

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: 1=us@*RFC-822\owner-ace-mg(a)reeusda.gov@3=internet@2=telemail@MRX@EOPMRX

CREATION DATE/TIME: 7-SEP-1995 17:04:00.00

SUBJECT: ACE-MG> 1995-9-7 Remarks of President at REGO event

TO: 1=us@*RFC-822\ace-mg(a)maat.reeusda.gov@3=internet@2=telemail@MRX@EOPMRX
READ:NOT READ

IND_TO: Stephen K. Horn (HORN_S) (WHO)
READ: 8-SEP-1995 09:49:47.44

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RFC-822-Headers:
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===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 8-SEP-1995 02:25:00.00

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TEXT:
ACE Friends: Presidents remarks earlier today.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 7, 1995

REMARKS BY THE PRESIDENT
AT REINVENTING GOVERNMENT EVENT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full-service government. Just as the Vice President was becoming most eloquent about how we were providing a full-service, high-quality government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. (Laughter.) I saw them moving closer and closer and closer; I thought, well, maybe they

can't hear. And then I finally realized they were about to get a shower. (Laughter.) You come back tomorrow, we'll start with a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over two and a half years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it. (Applause.)

I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a Cold War economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of

anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change, rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others who could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform its own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the

American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

Now, this reinventing government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut off our nose to spite our face; that will be penny-wise and pound-foolish; that will aggravate the wage stagnation and the other problems that people have in this country today, which means we have to have the money that is left to invest in ways that really serve the American people and serve their larger purposes.

We've reduced the annual deficit from \$290 billion the year I took office down to \$160 billion this year. The total reduction is about a trillion dollars over a seven-year period. We have to finish the job, but we have to do it in a way that honors the purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the second world war for us and paved the way for the last 50 years of the American century, giving the poor a chance to work their way into the middle class, and giving our children and now increasingly our adults access to the best possible

education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next seven years instead of increase it, which is the whole purpose of balancing the budget -- to grow and strengthen the economy.

If the congressional proposal is passed, fewer children will go to Head Start, fewer schools will be able to teach their children to stay away from drugs and gangs, or have the resources to use the best possible technology or have smaller classes or set up the charter schools when the existing system is not working. There won't be as many young people who get scholarships to go on to college. And the cost of the college loan program to ordinary students will go up dramatically in ways that will reduce the number of people that go to college at precisely the time we need to see them increasing.

Now, that is really what this choice is all about. There was -- I thought that chart was showing when it blew down, but you can see here that we have to make these kind of choices. Should we balance the budget by reducing education spending by \$76 billion, or should we cut \$70 billion in government waste and duplication? Do we want fewer people to go to college? Do we want larger classes in our schools? Do we want to scale back our efforts to keep our schools safer and drug-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in government to promote this reinventing government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly. (Applause.)

Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't

sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan-processing operations.

Let me just point out, the SBA, in the last two years, has cut their budget by 40 percent and doubled their loan volume. Don't tell me that we can't make government work better. Doubled their loan volume and cut their budget. (Applause.)

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities -- public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save \$825 million in administrative costs alone, not money that would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country, but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary. (Applause.)

The Clean Coal Technology Project was implemented to develop a way to burn coal cleanly, as cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that -- not because it failed, but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since passed.

By eliminating the Clean Coal Technology Program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save \$23 billion over the next five years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do. (Applause.)

Believe it or not, the National Oceanic and Atmospheric Administration has a core of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are common sense things. We've been working on this hard for two years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know

that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

Two years ago we said we could shrink the size of government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the federal government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000. (Applause.)

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

But do you know who they said provides the most "courteous, knowledgeable and efficient" telephone customer service in the country? The Social Security Administration of the United States government. (Applause.) I am very proud of that, and you should be, too. (Applause.)

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make

this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny-wise and pound-foolish. And we forgot that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of the American people to give every citizen the chance to live up to his or her God-given capacity, to keep the American Dream alive, and to give us a chance to come together in a prosperous, secure and exciting future. That is ultimately -- ultimately -- the great benefit of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)

END

11:20 A.M. EDT

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===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Peggy A. Lewis (LEWIS_P) (WHO)

CREATION DATE/TIME: 7-SEP-1995 14:04:52.68

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TO: FAX (92024666950,Stephanie Shultz) (TLXA1MAIL_ \F:92024666950\C:Stephanie ShultzREAD:NOT READ

TEXT:

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For Immediate Release

September 7, 1995

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When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

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Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change,

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rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others would could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform it's own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

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the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

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Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an

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And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we

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Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan

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How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

Two years ago we said we could shrink the size of government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the federal government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000. (Applause.)

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

But do you know who they said provides the most "courteous, knowledgeable and efficient" telephone customer service in the country? The Social Security Administration of the United States government. (Applause.) I am very proud of that, and you should be, too. (Applause.)

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't

know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny

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So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)
END 11:20 A.M. EDT

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Peggy A. Lewis (LEWIS_P) (WHO)

CREATION DATE/TIME: 7-SEP-1995 12:24:24.54

SUBJECT: President's Remarks

TO: FAX (92026950,Stephanie Shultz) (TLXA1MAIL_F:92026950\C:Stephanie ShultzREAD:NOT READ

TEXT:

PRINTER FONT 10_POINT_COURIER

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 7, 1995

REMARKS BY THE PRESIDENT

AT REINVENTING GOVERNMENT EVENT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full

-service government. Just as the Vice President was becoming most eloquent about how we were providing a full

-service, high

-quality government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. (Laughter.) I saw them moving closer and closer and closer; I thought, well, maybe they can't hear. And then I finally realized they were about to get a shower. (Laughter.) You come back tomorrow, we'll start with

a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over two and a half years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it. (Applause.)

I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot

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easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a Cold War economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change,

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rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others who could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform its own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but

the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an

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instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we

can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

Now, this reinventing government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think

we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut off our nose to spite our face; that will be penny

-wise and
pound

-foolish; that will aggravate the wage stagnation and the other problems that people have in this country today, which means we have to have the money that is left to invest in ways that really serve the American people and serve their larger purposes.

We've reduced the annual deficit from \$290 billion the year I took office down to \$160 billion this year. The total reduction is about a trillion dollars over a seven

-year period. We have to finish
the job, but we have to do it in a way that honors the

purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of

our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the second world war for us and paved the way for the last 50 years of the American century, giving the poor a chance to work their way into the middle class, and giving our children and now increasingly our adults

access to the best possible education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next seven years instead of increase it, which is the whole purpose of balancing the budget -- to grow and strengthen the economy.

If the congressional proposal is passed, fewer children will go to Head Start, fewer schools will be able to teach their children to stay away from drugs and gangs, or have the resources to use the best possible technology or have smaller classes or set up the charter schools when the existing system is not working. There won't be as many young people who get scholarships to go on to college. And the cost of the college loan program to ordinary students will go up dramatically in ways that will reduce the number of people that go to college at precisely the time we need to see them increasing.

Now, that is really what this choice is all about. There was -- I thought that chart was showing when it blew down, but you can see here that we have to make these kind of choices. Should we balance the budget by reducing education spending by \$76 billion, or should we cut \$70 billion in government waste and duplication? Do we want fewer people to go to college? Do we want larger classes in our schools?

Do we want to scale back our efforts to keep our schools safer and drug

-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in government to promote this reinventing government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly. (Applause.)

Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan

-processing operations.

Let me just point out, the SBA, in the last two years, has cut their budget by 40 percent and doubled their loan volume. Don't tell me that we

can't make government work better. Doubled their loan volume and cut their budget. (Applause.)

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities -- public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save \$825 million in administrative costs alone, not money that would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country, but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary. (Applause.)

The Clean Coal Technology Project was implemented to develop a way to burn coal cleanly, as

cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that -- not because it failed, but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think

World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since passed.

By eliminating the Clean Coal Technology Program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save \$23 billion over the next five years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do. (Applause.)

Believe it or not, the National Oceanic and Atmospheric Administration has a core of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are common sense things. We've been working on this hard for two years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

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At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

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This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't

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But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny

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So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)
END 11:20 A.M. EDT

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Peggy A. Lewis (LEWIS_P) (WHO)

CREATION DATE/TIME: 7-SEP-1995 13:50:43.58

SUBJECT: President's remarks

TO: Jason S. Lobo (LOBO_J) (WHO)

READ: 7-SEP-1995 16:57:29.99

TEXT:

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 7-SEP-1995 12:02:00.00

ATT CREATOR: Margaret M. Suntum

ATT SUBJECT: 1995-9-7 Remarks of President at REGO event

ATT TO: SECDEF:

ATT TO: Remote Addressee (edowd@esusda.gov@INET)

ATT TO: Remote Addressee (ttate@esusda.gov@INET)

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\MWOLFE(A)MH1.JS.MIL@MRX@EOPMRX)

ATT TO: Steven A. Cohen (COHEN_SA)

ATT TO: Anne M. Edwards (EDWARDS_A)

ATT TO: Jeremy M. Gaines (GAINES_J)

ATT TO: Mary Ellen Glynn (GLYNN_M)

ATT TO: Julia R. Green (GREEN_J)

ATT TO: Joshua A. King (KING_J)

ATT TO: Evelyn S. Lieberman (LIEBERMAN_E)

ATT TO: Marlene A. MacDonald (MACDONALD_M)

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ATT TO: APRIL K. MELLODY (MELLODY_A)

ATT TO: Jonathan M. Prince (PRINCE_J)

ATT TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A)

ATT TO: Margaret M. Suntum	(SUNTUM_M)
ATT TO: Virginia M. Terzano	(TERZANO_V)
ATT TO: Lorraine A. Voles	(VOLES_L)
ATT TO: Dena B. Weinstein	(WEINSTEIN_D)
ATT TO: Allison Wilkie	(WILKIE_A)
ATT TO: Natalie S. Wozniak	(WOZNIAK_N)
ATT TO: David B. Anderson	(ANDERSON_D)
ATT TO: C. Patricia Cogdell	(COGDELL_C)
ATT TO: Peggy A. Lewis	(LEWIS_P)
ATT TO: Lorraine McHugh	(MCHUGH_L)
ATT TO: Daniel G. Rauh	(RAUH_D)
ATT TO: Rica F. Rodman	(RODMAN_R)
ATT TO: Laura D. Schwartz	(SCHWARTZ_L)
ATT TO: Joshua Silverman	(SILVERMAN_J)
ATT TO: Richard Strauss	(STRAUSS_R)
ATT TO: Remote Addressee	(wh-outbox-distr@clinton.ai.mit.edu@INET)
ATT TO: Remote Addressee	(backup@wilson.ai.mit.edu@INET)
ATT TO: Remote Addressee	(BULLETIN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX)
ATT TO: Donald A. Baer	(BAER_D)
ATT TO: Gabrielle M. Bushman	(BUSHMAN_G)
ATT TO: Carolyn Curiel	(CURIEL_C)
ATT TO: Lori E. Abrams	(ABRAMS_L)
ATT TO: Brenda Anders	(ANDERS_B)
ATT TO: Walker, Angelina	(Angelina Walker@EOP_OVP@CCGATE@EOPMRX)
ATT TO: Karen L. Barbuschak	(BARBUSCHAK_K)
ATT TO: Robert O. Boorstin	(BOORSTIN_R)
ATT TO: Elizabeth C. Bowyer	(BOWYER_E)

ATT TO: Laura Capps	(CAPPS_L)
ATT TO: Lisa M. Caputo	(CAPUTO_L)
ATT TO: Joseph W. Cerrell	(CERREL_J)
ATT TO: Amanda Crumley	(CRUMLEY_A)
ATT TO: Helen H. Dickey	(DICKEY_H)
ATT TO: Rahm Emanuel	(EMANUEL_R)
ATT TO: Barry G. Epstein	(EPSTEIN_B)
ATT TO: Karen E. Finney	(FINNEY_K)
ATT TO: Michael A. Gill	(GILL_M)
ATT TO: Jason S. Goldberg	(GOLDBERG_JS)
ATT TO: LAWRENCE J. HAAS	(HAAS_L)
ATT TO: Alexis M. Herman	(HERMAN_A)
ATT TO: Heidi Kukis	(Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
ATT TO: Brian J. Johnson	(JOHNSON_BJ)
ATT TO: Wayne C. Johnson	(JOHNSON_WC)
ATT TO: James Kohlenberger	(Jim Kohlenberger@EOP_OVP@CCGATE@EOPMRX)
ATT TO: Payne, Julia M.	(Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
ATT TO: Angus S. King	(KING_A)
ATT TO: G. N. Lattimore	(LATTIMORE_G)
ATT TO: Peggy A. Lewis	(LEWIS_P)
ATT TO: Cynthia J. Lizik	(LIZIK_C)
ATT TO: Gordon Li	(LI_G)
ATT TO: Doris O. Matsui	(MATSUI_D)
ATT TO: Elena R. Mccoy	(MCCOY_ER)
ATT TO: Paul Meyer	(MEYER_P)
ATT TO: Cheryl D. Mills	(MILLS_C)
ATT TO: Julia Moffett	(MOFFETT_J)

ATT TO: Elizabeth A. Montoya (MONTTOYA_E)
ATT TO: Melissa M. Murray (MURRAY_MM)
ATT TO: Douglas S. Sheorn (SHEORN_D)
ATT TO: Susan P. Shepard (SHEPARD_S)
ATT TO: Richard L. Siewert (SIEWERT_R)
ATT TO: Douglas B. Sosnik (SOSNIK_D)
ATT TO: Barry J. Toiv (TOIV_B)
ATT TO: Jodie R. Torkelson (TORKELSON_J)
ATT TO: Michael Waldman (WALDMAN_M)
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ATT TO: Manager Infomgt (INFOMGT)
ATT TO: Remote Addressee (newsdesk@usnewswire.com@INET)
ATT TO: Remote Addressee (usnwire@access.digex.com@INET)
ATT TO: Remote Addressee (1=US@2=WESTERN
UNION@3=@5=ATT.COM@*ELN\62955104@MRX@EOPMRX)
ATT TO: FAX (9-862-0340,William Safire) (TLXA1MAIL_ \F:9-862-0340\C:William Safire
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 7, 1995

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I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in BOTTOM EVEN

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everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

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Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change, rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others would could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform it's own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but the taxpayers are better off and the national defense is more secure because the money we're saving there

can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

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I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut

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We've reduced the annual deficit from \$290 billion the year I took office down to \$160 billion this year. The total reduction is about a trillion dollars over a seven

-year period. We have to finish the job, but we have to do it in a way that honors the purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the second world war for us and paved the way for the last 50 years of the American century, giving the poor a chance to work their way into the middle class, and giving our children and now increasingly our adults access to the best possible education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the

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-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in government to promote this reinventing government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly. (Applause.)

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-processing operations.

Let me just point out, the SBA, in the last two years, has cut their budget by 40 percent and doubled their loan volume. Don't tell me that we can't make government work better. Doubled their loan volume and cut their budget. (Applause.)

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities -- public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save \$825 million in administrative costs alone, not money that

would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country, but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary. (Applause.)

The Clean Coal Technology Project was implemented to develop a way to burn coal cleanly, as cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that -- not because it failed, but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since passed.

By eliminating the Clean Coal Technology Program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save \$23 billion over the next five years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do. (Applause.)

Believe it or not, the National Oceanic and Atmospheric Administration has a core of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are common sense things. We've been working on this hard for two years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

Two years ago we said we could shrink the size of government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the federal government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000. (Applause.)

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on

the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

But do you know who they said provides the most "courteous, knowledgeable and efficient" telephone customer service in the country? The Social Security Administration of the United States government. (Applause.) I am very proud of that, and you should be, too. (Applause.)

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

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This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we

can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny

-wise and pound

-foolish. And we forgot that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of the American people to give every citizen the chance to live up to his or her God

-given capacity, to keep the American Dream alive, and to give us a chance to come together in a prosperous, secure and exciting future. That is ultimately -- ultimately -- the great benefit of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)
END 11:20 A.M. EDT

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Peggy A. Lewis (LEWIS_P) (WHO)

CREATION DATE/TIME: 7-SEP-1995 12:27:14.47

SUBJECT: President's Remarks

TO: FAX (92025463890,Priscilla Smith) (TLXA1MAIL_ \F:92025463890\C:Priscilla SmithREAD:NOT READ

TEXT:
PRINTER FONT 10_POINT_COURIER
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 7, 1995

REMARKS BY THE PRESIDENT
AT REINVENTING GOVERNMENT EVENT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full

-service government. Just as the Vice President was becoming most eloquent about how we were providing a full

-service, high

-quality government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. (Laughter.) I saw them moving closer and closer and closer; I thought, well, maybe they can't hear. And then I finally realized they were about to get a shower. (Laughter.) You come back tomorrow, we'll start with

a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over two and a half years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it. (Applause.)

I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot

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easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a Cold War economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change,

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rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others would could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform it's own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but

the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an

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And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we

can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

Now, this reinventing government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think

we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut off our nose to spite our face; that will be penny

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the job, but we have to do it in a way that honors the

purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of

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access to the best possible education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next seven years instead of increase it, which is the whole purpose of balancing the budget -- to grow and strengthen the economy.

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Do we want to scale back our efforts to keep our schools safer and drug

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Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan

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The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't

know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny

-wise and pound

-foolish. And we forgot that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of

BOTTOM ODD
MORE

the American people to give every citizen the chance to live up to his or her God

-given capacity, to keep the American Dream alive, and to give us a chance to come together in a prosperous, secure and exciting future. That is ultimately -- ultimately -- the great benefit of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)
END 11:20 A.M. EDT

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jason S. Lobo (LOBO_J) (WHO)

CREATION DATE/TIME: 7-SEP-1995 19:10:44.12

SUBJECT: Reinventing Government

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TribREAD:NOT READ

TO: FAX (912123026273,Sporting Goods Bus (TLXA1MAIL_ \F:912123026273\C:Sporting Goods Bus.READ:NOT
READ

TO: FAX (914137881301,Springfield Republ (TLXA1MAIL_ \F:914137881301\C:Springfield RepublicnREAD:NOT
READ

TO: FAX (913144441122,St. Louis Commerce (TLXA1MAIL_ \F:913144441122\C:St. Louis CommerceREAD:NOT
READ

TO: FAX (913143403050,St Louis Post Dspt (TLXA1MAIL_ \F:913143403050\C:St Louis Post DsptchREAD:NOT
READ

TO: FAX (916122295268,St. Paul Dispatch) (TLXA1MAIL_ \F:916122295268\C:St. Paul DispatchREAD:NOT
READ

TO: FAX (912126304760,SUPERMARKET NEWS) (TLXA1MAIL_ \F:912126304760\C:SUPERMARKET
NEWSREAD:NOT READ

TO: FAX (913154703019,Syracuse Herald-Jr (TLXA1MAIL_ \F:913154703019\C:Syracuse Herald-JrnIREAD:NOT
READ

TO: FAX (916152598093,Tennessean) (TLXA1MAIL_ \F:916152598093\C:TennesseanREAD:NOT READ

TO: FAX (93311206,Kiplinger's) (TLXA1MAIL_ \F:93311206\C:Kiplinger's\)
READ:NOT READ

TO: FAX (915048263007,Times Pacayune/S.I (TLXA1MAIL_\F:915048263007\C:Times Pacayune/S.I.READ:NOT READ

TO: FAX (914192456439,Toledo Blade) (TLXA1MAIL_\F:914192456439\C:Toledo BladeREAD:NOT READ

TO: FAX (918002456536,Tribune Media Svc (TLXA1MAIL_\F:918002456536\C:Tribune Media Srvcs.READ:NOT READ

TO: FAX (915205734144,J.BOLTON/AZ DAILY (TLXA1MAIL_\F:915205734144\C:J.BOLTON/AZ DAILY STREAD:NOT READ

TO: FAX (918169326648,UPS: Peter William (TLXA1MAIL_\F:918169326648\C:UPS: Peter WilliamsREAD:NOT READ

TO: FAX (914153771961,Upside) (TLXA1MAIL_\F:914153771961\C:Upside) READ:NOT READ

TO: FAX (912127598187,USA Today) (TLXA1MAIL_\F:912127598187\C:USA TodayREAD:NOT READ

TO: FAX (912124758944,Village Voice) (TLXA1MAIL_\F:912124758944\C:Village VoiceREAD:NOT READ

TO: FAX (918044462612,Virginian Pilot) (TLXA1MAIL_\F:918044462612\C:Virginian PilotREAD:NOT READ

TO: FAX (93347345,Washington Post) (TLXA1MAIL_\F:93347345\C:Washington PostREAD:NOT READ

TO: FAX (95230859,Washington Times) (TLXA1MAIL_\F:95230859\C:Washington TimesREAD:NOT READ

TO: FAX (913162676406,Wichita Business) (TLXA1MAIL_\F:913162676406\C:Wichita BusinessREAD:NOT READ

TO: FAX (918163614991,Women In Business) (TLXA1MAIL_\F:918163614991\C:Women In BusinessREAD:NOT READ

TO: FAX (912125035799,Ziff-Davis Publshn (TLXA1MAIL_\F:912125035799\C:Ziff-Davis Publshng.READ:NOT READ

TO: FAX (912102074685,Investor's Daily) (TLXA1MAIL_\F:912102074685\C:Investor's DailyREAD:NOT READ

TO: FAX (916129310211,Farm Futures) (TLXA1MAIL_\F:916129310211\C:Farm FuturesREAD:NOT READ

TO: FAX (915123287304,Austin Business Jr (TLXA1MAIL_\F:915123287304\C:Austin Business JrnlREAD:NOT READ

TO: FAX (912126336489,Executive Female) (TLXA1MAIL_\F:912126336489\C:Executive FemaleREAD:NOT READ

TO: FAX (919143475576,Westchester Co Bus (TLXA1MAIL_\F:919143475576\C:Westchester Co Bus JREAD:NOT READ

TO: FAX (915048323550,New Orleans City B (TLXA1MAIL_\F:915048323550\C:New Orleans City BusREAD:NOT READ

TO: FAX (912053220040,Birmingham Bus Jrn (TLXA1MAIL_\F:912053220040\C:Birmingham Bus JrnlREAD:NOT READ

TO: FAX (915032216544,Oregon Business Ma (TLXA1MAIL_ \F:915032216544\C:Oregon Business
Mag.READ:NOT READ

TO: FAX (915032275650,The Business Journ (TLXA1MAIL_ \F:915032275650\C:The Business JournalREAD:NOT
READ

TO: FAX (915032247140,Daily Jrnl Commerc (TLXA1MAIL_ \F:915032247140\C:Daily Jrnl CommerceREAD:NOT
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TO: FAX (914045224501,Georgia Trend) (TLXA1MAIL_ \F:914045224501\C:Georgia TrendREAD:NOT READ

TO: FAX (914042491058,J.HAIRSTON/AT.BUS (TLXA1MAIL_ \F:914042491058\C:J.HAIRSTON/AT.BUS.CHREAD:NOT READ

TO: FAX (917038752231,Washington Bus. Jr (TLXA1MAIL_ \F:917038752231\C:Washington Bus. JrnlREAD:NOT
READ

TO: FAX (916125912639,Minn/St Paul Cty B (TLXA1MAIL_ \F:916125912639\C:Minn/St Paul Cty BusREAD:NOT
READ

TO: FAX (916143652980,Bus. 1st of Columb (TLXA1MAIL_ \F:916143652980\C:Bus. 1st of ColumbusREAD:NOT
READ

TO: FAX (913146215031,St Louis Bus. Jrnl (TLXA1MAIL_ \F:913146215031\C:St Louis Bus. Jrnl.READ:NOT
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TO: FAX (915058890822,New Mexico Bus. Jr (TLXA1MAIL_ \F:915058890822\C:New Mexico Bus.
JrnlREAD:NOT READ

TO: FAX (915152880309,Des Moines Bus Rec (TLXA1MAIL_ \F:915152880309\C:Des Moines Bus
RecrdREAD:NOT READ

TO: FAX (913038373535,Denver Bus. Journa (TLXA1MAIL_ \F:913038373535\C:Denver Bus. JournalREAD:NOT
READ

TO: FAX (914126443006,Executive Report) (TLXA1MAIL_ \F:914126443006\C:Executive ReportREAD:NOT
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TO: FAX (914124819956,Pittsburgh Bus Tim (TLXA1MAIL_ \F:914124819956\C:Pittsburgh Bus TimesREAD:NOT
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TO: FAX (918046496311,Virginia Business) (TLXA1MAIL_ \F:918046496311\C:Virginia BusinessREAD:NOT
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TO: FAX (93832125,L.WALCZAK/BUS WEEK) (TLXA1MAIL_ \F:93832125\C:L.WALCZAK/BUS
WEEKREAD:NOT READ

TO: FAX (912129432984,American Banker) (TLXA1MAIL_ \F:912129432984\C:American BankerREAD:NOT
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TO: FAX (93477299,Bank Loan Report) (TLXA1MAIL_ \F:93477299\C:Bank Loan ReportREAD:NOT READ

TO: FAX (98284540,Bank Marketing) (TLXA1MAIL_ \F:98284540\C:Bank MarketingREAD:NOT READ

TO: FAX (918164720397,Bank News) (TLXA1MAIL_ \F:918164720397\C:Bank NewsREAD:NOT READ

TO: FAX (912123026273,Bank Systems & Tec (TLXA1MAIL_ \F:912123026273\C:Bank Systems & Tech.READ:NOT READ

TO: FAX (918008214627,Bankcard Baromete (TLXA1MAIL_ \F:918008214627\C:Bankcard BarometerREAD:NOT READ

TO: FAX (916174231335,Banker & Tradesman (TLXA1MAIL_ \F:916174231335\C:Banker & TradesmanREAD:NOT READ

TO: FAX (912129677155,Bankers Monthly) (TLXA1MAIL_ \F:912129677155\C:Bankers MonthlyREAD:NOT READ

TO: FAX (917035690235,Cooperative Accntn (TLXA1MAIL_ \F:917035690235\C:Cooperative Accntnt.READ:NOT READ

TO: FAX (92230321,Credit) (TLXA1MAIL_ \F:92230321\C:CreditREAD:NOT READ

TO: FAX (916082314370,Credit Union Magaz (TLXA1MAIL_ \F:916082314370\C:Credit Union MagazneREAD:NOT READ

TO: FAX (912122677726,Credit Union News) (TLXA1MAIL_ \F:912122677726\C:Credit Union NewsREAD:NOT READ

TO: FAX (913149913029,Credit World) (TLXA1MAIL_ \F:913149913029\C:Credit WorldREAD:NOT READ

TO: FAX (93935439,Daily Bankruptcy Rvw) (TLXA1MAIL_ \F:93935439\C:Daily Bankruptcy RvwREAD:NOT READ

TO: FAX (93935588,Evans-Novak Tax Rprt) (TLXA1MAIL_ \F:93935588\C:Evans-Novak Tax RprtREAD:NOT READ

TO: FAX (917035241082,Federal Credit Uni (TLXA1MAIL_ \F:917035241082\C:Federal Credit UnionREAD:NOT READ

TO: FAX (916123333243,Finance & Comm. DI (TLXA1MAIL_ \F:916123333243\C:Finance & Comm. DlyREAD:NOT READ

TO: FAX (96234738,Finance & Developmnt) (TLXA1MAIL_ \F:96234738\C:Finance & DevelopmntREAD:NOT READ

TO: FAX (912102674031,Financial Executiv (TLXA1MAIL_ \F:912102674031\C:Financial ExecutiveREAD:NOT READ

TO: FAX (94676352,Financial Servces Wk) (TLXA1MAIL_ \F:94676352\C:Financial Servces WkREAD:NOT READ

TO: FAX (912126290026,Financial World) (TLXA1MAIL_ \F:912126290026\C:Financial WorldREAD:NOT READ

TO: FAX (97853926,Foundation News) (TLXA1MAIL_ \F:97853926\C:Foundation NewsREAD:NOT READ

TO: FAX (913129771042,Futures (IL) (TLXA1MAIL_ \F:913129771042\C:Futures (IL)READ:NOT READ

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TO: FAX (912123033171,Institutional Invs (TLXA1MAIL_ \F:912123033171\C:Institutional InvstrREAD:NOT READ

TO: FAX (913105777350,Investor's Bus. DI (TLXA1MAIL_ \F:913105777350\C:Investor's Bus. Dly.READ:NOT READ

TO: FAX (919083898701,Investment Advisor (TLXA1MAIL_ \F:919083898701\C:Investment AdvisorREAD:NOT READ

TO: FAX (94676352,Investment Dlrs Dig.) (TLXA1MAIL_ \F:94676352\C:Investment Dlrs Dig.READ:NOT READ

TO: FAX (93328570,IRRC News for Invstr) (TLXA1MAIL_ \F:93328570\C:IRRC News for InvstrREAD:NOT READ

TO: FAX (93930571,Market News Service) (TLXA1MAIL_ \F:93930571\C:Market News ServiceREAD:NOT READ

TO: FAX (98610736,Mortgage Banking) (TLXA1MAIL_ \F:98610736\C:Mortgage BankingREAD:NOT READ

TO: FAX (917036831605,NASBIC News) (TLXA1MAIL_ \F:917036831605\C:NASBIC NewsREAD:NOT READ

TO: FAX (96383957,Nat'l Mortgage News) (TLXA1MAIL_ \F:96383957\C:Nat'l Mortgage NewsREAD:NOT READ

TO: FAX (917038180259,Non-Prft Legal & T (TLXA1MAIL_ \F:917038180259\C:Non-Prft Legal & TaxREAD:NOT READ

TO: FAX (914049550400,Pension World) (TLXA1MAIL_ \F:914049550400\C:Pension WorldREAD:NOT READ

TO: FAX (912122100117,Pensions & Invstmn (TLXA1MAIL_ \F:912122100117\C:Pensions & InvstmntsREAD:NOT READ

TO: FAX (914076296719,Personal Invstng N (TLXA1MAIL_ \F:914076296719\C:Personal Invstng NwsREAD:NOT READ

TO: FAX (94299524,Real Estate Fin. Tdy) (TLXA1MAIL_ \F:94299524\C:Real Estate Fin. TdyREAD:NOT READ

TO: FAX (917148511636,Registered Rprsntv (TLXA1MAIL_ \F:917148511636\C:Registered Rprsntve.READ:NOT READ

TO: FAX (92968716,J.EBERLE/WASH. PERS.) (TLXA1MAIL_ \F:92968716\C:J.EBERLE/WASH. PERS.READ:NOT READ

TO: FAX (95080694,SEC Today) (TLXA1MAIL_ \F:95080694\C:SEC Today) READ:NOT READ

TO: FAX (917038389224,Small Bus. Tax Cnt (TLXA1MAIL_ \F:917038389224\C:Small Bus. T READ:NOT READ

TO: FAX (92654435,Tax Credit Advisor) (TLXA1MAIL_ \F:92654435\C:Tax Credit AdvisorREAD:NOT READ

TO: FAX (94888282,Tax Features) (TLXA1MAIL_ \F:94888282\C:Tax FeaturesREAD:NOT READ

TO: FAX (97375672,Taxes - The Tax Mag.) (TLXA1MAIL_ \F:97375672\C:Taxes - The Tax Mag.READ:NOT READ

TO: FAX (914046180348,M.KILM/TRUSTS&EST (TLXA1MAIL_ \F:914046180348\C:M.KILM/TRUSTS&ESTATEREAD:NOT READ

TO: FAX (912128672248,US States Banker) (TLXA1MAIL_ \F:912128672248\C:US States BankerREAD:NOT READ

TO: FAX (97035483662,Oliver Patton/TT) (TLXA1MAIL_ \F:97035483662\C:Oliver Patton/TTREAD:NOT READ

TO: FAX (98620340,K.BRADSHER/NYT) (TLXA1MAIL_ \F:98620340\C:K.BRADSHER/NYTREAD:NOT READ

TO: FAX (98629266,A.Karr/WSJ) (TLXA1MAIL_ \F:98629266\C:A.Karr/WSJ)
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TO: FAX (96286522,B.Garsson/Am.Banker) (TLXA1MAIL_ \F:96286522\C:B.Garsson/Am.BankerREAD:NOT READ

TO: FAX (92895475,G.Graham/FinancialTi) (TLXA1MAIL_ \F:92895475\C:G.Graham/FinancialTiREAD:NOT READ

TO: FAX (98871050,B.Rosenblatt/LA Time) (TLXA1MAIL_ \F:98871050\C:B.Rosenblatt/LA TimeREAD:NOT READ

TO: FAX (917035583955,M.Memmott/USA Tod (TLXA1MAIL_ \F:917035583955\C:M.Memmott/USA TodayREAD:NOT READ

TO: FAX (96262011,R.Thomas/Newsweek) (TLXA1MAIL_ \F:96262011\C:R.Thomas/NewsweekREAD:NOT READ

TO: FAX (99552049,J.Egan/USN&WR) (TLXA1MAIL_ \F:99552049\C:J.Egan/USN&WRREAD:NOT READ

TO: FAX (98335911,A.Zagorin/Time) (TLXA1MAIL_ \F:98335911\C:A.Zagorin/TimeREAD:NOT READ

TO: FAX (92897549,A.Yonan/DJ) (TLXA1MAIL_ \F:92897549\C:A.Yonan/DJ)
READ:NOT READ

TO: FAX (914129416243,N.Hunter/Min.Busi (TLXA1MAIL_ \F:914129416243\C:N.Hunter/Min.BusinesREAD:NOT READ

TO: FAX (93310062,W.GOLDSCHLAG/NYDLYNW) (TLXA1MAIL_ \F:93310062\C:W.GOLDSCHLAG/NYDLYNWRITEAD:NOT READ

TO: FAX (913055309434,K.YOUNG/\$LAUND.AL (TLXA1MAIL_ \F:913055309434\C:K.YOUNG/\$LAUND.ALERTREAD:NOT READ

TO: FAX (98284547,ABA Banker's Weekly) (TLXA1MAIL_ \F:98284547\C:ABA Banker's WeeklyREAD:NOT READ

TO: FAX (98618524,Agence France Presse) (TLXA1MAIL_ \F:98618524\C:Agence France Presse)READ:NOT READ

TO: FAX (98286473,Associated Press) (TLXA1MAIL_ \F:98286473\C:Associated Press)READ:NOT READ

TO: FAX (94089635,Association Managmnt) (TLXA1MAIL_ \F:94089635\C:Association Managmnt)READ:NOT READ

TO: FAX (97371516,Bloomberg Bus. Wire) (TLXA1MAIL_ \F:97371516\C:Bloomberg Bus. Wire)READ:NOT READ

TO: FAX (94527583,BNA Int'l Trade Rep.) (TLXA1MAIL_ \F:94527583\C:BNA Int'l Trade Rep.)READ:NOT READ

TO: FAX (93934966,Bond Buyer) (TLXA1MAIL_ \F:93934966\C:Bond Buyer)
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TO: FAX (915025871703,Business First) (TLXA1MAIL_ \F:915025871703\C:Business First)READ:NOT READ

TO: FAX (912037879986,Business Times) (TLXA1MAIL_ \F:912037879986\C:Business Times)READ:NOT READ

TO: FAX (912125124464,Business Week (NY) (TLXA1MAIL_ \F:912125124464\C:Business Week (NY))READ:NOT READ

TO: FAX (916175584667,Cahners Publishing (TLXA1MAIL_ \F:916175584667\C:Cahners Publishing)READ:NOT READ

TO: FAX (915165625718,CMP Publications I (TLXA1MAIL_ \F:915165625718\C:CMP Publications Inc)READ:NOT READ

TO: FAX (96381374,Coop. Business Jrnl.) (TLXA1MAIL_ \F:96381374\C:Coop. Business Jrnl.)READ:NOT READ

TO: FAX (912126290021,Corporate Finance) (TLXA1MAIL_ \F:912126290021\C:Corporate Finance)READ:NOT READ

TO: FAX (93328594,Corporate Gov. Bull.) (TLXA1MAIL_ \F:93328594\C:Corporate Gov. Bull.)READ:NOT READ

TO: FAX (916176282025,Dollars and Sense) (TLXA1MAIL_ \F:916176282025\C:Dollars and Sense)READ:NOT READ

TO: FAX (97371035,Economist) (TLXA1MAIL_ \F:97371035\C:Economist)
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TO: FAX (917147554211,Entrepreneur Magaz (TLXA1MAIL_ \F:917147554211\C:Entrepreneur Magazne)READ:NOT READ

TO: FAX (93474119,Forbes (DC)) (TLXA1MAIL_ \F:93474119\C:Forbes (DC))\)
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TO: FAX (98614038,Fortune (DC)) (TLXA1MAIL_ \F:98614038\C:Fortune (DC))READ:NOT READ

TO: FAX (912127652699,Fortune (NY) (TLXA1MAIL_ \F:912127652699\C:Fortune (NY))READ:NOT READ

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READ:NOT READ

TO: FAX (918164741111,Ingram's) (TLXA1MAIL_ \F:918164741111\C:Ingram'sREAD:NOT READ

TO: FAX (919143812521,International Bus. (TLXA1MAIL_ \F:919143812521\C:International Bus.READ:NOT
READ

TO: FAX (915174824205,Journal of Small B (TLXA1MAIL_ \F:915174824205\C:Journal of Small BusREAD:NOT
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TO: FAX (93836198,Kinght-Ridd Fin News) (TLXA1MAIL_ \F:93836198\C:Kinght-Ridd Fin NewsREAD:NOT
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TO: FAX (98577923,Korea Trade Center) (TLXA1MAIL_ \F:98577923\C:Korea Trade CenterREAD:NOT READ

TO: FAX (913012296298,Minority Bus. Rprt (TLXA1MAIL_ \F:913012296298\C:Minority Bus. Rprt.READ:NOT
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TO: FAX (912125220332,Money Magazine (NY (TLXA1MAIL_ \F:912125220332\C:Money Magazine
(NY)READ:NOT READ

TO: FAX (94633190,Nat'l Bus Agnda Rprt) (TLXA1MAIL_ \F:94633190\C:Nat'l Bus Agnda RprtREAD:NOT READ

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TO: FAX (98873437,Nation's Business) (TLXA1MAIL_ \F:98873437\C:Nation's BusinessREAD:NOT READ

TO: FAX (917083900408,Scranton-Gillette) (TLXA1MAIL_ \F:917083900408\C:Scranton-GilletteREAD:NOT
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TO: FAX (913122229714,Tribune Media Svc (TLXA1MAIL_ \F:913122229714\C:Tribune Media SrvcsREAD:NOT
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TO: FAX (97892362,United Press Int'l) (TLXA1MAIL_ \F:97892362\C:United Press Int'lREAD:NOT READ

TO: FAX (912124162998,S.STREKEL/DOW JON (TLXA1MAIL_ \F:912124162998\C:S.STREKEL/DOW
JONESREAD:NOT READ

TO: FAX (915058233994,Albuquerque Journa (TLXA1MAIL_ \F:915058233994\C:Albuquerque JournalREAD:NOT
READ

TO: FAX (915124453679,Austin American St (TLXA1MAIL_ \F:915124453679\C:Austin American Sts.READ:NOT
READ

TO: FAX (915043880371,Baton Rouge Advoca (TLXA1MAIL_ \F:915043880371\C:Baton Rouge
AdvocateREAD:NOT READ

TO: FAX (912053252283,Birmingham News) (TLXA1MAIL_ \F:912053252283\C:Birmingham NewsREAD:NOT
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TO: FAX (92931692,Boston Globe) (TLXA1MAIL_ \F:92931692\C:Boston GlobeREAD:NOT READ

TO: FAX (96628833,Chicago Sun Times) (TLXA1MAIL_ \F:96628833\C:Chicago Sun TimesREAD:NOT READ

TO: FAX (98338348,Chicago Tribune) (TLXA1MAIL_ \F:98338348\C:Chicago TribuneREAD:NOT READ

TO: FAX (92233476,Christian Sci. Mntr.) (TLXA1MAIL_ \F:92233476\C:Christian Sci. Mntr.READ:NOT READ

TO: FAX (912166946354,Cleveland Plain Dl (TLXA1MAIL_ \F:912166946354\C:Cleveland Plain Dlr.READ:NOT READ

TO: FAX (918037718430,Columbia State) (TLXA1MAIL_ \F:918037718430\C:Columbia StateREAD:NOT READ

TO: FAX (913038201703,Denver Post) (TLXA1MAIL_ \F:913038201703\C:Denver PostREAD:NOT READ

TO: FAX (915152862504,Des Moines Registe (TLXA1MAIL_ \F:915152862504\C:Des Moines RegisterREAD:NOT READ

TO: FAX (913132222335,Detroit News) (TLXA1MAIL_ \F:913132222335\C:Detroit NewsREAD:NOT READ

TO: FAX (92895475,Financial Times) (TLXA1MAIL_ \F:92895475\C:Financial TimesREAD:NOT READ

TO: FAX (919043594478,Florida Times-Unio (TLXA1MAIL_ \F:919043594478\C:Florida Times-UnionREAD:NOT READ

TO: FAX (913053564676,Ft. Lauderdale Sun (TLXA1MAIL_ \F:913053564676\C:Ft. Lauderdale Sun SREAD:NOT READ

TO: FAX (912194618648,Ft. Wayne Jrnl-Gzt (TLXA1MAIL_ \F:912194618648\C:Ft. Wayne Jrnl-GzteREAD:NOT READ

TO: FAX (918173907789,Ft. Worth Star-Tlg (TLXA1MAIL_ \F:918173907789\C:Ft. Worth Star-TlgrmREAD:NOT READ

TO: FAX (919193737382,Greensboro News/Rc (TLXA1MAIL_ \F:919193737382\C:Greensboro News/RcrdREAD:NOT READ

TO: FAX (917132206806,Houston Chronicle) (TLXA1MAIL_ \F:917132206806\C:Houston ChronicleREAD:NOT READ

TO: FAX (918162344926,Kansas City Star) (TLXA1MAIL_ \F:918162344926\C:Kansas City StarREAD:NOT READ

TO: FAX (98871050,Los Angeles Times) (TLXA1MAIL_ \F:98871050\C:Los Angeles TimesREAD:NOT READ

TO: FAX (915025824075,Louisville Courier (TLXA1MAIL_ \F:915025824075\C:Louisville Courier-JREAD:NOT READ

TO: FAX (919015292522,Memphis Comm. Appe (TLXA1MAIL_ \F:919015292522\C:Memphis Comm. AppealREAD:NOT READ

TO: FAX (913053762258,Miami Herald) (TLXA1MAIL_ \F:913053762258\C:Miami HeraldREAD:NOT READ

TO: FAX (916126734359,Minneapolis Str-Tr (TLXA1MAIL_ \F:916126734359\C:Minneapolis Str-TribREAD:NOT READ

READ

TO: FAX (97371851,New Haven Register) (TLXA1MAIL_ \F:97371851\C:New Haven RegisterREAD:NOT READ

TO: FAX (915048263369,New Orlns Times-Pi (TLXA1MAIL_ \F:915048263369\C:New Orlns Times-Pic.READ:NOT READ

TO: FAX (93310062,W.GOLDSCHLAG/NYDLYNS) (TLXA1MAIL_ \F:93310062\C:W.GOLDSCHLAG/NYDLYNSREAD:NOT READ

TO: FAX (912127324241,New York Post) (TLXA1MAIL_ \F:912127324241\C:New York PostREAD:NOT READ

TO: FAX (915167565459,Newsday) (TLXA1MAIL_ \F:915167565459\C:Newsday\)
READ:NOT READ

TO: FAX (915102086477,Oakland Tribune) (TLXA1MAIL_ \F:915102086477\C:Oakland TribuneREAD:NOT READ

TO: FAX (914074205069,Orlando Sentinel) (TLXA1MAIL_ \F:914074205069\C:Orlando SentinelREAD:NOT READ

TO: FAX (912158544795,Philadelphia Inq.) (TLXA1MAIL_ \F:912158544795\C:Philadelphia Inq.READ:NOT READ

TO: FAX (914012777346,Providence Jrnl-Bu (TLXA1MAIL_ \F:914012777346\C:Providence Jrnl-BullREAD:NOT READ

TO: FAX (919198294529,Raleigh News/Obser (TLXA1MAIL_ \F:919198294529\C:Raleigh News/ObsevrREAD:NOT READ

TO: FAX (912016464135,Record (Bergen Co. (TLXA1MAIL_ \F:912016464135\C:Record (Bergen Co.)READ:NOT READ

TO: FAX (918047758059,Richmond Times-Dis (TLXA1MAIL_ \F:918047758059\C:Richmond Times-Disp.READ:NOT READ

TO: FAX (919163211109,Sacramento Bee) (TLXA1MAIL_ \F:919163211109\C:Sacramento BeeREAD:NOT READ

TO: FAX (913146227093,St. Louis Post-Dis (TLXA1MAIL_ \F:913146227093\C:St. Louis Post-Disp.READ:NOT READ

TO: FAX (916122286129,St. Paul Dispatch) (TLXA1MAIL_ \F:916122286129\C:St. Paul DispatchREAD:NOT READ

TO: FAX (918138938675,St. Petersburg Tim (TLXA1MAIL_ \F:918138938675\C:St. Petersburg TimesREAD:NOT READ

TO: FAX (93331184,San Antonio Exp-News) (TLXA1MAIL_ \F:93331184\C:San Antonio Exp-NewsREAD:NOT READ

TO: FAX (916192932148,San Diego Union-Tr (TLXA1MAIL_ \F:916192932148\C:San Diego Union-TribREAD:NOT READ

TO: FAX (914157772525, San Fran. Examiner (TLXA1MAIL_ \F:914157772525\C:San Fran. Examiner) READ:NOT READ

TO: FAX (919185818353, Tulsa World) (TLXA1MAIL_ \F:919185818353\C:Tulsa World) READ:NOT READ

TO: FAX (918044462607, Virginian Pilot) (TLXA1MAIL_ \F:918044462607\C:Virginian P READ:NOT READ

TO: FAX (912124162653, Wall Street Journal (TLXA1MAIL_ \F:912124162653\C:Wall Street Journal) READ:NOT READ

TO: FAX (95292471, Washington Times) (TLXA1MAIL_ \F:95292471\C:Washington Times) READ:NOT READ

TO: FAX (913176924250, Kaelble: IN Bus. M (TLXA1MAIL_ \F:913176924250\C:Kaelble: IN Bus. Mag) READ:NOT READ

TO: FAX (913176331038, Gillis: Indnpls Ne (TLXA1MAIL_ \F:913176331038\C:Gillis: Indnpls News) READ:NOT READ

TO: FAX (912199333249, Gary: Hammond Time (TLXA1MAIL_ \F:912199333249\C:Gary: Hammond Times) READ:NOT READ

TO: FAX (919133428620, Stowe: KC Kansan) (TLXA1MAIL_ \F:919133428620\C:Stowe: KC Kansan) READ:NOT READ

TO: FAX (913162678570, Mines: Wichita BJ) (TLXA1MAIL_ \F:913162678570\C:Mines: Wichita BJ) READ:NOT READ

TO: FAX (915025824665, Johnson: Courier J (TLXA1MAIL_ \F:915025824665\C:Johnson: Courier Jnl) READ:NOT READ

TO: FAX (915048263007, Pope: Times Pic/St (TLXA1MAIL_ \F:915048263007\C:Pope: Times Pic/St I) READ:NOT READ

TO: FAX (915088758931, Alper: Cmptr Wrld (TLXA1MAIL_ \F:915088758931\C:Alper: Cmptr Wrld C.) READ:NOT READ

TO: FAX (916176282025, Breslow: Dllrs/Sns (TLXA1MAIL_ \F:916176282025\C:Breslow: Dllrs/Snse) READ:NOT READ

TO: FAX (914137881301, Bobskill: Sprngfld (TLXA1MAIL_ \F:914137881301\C:Bobskill: Sprngfld R) READ:NOT READ

TO: FAX (912123021854, Lukas: A Smith's M (TLXA1MAIL_ \F:912123021854\C:Lukas: A Smith's MW) READ:NOT READ

TO: FAX (912168670019, Bowe: Glass Digest (TLXA1MAIL_ \F:912168670019\C:Bowe: Glass Digest) READ:NOT READ

TO: FAX (912128869610, Basir: Black Ent M (TLXA1MAIL_ \F:912128869610\C:Basir: Black Ent Mag) READ:NOT READ

TO: FAX (912124751790, Knopf: Bus Res Pub (TLXA1MAIL_ \F:912124751790\C:Knopf: Bus Res Pubs) READ:NOT READ

TO: FAX (912125424464,E. Smith: Busnss W (TLXA1MAIL_ \F:912125424464\C:E. Smith: Busnss
Wk.READ:NOT READ

TO: FAX (912126206427,Ableson: Forbes Ma (TLXA1MAIL_ \F:912126206427\C:Ableson: Forbes
Mag.READ:NOT READ

TO: FAX (912125220189,McKean: Money Mag. (TLXA1MAIL_ \F:912125220189\C:McKean: Money
Mag.READ:NOT READ

TO: FAX (912127324241,Nicholson: NY Post (TLXA1MAIL_ \F:912127324241\C:Nicholson: NY PostREAD:NOT
READ

TO: FAX (912126614675,Funtes: NY Daily N (TLXA1MAIL_ \F:912126614675\C:Funtes: NY Daily
NwsREAD:NOT READ

TO: FAX (912125564603,N. Wade: NY Times) (TLXA1MAIL_ \F:912125564603\C:N. Wade: NY
TimesREAD:NOT READ

TO: FAX (912018331273,Hammel: Sprmrkt BM (TLXA1MAIL_ \F:912018331273\C:Hammel: Sprmrkt
BMREAD:NOT READ

TO: FAX (912124758944,Massa: Village Voi (TLXA1MAIL_ \F:912124758944\C:Massa: Village VoiceREAD:NOT
READ

TO: FAX (912124163653,Winslow: Wall St J (TLXA1MAIL_ \F:912124163653\C:Winslow: Wall St JnIREAD:NOT
READ

TO: FAX (917035583937,T. Friend: USA Tod (TLXA1MAIL_ \F:917035583937\C:T. Friend: USA
TodayREAD:NOT READ

TO: FAX (918032984395,Carnett: Grnvll N (TLXA1MAIL_ \F:918032984395\C:Carnett: Grnvll NwsREAD:NOT
READ

TO: FAX (918173907789,Poirot:Ft Worth ST (TLXA1MAIL_ \F:918173907789\C:Poirot:Ft Worth STREAD:NOT
READ

TO: FAX (912142487159,Kenyon:Polit Res I (TLXA1MAIL_ \F:912142487159\C:Kenyon:Polit Res IncREAD:NOT
READ

TO: FAX (912145655857,Howard:Blck Econ T (TLXA1MAIL_ \F:912145655857\C:Howard:Blck Econ
TmsREAD:NOT READ

TO: FAX (912149778321,Bayne:Dallas Mrn N (TLXA1MAIL_ \F:912149778321\C:Bayne:Dallas Mrn
NwsREAD:NOT READ

TO: FAX (912053252283,McCauley:Brmngm N (TLXA1MAIL_ \F:912053252283\C:McCauley:Brmngm
NwsREAD:NOT READ

TO: FAX (912032413865,Molloy: Harford Cr (TLXA1MAIL_ \F:912032413865\C:Molloy: Harford CrntREAD:NOT
READ

TO: FAX (96375058,O'Neil: AFL-CIO News) (TLXA1MAIL_ \F:96375058\C:O'Neil: AFL-CIO NewsREAD:NOT
READ

TO: FAX (96383155,Wagner: Crns Chi Bus) (TLXA1MAIL_ \F:96383155\C:Wagner: Crns Chi BusREAD:NOT
READ

TO: FAX (96383155,Wagner: Crns NY Bus.) (TLXA1MAIL_ \F:96383155\C:Wagner: Crns NY Bus.READ:NOT
READ

TO: FAX (96627385,Gordon: Detroit News) (TLXA1MAIL_ \F:96627385\C:Gordon: Detroit NewsREAD:NOT
READ

TO: FAX (92895475,Prowses:Financel Tms.) (TLXA1MAIL_ \F:92895475\C:Prowses:Financel Tms.READ:NOT
READ

TO: FAX (912126290026,Cordtz: Fin Wrld M (TLXA1MAIL_ \F:912126290026\C:Cordtz: Fin Wrld
MagREAD:NOT READ

TO: FAX (93474119,J. Novack: Forbes) (TLXA1MAIL_ \F:93474119\C:J. Novack: ForbesREAD:NOT READ

TO: FAX (98614038,Ratan: Fortune Mag.) (TLXA1MAIL_ \F:98614038\C:Ratan: Fortune Mag.READ:NOT READ

TO: FAX (912166967670,Verespej: Indust. (TLXA1MAIL_ \F:912166967670\C:Verespej: Indust. WkREAD:NOT
READ

TO: FAX (912128377130,Aschkenasy:Jnl Cmr (TLXA1MAIL_ \F:912128377130\C:Aschkenasy:Jnl
CmrceREAD:NOT READ

TO: FAX (98335911,Lohse:Money Magazine) (TLXA1MAIL_ \F:98335911\C:Lohse:Money MagazineREAD:NOT
READ

TO: FAX (98873337,Thompson: Ntn's Bus.) (TLXA1MAIL_ \F:98873337\C:Thompson: Ntn's Bus.READ:NOT
READ

TO: FAX (93622009,Longou: NBC News) (TLXA1MAIL_ \F:93622009\C:Longou: NBC NewsREAD:NOT
READ

TO: FAX (96262011,Hager: Newsweek) (TLXA1MAIL_ \F:96262011\C:Hager: NewsweekREAD:NOT READ

TO: FAX (916022718044,Cannella:AZ Republ (TLXA1MAIL_ \F:916022718044\C:Cannella:AZ
RepublicREAD:NOT READ

TO: FAX (913104991232,Murray: Lng Bch P- (TLXA1MAIL_ \F:913104991232\C:Murray: Lng Bch P-
TREAD:NOT READ

TO: FAX (912132374712,Greenberg: LA Time (TLXA1MAIL_ \F:912132374712\C:Greenberg: LA
TimesREAD:NOT READ

TO: FAX (914042491058,C.MORRIS/AT.BUS.C (TLXA1MAIL_ \F:914042491058\C:C.MORRIS/AT.BUS.CHR.READ:NOT READ

TO: FAX (919097827613,Schwartz: Rvrsde P (TLXA1MAIL_ \F:919097827613\C:Schwartz: Rvrsde PEREAD:NOT
READ

TO: FAX (916192395716,Euiris:SD Dly Trns (TLXA1MAIL_ \F:916192395716\C:Euiris:SD Dly Trnsc.READ:NOT
READ

TO: FAX (916192932148,Dalton:SD Un.-Trib (TLXA1MAIL_ \F:916192932148\C:Dalton:SD Un.-Trib.READ:NOT
READ

TO: FAX (914153982494,Rauber:SF Bus. Tim (TLXA1MAIL_ \F:914153982494\C:Rauber:SF Bus.
TimesREAD:NOT READ

TO: FAX (914155128196,Edell: SF Chronicl (TLXA1MAIL_ \F:914155128196\C:Edell: SF ChronicleREAD:NOT
READ

TO: FAX (917145425037,Peterson:Ornge Co. (TLXA1MAIL_ \F:917145425037\C:Peterson:Ornge Co. RREAD:NOT
READ

TO: FAX (913034499358,Wittman:Bldr Dly C (TLXA1MAIL_ \F:913034499358\C:Wittman:Bldr Dly
CmrREAD:NOT READ

TO: FAX (913033977619,Hutchison:CO Busns (TLXA1MAIL_ \F:913033977619\C:Hutchison:CO
Busnss.READ:NOT READ

TO: FAX (913038201369,Scrader: Denver Po (TLXA1MAIL_ \F:913038201369\C:Scrader: Denver PostREAD:NOT
READ

TO: FAX (916174496681,Dr. Johnson:ABC Ne (TLXA1MAIL_ \F:916174496681\C:Dr. Johnson:ABC
NewsREAD:NOT READ

TO: FAX (98629266,Stout: Wall St. Jnl.) (TLXA1MAIL_ \F:98629266\C:Stout: Wall St. Jnl.READ:NOT READ

TO: FAX (96363000,LaClair: Wash. Times) (TLXA1MAIL_ \F:96363000\C:LaClair: Wash. TimesREAD:NOT
READ

TO: FAX (99552049,Dentzer:US News/WR) (TLXA1MAIL_ \F:99552049\C:Dentzer:US News/WRREAD:NOT
READ

TO: FAX (93345150,Trofford: Wash. Post) (TLXA1MAIL_ \F:93345150\C:Trofford: Wash. PostREAD:NOT READ

TO: FAX (919043594478,Strickland:FL Tms (TLXA1MAIL_ \F:919043594478\C:Strickland:FL Tms UnREAD:NOT
READ

TO: FAX (918138225083,Longman: FL Trend) (TLXA1MAIL_ \F:918138225083\C:Longman: FL TrendREAD:NOT
READ

TO: FAX (913054291207,Polin:So FL Nwsp N (TLXA1MAIL_ \F:913054291207\C:Polin:So FL Nwsp
NtkREAD:NOT READ

TO: FAX (913059854570,Monroe: Miami Hera (TLXA1MAIL_ \F:913059854570\C:Monroe: Miami
HeraldREAD:NOT READ

TO: FAX (93311055,Nesmith:Plm Bch Pst.) (TLXA1MAIL_ \F:93311055\C:Nesmith:Plm Bch Pst.READ:NOT
READ

TO: FAX (913105777350,Shenot: Invstr's D (TLXA1MAIL_ \F:913105777350\C:Shenot: Invstr's DlyREAD:NOT
READ

TO: FAX (919192227455,Bassler:Min./Wmn B (TLXA1MAIL_ \F:919192227455\C:Bassler:Min./Wmn

BusREAD:NOT READ

TO: FAX (913053721669,Seemoth: New Miami (TLXA1MAIL_ \F:913053721669\C:Seemoth: New MiamiREAD:NOT READ

TO: FAX (914049550400,Sequerth:Bus. Atln (TLXA1MAIL_ \F:914049550400\C:Sequerth:Bus. AtlnTaREAD:NOT READ

TO: FAX (912015382953,Molnar: NJ Monthly (TLXA1MAIL_ \F:912015382953\C:Molnar: NJ MonthlyREAD:NOT READ

TO: FAX (917045234211,Mildenberg: Bus. N (TLXA1MAIL_ \F:917045234211\C:Mildenberg: Bus. NCREAD:NOT READ

TO: FAX (914155438232,Halbeck: CA Bus. M (TLXA1MAIL_ \F:914155438232\C:Halbeck: CA Bus. MagREAD:NOT READ

TO: FAX (913133578308,Hoffman: Corp. Det (TLXA1MAIL_ \F:913133578308\C:Hoffman: Corp. DetrtREAD:NOT READ

TO: FAX (916179514090,K. Spencer: CFO) (TLXA1MAIL_ \F:916179514090\C:K. Spencer: CFOREAD:NOT READ

TO: FAX (912166215918,Brent: Corp. Clvln (TLXA1MAIL_ \F:912166215918\C:Brent: Corp. ClvInd.READ:NOT READ

TO: FAX (912126290026,Gold: Corporate Fi (TLXA1MAIL_ \F:912126290026\C:Gold: Corporate Fin.READ:NOT READ

TO: FAX (917147554211,Rievalesonsky:Ent (TLXA1MAIL_ \F:917147554211\C:Rievalesonsky:Ent M.READ:NOT READ

TO: FAX (912125220024,Fortune Magazine) (TLXA1MAIL_ \F:912125220024\C:Fortune MagazineREAD:NOT READ

TO: FAX (918054965496,Kehrer:IB Indpnd N (TLXA1MAIL_ \F:918054965496\C:Kehrer:IB Indpnd NwsREAD:NOT READ

TO: FAX (916172488090,R. Gangemi: Inc.) (TLXA1MAIL_ \F:916172488090\C:R. Gangemi: Inc.READ:NOT READ

TO: FAX (918015219418,Fitzpatrick:SL Tri (TLXA1MAIL_ \F:918015219418\C:Fitzpatrick:SL Trib.READ:NOT READ

TO: FAX (917038410852,Graham: Compass Pu (TLXA1MAIL_ \F:917038410852\C:Graham: Compass Pub.READ:NOT READ

TO: FAX (918047758059,Billingsley:Rchmd (TLXA1MAIL_ \F:918047758059\C:Billingsley:Rchmd TDREAD:NOT READ

TO: FAX (918044462414,Holden: VA Pilot/L (TLXA1MAIL_ \F:918044462414\C:Holden: VA Pilot/L-SREAD:NOT READ

TO: FAX (912064642261,King: Seattle Time (TLXA1MAIL_ \F:912064642261\C:King: Seattle TimesREAD:NOT

READ

TO: FAX (914142242047,Byers:Milwaukee Jn (TLXA1MAIL_ \F:914142242047\C:Byers:Milwaukee
Jnl.READ:NOT READ

TO: FAX (912122428000,Basir: Black Entrp (TLXA1MAIL_ \F:912122428000\C:Basir: Black EntrprsREAD:NOT
READ

TO: FAX (916178873437,Thompson: Bus Advc (TLXA1MAIL_ \F:916178873437\C:Thompson: Bus
AdvcteREAD:NOT READ

TO: FAX (916173301016,Clements:Bstn Bus (TLXA1MAIL_ \F:916173301016\C:Clements:Bstn Bus JIREAD:NOT
READ

TO: FAX (93832125,McNamee: Business Wk) (TLXA1MAIL_ \F:93832125\C:McNamee: Business WkREAD:NOT
READ

TO: FAX (915137688330,McDonald:Cinci. En (TLXA1MAIL_ \F:915137688330\C:McDonald:Cinci.
Enq.READ:NOT READ

TO: FAX (912158206693,Wlazelek:Call Chro (TLXA1MAIL_ \F:912158206693\C:Wlazelek:Call Chron.READ:NOT
READ

TO: FAX (914123918452,Spice: Pitts. Pres (TLXA1MAIL_ \F:914123918452\C:Spice: Pitts. PressREAD:NOT READ

TO: FAX (919012777346,Fryer: Provid. J-B (TLXA1MAIL_ \F:919012777346\C:Fryer: Provid. J-BREAD:NOT
READ

TO: FAX (919015292522,Powers: Memphis C. (TLXA1MAIL_ \F:919015292522\C:Powers: Memphis
C.A.READ:NOT READ

TO: FAX (916152598093,Floyd: Tennessean) (TLXA1MAIL_ \F:916152598093\C:Floyd: TennesseanREAD:NOT
READ

TO: FAX (916152598890,Schneider: Banner) (TLXA1MAIL_ \F:916152598890\C:Schneider: BannerREAD:NOT
READ

TO: FAX (915124453679,Stanley: Austin A- (TLXA1MAIL_ \F:915124453679\C:Stanley: Austin A-S.READ:NOT
READ

TO: FAX (915124453679,Gandara: CC Bus. J (TLXA1MAIL_ \F:915124453679\C:Gandara: CC Bus. JnlREAD:NOT
READ

TO: FAX (917132206806,Serrail: Houston C (TLXA1MAIL_ \F:917132206806\C:Serrail: Houston ChrREAD:NOT
READ

TO: FAX (917138406722,Loddeke: Houston P (TLXA1MAIL_ \F:917138406722\C:Loddeke: Houston
PstREAD:NOT READ

TO: FAX (912123700736,American Bus. Pres (TLXA1MAIL_ \F:912123700736\C:American Bus. PressREAD:NOT
READ

TO: FAX (916099211870,American Econ Revi (TLXA1MAIL_ \F:916099211870\C:American Econ
ReviewREAD:NOT READ

TO: FAX (918128558679,Business Horizons) (TLXA1MAIL_ \F:918128558679\C:Business HorizonsREAD:NOT READ

TO: FAX (912125122117,Business Week) (TLXA1MAIL_ \F:912125122117\C:Business WeekREAD:NOT READ

TO: FAX (912126878456,CHIEF EXEC. MAG.) (TLXA1MAIL_ \F:912126878456\C:CHIEF EXEC. MAG.READ:NOT READ

TO: FAX (915128885627,Corpus Christi BAS (TLXA1MAIL_ \F:915128885627\C:Corpus Christi BASBREAD:NOT READ

TO: FAX (919139671899,EC & M) (TLXA1MAIL_ \F:919139671899\C:EC & M) READ:NOT READ

TO: FAX (913172522738,Indiana Business M (TLXA1MAIL_ \F:913172522738\C:Indiana Business MagREAD:NOT READ

TO: FAX (916178688659,S.Curwood/Liv.onE (TLXA1MAIL_ \F:916178688659\C:S.Curwood/L READ:NOT READ

TO: FAX (91617641-8707,K.Victory/Bus&En (TLXA1MAIL_ \F:91617641-8707\C:K.Victory/Bus&EnvirnREAD:NOT READ

TO: FAX (912032452559,F.Kuhn/Environ.Co (TLXA1MAIL_ \F:912032452559\C:F.Kuhn/Environ.ComplREAD:NOT READ

TO: FAX (912032665049,C.Frankel/GreenMr (TLXA1MAIL_ \F:912032665049\C:C.Frankel/GreenMrkAIREAD:NOT READ

TO: FAX (912033259199,R.Powers/KeepAmer (TLXA1MAIL_ \F:912033259199\C:R.Powers/KeepAmerBeaREAD:NOT READ

TO: FAX (912127541976,J.Piel/ScntfcAmeri (TLXA1MAIL_ \F:912127541976\C:J.Piel/ScntfcAmericaREAD:NOT READ

TO: FAX (912127695511,A.Ternes/NatHistM (TLXA1MAIL_ \F:912127695511\C:A.Ternes/NatHistMagREAD:NOT READ

TO: FAX (914123699720,D.Lavdender/PolIE (TLXA1MAIL_ \F:914123699720\C:D.Lavdender/PollEquiREAD:NOT READ

TO: FAX (912152479712,B.Parke/SEJ) (TLXA1MAIL_ \F:912152479712\C:B.Parke/SEJREAD:NOT READ

TO: FAX (95470850,N.Sundt/EnerEcoClimt) (TLXA1MAIL_ \F:95470850\C:N.Sundt/EnerEcoClimtREAD:NOT READ

TO: FAX (97371851,K.Grassmuck/States) (TLXA1MAIL_ \F:97371851\C:K.Grassmuck/StatesREAD:NOT READ

TO: FAX (93832125,M.Regan/BusinessWeek) (TLXA1MAIL_ \F:93832125\C:M.Regan/BusinessWeekREAD:NOT READ

TO: FAX (93935588,Z.Novak/Evans&Novak) (TLXA1MAIL_ \F:93934340\C:Z.Novak/Evans&N READ:NOT READ

TO: FAX (92961091,R.Kline/Thompson) (TLXA1MAIL_\F:92961091\C:D.Fera/Thompson
READ:NOT READ

TO: FAX (94635137,D.Coy/EnvironThisWk) (TLXA1MAIL_\F:94635137\C:D.Coy/EnvironThisWk
READ:NOT READ

TO: FAX (98222790,P.Davis/NPR) (TLXA1MAIL_\F:98222790\C:P.Davis/NPR\)
READ:NOT READ

TO: FAX (92440322,T.Reichhardt/Nature) (TLXA1MAIL_\F:92440322\C:T.Reichhardt/Nature
READ:NOT READ

TO: FAX (92931147,E.Somers/USEconDiges) (TLXA1MAIL_\F:92931147\C:E.Somers/USEconDiges
READ:NOT READ

TO: FAX (98728727,M.Heylin/ChemEngNews) (TLXA1MAIL_\F:98728727\C:M.Heylin/ChemEngNews
READ:NOT READ

TO: FAX (92965149,B.Richman/EnvirMag) (TLXA1MAIL_\F:92965149\C:B.Richman/EnvirMag
READ:NOT READ

TO: FAX (98726060,W.Glaze/EnvSciTech) (TLXA1MAIL_\F:98726060\C:W.Glaze/EnvSciTech
READ:NOT READ

TO: FAX (98614038,S.Ratan/FortuneMagaz) (TLXA1MAIL_\F:98614038\C:S.Ratan/FortuneMagaz
READ:NOT READ

TO: FAX (93323028,J.Makower/GreenConsu) (TLXA1MAIL_\F:93323028\C:J.Makower/GreenConsu
READ:NOT READ

TO: FAX (96590365,P.Young/ScienceNews) (TLXA1MAIL_\F:96590365\C:P.Young/ScienceNews
READ:NOT READ

TO: FAX (98335911,D.Thompson/Time) (TLXA1MAIL_\F:98335911\C:D.Thompson/Time
READ:NOT READ

TO: FAX (98629266,T.Noah/WallStJournal) (TLXA1MAIL_\F:98629266\C:T.Noah/WallStJo
READ:NOT READ

TO: FAX (92967365,D.Thomma/WorldWatch) (TLXA1MAIL_\F:92967365\C:D.Thomma/WorldWatch
READ:NOT READ

TO: FAX (94524150,B.Chabel/Daily Envir) (TLXA1MAIL_\F:94524150\C:B.Chabel/Daily Envir
READ:NOT READ

TO: FAX (92932590,M.Adams/GoodHskeepig) (TLXA1MAIL_\F:92932590\C:M.Adams/GoodHskeepig
READ:NOT READ

TO: FAX (99552222,M.Satchell/USNEWWRPT) (TLXA1MAIL_\F:99552222\C:M.Satchell/USNEWWRPT
READ:NOT READ

TO: FAX (917036852606,R.Weber/InsideEPA) (TLXA1MAIL_\F:917036852606\C:R.Weber/InsideEPA
READ:NOT READ

TO: FAX (93930598,G.Hess/ChemMarketing) (TLXA1MAIL_\F:93930598\C:G.Hess/ChemMarketing
READ:NOT READ

READ

TO: FAX (93836075,D.Everett/DetFreePre) (TLXA1MAIL_ \F:93836075\C:D.Everett/DetFreePreREAD:NOT READ

TO: FAX (93930031,A.Kranish/EnvirRpt) (TLXA1MAIL_ \F:93930031\C:A.Kranish/EnvirRptREAD:NOT READ

TO: FAX (96627675,G.Klein/Med.GenNews) (TLXA1MAIL_ \F:96627675\C:G.Klein/Med.GenNewsREAD:NOT READ

TO: FAX (96628818,M.Lavelle/NatLawJour) (TLXA1MAIL_ \F:96628818\C:M.Lavelle/NatLawJourREAD:NOT READ

TO: FAX (96281609,C.MacIlwayne/Nature) (TLXA1MAIL_ \F:96281609\C:C.MacIlwayne/NatureREAD:NOT READ

TO: FAX (98873444,O.Crawford/YourBiz) (TLXA1MAIL_ \F:98873444\C:O.Crawford/YourBizREAD:NOT READ

TO: FAX (915871081,M.Crowley/BPI) (TLXA1MAIL_ \F:915871081\C:M.Crowley/BPIREAD:NOT READ

TO: FAX (913016229182,T.Guay/EnvCompliA (TLXA1MAIL_ \F:913016229182\C:T.Guay/EnvCompliAlerREAD:NOT READ

TO: FAX (913014957750,C.Knebl/PollPrevL (TLXA1MAIL_ \F:913014957750\C:C.Knebl/PollPrevLtrREAD:NOT READ

TO: FAX (913018989465,P.Samuel/NatRevie (TLXA1MAIL_ \F:913018989465\C:P.Samuel/NatReviewREAD:NOT READ

TO: FAX (917039689771,B.Cohen/EPAWatch) (TLXA1MAIL_ \F:917039689771\C:B.Cohen/EPAWatchREAD:NOT READ

TO: FAX (917032379100,P.Shabecoff/Grnwi (TLXA1MAIL_ \F:917032379100\C:P.Shabecoff/GrnwireREAD:NOT READ

TO: FAX (917038419692,M.Cheater/NatCons (TLXA1MAIL_ \F:917038419692\C:M.Cheater/NatConservREAD:NOT READ

TO: FAX (917038235923,E.Kiserer/Ecology (TLXA1MAIL_ \F:917038235923\C:E.Kiserer/EcologyUSAREAD:NOT READ

TO: FAX (917036842492,S.Bagwell/EnvRegW (TLXA1MAIL_ \F:917036842492\C:S.Bagwell/EnvRegWatcREAD:NOT READ

TO: FAX (917082998622,D.Pironanac/PollE (TLXA1MAIL_ \F:917082998622\C:D.Pironanac/PollEngREAD:NOT READ

TO: FAX (913102897719,D.Farrier/KCALTV) (TLXA1MAIL_ \F:913102897719\C:D.Farrier/KCALTVREAD:NOT READ

TO: FAX (914153210551,W.Marken/SunsetMa (TLXA1MAIL_ \F:914153210551\C:W.Marken/SunsetMagREAD:NOT READ

TO: FAX (914157764868,T.Baxter/SierraMa (TLXA1MAIL_ \F:914157764868\C:T.Baxter/SierraMagREAD:NOT

READ

TO: FAX (917078220827,S.Dominitz/EcoNew (TLXA1MAIL_ \F:917078220827\C:S.Dominitz/EcoNewsREAD:NOT READ

TO: FAX (919169209096,P.AKINS/ENV.ISS.R (TLXA1MAIL_ \F:919169209096\C:P.AKINS/ENV.ISS.RPTREAD:NOT READ

TO: FAX (912125126995,E.Smith/BusWeek) (TLXA1MAIL_ \F:912125126995\C:E.Smith/BusWeekREAD:NOT READ

TO: FAX (912125751828,G.GILMAN/NAT'L GE (TLXA1MAIL_ \F:912125751828\C:G.GILMAN/NAT'L GEOGRREAD:NOT READ

TO: FAX (96590365,J.Raloff/ScienceNews) (TLXA1MAIL_ \F:96590365\C:J.Raloff/ScienceNewsREAD:NOT READ

TO: FAX (914075753458,J.Snyder/EnvirTod (TLXA1MAIL_ \F:914075753458\C:J.Snyder/EnvirTodayREAD:NOT READ

TO: FAX (94016207,J.STILKIND/USIA NEWS) (TLXA1MAIL_ \F:94016207\C:J.STILKIND/USIA NEWSREAD:NOT READ

TO: FAX (915043444521,M.Couhig/EnvCompR (TLXA1MAIL_ \F:915043444521\C:M.Couhig/EnvCompRrtREAD:NOT READ

TO: FAX (916038681547,B.Perry/EnroMgrCo (TLXA1MAIL_ \F:916038681547\C:B.Perry/EnroMgrCompREAD:NOT READ

TO: FAX (912155591903,L.Stull/ProjectEa (TLXA1MAIL_ \F:912155591903\C:L.Stull/ProjectEarthREAD:NOT READ

TO: FAX (913015871081,R.Thompson/InPoll (TLXA1MAIL_ \F:913015871081\C:R.Thompson/InPollNewREAD:NOT READ

TO: FAX (92930032,B.Ward/EnviroWriter) (TLXA1MAIL_ \F:92930032\C:B.Ward/EnviroWriterREAD:NOT READ

TO: FAX (913122757273,J.Wasik/ConsDigest (TLXA1MAIL_ \F:913122757273\C:J.Wasik/ConsDigestREAD:NOT READ

TO: FAX (913036630172,M.Banke/EnvirLabM (TLXA1MAIL_ \F:913036630172\C:M.Banke/EnvirLabMagREAD:NOT READ

TO: FAX (912125333082,L.Bassett) (TLXA1MAIL_ \F:912125333082\C:L.BassettREAD:NOT READ

TO: FAX (93310640,J.Adler/CEIUpdate) (TLXA1MAIL_ \F:93310640\C:J.Adler/CEIUpdateREAD:NOT READ

TO: FAX (917036852606,J.Bernstien/EnvrP (TLXA1MAIL_ \F:917036852606\C:J.Bernstien/EnvrPolREAD:NOT READ

TO: FAX (96192400,J.Randle/VocofAmer) (TLXA1MAIL_ \F:96192400\C:J.Randle/VocofAmerREAD:NOT READ

TO: FAX (918177769018,C.Mouche/EnvProtM (TLXA1MAIL_ \F:918177769018\C:C.Mouche/EnvProtMagREAD:NOT READ

TO: FAX (919195410273,K.Thigpen/EnvrHea (TLXA1MAIL_ \F:919195410273\C:K.Thigpen/EnvrHealthREAD:NOT READ

TO: FAX (914135280206,K.Chris./BksforCh (TLXA1MAIL_ \F:914135280206\C:K.Chris./Bk READ:NOT READ

TO: FAX (915184320991,B.Robertson/WAMC) (TLXA1MAIL_ \F:915184320991\C:B.Robertson/WAMCREAD:NOT READ

TO: FAX (93283937,W.Carty/GlobalEditn) (TLXA1MAIL_ \F:93283937\C:W.Carty/GlobalEditnREAD:NOT READ

TO: FAX (912125224799,A.Dorfman/TIME) (TLXA1MAIL_ \F:912125224799\C:A.Dorfman/TIMEREAD:NOT READ

TO: FAX (95463890,C.Cooper/ChemPestic) (TLXA1MAIL_ \F:95463890\C:C.Cooper/ChemPesticREAD:NOT READ

TO: FAX (96250259,Dale Vidion) (TLXA1MAIL_ \F:96250259\C:Dale Vidion\) READ:NOT READ

TO: FAX (96674423,D.GARRETT/ENVNESDAIL) (TLXA1MAIL_ \F:96674423\C:D.GARRETT/ENVNESDAILREAD:NOT READ

TO: FAX (918024639418,B.HURLEY/GLBLENV) (TLXA1MAIL_ \F:918024639418\C:B.HURLEY/GLBLENVREAD:NOT READ

TO: FAX (94632471,B.POLISKI/AMFOR&PAP) (TLXA1MAIL_ \F:94632471\C:B.POLISKI/AMFOR&PAPREAD:NOT READ

TO: FAX (912122484903,B.WARREN/CHEM BUS (TLXA1MAIL_ \F:912122484903\C:B.WARREN/CHEM BUSREAD:NOT READ

TO: FAX (912127523294,C.CARUANA/CHEM EN (TLXA1MAIL_ \F:912127523294\C:C.CARUANA/CHEM ENGREAD:NOT READ

TO: FAX (98728727,D.HANSON/CHEMENGNEWS) (TLXA1MAIL_ \F:98728727\C:D.HANSON/CHEMENGNEWSREAD:NOT READ

TO: FAX (912122100117,G.ENOS/CITY&STATE (TLXA1MAIL_ \F:912122100117\C:G.ENOS/CITY&STATEMAGREAD:NOT READ

TO: FAX (914048274275,D.COX/CNN ENV UNI (TLXA1MAIL_ \F:914048274275\C:D.COX/CNN ENV UNITREAD:NOT READ

TO: FAX (97858784,C.CAMIA/CONGQUARTERL) (TLXA1MAIL_ \F:97858784\C:C.CAMIA/CONGQUARTERLREAD:NOT READ

TO: FAX (93833531,S.KEANE/DRI) (TLXA1MAIL_ \F:93833531\C:S.KEANE/DRI\) READ:NOT READ

TO: FAX (912038660602,D.MOSS/ENV MAG) (TLXA1MAIL_ \F:912038660602\C:D.MOSS/ENV

MAGREAD:NOT READ

TO: FAX (914147961142,R.FLANAGAN/EARTH (TLXA1MAIL_ \F:914147961142\C:R.FLANAGAN/EARTH
MAGREAD:NOT READ

TO: FAX (918185978733,A.ROGERS/EARTH NE (TLXA1MAIL_ \F:918185978733\C:A.ROGERS/EARTH
NEWSREAD:NOT READ

TO: FAX (97035242451,L.POWERS/EARTH WOR (TLXA1MAIL_ \F:97035242451\C:L.POWERS/EARTH
WORKREAD:NOT READ

TO: FAX (912125052375,N.WATSON/EDF LETT (TLXA1MAIL_ \F:912125052375\C:N.WATSON/EDF
LETTERREAD:NOT READ

TO: FAX (97034480270,T.BARRON/ENV TODAY (TLXA1MAIL_ \F:97034480270\C:T.BARRON/ENV
TODAYREAD:NOT READ

TO: FAX (912123021854,W.BASSOW/ENV.PROT (TLXA1MAIL_ \F:912123021854\C:W.BASSOW/ENV.PROT.READ:NOT READ

TO: FAX (916159741838,D.SCHAFER/FORUM) (TLXA1MAIL_ \F:916159741838\C:D.SCHAFER/FORUMREAD:NOT READ

TO: FAX (95434710,L.COOK/FRIENDSOFEART) (TLXA1MAIL_ \F:95434710\C:L.COOK/FRIENDSOFEARTREAD:NOT READ

TO: FAX (97830444,D.LEBMAN/FRIENDSOFEA) (TLXA1MAIL_ \F:97830444\C:D.LEBMAN/FRIENDSOFEAREAD:NOT READ

TO: FAX (914154214982,E.TEACHOUT/IMPACT (TLXA1MAIL_ \F:914154214982\C:E.TEACHOUT/IMPACTENVREAD:NOT READ

TO: FAX (95292484,R.MINITER/INSIGHT) (TLXA1MAIL_ \F:95292484\C:R.MINITER/INSIGHTREAD:NOT
READ

TO: FAX (912034349579,B.DEROSA/KIND NEW (TLXA1MAIL_ \F:912034349579\C:B.DEROSA/KIND
NEWSREAD:NOT READ

TO: FAX (97787976,M.DOAN/KIPKINGER) (TLXA1MAIL_ \F:97787976\C:M.DOAN/KIPKINGERREAD:NOT
READ

TO: FAX (912127589784,G.RUSSELL/ORIONMY (TLXA1MAIL_ \F:912127589784\C:G.RUSSELL/ORIONMYRINREAD:NOT READ

TO: FAX (92961091,S.KINSLEY/RIGHTTOKNO) (TLXA1MAIL_ \F:92961091\C:S.KINSLEY/RIGHTTOKNOREAD:NOT READ

TO: FAX (94088015,R.STONE/SCIENCEMAG) (TLXA1MAIL_ \F:94088015\C:R.STONE/SCIENCEMAGREAD:NOT READ

TO: FAX (912152479712,B.PARKE/S.E.J.) (TLXA1MAIL_ \F:912152479712\C:B.PARKE/S.E.J.READ:NOT
READ

TO: FAX (97038419692,R.TYSON/USATODAY) (

TLXA1MAIL_\F:97038419692\C:R.TYSON/USATODAYREAD:NOT READ

TO: FAX (99552049,B.CARPENTER/USN&WR) (TLXA1MAIL_\F:99552049\C:B.CARPENTER/USN&WRREAD:NOT READ

TO: FAX (98988404,A.SHALAL-ESA/REUTERS) (TLXA1MAIL_\F:98988404\C:A.SHALAL-ESA/REUTERSREAD:NOT READ

TO: FAX (96262011,M.HAGER/NEWSWEEK) (TLXA1MAIL_\F:96262011\C:M.HAGER/NEWSWEEKREAD:NOT READ

TO: FAX (98338069,M.KRIZ/NAT.JOURNAL) (TLXA1MAIL_\F:98338069\C:M.KRIZ/NAT.JOURNALREAD:NOT READ

TO: FAX (9121225751828,M.FICHANDLER/NAT (TLXA1MAIL_\F:9121225751828\C:M.FICHANDLER/NATGEOTREAD:NOT READ

TO: FAX (918188451372,S.HAYMER/HOMESHOW (TLXA1MAIL_\F:918188451372\C:S.HAYMER/HOMESHOWREAD:NOT READ

TO: FAX (912122653307,C.KITCH/GOODHOUSE (TLXA1MAIL_\F:912122653307\C:C.KITCH/GOODHOUSEKEEREAD:NOT READ

TO: FAX (93015871081,D.SHANNON/ENV.REM. (TLXA1MAIL_\F:93015871081\C:D.SHANNON/ENV.REM.TEREAD:NOT READ

TO: FAX (97034880720,P.HARRIS/ENV.TODAY (TLXA1MAIL_\F:97034880720\C:P.HARRIS/ENV.TODAYREAD:NOT READ

TO: FAX (915052688450,T.ARRANDALE/GOV.M (TLXA1MAIL_\F:915052688450\C:T.ARRANDALE/GOV.MAG.READ:NOT READ

TO: FAX (92988210,G.SPENCER/AIRDAILY) (TLXA1MAIL_\F:92988210\C:G.SPENCER/AIRDAILYREAD:NOT READ

TO: FAX (93015871081,D.GOELLER/AIRWTRPO (TLXA1MAIL_\F:93015871081\C:D.GOELLER/AIRWTRPOLLREAD:NOT READ

TO: FAX (98289699,S.SONNER/APREGIONALS) (TLXA1MAIL_\F:98289699\C:S.SONNER/APREGIONALSREAD:NOT READ

TO: FAX (96676255,S.LERNER/AUDUBONMAG) (TLXA1MAIL_\F:96676255\C:S.LERNER/AUDUBONMAGREAD:NOT READ

TO: FAX (94525331,K.WALKER/BN) (TLXA1MAIL_\F:94525331\C:K.WALKER/BNAREAD:NOT READ

TO: FAX (94524150,S.ROLLIN/BNACHEMREG) (TLXA1MAIL_\F:94524150\C:S.ROLLIN/BNACHEMREGREAD:NOT READ

TO: FAX (97035281253,E.HINKLE/COALSYNFU (TLXA1MAIL_\F:97035281253\C:E.HINKLE/COALSYNFUELREAD:NOT READ

TO: FAX (95447865,G.HUGGINS/COALITION) (TLXA1MAIL_\F:95447865\C:G.HUGGINS/COALITIONREAD:NOT READ

TO: FAX (98333349,H.SAVAGE/DEFENDERS) (TLXA1MAIL_ \F:98333349\C:H.SAVAGE/DEFENDERSREAD:NOT READ

TO: FAX (97036852606,C.MITCHELL/ELECTRI (TLXA1MAIL_ \F:97036852606\C:C.MITCHELL/ELECTRICPREAD:NOT READ

TO: FAX (99421424,A.GLEN/ENVPROTNEWS) (TLXA1MAIL_ \F:99421424\C:A.GLEN/ENVPROTNEWSREAD:NOT READ

TO: FAX (93932075,J.COFFIN/FEDPARKSREC) (TLXA1MAIL_ \F:93932075\C:J.COFFIN/FEDPARKSRECREAD:NOT READ

TO: FAX (94632785,T.MCCARTHY/INFOCUS) (TLXA1MAIL_ \F:94632785\C:T.MCCARTHY/INFOCUSREAD:NOT READ

TO: FAX (98350093,M.CHARLES/INTEGWASTE) (TLXA1MAIL_ \F:98350093\C:M.CHARLES/INTEGWASTEREAD:NOT READ

TO: FAX (965916554,M.WEINSTOCK/OCCHAZ) (TLXA1MAIL_ \F:965916554\C:M.WEINSTOCK/OCCHAZREAD:NOT READ

TO: FAX (93832125,D.AIROZO/NUCLEPMOCS) (TLXA1MAIL_ \F:93832125\C:D.AIROZO/NUCLEPMOCSREAD:NOT READ

TO: FAX (97037396490,J.PECKHAM/OIL WEEK (TLXA1MAIL_ \F:97037396490\C:J.PECKHAM/OIL WEEKREAD:NOT READ

TO: FAX (918047402826,E.BRINDLEY/PALLET (TLXA1MAIL_ \F:918047402826\C:E.BRINDLEY/PALLETENTREAD:NOT READ

TO: FAX (92892205,P.SPIEGAL/ROLLCALL) (TLXA1MAIL_ \F:92892205\C:P.SPIEGAL/ROLLCALLREAD:NOT READ

TO: FAX (96901221,L.WILDER/SCSTHISWEEK) (TLXA1MAIL_ \F:96901221\C:L.WILDER/SCSTHISWEEKREAD:NOT READ

TO: FAX (93015871081,R.MEMISHI/SOLIDWAS (TLXA1MAIL_ \F:93015871081\C:R.MEMISHI/SOLIDWASTEREAD:NOT READ

TO: FAX (918049787252,K.CARMODY/DAILYPR (TLXA1MAIL_ \F:918049787252\C:K.CARMODY/DAILYPROGRREAD:NOT READ

TO: FAX (914108604445,M.PERDUE/ENV&YOU) (TLXA1MAIL_ \F:914108604445\C:M.PERDUE/ENV&YOUREAD:NOT READ

TO: FAX (94293958,T.HAWKINS/WILDNSSOCI) (TLXA1MAIL_ \F:94293958\C:T.HAWKINS/WILDNSSOCIREAD:NOT READ

TO: FAX (97892362,R.MARTIN/UPI) (TLXA1MAIL_ \F:97892362\C:R.MARTIN/UPIREAD:NOT READ

TO: FAX (99552549,D.BOWERMASTER/USNWP) (TLXA1MAIL_ \F:99552549\C:D.BOWERMASTER/USNWPREAD:NOT READ

TO: FAX (98629266,T.NASH/WSJ) (TLXA1MAIL_\F:98629266\C:T.NASH/WSJ)
READ:NOT READ

TO: FAX (96590925,K.WHITE/WASTE AGE) (TLXA1MAIL_\F:96590925\C:K.WHITE/WASTE
AGEREAD:NOT READ

TO: FAX (97036842492,E.WILKINS/WATENVFO (TLXA1MAIL_\F:97036842492\C:E.WILKINS/WATENVFOUNREAD:NOT READ

TO: FAX (96732085,D.BROOKSHIRE/WATERRE) (TLXA1MAIL_\F:96732085\C:D.BROOKSHIRE/WATERREREAD:NOT READ

TO: FAX (97035240567,C.SALZANO/WATERWAY (TLXA1MAIL_\F:97035240567\C:C.SALZANO/WATERWAYSJREAD:NOT READ

TO: FAX (93644481,B.EBY/WATERWEEK) (TLXA1MAIL_\F:93644481\C:B.EBY/WATERWEEKREAD:NOT READ

TO: FAX (93018349064,T.PATRICK/WDNSTRWL (TLXA1MAIL_\F:93018349064\C:T.PATRICK/WDNSTRWLKIREAD:NOT READ

TO: FAX (94524150,S.THURIN/CHEMREGREPO) (TLXA1MAIL_\F:94524150\C:S.THURIN/CHEMREGREPOREAD:NOT READ

TO: FAX (915054740083,B.COX/DEFCLEANUP) (TLXA1MAIL_\F:915054740083\C:B.COX/DEFCLEANUPREAD:NOT READ

TO: FAX (916174923312,G.STUBBS/HAZ.MATE (TLXA1MAIL_\F:916174923312\C:G.STUBBS/HAZ.MATER.READ:NOT READ

TO: FAX (912125122723,S.LANG/HAZ WASTE) (TLXA1MAIL_\F:912125122723\C:S.LANG/HAZ
WASTEREAD:NOT READ

TO: FAX (917088581957,HAZWAT WORLD) (TLXA1MAIL_\F:917088581957\C:HAZWAT
WORLDREAD:NOT READ

TO: FAX (916104366277,J.PEPPelman/PACKS (TLXA1MAIL_\F:916104366277\C:J.PEPPelman/PACKSTRAREAD:NOT READ

TO: FAX (914102638944,P.MONTAGUE/R.HAZ. (TLXA1MAIL_\F:914102638944\C:P.MONTAGUE/R.HAZ.WASREAD:NOT READ

TO: FAX (917187894304,P.BURGERT/RECYMAN (TLXA1MAIL_\F:917187894304\C:P.BURGERT/RECYMANAGREAD:NOT READ

TO: FAX (99664868,K.WHITE/RECYTIMES) (TLXA1MAIL_\F:99664868\C:K.WHITE/RECYTIMESREAD:NOT READ

TO: FAX (912169610364,J.SOLOMON-HESS/R. (TLXA1MAIL_\F:912169610364\C:J.SOLOMON-
HESS/R.TODREAD:NOT READ

TO: FAX (918169312015,W.DICKENSON/SWP) (TLXA1MAIL_\F:918169312015\C:W.DICKENSON/SWPREAD:NOT READ

TO: FAX (92935825,M.NUSSBAUM/AMERFISHI) (
TLXA1MAIL_\\F:92935825\\C:M.NUSSBAUM/AMERFISHI\\READ:NOT READ

TO: FAX (914152824699,R.PEARSON/CAENVIN) (
TLXA1MAIL_\\F:914152824699\\C:R.PEARSON/CAENVINSID\\READ:NOT READ

TO: FAX (916034888868,J.SCOTT/CLNWTRACT) (
TLXA1MAIL_\\F:916034888868\\C:J.SCOTT/CLNWTRACT\\ION\\READ:NOT READ

TO: FAX (912126866877,D.BARNES/FIE\\LD&S) (
TLXA1MAIL_\\F:912126866877\\C:D.BARNES/FIE\\LD&STRE\\READ:NOT READ

TO: FAX (915164376841,G.JOYCE/FISHINGWO) (
TLXA1MAIL_\\F:915164376841\\C:G.JOYCE/FISHINGWORLD\\READ:NOT READ

TO: FAX (917176579526,J.RANDOLPH/FLYFIS) (
TLXA1MAIL_\\F:917176579526\\C:J.RANDOLPH/FLYFISHER\\READ:NOT READ

TO: FAX (915187831386,R.DAHL/GROUNDWATE) (
TLXA1MAIL_\\F:915187831386\\C:R.DAHL/GROUNDWATERAG\\READ:NOT READ

TO: FAX (93015871081,J.McGUIRE/GROUNDWA) (
TLXA1MAIL_\\F:93015871081\\C:J.McGUIRE/GROUNDWATERE\\READ:NOT READ

TO: FAX (913032941239,J.SCHOECK/GROUNDW) (
TLXA1MAIL_\\F:913032941239\\C:J.SCHOECK/GROUNDWATERE\\READ:NOT READ

TO: FAX (97036852606,D.CLARKE/INSIDEEPA) (
TLXA1MAIL_\\F:97036852606\\C:D.CLARKE/INSIDEEPARE\\READ:NOT READ

TO: FAX (912152891028,R.GOLDBERG/K.Y.G.) (
TLXA1MAIL_\\F:912152891028\\C:R.GOLDBERG/K.Y.G.\\READ:NOT READ

TO: FAX (916028872383,D.SCHEEL/WTRCOND&) (
TLXA1MAIL_\\F:916028872383\\C:D.SCHEEL/WTRCOND&PUR\\READ:NOT READ

TO: FAX (916147613446,A.STANLEY/WTRWELL) (
TLXA1MAIL_\\F:916147613446\\C:A.STANLEY/WTRWELLJRN\\READ:NOT READ

TO: FAX (93425731,M.HARRINGTON/CLEANAI) (
TLXA1MAIL_\\F:93425731\\C:M.HARRINGTON/CLEANAI\\READ:NOT READ

TO: FAX (916176488707,C.VOGT/I A Q UPDA) (TLXA1MAIL_\\F:916176488707\\C:C.VOGT/I A Q
UPDA\\TEREAD:NOT READ

TO: FAX (912159644981,S. SIDDIGI/MOTOR) (TLXA1MAIL_\\F:912159644981\\C:S. SIDDIGI/MOTOR
AGEREAD:NOT READ

TO: FAX (913175739964,S.ABEL/RADON NEWS) (TLXA1MAIL_\\F:913175739964\\C:S.ABEL/RADON NEWS
DREAD:NOT READ

TO: FAX (93648703,W.DIZARD/COAL MAG) (TLXA1MAIL_\\F:93648703\\C:W.DIZARD/COAL
MAGREAD:NOT READ

TO: FAX (919134609150,J.GRISHAM/E.P.ENI (TLXA1MAIL_ \F:919134609150\C:J.GRISHAM/E.P.ENIVROREAD:NOT READ

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THE WHITE HOUSEOffice of the Press
Secretary_____

For Immediate Release September 7, 1995

REMARKS BY THE PRESIDENT
AT REINVENTING GOVERNMENT EVENT

The Rose Garden
11:15 A.M. EDT

THE PRESIDENT: Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full

-service government. Just as the Vice President was becoming most eloquent about how we were providing a full

-service, high

-quality government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. (Laughter.) I saw them moving closer and closer and closer; I thought, well, maybe they can't hear. And then I finally realized they were about to get a shower. (Laughter.) You come back tomorrow, we'll start with a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over two and a half years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it. (Applause.)

I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

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I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a Cold War economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change, rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs,

to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others would could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform it's own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we can't justify taking the money. And we have a moral obligation to prepare the future for our children and

our grandchildren.

Now, this reinventing government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut off our nose to spite our face; that will be penny

-wise and pound

-foolish; that will aggravate the wage stagnation and the other

problems that people have in this country today, which means we have to have the money that is left to invest in ways that really serve the American people and serve their larger purposes.

We've reduced the annual deficit from \$290 billion the year I took office down to \$160 billion this year. The total reduction is about a trillion dollars over a seven

-year period. We have to finish the job, but we have to do it in a way that honors the purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other

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words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the second world war for us and paved the way for the last 50 years of the American century, giving the poor a chance to work their way into the middle class, and giving our children and now increasingly our adults access to the best possible education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next seven years instead of increase it, which is the whole purpose of balancing the budget -- to grow and strengthen the economy.

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If the congressional proposal is passed,

fewer children will go to Head Start, fewer schools will be able to teach their children to stay away from drugs and gangs, or have the resources to use the best possible technology or have smaller classes or set up the charter schools when the existing system is not working. There won't be as many young people who get scholarships to go on to college. And the cost of the college loan program to ordinary students will go up dramatically in ways that will reduce the number of people that go to college at precisely the time we need to see them increasing.

Now, that is really what this choice is all about. There was -- I thought that chart was showing when it blew down, but you can see here that we have to make these kind of choices. Should we balance the budget by reducing education spending by \$76 billion, or should we cut \$70 billion in government waste and duplication? Do we want fewer people to go to college? Do we want larger classes in our schools? Do we want to scale back our efforts to keep our schools safer and drug

-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in government to promote this reinventing government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly. (Applause.)

Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan

-processing operations.

Let me just point out, the SBA, in the last two years, has cut their budget by 40 percent and

doubled their loan volume. Don't tell me that we can't make government work better. Doubled their loan volume and cut their budget. (Applause.)

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities -- public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save \$825 million in administrative costs alone, not money that would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country, but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary. (Applause.)

The Clean Coal Technology Project was implemented to develop a way to burn coal cleanly, as cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that -- not because it failed, but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since passed.

By eliminating the Clean Coal Technology Program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save \$23 billion over the next five years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do. (Applause.)

Believe it or not, the National Oceanic and Atmospheric Administration has a core of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are common sense things. We've been working on this hard for two years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

Two years ago we said we could shrink the size of government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the federal government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000. (Applause.)

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

But do you know who they said provides the most "courteous, knowledgeable and efficient" telephone customer service in the country? The Social Security Administration of the United States government. (Applause.) I am very proud of that, and you should be, too. (Applause.)

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we

can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who

has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we

BOTTOM ALL
became penny

-wise and pound

-foolish. And we forgot
that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of the American people to give every citizen the chance to live up to his or her God

-given capacity, to keep the
American Dream alive, and to give us a chance to come together in a prosperous, secure and exciting future.
That is ultimately -- ultimately -- the great benefit

of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)
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TO: Alexis M. Herman (HERMAN_A) (WHO)
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TO: Heidi Kukis (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
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TO: Brian J. Johnson (JOHNSON_BJ) (CEQ)
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TO: Wayne C. Johnson (JOHNSON_WC) (OA)
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TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
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TO: Gordon Li (LI_G) (WHO)
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TO: Doris O. Matsui (MATSUI_D) (WHO)
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TO: Jodie R. Torkelson (TORKELSON_J) (WHO)
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TO: Michael Waldman (WALDMAN_M) (OPD)
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Office of the Press Secretary

For Immediate Release September 7, 1995

REMARKS BY THE PRESIDENT
AT REINVENTING GOVERNMENT EVENT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full

-service government. Just as the Vice President was becoming most eloquent about how we were providing a full

-service,
high

-quality government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. (Laughter.) I saw them moving closer and closer and closer; I thought, well, maybe they can't hear. And then I finally realized they were about to get a shower. (Laughter.) You come back tomorrow, we'll start with a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over two and a half years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it. (Applause.)

I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the

embrace that they have given this.

I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in BOTTOM EVEN MORE everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

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BOTTOM EVEN

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I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a Cold War economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change, rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we

use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others who could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform its own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

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Now, this reinventing government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut off our nose to spite our face; that will be penny

-wise and
pound

-foolish; that will aggravate the wage stagnation and the other problems that people have in this country today, which means we have to have the money that is left to invest in ways that really serve the American people and serve their larger purposes.

We've reduced the annual deficit from \$290 billion the year I took office down to \$160 billion this year. The total reduction is about a trillion dollars over a seven

-year period. We have to finish the job, but we have to do it in a way that honors the purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the second world war for us and paved the way for the last 50 years of the American century, giving the poor a chance to work their way into the middle class, and giving our children and now increasingly our adults access to the best possible

education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next seven years instead of increase it, which is the whole purpose of balancing the budget -- to grow and strengthen the economy.

If the congressional proposal is passed, fewer children will go to Head Start, fewer schools will be able to teach their children to stay away from drugs and gangs, or have the resources to use the best possible technology or have smaller classes or set up the charter schools when the existing system is not working. There won't be as many young people who get scholarships to go on to college. And the cost of the college loan program to ordinary students will go up dramatically in ways that will reduce the number of people that go to college at precisely the time we need to see them increasing.

Now, that is really what this choice is all about. There was -- I thought that chart was showing when it blew down, but you can see here that we have to make these kind of choices. Should we balance the budget by reducing education spending by \$76 billion, or should we cut \$70 billion in government waste and duplication? Do we want fewer people to go to college? Do we want larger classes in our schools? Do we want to scale back our efforts to keep our schools safer and drug

-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in government to promote this reinventing government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly. (Applause.)

Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan

-processing operations.

Let me just point out, the SBA, in the last two years, has cut their budget by 40 percent and doubled their loan volume. Don't tell me that we can't make government work better. Doubled their loan volume and cut their budget. (Applause.)

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities -- public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save \$825 million in administrative costs alone, not money that would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country, but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary. (Applause.)

The Clean Coal Technology Project was implemented to develop a way to burn coal cleanly, as cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that -- not because it failed, but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since passed.

By eliminating the Clean Coal Technology Program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save \$23 billion over the next five years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do. (Applause.)

Believe it or not, the National Oceanic and Atmospheric Administration has a core of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are common sense

things. We've been working on this hard for two years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

Two years ago we said we could shrink the size of government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the federal government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000. (Applause.)

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

But do you know who they said provides the most "courteous, knowledgeable and efficient" telephone customer service in the country? The Social Security Administration of the United States government. (Applause.) I am very proud of that, and you should be, too. (Applause.)

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

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BOTTOM ALL

This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny

-wise and pound

-foolish. And we forgot that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of the American people to give every citizen the chance to live up to his or her God

-given capacity, to keep the American Dream alive, and to give us a chance to come together in a prosperous, secure and exciting future. That is ultimately -- ultimately -- the great benefit of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)
END 11:20 A.M. EDT

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TO: 73030.21 (73030.21@compuserve.com@INET@LNGATE@LNGATE@EOPMRX)
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----- Text Item -----
THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 7, 1995

REMARKS BY THE PRESIDENT

AT REINVENTING GOVERNMENT EVENT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full-service government. Just as the Vice President was becoming most eloquent about how we were providing a full-service, high-quality government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. (Laughter.) I saw them moving closer and closer and closer; I thought, well, maybe they can't hear. And then I finally realized they were about to get a shower. (Laughter.) You come back tomorrow, we'll start with a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over two and a half years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it. (Applause.)

I also want to join in thanking the supporters we've had among the members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

I want to say a special word of thanks to the reinventing government staff and especially to the federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a government that was smaller and less bureaucratic; that had a lower cost, but a higher quality of service; that devolved more power to states and localities and to entrepreneurs in the private sector; that was less regulatory and

more oriented toward incentives; that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

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I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a Cold War economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the federal government needed to be mended. We needed to make the government work better.

Thirdly, we needed to do it because of this historic era in which we lived. We, after all, have moved through a rapid transition now at the end of the Cold War, and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change, rapid movement of money, technology and capital, and revolutions in information and technology. In that environment, the model that we use to deliver government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the government, to cut the number of programs, to cut the number of regulations, but to change the way the government works and to develop new partnerships and to devolve responsibilities to others who could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now, but that have been driven by the philosophy of the Vice President's reinventing government. We've given every state in the country now the opportunity to reform its own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American government. And the philosophy of doing it grew out of the work we have done with reinventing government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman Show, but the taxpayers are better off and the national defense is more secure because the money we're saving there can go in to making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the federal government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington, but very close to where everyone has to live with the consequences. And there's so many examples of this in every department of every leader in the government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the government to do those things which the government needs to do because they can't be done otherwise; meant for the government to be an instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here and we can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

Now, this reinventing government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to their fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession; that will cut off our nose to spite our face; that will be penny-wise and pound-foolish; that will aggravate the wage stagnation and the other problems that people have in this country today, which means we have to have the money that is left to invest in ways that really serve the American people and serve their larger purposes.

We've reduced the annual deficit from \$290 billion the

year I took office down to \$160 billion this year. The total reduction is about a trillion dollars over a seven-year period. We have to finish the job, but we have to do it in a way that honors the purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the federal government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's national government -- the health care of elderly citizen; protection of our environment; the safety of our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the second world war for us and paved the way for the last 50 years of the American century, giving the poor a chance to work their way into the middle class, and giving our children and now increasingly our adults access to the best possible education opportunities. Those are the value and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in government that will save over \$70 billion in the next five years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, a billion here and a billion there, and pretty soon you're talking about real money. (Laughter.)

These are the kind of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future -- education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend \$76 billion less on education and training than I do in the next seven years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next seven years instead of increase it, which is the whole purpose of balancing the budget -- to grow and strengthen the economy.

If the congressional proposal is passed, fewer children will go to Head Start, fewer schools will be able to teach their children to stay away from drugs and gangs, or have the resources to use the best possible technology or have smaller classes or set up the charter schools when the existing system is not working. There won't be as many young people who get scholarships to go on to college. And the cost of the college loan program to ordinary students will go up dramatically in ways that will reduce the number of people that go to college at precisely the time we need to see them increasing.

Now, that is really what this choice is all about. There was -- I thought that chart was showing when it blew down, but you can see here that we have to make these kind of choices. Should we balance the budget by reducing education spending by \$76 billion, or should we cut \$70 billion in government waste and duplication? Do we want fewer people to go to college? Do we want larger classes in our schools? Do we want to scale back our efforts to keep our schools safer and drug-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in government to promote this reinventing government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly. (Applause.)

Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, they -- you got some real money there -- \$118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; \$14 million in the Small Business Administration by consolidating their loan-processing operations.

Let me just point out, the SBA, in the last two years, has cut their budget by 40 percent and doubled their loan volume. Don't tell me that we can't make government work better. Doubled their loan volume and cut their budget. (Applause.)

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities -- public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save \$825 million in administrative costs alone, not money that would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country, but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary. (Applause.)

The Clean Coal Technology Project was implemented to develop a way to burn coal cleanly, as cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that -- not because it failed, but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since

passed.

By eliminating the Clean Coal Technology Program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save \$23 billion over the next five years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do. (Applause.)

Believe it or not, the National Oceanic and Atmospheric Administration has a core of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are common sense things. We've been working on this hard for two years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save \$108 billion in five years by reinventing government. After two years, \$58 billion is already in the bank; that much has been implemented and saved, in law, in fact. More than half the savings promised in less than half the time.

Two years ago we said we could shrink the size of government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the federal government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000. (Applause.)

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week, not an arm of the administration -- Business Week Magazine ran an article about the best customer service in America on the telephone. They rank companies -- great companies like L.L. Bean, Federal Express and Disney World -- people who, for different reasons, need to be very effective on the telephone.

But do you know who they said provides the most "courteous, knowledgeable and efficient" telephone customer service in the country? The Social Security Administration of the United States government. (Applause.) I am very proud of that, and you should be, too. (Applause.)

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President, I just want to mention one other -- I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 businesspeople in the last two years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have had -- I have never talked to a businessperson who has extensive dealings overseas doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing government. We want you to get more for your money, not just reduce the size of government.

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This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the government, every federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the government that the President can't know about, the Vice President can't know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980s. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days in the desire to balance the budget, which I share fully and which we started and which has taken us from a \$290 billion deficit to \$160 billion deficit, we became penny-wise and pound-foolish. And we forgot that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of the American people to give every citizen the chance to live up to his or her God-given capacity, to keep the American Dream alive, and to give us a chance to come together in a prosperous, secure and exciting future. That is ultimately -- ultimately -- the great benefit of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not -- we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in a way, and reinventing government proves it.

Thank you very much. (Applause.)

END

11:20 A.M. EDT

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CC: Robert E. Barker (BARKER_R) (OMB)
READ:14-SEP-1995 08:59:46.77

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King (KING_A),
READ:NOT READ

CC: Donald A. Baer (BAER_D) (WHO)
READ:NOT READ

CC: Ann F. Walker (WALKER_A) (WHO)
READ:NOT READ

CC: Todd Stern (STERN_T) (WHO)
READ:NOT READ

CC: Bruce D. Long (LONG_B) (OMB)
READ:14-SEP-1995 06:30:46.94

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ:14-SEP-1995 12:15:19.00

CC: Christopher F. Walker (WALKER_C) (WHO)
READ:NOT READ

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ:14-SEP-1995 10:17:42.47

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(OPD)
READ:14-SEP-1995 11:15:57.62

CC: Timothy J. Keating (KEATING_T) (WHO)
READ:14-SEP-1995 08:23:15.95

CC: Kathryn Higgins (HIGGINS_K) (WHO)
READ:NOT READ

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:NOT READ

CC: Bruce N. Reed (REED_B) (WHO)
READ:14-SEP-1995 11:29:45.19

CC: Jeremy D. Benami (BENAMI_J) (WHO)
READ:14-SEP-1995 09:57:02.11

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ:14-SEP-1995 16:13:59.67

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ:14-SEP-1995 08:58:10.96

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ:14-SEP-1995 09:23:49.38

CC: Janet L. Himler (HIMLER_J) (OMB)
READ:14-SEP-1995 09:02:53.95

CC: Daniel Tate (TATE_D) (WHO)
READ:NOT READ

CC: John C. Angell (ANGELL_J) (WHO)
READ:14-SEP-1995 11:36:46.66

CC: Lisa Kountoupes (KOUNTOUPES_L) (OMB)
READ:NOT READ

CC: Susanne D. Lind (LIND_S) (OMB)
READ:14-SEP-1995 10:18:52.67

CC: Ellen J. Balis (BALIS_E) (OMB)
READ:14-SEP-1995 08:59:10.70

CC: Anita Chellaraj (CHELLARAJ_A) (OMB)
READ:14-SEP-1995 09:35:33.90

CC: Alicia K. Kolaian (KOLAIAN_A) (OMB)
READ:14-SEP-1995 10:23:50.93

CC: Nick B. Kirkhorn (KIRKHORN_N) (WHO)
READ:NOT READ

CC: Jennifer L. Nelson (NELSON_JL) (WHO)
READ:NOT READ

CC: Donald L. Fowler (FOWLER_D) (WHO)
READ:15-SEP-1995 09:36:32.62

CC: James T. Heimbach (HEIMBACH_J) (WHO)
READ:14-SEP-1995 08:19:59.46

CC: Janet Murguia (MURGUIA_J) (WHO)
READ:16-SEP-1995 18:00:30.17

CC: Lucia A. Wyman (WYMAN_L) (WHO)
READ:NOT READ

TEXT:

\d

PRINTER FONT 12_POINT_ROMAN

TO: ALICE RIVLIN

cc-

-Lew, Griffin, Tyson, Angell, Foley, OMB/2d Floor,
DADs, LRD, Gibbons, Cabinet Affairs, CEQ

FROM: CHUCK KONIGSBERG

SUBJECT: BUDGET RECONCILIATION - DAILY HIGHLIGHTS

REMINDER -- PADs AND DADs: Program examiners should be
attending all reconciliation mark

-ups where action is expected
on items in their areas. Following the mark

-ups, at the end of
the day, e

-mails recapping the mark

-up -- INCLUDING A DETAILED
LIST OF ADOPTED PROVISIONS -- should be sent to BRD, Chuck
Konigsberg, and Lisa Kountoupes; and the "attachment B"
and "attachment C" write

-ups should be updated and forwarded to
BRD. (See BDR 95

-87) Thanks.

PRINTER FONT 12_POINT_COURIER

Mark

-ups scheduled for Thursday:
- Senate Judiciary, 10am SD

-226 (Patent/Trademark fees)
- House Commerce, 1:30pm 2123 RHOB (PMAs and Commerce Dept.
Dismantling)
- House Transportation, 3:15pm 2165 RHOB (fees: rail, vessel
tonnage, FEMA, Corps of Engineers Fees, Dept. of Commerce
Dismantling)

PRINTER FONT 14_POINT_HELVETICA

Reconciliation Action on Wednesday:

PRINTER FONT 12_POINT_COURIER

HOUSE COMMERCE COMMITTEE (Non

-health mark

-up):

- Nuclear Regulatory Commission (NRC) extended fees from 1998 to 2002. It passed on a roll call vote 29

-11 with the Dems

objecting to the lack of hearings and information about how the NRC spends its money. According to staff, hits target of \$1.3 billion included in the reconciliation instructions.

- Naval Petroleum Reserve privatization passed on voice vote. (Naval Petroleum Reserve 1 -- Elk Hills). It slipped the sale date three months into FY 1997 (Dec. 31, 1996), which is closer to the Administration's proposal. The base text was very similar to the National Security Committee version passed in August. (See House Commerce Comm. write

-up for additional details)

- A provision to speed opening of the Waste Isolation Pilot Project passed on a record vote, 24

-12. It is designed to move up the date the facility can begin receiving transuranic wastes from other sites. It reportedly results in \$130 million in discretionary savings and as a result may not be included in the reconciliation bill. This was not assumed by the budget resolution.

- Spectrum Auctions reported out (on a voice vote) an extension and expansion of the FCC's spectrum auction authority. The bipartisan agreement to auction 100 Mht below 3 Ghz was the base text, but in order to find additional savings to compensate for shortfalls in other areas, the Republicans passed an amendment to require NTIA to identify and reallocate an additional 20 Mht to transfer to the FCC for a later sale. The Dems argued this could threaten military and other important government uses. The Republicans expressed some regret, but were resolute and it passed on voice vote.

Two other non

-controversial amendments, one which shortens the transfer time of personal communications systems from 3 to 2 years and another package of technical amendments were agreed to by voice vote. According to staff, CBO has scored this bill at \$14.4 billion.

The bill specifies that no digital TV spectrum auction may be auctioned and is silent as to auction of any broadcast spectrum -- which would have been controversial. Because the Committee does not tell which spectrum FCC/NTIA are supposed to sell, they have in effect punted the hard decisions over to the FCC. FCC Fees and Reauthorization for FY96 The committee passed the FCC fee authority, with no changes in the structure of the fee,

which, according to staff will meet their reconciliation assumption of \$483 million. The committee also passed the first reauthorization bill since 1980 (which will run into Byrd Rule problems in the Senate).

USEC Privatization Passed by voice vote. The committee print included language that had been worked out in the Senate on the Russian HEU deal. An amendment offered by Mr. Markey to strike the mandatory transfer of sensitive technology to the USEC was adopted by voice vote. According to Committee Majority staff, the provision will bring in the requisite \$1.7 billion and the HEU language may bring in an additional \$200 million.

WAYS AND MEANS COMMITTEE (Trade markup):

? The big story in trade is that Archer did NOT mark up the nearly \$2 billion in Trade Adjustment Assistance cuts which had been assumed by the budget resolution; Archer had hoped to use the savings to pay for trade parity for CBI nations. Both the CBI spending and TAA cuts had run into significant opposition. Archer said the provisions may be considered at a later time.

? On a trade

-related matter, the committee marked up its piece of HR 1756, the bill to dismantle the Department of Commerce. The bill was reported out of the Committee by a vote of 22

-15 (party line). The only amendment adopted was offered by Nancy Johnson (R

-CT), instructing the Administration, within 180 days after the bill is passed, to produce a study on all trade promotion programs, identifying duplication and overlap.

? There was some discussion on whether to make USTR and/or the new U.S. Trade Administration a cabinet

-level agency. Rep.

Johnson also offered an amendment to make the USTR a cabinet level agency, but it was withdrawn after being ruled out of order.

PRINTER FONT 14_POINT_HELVETICA

? The Committee also adopted miscellaneous trade proposals, including provisions amending the Generalized System of Preferences.

\$23 b in EITC cuts to be considered by Ways & Means:

Next week, Ways & Means will be marking up \$23 b in EITC cuts. Although this is scored primarily as outlay reduction (because it's a refundable credit), it can be characterized as a major tax increase on the working poor. Ways & Means Dems plan to raise the point that the EITC which the Republicans are

now proposing to slash, is the same program Reagan was championing in the 1980s.

Lugar says Agriculture Comm. is split:
PRINTER FONT 12_POINT_COURIER

Senate Ag. chairman Lugar announced a committee markup for next week, but said there are such severe divisions within the committee that members may not be able to come to closure, and will have to punt their section of reconciliation to the full Senate.

Senate mark

-up schedule:

Sept. 14: Judiciary

Sept. 15:

Sept. 18: Armed Services (closed)

Sept. 19: Finance Committee, 9:30 SD

-215 (spending)

Energy & Natural Resources, 9:30 SD

-366

Environment & Public Works, 9:30 SD

-406

Agriculture

Sept. 20: Finance Committee (spending)

Energy & Natural Resources, 9:30 SD

-366

Labor, 9:30 SD

-430

Veterans

Agriculture

Sept. 21: Finance Committee (spending)

Commerce

Agriculture

Sept. 22: Finance Committee (spending)

Sept. 25:

Sept. 26:

Sept. 27: Finance Committee (taxes)

Sept. 28: Finance Committee (taxes)

Sept. 29: Finance Committee (taxes)

House mark

-up schedule: (subject to change)

Tues. Sept. 12: Judiciary marked up

Wed. Sept. 13: Commerce marked up

Ways & Means marked up

Thurs. Sept. 14: Commerce (Commerce Dismantlement, PMAs - non health provisions)

Science (tentative Commerce Dismantlement)

Transportation (Commerce Dismantlement)

Judiciary hearing on PTO

Fri. Sept. 15: Commerce (if needed - non health provisions)

Mon. Sept. 18:

Tues. Sept. 19: Agriculture (could slip)

Banking (could slip)

Wed. Sept. 20: Agriculture (if needed)

Commerce (tentative Medicaid)

Resources

Ways and Means (tentative taxes and possible

all day health hearing)

Thurs. Sept. 21: Agriculture (if needed)

Commerce (tentative Medicaid)

Government Reform (compile other committees)

Fri. Sept. 22: Commerce (tentative Medicaid)

Mon. Sept. 25: Holiday

Tues. Sept. 26: Holiday

Wed. Sept. 27: Commerce (tentative Medicare)

Ways and Means (tentative (Medicare)

Thurs. Sept. 28: Commerce (tentative Medicare)

Ways and Means (tentative Medicare)

Fri. Sept. 29: Commerce (tentative Medicare)

Ways and Means (tentative Medicare)

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PRINTER FONT 14_POINT_HELVETICA OVERVIEW OF COMMITTEE RECONCILIATION ACTION

House: (Sept. 22 reporting deadline); Note-

-the

Reconciliation instructions for House committees set a total direct spending cap for each committee's programs for FY96, FY96

-2000, and FY 96

-2002. Each

committee must produce spending cuts which meet the instructions for each of the three budget periods.

However, for brevity, the following summaries

reflect only the 7

-year totals. Note that Budget
Committee assumptions are NON

-binding.

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For questions on House committee action on Reconciliation,
contact Lisa Kountoupes at OMB/LA, 5

-4790.

[*NOTE-

-CHANGES FROM PREVIOUS DAY INDICATED BY ASTERISK.]

1. Agriculture -- Instructions require savings of \$30.374 billion
from food stamps and \$13.386 billion from NON

-food stamps

programs (assumed by Budget Committee to be price supports).
Chairman Roberts is having difficulty getting the needed support
to pass his Freedom to Farm bill that serves as his basis for
meeting the Committee's reconciliation instructions. Chairman
Roberts likely to include his Freedom to Farm Act (introduced
8/3) in the committee's Reconciliation package. According to
press reports, the Chairman's bill may face opposition from
Republicans concerned about the mandated spending cuts. It also
decouples farm support payments from the basis of production. It
instead would guarantee eligible producers declining transition
payments over seven years based on their average payments from
the past five years. It also requires them to comply with
conservation plans and wetland protection. The bill will need 25
of the 49 votes. There are only 27 Republicans on the committee
and getting the 25 needed to pass the measure could be difficult.
The bill is not going to get any Democratic support. Democrats
are working to craft a comprehensive substitute. The Democrats
think the \$13.4 billion is too big of a cut and will offer a
version that will be close to the Administration's \$4.2 billion
package.

Although he is evidently under the strictest of instructions from
the House Republican Leadership to do so. There has been talk of
"cotton" members introducing a version of Senator Cochran's bill
in the House. These four to five Republicans are still holding
out for some accommodation and at least right now are not
prepared to vote with the Chairman. According to press reports
Committee staff indicated that the Chairman will deal with the
peanut, sugar and dairy programs in the reconciliation bill.
Armey reportedly has said he will direct Kasich to make changes
to the agriculture bill in the Budget Committee or pull it out
for a separate floor vote if he is not satisfied with Roberts'
bill.

2. Banking -- Instructions require savings of \$2.391 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$2.181 billion from reform of flood insurance premiums and \$210 million from FHA multifamily property disposition. Possibility Chairman Leach may try to attach the budgetary aspects of Savings Assoc. Insurance Fund (SAIF) to Reconciliation. (Other non

-budgetary banking issues would then be dealt with in a separate bill.)

Also, the joint statement of managers on the budget resolution states "the conferees...direct the Congressional Budget Office to not score any savings for any new legislation that might affect the Federal Reserve's transfer of the surplus capital account to the Treasury."

According to staff sources, the committee Republicans are conflicted about what to include in the bill (housing, flood, SAIF). Markup is not currently scheduled.

3. Commerce --

The Committee will continue marking up tomorrow. On schedule is the Department of Commerce Dismantlement and the PMAs which was pulled from today's line up. The committee may be having trouble getting the needed votes to pass the measure. As mentioned previously, the committee plans to sell both SEPA and SWAPA by competitive bid. Resources Committee is not pleased that Commerce is marking up before Resources. That committee plans to sell only SEPA by competitive bid. The Budget Committee evidently is offering no assurances that a committee which shares jurisdiction on an issue will be credited savings for the other committee's action (i.e. Commerce, which has no jurisdiction over the sale of the PMA's -- only the transmission and hydrolicensing -- is legislating a sale to ensure they are not held accountable should Resources fail to act.

Instructions require savings of \$469.490 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$182 billion from Medicaid; \$270 from Medicare (shared with Ways & Means); \$14 b from FCC spectrum auction; \$483 million from FCC user fees; \$1.308 b from extending NRC user fees; \$702 million from FDA user fees; \$1.659 b from selling US Enrichment Corp; \$1.046 from selling the Naval Petroleum Reserve (shared with Nat'l Sec Comm); and \$737 million from Energy asset sales (PMAs).

The joint statement of managers on the budget resolution, with reference to Medicaid states: "This level is compatible with Medicaid growth of 7.2 percent in 1996, 6.8 percent in 1997, and 4 percent each year thereafter, or with higher growth rates of benefits and administration if disproportionate share hospital payments are frozen at 1995 levels. The conference agreement

assumes that the present aggregate ratio of Federal to state

funding (57 percent Federal, 43 percent State) would continue."

The joint statement also states: "The conference agreement...assumes the extension of NRC fees and that these fees will continue to offset NRC appropriations for the period from 1999 to 2002." The conferees also assume the elimination of the Dept. of Commerce, but this may violate the Senate's Byrd Rule because it doesn't score as direct spending.

Democratic committee staff do not see the Democrats as having any interest in voting for a medicare cut of any kind. They did not see the usefulness in supporting reductions when a tax cut is on the table (see above for more Medicare/Medicaid information). A decision is pending on whether the panel will get to add more Democrats to make up for the new ratio.

According to staff there is a tentative schedule to mark up Medicaid next Wednesday for three days, Medicare the following Wednesday for three days, and the other provisions could begin to be marked up as early as this week.

House Commerce full committee markup is scheduled for Thursday the 14th at 1:30 pm. On schedule are continuation of the non health provisions. This includes PMAs, Commerce Department dismantlement. I delivered some complete sets of committee markup language from Wednesday the 13th last night (NRC,NPR,WIPP,Spectrum,FCC,USEC) if you did not get one and would like one please call our front office at 54790.

As I understand it, there was a managers amendments on the USEC that included the "Fowler/Garmond" language on the HEU deal. (OMB has some concerns regarding the scoring of this provision as it is currently known. We are not sure what, if any language Commerce will include.) Committee staff tells me that the WIPP language has scored approximately \$130 million in savings derived from money for storage at the sites where the waste is being shipped from. That money will not be spent because the facility would open earlier to take the waste. The PMA provision would ideally have been marked up AFTER House Resources did their sale bill (scheduled for next Wednesday) since Commerce does not have jurisdiction over the sale, only over the hydro licensing and the transmission. According to Committee staff, the Resources bill will have an auction of only SEPA. The Commerce bill also has an auction, but for both SEPA and Southwestern. Commerce staff believes their larger sale will likely be dropped when the legislation moves to the floor and be substituted with the Resources Committee's language.

They contemplated attaching Nuclear Waste to the reconciliation bill, but did not because of the paygo problems with the bill that was marked up in the Commerce Committee before the recess caused by changing the nuclear waste fund.

ADDITIONAL DETAILS ON MARK

-UP OF NAVAL PETROLEUM RESERVE. There were two amendments adopted. The first offered by Subcommittee

Chairman Schaefer extended from the end of FY96 to the end of calendar year 1996, the deadline by which the Secretary of Energy must execute the sale. The second, offered by Mr. Klug (R

-W1)

designated a portion of the 7% revenue sharing with California teachers to an escrow account, while pending legal concerns are addressed. It passed on a 21

-18 roll call vote on party lines,

except all of the California members on each side of the aisle opposed it. An amendment by Ranking Member Dingell regarding the government's liability was withdrawn. An amendment by Mr. Markey (D

-MA) that would have required the Department to negotiate rights, duties and obligations with Chevron before the sale that would transfer to whatever party wins the bid was defeated on a party line roll call vote. An amendment by Mr. Brown (D

-OH) to

provide the OMB Director and the Secretary of Energy the ability to delay the sale through FY97 was defeated on a 15

-21 roll call

vote on party lines. According to staff, this provision will meet reconciliation instructions (loss in mandatory of \$1 billion, but approximately \$1.4 billion in discretionary savings), however, the committee did add language to the spectrum sale provisions to compensate for shortfalls that may have emerged in this area (and the PMAs).

4. Econ & Educational Opp--Instructions require savings of \$21.976 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$10.077 billion from student loans (which the budget conferees say "can be achieved without the elimination of the interest subsidy for undergraduate students"); and \$11.899 billion from reform of child nutrition programs. ALSO, the instructions require program changes in authorizing laws that would result in a reduction in outlays of \$8.770 billion over 7 years, assumed by Budget Committee to be repeal of Davis

-Bacon and repeal of the Service Contract Act (but those provisions would likely violate the Senate's Byrd Rule because they wouldn't score as direct spending savings). This Committee has not scheduled mark up and reported is feeling "burned" by the food stamps cuts. I have heard that they will not mark up until they see what Ways and Means will do.

5. Govt Reform--Instructions require deficit reduction of \$1.127 billion over 7 years, assumed by Budget Committee to be derived from increased employee pension contributions (.25% in 1996 and 97, and .50% thereafter); and spending reductions of \$9.497 billion in direct spending over 7 years, assumed by Budget committee to be achieved as follows -- \$1.155 b from High

-5; \$4.9

b from fixed dollar FEHB contributions from retirees; \$2.662 b from increased agency pension contributions; and \$780 m from charging federal employees for parking.

We've heard from usually reliable sources that the House Govt. Reform Committee may NOT hold a reconciliation mark

-up, and

instead ask the Rules Committee to incorporate into the Reconciliation Bill, language which reflects earlier committee actions (HR 1215) and budget resolution assumptions.

Although it is not contained in the reconciliation instructions, (it is in the resolution) the House Republican Leadership has said that this is the vehicle of choice to eliminate the Department of Commerce. The Senate Government Affairs Committee voted 5

-3 to dismantle the Department on Sept. 7. At this time, the relevant committees are moving on their pieces of this legislation. Resources Committee is marking up on NOAA Sept. 13 at 10:00am. The House Commerce Committee is planning to mark up Sept. 13 or next week. The Science Committee is scheduled to mark up on the 14th, and House Transportation is scheduled for Sept. 14 at 4:00 p.m. International Relations will also mark up a version that creates a Department of Trade, possibly next week. Government Reform's relevant subcommittee is scheduled to mark up Sept. 19 the relevant portions of the bill and then the full Government Reform Committee is tentatively scheduled to take that piece and the portions from the other committees and forward a cleaned up, comprehensive version of dismantlement to the Budget Committee. There has reportedly been a bit of a struggle between Commerce Chairman Bliley and Government Reform Chairman Clinger on who will package the bill.

Have heard reports that this committee might mark up a debt collection bill.

Will likely mark up Sept 20 the complete Commerce Department bill.

6. Internat'l Rel--Instructions require deficit reduction of \$22 million over 7 years, assumed by Budget Committee to be increased foreign service retirement contributions; and spending reductions of \$26 million in direct spending over 7 years, assumed by Budget Committee to be from savings in foreign service retirement. It has been rumored that Republicans are considering attaching the entire State Department bill to the reconciliation bill (which would raise enormous Byrd Rule problems according to Chuck).

May mark up on Wednesday September 14. Probably will mark up the Commerce dismantlement bill next week.

7. Judiciary--Instructions require savings of \$476 million in direct spending over 7 years.

(Note from Ken Schwartz): On Sept. 12, the House Judiciary Committee marked up extension of Patent and Trademark Office fees beyond 1998 for purposes of deficit reduction to meet its reconciliation targets (NOT automatically available to PTO, as the Administration proposes). The Committee has a separate PTO authorization bill, but it has not yet been marked up in full committee (it has been reported out of subcommittee). In brief, reconciliation seems to be outpacing the PTO authorization bill, and, by the time the PTO bill is marked up in the House, it may be too late for PTO to lay claim to the receipts for itself.

At the markup, the Dems (Conyers, Schroeder, Frank) spoke against the provision as an unfair tax. The measure was voted out of committee on a party line roll call vote 18

-12. The language is a straightforward extension of \$119 million/ year in fees from 1998 to 2002 for a total of \$476 million. The 18

-12 vote to add four more years to PTO's deficit

-reduction commitment under the 1990 Omnibus Budget Reconciliation Act reflected a partisan split in the Committee that is rare with intellectual property legislation.

Judiciary Committee chair Rep. Henry Hyde (R

-III) urged support for the fee proposal, calling it "consistent with our reconciliation instructions." However, the scheme drew sharp criticism from Democrats. This plan is essentially a tax on innovation, which is the engine of economic growth in this country, Rep. John Conyers (D

-Mich) complained. The fee surcharge was originally established as a deficit reduction mechanism, he acknowledged, but it was not contemplated that patent user fees would be diverted away from the PTO. Conyers noted that a bill (HR 1659) introduced in May by Moorhead to convert the PTO into a free

-standing government corporation contains a provision that would curtail the diversion of PTO fee surcharges. He called Moorhead's current initiative "slightly inconsistent" with that legislation. Moorhead admitted that it is "almost draconian to take money away from patent applicants and divert it to another area."

According to Shroeder, while the proposed fee diversion may only amount to 10 percent of the collected fees, the Senate appropriators reportedly will be asking for a diversion of 50 percent. By starting this process in the House, we're bound to end up with at least a 20 percent to 30 percent diversion, she

said. Rep. Jerrold Nadler (D

-NY) expressed "puzzlement" at the use of the surcharge diversion as a deficit reduction measure. Is it a "savings" to the taxpayers to divert user fees to the Treasury he asked. Are we not violating our instructions by not finding real budget reductions? Hyde retorted that he would "love to hear" any suggestions from Nadler for other programs that Congress could cut. He admonished the Democrats on the Committee for attacking the PTO surcharge. "This process began under the aegis of Democrats [Reps.] Robert Kastenmeier [Wis] and William Hughes [NJ]," he pointed out. "Now suddenly the practice becomes reprehensible to the Democrats," he added. In the end, the committee vote for adoption of the Moorhead proposal was along strict party lines, with all aye votes cast by Republicans. Such a strict partisan division on intellectual property legislation is unusual.

8. Nat'l Sec--Approved Reconciliation package Aug. 1, producing a net spending increase of \$2.2 billion over 7 years (achieving its Recon. instructions). The package, approved 31

-21, includes: (1) sale of 6 naval petroleum reserves (which produces a \$1.6 billion in savings in FY96 from the sale, but results in lost receipts each year thereafter) for a net loss of \$1 billion (shared w/ Commerce Comm); (2) a requirement to calculate military

retirement pay on a "high

-12

-month" basis, which saves \$649 million over 7 years; and (3) a shift in military COLA dates to April from October which is a \$1.8 billion coster. The "high

-12" has been a very politically charged issue and the committee Republicans have gotten a lot of negative feedback and press changes. I have not yet heard whether the leadership will direct changes in this area, but they are seriously considering it.

9. Resources--Instructions require savings of \$2.3 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$1.3 billion from leasing portions of ANWR for oil/gas exploration; \$225 m from park entrance and concession fees; \$50 m from privatizing helium reserves; \$737 m from energy asset sales; and new spending of \$42 million for territorial assistance.

The joint statement of managers on the budget resolution states that "the conference agreement does not assume the sale of the Presidio...nevertheless, reforms should take place that would minimize Federal costs....The Presidio is the most expensive

national park to operate.

The leasing of ANWR is a high priority for the Committee Chairman, Don Young, from Alaska, and for Senate Committee Chairman, Frank Murkowski (R

-AK). It will not be supported by the ranking Democrat or the Administration.

There had been some speculation that CBO might change (lower) its scoring of the ANWR leasing provisions based on new information coming from the DOI. At this time however, CBO has indicated it will not change its assumptions. Although when given Secretary Babbitt's August 3 testimony which raised a number of concerns with the savings associated with the provision, staff agreed to look at the arguments made in the testimony. Principle among these is the royalty split and whether the Congress can in good faith assume a revenue split of 90/10.

There is no clear direction on how to achieve the savings associated with the PMA sale (an instruction shared with House Commerce). Evidently, the conference number was the difference between the House and Senate numbers going into conference. Although it was not stated, the Senate reported number did not include the WAPA sale. There will likely be a struggle in the committee between those who want to ensure a sale to preference customers and those who would like to sell these asset ?to the highest bidder.? There is a concern that the Republicans on this committee may try to put other asset sales, such as BLM land, on the bill.

It has also been widely reported the Water and Power Resources Subcommittee Chairman Doolittle (R

-CA) would like to attach his Central Valley Project bill to the reconciliation bill. Mr. Doolittle has scheduled a markup on his Central Valley bill, HR

1906 for Sept. 28.

This committee's Subcommittee on insular affairs is planning a hearing with a subcommittee of the International Relations Committee to examine the section 936 tax exemption. Reportedly, Chairman Young would like to eliminate the tax break to offset providing federal benefits to residents of territories. Ways and Means Committee Chairman Archer has not been interested in opening up the issue.

*The full Committee marked up a NOAA Reauthorization measure on Sept 13. Action here will be relevant to the Commerce Department's future. The full committee has reserved markup time on Sept. 20, and 27 for other reconciliation matters.

10. Transportation--Instructions require savings of \$715 million in direct spending over 7 years. Budget committee assumed this would be achieved from the following fees -- \$357 m (rail safety); \$196 m (vessel tonnage); \$84 m (FEMA radiation); \$78 m (corp of engineer permit fees).

Committee Chairman Schuster has indicated he may try to include language to take the highway trust fund off

-budget in the reconciliation bill. Ranking Member Mineta has announced his retirement, effective October 10. Mark up is scheduled for September 14 at 3:15 pm on the Commerce Department Dismantlement bill.

11. Veterans--Instructions require savings of \$6.392 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following -- \$2.602 b from extending current law provisions; \$2.283 from veterans comp; \$1.067 from prescription drug co

-payments (assumes that prescription co

-payments are increased to \$5 in 1996 and 1997 and \$8 in 1999 and beyond, for a 7

-year savings of \$1.1 billion); and \$440 million from half COLA for GI bill.

According to House staff, action in this committee is expected to be bipartisan and not extremely controversial.

12. Ways & Means-

-Instructions require savings of \$341.564 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$270 b from Medicare (shared with Commerce Comm); \$58 b from welfare reform; \$6.6 billion from AFDC JOBS; \$3 billion from foster care; \$525 million from drug treatment; \$1.9 billion from TAA; \$1.6 billion from requiring a state match for Title XX social services block grants; \$657 million from unemployment insurance; and \$88 million from veterans medical care.

The Committee is also instructed to make changes in tax laws which reflect tax cuts of no more than \$50 b in FY 2002 and \$245

b over 1996

-2002. Committee is unlikely to open up the House

-passed tax bill (which cost \$354 billion). Rules committee is likely to adopt a rule incorporating the tax bill, with some provisions to shave it down. According to Committee staff, both taxes and welfare are not going to be revisited.

Some Democrats on the committee, including Mr. Stark (D

-CA) and Mr Cardin (D

-MD) are considering an alternative Medicare piece. According to press reports, Mr Cardin has said the plan will not

be released until after the Republicans release their proposal and will be based on the Coalition budget resolution. However, there is still no consensus among the Democrats that offering an alternative in committee is the best strategic approach. Staff is concerned that offering anything will confuse the message they want to send on how bad the Republican proposal is. This type of thinking could lead one to conclude that a floor amendment or piecing together a substitute would be a better approach. It was reported Friday in Congress Daily that Committee Republicans are to begin floating a draft plan that would cut \$2 billion from the Trade Adjustment Assistance program to pay for extension of the Generalized System of Preferences and increasing the Caribbean Basin Initiative. Committee Dems, lead by Kennelley (D

-MA) are considering offering an amendment. Markup is scheduled for Tuesday, Sept. 13. A letter was sent to full committee Chairman Archer from 53 members from both sides of the isle opposing expansion of the Caribbean Basin Initiative in the reconciliation bill. The members are concerned about the loss of U.S. jobs.

Ways and Means full committee is slated to take up HR 1756 to dismantle the Department of Commerce and to make technical corrections to miscellaneous trade proposals and the GSP program on Wednesday September 13 at 11:00 am. I have the Chairman's narrative mark and it is being delivered now. If you do not get a copy and would like one, please contact my office at 54790.

Archer laid out a tentative schedule on health: Republican announcement this Thursday, legislative language early next week, one day full committee hearing late next week and mark up the 27th to the 29th, reporting to the Budget Committee by the 30th of September. This caused concern among the committee Democrats. EITC is slated for markup next week. Democrats are "basically opposed" and are not sure if they will offer amendments. \$20 billion will be cut. \$1.6 billion will be from compliance proposals. The Republicans will also make program cuts. The Committee is also instructed to report provisions to increase the debt ceiling to \$5.5 trillion. However, the statement of managers states that "the conferees intend that the debt limit be enacted as separate legislation and not as part of reconciliation....However, if debt limit legislation has not been enacted this instruction would authorize the committees of jurisdiction to include the debt limit in the reconciliation bill."

According to sources, a lot of Democrats do not want to vote to raise the debt limit because by doing so they create a vehicle for the Republicans to vote against it (and potentially causing us angst). They would prefer for it to be the Republicans' problem.

Treasury Secretary Rubin met with members of the Ways and Means committee last Friday.

*Full Committee marked up and reported out their version of HR

1756, the Commerce Department Dismantlement bill and other trade provisions (NOT TAA). (please see highlights section for description.) The decision was made to not mark up a "members' tax provision" in the reconciliation bill. If such a bill is put together, Chairman Archer would move it on a separate track. Tax provisions that will be included in the reconciliation bill will be considered next week.

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Senate: (Sept. 22 reporting deadline for spending cuts, but the tax instruction to Finance Committee is contingent on CBO certifying that the spending cuts achieve balance in 2002 (and in 2002

-05). Upon certification, Finance must report tax cuts within 5 days. Note-

-the Reconciliation instructions for Senate committees require specified cuts for each of three budget periods: FY96, FY96

-2000, and FY 96

-2002. However, for brevity, the following summaries reflect only the 7

-year totals. Note that Budget Committee assumptions are NON

-binding.

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For questions on Senate committee action on Reconciliation, contact Chuck Konigsberg at OMB/LA.

[*NOTE-

-CHANGES FROM PREVIOUS DAY INDICATED BY ASTERISK.]

1. Agriculture-

-Markup not scheduled yet. The Rep./Dem. split is 10

-8, so Lugar cannot afford to lose any Republican votes. The vote on both food stamps and farm programs is expected to be party line. Currently the Repubs are looking at a Dole compromise approach on the farm programs which is a cross between the House bill and the Cochran bill, which gives farmers a choice; however, they may run into scoring problems. Dem.

contacts: Pat Westhoff, 224

-8240; Jim Cubie, 224

-6901;

fax-

-224

-8240.

Instructions require savings of \$48.402 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following -- \$35 b from welfare reform (food stamps) and \$13 b from agriculture commodity programs. Lugar is expected to seek a package reflecting this split. The Budget Resolution includes a NON

-binding sense of Senate that "no more than 20 percent of the savings be achieved in commodity programs."

2. Armed Services-

-Closed meeting scheduled for Sept. 18.

Instructions require savings of \$2.199 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following -- \$1.55 b from sale of the Naval Petroleum Reserve; and \$649 million from military retirement reform (high

-12 months). There is some concern on the comm. about NPR being a "give

-away" and the staff will present the committee with other savings options besides high

-1. Min. contact: Mike McCord

- 224

-9353.

Dole sent a letter to Perry on Sept. 1 attacking the change as "a breach of faith with our military personnel" and proposed asset sales of military equipment as a possible alternative and asked Perry for other suggestions. Another indication of the political sensitivities on this is that Armed Services has scheduled a closed meeting on the issue

3. Banking-

-Instructions require savings of \$2.391 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$2.181 b from flood

insurance premiums and \$210 million from FHA multifamily property

disposition. However, it is UNLIKELY that most of the savings will be drawn from flood premiums; many coastal states are represented on the committee. In addition, it is LIKELY that D'Amato will get at least some of his savings from Savings Assoc. Insurance Fund (SAIF) legislation. (Other non

-budgetary banking

issues would then be dealt with in a separate bill.) Another possible source of savings are SECURITIES REGISTRATION FEES. Min. contact: Steve Harris, Dem. staff Director, 224

-1573.

Also, the joint statement of managers on the budget resolution states "the conferees...direct the Congressional Budget Office to not score any savings for any new legislation that might affect the Federal Reserve's transfer of the surplus capital account to the Treasury."

4. Commerce-

-Markup scheduled for Sept. 21. Instructions require savings of \$15.036 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$14 b from FCC spectrum auction; \$357 m from extending rail safety fees; \$196 million from extending vessel tonnage fees; and 483 million from FCC fees. The conferees on the budget resolution assume the elimination of the Dept. of Commerce; the House may attempt to include this in their recon. bill. However, this may violate the Senate's Byrd rule because it doesn't score as direct spending savings. Min. contact: Kevin Curtin, 224

-0427.

5. Energy & Natural Resources-

-Mark

-up scheduled for the 19th and 20th. Instructions require savings of \$4.001 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$1.3 billion from leasing portions of ANWR for oil/gas exploration; \$1.659 b from selling US Enrichment Corp; \$60 m from reforming concession fees; \$50 m from privatizing helium reserves; \$195 m from national park service fees; and \$737 m from energy asset sales (PMAs). Assessment from minority staff: USEC will be included and Repubs will use a Democratic compromise draft; ANWR will be included-

-similar to the 1991 draft; park fees will be included (50% over the 94 level would go to the parks); helium-

-unclear

what language will be used, but they may accommodate NASA's request for 18 months; PMAs-

-unclear if the Repubs can get this
out of committee (6 of 11 committee Repubs voted against PMA sales as a sense of the Senate); other possible items-

-royalty
management (small savings - \$10m); mining; open WIPP roads earlier; rent SPR space; sale of DOE precious metals; ANS oil export.

The joint statement of managers on the budget resolution states that "the conference agreement does not assume the sale of the Presidio...nevertheless, reforms should take place that would minimize Federal costs....The Presidio is the most expensive

national park to operate...." Min. contacts: Ben Cooper,
224

-5360; Tom Williams (ANWR); David Brooks (Nat'l Parks); Sam Fowler (USEC); Shirley Neff (Oil & Gas); David Applegate (Helium); Cliff Sicora (PMAs).

6. Environment & PW-

-Markup on September 19. Instructions
require savings of \$2.250 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$1.308 b from extending NRC fees; \$780 m by charging Fed. employees for parking (committee staff tell me this will be controversial); \$78 m from Corps of Engineers permit fees (extending and increasing); and \$84 m from extending FEMA radiological fee. The joint statement of managers on the budget resolution states: "The conference agreement...assumes the extension of NRC fees and that these fees will continue to offset NRC appropriations for the period from 1999 to 2002." It's possible Davis

-Bacon may be added to the package, but that could raise Byrd Rule issues. Parking proposal is politically sensitive. Committee split is 9

-7. Contact: Tom Sliter,
224

-8832.

7. Finance-

-No schedule yet. Minority contacts: Joe Gale,
224

-5315.
Finance has the heaviest load in the Congress, with all of

Medicare, Medicaid, most of welfare, and all the tax cuts to report. Instructions require savings of \$530 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$270 b from Medicare; \$181 b from Medicaid; \$65 b from welfare reform; \$6.6 b from AFDC JOBS; \$3 b from foster care and adoption assistance; \$1.6 b from social services block grants; \$1.3 b from TAA cash benefits; \$655 m from TAA NAFTA & training; and \$657 m from unemployment insurance.

If CBO certifies that budgetary balance has been achieved in 2002, and Budget Comm. determines that balance would be achieved over the period 2002

-2005, then Finance Committee is to report tax cuts of up to \$245 billion over 7 years. (However, House Republicans and some Senate Republicans claim the understanding was that Finance MUST report a tax cut of \$245 billion -- no less; Packwood believed he had the discretion to report a cut smaller than \$245 billion, though Roth will likely want the whole \$245b). The tax legislation is to "provide family tax relief and incentives to stimulate savings, investment, job creation, and economic growth." As an indication of what the Finance Committee might include in their reconciliation tax title, Senators Dole, Nickles, and Gramm on 8/9 introduced a child tax credit bill which has no cap on eligibility (although higher income families would receive a smaller credit).

Finance is also to report an increase in the debt ceiling to \$5.5 trillion. However, the statement of managers states that "the conferees intend that the debt limit be enacted as separate legislation and not as part of reconciliation....However, if debt limit legislation has not been enacted this instruction would

authorize the committees of jurisdiction to include the debt limit in the reconciliation bill."

The joint statement of managers on the budget resolution, with reference to Medicaid states: "This level is compatible with Medicaid growth of 7.2 percent in 1996, 6.8 percent in 1997, and 4 percent each year thereafter, or with higher growth rates of benefits and administration if disproportionate share hospital payments are frozen at 1995 levels. The conference agreement assumes that the present aggregate ratio of Federal to state funding (57 percent Federal, 43 percent State) would continue."

With an 11

-9 split, the Republicans need every vote to report out a Reconciliation package. Chafee has indicated concerns about Medicaid block grants, but he is NOT expected to break ranks when the time comes to report the reconciliation package.

8. Govt Affairs--No schedule yet. Instructions require savings of \$9.844 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$4.9 b from fixed dollar FEHB contributions from retirees; \$2.663 b from

increased agency pension contributions; \$1.145 b from civilian retirement reform; \$1.127 b from increased employee contributions (.25% in 1996 and 97, and .50% thereafter); and \$9 m from congressional retirement reform. Minority contacts: Len Weiss, Jane McFarland, 224

-2627.

According to Senate Budget Committee staff, the Committee will probably delay COLAs for Federal retirees by 3 months for each of the next 7 years. Federal agencies would be required to contribute 1.5 percent more of payroll for retirement costs, and Federal employees would also be required to contribute more to their retirement. This would allow the Committee to avoid making some changes envisioned by the Budget Committee, including modifying the number of years of salary used to calculate pension benefits, and reducing the Federal contribution to the Federal Employees Health Benefits Program.

9. Judiciary-

-Markup scheduled for Sept. 14 and may continue Sept. 21. Instructions require savings of \$476 million in direct spending over 7 years. Budget committee assumed this would be achieved from patent and trademark offices fees. Minority contact: Karen Robb, 224

-7703.

10. Labor-

-Mark

-up scheduled for Sept. 20. Instructions require savings of \$10.779 billion in direct spending over 7 years. Budget committee assumed this would be achieved from--\$10.077 b from student loans (which the budget conferees say "can be achieved without the elimination of the interest subsidy for undergraduate students"); and \$702 million from FDA user fees. Minority contact: Nick Littlefield, 224

-5465.

11. Veterans-

-Mark

-up on Sept. 20. Instructions require savings of \$6.392 billion in direct spending over 7 years. Appropriators may be using some of the savings assumed by the Budget Committee, therefore we should expect some alternative provisions. Budget committee had assumed the instructions would be achieved from the following -- \$2.601 b from extending current law provisions; \$2.284 from veterans comp; \$1.067 from prescription drug

copayments (assumes that prescription copayments are increased to \$5 in 1996 and 1997 and \$8 in 1999 and beyond, for a 7

-year

savings of \$1.1 billion); and \$440 million from half COLA for GI bill. Minority contact: Jim Gottlieb, 224

-2074.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles S. Konigsberg (KONIGSBERG_C) (OMB)

CREATION DATE/TIME:19-SEP-1995 16:09:47.94

SUBJECT: ADDITIONAL ITEM FOR POTUS UPDATE

TO: Adam R. Kreisel (KREISEL_A) (WHO)

READ:19-SEP-1995 16:10:04.55

CC: John C. Angell (ANGELL_J) (WHO)

READ:19-SEP-1995 19:55:04.02

CC: Martha Foley (FOLEY_M) (OMB)

READ:19-SEP-1995 16:34:33.33

TEXT:

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Senate Armed Services Action on Monday:

Yesterday, at a closed meeting, the committee voted to sell the naval petroleum reserve at Elk Hills and the oil shale reserves in Colorado and Wyoming (as budget committee had assumed); and in lieu of military retirement reforms voted to sell additional assets from the national defense stockpile (to make up the \$649 million). The Democratic side voted against the NPR provision.