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Subgroup/Office of Origin: Office of Science and Technology Policy
Series/Staff Member: Timothy Newell
Subseries:

OA/ID Number: 10829
FolderID:

Folder Title:
Accomplishments/Goals [Binder] [1]

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OSID. Timothy Newell - box 2 - inventory -

Book - Budget of the United States Government - appendix
Fiscal Year 1995

~~Book~~ The University as Owners Manual - Henry Rosovsky

Book - Cracking the Japanese Market - James C. Morgan and
J. Jeffrey Morgan

Binder - Science Leadership Exchange - A Research and
Education Program Briefing at the National Science
and Technology Council Committee on Fundamental
Science - March 28, 1995

Binder - Accomplishments / Goals (Cabinet / Departments)

Binder - Welcome to Washington DC

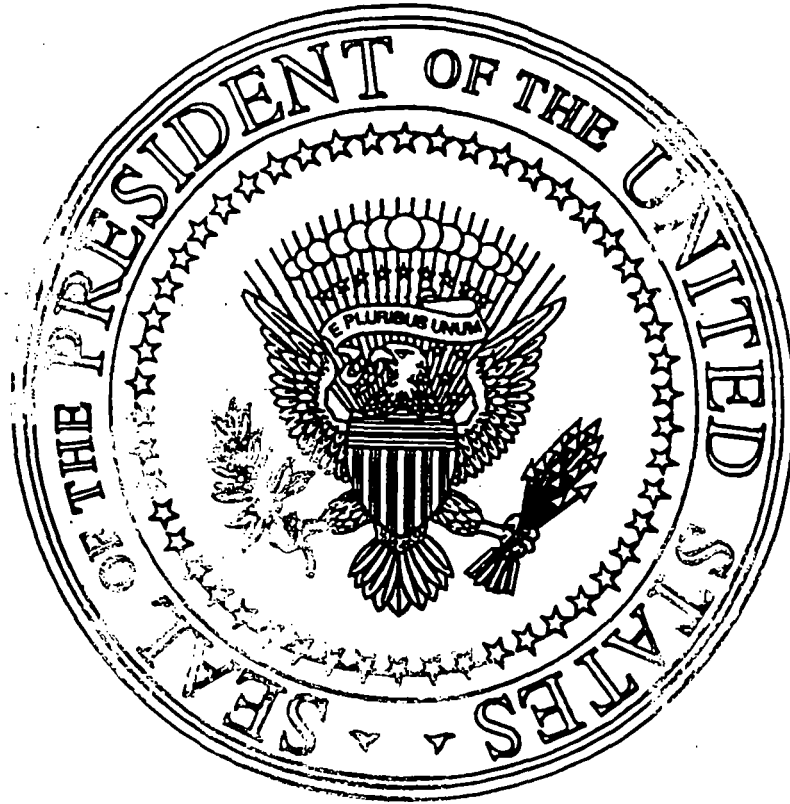
Binder - FY 95 SAP's - Administration Statements of
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ACCOMPLISHMENTS/GOALS

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Divider Title: STATE

THE SECRETARY OF STATE
WASHINGTON

December 10, 1996

TO: THE PRESIDENT
FROM: Warren Christopher WC
SUBJECT: First Term Accomplishments, Second Term Goals

During your first term, the Department of State has worked to promote the security and prosperity of the American people, guided by the key principle that our foreign and domestic policies must work hand in hand in order to achieve our national goals. Building on the progress you have made at home on balancing the budget and strengthening our economy, the United States is increasingly well-placed to advance our national interests abroad.

Perhaps most important, our diplomatic successes of the last four years have helped establish an enduring basis for America's international leadership and have significantly advanced American interests. Your second term should focus on harnessing the forces of integration as the core of a strategy to address seven key challenges facing the United States and the world:

1. Address emerging global challenges -- proliferation, terrorism, international crime and drug-trafficking, and damage to the environment -- through strengthened international cooperation.
2. Build a New Atlantic Community with our allies and friends in Europe, including deepened engagement with Russia.
3. Sustain Asia-Pacific peace and prosperity, through reinvigorated partnership with our traditional allies, and by advancing the integration of China.
4. Solidify democratic gains and expand open trade in the Western hemisphere.
5. Press for comprehensive Middle East peace while promoting Persian Gulf stability.
6. Intensify U.S. support for democracy, economic reform, and crisis prevention in Africa.
7. Pursue an open, stable and prosperous international economic system.

These are vital goals. But we cannot achieve them, or sustain American leadership, without adequate resources. No task in your second term will be more critical than redoubling our efforts to mobilize domestic support for U.S. engagement, and working with the Congress to obtain resources necessary to meet 21st century diplomatic challenges.

1. Global Issues

Proliferation and arms control: In your first term, U.S. diplomatic leadership produced a dramatic reduction in the threat to Americans posed by nuclear weapons.

Accomplishments include: the indefinite and unconditional extension of the Nuclear Non-Proliferation Treaty; the Comprehensive Test Ban Treaty; removal of nuclear warheads from Ukraine, Kazakhstan, and Belarus; efforts to safely dispose of weapons grade materials; detargeting and reducing Russian nuclear forces; freezing North Korea's nuclear weapons program; convincing China to cease its assistance to unsafeguarded nuclear facilities; and efforts to stop Iraq and Iran's nuclear weapons programs. Our diplomacy also produced significant gains in controlling transfers of conventional arms and technologies through the Wassenaar Arrangement.

Your second term can achieve the most far-reaching arms control and disarmament record in history. We must continue our efforts with Russia to secure Duma ratification of START II, and begin START III negotiations on further reductions, including for the first time eliminating nuclear warheads and nuclear materials. We should accelerate efforts to negotiate a fissile material cut-off treaty, while developing a diplomatic strategy for achieving CTBT entry-into-force and pursuing Senate ratification of the Chemical Weapons Convention. We must build on recent successful efforts to resolve our concerns with China about nuclear cooperation with Pakistan, and about transfers of missile technology, nuclear and chemical weapons equipment, and sophisticated conventional weapons to Iran.

Crime, Drugs, Terrorism: Your first term demonstrated American resolve to use our diplomacy to fight international crime, narcotics trafficking and terrorism. We forged explicit action plans with the G-7, EU and with our own hemisphere's leaders, and negotiated a UN Declaration on Crime and Public Security that commits all signatories to cooperate in defeating these forces of disintegration. Working with the Eight at the Lyon Summit and with world leaders at Sharm-el-Sheik, we began to develop concrete cooperative efforts to fight crime and terrorism.

The Denver G-7/P-8 Summit in June should focus on implementing the Lyon proposals. In fighting international crime, this means strengthening effective prosecution or extradition; preventing money laundering; protecting national boundaries from trafficking of narcotics, illegal weapons and illegal aliens; and combating high-tech crime. We must also act on the P-8 initiatives to make all states recognize terrorism as an international crime, and to strengthen efforts to prosecute terrorist acts targeted at international transportation.

Environmental Diplomacy: One of the most important achievements of the first term was our effort to integrate environmental issues into the core of our foreign policy. We signed the Biodiversity Treaty, strengthened the Montreal Protocols protecting the ozone layer, developed the International Coral Reef Initiative, reached critical agreements to protect the world's oceans and fisheries, led in making food security central to the World Food Summit, and pledged to adopt binding emissions targets to address climate change. Building on bilateral efforts that we had begun with Brazil, India, Japan and South Africa, earlier this year I launched an initiative to make environment and natural resource issues central to our pursuit of prosperity and stability in the world's regions.

The Rio Summit's fifth anniversary next year provides an opportunity to advance our agenda on biodiversity, toxic chemicals, and, perhaps most importantly, on the difficult but critical issues of climate change and population stabilization. On climate change, our diplomatic efforts must be part of a broad U.S. government effort to prepare for negotiating and implementing binding emission targets.

Using international institutions to address new challenges. In your first term, American diplomacy significantly raised the profile of transnational issues among world leaders, using the G-7 the UN General Assembly, and regional organizations to galvanize broad support for shared goals. At the UN, we delivered a consistent message: the U.S. will support a reformed UN that helps nations confront important global challenges.

Your second term agenda can build on these successes. The Denver Summit this June will strengthen the economic cooperation of the G-7, deepen Russia's integration, and table concrete steps on key transnational issues. At the UN, we have begun the process of selecting a new Secretary General capable of carrying out real reform. At the same time, we must reach an agreement with Congress on paying our arrears. We will also need to strengthen the capacity of regional organizations such as the OAS, the ASEAN Regional Forum, and the OAU to address transnational problems.

2. Europe

Build the New Atlantic Community: An undivided, peaceful and democratic Europe remains central to America's security and prosperity. To that end, our diplomacy brought peace to Bosnia, made major strides to adapt NATO, and launched a new era of cooperation across all of Europe by creating the Partnership for Peace, strengthening the OSCE, and implementing a New Transatlantic Agenda with the EU.

In your second term, American diplomacy must build political and economic structures to sustain peace and prosperity in Europe. NATO summits in 1997 and 1999 will frame an agenda focusing on adapting NATO's internal structures to new missions, opening the alliance to new members, and forging deeper partnerships with Russia and Ukraine. The 50th anniversary of the Truman Doctrine and Marshall Plan next year provides an opportunity to launch a public education campaign to build support for U.S. leadership in Europe, to gain Congressional ratification of NATO enlargement, and to move forward on building a Transatlantic Marketplace. We also should continue to work to ease tensions between our NATO allies in Greece and Turkey, and to find a peaceful resolution of the Cyprus problem.

Russia: Our strategy of support for Russian political and economic reform, and the major reductions we have achieved in our nuclear arsenals, have paid real dividends, allowing us to deepen Russia's integration in key international institutions and to expand economic and political cooperation. The diplomatic challenge over the next four years will be to provide incentives for reform to stay on course, promote a deeper economic and trade relationship, encourage Russia to play a constructive role in international crises, and encourage Russia to build relations with the newly independent states based

on respect for their sovereignty, independence, and territorial integrity. We must also seize opportunities to develop the region's vast natural resources, particularly in the energy sphere.

3. Asia-Pacific

Build a New Asia-Pacific Community: Our first-term diplomatic achievements are impressive: convening APEC leaders at Blake Island led to the commitments on free trade and investment by 2010/2020; a reinvigorated U.S.-Japan partnership produced more than 20 trade agreements, bolstered our security alliance, and forged a Common Agenda on global challenges; the Agreed Framework with North Korea and our four-party peace talks proposal have helped stabilize the Korean peninsula. Your trip to Australia, the Philippines and Thailand reaffirmed America's commitment to remain an active partner in the region, helping to strengthen democracy, deepen our economic ties and cooperate on global challenges.

Our diplomacy toward Asia should build on these efforts in the second term. APEC can be used to open markets and promote trade and investment liberalization region-wide, and the ASEAN Regional Forum can serve not only to enhance stability but to develop effective cooperation on challenges such as international crime. The economic cooperation forged at APEC will allow its leaders' to deepen the region's broader integration. Bilaterally, we should work with Japan to solidify further our security ties, advance trade and civilian aviation agreements, and cooperate on supporting democracy in Asia and expanding the scope of our Common Agenda. We must work with Seoul to complete renegotiation of the Status of Forces Agreement and move forward on four party talks, and we must secure from Congress full funding of the U.S. commitment to KEDO. Keeping the Agreed Framework with North Korea on track will be a critical and challenging task. We must use regular meetings with Chinese leaders -- especially the upcoming exchange of state visits -- to set relations on a more constructive course, making further progress on outstanding security, economic, nonproliferation, and human rights issues, in keeping with China's responsibilities as one of the world's leading nations.

In South Asia we must continue to encourage India and Pakistan to lessen the dangers of tension between them and to gain their support for CTBT and for a ban on producing fissile materials. In addition to advancing our nonproliferation agenda with India, we should build on our Common Agenda and shared political values to promote economic liberalization, and advance cooperation on environmental and other transnational challenges.

4. Deepen Democracy, Promote Sustainable Development and Open Markets in the Western Hemisphere

In the last four years, U.S. leadership forged a partnership of free and democratic nations in our hemisphere. We embarked on a new era of progress toward a common

vision of open markets and open societies, through important accomplishments such as completing and ratifying the NAFTA accords, stabilizing Mexico's financial crisis, launching the Miami process of hemispheric cooperation through the Summit of the Americas, and restoring Haiti's democratically elected government to power.

The next term should focus on the diplomatic challenges needed to bring that vision to life. We should move quickly to bring Chile into NAFTA. A Presidential visit to the region also would demonstrate your strong commitment to consolidating democratic norms, fostering economic integration -- including developing more extensive ties with MERCOSUR -- and promoting sustainable development. We should use the 1998 Summit in Chile to advance an aggressive strategy for achieving a Free Trade Area of the Americas, strengthen our political and military ties, and challenge Latin leaders to embrace initiatives in education, the environment and combating drugs.

5. Peace and Stability in the Middle East and the Persian Gulf

Your leadership has moved us significantly closer to a central goal of U.S. foreign policy for nearly a half century: forging a circle of peace in the Middle East. American diplomacy helped seal the historic Israel-Jordan and Israel-Palestinian agreements, and helped create the economic underpinnings of peace, including making progress toward creating a Middle East Development Bank. Significant diplomatic challenges remain: working with the parties to fulfill the Oslo Agreements, resuming Israeli-Syrian negotiations, making progress on Arab-Israeli normalization, building institutions to mobilize investment, and further deepening regional economic and security cooperation. Stability in the Gulf also remains critical to U.S. interests. Over the past four years, we have successfully pursued the dual containment of Iraq and Iran, and we should persevere.

6. Supporting African Democracy, Economic Reform, and Crisis Management

Africa's prominence rose significantly in our diplomacy during your first term, as more U.S. cabinet and subcabinet officers visited the continent than in any previous administration. The Vice President placed our relationship with democratic South Africa on a productive new footing through the creation of the Binational Commission. Our leadership was critical to consolidating peace in Mozambique, coaxing the Angolan parties toward a government of national unity, and encouraging conflict prevention in east Africa through the Greater Horn of Africa Initiative.

In your second term, we should work closely with Africa's new generation of democratic leaders to bring the benefits of open societies, open markets and sound economic policies to that continent. We should build upon Ron Brown's efforts to further advance trade and investment possibilities, encourage greater U.S.-European cooperation, and continue to press for genuine reform in Nigeria, Sudan and elsewhere. Of course, we must sustain our moral leadership in responding to and preventing humanitarian crises, most importantly in defusing the Great Lakes crisis. Swiftly

implementing the African Crisis Response Force presents an opportunity both to provide leadership and to foster the development of a local security capacity.

7. Pursue an Open, Stable and Prosperous International Economic System

Building a more open international economy was a hallmark of your first term, including completing the historic NAFTA accords, concluding the Uruguay Round, courageously working to stabilize Mexico's financial crisis, forging of commitments on trade and investment liberalization through the Summit of the Americas and APEC, and negotiating our market opening agreements with Japan. We also have made significant progress in modernizing our export control regimes in the last four years. Your second term should focus on implementing an ambitious agenda that projects our influence and advances our interests in open trade and in building a more open, stable and prosperous international financial system. Priorities include: progress toward a Free Trade Area of the Americas, negotiating the Multilateral Agreement on Investment, achieving further trade and investment liberalization in Asia, concluding outstanding global agreements, especially in telecommunications and financial services. Obtaining fast track negotiating authority will be critical to pursuing our agenda. We also need to continue our efforts to curb commercial bribery and address the next generation of issues: competition, trade and labor, and trade and the environment.

Domestic Support for U.S. Leadership

To achieve these vital goals, we must commit the resources necessary to maintain diplomatic readiness and support an effective foreign policy. U.S. diplomatic leadership cannot be sustained with continued reductions in international affairs spending (Function 150). Not only have these kept us from meeting our commitments to international institutions, but our diplomatic readiness -- no less critical to the nation's security than our military readiness -- is being seriously compromised.

We face a double challenge: in a time of shrinking resources, how to maintain a motivated, skilled, flexible, and diverse diplomatic corps, while still making overdue improvements in an aging, obsolescent infrastructure. During your first term, we made significant strides in modernizing State's information systems, re-engineering key logistical processes, and sharing more equitably the costs of overseas operations with other government agencies operating in overseas posts. Much remains to be done in a second term. We long ago reached the point where resources needed to improve our embassies and equipment are instead used for basic operating expenses. Any savings from improving our efficiency should be recommitted to our diplomatic readiness.

To achieve support for our policies as well as for adequate resources, we need more vigorous and effective outreach. Important domestic constituencies, such as business, labor, environmental groups, and religious organizations must learn more about what we're doing, and how it affects them. All of the foreign policy team must do more, but your leadership will be essential.

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TREASURY

Divider Title: _____



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

January 6, 1997

SECRETARY OF THE TREASURY

MEMORANDUM FOR PRESIDENT CLINTON

FROM: Robert E. Rubin *R.E.R.*

SUBJECT: Treasury Accomplishments and Goals

Treasury is and will continue to be involved in a broad array of activities, from assisting in budget negotiations with Congress to drug interdiction, from strengthening the stability of the international financial system to improving the economic prospects of the poorest, from enforcement of the Brady Law and the Assault Weapons Ban to auctions of government securities, from negotiating international tax treaties abroad to tax legislation and improving the IRS.

This memorandum broadly outlines Treasury's current priorities. Under each priority, there are accomplishments from your first term and specific second term goals in areas where Treasury has the lead responsibility or is significantly involved. We look forward to working with other agencies and the White House in all of these areas.

- **Balance the budget**
- **Enact the President's tax proposals, simplify the Code and improve the IRS**
- **Improve retirement security and increase savings**
- **Maintain U.S. leadership on the issues of the global economy**
- **Help low-income households and economically depressed areas**
- **Modernize the U.S. financial system**
- **Fight financial and other crimes**
- **Continue to build a strong institution**

BALANCE THE BUDGET

As a result of the 1993 deficit reduction program and other economic policies, we have experienced sustained economic growth and significant deficit reduction. We now have a rare, historic moment to adopt revenue and spending measures leading to a balanced budget, which would be particularly important in sustaining favorable economic conditions over the long term in the context of global financial markets that are very heavily focused on fiscal and other financial conditions. We must do everything possible to defeat Congressional efforts to pass a balanced budget amendment which would create the possibility of seriously exacerbating downturns in the economy.

Accomplishments:

- Helped develop and win passage of the deficit reduction package in 1993 which contributed substantially to diminishing deficits and continued economic expansion.

- Changed the maturity mix of Treasury debt to save interest costs.
- Helped defeat the Balanced Budget Amendment in the 104th Congress.
- Provided oversight of a number of privatization projects including the National Petroleum Reserves, Connie Lee and Sallie Mae.
- Helped stand firm against Congress in the Fiscal Year 1996 budget negotiations through government shut-downs and threatened default under the debt limit.

Goals:

- Help negotiate a balanced budget that preserves the Administration's priorities.
- Help defeat a balanced budget amendment.
- Help develop a long-term strategy and process for entitlement reform.
- Work with OMB to develop an agenda and timetable for possible privatizations, complete pending privatizations and privatize significant additional government assets and operations.
- Improve the liability side of the Federal balance sheet to further reduce interest costs.

ENACT THE PRESIDENT'S TAX PROPOSALS, SIMPLIFY THE CODE AND IMPROVE THE IRS

Over the last four years, we have worked to provide targeted tax cuts, simplify the tax system, reduce paperwork burdens, protect the taxpayer and improve the IRS. We must continue on this path. Tax policy is likely to remain a hot-button issue, in the context of both budget negotiations and efforts to restructure the IRS. Also, there are those who have proposed structural tax reform, an immensely complicated issue. While there will be quite a bit of rhetoric around structural tax reform, I do not believe that it will become a serious Congressional possibility, nor should this be an Administration priority. Instead, I believe that we should focus on enacting the President's middle class tax cuts, on tax simplification, and on improving the IRS.

Accomplishments:

- Oversaw passage of the Tax Payer Bill of Rights 2 (TBOR 2) which strengthened the rights of all taxpayers in dealing with the IRS in a reasonable fashion.

- Joined the tax debate in Congress which included the development of coordinated responses to issues such as the Kemp Commission's report on the flat tax.
- Took steps to achieve tax simplification and improve IRS processes.
- Completed bilateral income tax agreements with many countries -- including Canada, France, Sweden, Thailand, and Mexico -- which created more opportunities and improved the competitive position for U.S. companies abroad.

Goals:

- Negotiate the tax provisions of the Administration's budget, including middle class tax cuts.
- Accomplish further tax simplification (e.g., TBOR 3 and tax simplification measures we will propose).
- Achieve major progress in reinventing the IRS to provide better service and improve tax compliance. This includes improved management systems, application of information technology and changes in the organizational structure, including the possibility of making the IRS into a performance-based organization (PBO).
- Complete additional tax treaties.

IMPROVE RETIREMENT SECURITY AND INCREASE SAVINGS

Increasing our national savings rate is key to raising future living standards. Your Administration deserves credit for a quiet transformation of policy on national savings. Deficit reduction, changing the maturity mix of the federal debt structure, pension portability and the introduction of inflation-indexed securities have helped improve the prospects for savings. We must pursue other means of increasing the savings rate and improving the security of retirement savings.

Accomplishments:

- Introduced inflation-indexed securities and conducted a vast marketing effort to educate potential investors for first auction of inflation-indexed notes in January 1997.
- Enacted pension reform to increase pension availability and portability.
- Presented new incentives for savings with the proposed expansion of IRAs.
- Contributed to increased public savings by helping to develop and enact the President's economic plan which brought down the deficit by over 60 percent.

Goals:

- Develop and implement a package of initiatives to increase savings and enhance retirement security, including through IRAs and further pension reform.
- Evaluate the savings bond program and make changes to improve its contribution to increasing private savings, including through the introduction of an indexed savings bond.
- Work with the rest of the Administration to develop a long-term agenda for the reform of the Social Security system.
- Improve the liability side of the federal balance sheet to further reduce interest costs.
- Launch a major public education effort to encourage private savings.

MAINTAIN U.S. LEADERSHIP ON THE ISSUES OF THE GLOBAL ECONOMY

An overriding challenge for the Administration is to prevent the U.S. and other major powers from turning inward and to build support, including support among the American public, for globalism and the prosperity and security it fosters. The stability of the global economy is critically important to U.S. economic, political and security interests, and we need to engage and provide leadership on the issues of the global economy. That includes the issues of opening markets abroad and supporting development in developing and transitional economies around the world, our largest growing export markets. We do this most efficiently and most effectively through the World Bank, the IMF and other international financial institutions. Global leadership also includes dealing with crises that affect the international economic system, such as the one that occurred in Mexico in 1994.

Accomplishments:

- Helped secure passage of GATT and NAFTA.
- Helped encourage and preserve international financial stability, including through the handling of the Mexico crisis.
- Guided international program of support for Russia which led to the stabilization of its economy.
- Through the G-7, brought about during the past two years an appreciation of the dollar and a restoration of U.S. leadership in the international economy.
- Concluded a market-opening agreement with Japan for its financial markets, and established a framework for WTO financial services negotiations.

- Implemented the Halifax agenda to create a truly global capital market with real transparency and safeguards.
- Used U.S. leverage in the multilateral development banks to make them a key tool for addressing global problems such as environmental degradation, illiteracy, poverty and AIDS.
- Worked closely with our G-7 partners in helping to build the foundation for prosperity and political stability in Central Europe, the NIS and the other transition economies. In particular, helped Bosnia lay the fundamental economic groundwork for a stable and lasting peace under the Dayton Accords.
- Created a process for regular consultations with Finance Ministries in Latin America and APEC to strengthen our ties and their commitment to financial soundness and market-based economic policies, including privatization and effective capital markets.
- Strengthened our bilateral economic and financial ties with key countries such as China, Russia and Argentina.

Goals:

- Help to secure fast track authority.
- Seek an IMF quota increase and authorization from Congress on New Arrangements to Borrow, neither of which has any budget outlay impact.
- Seek Congressional support for the multilateral development banks.
- Help organize a successful 1997 G-7 Summit in Denver which significantly furthers an agenda of international cooperation on economic, environmental and law enforcement issues.
- Work with the rest of the Administration to define a new approach to China and Africa.
- Work with the rest of the Administration to maintain constructive relations with key countries and regions, specifically Japan, Russia, Europe, and Latin America to support financial soundness and market-based economic policies, including effective capital markets.
- Maintain a strong dollar consistent with economic fundamentals.

HELP LOW-INCOME HOUSEHOLDS AND ECONOMICALLY DEPRESSED AREAS

Work to use the tax tools and the tools of finance to address the persistence of high levels of poverty and dependency, the social problems associated with that poverty, and the acute economic isolation of large numbers of poor people.

Accomplishments:

- Helped expand the Earned Income Tax Credit which provided tax relief to 15 million working Americans.
- Helped secure a permanent Low Income Housing Tax Credit (LIHC). Through the LIHC, the flow of private investment dollars to rebuild housing expanded helping to create over 60,000 units of affordable housing every year.
- Stood firm against attempts to weaken the Community Reinvestment Act (CRA) and reformed regulations of the CRA which has unleashed significant capital to our inner cities by helping capital flow from mainstream financial institutions.
- Initiated a nationwide network of community development banks with the passage of the Community Development Financial Institutions Fund (CDFI) bill which provides capital to distressed communities across the U.S.
- Worked with others in the Administration on enactment and implementation of Empowerment Zones and Enterprise Communities.
- Assisted the D.C. Government in returning to financial stability by providing financial assistance when market financing was unavailable.

Goals:

- Work with the rest of the Administration to shape the welfare-to-work program to maximize results.
- Maximize Federal efforts to collect delinquent child support through Treasury's funds payments and explore techniques to assure child support.
- Secure Congressional passage of the Brownfields tax credit to encourage the clean up of abandoned industrial properties in economically distressed areas and put them back into productive use.
- Create an initiative to facilitate the development of secondary markets for urban debt.

- Contribute to the effort to make D.C. financially self-sufficient and better able to provide for the needs of its citizens.
- Expand the CDFI program.

MODERNIZE THE U.S. FINANCIAL SYSTEM

Updating the regulatory framework to take into account the evolution of the financial services sector is instrumental to increasing competition and containing threats to financial stability. In addition, the advent of new technology poses fresh challenges to financial regulation and opportunities to expand the delivery of services to those currently outside the system.

Accomplishments:

- Secured passage of interstate banking legislation which made banks more competitive and allowed them to provide better service to their customers.
- Secured the passage of legislation which merged the Bank Insurance Fund with the Savings Association Insurance Fund (SAIF), thus, saving SAIF from its severe undercapitalization and staving off its projected collapse.
- Worked with the rest of the Administration on reviewing and negotiating many of the provisions in the securities law reform legislation passed by the 104th Congress.
- Delivered 425-million federal payments electronically (valued at nearly \$700 billion) in 1996 which represented over 50% of all federal payments and thus saved millions of dollars for the government and the banking industry.
- Significantly revised banking regulation, improved access to credit by ending the credit crunch through strengthened economic policies, and promoted credit access for all Americans, substantially increasing the share of mortgage lending going to minorities.

Goals:

- Seek passage of a financial modernization bill to increase competition and efficiency in the U.S. financial services market.
- Develop a sound and coherent e-money policy.
- Prepare to implement the requirement that all Federal payments be made electronically by 1999, including the development and implementation of a policy to facilitate the provision of financial services to those who are currently unbanked.

FIGHT FINANCIAL AND OTHER CRIMES

Treasury will continue to be involved in a broad range of law enforcement issues from firearms to drug interdiction, from protective service to money laundering, and the other roles in its law enforcement mission. Treasury, with roughly 40 percent of the Federal government's law enforcement officers, will be a key player in the Administration's overall crime-fighting efforts and has a particularly important role to play in the area of financial crime.

Accomplishments:

- Helped pass, implement, and vigorously enforce the Brady law, Lautenberg Amendment to the Brady Law, the Crime Bill which included the Assault Weapons Ban, and the Anti-Terrorism Bill.
- Successfully introduced new \$100 note after conducting an extensive public education campaign across the world to inform users of American currency that our currency was being redesigned to include advanced counterfeiting deterrence features.
- Increased narcotics seizures and arrests at the Southwest Border and in the Caribbean through expanded border interdiction efforts.
- Conducted investigations into church fires which resulted in a permanent arson database, arson prevention efforts, arrest rates that are double that for arson overall, and new efforts in cooperation with local officials and communities.
- Reached out to our global partners in crime fighting on money laundering, anti-narcotics. Identified international narcotics traffickers and froze their U.S. assets.
- Reviewed and implemented findings of the White House Security Review, the Waco Review, and the Good O' Boys Roundup Review.
- Provided critical law enforcement support in numerous investigations and operations including Olympic Security, and the World Trade Center and Oklahoma City bombings.

Goals:

- Strengthen efforts to fight financial crimes to support broader anti-crime activities and to strengthen international cooperation against money-laundering, organized crime and the trafficking of drugs.
- Accomplish anti-terrorism mission, including through the expanded use of taggants and the creation of a national data repository for explosives and arson incidents.

- Achieve more strategic Customs enforcement at the border to maximize interdiction and the facilitation of trade.
- Upgrade the professionalism and standards of enforcement personnel and procedures, including those associated with key enforcement missions such as anti-terrorism, drug interdiction and protective services.

CONTINUE TO BUILD A STRONG INSTITUTION

Treasury is a strong institution, and one of our principal responsibilities is to maintain and improve Treasury's ability to serve the American people in many ways.

Accomplishments:

- Introduced technology to make Treasury more efficient and improve its service to its customers -- e.g., instead of making trips to the IRS or the local public library, taxpayers were able to download forms instantly through the IRS homepage on the World Wide Web and now taxpayers with simple tax forms can file at home on the phone. (The IRS Web page has received over 100 million "hits" thus far.)
- Cut paperwork requirements, canceled many useless regulations, and overhauled many other regulations by rewriting them in plain English.
- Led the multi-agency project named Simplified Tax and Wage Reporting System which will significantly reduce the wage data reporting burden of employers and improve Federal and state employer tax operations.
- Established customer service plans and reliable feedback mechanisms to determine customer satisfaction in 90 percent of Treasury's operations (pursuant to the Customer Service Executive Order which targeted 25 percent rate by 1996).
- Reorganized Customs to eliminate two layers of bureaucracy and move more staff to front-line jobs that provide service directly to the public.

Goals:

- Reform the IRS, as discussed above.
- Reinvent Treasury's personnel system to implement a process for strategic and effective human resource management to identify, recruit, develop, reward and retain high performing individuals.

- Use new approaches and new technology to work more efficiently and serve the public better.
- Complete a clean and comprehensive audit of an agency-wide financial statement, including the IRS.
- Explore opportunities for further reinvention and deregulation.

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cc Vice President Gore
Leon Panetta
Erskine Bowles
Donald Baer
Rahm Emanuel
Sandy Berger
Kitty Higgins
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DEFENSE

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Accomplishments of the Department of Defense, 1993-96

1. Formulated a defense strategy and program that connected requirements and resources in an iron logic that has framed the defense debate these last four years.

The Bottom-Up Review (BUR) completed at the outset of the administration has paid continuing dividends. It clarified the character of post-Cold War threats and operations, prompting us to reorient our strategy from defending against a large attack on Europe to projecting power against major regional aggressors. It also focused new attention on demands whose significance has grown in importance -- the necessity of preparedness for lesser contingencies, the role of overseas presence in shaping the security environment, and the imperative of preventing and defending against the use of weapons of mass destruction. The BUR defined a force and plans for employing it whose operational versatility and deterrent effectiveness has been proven numerous times in the last four years. Finally, the BUR stabilized a defense budget that has generated broad bipartisan support.

2. Responded to the new strategic landscape with new strategies on using forces.

In response to a strategic landscape that is dramatically different from that which faced the United States only five years ago, the U.S. Department of Defense has implemented new strategies for preventing, deterring and defeating potential threats to U.S. interests. We have initiated and employed new programs of preventive defense which seek to foster peace by preventing the seeds of conflict from being sown. These programs include our efforts to reduce the nuclear legacy of the Cold War and our efforts to foster the growth of democracy by building cooperative military ties with new democratic nations.

At the same time, the United States has maintained strong, ready forces able to deter conflict anywhere American interests are threatened -- from the Arabian Gulf to the Korean Peninsula. These same forces have the ability to defeat any potential foe quickly and with a minimum of casualties. In short, America's forces today truly have the ability dominate any potential adversary on the field of battle.

3. Reduced the nuclear threat.

In an era where the threat of global nuclear holocaust has been replaced by the danger of weapons of mass destruction falling into the hands of rogue nations or terrorists, the Department of Defense has made real, tangible and significant strides in reducing this danger these last four years. The centerpiece of these efforts has been our Cooperative Threat Reduction (CTR) program, which has assisted the countries of the former-Soviet Union in destroying over 4,000 nuclear warheads and some 800 bombers and ballistic missile launchers of the former Soviet arsenal. This program has facilitated the reductions mandated by the START I Treaty. CTR has helped Ukraine, Kazakhstan and Belarus become nuclear-weapons free. We conducted a range of CTR activities to lower the threat of "loose nukes" in the former Soviet Union, including greater security for warheads in storage and transit and reduction of fissile materials, as in the Project Sapphire removal of 800 kg of vulnerable weapons-grade highly enriched uranium from Kazakhstan.

We accomplished the detargeting of U.S. and Russian strategic ballistic missiles.

On the Korean Peninsula, the Department has helped implement the Framework Agreement which has kept the North Korean nuclear weapons program frozen in-place since 1994. Increased U.S. military might on the Peninsula in 1994 also provided the "stick" that helped persuade North Korea to sign the agreement in the first place.

In Southwest Asia, on-going U.S. military operations, such as Operation Southern Watch and Provide Comfort, combined with strong support for UNSCOM have kept Iraq from advancing its nuclear ambitions.

4. Expanded security and stability in Europe and created a new partnership with Russia.

In the past four years, DoD has helped to replace the bipolar East-West rivalry in Europe with a larger, inclusive circle of security in four key ways. First, by proposing and helping to make the Partnership for Peace a success. Second, by helping to make NATO stronger and more relevant to the post-Cold War era. Third, by helping to bring Russia into a cooperative relationship with NATO as part of the circle of security, not outside it. And fourth, by helping to contain and stop the war in Bosnia.

a) Partnership for Peace (PFP) gives the newly independent nations in Europe and Central Asia a security anchor as they pursue democracy, internal stability and economic reform. PFP has given these nations an opportunity to train with NATO militaries for peacekeeping missions, thereby integrating them into a new overall European security architecture.

Today, the Partnership for Peace has become the most successful security institution in Europe since the creation of NATO itself. The flags of 18 NATO nations and 27 Partner nations fly together over the Partnership headquarters in Mons, Belgium. The Partnership has conducted more than a thousand multi-lateral military training exercises and activities, each building on the success of the last. And Partner nations are putting their training into action in Bosnia, where their militaries are serving alongside NATO nations in the peace Implementation Force (IFOR) operation.

The effects of PFP reverberate well beyond the security realm. Partners are also working to uphold democracy, tolerate diversity, respect the rights of minorities and freedom of expression. They are working to build market economies, develop democratic control of their military forces, and respect the sovereign rights of bordering countries. For many of these nations, aspiration to NATO membership has become the rock on which all major political parties base their platforms. Consensus on that unifying goal makes compromise and reconciliation on other issues possible.

b) NATO adaptation. As NATO moves to change externally by accepting new members, DoD has also succeeded in encouraging NATO to adapt itself internally for the post-Cold War era. NATO will remain a strong trans-Atlantic military alliance, but it is also becoming more flexible, streamlined and efficient. These changes will allow NATO to more effectively perform out-of-area and peace-support operations and will give the alliance a stronger European identity, but still a strong U.S. leadership role.

c) Russia in the security circle. DoD has made significant progress in integrating Russia into a new European security architecture.

DoD leadership has resulted in an agreement for Russia to establish a permanent office at NATO military headquarters, and for NATO to establish a permanent office at the General Staff headquarters in Russia. (A proposal by Secretary Christopher is now under consideration for NATO and Russia to establish a charter that would create a permanent mechanism for working together to meet new security challenges.)

To overcome Russia's chronic fear that NATO poses a threat to Russia, Secretary Perry has sought ways in which NATO and Russia can build a security relationship from the ground up, in practice. Secretary Perry worked with his Russian counterparts to encourage Russia to commit troops to IFOR, the peace implementation force in Bosnia. As a result, for the past year, Russian troops have served alongside American troops in Bosnia. This participation is not only making IFOR more effective in their

sector by giving the warring parties the confidence that IFOR is even-handed, it is also helping to break down decades of mistrust between NATO and Russia. It has also demonstrated Russia's commitment to participating in a positive way in the future security architecture of Europe.

d) Containing and stopping the war in Bosnia. All of these efforts to create a wider circle of European security came together in Bosnia. In the fall of 1995, NATO, led by the U.S., forced the warring sides in Bosnia to the negotiating table in Dayton, Ohio. The result was that the NATO-led deployment of a force to implement the accord. This NATO force -- IFOR -- since then has completed every military task laid out in the Dayton Agreement. IFOR comprised 32 nations, including many Peace Partners and Russia, all joining together to end the worst fighting in Europe since the end of World War II. It separated the warring parties, completed the land transfer, demobilized the combatants and saw that the heavy weapons were secured in cantonments. It achieved these missions with remarkably few casualties. To protect the gains for peace in Bosnia, NATO has approved a follow-on Stabilization Force -- SFOR. SFOR will have the same elements that made IFOR a success -- a NATO command structure, headed by a U.S. general; a mission that is limited, clear, and achievable; a solid plan of execution; superlative training; and the equipment and the rules of engagement that are necessary for our troops to be able to defend themselves under any conditions. If at any time U.S. commanders believe they need more weapons or troops to adequately protect themselves, those will be provided.

5. Enhanced Asia-Pacific stability.

We have renewed and strengthened our strategy to maintain peace and stability in the Asia-Pacific. This strategy relies upon the strong security alliances between the United States and our democratic allies, Japan, South Korea and Australia. These alliances provide the stability that has fueled the explosive economic growth of the region and are a principal factor in dampening a regional arms race. In 1996, the United States and Japan reaffirmed and strengthened our security alliance through the signing of a Joint Security Declaration by President Clinton and Prime Minister Hashimoto. This reaffirmed the need for maintaining U.S. troops in the region and reaffirmed Japanese support for these troops. It also commits both sides to review thoroughly the guidelines for our security cooperation, and commits Japan to study what role it can play in supporting the U.S. in future regional crises.

We helped to defuse the most pressing security challenge in the Asia-Pacific region -- North Korea's nuclear program -- by concluding the U.S.-DPRK Agreed Framework. We enhanced deterrence on the Korean Peninsula by directing the modernization of several U.S. military capabilities in Korea. We initiated U.S.-ROK planning for contingencies short of war and the long-term future of the alliance. We negotiated a three-year cost-sharing agreement that will result in about \$1 billion in ROK contributions.

We have also expanded U.S. participation in multi-lateral regional fora such as the ASEAN Regional Forum, which is designed to reduce tension over contentious issues and build regional confidence.

We have embarked upon a path of security engagement with China's Peoples' Liberation Army after a break in communications that resulted from Tiananmen Square. This not only gives U.S. an avenue of potential influence with this key player in Chinese politics, but also an important avenue of communication. Engagement thus lowers the chances of miscalculation or misunderstanding at a time when the armed forces of our two countries increasingly operate in physical proximity to each other.

When tensions erupted during the Taiwanese election period in the spring of 1996, we provided a naval presence that supported stability in the Taiwan Straits area, solidifying regional security and U.S. influence in the region.

6. Completed the most successful defense drawdown in history.

After the post-World War II drawdown, our forces were nearly run off the Korean Peninsula. After the post-Vietnam drawdown we wound up with the so-called "hollow army." Indeed, at that time, the entire force was hollow. We have just completed a third drawdown. We made the same serious cutbacks in forces and resources as in the previous two; but we did not make the same mistakes. We cut our forces by one-third and our budget by 40%. This amounts to a reduction of 1.5 million people -- military and civilian. But over 90% of these reductions were voluntary due to a range of programs that offered substantial incentives for early departure or retirement from DoD. And 100% of the employees who departed were afforded transition services that ranged from job retraining to relocation assistance to job placement services. At the same time we made these reductions we also made a commitment to devote substantial resources to keeping the remaining forces at peak readiness.

7. Ensured peak readiness.

Despite the magnitude of the recent drawdown, U.S. forces have maintained peak readiness throughout. The most important thing we did to achieve this was to put readiness up front in the budget priorities. We made sure we fully-funded the spare parts and maintenance for the equipment that remained in our inventory. We provided the CINCs and the Services with the resources they felt necessary to continue to provide our troops with the world's best combat training. And we took steps to put our people first by making Quality of Life one of the key goals of DoD. We have the best service members ever. In order to retain the best, we need to provide them and their families a first-rate quality of life: decent pay, safe and modern housing, and a commitment to continue to provide traditional benefits like medical and commissary benefits. We have committed \$25 billion over five years toward Quality of Life improvements. It is the right thing to do, because our service members deserve it; it is the smart thing to do because our readiness depends upon it.

8. Advanced efficiency.

Over the past four years, DoD has become dramatically more efficient as we have reformed our acquisition system, reduced infrastructure and overhead, and made greater use of outsourcing.

First, we have completed a comprehensive overhaul of our defense acquisition system. We have put more emphasis on using commercial business practices and commercial business standards in our procurement system, eliminated military specifications, and used the authorities provided to us in the Federal Acquisition Streamlining Act to re-make the acquisition system. We designed pilot programs to test our ideas about how to reduce acquisition costs. Those pilot programs are proving that significant savings can be achieved by utilizing commercial components and commercial buying practices.

Our acquisition reforms are already saving us money. And they also are improving DoD's access to new generations of technology. In the past, the acquisition system created barriers which limited timely access to evolving technology. The new system we have put in place eliminates those barriers and speeds up by at least a generation access to modern technology. So, acquisition reform not only saves money on what we buy, it improves the quality of what we buy.

Secondly, we are achieving significant savings from our efforts to reduce infrastructure and overhead. In the past four years, we have implemented two rounds of base closures recommended by the Independent Base Realignment and Closure Commission (BRAC). In the first year of this administration, DoD spent about \$4 billion to close bases recommended by previous commissions. In FY97, those figures will turn into net savings for the first time. And by 1999, savings from base closings will grow to \$6 billion per year.

Closing bases can be painful for the communities involved. To help ease that pain, DoD has provided assistance to communities affected by base closing. That assistance is aimed at helping those communities find imaginative ways to put excess defense property into productive use as quickly as possible.

Finally, DoD has initiated a major effort to determine where competitive forces can improve overall performance through greater use of outsourcing. DoD already uses outsourcing to acquire a number of support services. But greater use of outsourcing can help the Department's overall performance by delivering better service, faster, and at lower costs. DoD has identified base operations, warehousing, transportation, housing, finance and accounting, data processing, and depot maintenance as perfect candidates for greater use of outsourcing. As DoD continues its internal efforts to use outsourcing more, it is also working with the Congress to eliminate statutory limits on its use.

9. Established new Guard and Reserve roles.

As a result of the Bottom Up Review of Defense Department resources conducted in 1993, the Reserve Forces and the National Guard are now more fully integrated into the Total Force and being given new and central roles and missions. Today, the Guard and Reserve are manned, trained and equipped to fully support our national security strategy. The Reserve Components are more deeply involved in ongoing military missions, helping reduce demands on the active forces and helping control operation tempo. The increased use initiative begun in 1995 has already improved Reserve Component involvement in active duty missions, increased readiness and made better use of reserves' talents and capabilities. Record numbers of reserve troops now participate in short duration, joint exercises and operations throughout the United States and the world. In 1996, Reserve Components were called upon for 167 missions, up from 97 missions in 1995. They have also served alongside their active duty counterparts in many and diverse longer active duty operations around the globe from Haiti to Bosnia to the Sinai and have performed commendably.

A fully-integrated Guard and Reserve force that plays an active role in defending U.S. interests provides the nation with two advantages. It reduces the cost to taxpayers because Reserve Component units cost up to 75% less than their active duty counterparts. Second, it builds bridges of understanding between the military and civilian worlds, which links the civilian community and the military as partners in our national defense.

10. Conducted successful contingency operations. World events in the past four years have demonstrated that the end of the Cold War has not reduced the need for the U.S. to maintain highly-skilled, well-trained, readily-deployable forces. U.S. military forces have been used successfully to protect our national security interests.

- U.S. forces were deployed to Southwest Asia twice to deter Saddam Hussein from taking aggressive action against his neighbors. First, in 1994, he began moving his army toward Kuwait. A rapid U.S. response convinced him to change his mind. His forces returned to their barracks without a shot being fired. Earlier this year, in the wake of Iraq's attack on the Kurdish city of Irbil, U.S. forces were again deployed to Southwest Asia to deter Saddam Hussein from any further military adventures against his neighbors.
- And while these contingency operations were taking place, U.S. air crews continued to patrol the no-fly zones in north and south Iraq as part of the multi-national coalitions conducting Operation Provide Comfort and Operation Southern Watch.

- On the African continent, U.S. airlift led international efforts to provide humanitarian assistance to refugees fleeing from the fighting in Rwanda. Our ability to transport large amounts of food, medicine, and other humanitarian materials was crucial in saving hundreds of thousands of lives. In Liberia, civil war endangered thousands of non-combatants including civilians from a number of countries. A U.S. force made up of personnel from all four services responded quickly from bases in Europe and the United States to mount a difficult and dangerous rescue mission. That force evacuated from Liberia about 3,000 civilians from the United States and 26 other countries.
- In Europe, a NATO-led coalition of 32 nations, including the U.S. 1st Armored Division has done what many critics said was impossible. It has stopped the killing in Bosnia and given peace a chance to take hold in that war-torn nation.
- Closer to home, in Haiti, the threat of the use of American military power to forcibly remove the dictatorial junta led to the voluntary departure of its three members who had ruled Haiti in terror. An American led multi-national force restored constitutional government and democracy to Haiti.
- In Asia, we redeployed key U.S. military forces -- including Patriot missile batteries and a carrier battlegroup -- and helped end the stand-off between North Korea and the rest of the world and led to the completion of the Framework Agreement.
- And in the Taiwan Straits, two U.S. carrier battlegroups were deployed to demonstrate to China the U.S. concerns over its effort to intimidate Taiwan on the eve of its elections.

11. Built a new security relationship with the countries of Latin America.

For decades, the United States looked southward toward Latin America and saw security problems. This Administration has looked south and seen potential security partners and new possibilities for supporting the spread of democracy, stability and military reform, and fighting narcotics trafficking.

Secretary Perry seized these possibilities by inviting the 33 other democracies of the Western Hemisphere to the first-ever Defense Ministerial of the Americas in Williamsburg, Virginia in July 1995. The Defense Ministerial built upon the Summit of the Americas in Miami, which addressed political, economic and social issues in the Hemisphere. The Defense Ministerial at Williamsburg was organized by the United States to address security issues, with an agenda set by all the participants and all 34 democracies in the hemisphere -- every nation but Cuba -- sending defense and military representatives. In the end, they endorsed the Williamsburg Principles, which include support for democracy and human rights, peaceful resolution of disagreements and armed forces under civilian leadership. The nations also endorsed the Williamsburg Process, an approach to bilateral and multilateral relations based on openness, cooperation and consensus.

The Defense Ministerial of the Americas is now an annual event. The second was hosted by Argentina in October 1996, at which the participants endorsed concrete ways to advance the Williamsburg Principles. The Defense Ministerials occur in concert with other multilateral security conferences hosted or supported by the United States, as well as multilateral defense and military activities such as joint training exercises in peacekeeping and humanitarian assistance, military education programs in supporting democracy, information sharing on defense policies, plans and budgets, and other confidence-building measures. In addition, Secretary Perry has traveled throughout Latin America, including Mexico -- a first for any U.S. Secretary of Defense. These visits, and reciprocal visits to Washington by Secretary Perry's

counterparts, have helped to advance our bilateral security relations and to open the door to deeper levels of security cooperation.

12. Establishment of Counterproliferation Initiative.

We developed a new approach in DoD, both among civilians and in the military, regarding how the proliferation of nuclear, chemical and biological weapons affect our ability to prosecute a military campaign. We are modifying our military doctrine, training, exercises and procurement to account for this threat. This initiative also opened new doors of cooperation with friends and allies in NATO, the Middle East and Asia. Related activities include reform of U.S. export control policy and negotiation of the new Wassenaar Arrangement for multilateral export controls.

Future Department of Defense Initiatives

Just as the Bottom Up Review in early 1993 set the stage for the successes of the first term, the 1996-1997 Quadrennial Review currently being conducted will set the stage for the next term. We want to continue to build on the accomplishments of the first term, particularly on policy initiatives and in areas of management efficiencies, while maintaining readiness.

1. Modernization.

The Department will step up to the key challenges in its program plans. We need to ramp up the development and procurement of systems that will provide future forces with modern equipment and superior technology well into the 21st century. We will outfit the fleets of systems we expect to maintain in the future with a new generation of equipment, incorporating advanced information technologies, sensors, and precision weaponry that exploit to our advantage the revolution in military affairs which these new technologies have kindled. Without compromising our ability to engage in the world and dominate any foe, this initiative will shift the emphasis of our funding decisions from the urgency of spending on the present to the imperative of investing for the future.

2. Stopping and countering proliferation.

While we made important strides in responding to this new threat, it will grow and require greater efforts. We must work to improve our military capabilities to fight and win in the face of chemical and biological weapons, with particular emphasis on fixing current flaws in war plans, doctrine, training and exercises. We need to work with allied militaries in these areas as well.

3. Build a system of European security, continuing NATO adaptation and enlargement, and building a new security partnership with Russia.

- Begin NATO accession talks in 1997 and add new members to the Alliance by 1999.
- Adapt NATO structure to new realities, bringing France into closer relationship with the Alliance and implementing the CJTF concept.
- Engage particularly with non-selects in first round of NATO enlargement, maintaining their confidence, security and continuing integration into free, open and expanding Europe.
- Enhance and improve the NATO-Russia relationship.
- Enhance and improve the relationships between DoD and the military establishments of the former Soviet states, particularly Russia, Ukraine, Uzbekistan and Kazakhstan. We should use CFE adaptation to contribute to these goals.

- Support the development of civilian infrastructure in Bosnia, in order that a sustainable order is in place after the 18-month deployment of SFOR.

4. Control and destruction of weapons of mass destruction.

We will need to bring START II into force and to negotiate follow-on agreement for further strategic reductions. We must also work to reduce the numbers of deployment sites of Russian non-strategic nuclear weapons and the size of that force. We should continue to modify the Nunn-Lugar CTR program to support the destruction of the most dangerous elements of the Soviet nuclear and chemical legacy. We should also ratify the Chemical Weapons Convention (CWC).

5. Maintain stability and deter aggression in global hotspots such as the Arabian Gulf and the Korean Peninsula.

6. Maintain Security and Stability in Asia

- Continue strong engagement with regional allies such as Japan, South Korea and Australia.
- Sustain forward progress with the N. Korea Agreed Framework
- Sustain stability in China Sea area.
- Maintain and improve relations with People's Republic of China

7. Enhancing counter-drug support.

We have restructured and streamlined the counter-drug support program. It is now an agile, customer-driven program that has been successful in largely denying drug traffickers the ability to fly cocaine within South America and in the Caribbean. We are currently working closely with law enforcement in developing programs to interdict successfully the traffickers growing reliance on maritime and ground transportation.

8. Combating terrorism.

We have launched major initiatives to improve force protection and to improve the capability of the nation to respond to a crisis involving weapons of mass destruction. An anti-terrorism readiness fund to address unforeseen threats has been established and we have restructured the Department's Anti-terrorism Coordinating Committee to carry out recommendations from the Downing Report and our own DoD reports. We are moving rapidly to implement the provisions of the Nunn-Lugar CTR legislation. Combined, these initiatives will improve the posture of the DoD as well as the posture of the nation to meet the new, changing threats we face from terrorism.

9. Continue to foster democratic civilian control of professional militaries.

- **IMET.** We should build on one of our most effective programs by strengthening the International Military Education and Training (IMET) program.
- **Mil-Mil.** We should continue and strengthen our military-to-military contacts.
- **DMA process.** We should follow through on specific regional initiatives, such as the Defense Ministerial of the Americas.

10. Infrastructure protection and information assurance.

Having laid the groundwork for the protection of infrastructure critical to the national defense, and the security of the networks which will be essential to the

execution of our strategy, we need to follow through on these initiatives. DoD's support to the President's Commission on Infrastructure Protection will figure prominently in these efforts.

11. Expand and improve our ability to support international response in humanitarian situations.

While DoD has ability to perform logistical and security missions, considerations of cost, efficiency, force management and risk require that we sharply limit engagements where overriding national security interests are not at stake. To best address these situations, we should improve our abilities to interact with non-governmental organizations in disaster relief operations. We should also continue to support the establishment of an African Crisis Response Force.

Clinton Presidential Records

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JUSTICE

Divider Title: _____



Office of the Attorney General
Washington, D. C. 20530

December 9, 1996

MEMORANDUM FOR: The President
THROUGH: The Cabinet Secretary
FROM: The Attorney General
SUBJECT: Accomplishments and Goals of the Department of Justice

During the last four years, the Department of Justice has played a key role in safeguarding Americans from the threat of crime and violence; in protecting the civil rights of all regardless of race, color or creed; in ensuring healthy competition of business in our free enterprise system; in protecting consumers against waste, fraud, abuse; and in enforcing the environment, tax, drug, immigration, and naturalization laws. As we move forward towards the 21st Century, the Justice Department will build on this outstanding record of accomplishment so that all Americans have the opportunity to achieve their goals for themselves and their families.

PART I – ACCOMPLISHMENTS

Overarching Accomplishments of the Department of Justice

Building partnerships among the men and women of Federal, state and local law enforcement and prosecution as never before and giving them the tools with which to effectively fight crime and violence in their communities, thereby contributing to the first decrease in juvenile violent crime arrest rates in nearly a decade and a reduction in the overall violent crime rate during each of the last four years.

Protecting Americans from the threat of terrorism both at home and abroad.

Providing resources and developing partnerships with state and local officials to assist them in developing solutions to problems in their communities.

Protecting all citizens from discrimination and abuse.

Protecting the taxpayers' treasury from waste, fraud and abuse by defending taxpayers interests in court and vindicating the taxpayers' interest when defrauded.

Providing legal support, through litigation and opinions, for Administration initiatives, legislation, and Executive Branch interests.

Accomplishments in Strengthening Law Enforcement and Fighting Crime

Bringing terrorists to justice, including those responsible for the bombing of the World Trade Center, the plot to bomb US aircraft around the world, and several hijackings. At the same time, seeking indictments which are pending against those alleged to have bombed the Federal building in Oklahoma City, the Unabomber and the Freemen.

Obtaining passage of comprehensive package of anti-terrorism legislative measures to upgrade the ability of the United States to address international and domestic terrorism.

Dismantling major drug organizations by obtaining convictions against the leaders of the Cali Cartel (Miguel and Gilberto Rodriguez Orejuela and Helmer Herrera Buitrago) and high-level members of the Medellin Cartel (the Ochoa brothers).

Protecting America's national security by investigating and prosecuting persons who provide intelligence information to foreign nations. Successes include joint Justice Department, FBI and CIA actions concerning Aldrich Ames and Harold Nicholson.

Leading the Administration's effort to pass the 1994 Violent Crime Control Act, which, among other provisions: provides funds for 100,000 new community police officers, resources to build new prisons, grants to protect women from domestic violence; creates new penalties for those who commit domestic violence; establishes "Three Strikes and You're Out" as the law of the land; bans assault weapons; and establishes sixty-five new death penalties provisions for those who commit the most serious crimes.

Securing passage of the Brady Act, which has prevented well over 60,000 fugitives, felons, and stalkers from obtaining handguns.

Implementing the nation's first methamphetamine strategy and securing passage of new legislation to target and respond aggressively to this emerging drug threat.

Putting over 22,000 new police officers on America's streets and funding an additional 26,000 officers in just over two years, thereby putting the Administration well ahead of its goal of 100,000 new police officers by the year 2000. This has been accomplished through 13,400 grants to 8,800 separate state, county and local agencies which serve over 87 percent of the American population.

Developing and implementing the Anti-Violent Crime Initiative, a unique combination of Federal, state, county and local resources which has brought effective police and

prosecutive attention to the country's most serious offenders, including violent youth gangs.

Expanding efforts and increasing resources to fight juvenile crime and violence, including new initiatives by Federal, state, and local law enforcement officials to identify and respond to the most serious violent crime problems in each of the 93 U.S. Attorney districts.

Litigating successfully the BCCI forfeiture case, the largest criminal forfeiture (\$900 million) ever undertaken in this country. Funds from the forfeiture were used to compensate crime victims.

Increasing by nearly 125% the use of RICO to target the most serious gangs in America. This is the same statute used by prosecutors in the 1970's to bring down the mob.

Vigorously enforcing Federal narcotics laws — drug cases represent 28 percent of all Federal criminal cases filed in 1993-96, 85 percent of those charged were convicted and 83 percent of those convicted were sentenced to prison, including 546 who were sentenced to life imprisonment without the possibility of parole.

Vigorously prosecuting telemarketing, health care and bank fraud to vindicate both the interests of individual victims and of the American taxpayer.

Bringing federal criminal resources to bear against the child support problem by bring 222 criminal "impact" cases during 1995-96.

Providing assistance to approximately 2.2 million victims of crime, including awards from the Crime Victims Fund totaling more than \$225 million in FY 1996 for victim assistance and compensation. As a result of record FY 1996 collections, \$525 million will be available in FY 1997 for victim assistance and compensation programs.

Securing passage of an international crime bill that will substantially assist U.S. law enforcement agencies in their efforts to combat terrorism, drug trafficking, money laundering, and other forms of international crime.

Accomplishments in Protecting Civil Rights

Providing leadership in responding to arsons at places of worship, and vigorously prosecuting those found to be responsible for such hateful crimes.

Making America accessible to all Americans by enforcing the Americans With Disabilities Act which protects the fully 49 million Americans who are affected by a disability. Through training leading to voluntary compliance, the Department has been able to

concentrate its efforts on the most egregious situations and has thus assured that all aspects of life, including Olympic venues, movie theaters and local 911 emergency centers are accessible.

Assuring that our most cherished individual liberty — the right to vote — is a full and effective one for all Americans by vigorously enforcing the Voting Rights Act and defending challenges to the National Voter Registration Act ("Motor Voter").

Enforcing vigorously laws against discrimination in lending, housing, and employment. Ensuring that all Americans have equal educational opportunities — a key to future success — by challenging the male-only admissions policy of the Virginia Military Institute and the Citadel.

Reviewing affirmative action programs in light of developing case law, defending those programs which are found to be lawful and which come under challenge, and implementing the decision to "mend, not end" affirmative action.

Accomplishments in the Representation of the United States

Collecting a record \$2.5 billion owed to the taxpayers' treasury, including \$324 million alone from the National Medical Enterprises for systematically overbilling Medicare.

Defend the taxpayers' treasury against claims by others, thereby realizing a savings exceeding \$1.5 billion.

Initiating affirmative civil enforcement actions which lead to the recovery of more than \$810 million during the last two years. For every dollar invested by the Department of Justice, more than \$15 was returned to the U.S. Treasury.

Vigorously enforcing antitrust laws to protect American consumers and ensure competition, collecting a fine of \$100 million from Archer Daniels which will be used to compensate crime victims, challenging over 80 anti-consumer proposed mergers and completely recrafting the way that the NASDAQ does business so as to protect small investors.

Opening government to the people by implementing your new Freedom of Information Act policy to allow and encourage disclosure of government information requested by the public.

Defending Administration initiatives and Executive Branch interests, including the Brady Act, the Freedom of Access to Clinic Entrances Act, the Line Item Veto and the Base Closures Act

Accomplishments in Protecting the Environment

Revitalizing environmental criminal enforcement after 12 long years of neglect by hiring a first-rate management team, producing a record increase in the number of environmental criminal cases brought to indictment and in the number of defendants charged.

Negotiating settlements to protect the environment and preserve jobs in numerous cases, including: New World Mine near Yellowstone National Park; Headwaters Redwood Forest in California; and old-growth forests in the Pacific Northwest.

Helping to defeat unfair and harmful legislative initiatives in the 104th Congress which would have rolled back 25 years of environmental protection.

Implementing the President's Executive Order on Environmental Justice to ensure that government actions do not have a disproportionate impact on minority and low-income communities.

Accomplishments in Protecting the Nation's Borders

Removing more than 160,000 criminal and other illegal aliens from the United States, including a record 67,000 in FY 1996, a 58% increase since FY 1993. Provided more than \$630 million to reimburse states for the costs associated with detaining illegal criminal aliens.

Reversing decades of neglect of U.S. immigration laws and launching the Southwest Border Initiative and Operations Gatekeeper in San Diego, Safeguard in Arizona, and Hold-the-Line in El Paso to gain control of major corridors for illegal immigration and drug trafficking along the nation's Southern border.

Reforming the nation's asylum system (which had been a back door to illegal immigration) by streamlining procedures and tightening availability of work authorization, while protecting the system for those with legitimate asylum claims.

Achieving with Congress comprehensive immigration enforcement legislation without harsh cuts to family reunification or limiting access to public education for all children.

Increasing the size of the Border Patrol by 48 percent.

Accomplishments in Strengthening the Justice System

Leading the Administration's efforts to fill 204 judicial appointments, which exceeds the number of appointments made by Presidents Bush and Reagan during their first terms. Equally important, 67 percent of these appointments received the ABA's highest rating --

the highest percentage achieved by any President. And in keeping with the President's commitment to make appointments that reflect the excellence and diversity of America, over 53 percent of these appointments have been women and minorities, which again is an historic high.

Increasing the size of the Justice Department's ethics office and eliminating the backlog of cases so that allegations of misconduct by government attorneys are quickly and vigorously investigated.

Accomplishments in Addressing Native American Issues

Convening the first meeting between the nation's 500+ Native American tribal governments and the federal government in Washington.

Playing a central role in helping to resolve a 100-year old land dispute between the Navajo Nation and the Hopi Tribe in the Southwest.

Accomplishments in Reinventing Government

Establishing 16 reinvention laboratories to field test more effective and cost-efficient methods of providing services and products, and eliminating more than 24,000 pages of internal regulations.

PART II – GOALS

Overarching Goals

To make America safer by building on the successes of the federal, state and local partnerships established under the Anti-Violent Crime Initiative, and to complete our mission of placing 100,000 new community policing officers on America's streets.

To reduce further the level of juvenile crime by promoting prevention and intervention initiatives, and undertaking prosecutions of serious juvenile offenders.

To enhance counter-narcotics law enforcement efforts across the nation.

To vigorously pursue terrorists who threaten Americans at home and abroad by expanding partnerships with domestic and international law enforcement, and by securing the passage of additional anti-terrorism legislation.

To assure that all Americans have equal access to education, public facilities, housing and employment opportunities.

To administer a fair system of immigration control.

Criminal Justice Goals

To fulfill your pledge to put 100,000 new police officers on America's streets by the year 2000.

To enact new legislation designed to reduce juvenile crime and violence by targeting gangs, guns and drugs, and the factors which lead juveniles to become involved in such activity, and to implement a comprehensive strategy to stem the tide of juvenile crime.

To work with local jurisdictions in helping them learn about and develop initiatives to bring together the community to marshal resources, share information, and effectively use volunteers to fight juvenile crime and delinquency.

To develop and help communities implement a model system of graduated sanctions which ensures that juvenile offenders receive swift, certain, and appropriate sanctions and interventions for each and every violation of the law.

To plan, develop and implement a money laundering strategy that attacks corrupt sectors of the financial system, and to continue to disrupt the Cali Cartel's investment of narcotics trafficking proceeds in legitimate and front companies outside the United States.

To expand the Southwest Border Initiative to include major multi-district cases that remove the hierarchy and infrastructure of the major cocaine, heroin, methamphetamine and marijuana trafficking organizations operating in the United States.

To reduce the national membership of La Cosa Nostra by one-third through prosecutions and convictions.

To combat terrorism through effective use of the new Anti-terrorism and Effective Death Penalty Act of 1996 (alien terrorist removal, transnational criminal prosecution, fund-raising prohibitions on terrorist organizations).

To enhance our ability to respond to computer crime, by training law enforcement personnel about computer crime, network investigations, and computer forensics.

To step up our attack on Asian and Russian organized crime in the United States.

To expand marijuana eradication programs in the United States and increase investigations into marijuana production and trafficking organizations.

To renew our commitment to crime victims by taking all necessary steps to provide for full victim participation in federal criminal proceedings, to ensure a common, government-wide and comprehensive baseline of participation for victims, to review existing federal law to see what further action should be taken, and to work with all concerned in the development of a constitutional amendment giving the rights of victims the same status as the rights of the accused.

International Law Enforcement Goals

To provide assistance and advice to emerging democracies as they seek to develop law enforcement systems and procedures in their countries.

To develop a multilateral treaty on computer crime to harmonize national computer crime laws and build international procedures for apprehending computer criminals, and to achieve international acceptance of encryption products that allow for data recovery.

To use the United States' presidency of the P-8 to advance international law enforcement goals, and to establish Department of Justice attorney positions overseas in strategic locations to facilitate enforcement initiatives.

To work with our allies to protect against international terrorism while keeping the vehicles of commerce free, open and efficient.

To continue successful cooperative efforts to combat international narcotics trafficking, including training, drafting model legislation, and sharing evidence in cases against kingpins to ensure that traffickers are caught, convicted, and stripped of their assets.

To achieve global consensus on a general policy among nations to extradite their nationals, as well as citizens of other countries, to face prosecution in the country where the crime was committed or the greatest impact from the crime was felt.

Civil Rights Goals

To investigate arsons at houses of worship and bringing those responsible to justice.

To ensure free access to women's reproductive health facilities, as well as the safety of patients and health care professionals.

To complete the evaluation of affirmative action programs in light of developing case law, and to defend those programs which are found to be lawful and which come under challenge.

To continue to educate citizens, businesses, and state and local governments about the requirements of the Americans with Disabilities Act, to work with violators of the ADA to arrive at settlements where possible, and to initiate enforcement actions when necessary.

To continue vigorous enforcement of laws against discrimination in lending, housing, education, and employment, and to ensure that the civil rights of all Americans are fully protected.

Goals for the Environment

To design and implement a comprehensive enforcement initiative to clean up the Mississippi River using the Clean Water Act, Superfund, and the hazardous waste laws.

To secure passage of new environmental crimes legislation, and to establish with EPA a Joint Environmental Crimes Center that will allow us to use computers and computer databases in a strategic manner in enforcement initiatives.

To use alternative dispute resolution and other litigation streamlining techniques to support the Administration's Toxics Initiative.

Goals in the Representation of the United States

To continue the growth of cash recoveries and enforcement actions in cases involving health care, telemarketing and financial institution fraud.

To protecting the taxpayers' treasury from unwarranted monetary claims, by winning lawsuits and by aggressive use of affirmative civil enforcement.

To successfully defend the FDA's regulations restricting the sale and distribution of tobacco products in order to protect young people.

Goals for Protecting the Nation's Borders

To implement provisions of the "Immigration Act of 1996," including new provisions on expedited exclusions of deportable aliens.

To work with the Department of State and other agencies to target alien smuggling at its source, and to develop a secure border crossing card.

To increase employer compliance with immigration laws, and to expand technological verification information systems.

To improve the administration of immigration benefit and citizenship programs.

Clinton Presidential Records

Digital Records Marker

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INTERIOR

Divider Title: _____



THE SECRETARY OF THE INTERIOR
WASHINGTON

MEMORANDUM FOR LEON PANETTA
RE: The Second Term
DATE: November 25, 1996

A foundation of success

As we begin your second term, the Department of Interior will direct its energies toward expanding on the successes of your first four years in office.

I believe our accomplishments so far have shared several common features. Most important of these are: (1) making decisions based on clearly-defined values that can be communicated to and that resonate with the American people; and (2) working in partnership with diverse and sometimes opposing interests to find common ground and to reach solutions that benefit all citizens.

Here are the values, goals and issues that should guide the Department in your second administration.

Land Conservation

The traditional yardstick used to measure a President's conservation legacy is the amount of land placed in protected status. A very rough estimate of what we have done in the first term is attached; it includes 10,000,000 acres of new parks, monuments and wilderness areas; 9,000,000 acres of

protected reserves in the Forest Plan; 1,000,000 acres of new wildlife refuges; and 2,000,000 acres of private land protected by habitat conservation plans. It adds up to a remarkable, and not yet widely appreciated, legacy. Our goal for the second term should be to quietly continue this process, with the objective that, judged by this criterion alone, President Clinton will surpass Theodore Roosevelt as the greatest conservation president in American history.

The Utah Monument designation was a bold stroke that captured the attention and admiration of the entire country. We should quietly size up additional opportunities under the Antiquities Act and other withdrawal statutes.

Apart from pushing for wilderness legislation, we do not need more legislation, and, indeed, any large-scale, highly publicized push might well impede our progress.

Ecosystem Restoration

Restore our country's most important ecological systems, reverse decades of degradation, and protect and improve the health of public land.

This Administration has pioneered a new concept of regional restoration initiatives. The best known example is the Everglades ecosystem restoration in South Florida where multiple stakeholders are working together with the support of Congress and the local and state governments in Florida. The Bay-Delta Accord in California is another example, as is the restoration of the Colorado River

corridor in the Grand Canyon and an emerging interstate restoration plan for the South Platte River in Colorado, Wyoming and Nebraska.

In the next several years we should continue to select regions of the country to focus on and deploy the composite resources of the Administration in helping local communities acquire the tools to protect their important landscapes. Possible areas of focus include the Hudson River Valley, Great Lakes, Mississippi River Valley, and Southeast Georgia river basins. Regional Watershed Councils are being formed in many of these critical areas, and these groups can serve as the basis for our involvement in spurring local interest in and responsibility for these large and important ecosystems.

Respect for Creation

Bring endangered species back from the brink of extinction; find innovative ways to protect endangered species while assuring healthy community economies.

Endangered Species Act

The Department continues to advertise the important flexibilities in the Endangered Species Act and we are providing long-term assurances and stability to business and private landowners in their dealings with this law.

In 1992, when the President took office, there were only 14 Habitat Conservation Plans in place; today there are more than 170 with 200 more on the drawing board. The best known example of HCP planning on urban landscapes are the NCCP process in Southern California and the Balcones Plan in Austin, Texas. Our HCP efforts on rural resource lands are exemplified by the timber HCPs in the Pacific Northwest and in the pine forests of the South. HCPs are created from the ground up, with stakeholder participation at the local level, and provide important proof that there is space in our communities to have robust development, job creation, and the protection of wild areas and wild things.

To further improve flexibility in the endangered species programs, in early 1995 the Department outlined ten administrative steps that have served to provide even more options in solving our hardest conservation problems.

The Endangered Species Act is up for debate in the Congress. Since the Administration has now defined the terms of the debate, by showing how the Act can work, and laying out principles for reauthorization, we should, at least for the time, stay on the sidelines of what will be a very acrimonious debate.

A critical problem will continue to be funding for the necessary acquisition of conservation lands. We should consider establishing a tax-incentive based, goal-driven approach to acquiring lands and easements, and identifying new sources of revenue to supplement appropriations under the Land and Water Conservation Fund.

The New Forestry

The President's Forest Plan marks a new chapter in conservation history. For the first time in history timber cutting is scaled to sustaining the species diversity and health of the forest ecosystem.

The next extension of the new forestry initiative comes in early 1997 with joint release, by the Forest Service and the Bureau of Land Management, of the Upper Columbia River environmental impact statements. This process will be somewhat controversial, and we will need to pursue it to conclusion just as expeditiously as possible, with the same interagency energy that went into the early stages of the Forest Plan.

Our New Forestry initiatives in the private timberlands of the South, driven by the ESA, are an unprecedented success that should be advertised and expanded upon.

Trust Relationship with Native Americans

Strengthen our trust relationship with Indian tribes, encourage self-governance and support tribal efforts to improve the economic opportunities for the First Americans.

Reorganization of the Bureau of Indian affairs has begun, although progress in streamlining operations remains slow. We have made progress through executive orders on sacred sites, tribal colleges, and Indian housing. We continue to make progress in the area of water settlements and in

implementing tribal self governance.

But the fact is there are still many areas, including self governance, trust fund management and accounting, and gaming that need more attention and close engagement with members of both parties in the Congress. The best opportunity for visible Presidential leadership would be a Presidential message to the Congress laying out, not legislation, but a vision of the place of Native Americans in our society, defining a philosophy of sovereignty and how that sovereignty translates into relations with state and federal governments and opportunities for Native Americans to share fully in the American dream. No Democratic President has done this (at least not since FDR) and the tribes are hungering for such a statement.

Stewardship and Public Use

Protect and improve the intrinsic value of national parks, wildlife refuges, wilderness areas and the reminders of the lives and works of our forefathers. Protect access to public lands and enhance opportunities for working families to enjoy the benefits of our nation's natural treasures.

National Parks

Our high visibility efforts in challenging the 104th Congress on the Parks Closing Commission legislation helped pave the way for the Omnibus Parks Bill the President signed this month. We

should continue to push for the restoration of the US Park System in a highly visible way.

Adequate funding of the Parks will continue to be the priority issue. Entrance fees will be raised on a trial basis this year in many of the larger "destination" parks, and the resultant increase in funds may begin to address the funding and infrastructure problems that persist.

We should again push Congress for concessions reform which will provide for a more reasonable and adequate return of concession dollars to the parks.

In the National Park Service, some emphasis will shift to the appropriate management of the Heritage Area model, in which the Park Service serves as an advisor and planning presence but does not actually manage the area in the longtime tradition. The hallmark of these areas is that they arise at the impetus of local communities who desire to protect regional and local cultural and historical landscapes, and the Park Service will continue to play a role in their creation.

Other Public Lands

With respect to the 270 million acres of public lands managed by the Bureau of Land Management, a top priority will be completion of new standards and guidelines for livestock grazing. These standards and guidelines will establish a framework for insuring healthy public rangelands and restoring streamside riparian areas. They were developed with the input of a diverse array of citizens represented on the BLM's Resource Advisory Councils. The Councils represent an important step forward in collaborative decision-making for our publicly-owned resources.

Given anticipated continued downward pressures on the BLM's budget, we will explore ways to introduce further efficiencies in fulfilling the BLM's various program commitments, and use existing authorities to recover administrative costs from the beneficiaries of BLM commodities programs. As with the National Park Service, the BLM plans to introduce entrance fees at certain recreational facilities on a trial basis.

Of special importance will be the development of a management plan for the new Grand Staircase-Escalante National Monument in Utah. The Department is committed to developing a constructive relationship with the State of Utah to develop an appropriate plan to manage the spectacular canyons and escarpments of this magnificent landscape.

The Office of Surface Mining will continue to assure implementation of the Surface Mining Control and Reclamation Act, which will have its 20th anniversary on August 3, 1997. The Act assures that coal mining will be conducted in a manner that protects the environment and the safety of citizens who live in the coalfields. OSM hopes to strengthen its commitment to its Appalachian Clean Streams Initiative, which has started tackling the problem of cleaning up some 9,000 miles of streams in the Appalachian states badly damaged by past coal mining abuses.

Fair Return to Taxpayers

Fight for a fair return to the taxpayers for the use of their natural resources.

Mining Law Reform

While we did not achieve legislative reform of the 1872 Mining Law in the first term, we did make substantial progress in making the public aware of the deficiencies of the archaic 1872 Mining Law.

Administration advocacy has moved Congress to declare a partial moratorium on further transfers of federal land to mining companies in the Department's budget bill for the past two fiscal years, and produced a substantial claims holding fee.

The outlook for comprehensive mining law reform in the current Congress is much bleaker than even the recent past, due to the increased Republican numbers and the sensitivities of certain Western Democrats that are up for reelection in 1998.

Therefore, we believe that reform efforts should be piecemeal, and begin with budget proposals to extend the current moratorium and claim holding fees and to add a 5% royalty on hardrock mining (primarily gold) production from federal lands. (The Republicans' budget reconciliation vetoed in January 1996 included a 5% royalty, but it was riddled with loopholes and exemptions.) At the same time, the Department should pursue administrative reforms where possible, including upgrading environmental safeguards by modifications to current regulations.

It will be critical to continue an aggressive public relations strategy that will inform the public and the Congress of the shortcomings of the current law, while refraining from broad legislative initiatives that are not likely to pass in the current Congress.



THE SECRETARY OF THE INTERIOR
WASHINGTON

Memorandum for the President
Your Conservation Legacy

The following is a very rough summary of the acreage set aside in various conservation categories during your first term. These figures already place you in the front ranks, along with Teddy Roosevelt and FDR, of conservation Presidents.

National Parks, Monuments and Wilderness:

California Desert Protection Act	7,000,000
Grand Staircase - Escalante Proclamation	1,700,000
Colorado Wilderness Bill	1,000,000
Park Bill that you sign today	100,000

	9,800,000

Old Growth Forest and Riparian Reserves in the
President's Forest Plan:

9,000,000

Everglades Acquisition in progress:

200,000

Wildlife Refuges:

Kodiak Acquisitions (Exxon Valdez)	500,000
New wildlife refuges and LWCF Acquisitions	500,000

	1,000,000

Habitat Conservation Plans: (150)

Private forests in the Pacific Northwest	200,000
Washington State Forests	1,600,000
Oregon State Forests	200,000
NCCP Preserves in Southern California	100,000
Texas and others	100,000

	2,200,000

Grand Total 22,200,000

U.S. Department of the Interior

Clinton Administration First-Term Accomplishments

1. **We've brought environmental issues to the forefront of American consciousness, protected access to public lands and fought encroachment by special interests.**

This Administration informed Americans of the threats mounted by Congress to our environment and public resources; we blocked Congressional attempts to dismantle important environmental laws like the Clean Water Act and the Endangered Species Act; we blocked attempts by Congress to give away and despoil public resources by closing National Park units, drilling for oil in the drilling in the Arctic Wildlife Refuge and enact sham reform of grazing and mining laws.

2. **We've begun the restoration of some of our country's most important ecological systems, reversing decades of degradation and protected and improved the health of public land.**

Examples include: Everglades Restoration; Bay Delta Agreement; Northwest Forest Plan; Southeast Forest HCPs; Healthy Rangelands Initiative; and the Appalachian Clean Streams Initiative

3. **We've found innovative ways to protect endangered species while assuring healthy community economies; we've brought endangered species back from the brink of extinction.**

Our nation's symbol, the American Bald Eagle, has been removed from endangered status; wolves have successfully been reintroduced in wild areas where they had been extinct for a generation; hundreds of Habitat Conservation Plans across the country will protect endangered species, keep others from becoming endangered, and still allow economic development to benefit local communities.

4. **We've strengthened our science capability; we've based natural resources decisions on good science and provided world-class science to the nation and the world.**

The incorporation of the former National Biological Service into the U.S. Geological Service creates an entity that brings many of the finest scientific resources in the government under one roof. The result is an agency that has the potential to be one of the premiere sources of scientific achievement in the world. Already, Department of the Interior science provides real-world benefits to Americans like: assistance to Mississippi/Missouri flood recovery; technical assistance during and following earthquakes; sharing of wildlife data with states and private landowners; maintaining 50,000 water and hazard monitoring stations across the country; and estimating the Nation's oil and gas resources as a basis for long-range planning.

5. **We've begun to address the water issues facing communities in a rapidly-changing West.**

Changing the mission of the Bureau of Reclamation from dam-building to water management recognizes the growing needs of the West for responsible use of this vital resource. Through this Administration's efforts, we have: reduced salinity in the Colorado River; funded and assisted water recycling and reuse projects; continued to expand the national cooperative water program to more than 1,200 local, state and federal agencies working together to solve common water problems; and through the National Water Quality Assessment Program, released the most extensive assessment yet done of nutrients in the Nation's water resources.

6. **We've strengthened our trust relationship with Indian tribes, encouraged self-governance and supported tribal efforts to improve the economic opportunities for the First Americans.**

The Clinton Administration took the landmark step of establishing tribal status for native Alaskans and supported amendments to the Self-Determination Act that benefit all Native Americans. This Administration identified and documented decades of record-keeping problems in the administration of Indian trust funds and is acting to correct the problems. We have consistently supported the self-governance program and promoted favorable settlement of Indian land and water claims.

7. **We've used common-sense approaches to create partnerships, break down barriers and work smarter and better for our customers, the American taxpayers.**

Bringing all parties to the table to work out consensus solutions has paid rich dividends by eliminating barriers to progress on tough issues. In California such partnerships have led to the Bay Delta Accord and multi-species Habitat Conservation Plans that protect unique wildlife and allow economic development. Throughout the West, the efforts of our Resource Advisory Councils are bringing a locally-oriented, common-sense approach to management of public grazing lands. We've had similar successes in forging Endangered Species Act agreements with states, conservation agreements with tribal governments and re-use of closed military installations.

8. **We've protected coalfield residents' health and safety, advanced on-the-job protection technology for miners, and provided safeguards against abandoned mine hazards for people who visit and use public and private lands.**

- * Bureau of Mines health and safety research
- * OSM abandoned mine reclamation
- * Bureau of Mines environmental technology development
- * OSM oversight program and customer service standards

9. **Although we haven't always succeeded, we've continued to fight for a fair return to the taxpayers for the use of their natural resources.**

- * Parks concession and fees proposal
- * Implementation of pilot fee proposal on parks and other public lands
- * Mining law reform
- * Environmental requirements for grazers
- * Royalty reform - MMS
- * CA crude oil issue

California Crude Oil

On July 18, 1996, the Department announced an aggressive plan to collect an estimated \$440 million in underpaid royalties on crude oil produced from federal lands in California. The Department is focusing its collection efforts on 20 companies that between 1980 and 1995 produced over 96% of the oil in question. Bills totaling more than \$110 million have already been issued. The Department expects to complete its audit and billing efforts by next summer, assuming necessary records are made available by the companies. The Department, in consultation with states and Indian Tribes, has also begun the process of auditing crude oil production for potential underpayments nationwide.

Royalty Reform

Beginning with the Vice President's National Performance Review, the department and this Administration have worked tirelessly with royalty payors and royalty recipients to simplify, streamline, and improve the Federal government's royalty collection and verification processes. As a result, many royalty reporting forms have been streamlined or eliminated; two negotiated rulemaking committees were established to rewrite and simplify the rules governing valuation of gas produced from Federal and Indian lands; an advisory committee comprised of representatives from industry, states, tribes, other federal agencies, and the public was established to provide policy advice to the Department on royalty matters; oil valuation regulations are being rewritten; states and tribes are playing a more important role in carrying out royalty functions; and the Department was instrumental in the recent passage of the Federal Oil and Gas Simplification and Fairness Act, the most significant piece of royalty legislation in 15 years.

10. **We've used America's influence to protect internationally-important wildlife and to encourage better protection of global environmental resources.**

- * Unprecedented trade sanctions to encourage Taiwan to restrain illegal trade endangering tigers and rhinoceroses.
- * "Biodiversity Plan of Action" with major western hemisphere nations.
- * Helping Indonesia Integrate Land Reclamation Into Coal Resource Development

U.S. Department of the Interior

Guiding values

Stewardship

"Use our resources responsibly and leave a rich inheritance to our children." Protect and improve the intrinsic value of national parks, wildlife refuges, wilderness areas and the reminders of the lives and works of our forefathers.

Access

"This land is our land." Protect access to public lands and enhance opportunities for working families to enjoy the benefits of our nation's natural treasures.

Restoration

Restore our country's most important ecological systems, reverse decades of degradation, and protect and improve the health of public land.

Respect for Creation

"Every living thing depends on every other living thing." Bring endangered species back from the brink of extinction; find innovative ways to protect endangered species while assuring healthy community economies.

Good Science

Base natural resources decisions on good science; provide world-class science to the nation and the world.

Partnership

"Bring people together instead of driving them apart." Inspire and assist community action to address environmental issues facing communities.

Fairness

Fight for a fair return to the taxpayers for the use of their natural resources.

Trust Relationship

Strengthen our trust relationship with Indian tribes, encourage self-governance and support tribal efforts to improve the economic opportunities for the First Americans.

Common Sense

Use common-sense approaches to create partnerships, break down barriers and work smarter and better for our customers, working American families.

Global Environment

Use America's influence to protect internationally-important wildlife and to encourage better protection of global environmental resources.

AMERICAN RESTORATION

PRESIDENT CLINTON'S CHALLENGE

State of the Union Address, January 26, 1996

"We must leave our environment safe and clean for the next generation. We must challenge businesses and communities to take more initiative in protecting the environment and we must make it easier for them to do it."

AMERICAN RESTORATION

Our values lead us to a vision of an America restoring itself after generations of exploitation, abuse, neglect and carelessness. It is a vision of communities working together to find solutions to their problems and provide good lives for all their people. It is a vision of a government that provides the tools, the science, the help to enable communities to define and improve their own landscapes.

Three aspects of American Restoration

1. **Our environmental laws work; they make our country greater and more beautiful for us and for our children.**

As America's communities used our laws to restore their waters, those waters, in turn, have begun to restore America's communities.

This generation is waking up to the fact that we can use our laws—not just to stop environmental decline— but to reverse it; not just to preserve isolated regions, but to protect and reconnect whole landscapes and entire watersheds.

2. **The essential nature of Restoration is people coming together, working in harmony, listening to one another, looking inward towards their community in search of a common solution.**

Whether they cross state borders or cross county lines, restoration efforts all have the same, common, working principles: they are united by watersheds, they are built through partnerships, they are reinforced by federal laws, and they reach decisions through the consensus of everyone involved.

3. **The Government's Role is to empower and enable communities to restore their landscapes.**

This Administration will back communities every single step of the way. We will become full partners in this process, using laws creatively, listening to local needs, empowering local communities, and sharing the costs of Restoration. We will help them reclaim their heritage.

Clinton Presidential Records

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USDA

Divider Title: _____



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

MEMORANDUM FOR THE PRESIDENT

FROM: Secretary Dan Glickman

SUBJECT: First Term Accomplishments and Second Term Agenda for the Department of Agriculture

During your first term, the Department of Agriculture focused on four areas: 1) providing a reasonable economic safety net for farmers and all rural Americans; 2) enhancing the goal of sustainable management of our natural resources; 3) assuring a safe, affordable and nutritious food supply; and 4) reinventing USDA.

ACCOMPLISHMENTS

I. Providing an Economic Safety Net for Farmers and Rural Americans

Expanding Trade Opportunities for Agricultural products: Creating strong global demand for U.S. agricultural products has been critical to the recovery of the agricultural sector from its financial crisis of the 1980s and exports have increased dramatically, establishing new records in FY95 and FY96 at \$54 and \$59 billion respectively. This is a 50 percent increase over 1992 and double the level of 10 years ago. Noteworthy accomplishments include opening markets in both China and Japan for Washington, Oregon and Idaho apples as well as opening the Japan market for U.S. rice. The department also expeditiously resolved the Russian poultry crisis as well as Karnal bunt wheat crisis. In 1996 alone, U.S. agricultural exports supported 1 million jobs, on third of which were located in rural areas.

Implementing a Reformed Federal Crop Insurance Program: In 1994, the Administration won passage of the Federal Crop Insurance Reform Act, which did away with crop disaster aid and required producers to purchase crop insurance in return for income supports which doubled the number of policies and expanded insured acres by approximately 220 million acres. While the 1996 farm bill weakened the requirement to purchase crop insurance, producers are still buying large amounts of crop insurance coverage as a result of the Administration's initiative.

Implementing the 1996 Farm Bill: In under seven weeks, the department enrolled nearly 99 percent of eligible producers in the new farm bill.

Expediting Technology Transfer: The Department worked with private sector partners in over 650 instances to develop technologies that were transferred to private industry for commercialization. Products currently available as a result of this effort include BioSave, a natural protection for fruit rot; ASPIRE, a biological control against post harvest diseases of apples and pears; BioVector-355, Devour, and VectorMC, products based on a method to control pests in a variety of settings from citrus groves to golf courses.

Livestock Concentration: To ensure that family farmers get a fair price for their products, USDA created an advisory committee comprised of producers, industry representatives, and academicians to investigate the effects of concentration and various pricing arrangements in the meat packing industry on producers' prices. USDA is beginning to implement the committee's recommendations. In addition, USDA filed an administrative action under the Packers and Stockyards Act against IBP, alleging that the packer gives an undue or unreasonable preference to one group of feedlots and subjects others to an undue or unreasonable disadvantage through certain procurement practices.

Providing Credit to Beginning Farmers: The agency has increased the number of farm loans provided to beginning farmers over the last few years, increasing them by 56 percent in FY96 alone.

Water 2000: The Water 2000 initiative, which strives to bring safe, affordable and reliable drinking water to the estimated at-risk 2.5 million rural Americans, has provided nearly \$70 million in loans and grants, leveraged with another \$20 million from local governments and private partners, for a total of over \$90 million. About 50,000 households and over 145,000 rural Americans will benefit from this Administration Initiative.

President's National Homeownership Initiative: The Department's Rural Housing Service is a key player to your National Homeownership Initiative. After four years of dramatic decline in rural home ownerships, 1995 saw a rise of over 1 percent. The Expanded Guaranteed Rural Housing loan program has assisted families that previously could not qualify for existing home loan programs and, during the past three years, the number of guaranteed rural housing loans has increased by 335 percent over the previous three year period.

Rural Homelessness: The rural housing Service, in response to the Administration's homelessness conferences, directed field staff to become a part of state and local homeless coalitions and to work with organizations serving the homeless to use RHS's mainstream housing programs to serve homeless rural persons and families. RHS has helped in identifying vacant rental units and has set aside \$2 million under its very low-income home ownership program for homeless families who are prepared to won their own homes.

The Rural Empowerment Zones and Enterprise Communities Initiative (EZ/EC): The Administration has designated 30 rural enterprise communities and three rural empowerment zones to support education and increase employment for farmers and other rural Americans.

USDA has set aside \$115 million in 1995 and 1996 for the rural EC/EZ's to enhance employment, education and opportunities for rural Americans.

Expanding Rural Businesses: In FY96 alone, USDA provided more than \$955 million in guaranteed funds for economic development in rural areas, creating 7,381 new jobs and saving 16,416 more.

Information Superhighway for Rural Americans: USDA is a major participant in the Administration's National Information Infrastructure Superhighway initiative. In the last four years, the amount of loans USDA has approved for advanced telecommunications facilities has more than doubled. In FY95 alone, a subsidy of only \$4.8 million generated \$585 million in Federal loans and loan guarantees which will leverage an additional \$2.6 billion of private investment, resulting in a total investment of \$3.2 billion in rural telecommunications infrastructure, improving service for 75,000 families, installing over 8,000 miles of fiber optic facilities, and purchasing nearly 200 new digital switches.

Revitalizing Pacific Northwest Rural Communities: As a result of the creation of your forest plan in the Pacific Northwest, the economic assistance component has created, retained and expected-to-be-created nearly 15,000 jobs region wide. Additionally, the Administration has provided approximately \$550 million in economic assistance to the region.

II. Sustainable Management of Natural Resources

President's Northwest Forest Plan: Your plan continues to be successful in meeting its goals. The Forest Service estimates that it will meet its 1.1 billion board feet target by the end of FY97.

Embracing Ecosystem Management: The Forest Service initiated this approach beginning with your Pacific Northwest forest plan and it continues to evolve as it develops plans for the Tongass, the Columbia River Basin area (75 million acres), and for the majority of forests in California. NRCS, the agency which helps private landowners conserve water and soil with the help of local conservation districts, is implementing its programs on a broad watershed, ecosystem basis rather than the more localized approach. Also, much improved interagency collaboration with Interior and Commerce Departments is making the adoption of ecosystem management take hold faster.

Conservation Title of the 1996 Farm Bill: With the leadership of your Administration, the farm bill contains the most progressive conservation program in history. Its focus is to provide a wide array of conservation program tools for private landowners, including education, technical and financial assistance. Tools, such as the Conservation Reserve Program, which now has approximately 36 million acres enrolled in 10 year contracts to preserve soil, which also benefits to water quality and wildlife, will continue under the new farm bill. The farm bill also created the \$200 million per year Environmental Quality Incentives Program, which provides technical and financial assistance to help farmers and areas of states with major environmental problems.

Improving Water Quality: Under this Administration, we now have a no net loss of wetlands due to agricultural production. In fact, we may have a net gain in the coming year. The Wetlands Reserve Program has enrolled 400,000 acres of cropped wetlands and the Swampbuster program, since its inception in 1986, has precluded the draining of remaining agricultural wetlands. The Administration has proposed that the Conservation Reserve Program enroll additional cropped wetlands to return them to their natural status for the life of the contract and the Department has embarked on an ambitious plan to enroll more filterstrips and riparian buffers along rivers, streams, and large water bodies in the CRP and other programs. All of these efforts, coupled with the promise of state money and increased emphasis on maximizing private partnerships and funds, will mean cleaner water in the years to come.

Saving Wildlife: All of the department's conservation programs, including the ecosystem management approach, will enhance and save wildlife on private and public lands. In addition, the Department continues to work on an interagency basis with states and private parties to develop conservation plans that people and companies in a region will follow in return for "safe harbor" from the Endangered Species Act. To date, we have several agreements with timber companies in the Pacific Northwest and are working with other private landowners and the states in that region on similar agreements to protect fish habitat. USDA also participated in reintroducing wolves in Minnesota and Montana.

Alternatives to Hazardous Chemicals: Over the last four years, USDA has made substantial progress in replacing the environmentally damaging chemical, methyl bromide, which is a crop fumigant used heavily on fruits and vegetables particularly in California. Research for replacing other environmentally damaging chemicals remains a high priority.

Pest Management: In an effort to balance food production with environmental protection, USDA continues its research and on the ground application of Integrated Pest management strategies. USDA has researched and promoted natural enemies to crop pests. For instance, in one study in Texas, 20,000 jobs were saved and more than \$1.5 billion in pesticide applications was avoided in only one year using natural pests.

III. Assuring Safe, Affordable, and Nutritious Food Supply

Meat Handling and Inspection Overhaul: In response to major food-borne illnesses in early 1993, USDA has required instructional cooking and handling labels on raw meat and poultry products; initiated a nationwide e.coli sampling program in federally inspected plants and retail stores that process raw ground beef; elevated food safety responsibilities to a new sub-cabinet office; and most importantly, as you announced last summer, has replaced the 100 year old meat inspection system from a command and control, "sniff and poke" system with one that is science based and founded on the Hazard Analysis and Critical Control Point system with an emphasis on testing for bacteria in plants that slaughter and grind meat and poultry.

Reducing Risks to Consumers: USDA's research branch continues to pursue new food-borne illness testing technologies to improve accuracy and reduce the time needed for test results. New technologies are also being developed and studied by USDA and the private sector to reduce further the level of pathogens entering the food supply, such as e. coli and salmonella.

Food Recovery: Using the Americorps and many other volunteers and organizations, USDA is leading a national effort to recover more food that would otherwise be thrown away. As you announced last month, you signed into law a bill that provides clarifications and limitations on food donor liability. USDA is working with states and private entities to give direction in this effort.

School Meal Initiative: To improve the popularity and nutritiousness of school meals, USDA overhauled the national school lunch and breakfast programs for the first time in 50 years. New dietary guidelines will upgrade the nutritional quality of meals served. This effort will improve the long-term health, increase life expectancy, and lead to taxpayer savings of between \$4.4 billion and 26.5 billion over 20 years. In addition, USDA has worked to ensure that commodities purchased and provided for the feeding programs will promote healthful diets.

Team Nutrition: In addition to upgrading nutrition requirements for school lunches, USDA launched Team Nutrition to educate children, parents, school staff, and school lunch workers about the importance of healthful eating. The program has reached over 50 million children in 94,000 schools with the help of thousands of volunteers, professionals and corporations, such as Walt Disney. Also, through the extension service, such as 4-H activities, millions of youth across the country learn about healthy living, including increasing self-esteem, developing problem solving skills, and learning about agriculture's contribution to society.

Linking Scientific Research to Consumer: USDA created the Center for Nutrition Policy and Promotion to link scientific research to the consumer. The Center conducts applied research and analysis in nutrition and nutritional status, dietary guidance, and nutrition education.

Full Funding for WIC: The Administration, through USDA, continues to request for full funding of WIC and participation has expanded by 25 percent over the last three years.

Food Stamps: The Administration successfully fought back the block granting of food stamps which would have drastically weakened our national nutrition safety net. The food stamp program is reaching over 10 million families or 25 million people.

IV. Reinvention Efforts and Saving Money

Electronic Benefit Transfer for Food Stamps: You set a goal of using electronic benefit transfer for food stamp delivery in all states and 14 percent of food stamp households now receive benefits through EBT, compared with 2 percent in 1993. Thirteen states have EBT

systems in place now and 24 more states will implement EBT in the next two years. This will cut down on fraud and abuse as well as same million in administrative costs.

Welfare Reform: To provide states with needed flexibility, USDA has approved nearly 700 state requests for food stamp regulatory waivers and has approved 34 welfare reform demonstration projects and is working with the Administration to implement the new welfare reform bill.

Fighting Food Stamp Fraud: USDA developed with its OIG and obtained passage of the Food Stamp Anti-Fraud Initiatives, which included stiffer penalties against violators. These initiatives will save millions and help sustain support for such an important program.

Reduced Food Stamp Program Error Rates: USDA embarked on a major initiative to improve the payment accuracy in the food stamp program. As a result the error rate has dropped significantly saving taxpayers \$350 million.

Single Family Housing Loans: The single family housing loan program (DLOSS) has recently been announced that will centralize the mortgage process from USDA field offices all over the country to one central location. This will affect 650,000 borrowers. Streamlining will improve customer service, reduce loan delinquencies, and will save taxpayers more than \$250 million over the next five years and \$100 million every year thereafter.

Dairy Bid-rigging, Suspension and Debarment: Through USDA's aggressive efforts, it has suspended or debarred 72 companies and individuals guilty of bid-rigging or other illegal activities. Many more are being investigated. These efforts will save up to a record of \$75 million annually.

USDA Reorganization and One-Stop Shopping for Farmers: Your administration won passage of the department's reorganization which has reduced the number of agencies from 43 to 29. USDA is on track to reduce staff years by 10,000, already saving \$900 million. By 1999, USDA will save more than \$4 billion. USDA's county offices and research stations are being closed in many areas and those that remain open are being co-located with other agencies to improve efficiencies and provide one-stop shopping for farmers and other customers. In short, all of the department's agencies are undergoing partial to massive streamlining and restructuring to cut down on staff years and costs.

Regulatory Reform Initiative: In response to your call to reduce red tape, USDA has eliminated 80,000 pages of forms and 61,183 internal management regulations, which is a 51 percent reduction. For example, regulations and applications for rural development loan programs have been significantly streamlined and as a result received the Vice President's Hammer Award.

SECOND TERM AGENDA

Below is a list of ten priorities for the second term; they are listed in order of importance and fit into the four broader objectives of providing a safety net for rural Americans; managing natural resources responsibly; assuring safe, nutritious, abundant food with special attention to the needs of the poor; and reinventing government while saving money.

I. MANAGING NATURAL RESOURCES

USDA's goal in the second term should be to implement and popularize imaginatively the Department's new conservation programs among all eligible private landowners. This Administration can go down in history as making the greatest strides in protecting the environment on private lands using voluntary, cooperative programs that participants, communities and states will come to rely upon to solve wide ranging and localized environmental problems. Just this year, USDA will place in the Conservation Reserve Program 20-plus million acres. These decisions, as well as implementation of the Environmental Quality Incentive Program and other farm bill provisions, mark the transformation of the Department from a commodity-program based agency to one with a conservation base.

With regard to public land management, this Administration's legacy of managing on an ecosystem wide basis and for multiple uses must be more firmly established. The salvage rider precluded much progress in this area over the last two years. This Administration's overall goal must be to exterminate, once and for all, the past management practices which emphasized heavy commodity production at the expense of other uses and needs of public lands. Over the next four years, USDA wants to emphasize the recreational value of public lands to increase their base of public support across the country for wise use of these forests. Lastly, administrative changes should be made in the way the federal government manages fire on forests.

II. RURAL DEVELOPMENT

The department's goal in the second term is to ensure that rural Americans have the ability to take advantage of the same opportunities for economic growth that exist in urban areas. Rural America continues to be the stepchild of economic growth and recovery. Enough groundwork was laid in the first term to provide a solid foundation for a lasting legacy to improve the lives of rural Americans and bolster economic opportunities to the main streets of rural towns. Affordable housing and updated infrastructure and technology continue to be the fundamental building blocks of economic development in rural areas.

The Administration should propose expanding the lending authority of the Farm Credit System to more rural areas. With regard to rural housing, USDA has a series of reforms to these programs to implement, but it is facing severe funding shortages in them this year. USDA's Water 2000 and EC/EZ initiatives are very popular in communities and will continue. More attention to the Department's information technology-related programs — distance learning, for

example, and telecommunications technology transfer -- will continue as well. USDA plans to use the Fund for Rural America authorized in the 1996 farm bill to provide seed money for private capital leveraging to continue funding some of these technology and infrastructural initiatives.

III. HUNGER

The department's goal in the second term should be to ensure that no child goes to bed hungry at night in this country. The ramifications of the welfare reform bill will likely increase hunger at home while the hungry of the world continue to suffer. The department will focus imaginatively on these issues beyond the normal routine business.

The department's food recovery efforts need continued attention and expansion to help feed people, particularly those locked out of welfare. The Administration should also consider expanding school feeding programs to after-school activities on or off school grounds for the needy. On the international side, the World Food Summit should be the launching pad for a sustained effort to fight hunger around the world.

IV. MANAGING THE DEPARTMENT

USDA's goal in the second term is to strengthen the implementation of streamlining and downsizing as well as the management of technology across the department. Also, the department will focus heavily on improving its management of civil rights issues and cases. The civil rights agenda the agency has begun holds great promise for all employees, but more attention needs to be given to it by the upper management of the agency, especially while downsizing and restructuring, to make it a lasting legacy.

Over the last year, USDA has been making progress on strategic planning and management and over the next four years it will be heavily emphasized and implemented. With decreasing budgets, the agency needs to analyze the continued need for certain functions in all agencies and this can only be done through planning.

V. RESEARCH

The agency's goal in the second term is to modernize the department's research — make it more responsive to its customers, internal as well as external — and maintain its stature as a government leader in agricultural research. The department has one of the most prolific, productive research operations in government. However, with budget reductions compounded with expanded responsibilities to respond to a whole host of problems, from food safety to nutrition research, the agency needs to prioritize and maximize its resources.

The agency will encourage the review boards implemented as a result of the farm bill to be bold in their recommendations in preparation for congressional oversight and expected legislation.

The agency's programs ought to venture into new areas: a human nutrition initiative being an excellent example. The department will pursue linking the Fund for Rural America to research in rural development, natural resource policy, and hunger to increase its contribution to solving other problems.

VI. RISK MANAGEMENT

The agency will continue to develop a menu of products and services -- in consultation and with the cooperation of the private sector -- that permit farmers to fashion effective safety nets to absorb the risk protection functions that traditional farm programs assumed. Risk management is the future of production agriculture as witnessed by the popularity of some of its new crop revenue coverage insurance policies. The department has a role in raising this infant industry and will seize the opportunity.

The department will be playing a critical role in educating farmers about these new risk management tools in addition to educating them about other market products using land grant universities, the Internet, and other outreach mechanisms through the private sector. In addition, educating beginning farmers, who are the most vulnerable to unfavorable market and weather swings, as well as providing them access to the agency's credit programs, will be a high priority over the next four years.

VII. TRADE

The department will become American agriculture's number one salesman -- opening markets, expanding existing ones, and fighting barriers. Agriculture's growth and prosperity counts on it. The agency will continue fighting individual battles, like hormone bans, genetically modified organisms, and poultry restrictions. The agency's larger agenda includes opening Asian markets through the Asia Pacific Economic Cooperation talks, for example. When agency heads travel, more emphasis will be placed on securing actual agreements with host governments or companies so it has concrete deliverables at the end of each trip.

VIII. CONCENTRATION

USDA should ensure that small and medium-sized farmers and companies are not victimized by the large and that the playing field remains level for all. The advisory committee on concentration has advised the department to make a number of administrative changes. While it has embraced a number of recommendations, the department will move ahead with another announcement of regulatory and administrative actions and possibly create a legislative package to address the remaining issues.

IX. FOOD SAFETY

The department will continue its emphasis on ensuring Americans have the safest food supply in the world. The rules that the department finalized last summer need to be implemented and it will continue to focus on sound implementation. Communicating with the public on safe handling of raw meat will also continue to be a priority as well as researching and identifying pathogens and where they enter into the production and slaughtering of animals.

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COMMERCE

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MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY MICHAEL KANTOR

SUBJECT: First Term Accomplishments of the U.S. Department of Commerce

As you prepare for the second term, I would like to highlight the major accomplishments of the U.S. Department of Commerce (DOC) on which the Administration should continue to build in order to realize your vision of sustainable economic growth that protects the environment and improves the quality of life for all Americans.

I am immensely proud of all of the DOC employees who have worked so hard over the past four years to overcome tremendous challenges, including the tragic loss of our friend Ron Brown and the dismantlement attacks by Congress. In the face of such adversity, the DOC has produced significant results that are focused on ensuring and enhancing economic opportunity for all Americans. The Department's accomplishments in the areas of trade, technology, telecommunications, economic analysis, economic development, and the environment provide a foundation for the continued success of the Administration's economic initiatives.

Following is a list of the major DOC accomplishments for the first term:

Trade

- **Promoting U.S. companies abroad:** From 1993-1996, the International Trade Administration (ITA) has provided advocacy for over 300 projects won by American firms, with an expected U.S. export value of more than \$50 billion over the multi-year period during which these deals will be completed. These trade accomplishments support hundreds of thousands of American jobs. During this period, Secretary Brown and I participated in over 20 trade missions to more than 25 countries, working on behalf of American firms to help increase exports by over 25 percent since the beginning of the Administration. All of this work was completed in the context of the first ever Presidential National Export Strategy, a long-term strategic plan to ensure U.S. economic preeminence in the global marketplace, with the goal of creating higher paying, better jobs through exports, especially for small and medium-sized businesses.

- **Streamlining export requirements:** The Bureau of Export Administration (BXA) has vastly reformed outdated export licensing requirements, releasing over \$40 billion worth of computer and telecommunications equipment for export, creating thousands of U.S. jobs and greater opportunity for American companies and workers. In an effort to promote exporting among smaller and medium-sized businesses that have less experience exporting, BXA streamlined the Export Administration Regulations for the first time in 40 years. BXA also initiated and coordinated an interagency process that led to, among other sales, a \$6 billion-plus sale of military helicopters in the Netherlands and the United Kingdom, representing over 100,000 U.S. jobs. Finally, BXA has contributed to the enhancement of national security by halting the export of almost \$300 million worth of dangerous, destructive products.
- **Protecting U.S. intellectual property:** The Patent and Trademark Office (PTO) assisted the U.S. Trade Representative (USTR) in negotiating and implementing the Agreement on the Trade-Related Aspects of Intellectual Property (TRIPs), an important agreement that will provide greater protection for the intellectual property rights of U.S. companies. By protecting U.S. intellectual property rights overseas, the Administration is ensuring that American innovation and investment translate into jobs at home. As the U.S. expands its presence in overseas markets, we must continue to forcefully protect against piracy of U.S. products and services by foreign companies. While we are willing to compete fairly in the global marketplace, we will not tolerate those who steal American ideas and investments because that is tantamount to stealing our jobs.

Technology

- **Advancing the new frontier – economic growth through technology development:** The National Institute of Standards and Technology's (NIST) Advanced Technology Program (ATP) emerged from pilot stage in 1993 to become a proven vehicle for private-public sector partnerships to develop high-risk technologies that promise broad-based economic growth in the years ahead. ATP investments during the Clinton Administration in 220 cost-shared projects with companies and consortia of all sizes has successfully leveraged federal funds to catalyze promising technological advances in the private sector, including:
 - 1) A bioreactor that grows human bone marrow cells for cancer therapies.
 - 2) New synthetic materials technologies that might revolutionize the auto industry.
 - 3) A new method for micro-soldering integrated circuits to improve productivity in the electronics industry and reduce the generation of hazardous industrial wastes.
 - 4) More powerful healthcare information systems that cost less.

Without federal investment in public-private partnerships, these technological breakthroughs would not likely have occurred.

- **Building cars for the future, today:** Since the inception of the program in 1993, the Technology Administration's (TA) Partnership for a New Generation of Vehicles (PNGV) has significantly advanced progress on realizing a safe and affordable reduced-emissions vehicle. TA and the Big Three automakers (Chrysler, Ford, and General Motors) working in cooperation with six other Federal agencies, 20 national laboratories, universities and hundreds of automotive suppliers, have achieved major technical advances in energy storage, gas turbines, fuel cells, materials and structures, and power electronics. The PNGV represents the best of American industry and government working in partnership to achieve a common goal -- ensuring that America's automotive industry, representing one-seventh of the economy, remains a world-leader in the next century while preserving jobs and protecting the environment.
- **Opening new markets for U.S. technology abroad:** The TA has engaged in bilateral negotiations with several countries regarding technology transfer. In many of the countries, including Egypt, Russia, Ukraine, Greece, Republic of Ireland, South Africa, and Israel, TA has sought to establish mutually beneficial collaborative activities that also contribute to stabilizing the economic and political volatility of these regions.
- **Promoting standards for more competitive businesses:** Over the past four years, NIST's world-leading laboratories have launched new initiatives in computers, communications, manufacturing, electronics, health care, construction, and international standards. These standards initiatives help U.S. companies compete globally and produce better products using more efficient manufacturing processes, as well as improve consumer welfare. NIST's accomplishments through these initiatives include:
 - 1) Establishing a new facility that makes it possible for more than 10,000 U.S. mammography centers to trace the accuracy of their X-ray exposure measurements to national standards, reducing the risk that women undergoing breast exams will receive inappropriate levels of X-ray exposure.
 - 2) Launching a new collaboration with automakers, the U.S. Environmental Protection Agency (EPA), and the California Air Resources Board to develop advanced measurement technologies that will help U.S. automakers meet state and federal emissions standards.
 - 3) Enabling an increase of \$330-500 million in U.S. exports to Saudi Arabia due to NIST's work in resolving differences between U.S. and Saudi standards.
- **Strengthening the U.S. manufacturing infrastructure:** NIST's Manufacturing Extension Program (MEP) has expanded from just seven extension centers in 1993 to meet the Administration's goal of coverage in all fifty states and Puerto Rico. Today, MEP extension centers in over 300 locations leverage the expertise of more than 2800 manufacturing engineers and business experts -- none are federal employees -- to provide technical and business assistance to small and medium-sized U.S. manufacturers. Data

from companies assisted by the centers show clear improvements in productivity, quality control and competitiveness: a California company that is saving \$3 million annually and has hired 56 new employees, a Chicago firm that saw a 30 percent increase in sales and a 20 percent growth in employment, and a Wisconsin company that was facing a 20 percent cut in its workforce and is now projected to expand by 10 percent over the next three years.

Telecommunications

- **Using the NII to improve education and healthcare:** The National Telecommunications and Information Administration (NTIA) has significantly contributed to your vision for a National Information Infrastructure (NII). Through its Telecommunications Information Infrastructure Applications Program (TIIAP), NTIA has provided grants to more than 200 projects which are demonstrating how the resources of the NII can be used in public institutions such as schools, libraries, and hospitals. The TIIAP program goes beyond just deploying wires and buying computer equipment -- it is exploring *best practices* for how teachers, students, doctors, librarians and others can extract the most value from these resources. Lessons learned from TIIAP will play an important role in dissemination of the NII across the nation.
- **Delivering the NII to all Americans:** NTIA, in cooperation with the Department of Education and the Department of Agriculture, proposed a plan, referred to as the E-rate (education rate), that would guarantee universal access to telecommunications and information services for every school and library in America. NTIA's work on two empirical studies of universal service in the U.S., and its advocacy work, helped establish a broad-based coalition of government agencies and industry groups that support the E-rate. The plan provides a framework for ensuring that access to electronic information services for schools and libraries is affordable and, if implemented, will greatly expand the use of NII technologies by those who have previously been unable to afford them. Modified by the Federal-State Joint Board, the plan is under consideration for implementation by the Federal Communications Commission (FCC).

Economic Analysis

- **Conducting a better and cheaper Census:** The Bureau of the Census is implementing its Census 2000 plan which is more accurate, faster, to complete and less expensive than previous Census methods. The Census 2000 plan is built upon four core strategies:
 - 1) *Building partnerships at every stage of the process* to improve cooperation with state, local, and tribal governments and to secure the early involvement of all Census stakeholders.
 - 2) *Keeping it simple* to increase public understanding of and participation in the Census.
 - 3) *Using technology intelligently* to make the Census better, faster, and

cheaper.

- 4) *Increasing the use of statistical methods* to account for all Americans that tend to be undercounted by traditional means.

The redesigned Census is expected to save over \$1 billion.

Producing better and more timely data for America: In today's global economy, government and business require reliable access to accurate information on which to base increasingly complex decisions. The Economic and Statistics Administration (ESA) currently releases approximately 14 monthly and 5 quarterly announcements of key economic indicators. These data are used in government and business for a vast array of planning activities. The Bureau of Economic Analysis (BEA) has greatly improved the quality of its national, international, and regional economic data by: improving measures of output and prices to better reflect changes in the nature of output and the organization of production; producing better measures of investment, savings, and wealth which have led to an improved understanding of the sources of economic growth and the returns to, and adequacy of, various types of public and private investment; and, expanding coverage of international trade and finance to better reflect the U.S. role in the rapidly changing and increasingly integrated world economy. During the past four years, ESA's STAT-USA was transformed into a self-sustaining operation that provides government, business, and economic data online and via other electronic media.

Economic Development

Building infrastructure for economic success and moving local economies into the global marketplace: From 1993-1996, the Economic Development Administration (EDA) has invested over \$1.2 billion in the nation's distressed communities and created and/or retained over 500,000 American jobs. EDA is promoting U.S. competitiveness in the global economy by strengthening and safeguarding the nation's economic infrastructure. Through its Defense Adjustment Program, EDA is alleviating the severe impacts on communities caused by closing military bases. EDA is helping these communities transition their economies away from defense dependency.

The Environment

Monitoring the weather for safety and economic implications: Over the last four years, the National Oceanic and Atmospheric Administration (NOAA) has continued to modernize and restructure the National Weather Service (NWS), a \$4.5 billion investment in observing systems, information infrastructure, and human resources. NWS modernization provides dramatically improved short-term warnings and forecast products and services that enhance public safety and the economic productivity of the Nation. The NWS modernization is two-thirds complete. The result will streamline the current weather office structure from over 250 weather offices to 119 Weather Forecast Offices and 13 River Forecast Centers.

- **Restoring both fisheries and fishing communities:** NOAA has been actively engaged in protecting and restoring commercial fisheries while working with EDA to assist fishing communities with the economic challenges of depleted fisheries. NOAA also has achieved success in its work to restore marine resource habitats, promote the reconstitution of the whale population, protect coastal resources, and respond to hazardous materials spills.
- **Conducting analysis on climate change:** Over the past four years, NOAA has been enhancing the scientific understanding of climate change by monitoring atmospheric and oceanic conditions through its environmental satellite, data, and information service. DOC also leads the economic analysis efforts that are helping to define U.S. positions. DOC is maintaining an active dialogue with the business community on this important issue.
- **Developing and diffusing environmental technologies:** New technologies that reduce environmental impacts are key to meeting environmental challenges. Through technology programs at NIST, Commerce works with Industry to develop and diffuse these technologies while ITA works with industry to promote environmental technology exports. Through these efforts, we help to both create U.S. jobs while protecting the environment.