distribution channels in Japan closed to foreign products. Barshefsky said yesterday that her office is broadening that portion of the case.

The third part of the Kodak case deals with anticompetitive conduct by the private sector in Japan, including companies such as Fuji. It will be dealt with separately.

The WTO portion of the case could take a year to 14 months to resolve, Barshefsky predicted.

JAMIE GERMANO staff photographer

A close-up view Acting U.S. Trade Representative Charlene Barshefsky listens to Eastman Kodak's Rob Fischmann during yesterday's tour of the single-use camera manufacturing area in Gates.

JAPAN

ONE BIG BANG FOR INSURERS IN JAPAN

Deregulation could mean better [illegible]—for U.S. companies

It's one trade issue the U.S. really pushed hard. As the uncertainty of U.S.-Japan insurance talks hit a [illegible] earlier this month, Treasury [illegible] even [illegible] U.S. Trade Representative Charlene Barshefsky the "dragon lady." The last-minute resolution unveiled on Dec. 15 may have been worth the effort. Unlike the recent run of vague charters, trade pacts, Clinton's team might justifiably put this one in the win column.

After months of stonewalling, Japanese Finance Minister Hiroshi Mitsuzuka stunned Washington trade warriors by agreeing to liberalize the pricing of auto and commercial fire insurance and streamline new-product approvals. The package gives such U.S. insurers as CIGNA Corp. and American International Group Inc. [illegible] a shot at a bigger slice of Japan's [illegible] billion insurance market.

The pact is sure to trigger a [illegible] shakeout among Japanese life and property insurers, which have relied on regulated premium rates and cozy ties to the Ministry of Finance to mask their bloated cost structures, weak balance sheets, and dismal investment skills. [illegible] that Japanese [illegible] reacted angrily. "These negotiations have been [illegible]," fumed [illegible] president of [illegible] Marine & Fire Insurance Co.

NEW PRIORITIES. Perhaps [illegible] in some respects [illegible] the Japanese consumer [illegible] mutual [illegible] auto insurance. Premium [illegible] the [illegible] industry [illegible] controlled [illegible] means [illegible] and the [illegible] higher insurance [illegible] now, don't pay much more than those with standard [illegible] records. The lack of competition explains why auto insurance costs 25% more on average than in the U.S.

The MOF never had much incentive to dismantle Japan's rigged insurance market. It effectively subsidized insurers by rubber-stamping proposed premium increases. In return, it could "force" insurers to steer their huge financial assets into Japanese government bonds or other sectors of the economy in need of funds.

MOF's priorities changed when Prime Minister Ryutaro Hashimoto [illegible] the [illegible] future of the "Big Bang" package to overhaul Japan's financial markets by 2001. The [illegible] determination to protect insurers [illegible] the Big Bang [illegible] the [illegible] trade [illegible].

Heavy lobbying by U.S. insurers

Changing the Insurance Industry

AUTOS

Uniform rates will be replaced, starting in September, 1997, by variable rates reflecting such risks as age, driving record, and type of vehicle

FIRE

More discounting on big policies will be allowed, with full deregulation by 1998

CANCER

Lifting the ban on Japanese life insurers competing in market that's dominated by foreign insurers is delayed until 2001

NEW PRODUCTS

The Ministry of Finance agrees to approve applications for new insurance products within 90 days

DATA: BUSINESS WEEK

though, also played a role. With little incentive to take on entrenched Japanese life insurers, American rivals have been relegated to niche segments such as overseas travel and cancer insurance. They're lucrative markets, but only 3.5% of the game. That kind of market share is "minuscule compared to any other major country," figures AIG Chairman Maurice R. Greenberg.

A few weeks ago, even that slim share looked dicey. The MOF had wanted to immediately ease rules on big insurers moving into boutique lines such as travel insurance as part of any deal. The U.S. vowed to impose sanctions, as that would violate a 1994 deal to open up mainstream segments such as auto insurance first. "We feared they would open up our sector to everyone else and not open some other area to us," says Daniel P. Amos, chief executive of Columbus (Ga.)-based AFLAC Inc., which now writes 90% of Japan's cancer insurance.

True deregulation will mean a crash diet for Japan's insurers. Insurance-agent overhead in Japan, for instance, eats up some 20% of premium costs, vs. 10% in the U.S. What's more, Japanese insurers are far less adept at calculating insurance risks or getting decent investment returns on their assets.

With the Big Bang echoing loudly in financial circles, the latest agreement with Washington will be a wake-up call for Japan's lumbering insurers. Faced with the prospect of battling among themselves and with savvy foreign competitors, the insurers will have to slim down fast to survive in a newly deregulated market. Their success at coping will reveal more than whether a rich and coddled industry can adapt to sudden change. It will also be an acid test for Hashimoto's ideas on reforming the entire economy.

By Brian Bremner in Tokyo and Amy Borrus in Washington, with Nicole Harris in Atlanta

Seattle Post-Intelligencer

June 19, 1996

U.S.-China trade peace

The Clinton administration's threatened trade sanctions against China over piracy of copyrighted music, movies and computer software have been effective in wresting promises of a crackdown by Chinese officials.

That China took the U.S. threats seriously was underscored by the participation of Chinese President Jiang Zemin in the final stages of negotiations in Beijing. The U.S. had been poised to impose 100 percent tariffs on $2 billion worth of Chinese textiles, clothing and electronics, while China had threatened to retaliate against U.S. products.

The avoidance of a trade war is especially good news for this state and for two of its leading China exporters, Microsoft and Boeing. The latter has $4 billion worth of pending orders for new jets from Chinese airlines that have been held up by the trade dispute.

The agreement also validates the Clinton administration's constructive engagement policy toward China, and it should help soften congressional resistance to renewal of most-favored-nation trading status for China.

A clear incentive for China's capitulation is its aspiration to join the World Trade Organization. The United States has made its support of China's membership contingent on reform of its trade practices. Chinese Foreign Ministry spokesman Shen Guofang said at the conclusion of the Beijing talks that U.S. representatives had expressed renewed support for Chinese membership in the global trading organization.

Shen attributed China's agreement to close its pirating factories not to the U.S. demands but, rather, to China's own commitment to reforms. That can be regarded as a face-saving posture, of great importance to the Chinese psyche.

It is a self-indulgence that the United States can afford to accept with a straight face in the interest of friendly, and fair, trade relations.

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LA TIMES
6/18/96

The War Is Off, for Now

U.S.-China copyright accord averts major trade conflict

The United States and China have edged back from a full-scale trade war by reaching a new agreement on preventing the theft of American intellectual properties—software, CDs, CD-ROMs, videodiscs and similar products. Under the accord, Beijing will continue its recent crackdown on the flagrant rip-offs. For now, acting U.S. Trade Representative Charlene Barshefsky has withdrawn the threat of sanctions against $2 billion in Chinese exports to the United States.

But the United States should not have to stand alone in monitoring Beijing's efforts against counterfeiters. It should have help from the international community. Our other trade partners, especially in Europe, should apply more pressure and exercise greater vigilance to resolve the problem. Until now, they have let the United States push ahead alone, and some have been quick to criticize Washington for threatening unilateral sanctions that might sour trade with China in general. This despite the fact that Beijing cannot be held accountable in other ways since it is not a member of the World Trade Organization.

The new U.S.-Sino pact broke little ground past the 1995 agreement in which Beijing committed to broad efforts to protect copyrighted material. What's different this time is the number of specific measures set forth.

About half of China's 30 CD and CD-ROM pirate factories have been closed under U.S. pressure. They have either lost their business licenses or permits to export. Their manufacturing molds have been broken or confiscated. The now-closed factories had produced 30 million to 50 million illegal CD or CD-ROM units per year. U.S. industry sources say the total capacity for making illegal CD, CD-ROM and videodisc units runs much higher and that stolen intellectual property has been a lucrative business for China. Taiwan and Hong Kong also are players in the problem in that investors there have backed the Chinese factories.

Beyond calling for continued scrutiny of the outlaw factories, the agreement bans the importation of any new presses to manufacture CDs, CD-ROMs and other intellectual property products.

The United States has made clear that Chinese enforcement of copyrights remains a condition for entry into the WTO. Beijing wants to join the organization but so far has been unwilling to pay the price necessary to do so—conforming its business and legal practices to world standards. America's trade allies say they agree with the U.S. position, but they have been woefully timid in making Beijing understand this. We are, after all, talking about the world's most populous market.