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THE WHITE HOUSE
ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY

GENE SPERLING

AFL-CIO

Briefing Book

AFL-CIO BRIEFING BOOK FOR GENE SPERLING

INTERNATIONAL COLLABORATION AND COMPETITION IN AEROSPACE

Executive Summary

The U.S. aerospace industry is a major national asset by any measure. Aerospace is our country's largest export industry, with a trade surplus of $21 billion in 1995. It is a major source of jobs for American workers, many of them high-skill, high-wage jobs; and a fount of technological innovations, many of which spill over to other industries, creating still more jobs. In addition to its central role in the American economy, the aerospace industry is a linchpin of U.S. military security, as the performance of stealth aircraft and "smart" munitions demonstrated so dramatically in Desert Storm.

Despite its impressive record, the U.S. aerospace industry has faced major challenges in recent years: a significant decline in military R&D and procurement; a worldwide recession in the airline industry; and growing international competition, particularly from Europe's Airbus Industrie. U.S. employment in aerospace dropped by 519,000 from 1989 to 1995.

Moreover, economic forces have fundamentally changed the market environment for U.S. aerospace firms, which historically allowed them to pass along the costs of expensive new aircraft to their regulated airline customers. With the deregulation of airline service and growing pressure from Airbus, commercial aircraft have become a commodity in a highly competitive, price-sensitive market. Leadership in global competition will increasingly go to the producers capable of high-quality, low-cost manufacturing.

The other fundamental change taking place in aerospace is the rapid growth of foreign markets. Although U.S. airlines currently hold 60 percent of the world's aircraft fleet, they account for only 25 percent of new orders. The most rapidly growing markets are in Asia; China alone will buy $100 billion of new aircraft in the next 20 years.

Although the defense procurement budget has bottomed out, and commercial demand for new aircraft is beginning to rebound, concerns exist that U.S. producers are on a path to permanent employment decline, through their expanding collaboration with foreign suppliers of components and subsystems, particularly in Asia. Critics, including representatives of organized labor, maintain that U.S. and European producers are trapped in a perverse competition with one another to provide foreign production contracts in exchange for aircraft sales -- resulting in an unnecessary sacrifice of U.S. (and European) jobs and technology in the short run and, over the longer run, in the creation of new foreign competitors.

U.S. aerospace manufacturers defend these international linkages as essential for gaining access to the most rapidly growing markets and for sharing financial risk, since development costs for a major new aircraft often exceed the value of the company making the investment. Moreover, U.S. aircraft producers claim they are careful to avoid transferring critical technologies, such as wing design and systems integration knowhow. Their conscious strategy is to cultivate key foreign firms as strategic suppliers and thereby discourage any ambitions these firms may have to compete as prime integrators.

In response to the concerns of organized labor and other critics of the U.S. aerospace industry, an Administration working group examined the justification for and impact of U.S.-foreign alliances in aerospace. Three types of quantitative data shed light on these competing positions in the debate over these alliances in aerospace: (1) domestic vs. foreign content of U.S. aircraft and engines; (2) the ratio of exports to total shipments of U.S. aerospace products (over time and compared to other industries); and (3) employment in aerospace. These data suggest that the U.S. aerospace industry is, if anything, better than other U.S. industries at maintaining high levels of both domestic content and export intensity. Although the level of foreign content is trending upward, so is the reliance by U.S. firms on foreign aircraft sales. Moreover, although U.S. employment in aerospace has declined since 1989, the number of aerospace jobs supported by exports has increased, at least through 1992.

Because these data sources have significant limitations, the working group also examined qualitative evidence on international alliances in aerospace. We gave particular weight to the results of a 1994 study by the National Academy of Sciences (NAS) of U.S.-Japan linkages in aerospace. (Although critics in organized labor have focused most heavily on U.S. alliances with China, the linkages the U.S. aircraft industry has with Japan are more significant -- in both business and technological terms -- than those with any other single country.)

In line with the NAS report, the working group concluded that, on balance, collaboration between U.S. and foreign aerospace firms has served both sides well, and greater international collaboration in aerospace is both inevitable and desirable. Benefits to U.S. producers include foreign sales and licensing income (Boeing's share of the Japanese market is larger than its share of the world market); high-quality, low-cost components; and financial leverage for costly new aircraft development programs.

However, international collaboration does entail certain risks -- most significant, to the base of aerospace supplier firms (and their workers), some of which are being displaced by foreign suppliers. And the long-term impact of technology transfer from U.S. to foreign (especially Japanese) firms is not yet clear. Moreover, in Japan, China and other foreign countries, government and industry have a joint strategy for using international partnerships to foster technology acquisition and upgrade indigenous capabilities in aerospace. There is no counterpart to these strategic efforts in the United States.

In sum, the working group concluded that although expanded cooperation between U.S. and foreign aerospace firms is vital to our national interest, it is critical for the federal government to take steps to ensure that such cooperation contributes to reenergizing U.S. leadership in aerospace. We recommend action in four key areas:

(1) Promote more effective working relationships among U.S. aerospace companies and between U.S. industry and goverment:

[Recommendations]

(2) Strengthen U.S. capabilities in aerospace technologies and manufacturing:

[Recommendations]

(3) Promote U.S. employment in aerospace:

[Recommendations]

(4) Ensure fair international trade in aerospace:

[Recommendations]

MAI AND LABOR ISSUES

Issue

The United States, with support from several other delegations, seeks to include elements on core labor standards in the MAI. We proposed: 1) a reference to core labor standards in the preamble to the MAI; 2) a non-binding provision that states MAI countries should not lower their core labor standards in order to attract investment with a consultation mechanism (e.g., as in NAFTA 1114 language); and 3) associating the OECD Guidelines on Multilateral Enterprises, which include detailed labor provisions, to the MAI. The United Kingdom, as in the WTO, opposes inclusion of core labor standards in the MAI. Agencies are working closely with labor advisors on these issues.

Suggested Points

- We are on firm ground in the OECD MAI negotiations in regard to labor issues. I am optimistic that we will build a consensus around most U.S. proposals for the preamble and the Guidelines.

- Some countries are reluctant to have a non-binding provision that states MAI countries should not lower their core labor standards in order to attract investments. We will continue, however, to press for this provision.

- There is almost unanimous support to associate the Guidelines and to maintain their voluntary nature. Differences are over whether to "note" or to "affirm" the Guidelines, and follow up procedures.

- Basically, there are two approaches-- "minimalist" and a "maximalist" -- on the table.

- As you know, we supported the a maximalist option which would "affirm" the Guidelines in the preamble, annex them to the agreement, require an affirmation by acceding states, provide for updating by both OECD and the MAI Parties Group, and include in the MAI the binding OECD follow-on procedures, specifically an obligation to establish national contact points and a provision for multilateral consultations.

- There is also a wide divergence of views over the last three elements in this approach: (i.e., affirmation by acceding states, updating by both OECD and the MAI Parties Group, and the obligation to establish national contact points and a provision for multilateral consultations.)

  -- It is difficult to tell at this point how these three elements will play out.

- Look forward to working closely with you on this issue.

Background

In the MAI negotiations, the U.S. delegation has put forward three ideas that were supported by Germany, the EU, Canada, the Netherlands and France. We proposed: 1) a reference to core labor standards in the preamble to the MAI; 2) a non-binding provision that states MAI countries should not lower their core labor standards in order to attract investment with a consultation mechanism (e.g., adding core labor standards to NAFTA 1114 language); and 3) associating the voluntary OECD Guidelines on Multilateral Enterprises, which includes detailed labor provisions, to the MAI. Most delegations can support U.S. ideas for the preamble and the Guidelines, but there is less support for the NAFTA 1114-like provision for core labor standards. The United Kingdom and New Zealand has opposed all three ideas, while Belgium wants to go further and seeks binding obligations. Belgium's proposals have received no support.

While the preamble and the NAFTA 1114-like provisions will be discussed later this month, specific proposals on how to "associate" the Guidelines were discussed for the first time at the January meetings. The two approaches tabled were:

> 1) a minimalist approach whereby the Guidelines would be "noted" in the preamble of the MAI, annexed to the final act (less visible than if annexed to the agreement itself, acceding states would only be invited to affirm them, and updating and review of the Guidelines would be left to the OECD; and
>
> 2) a maximalist option would "affirm" the Guidelines in the preamble, annex them to the agreement, require an affirmation by acceding states, provide for updating by both OECD and the MAI Parties Group, and include in the MAI the binding OECD follow-on procedures, specifically an obligation to establish national contact points and a provision for multilateral consultations.

Both options would include a statement that the association of the Guidelines is not intended to bear on the interpretation of the MAI.

New Zealand and the United Kingdom support the minimalist option, although they prefer not to associate them with the MAI at all. The United States, Belgium and France support the maximalist option. Most other delegations appear to support a hybrid, the maximalist option without the binding follow-on procedures, and with some expressing reservations on the procedure for updating the Guidelines.

Drafted by: M Ryckman/USTR
Cleared by: D Parker/Labor

FACT SHEET

The MAI

In May 1995, the OECD Ministers agreed to launch the negotiation of a Multilateral Agreement on Investment (MAI) and to aim to conclude the negotiations by the OECD Ministerial in 1997. From the beginning, the United States has pressed for the MAI, once negotiated, to be open to all countries able and willing to accept the tenets of the agreement. The MAI negotiations began with the EU and 25 countries, two more are joining the negotiations recently as new OECD members. In addition, there is an active outreach program with interested countries to explain the MAI negotiations and to encourage them to sign the agreement in the future.

The United States believes that only a "state-of-the-art" MAI, meeting or exceeding the standards of our Bilateral Investment Treaties (BITs), WTO TRIMS, current OECD instruments and the North American Free Trade Agreement (the NAFTA), would be of interest to investors. Key elements should include:

- the better of national or MFN treatment, including application to the making of investments, with only limited, sectoral exceptions;
- freedom from performance requirements;
- freedom to make any investment-related transfer, including of profits, capital, royalties and fees;
- international law standards for expropriation, including that compensation must be prompt, adequate and effective;
- effective dispute settlement procedures for state-to-state and investor-to-state disputes.

The MAI will lock-in and improve the investment climate among current OECD members, broaden acceptance of international investment norms, and deliver substantial additional liberalization as other countries join.

Existing Investment-Related Agreements

There are over 600 bilateral investment treaties (BITS), primarily between developed countries and less-developed countries in force around the world. The United States has signed 37 BITS to date.

The OECD has instruments relating to investment such as the Code of Liberalization of Capital Movements, the Code of liberalization of Current investible Operations, the OECD Guidelines for Multinational Enterprises and the National Treatment for Foreign-Controlled Enterprises.

Two non-binding instruments exist: the APEC Non-Binding Investment Principles and the World Bank's Guidelines for the Treatment of Foreign Direct Investment. In addition, there are investment obligations under the Energy Charter Treaty, the WTO and the NAFTA.

Who Invests and Where Does Investment Go?

When examining investment figures, one should look at both flows and investment stock figures for a complete picture. The "stock" figures give an historical picture, an idea of the value of investment in a country, similar to a balance sheet of a company. "Stock" figures represent the investment that has been subject to investment regulations. The "flows" figures give an idea of new capital that has gone into or out of a country over one year.

- In 1993, 92% of the total direct investment stocks abroad were from OECD countries. For the same year, 86% of the total inward direct investment stocks were in OECD countries. Of non-OECD members, Chile, Taiwan, Hong Kong and South Africa are the top four originators of investment stocks abroad. Indonesia, Singapore, Brazil and Hong Kong are the top four non-OECD hosts to total inward direct stocks.

- Approximately 87% of outward direct investment flows for 1993 originated in 10 OECD countries. It is investors from those 10 countries whose capital is primarily at risk around the world.

- The 10 countries, in order, are: the United States, the United Kingdom, France, Germany, Japan, the Netherlands, Italy, Canada, Switzerland, and Belgium. China, the Philippines, Taiwan, Brazil, and Korea are the top five non-OECD members and account for 5.4% of total outward direct investment flows.

- Inward direct investment flows for the same period were approximately 67% to OECD countries. China, Singapore, and Argentina are the top three non-OECD countries for inward direct investment flows and account for 15.5% of total flows.

- Thus, the MAI would cover from the beginning a significant portion of world wide investment, and it will cover more as other countries join the MAI.

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FACTS ABOUT CUSTOMS DRUG INTERDICTION ALONG THE SOUTHWEST BORDER

In order to meet the challenge of policing the nation's borders against drugs, the United States Customs Service has had to work smarter by wedding new technologies with conventional investigative techniques and by prioritizing Customs functions. Customs has had to take this approach because its workload along the Southwest Border is staggering. For example, last fiscal year, 3.5 million trucks, 75 million cars, and 254 million people crossed our border. In contrast, Customs only has 1,800 inspectional personnel along the border.

The U.S. Customs Service launched Operation HARD LINE 24 months ago to permanently harden our nations's Southwest Border ports of entry from drug smugglers. At the time, ports of entry along the U.S. - Mexico border were under siege of narcotics traffickers, known as port runners, who would brazenly speed drug-laden vehicles through border crossings jeopardizing the safety of border officers and civilians. Operation HARD LINE is the evidence that the top priority for Customs is to stop drug smuggling. Port Running has decreased over 56%. Southwest Border ports of entry are now safer for our officers and civilians.

Drug seizures on the Southwest Border increased substantially in Fiscal Year 1996; narcotics seizures increased 29% by total number of incidents (6,956 seizures) and 24% by total weight (545,922 pounds of marijuana, 33,308 pounds of cocaine, and 459 pounds of heroin) when compared to Fiscal Year 1995 totals. Additionally, the total weight of narcotics seizures in commercial cargo on the U.S. - Mexico border in Fiscal Year 1996 were up over 153% (56 seizures totaling 39,741 pounds) when compared to FY 95 seizure statistics. This increase in narcotics seizures is due to an increase in the number of intensified inspections and tactical intelligence resulting from Operation HARD LINE.

Nearly 165 experienced special agents and intelligence analysts have been reassigned under Operation HARD LINE to the Southwest Border to work narcotics cases. The approved FY 1997 Budget provides an additional 657 positions and $65 million for Operation HARD LINE efforts along the Southwest Border and the Southern Tier of the United States. The new personnel will have a dramatic impact on Customs ability to deal long term with the narcotics smuggling threat as well as any additional workload as result of NAFTA.

Port infrastructure has been fortified and Customs Inspectors have been equipped with better tools to perform more intensive narcotics exams. Customs has procured 4 additional truck x-ray systems for El Paso, Texas (2 systems), Pharr, Texas, and Calexico, California. These systems are scheduled to be operational by October of 1997. Systems are also being planned for Nogales, Arizona and Laredo, Texas. In addition to the fixed site systems, we are beginning to field test transportable and mobile truck inspection systems in San Luis, and Nogales, Arizona. The Customs Service has also paid overtime for pre-primary operations; purchased over 1,700 sets of body armor; funded integrity training; bought 126 additional vehicles and purchased radios and other equipment.

Customs has received pledges from more than 836 trucking companies on the Southwest Border to better police their trucks and warehouse in order to prevent the exploitation of legitimate carriers by drug cartels under a program called the Land Border Carrier Initiative Program (LBCIP). Effective July 1, 1996, all importers who wish to use the line release program to enter commercial merchandise on the Southwest Border must have their merchandise carried by a LBCIP signatory. As part of the LBCIP, background checks on companies and their drivers are being performed by Customs. The program links the cargo, driver, and conveyance together, and enhances the ability of Customs officers to assess the threat of each commercial transaction more effectively.

National Guard support for the Customs Service counter-drug mission along the U.S./Mexico border has become an integral part of Customs anti-smuggling efforts. The assistance provided by the National Guard in counter-drug law enforcement has been directly responsible for Customs achieving many drug seizures and related arrests. In 1996, the Secretary of Defense approved an increase of 190 additional Guardsmen to support our drug interdiction efforts. Of the 190, approximately 145 were assigned to various ports along the Southwest Border to assist in intensified narcotics interdiction efforts under Operation HARD LINE. Customs will continue to work with DoD to secure funding of these additional Guardsmen throughout 1997.

There are currently 7 integrated intelligence centers on the Southwest border providing excellent intelligence to inspectional and investigative personnel. This intelligence has led directly to the seizure of thousands of pounds of narcotics and numerous arrests.

ANNEX 1

LABOR PRINCIPLES

The following are guiding principles that the Parties are committed to promote, subject to each Party's domestic law, but do not establish common minimum standards for their domestic law. They indicate broad areas of concern where the Parties have developed, each in its own way, laws, regulations, procedures and practices that protect the rights and interests of their respective workforces.

1. Freedom of association and protection of the right to organize

The right of workers exercised freely and without impediment to establish and join organizations of their own choosing to further and defend their interests.

2. The right to bargain collectively

The protection of the right of organized workers to freely engage in collective bargaining on matters concerning the terms and conditions of employment.

3. The right to strike

The protection of the right of workers to strike in order to defend their collective interests.

4. Prohibition of forced labor

The prohibition and suppression of all forms of forced or compulsory labor, except for types of compulsory work generally considered acceptable by the Parties, such as compulsory military service, certain civic obligations, prison labor not for private purposes and work exacted in cases of emergency.

5. Labor protections for children and young persons

The establishment of restrictions on the employment of children and young persons that may vary taking into consideration relevant factors likely to jeopardize the full physical, mental and moral development of young persons, including schooling and safety requirements.

6. Minimum employment standards

The establishment of minimum employment standards, such as minimum wages and overtime pay, for wage earners, including those not covered by collective agreements.

7. Elimination of employment discrimination

Elimination of employment discrimination on such grounds as race, religion, age, sex or other grounds, subject to certain reasonable exceptions, such as, where applicable, *bona fide* occupational requirements or qualifications and established practices or rules governing retirement ages, and special measures of protection or assistance for particular groups designed to take into account the effects of discrimination.

8. Equal pay for women and men

Equal wages for women and men by applying the principle of equal pay for equal work in the same establishment.

9. Prevention of occupational injuries and illnesses

Prescribing and implementing standards to minimize the causes of occupational injuries and illnesses.

10. Compensation in cases of occupational injuries and illnesses

The establishment of a system providing benefits and compensation to workers or their dependents in cases of occupational injuries, accidents or fatalities arising out of, linked with or occurring in the course of employment.

o The Administration intends to seek new "fast track" authority for the President to negotiate trade agreements. We believe that we are on the right course, levelling the playing field for our workers, by bringing down the barriers that other countries have maintained against our exports. We have insisted on open trade, but fair trade, and we will not settle for anything less.

o I know that many here disagree, but the clear evidence is that expanded trade has contributed to the strength of our economy in the last four years, including our manufacturing base. About one-fourth of our economic growth in the past four years came from exports. We have the most competitive economy in the world, and our economic strength has allowed us to create, and maintain, millions of jobs for steel workers, machinists, auto workers, communications workers and many others.

o As we work with Congress on negotiating authority, we intend to underscore our commitment to advancing core labor standards, worker rights, and environmental protection around the world. Ambassador Barshefsky fought a lonely fight in Singapore to advance labor standards as part of the WTO, and we intend to keep on working to persuade other nations that these issues must be addressed if we intend to keep support in our countries for expanded trade.

o In Singapore, the United States for the first time gained an explicit political commitment from WTO members to "the observance of internationally recognized core labor standards" and to "support promoting them." We also gained an endorsement that the WTO and the ILO should work together on this objective.

CLINTON ADMINISTRATION
HIGHER EDUCATION INITIATIVES

INITIATIVE	DESCRIPTION	AMOUNT	IMPACT
Pell Grant Increase and Expansion	Largest increase in two decades -- from $2700 to $3000. Combined with the FY97 increase, the scholarship has increased $530 -- from $2,470 in FY 96.	$1.7 billion more than the FY97 appropriation . -- a 25% increase in aid.	Over 3.6 million students now eligible will receive an increase up to $300. This increase will also make an additional 130,000 families eligible for the grant.
Pell Grant Expansion for Older, Low-Income Students	Increases eligibility so any student from a low-income family can receive a Pell Grant.	$3.9 billion over five years.	An additional 218,000 low-income students generally aged 24 or over will be newly eligible for Pell Grants. 891,000 students will receive an average increase of over $800.
Cut in Student Loan Fees	Cuts loan fees from 4% to 2% on need-based Stafford loans -- and to 3% on other loans for students and parents.	$2.6 billion over five years.	Loan fees will be cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans.
Hope Scholarship Tax Credits	Up to $1500 per-student tax credit for tuition in student's first year and another $1500 in the second year if student earns at least a B average.	$18.6 billion from 1997-2002.	Expected to help 4.2 million middle-income students in 1998.
$10,000 Tax Deduction for Higher Education and Training	Phases up to a $10,000 maximum deduction Also available for training.	$17.6 billion from 1997-2002.	Expected to help 8.1 million middle-income students in 1998.
Tax-Free Education Savings	Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.	Education specific estimates not available.	Combined with tax deduction, the IRA savings for higher education for middle-income families will never be taxed. Will make over 20 million families eligible for such a benefit.
Community Service: Work Study	President has called on colleges to commit half of the increased funding for work study to support community service jobs.	$240 million increase over FY96; $120 million for work-study community service in FY98	1 million College Work-Study slots by the year 2000, including 100,000, reading tutors.
Community Service: Loan Forgiveness	The President's budget provides tax relief for community service loan forgiveness.	$15 million between 1997-2002.	Not available.
Presidential Honors Scholarships	One-year, $1,000 scholarships for the top 5% of all high school graduates in the country.	$132 million in FY98.	Benefits 132,000 students who graduate from high school next year.
Educational Assistance from Employers	Extends tax exclusion from employer-provided education assistance through 2000, for both undergraduate & graduate education. Also provides a tax credit to encourage small businesses to offer educational assistance to employees.	$2.4 billion between 1997-2001.	Benefits 1.7 million employees a year.

NEC BACKGROUND ON ECONOMIC CONDITIONS
February 14, 1997

Employment

- January: Employment grew by 271,000 in January -- bringing the Clinton total to 11.5 million jobs.

- Jan. 1996 through Jan. 1997: Employment expanded by 2.95 million, or 3.5 percent (January to January).

- Administration: **The economy has created 11.5 million new jobs since January 1993 -- a faster rate of job growth (2.5 percent per year) than any Republican Administration since the Roaring 1920's.**

  -- 93 percent of the new jobs are in the private sector, a higher percentage than any Administration since Warren Harding was President. More than two-thirds of the new jobs (between February 1994 and February 1996) were in job categories paying above-median wages.

  -- Since January 1993, the economy has added **more than one million new construction jobs (1.017 million)** and 114,000 new automobile jobs.

Unemployment

- January: Unemployment was 5.4 percent in January, the 29th month under 6 percent.

- 1996: Unemployment fell from 7.5 percent in 1992 to 5.4 percent in 1996.

- Administration: **The combined rate of unemployment and inflation under President Clinton (8.8 percent) is lower than for any Administration since Lyndon Johnson was President.**

GDP

- Q4: **Real GDP grew by 4.7 percent in the fourth quarter.** Growth was spurred by exports (26 percent), nonresidential construction (23 percent), and consumption (3.4 percent). **Private sector GDP grew by 5.6 percent.**

  -- Equipment investment fell, but had risen sharply during the third quarter (21 percent) and the fourth-quarter figure was distorted by the automobile industry

- 1996: **For 1996, real growth was 3.4 percent fourth-quarter to fourth-**

quarter and 2.5 percent year-over-year.

-- Our growth forecasts -- for the fourth year in a row -- were conservative. In our budget last year, we projected growth of 2.2 percent (both year-over-year and Q4-Q4).

- Administration: **Since the beginning of 1993, private-sector GDP has grown by 3.3 percent per year -- faster than under Reagan (3.0 percent) or Bush (1.3 percent).** Total real GDP has risen by 2.8 percent per year under President Clinton (1.3 percent for Bush and 3.0 percent for Reagan).

  -- Equipment investment has grown 10.3 percent per year, higher than for any Administration since John F. Kennedy was President.

<u>Inflation</u>

- December: Consumer price inflation was 0.3 percent in December 1996.
- 1996: Consumer inflation was 3.3 percent for 1996 (December to December). Core consumer price inflation was 2.6 percent.
- Administration: **Consumer price inflation has averaged 2.8 percent per year under President Clinton -- lower than for any Administration since John F. Kennedy was President.**
- GDP price inflation was 1.8 percent in Q4 1996, and 2.1 percent for 1996 as a whole (down from 2.5 percent in 1995).

<u>Wages and compensation</u>

- January: Average hourly earnings rose by $.01. Relative to January 1996, they are up 3.8 percent.
- Fourth quarter: Compensation as measured by the Employment Cost Index for the private sector rose 3.1 percent in the fourth quarter.
- 1996: ECI compensation per hour rose 3.1 percent for 1996 (Q4 to Q4), up from 2.6 percent in 1995. The wages and salaries component rose 3.4 percent in 1996 (Q4 to Q4), so that real wages rose slightly (inflation was 3.3 percent). Compensation as measured in the productivity release rose 3.6 percent in 1996.
- Administration: **Real average hourly earnings have risen slightly since President Clinton took office, after falling during the previous 12 years.**

Releases this week

- **Producer price index.** The PPI *fell* 0.3 percent in January, with both food and energy prices falling. The market had expected a 0.3 percent rise. The core PPI was unchanged; the market had expected a 0.1 percent increase. The news on the inflation front continues to look encouraging.

- **Industrial production.** Industrial production was unchanged in January; the market had expected a 0.3 percent increase. Capacity utilization fell 0.2 percentage points to 83.3 percent in January -- a level at which inflation would be expected to decline.

- **UI claims.** Initial claims for unemployment insurance fell unexpectedly by 15,000 -- to 309,000. The four-week moving average fell to 328,000.

- **Retail sales**. Nominal retails sales rose 0.6 percent in January -- about what had been expected. Auto sales rose 1.2 percent, while non-auto sales rose 0.4 percent.

- **Productivity and costs.** The productivity numbers for Q4 relatively strong: Productivity rose 2.2 percent at an annual rate in the fourth quarter, and 1.2 percent during 1996. Using an income-side measure rather than the official product-side measure, productivity rose 2.1 percent in 1996. Hourly compensation as reported in the productivity release rose 3.6 percent in 1996 -- 0.4 percent after accounting for inflation.

Releases last week

- **Personal income**. Personal income rose 0.8 percent in December, about what had been expected. Consumption rose 0.5 percent. In 1996 as a whole, personal income rose 5.5 percent (nominal), and the saving rate was 4.9 percent (up from 4.7 percent in 1995).

- **NAPM index**. The NAPM purchasing managers' index fell to 52.0 in January -- still above the 50.0 level that indicates continued expected growth. The report is still consistent with moderate growth in the manufacturing sector in the first quarter.

- **Index of leading indicators.** The index of leading indicators rose 0.1 percent in December -- in line with expectations. Six of the ten components contributed to the increase, led by the money stock and the average workweek. The report suggests continued growth in the first quarter of 1997, albeit at a slower pace than in the fourth quarter.

- **Unemployment claims.** UI claims fell 12,000 to 325,000 for the week ending February 1. The four-week moving average fell to 331,000.

Other recent releases

- **Consumer confidence. The Conference Board's index of consumer confidence rose to 116.8 in January, its highest level this decade** (previous high was October 1989). The University of Michigan's consumer sentiment index fell slightly, but has been higher under President Clinton than for any Administration since Lyndon Johnson.

	New Jobs (Thousands)	Deficit (Change in percent of GDP)	Business Investment (Growth)	Mortgage Rates (Average)	Homeownership (Average)	Homeownership (Change in rate)	Dow Jones (Real growth)	Combined Unemployment and Inflation (Average)	Inflation (Average)	Real Net Worth per Household (Growth)
Clinton	11500	-3.5	10.28	7.86	64.58	1.7	15.57	8.8	2.80	3.21
Bush	2533	1.7	1.97	9.47	64.00	-0.2	5.65	10.7	4.16	-0.26
Reagan II	10742	-1.7	3.00	10.74	63.85	-0.2	11.99	9.7	3.50	3.72
Reagan I	5246	2.1	5.25	14.92	64.74	-1.5	1.51	14.4	4.93	2.50
Reagan	15988	0.4	4.12	12.83	64.29	-1.7	6.62	12.1	4.21	3.11
Carter	10486	-1.6	6.18	10.99	65.19	0.8	-9.62	16.4	10.40	-0.50
Ford	2039	4.0	1.60	9.07	64.65	0.2	5.24	15.9	6.95	3.03
Nixon	9206	-2.6	6.09	7.90	64.40	0.5	-9.92	10.7	6.18	-2.40
Johnson	12146	1.7	9.79		63.52	1.2	1.60	6.8	2.90	1.64
Kennedy	3592	1.4	11.20				4.65	7.1	1.17	0.78
Eisenhower	3489	-0.5					8.75	6.3	1.43	3.00
Truman	5421	-23.2					9.69	6.9	2.60	1.32

	Construction (Thousands)	Construction (Growth)	Automobiles (Thousands)	Automobiles (Growth)	Employment to Population Ratio (Average)	Business Investment (Average percent of GDP)	Computer Investment (Growth)	10-year Bonds (Average)	Core CPI Inflation (Average)	Real Average Hourly Earnings (Growth)	Consumer Sentiment (Average)	College Enrollment Rate (Average)
Clinton	1017	5.21	114	3.20	62.60	7.65	32.64	6.49	2.82	0.34	90.25	62.13
Bush	-667	-3.39	-35	-1.01	62.18	6.23	17.51	7.93	4.36	-0.89	82.11	60.90
Reagan II	633	-2.17	-13	-0.36	61.22	6.29	18.70	8.84	4.29	-0.32	93.12	53.10
Reagan I	285	-1.77	98	2.94	58.57	5.91	42.22	12.59	5.82	0.16	81.41	56.80
Reagan	918	2.47	85	1.27	59.89	6.10	29.93	10.71	5.05	-0.08	87.27	54.95
Carter	723	4.75	-124	-3.55	59.13	5.77	69.48	9.29	9.55	-1.79	74.05	49.83
Ford	-424	-4.57	5	0.23	56.59	4.85	12.20	7.77	7.14	0.10	76.17	49.00
Nixon	481	2.34	12	0.24	57.43	4.70	22.11	6.75	5.46	-0.68	80.62	50.30
Johnson	456	2.75	153	3.65	56.70	4.12		4.83	3.01		96.87	51.32
Kennedy	199	2.43	109	5.68	55.40	3.31		3.94	1.36		95.04	47.33
Eisenhower	142	0.65	-250	-4.02	56.41						91.14	45.10

THE WHITE HOUSE
WASHINGTON

February 18, 1997

MEMORANDUM FOR GENE SPERLING

FROM: KATHLEEN WALLMAN

SUBJECT: PROCUREMENT CHANGES

Possible overall Questions:

1. **How soon are you going to make these rule changes? How soon are you going to issue the Executive Order on project labor agreements?**

   We are going to start the rulemaking process required to amend the FAR as quickly as we can, and issue the E.O. as quickly as we can. **(Gene: There is no specific timetable yet.)**

2. **What assurance can you give us that these changes will be implemented faithfully and enthusiastically? The devil is in the details, and all the nice words we heard from the Vice President won't mean anything if the implementers drag their feet or don't enact these changes in the spirit in which they were described.**

   We completely understand, and we are completely committed to forceful and faithful implementation. We will work closely, very closely, with Steve Kelman and others to make sure that this goes as smoothly and as quickly as possible.

* * *

Here is a summary of the proposed procurement changes.

A. REIMBURSEMENT COMPONENTS

Federal law provides that the government should maintain a position of neutrality in labor disputes between unions and federal contractors. Nevertheless, under current federal contracting policies, contractors may be reimbursed for the costs of resisting unionization efforts and litigating against unfair labor practice charges, and remain eligible to receive new contracts.

1. Amend the FAR to cease reimbursement for costs incurred to try to persuade employees not to unionize.

The FAR currently provides that costs incurred by a contractor in maintaining satisfactory labor relations between the contractor and its employees, including costs of shop stewards, labor management committees, employee publications, and other related activities, are allowable costs. Under this provision, contractors have sought and been reimbursed for activities that undermine rather than promote satisfactory labor relations. On occasion, the costs that are being paid for by the taxpayers are for persistent anti-union organizing activity.

Proposal: Amend the FAR to provide that contractor costs incurred for activities related to influencing employees respecting unionization are specifically unallowable.

Pro: Taxpayers should not be subsidizing an employer's efforts to defeat union organizing activities when it is clear that these activities are not designed, and do not have the effect of, "maintaining satisfactory labor relations." A number of other statutes explicitly prohibit the use of government funds to promote, assist, or deter union organizing activities, such as the Job Training Partnership Act, the National Community Service Act, Head Start, and Medicare. Accordingly, there is precedent for this kind of provision. Auditors with responsibilities in these other statutory areas have had to determine whether an employer's labor relations costs were or were not allowable, so it can be done.

Con: Disallowing costs for employee meetings by contractors would be characterized by the business community as pulling the rug out from labor-management cooperation. They will argue that it will not be possible in practice to separate legitimate activities from anti-union persuasion. This provision will require auditors to make decisions about what costs are allowable that they are not well equipped to make, and will increase litigation, particularly with respect to Defense Department contracts where the auditors are most likely to be strict enforcers. In addition, this provision will likely be viewed by the contractors as a burdensome requirement not otherwise imposed in the private sector, contrary to expressed Administration procurement reform goals.

B. RESPONSIBLE CONTRACTOR COMPONENTS

Only "responsible contractors" are allowed to do business with the federal contractor. You have among your materials a copy of the existing regulation. Traditionally, contracting officers have evaluated the contractor's business ethics and integrity, past performance, and capability to perform the contract. The following outlines the changes we are going to initiate to allow consideration of labor and employment practices and policies, among other things, as part of the responsibility determination. (We are doing **all** of these elements.)

1. Amend subsection (d) (the business ethics and integrity section) as suggested by Elaine Kamarck ***(new language in italics):***

(d) Have a satisfactory record of integrity and business ethics; *examples of an unsatisfactory record would include evidence of the prospective contractor's ties with organized crime, of income tax evasion, or of unsatisfactory labor relations or employment practices or policies, or of employment discrimination.*

Background: The additional language about organized crime and income tax evasion is included to make it clear that we care about all sorts of possible indications of ethics lapses, and we are not merely adding a punishment for labor and employment related transgressions.

2. Amend subsection (e) (the capability section) in one of the two following ways ***(new language in italics):***

(e) Have the necessary organization, experience, accounting and operational controls, *satisfactory record of labor relations and employment policies and practices and* technical skills, or the ability to obtain them (including, as appropriate, such elements as productions control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors) (see 9.104-3(b)))

OR

(e) Have the necessary organization, experience, accounting and operational controls, technical skills, or the ability to obtain them (including, as appropriate, such elements as productions control procedures, property control systems, *adequate labor relations and employment policies and practices*, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors) (see 9.104-3(b)))

Status: There is not yet agreement as to which way to go. *(Wallman's view: The second option presents a marginally lesser litigation risk because it hooks labor relations to existing categories. It is also a little less awkward to write. Kelman argues that it will be much easier to sell to procurement officials than the first alternative, and will be easier to implement. I think on the merits, Kelman is right. It is a close question, and could go the other way if one felt inclined to highlight optically the prominence of labor and employment relations. Operationally, there is no difference. In both cases, the analysis requires the contracting officer to ask "Is the state of labor relations or employment practices and policies so dismal that the capability to perform the contract is threatened?")*

3. Whichever way is selected to amend (e), we have committed to make corresponding implementation changes to forms and the like. You have among your materials a copy of Form 1403, which is used in preaward surveys that are conducted to assess the capability of a contractor to perform the contract when there is doubt about capability. It is not yet certain that this is one of the forms that would have to be amended, but you may get questions about whether we will amend it. The answer is that we will do everything that need to be done to implement these changes faithfully and forcefully, including amending this form if necessary to that result.

4. Put appropriate explanatory language in Federal Register notice. This is essentially the language that was included in the second memorandum to the President. Will also need language on the rationale for linking these considerations to procurement. We have received a draft of such language and would expect to work with that draft.

5. Rulemaking will seek to develop record on whether there are instances where concerns about labor relations and employment policies and practices could affect responsibility concerns on a particular contract rather than being a cross-cutting concern that affects all the contracts held by a contractor.

   Background: Most of us who have worked on this think, as a practical matter that if a contractor has a labor relations or employment problem that raises business ethics, integrity or capability problems, it is going to be an across-the-board problem for the whole company or a whole division that affects not just the contract up for bid, but all contracts in the near future. If that is the case, a responsibility determination on one contract could amount to debarment and likely would lead to a debarment hearing. This could contribute to our litigation risk since contractors might argue that we are imposing debarment as a non-statutory penalty for failure to comply with the labor and employment laws. To see whether there might be another way to deal with responsibility determinations that does not lead to de facto debarment, we have agreed that we should develop a record on whether there are instances when a labor or employment problem only affects a particular contract, so that the contracting officer could make a one-time responsibility determination against the prospective contractor.

6. Administrator to disseminate appropriate explanatory language in memorandum following outcome of rulemaking.

   Background: From time to time Kelman sends memos out to the agencies explaining changes in the regulations or highlighting certain good or bad practices. We would supplement our efforts with such a memo here. There was a strongly held view that such a memo by itself would not suffice, but in combination with the other things we're doing, it should help.

C. EXECUTIVE ORDER ON PROJECT LABOR AGREEMENTS

Project labor agreements, also known as "pre-hire agreements," are specially negotiated agreements between a project owner or construction manager and one or more labor organizations. The agreements are reached at the outset of a project in order to ensure efficient, timely and quality work; establish fair and consistent labor standards and work rules; supply a skilled, experienced and highly competent workforce; and assure stable labor-management relations throughout the term of the project. These agreements have long been used for public and private construction projects that involve a large volume of work, extend over a substantial period of time, include a substantial number of contractors, and entail substantial costs. It is well established that these agreements are effective and may be lawfully used in both the private and public sector for construction industry projects.

Position: Issue an Executive Order that directs Executive departments and agencies authorized to implement or fund a project for the construction of a federal facility to determine on a project-by-project basis whether a project labor agreement will promote labor-management stability; advance the public interest in economical, efficient, quality and time project performance; and assist project compliance with applicable legal requirements governing health and safety, equal employment opportunity, and labor standards. **The Executive Order would not <u>require</u> the use of a project labor agreement on any particular project.**

Pro: Project labor agreements are useful and lawful, but federal agencies may not be aware of their availability and have not been using them in a significant way. Issuing an Executive Order would make clear that federal contracting agencies have this authority and should consider using such agreements in appropriate circumstances.

Con: No serious objections or downsides have been identified.

DRAFT

DRAFT 1/10/97

COMPARE PRESIDENT CLINTON'S PROPOSED "FAMILY-FRIENDLY WORKPLACE ACT"
TO
BALLENGER COMP-TIME PROPOSAL (1997)

	President Clinton's Family-Friendly Workplace Proposal	Ballenger Comp Time Proposal
EXPAND EMPLOYEE RIGHTS UNDER THE FAMILY AND MEDICAL LEAVE ACT	The Family and Medical Leave Act is expanded to allow employees 24 hours a year to provide additional care for their children and elder relatives, such as attending parent-teacher conferences, medical or dental appointments, etc., or interviewing at nursing or group homes.	No comparable provisions.
EXEMPTIONS TO PROTECT VULNERABLE SECTORS	To protect against coercion, part-time, seasonal, temporary, garment, and construction workers would be exempted from comp time. The Secretary of Labor would also be able to issue regulations to exclude workers who are vulnerable to coercion or certain occupations and industries where necessary to effectively protect employee rights to overtime pay.	No comparable provisions. Comp time can be offered by any private sector employer to any employees, no matter how vulnerable to abuse, and there is no authority to restrict its availability by issuing notice-and-comment regulations.
EMPLOYEE CHOICE	***Employees choose when to <u>earn</u> comp time:*** • whether to get cash or comp time each time they work overtime, or for a designated period; • whether to cash-out earned comp time with 15 days notice to employer; • whether to keep their earned comp time in the bank for up to three more months after year-end cash-out. Employers may not cash-out employees' earned comp time at their sole discretion to deprive workers of their earned comp time off.	*Employers* would have the right to cash-out workers' earned comp time in excess of 80 hours at any time with 30 days notice to employee, effectively reducing employees' right to choose comp time off even if reasonable notice was given and there would be no disruption to the employer. Earned comp time must be cashed out by the employer each year with no employee-choice options. *Employers* maintain ultimate control of when to grant their workers comp time. Regardless of the amount of notice the worker provides, employers can deny use of comp time if they claim the

	President Clinton's Family-Friendly Workplace Proposal	Ballenger Comp Time Proposal
	Employees have more control over when to <u>use</u> comp time. Employees may use comp time for family and medical leave reasons whenever they need it. Workers can use comp time for any purpose as long as they provide two or more weeks of notice, unless it would cause substantial and grievous injury to the employer. They can use comp time with less notice, but only if the employer is not unduly disrupted.	firm would be "unduly disrupted." Employees may withdraw from a comp time agreement at any time.
EMPLOYEE CHOICE **(CONTINUED)**	Employers would have to cash-out employees' earned comp time within 15 days of the employee's request, upon termination, or annually (unless the employee chooses otherwise).	Employers would have up to 30 days to payout the cash due for accumulated comp time after an employee request.
ASSURE BETTER PROTECTION OF EMPLOYEES' RIGHTS	Workers can accumulate comp time for overtime worked (at a rate of time-and-a-half) in a comp time bank, limited to 80 hours a year in comp time to ensure against abuse. All additional overtime work must be compensated in cash. Employees would receive direct written notice of the plan and regular reports on accrual and use of comp time. Employers could terminate or modify comp time plans only with 60 days' notice to employees. To ensure workers receive their comp time when firms enter bankruptcy, unpaid comp time would receive special protection -- the same ordinarily given to unpaid wages -- in bankruptcy proceedings.	Employees can accumulate up to 240 hours of comp time. The DOL poster would be revised to reflect the comp time amendments, but employees are not guaranteed notice of or information on the accrual or use of comp time hours. Employers could eliminate or modify comp time plans with 30 days notice to employees. Unpaid comp time is treated the same as unpaid overtime compensation. No special protections are provided in bankruptcy proceedings.

	President Clinton's Family-Friendly Workplace Proposal	Ballenger Comp Time Proposal
ASSURE BETTER PROTECTION OF EMPLOYEES' RIGHTS (CONTINUED)	Improves remedies against violators, including double damages for overtime that an employee would have earned, but was not permitted to work because the worker wanted to earn pay rather than comp time, in lawsuits brought by either DOL or private actions. Civil money penalties for violations of minimum wage, overtime, comp time and for recordkeeping violations.	For violations of anti-coercion provisions, double damages available for employees who earn comp time (i.e., there is no remedy for employees who are denied overtime work because they want overtime pay instead of comp time). Does not change current law on civil money penalties, available only for repeated or willful minimum wage or overtime violations.
	Comp time could not be used to replace or substitute for other leave benefits. Unused comp time could not be used to deprive a worker of deserved unemployment eligibility. Comp time is treated as wages for employment benefits purposes, and use of comp time is hours worked for overtime purposes.	No comparable provisions on unemployment compensation or health and pension benefit plans. Employers could eliminate or replace paid leave plans based on making the comp time option available. Comp time used is not treated as hours worked.
	Explicit protections are included against superseding or diminishing employer obligations under any State or local law or existing agreement or benefit plan providing greater employee protections for comp time.	No comparable provisions.
PILOT	Comp time provision expires in four years. Bipartisan Commission will study and report to the Secretary of Labor and Congress before the sunset on the effects of the comp time provisions.	No comparable provisions. Comp time would be permanently authorized in the private sector without regard to its actual effects in the Nation's workplaces or on workers.

DRAFT **DRAFT 1/13/97**

President Clinton's "Family-Friendly Workplace Act of 1996"
Compared to 1997 Ballenger Comp Time Proposal (H.R.1)

- ***The President's proposal expands employee rights under the Family and Medical Leave Act.***

  The President's proposal enables employees to take additional time off (up to 24 hours a year) under the Family and Medical Leave Act for parental involvement and elder care purposes – to participate in children's school activities such as parent-teacher conferences, and to take children or elder relatives to medical or dental appointments or other appointments for professional services, such as interviewing at nursing or group homes. **The Ballenger bill has no comparable provision.**

- ***The President's proposal protects the most vulnerable workers.***

  The President's bill – **but not the Ballenger bill** – excludes part-time, seasonal, temporary, garment, and construction workers from eligibility for comp time. Further, the Secretary of Labor may take additional steps through rulemaking to protect other employees at risk of losing their rights to overtime pay due to comp time abuses or where otherwise needed to assure proper compensation is paid. **The Ballenger bill has no comparable provisions.**

- ***The President's proposal assures employees have greater control over when they use their comp time off.***

  The President's bill – **but not the Ballenger bill** – guarantees employees the right to use their comp time for qualifying Family and Medical Leave Act reasons.

  It also allows them to use their comp time for other purposes if they give at least two weeks' notice, unless the time off would cause substantial and grievous injury to the employer – under Ballenger, the employer can deny employees their use of comp time if it would "unduly disrupt" operations.

  The President's proposal allows employees to choose whether they want to delay the annual cash-out of unused comp time for up to three months – **under the Ballenger bill, there is no such employee-choice option.**

- ***The President's proposal assures that all workers who earn comp time have their rights protected.***

  The President's proposal prevents the accumulation of huge unpaid comp time liabilities by providing for an 80-hour annual limit on earned comp time, **compared to the Ballenger bill's 240-hour limit.**

  Employees would receive regular written reports on their accrual and use of comp time under the President's proposal. **The Ballenger bill has no such provision.**

  Unpaid comp time would receive special protection in bankruptcies. **The Ballenger bill lacks this protection.**

  Stronger remedies are provided by the President's bill for violations of employees' rights compared to the Ballenger bill, *e.g.*, damages where overtime work was denied to an employee who wanted pay instead of comp time.

  The President's bill – **but not the Ballenger bill** – specifically protects employees against an employer substituting comp time for paid leave or diminishing other employment benefits.

- *The President proposes a temporary pilot and evaluation of the impact of the change on workers and businesses.*

  The President's proposal would evaluate the effects of comp time on workers and work places over a four-year temporary pilot. **Under the Ballenger bill, comp time in lieu of overtime pay would be permanently authorized in the private sector for the first time in the history of the Fair Labor Standards Act.**

DRAFT 1/22/97

Senator Ashcroft's "Family Friendly Workplace Act"

This bill would amend the FLSA to essentially give private sector employees the same benefits of compensatory time off, biweekly work schedules, and flexible credit hour programs (*i.e.*, "flex-time") that presently are available to employees of the Federal government. The "comp time" provisions of this bill are ***virtually identical*** to H.R. 1, the comp time bill introduced in the House by Congressman Ballenger on January 7.

Comp time provisions

The comp time provisions are the same as the Ballenger comp time bill in the House.

Biweekly Work Programs

Allows an employer to establish biweekly work schedules with overtime due only for hours worked over 80 in the biweekly payperiod *which are requested in advance by the employer* (*i.e.*, hours voluntarily worked over 40 in one week are paid at regular straight time). Overtime requested in advance by an employer may be paid in either overtime pay or comp time off (both computed at time-and-a-half).

Flexible Credit Hour Programs

Allows employers to establish flexible credit hour programs -- the employee elects and the employer and employee jointly designate the employee's basic work hours. Hours worked beyond the basic work requirement can be accumulated as credit hours (hour-for-hour) and used later as paid time off to reduce daily or weekly work hours. Employees may accumulate and "bank" up to 50 credit hours. Hours worked above 40 per week *that are requested in advance by an employer,* other than flexible credit hours, are overtime hours (which may be paid in either overtime pay or comp time off, computed at time-and-a-half). Employers must cash out any unused accumulated credit hours at year-end.

Participation

Employees may not be required to participate in either the biweekly or flexible credit hour programs. Participation may not be a condition of employment. Employers may not intimidate, threaten or coerce employees into electing such programs. Where a valid collective bargaining agreement is in effect, participation may only be according to the agreement.

Limitations on Salary Practices for Exempt Employees

New provisions are added to the FLSA declaring that the fact that an employee is ***subject to*** deductions in compensation for absences of less than a full work day, or absences of less than a full pay period, shall not be a factor in deciding whether the employee is exempt as a salaried executive, administrative, or professional employee - only ***actual reductions in compensation*** may be considered. Reductions in accrued leave do not count as a factor, and payment of overtime or extra compensation also may not be considered as a factor.

MEMORANDUM

February 18, 1997

TO: Gene Sperling

FR: Chris Jennings and Jeanne Lambrew

RE: Background on the Workers' Between Jobs Initiative

Attached are our summary documents on the Workers' Between Jobs Initiative that you may find useful for your meeting with Union leaders tomorrow. They include: (1) a two-page summary of our initiative; (2) talking points on the initiative and who will be helped by it; (3) q&a's that were originally written to answer criticisms from Senator Domenici; and (4) a more detailed analysis of the problems that dislocated workers and their families have with regard to health care coverage.

There are a number of policy issues that have not yet been fully resolved. We hope to get closure on these outstanding issues in the next week. However, we believe that you will find more than enough information on this initiative in these documents.

We hope you find this information useful. Please feel free to call Chris at 6-5560 with any questions.

HIGHLIGHTS OF THE PRESIDENT'S INITIATIVES TO MAINTAIN AND EXPAND WORKERS' COVERAGE

Because most Americans have employment-based health insurance, health care coverage is often jeopardized for workers who change jobs. In fact, over 50 percent of the uninsured lost their health insurance due to a job change. Many of these uninsured Americans are the spouses and children of workers. The President's initiative will provide temporary premium assistance to families with workers who are in-between jobs. For millions of these workers and their families this assistance could make it possible for them to maintain their health care coverage while looking for another job. This initiative is fully paid for within the President's FY 1998 balanced budget plan. In addition, to assist small businesses -- which often have more difficulty providing and maintaining health care coverage for their workers -- the President has proposed to help States create voluntary purchasing cooperatives.

Funding

Invests $9.8 billion over the budget window and is paid for in the President's FY1998 balanced budget.

Eligibility

Helps an estimated 3.3 million Americans in 1998, including about 700,000 children.

-- A full subsidy would be provided up to 100% of the poverty level for and would be phased out at 240% of the poverty level.

-- To assure that limited federal dollars are cost-effectively targeted, individuals who are eligible for Medicare, Medicaid or who have an employed spouse with coverage, are not eligible for this program.

-- While low-income workers would certainly be helped by this benefit, over half of participants would come from families who previously had incomes over $30,000, for a family of four.

Coverage for Families of Workers Who Are In-Between Jobs

Helps to assure that Kassebaum-Kennedy protections against pre-existing conditions are not placed at risk because of breaks in insurance coverage. It achieves this goal by helping working families retain their health coverage through premium assistance during a time in which they lose much of their income.

Gives States the flexibility to provide coverage in ways that best meets the needs of their populations. States would have flexibility to administer their own programs, (e.g., COBRA, a private insurance product, Medicaid, or an alternative means of coverage).

Voluntary Purchasing Cooperatives

Small businesses have more difficulty providing health care coverage for their workers because they have higher per capita costs due to increased risk and because of extraordinarily high administrative costs.

The President's budget will make it easier for small businesses to provide health care coverage for their employees, by allowing them to band together to reduce their risks, lower administrative costs, and improve their purchasing power with insurance companies.

His budget proposes to empower small businesses to access and purchase more affordable health insurance through the use of voluntary health purchasing cooperatives. This will be accomplished by providing $25 million a year in grants that States can use for technical assistance, by setting up voluntary purchasing cooperatives, and by allowing these purchasing cooperatives to access to Federal Employees Health Benefit Plans.

HEALTH CARE COVERAGE FOR FAMILIES WITH WORKERS WHO ARE IN-BETWEEN JOBS

This initiative for families with workers who are in-between jobs is a carefully constructed, targeted and paid for program that builds on the Kassebaum-Kennedy law (The Health Insurance Portability and Accountability Act of 1996). It would provide temporary health insurance premium assistance for workers who are in-between jobs and their families and would help an estimated 3.3 million Americans in 1998, including 700,000 children.

Health Insurance is Often Jeopardized When Workers Change Jobs.

- **Most Americans have employment-based health insurance.** Nearly 148 million Americans (64% of the non-elderly civilian population) receive their health insurance from an employment-based plan.

- **Workers with job changes are more likely to be uninsured.**

  -- Over 50% of the uninsured lost insurance due to a job change. Many of these are the spouses and children of the worker.

  -- Over one-third of workers who left an insured job, became unemployed, and received unemployment insurance, were uninsured.

  -- Workers with job changes are more than three times as likely to have gaps in insurance than continuous workers.

- **These workers often cannot afford health care coverage.**

  -- For most workers in-between jobs, health insurance is accessible (through COBRA Continuous Coverage). However, the costs of health insurance coverage presents a significant barrier for many Americans who are in-between jobs.

The President's Initiative for Families of Workers Who Are In-Between Jobs

- **Provides temporary premium assistance for up to six months for unemployed workers** who previously had health insurance through their employer, are in between jobs, and may not be able to pay the full cost of coverage on their own.

- **Assures that Kassebaum-Kennedy protections against pre-existing conditions are not placed at risk** because of breaks in insurance coverage. It achieves this goal by helping working families retain their health coverage through premium assistance during a time in which they lose much of their income.

HEALTH CARE COVERAGE FOR FAMILIES WITH WORKERS WHO ARE IN-BETWEEN JOBS

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Health Insurance is Often Jeopardized When Workers Change Jobs.

- **Most Americans have employment-based health insurance.** Nearly 148 million Americans (64% of the non-elderly civilian population) receive their health insurance from an employment-based plan.

- **Workers with job changes are more likely to be uninsured.**

  - Over 50% of the uninsured lost insurance due to a job change. Many of these are the spouses and children of the worker.

  - Over one-third of workers who left an insured job, became unemployed, and received unemployment insurance, were uninsured.

  - Workers with job changes are more than three times as likely to have gaps in insurance than continuous workers.

- **These workers often cannot afford health care coverage.**

  - For most workers in-between jobs, health insurance is accessible (through COBRA Continuous Coverage). However, the costs of health insurance coverage presents a significant barrier for many Americans who are in-between jobs.

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- **Provides temporary premium assistance for up to six months for unemployed workers** who previously had health insurance through their employer, are in between jobs, and may not be able to pay the full cost of coverage on their own.

- **Assures that Kassebaum-Kennedy protections against pre-existing conditions are not placed at risk** because of breaks in insurance coverage. It achieves this goal by helping working families retain their health coverage through premium assistance during a time in which they lose much of their income.

targeted only to those who would not otherwise have health care coverage.

- **Costs approximately $2 billion a year and is paid for in the President's balanced budget.**

Who This Initiative Helps

- **Helps an estimated 3.3 million Americans in 1998, including about 700,000 children.**

- **Strengthens the safety net for middle-income, working Americans** in an increasingly mobile workforce.

  -- While low-income workers would certainly be helped by this benefit, over half of participants would come from families who previously had incomes over $30,000, for a family of four.

  -- To assure that limited federal dollars are cost-effectively targeted to those most in need, only families up to 240% of poverty are eligible for this population.

WORKERS' TRANSITION HEALTH CARE INITIATIVE

The Workers' Transition Health Care Initiative is a carefully constructed, targeted and paid for program that builds on the Kennedy-Kassebaum law (The Health Insurance Portability and Accountability Act of 1996). It would provide health insurance premium assistance for an estimated 3 million Americans, including 700,000 children. According to the September 1996 Lewin Group study, the cost of health insurance coverage presents a significant barrier for many people who are in between jobs. In fact, less than 20 percent of workers elect to use COBRA, which allows the unemployed to keep their old insurance policy while looking for another job. The Workers' Transition Health Care Initiative:

- Provides temporary premium assistance for up to six months for those who previously had health insurance through their employer, are in between jobs, and may not be able to pay the full cost of coverage on their own.

- Assures that the Kennedy-Kassebaum protection against pre-existing conditions are not placed at risk because of breaks in insurance coverage. It achieves this goal by helping working families retain their health coverage through premium assistance during a time in which they lose all or much of their income.

- Strengthens the safety net for middle-income, working Americans in an increasingly mobile workforce. While low-income workers would certainly be helped by this benefit, over half of participants would come from families who previously had incomes over $31,200, for a family of four. However, the 240% of poverty cap on assistance assures that limited federal dollars are cost-effectively targeted to those most in need.

- Gives states the flexibility to provide coverage in the way that best meets the needs of their populations. While states have the flexibility to design their own programs, this initiative is targeted only to those who would not otherwise have health care coverage. For example, individuals who are in between jobs that have access to insurance through a spouse whose employer contributes at least 50% of the cost of the premium are not eligible.

- Costs approximately $2 billion a year and is paid for in the President's balanced budget.

QUESTIONS AND ANSWERS

Question: **Isn't this just another open-ended entitlement that will be much more expensive then you assume?**

Answer: The Workers' Transition Health Care Initiative is a capped entitlement to states, meaning that the federal costs can never exceed the amount specified in the legislation. Also, our analysts developed cost estimates for this program using conservative assumptions about the number of people who will participate in the program and how much health care coverage would cost per beneficiary.

Question: **Aren't your estimates a bit unrealistic given the fact that this new generous benefit will cause more people to stay unemployed for the six month duration they are eligible for this subsidy?**

Answer: The likelihood of people turning down a job simply so that they can keep a modest, time-limited health insurance subsidy are almost none. The vast majority of people would rather start a new job as soon as possible, even if it means giving up premium assistance for their health insurance. Our current unemployed insurance program (UI) provides evidence that most Americans, when given the option, choose work over a modest government benefit. Although UI coverage is available for 24 weeks, most leave the program after less than 17 weeks. Because the health insurance premium benefit is only $240 a month, it would be even less likely for people to give up a job for this more modest benefit. However, extremely conservative estimates were used, including the unlikely assumption that some people would unwisely delay re-employment for a period of time.

Question: **What happens if there is a recession?**

Answer: This program gives states the flexibility to allow for changes in the unemployment rate. States are allowed to retain funds in low unemployment years to offset increased costs in higher unemployment years. States are given the flexibility to design a program that meets the needs of a changing economy. This proposal would also use a small portion of appropriations to establish a Federal loan fund that states could access in times of need.

Question: **The Republicans on the Senate Budget Committee estimate that subsidizing health insurance for the full six months would cost taxpayers between $15 and $22 billion over six years. How do you justify your own estimates?**

Answer: In their estimate, the Republican Budget Committee assumes that every individual who participates in this program will receive benefits for the entire six months of eligibility. It is ridiculous to expect that all of these workers would pass up a job simply to get this benefit for the maximum amount of time. This has never been the case with unemployment insurance and there is no reason to expect that people would remain unemployed for this even more modest benefit. Their analysis really has no bearing on this policy.

Question: **The proposal mysteriously terminates in the year 2002, presumably because extending beyond 2002 would push the President's budget plan even farther out of balance."**

Answer: The President's *demonstration* program is intended to determine if providing assistance to workers between jobs is a cost-effective method to assuring that individuals and their families do not lose insurance coverage while they are in between jobs. Like all other demonstration programs, the program is intentionally designed to end at a specified date. At that time, if the program is successful, Congress and the President are free to extend the demonstration or continue it as a permanent program. Ironically, this is the same mechanism that Senator Domenici himself used in the mental health parity initiative that the President supported.

Question: **The Republican Budget Committee cites a provision in COBRA 1985 called 'continuation coverage' that allows the unemployed to buy into their former employer's health plan for up to 18 months while looking for another job. They then conclude that the problem, [for the unemployed], is "not a loss of health insurance, but a loss of income."**

Answer: For most workers, a loss of income means a loss of health insurance. According to the Lewin Group study, less than 20 percent of eligible workers elect to use COBRA, and the cost of health insurance coverage is often a formidable barrier for those who do not. The Workers' Transition Health Care Initiative is designed to provide premium assistance to workers in between jobs, so that they do not have to forgo their health insurance while they are searching for a new job. It is important to note that firms with fewer than 20 workers do not have to provide COBRA to their former workers. For these workers, without some type of assistance, they will undoubtably lose their health coverage.

Question: **What are the income limits for this health insurance premium support?**

Answer: Families with incomes below poverty ($15,600 for a family of four) would get full assistance covering their premiums. The premium assistance would be phased out up to 240% of poverty, or a $37,440 family income, for a family of four. However, since eligibility is determined on current monthly income, many families who previously had higher incomes and have little to none because of unemployment would be eligible.

Question: **Why are you proposing a program that helps people who were previously insured but ignores the millions of Americans who still lack health insurance?**

Answer: This program will help millions of Americans keep their health insurance. According to the Lewin Group study, the cost of coverage is a significant barrier for workers who are in between jobs. And while workers who are eligible for COBRA often cannot afford the cost of keeping their coverage, workers who were employed in firms with under 20 people are not even eligible for COBRA, so they must try and enter the difficult and expensive individual market. The Workers' Transition Health Care Initiative will give these workers access to insurance and the means to pay for it while they look for their next job.

This initiative, of course, does not resolve all of the problems in our current health care system. It will, however, provide health insurance for 3 million Americans, including 700,000 children each year. And it builds on the step-by-step approach the President is committed to pursuing.

Question: **Is this another big government health care proposal?**

Answer: No. This initiative is a limited demonstration that is phased out after four years. At that time, the Congress and the President can decide if it is an effective way to help Americans who are in between jobs keep their health insurance. This proposal is also already paid for in the President's balanced budget. Furthermore, this idea also has enjoyed longstanding bipartisan support. As *The Washington Times*, reported on September 6, the Dole Campaign has made clear that Senator Dole proposed a similar idea ten years ago as Senate Minority Leader.

Question: **The Republican Budget Committee has asked why we don't just give the unemployed cash? They state that 'if health insurance is needed, the cash can be used to pay for COBRA continuation coverage. If health insurance is available (maybe through a spouse), the cash could be used to pay for food, housing, education, or job training.' What is wrong with this idea?**

Answer: The President's proposal gives states the flexibility to provide coverage through COBRA or other private insurance. If a state shows they can provide cash to participants and still assure that participants have health coverage, then the Secretary of Health and Human Services can approve the state's program. However, States must ensure that they are providing this benefit to those individuals who would not otherwise have access to health insurance. For example, if an individual can receive health care coverage through their spouse, then they are not eligible to receive benefits from this program. States must demonstrate that the money they spend is targeted to meet the goals of this program: to help provide health care coverage for those who would otherwise lose their insurance.

Question: **The Republican Budget Committee claims that the Administration is proposing to tax workers (or increase deficits) to subsidize non-workers. Is that true?**

Answer: Absolutely not. The President's proposal is a part of his balanced budget proposal. As such, the costs are offset by savings in other programs. The Administration has not proposed to tax workers nor increase the deficit to pay for this program.

Question: **It also states that while the President's rhetoric may lead people to believe that he is promising they will have health insurance for six months if they lose their job. In reality, he says 'up to six months'**

Answer: Under the President's plan, individuals will be eligible to receive benefits for six months, if necessary. The vast majority of the people who participate in this program will not need to receive the benefit for the entire six months, as they will find a new job before they reach the six month limit.

Uninsured, Unemployed Workers and their Families: The Problem and Policy Options

Overview

Families who lose health insurance while they are between jobs are a small but important group of uninsured Americans. These families pay for health insurance for most of their lives, but go through brief periods without coverage when they are temporarily unemployed. If they experience a catastrophic illness during this transition, the benefit of their years' worth of premium payments is lost. They have to cover their health care costs alone at a time when they no longer have a major source of income. Worse, for families with an ill child or a worker with a chronic condition, the loss of health insurance while between jobs can make it financially impossible to regain coverage. This paper outlines the scope of this problem and policy options that help reduce it.

More People Experience Job Transitions

In today's economy, an increasing number of Americans will at some point lose their jobs. While the unemployment rate remains low and job creation remains high, the fast-moving economy has resulted in rapid job turnover and job elimination. In a *New York Times* article on the topic, economist Paul Krugman wrote, "What economists call 'labor market flexibility' is a euphemism for a certain amount of brutality. But it seems an unfortunate price we have to pay for having as dynamic an economy as we do." (Lohr, 1996).

About 9.4 million Americans (8% of all workers) lost their jobs due to plant or company closure, insufficient work, or elimination of their positions between January 1993 and December 1995. This number is about the same as in the early 1990s, when there was a recession, and is an increase from 5.9 million displaced workers between 1989 and 1991. Increasingly, these are white collar workers. While about 7 in 10 of the displaced workers were reemployed, more than half did not receive written advance notice of their job termination and probably spent time unemployed between jobs. Less than half of displaced workers were reemployed in full-time jobs with earnings the same or higher (USDL, 10/25/96).

Job loss and transitions do not affect a small subset of the population. In 1995, over 15 million American workers received unemployment compensation at some point (USDL, 12/17/ 96). An estimated one out of every four workers will make an unemployment claim once over a four year period. (Myer & Rosenberg, 1996). These workers' unemployment affects a larger number of people, including spouses and children. In a recent poll, one in two people were somewhat or very concerned that someone in their household would be laid off in the next two or three years (Lohr, 1996).

Changing Jobs Leads to Changing Insurance

In the United States, health insurance is usually linked to employment. Nearly 148 million (64% of the nonelderly, civilian population) receive health insurance through an employment-based plan (EBRI, 1996). About half of this number (76 million) are the workers themselves; the other half includes spouses and children gaining coverage through the worker's plan.

Since health insurance is often employment based, change in employment is a major reason why people lose health insurance. About 42% of workers with one or more job interruptions experienced at least a month without health insurance between 1992 and 1995. This compares to only 13% of full-time workers without job interruptions (Bennefield, 1996). According to one study, 58% of the two million Americans who lose their health insurance each month cite a change in employment as the primary reason for losing coverage (Sheils & Alecxih, 1996). This affects family as well as workers: nearly 45% of children who lose their health insurance do so due to a change in their parent's employment status (Sheils & Alecxih, 1996).

The Unemployed are Often Uninsured

In 1995, about 16 million of the 40 million uninsured were nonworkers (8.7 million), part-year workers and their dependents (3.0 million) and full year workers and dependents with some unemployment (4.4 million) (EBRI, 1996). This includes people who are out of the labor force, do not receive unemployment compensation, and/or did not receive insurance on their last job. This number is a point-in-time estimate; since unemployed workers usually spend only part of the year between jobs, this snapshot only captures some of the temporarily unemployed and uninsured.

While only a minority of the total uninsured, the unemployed are more likely to be uninsured than the rest of the population. Three times as many uninsured were unemployed, compared to the proportion of all adults who were unemployed and looking for work (Klerman, 1995). Over one-third of workers who left an insured job, became unemployed, and received unemployment compensation also became uninsured (Klerman, 1995). This is twice the proportion of uninsured in the general population.

Policies and Proposals for Uninsured, Unemployed Families

Three sets of policies exist today that assist uninsured, unemployed families. Additionally, several have been proposed to address this the gaps left by these policies.

COBRA. The 1986 Consolidated Omnibus Reconciliation Act (COBRA) allows most employees to purchase health coverage from their former employer for up to 18 months after their employment ends.[1] The employee must pay the full premium for this coverage (up to 102% of the group rate). Given the high premiums in the individual market and the possibility of denied coverage for pre-existing conditions, these premiums are probably the lowest that most unemployed, uninsured workers and their families can find.

Most researchers agree that COBRA has improved health coverage among the unemployed. About 20 to 30% of all eligible take the option (Flynn, 1992; Klerman, 1995; Berger, Black & Scott, 1996). In part, these rates underestimate COBRA's assistance since many of the unemployed join the health plans of spouses with employer-based insurance. When looking only at the unemployed with no access to spousal coverage, the rate of COBRA coverage increases to over 40%. Additionally, when only the unemployed who receive unemployment compensation are examined, 43% appear to have taken COBRA coverage (Klerman, 1995). On the whole, evidence supports claims that COBRA decreases the probability that a person between jobs is uninsured, reduces "job lock", and covers workers during pre-existing condition waiting periods (Gruber and Madrian, 1994; Klerman, 1995; Berger, Black & Scott, 1996).

One concern about the policy, however, is its use by low-income unemployed. The difference in take-up rates for low-income people is significant: only 15% of eligible unemployed with income below $25,000 participated in COBRA and over two-thirds remained uninsured. This compares to a participation rate of 33% for unemployed with higher income, and an uninsured rate of 33% (Berger, Black & Scott, 1996).

Medicaid. Three Medicaid eligibility provisions help unemployed, uninsured families. In the 1988 Family Support Act, states were required to extend eligibility to two-parent families whose principal wage earner is unemployed (the Aid to Families with Dependent Children Unemployed Parent program (AFDC-UP)). To qualify, the worker must have worked a certain number of quarters or be eligible to receive unemployment compensation. In OBRA 1990, Medicaid eligibility was broadened to cover all poor children and pregnant women. To the extent that the unemployed, uninsured are poor, their children may be covered by Medicaid. Additionally, states have the option to pay for COBRA coverage for poor workers whose firm had 75 or more employees; few states have taken this option (Congressional Research Service, 1993). It is not known how many people have been covered through the AFDC-UP and COBRA coverage options.

HIPAA. The Health Insurance Portability and Accountability Act of 1996 (HIPPA or the

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[1]Employees of firms with fewer than 20 workers or who were terminated from their jobs under certain circumstances are not eligible for COBRA.

Kassebaum-Kennedy bill), makes it easier for workers and their families to maintain health insurance coverage. Under HIPAA, health plans are prohibited from imposing new pre-existing condition exclusions for enrollees with more than 12 months of previous continuous coverage.[2] Preexisting condition are limited to 12 months and can be imposed only for conditions diagnosed or treated within the 6 months prior to enrollment.

However, HIPAA only helps those who maintain their health care coverage between jobs. If a worker loses coverage for more than sixty-three days while unemployed, these protections are no longer available. Since the Act's provisions begin in 1997, its implications for the unemployed and uninsured have yet to be determined. However, it is clear that it is extremely important that Americans are able to maintain their health care coverage while they are looking for a new job to benefit the guarantees in HIPAA.

Administration's Proposal. While COBRA, Medicaid, and HIPAA offer access to insurance for uninsured, unemployed families, the question of affordability remains largely unaddressed. Workers who are temporarily unemployed often are not qualified for Medicaid and cannot afford to buy into COBRA. At a time when they have lost a major source of income, they have to pay their health care costs alone. They (and their family) have no protection against the costs of a catastrophic illness, and they are unlikely to receive important preventive services which help avoid costlier services later.

Consequently, the Administration has put forth a new proposal to help workers who are between jobs. This program would provide temporary premium assistance for people who previously had health insurance through their employer, are in between jobs, and cannot afford COBRA or other coverage on their own. Families with income below poverty are eligible for a full subsidy, while families with income up to 240 percent of poverty can receive a partial subsidy for a basic benefits package. Only workers and dependents who receive unemployment compensation, do not have access to health insurance through a spouse, and are not eligible for Medicaid qualify for assistance. The program would be run as a capped entitlement to states, who would design the operation of the program. The Office of Management and Budget (OMB) estimates that this initiative will cost about $2 billion a year [pending final budget decisions].

According to Administration analysis, over 3 million people, including 700,000 children, would participate in this program in 1997 (if it were fully implemented in that year). About 85% of these participants would be middle class (defined as being in the second through fourth income quintile).

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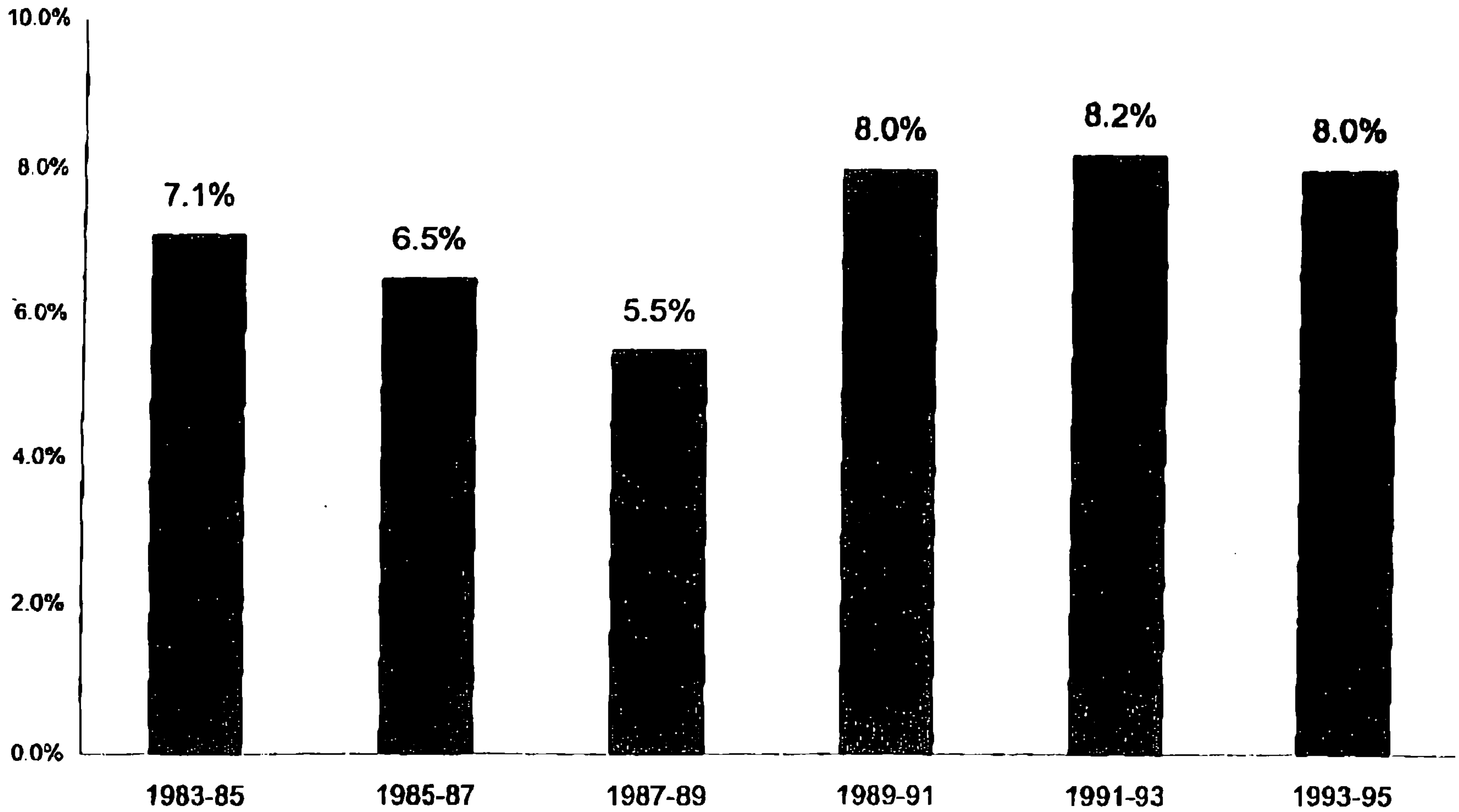
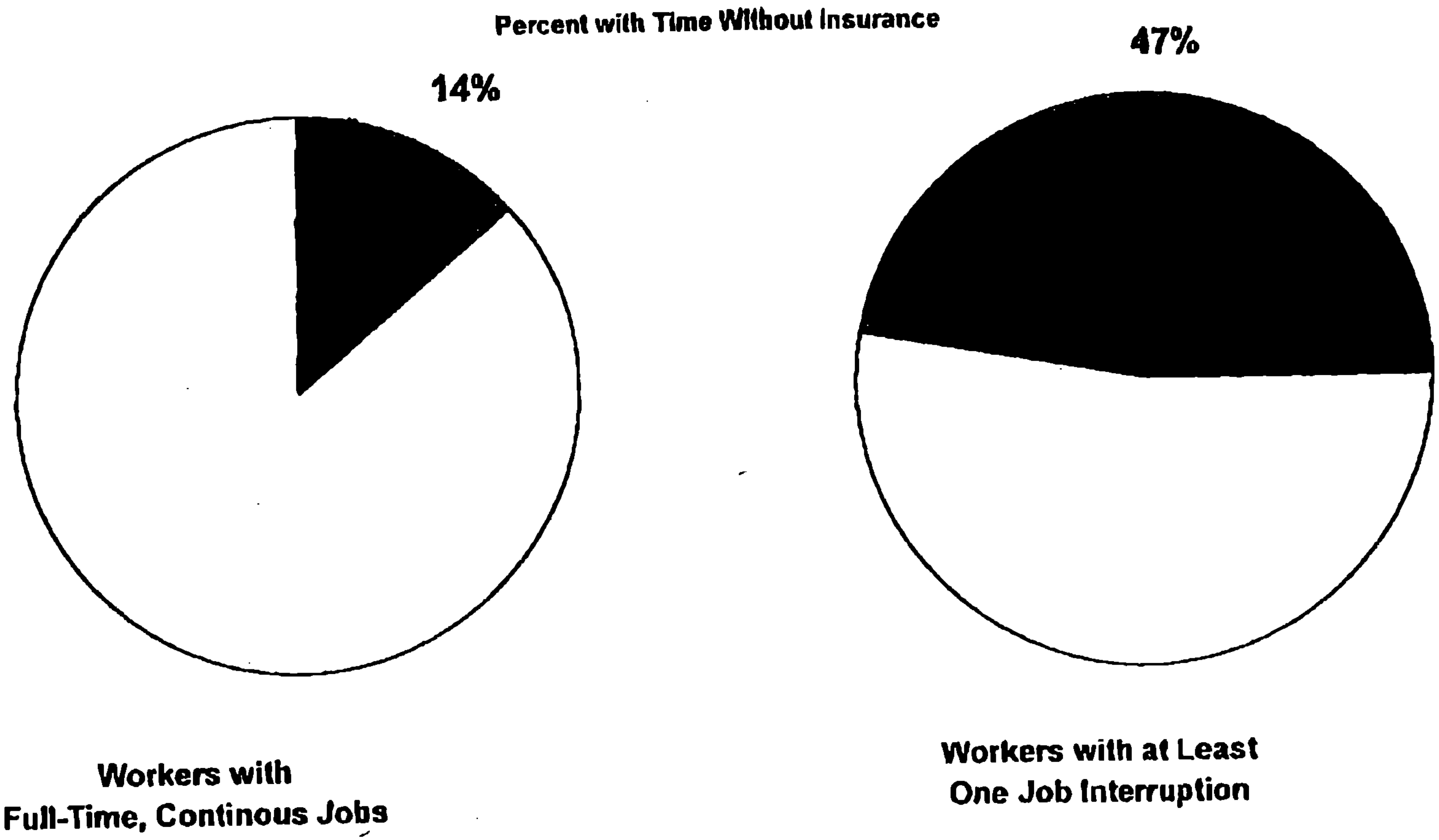
[2]Enrollees who have up to twelve months of health care coverage are subject to pre-existing conditions for 12 months minus the number of months they have previously been insured.

Percent of Workforce with Permanent Job Loss Remains High



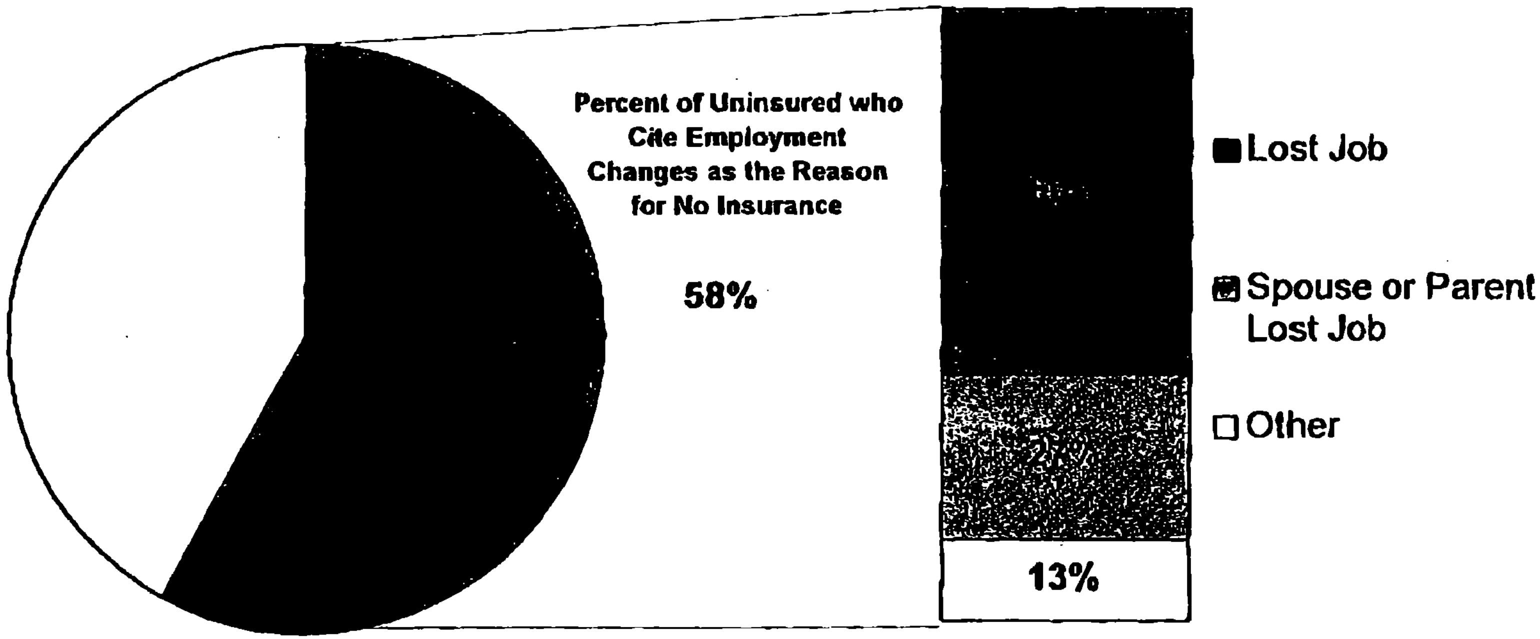
Source: U.S. Department of Labor, Bureau of Labor Statistics (1996).

Workers With Job Transitions Are More Likely to Experience Gaps In Health Insurance



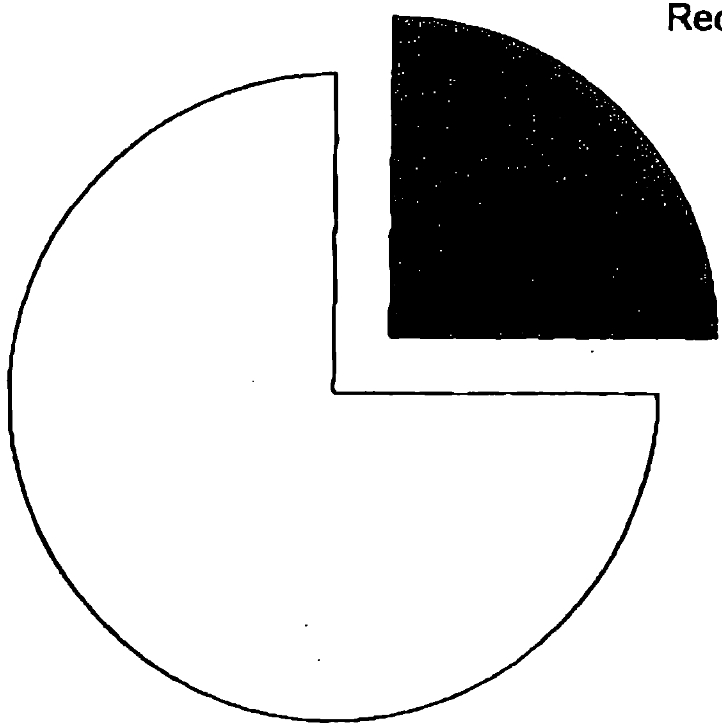
Source: Bennefield, 1996: Who Loses Coverage and for How Long? US Dept. of Commerce.

Changes in Employment Cause Most Loses of Employer-Based Health Insurance



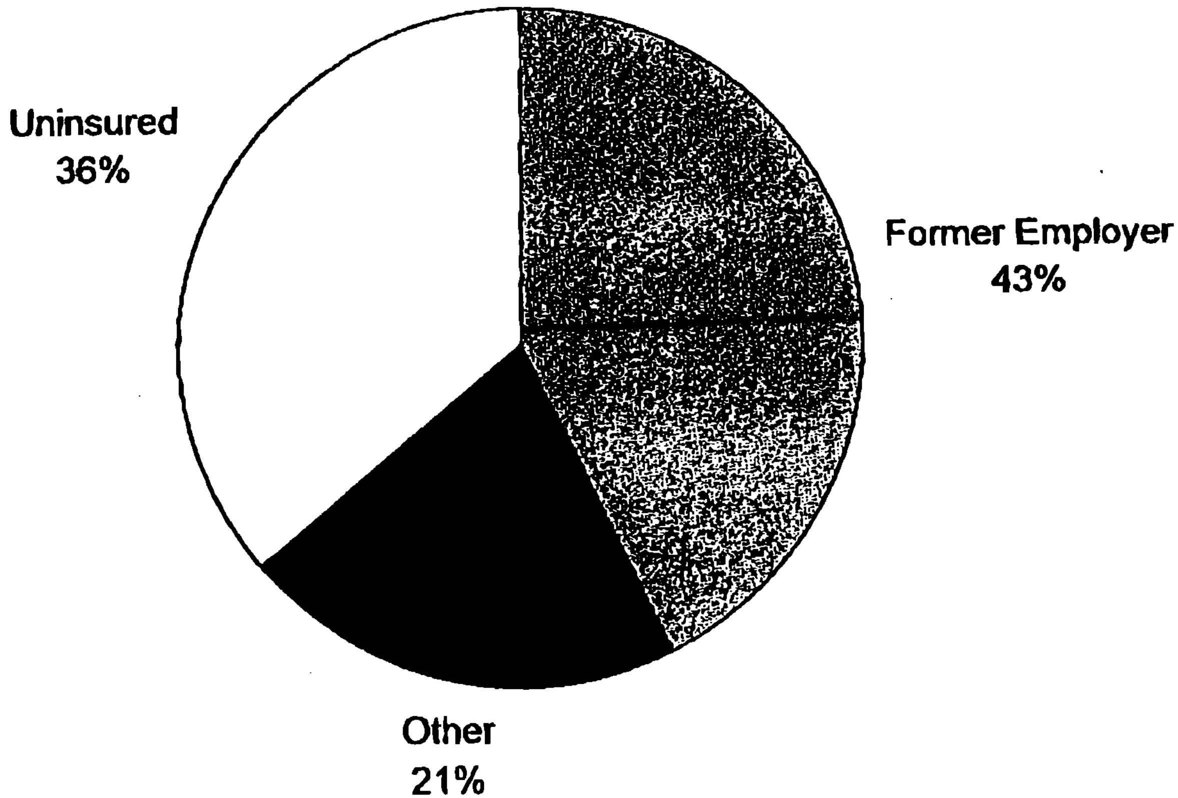
Source: Sheils & Alecxih (1996). Recent Trends in Employer Health Insurance Coverage and Benefits.

Nearly One in Four Workers Receives Unemployment Compensation over a 4-Year Period



Source: Myer & Rosenberg (1996). Repeat Use of Unemployment Insurance.

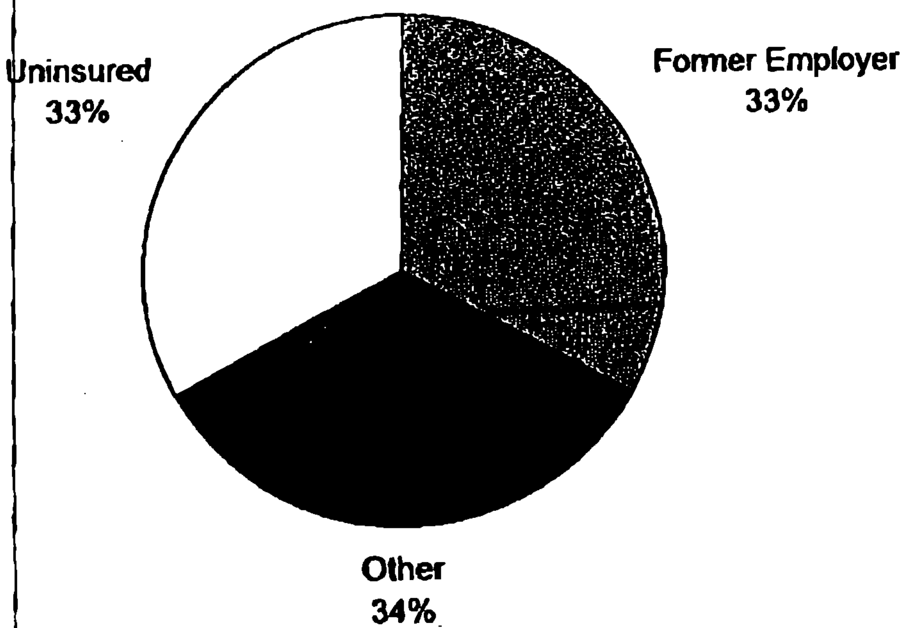
Health Coverage of Workers who Leave an Insured Job, Become Unemployed, & Receive Unemployment Compensation



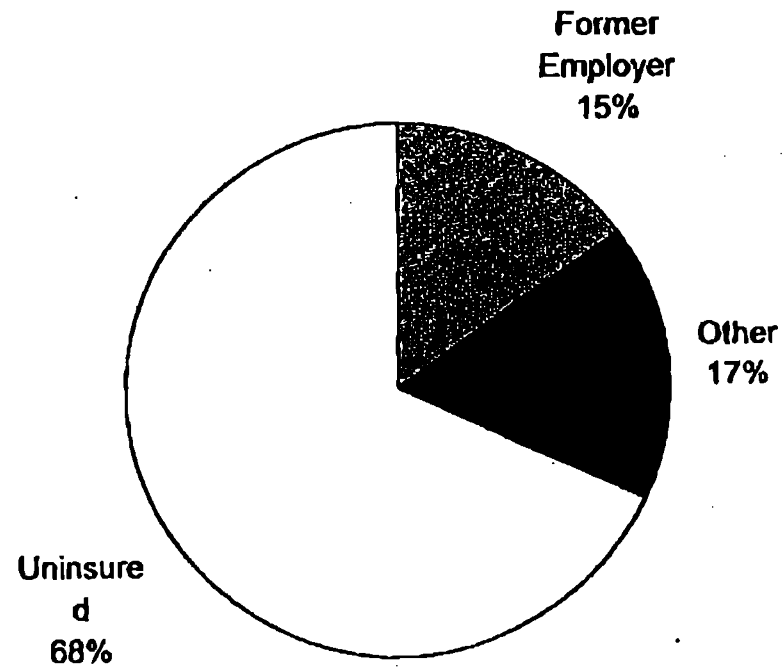
Note: Former employer usually means the person participated in COBRA
Source: Klerman (1995). Health Insurance for the Unemployed: An Options Paper.

Low-Income Unemployed are Less Likely to Be Insured

Health Insurance Coverage of COBRA-Eligible Unemployed



Annual Income Greater than $25,000



Annual Income $25,000 or Less

Note: Former employer usually means the person participated in COBRA
Source: Berger, Black & Scott (1996). Health Insurance Coverage of the Unemployed.

Gene -

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Economic Scene | Peter Passell

Yawn. A global-warming alert. But this one has solutions.

STERNLY worded petitions and ringing screeds of principle are as much a part of campus life as grade inflation — which is why Washington rarely takes them seriously. But the nation's movers and shakers would do well to pay attention to a statement on global warming by some 2,000 mostly academic economists.

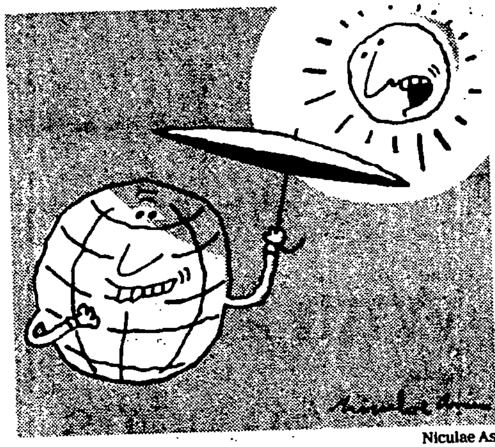
For one thing, the signatures collected by Redefining Progress, a group of policy-minded social scientists based in San Francisco, range from the newish left (Duncan Foley of Barnard College) to the skeptical center (James Heckman of the University of Chicago) to the libertarian right (Gordon Tullock of the University of Arizona). "Market-based approaches to coping with climate change generate as much consensus among economists as free trade," explains Paul Krugman of M.I.T., one of the organizers of the statement.

More important, the statement focuses on what is now regarded by insiders as a make-it-or-break-it issue in slowing atmospheric warming: designing an international system that permits rich economies to contribute cash in lieu of emissions reductions. "Allowing some to pay others to reduce greenhouse emissions could reduce the total cost by 80 to 90 percent," estimates William Nordhaus, an economist at Yale and another organizer of the statement.

• • •

Like any committee looking for consensus, the drafters of the climate statement cast their net widely. "We believe that global climate change carries with it significant environmental, economic, social and geopolitical risks, and that preventive steps are justified," the unshocking introduction reads.

Those who read on, however, will discover there is meat on these bones: "Sound economic analysis," the authors argue, "shows that there are



Niculae Asciu

policy options that would slow climate change without harming American living standards."

And what might these policy options be? Here, the drafters stake out a position that seems almost obvious to economists, but has barely entered the consciousness of environmental policy makers. "A cooperative approach among nations is required — such as an international emissions trading agreement," the statement asserts.

To understand where the economists really want the diplomats to go, consider where we are now. Current rates of deforestation and combustion of carbon-based fuels — coal, oil, gas — are adding carbon dioxide into the atmosphere faster than the oceans can absorb it. The higher carbon dioxide concentrations trap solar energy. Rising temperatures will likely change weather patterns radically and raise the level of the oceans.

Governments of all the major economies are vaguely committed to containing greenhouse gas emissions before once-a-century hurricanes become an annual event in the Caribbean, Kansas turns into a dust bowl and the Bay of Bengal doubles in size at the expense of Bangladesh. But the emphasis is on the vague: the process of setting emissions targets or creating political institutions to enforce the targets is in the talking stage.

That's where the economists' statement fits in. "We wanted to be there early," said Stephen DeCanio of the University of California at Santa Barbara, "before governments and politicians were locked into positions." Specifically, the statement is intended to give the Clinton Administration some help in pressing the idea of creating an international market in emissions permits at the next global meeting on climate change, set for Kyoto, Japan, in December.

The idea is simple. If and when world leaders start to deal with the practical issues, they are apt to set national targets for containing emissions that will be very expensive to meet in the rich industrial economies, and probably won't be honored in the large emerging economies like China, Russia, India and Indonesia.

Creating an emissions trading system that allows already rich economies to pay the emerging economies to use less energy and less carbon-intensive fuels as they develop offers a double dividend. It reduces the cost for developed countries, in turn reducing the chances their legislatures will balk. And it creates a pool of capital to be used as an incentive to push emerging economies toward environmentally benign growth.

Translation: Getting, say, China or India to switch from coal to natural gas, or to encourage energy conservation by charging world market prices at home would be a lot easier if they were paid billions of dollars each year to do it.

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Not every economist who favors emissions trading signed the statement. "I'm worried it will be used at Kyoto to commit America to useless, expensive unilateral actions in reducing emissions," says Robert Hahn, an economist at the American Enterprise Institute.

But Mr. Nordhaus has very different worries. "Economists haven't been important players in environmental policy over the last 30 years," he said. "This time we could make a difference."

HIGHLIGHTS OF THE PRESIDENT'S WELFARE TO WORK INITIATIVE AND PROPOSALS TO CHANGE FOOD STAMPS AND BENEFITS FOR LEGAL IMMIGRANTS

Cost of the Proposals

Welfare to Work Initiatives: $3.6 billion over 5 years
Changes to Food Stamps and Benefits for Legal Immigrants: $17.9 billion over 5 years
Health Care for SSI Children: $0.3 billion over 5 years

Welfare to Work Initiatives

The Welfare to Work proposal is a comprehensive approach to helping States and cities create new jobs and prepare individuals for them including a new, enhanced tax credit that provides employers with incentives to create new job opportunities for long term welfare recipients.

Incentives for States and Cities

Creates the Welfare to Work Jobs Challenge. The Jobs Challenge, which will be administered by the Department of Labor, is designed to help States and cities move the harder to employ welfare recipients into lasting jobs by the year 2000.

The proposal provides $3 billion in mandatory funding for job placement and job creation over three years. States and cities can use these funds to provide subsidies and other incentives to encourage private business to hire welfare recipients. States and cities will also have the option to encourage the growth of intermediaries as job readiness and job placement agents and may use voucher like arrangements, to empower individuals with the tools and choices to help them get jobs and keep them.

Offers Better Access to Jobs and Training. An important element of moving people from welfare to work is assisting them to get to work. The FY98 budget provides $100 million for a new Access to Jobs and Training Initiative within the Department of Transportation. This new activity will offer Federal Transit Administration grants to states and local entities for new or modified transportation services that target low income individuals, including current welfare recipients.

Expands Bridges to Work. This comprehensive initiative also expands the Department of Housing and Urban Development's (HUD) Bridges to Work demonstration Project, which links low-income people in central cities to job opportunities in surrounding suburban communities by providing services such as job placement, counseling and transportation. In addition, HUD will award new portable rental assistance to localities that link their housing assistance with their efforts to move welfare recipients to work.

Access to Credit

Increases the Community Development Financial Institutions Fund. The Administration proposes to increase the Community Development Financial Institutions Fund to $1 billion over the next five years thereby expanding the availability of credit, investment capital, financial services, and other development services in distressed urban and rural communities.

Incentives for Employers

Enhances the Work Opportunity Tax Credit. The Administration would provide further incentives to create new job opportunities for long-term welfare recipients by enriching the current Work Opportunity Tax Credit (WOTC) for this group. This enhanced credit focuses on those who need the most help -- long term welfare recipients. The new credit would let employers claim a 50% credit on the first $10,000 a year of wages, for up to two years, for workers they hire who were once long term welfare recipients. In addition, the existing WOTC would be expanded to include able bodied childless adults aged 18-50 who are subject to a rigorous work requirement under the Administration's food stamp legislative proposal.

Restoring Fairness to the Federal Safety Net Programs

Several provisions in last year's Personal Responsibility and Work Opportunities Act have nothing to do with the goals of welfare reform -- moving people from welfare to work. Rather, they were misguided cuts in Federal support to vulnerable populations, including the elderly and people with disabilities.

Food Stamps

Creates and Funds a Real Food Stamp Work Requirement. The President proposes a real and tough work requirement without arbitrary cuts-offs for able-bodied childless adults between the ages of 18 and 50. The welfare bill's harsh and unreasonable time limit of 3 months in 36 cuts off people who want to work but can't find jobs. Under this proposal, those who refused to work or refused to take advantage of a work opportunity would face tough new penalities. This policy would encourage work while giving those out of work the transitory help they need to get back on their feet. New funding and a wage supplementation option are expected to expand the number of work slots available to this group by 380,000 over five years.

Helps Families with High Housing Costs. Cuts to families with high housing costs would be ameliorated by increasing and eventually lifting the cap on the excess shelter deduction. This would restore the link between food costs of such families and the total cost of their housing.

Provides Benefits Which Recognize the Cost of Living. Low income families and individuals face increasing living costs each year. The Administration's proposal would reestablish the relationship between benefits and a rising cost of living, including the value of a household's car.

Equity for Immigrants

Protects Immigrants Who Become Disabled. Over 350,000 legal immigrants who experienced an accident or illness which resulted in disability after entering the U.S. would continue to receive SSI and Medicaid benefits. The welfare bill's bar and restrictions on cash and medical assistance was short-sighted and particularly harsh towards those immigrants who can no longer support themselves because of disabilities.

Provides Targeted Assistance to Immigrant Children. The Administration's budget would continue to provide essential cash and medical assistance for low income legal immigrant children -- especially the disabled.

Creates an Exemption for Refugees More Sensitive to their Needs. The welfare bill exempted refugees and asylees from the benefit restrictions for their first five years in the country. The budget would lengthen the exemption for refugees and asylees from 5 to 7 years to provide a more appropriate amount of time for refugees and asylees to become citizens.

Delays the Ban for Immigrants Receiving Food Stamps. The Administration proposes to delay the ban on Food Stamps for legal immigrants until the end of FY1997 in order to give legal immigrant families, elderly and disabled more time to naturalize.

Health Coverage for SSI Children

Continues Medical Care for Low-Income Disabled Children. The President would allow disabled children who lose their SSI eligibility due to changes in the definition of childhood disability to retain their Medicaid health coverage.

President's Welfare to Work Initiative and Proposals to Change Food Stamps and Benefits for Legal Immigrants	FY1998-2002 Outlays in billions of $
Welfare to Work	
Welfare to Work Jobs Challenge	$3.0
Enhances and Expands the Work Opportunity Tax Credit	0.6
Welfare to Work	***3.6***

Changes to Food Stamps and Benefits to Legal Immigrants	
Food Stamps	
Creates and Funds a Real Food Stamp Work Requirement	$2.2
Helps Families with High Housing Costs	0.6
Provides Benefits Which Recognize the Cost of Living	
Reindexes the Standard Deduction	0.1
Increases and then reindexes the Vehicle Asset Limit	0.2
Food Stamps	*3.1*
Equity for Immigrants	
Protects Immigrants Who Become Disabled	$13.7
Provides Targeted Assistance to Immigrant Children	0.2
Creates an Exemption for Refugees More Sensitive to their Needs	0.7
Delays the Ban for Immigrants Receiving Food Stamps[1]	0.0
Equity for Immigrants	*14.6*
Changes to Food Stamps and Benefits to Legal Immigrants [2]	***$17.9***

Health Coverage for SSI Children	
Medicaid	
Continues medical care for low-income disabled children.	
Medicaid	***$0.3***

[1] This proposal has a one time cost of $165 million in FY97.

[2] The proposal includes $200 million in mandatory funding over the FY98-02 period for other technical changes.

THE WHITE HOUSE

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FAX COVER SHEET

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ORGANIZATION: at Biltmore Hotel

DATE: 2/18/97

NUMBER OF PAGES (including cover sheet): 27

COMMENTS: Flex-time includes 3-pager on Ballenger-Clinton side-by-side; 2-pager on Ballenger-Clinton comparison; 1-page Ashcroft summary.

Jennings documents includes: 2-pg summary of initiative; Talking pts. on initiative; Q's & A's; more detailed analysis.

Peter :

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. profile	POB (Partial) (1 page)	n.d.	b(6)

COLLECTION:
Clinton Presidential Records
National Economic Council
Gene Sperling
OA/Box Number: 20254

FOLDER TITLE:
AFL-CIO Briefing Book for Gene Sperling [binder] [1]

2013-0306-F
jm1229

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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The AFL-CIO Executive Council

The officers of the AFL-CIO were elected in October 1995 to a two-year term.

President John Sweeney -- formerly the President of the Service Employees International Union. Sweeney took over SEIU in 1980, having previously served as president of a large building maintenance workers local in New York City. Sweeney is carrying out an ambitious agenda for the Federation, reorganizing both its headquarters staff and field operations. In 1996, the AFL-CIO reportedly spent $35 million on grass roots political action and organized its first "union summer," in which 1,000 young activists were trained and sent into the filed to help in local organizing campaigns. Also during 1996, the Federation began its "America Deserves a Raise" campaign, leading to the enactment of the minimum wage increase and, the AFL-CIO hopes, a renewed interest in unions and collective bargaining. The AFL-CIO has announced that among its priorities for 1997 will be opposition to the privatization of Social Security and efforts to fight cuts in Medicare.

Secretary-Treasurer Richard Trumka -- formerly the President of the United Mine Workers. Trumka was a rank-and-file coal miner who rose through the union and in 1981 at age 33 was elected president. Trumka led the UMWA through several major strikes (including one against the Pittston Coal Co. in 1989 and a nationwide strike in 1993 - both of which were settled with the help of a special mediator appointed by the Secretary of Labor); but he also negotiated ground-breaking agreements without strikes. He is a strong proponent of labor law reform. In 1994, President Clinton appointed Trumka to the Bipartisan Commission on Entitlement and Tax Reform, where he defended social security, Medicare, and other federal entitlement programs. At the AFL-CIO, Trumka has been developing a program to use worker pension funds and other assets to force changes in the governance of U.S. businesses.

Executive Vice President Linda Chavez-Thompson -- formerly a vice president of AFSCME. Chavez-Thompson was the first person of color to become an officer of the AFL-CIO, and is the highest ranking woman in the labor movement. Born in (b)(6) Chavez-Thompson was the daughter of sharecroppers and, as a union organizer, rose through the ranks of AFSCME to become one of its Vice Presidents. Since the AFL-CIO election, Chavez-Thompson has traveled across the country speaking to state federations of labor and local central labor bodies. [001]

The Executive Council (by union in order of size):

Bob Georgine -- President of the Building and Construction Trades Department. The Building Trades top priorities remain Davis-Bacon and the Service Contract Act, construction safety, and regulations governing multi-employer health and retirement funds (Taft-Hartley funds). Another priority for this session of Congress is repealing an independent contractor provision that was quietly passed last year as part of the minimum wage bill. The provision shifts the burden of proving misclassification from the employer to the IRS.

At a recent governing board meeting, the unions decided not to pursue a Davis-Bacon reform bill as long as the Republicans remain in control of Congress. While the trades are willing to discuss making improvements in the collection of prevailing wage data, they remain opposed to making any major changes in the wage survey system that is currently administered by the Department of Labor Wage and Hour Division.

In addition to being President of the Building Trades Department, Georgine is President and CEO of Union Labor Life Insurance Company (ULLICO) - an insurance company that provides pension and health coverage for multi-employer funds. As a result, Georgine will soon be named to the National Advisory Commission on Consumer Protection and Quality in the Health Care Industry. The Building Trades oppose state taxation of multi-employer plans to fund public health care institutions and argue that states are pre-empted from doing this by ERISA. AFSCME is on the other side of this contentious issue.

1. Ron Carey -- President of the International Brotherhood of Teamsters. Carey was just re-elected to another five year term, defeating James Hoffa, the son of the legendary union leader. In 1989, the union entered into a consent decree with the federal government to settle a racketeering complaint brought by the Justice Department. In addition to holding direct elections under a court-appointed monitor, the union agreed to cooperate with a government-created Independent Review Board - a three member watchdog panel - that investigates charges of corruption. Carey is credited with making impressive strides against the union's corrupt old guard, taking control of over 60 locals and removing or disciplining hundreds of local and regional union officials.

Carey was a vocal opponent of NAFTA, particularly the trucking provisions that will eventually allow Mexican trucks access to the entire U.S. The Administration - led by the Department of Transportation - has notified the unions that it will soon lift the moratorium on cross border trucking. A moratorium held up the border opening last year after serious concerns were raised about truck safety. DOL is consulting with DOT on the need to negotiate an agreement with Mexico that would give DOL greater access to company records so that it can enforce labor protection statutes, including the minimum wage and OSHA.

A majority of the strikers at the Detroit News and Detroit Free Press are members of the Teamsters. The union's agreement for nearly 200,000 workers at the United Parcel Service is up for renegotiation this summer.

> **(Mr.) Carroll Haynes** -- Haynes is a Vice President of the IBT from New York City and is a Carey supporter.

2. Gerry McEntee -- President of the American Federation of State, County and Municipal Employees. McEntee chairs the Executive Council's political action committee, and remains among the Administration's most vocal and enthusiastic supporters. He was critical of the President's decision to sign the Welfare bill and has been to the White House to raise concerns about the displacement of public sector workers by welfare recipients and the need to assure that these new workers are protected by the minimum wage and other labor laws. He has also expressed concern about state efforts to privatize social service agencies, in particular, the state employment services.

AFSCME has led a large coalition of public interest groups opposed to the Balanced Budget Amendment and will work to protect Medicaid funding for disproportionate- share hospitals. Because AFSCME represents workers in public hospitals, McEntee follows health care issues and will soon be named to the National Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

He was instrumental in the creation of the Secretary of Labor's Task Force on Excellence in State and Local Government Through Labor Management Cooperation. The report, which was released in March 1996, argues that greater employee involvement leads to improvements in public service. The report cites numerous examples where collective bargaining relationships in state and local government have led to improved service.

> **Bill Lucy** -- Secretary-Treasurer of the American Federation of State, County and Municipal Employees. Lucy is active on welfare, civil rights and international affairs. He was a leader in U.S. anti-apartheid movement.

3. **Andy Stern** -- President of the Service Employees Union. Stern, the union's young and aggressive former organizing director, was elected last year on a reform ticket that ousted Richard Cordtz, Sweeney's Secretary-Treasurer and successor as SEIU President. Stern has completely restructured the staff around an ambitious program to organize new workers.

Under Stern, the union had a history of using aggressive tactics to organize low wage service workers, particularly in hospitals, nursing homes, and commercial buildings. As part of its "Justice for Janitors" campaign, SEIU asked the Administration to use its clout as a major tenant to pressure Washington, D.C. landlords to provide better pay and benefits to janitorial workers.

Stern is active on health care issues and recently criticized the Administration's plan reduce Medicaid spending. He will closely follow the activities of the National Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

4. **Doug Dority** -- President of the United Food and Commercial Workers. Dority chairs the Executive Council Committee on Public Affairs. Dority was UFCW's organizing director and is vocal critic of the anti-union tactics of many large businesses. He led a well publicized battle against Food Lion, exposing the company's mistreatment of employees and its poor safety and health record. Food Lion responded by suing the union for $100 million under civil RICO.

Because UFCW represents workers in poultry and meat packing plants, Dority is anxious to get an ergonomics standard that would protect his members against repetitive motion injuries. Dority is also interested in health care and pensions.

5. **Steve Yokich** -- President of the United Auto Workers. In November, the UAW wrapped up the last of its Big Three auto contracts, signing a three-year agreement with GM after several weeks of difficult bargaining over job security, and local strikes that involved nearly 15,000 autoworkers at several major U.S. assembly plants. In September, GM had been the target of a 21 day strike by the Canadian Auto Workers (not affiliated with the UAW) that had forced GM to

layoff nearly 20,000 U.S. workers. The GM agreement was modeled after contracts signed earlier with Ford and Chrysler that included corporate commitments to maintain 95 percent of current UAW jobs. A 17 day strike in March 1996 over outsourcing at two Ohio brake plants virtually shut down GM's North American operations. Secretary Reich remained in touch with GM CEO Jack Smith and Yokich throughout both strikes.

Trade remains an important issue for the UAW, as well as OSHA, labor law reform and striker replacement.

While the second of the UAW's two national strikes against Caterpillar ended in 1995, the union is still in litigation against the company for alleged unfair labor practices committed during and after the strike.

The UAW-Machinists-Steelworkers merger plan is on track to be completed by the year 2000.

Carolyn Forrest -- Vice President, United Auto Workers.

6. **Jack Barry** -- President of the International Brotherhood of Electrical Workers. One-third of IBEW's membership is in construction; one-third in the utility industry, and one-third in manufacturing, broadcasting and telecommunications. IBEW has written DOL to express its very serious concerns over the deregulation and restructuring of the electric utility industry. The union argues that policy makers have so far ignored the adverse effects of deregulation on communities and workers. Davis-Bacon and other construction industry issues remain a top priority of the IBEW.

7. **Albert Shanker** -- President of the American Federation of Teachers. Shanker has been suffering from cancer for several year. Informal talks continue between the AFT and the National Education Association about a possible merger. The union is pushing a national program of teacher accountability and quality standards called "Lesson for Life." Shanker remains one of the strongest supporters of public education and lobbies hard for education funding at all levels.

8. **George Becker** -- President of the United Steelworkers of America. The Steelworkers, UAW and Machinists have agreed to merge into one union by the year 2000. The Steelworkers recently won a new 4-year agreement with Bridgestone/Firestone after a lengthy labor dispute that included a 10 month strike and the hiring of 4,000 permanent replacement workers (The USW merged with the Rubber Workers in 1995). As a result of the new agreement, every striker will be recalled.

A strike involving 4,500 steelworkers at Wheeling-Pitt, where the union and the company are at odds over pension issues, is now in its fourth month. There are no talks scheduled. Bargaining with Goodyear and Uniroyal-Goodrich will begin in a few months. John Sellars is the union's V.P. for the rubber industry.

Job safety, striker replacement, and labor law reform are key legislative issues for the USW and for Becker, a former union organizer. Becker personally lobbied the Administration to reject compromises on the TEAM Act and comp time.

Leon Lynch -- Vice President of the United Steelworkers.

9. **Morty Bahr** -- President of the Communications Workers of America. Bahr is concerned about corporate mergers and the potential for layoffs in the extremely volatile telecommunications industry. ATT and the all the regional bell systems are unionized, but CWA has not been able to organize ATT's main rivals, Sprint and MCI. CWA initially opposed the proposed Bell Atlantic-NYNEX merger, but Bahr recently announced that after months of negotiations, he was satisfied that a positive labor relations framework has been agreed to.

Bahr was a vocal NAFTA critic and has closely followed the accord's implementation with respect to the protection of labor union rights in both the U.S. and Mexico. CWA used the labor side agreement to bring attention to Sprint's decision to close a California facility during an organizing drive (the NLRB subsequently ruled in favor of the workers).

There are no major telephone negotiations in 1997. However, CWA's contract with NBC expires this year.

10. **George Kourpias** -- President of the International Association of Machinists. IAM will merge with the UAW and Steelworkers in the year 2000. In September, 1996, the IAM agreed to a new contract with McDonnell-Douglas after a 94 day strike that idled 6,700 hourly workers at the company's aerospace facility in St. Louis. Secretary Reich was personally involved in discussions with the two parties.

IAM, which owns 15% of TWA's stock and has two seats on its board of directors, recently called for the ouster of its CEO amid rumors that he was planning to downsize the financially-troubled airline. The union represents 15,000 of the company's 24,000 employees.

Kourpias is a vocal critic of U.S. trade policy, particularly the export of critical aerospace technology and the practice of outsourcing airplane parts manufacture to foreign companies. After a lengthy strike against Boeing in 1995, the IAM reached an agreement on outsourcing that protected much of its U.S. workforce. Kourpias served on the Advisory Council on Social Security.

11. **Doug McCarron** -- President of the United Brotherhood of Carpenters. McCarron is focused on building trades issues. Prior to his election as UBC President in September 1995, McCarron was the top carpenters union official in Los Angeles.

12. **Arthur Coia** -- President of the Laborers International Union. Coia chairs the Executive Council's Organizing Committee. Coia is expanding his union's organizing efforts to include non-building trades occupations, and he is a strong supporter of labor-management cooperation. Under an agreement reached with the government in 1994, the Justice Department maintains strict oversight of the union's activities and can take direct action if Coia does not take sufficient steps to clean up the union himself. The union just held its first secret ballot election for the union's top

officers (Coia won re-elected by an overwhelming vote).

The Laborers major legislative issues include Davis Bacon and construction safety. On July 31, the Labor Department issued a proposed rule that would continue the suspension of regulations -- opposed by the building trades and supported by nonunion contractors - that would permit contractors to use lower paid "semi-skilled helpers" on federal construction projects.

13. Frank Hanley -- President of the Operating Engineers. The OEs are mainly a construction union, but 25% of the membership work as stationary engineers in large commercial buildings, hospitals and schools. The OEs maintain an interest in Davis-Bacon, construction safety and training for specialized skills like hazardous cleanup.

14. Moe Biller -- President of the American Postal Workers Union. Biller is focused on protecting the postal service from privatization and preserving the integrity of the federal health insurance and retirement systems -- particularly in light of effort to balanced the budget. APWU views Hatch Act reform and Family and Medical Leave as the greatest accomplishments of the first term. In 1984, President Biller and two other federal union presidents were charged with violating the Hatch Act for their support of Presidential candidate Walter Mondale.

15. Jay Mazur -- President of UNITE. Mazur was president of the International Ladies Garment Workers before it merged with the Amalgamated Clothing and Textile Workers to form UNITE (Union of Neddletrades, Industrial and Textile Employees). ACTWU and the ILG have lost hundreds of thousands of jobs to imports and trade remains a major concern to the new union.

UNITE supports the Department of Labor Wage and Hour Division's program to wipe out garment industry sweatshops, but believes that unionization is a more reliable method of protecting workers than government enforcement of the wage and hour laws, and Mazur has occasionally been critical of the department for specific enforcement decisions. He serves on the Apparel Industry Partnership, a committee that was convened by President Clinton on August 2 to develop strategies to assure consumers that goods are not manufactured under sweatshop conditions. The Partnership is made up of industry leaders, union representatives and consumer organizations and is expected to make recommendations to the apparel industry in late February.

UNITE has been lobbying to protect legal immigrants and welfare recipients from cuts in federal aid.

Clayola Brown -- Vice President of UNITE.

16. Ed Hanley -- President of the Hotel and Restaurant Employees Union. HERE represents workers in many of the major hotels, restaurants and casinos in the U.S. HERE entered into consent decree with the Justice Department in December, 1995 to rid the union of organized crime.

17. Boyd Young -- Newly-elected President of the Paperworkers International Union, headquartered in Nashville. Young replaced retiring President Wayne Glenn. The Paperworkers recently achieved a settlement with Staley, a manufacturer a sweeteners for soft drinks and other products. Staley was one of the three major employers being struck in Decatur, Illinois (the others were Caterpillar and Bridgestone/Firestone). The Paperworkers initiated the effort to ban the use of permanent replacement workers after the bitter International Paper strike in Jay, Maine.

18. Martin Maddiloni -- Newly-elected President of the United Association of Plumbers and Pipefitters. Apprenticeship and training, as well as Davis-Bacon and job safety, are important to the UA.

19. Vincent Sombrotto -- President of the National Association of Letter Carriers. NALC remains deeply concerned about the federal budget and worries that the Administration will not support adequate funding for the postal service as well as for federal retirement and health benefits.

20. John Sturdivant -- President of the American Federation of Government Employees. On January 2, the Washington Post reported that Sturdivant is undergoing treatment for Leukemia, a conditions that was diagnosed on December 20. Recent reports indicate that Sturdivant is responding to chemotherapy and hopes to be back at work within a few weeks.

AFGE has played a key role in the Administration's reinvention efforts and in keeping the focus on the Republicans in Congress during the government shutdown. During the last Congress the Administration worked with Sturdivant to kill an amendment that would have denied union representatives official time to conduct union business.

21. Al Whitehead-- President of the International Association of Firefighters. In addition to federal safety regulations, the Firefighters are interested in public employee bargaining and pensions. Whitehead requested the Administration's help in number of areas prior to his union's August convention and was able to announce to his membership that the White House was being responsive to each request. Specifically, the union requested that OSHA clarify its regulations with regard to the so-called "2 in/2 out" rule which requires that two employees remain outside a building fire to provide emergency assistance. On July 29, OSHA issued a memorandum strengthening the regulation.

22. Arthur Moore -- Sheet Metal Workers International Association. The majority of the union's membership is engaged in commercial and industrial construction (they build most U.S. auto plants); about 25% of the union's membership works in the manufacture of construction materials. In addition to Davis-Bacon and construction safety, Moore is concerned about the misclassification of construction workers as independent contractors.

23. Edward Fire -- Newly-elected President of the International Union of Electronic Workers. Fire defeated long-time President Bill Bywater at the union's November convention. Bywater had been a vocal critic of NAFTA and a strong supporter of striker replacement legislation. Major IUE employers are GE and Westinghouse. Contracts covering nearly 50,000 GE workers are up for renegotation this summer.

Gloria Johnson -- Vice President of International Union of Electronic Workers. She is also the President of the Coalition of Labor Union Women. She served on the President's Advisory Committee on Social Security.

24. **Frank Hurt** -- President of the Bakery, Confectionery, and Tobacco Workers. Hurt is concerned about FDA jurisdiction over tobacco. He prefers a legislative rather than a regulatory solution to control teenage smoking.

25. **Jim LaSala** -- President of the Amalgamated Transit Union. ATU represents city bus and subway systems, as well as some long distance bus lines, including Greyhound. ATU's most important issues are mass transit funding and statutory labor protections for transit workers. DOL enforces Sec. 13© of the Federal Transit Act, which requires that employees of mass transit systems receive employment protections when federal funds are used to operate a transit system. DOL decisions in this area can be controversial with the ATU.

26. **Mike Monroe** -- President of the Painters and Allied Trades.

27. **James Norton** -- President of the Graphic Communications Union. Norton is working in close cooperation with the unionized printing industry to preserve jobs that have been threatened by rapidly changing technologies.

28. **Michael Goodwin** -- President of the Office and Professional Employees Union.

29. **Jack Joyce** -- President of the Bricklayers and Allied Craftsman. Joyce is interested in foreign affairs and health care policy, as well as the more traditional building trades' concerns. He supports labor management cooperation efforts in his industry and is concerned about the shortage of skilled tradesmen. He has approached DOL about getting the federal government more involved in labor-management training programs.

30. **Robert Wages** -- President of the Oil, Chemical and Atomic Workers Union. Wages is outspoken in his criticism of both political parties and has lent financial support to Labor Party Advocates, a group which held a convention last year to consider forming a labor party in the U.S. Wages has spoken up at previous council meetings on the need to focus on the relationship between global environmental issues and U.S. industrial policy.

31. **Jake West** -- President of the Ironworkers. West is primarily interested in Davis-Bacon and construction safety. He credits OSHA for a successful negotiated rulemaking on steel erectors.

32. **Mike Sacco** -- President of the Seafarers International Union and the Maritime Trades Department of the AFL-CIO. Sacco's main legislative priorities are the protection of cargo preference laws - requiring that government cargo (foreign aid and military shipments) be shipped on U.S. flagged vessels; and the Jones Act - requiring that sea going cargo within the U.S. be moved on U.S.-built, U.S.-flagged, and U.S.- crewed vessels.

33. **Lenore Miller** -- President of the Retail, Wholesale and Department Store Union. Miller

represents department store workers and is a member of the Apparel Industry Partnership. The Partnership is considering a strategy for assuring consumers that goods are not made under sweatshop conditions. RWDSU will soon merge into the UFCW.

34. **Sonny Hall** -- President of the Transport Workers Union. TWU represents transit, airline and railroad employees. Maintaining federal funding for mass transit and fighting privatization are major issues for TWU.

35. **James Hatfield** -- Chairman of the Glass, Molders, Pottery, and Plastics Union.

36. **Robert Scardelletti** -- President of the Transportation Communications Union. During 1996 TCU the other major rail unions negotiated new five-year agreements with the major freight railroad carriers (there are nearly a dozen rail unions, representing over 145,000 workers). TCU was the second to last carrier to reach an agreement. For the first time in nearly a decade, the contracts were hammered out without strikes or imposed settlements.

Under the Railway Labor Act, either side in a contract negotiation may request mediation from the National Mediation Board, and neither party can resort to self help (strike or lockout) until 30 days after they are released from talks by the NMB. The President then has the discretionary authority to appoint an Emergency Board (PEB) to investigate the dispute. (The 1996 talks involved three Presidential Emergency Boards). Another 30-day cooling off period follows t

37. **Randy Babbitt** -- President of the Airline Pilots Association (ALPA). ALPA represents pilots at most of the major U.S. carriers, including United, U.S. Air, TWA, and Northwest. American's pilots are independent. Both United, which is employee-owned, and American are in the midst of difficult contract negotiations. Pilots are covered by the Railway Labor Act rather than the National Labor Relations Act, and cannot strike until 30 days after being released from negotiations by the National Mediation Board. American's pilots were released on January 16 and can strike no earlier than February 15.

Babbitt has expressed concerns about the effect of airline mergers and bankruptcies on retiree health care and pensions. ALPA waged a lengthy campaign to represent the pilots at Federal Express and, after winning an election there, was unable to win a first contract. Federal Express pilots recently voted to decertify ALPA as its union.

38. **Pat Friend** -- President of the Association of Flight Attendants.

39. **Mac Flemming** -- President of the Brotherhood of Maintenance of Way Employees. During 1996 the BMWE and the other major rail unions negotiated new five-year agreements with the major freight railroad carriers (there are nearly a dozen rail unions, representing over 145,000 workers). BMWE was the last union to reach an agreement. For the first time in nearly a decade, the contracts were hammered out without strikes or imposed settlements.

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40. Arturo Rodriguez -- President of the United Farm Workers Union. Following the death of Caesar Chavez, Rodriguez signaled his intent to continue aggressive organizing in the agricultural fields. The AFL-CIO is currently backing a Farm workers effort to organize Strawberry workers in California.

41. Joe Greene -- President of the American Federation of School Administrators.

42. Sumi Haru -- President of the Screen Actors Guild.

43. Andrew McKenzie -- President of the Leather Goods, Plastic Novelty and Service Workers Union.

44. Gene Upshaw -- President of the Federation of Professional Athletes. Upshaw represents the NFL players.

AFL-CIO

EXECUTIVE COUNCIL

January 24, 1996
Washington, D.C.

The Unity Slate

To lead the labor movement in aggressive new organizing, powerful grass-roots activity and advocacy for American working families, the 1995 AFL-CIO Convention expanded the Executive Council from 35 to 54 members. The new council, now with an executive vice president and 51 vice presidents, includes seven women, nine African-Americans, two Hispanics and one Asian Pacific American. The Unity Slate, as it was dubbed at the convention, also includes leaders from smaller unions and from previously unrepresented sectors.

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002. profile	DOB (Partial); POB (Partial) (18 pages)	02/13/1997	b(6)

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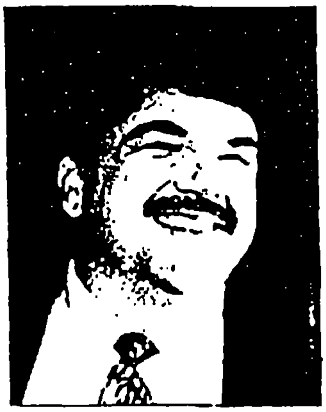
[002]

John J. Sweeney, *President*

John J. Sweeney was elected president of the AFL-CIO at the federation's biennial convention in October 1995. At the time of his election, he was serving his fourth four-year term as president of the Service Employees, which grew from 625,000 to 1.1 million members under his leadership. Sweeney had been a vice president of the AFL-CIO since August 1980.

Born (b)(6) (b)(6) Sweeney began his trade union career as a research assistant with the Ladies' Garment Workers. He joined SEIU in 1960 as contract director for Local 32B in New York City. He later became president of the union and led two citywide strikes of apartment maintenance workers. He was elected president of the international in 1980.

Richard L. Trumka, *Secretary-Treasurer*



Richard L. Trumka was elected Oct. 25, 1995 as the youngest secretary-treasurer in AFL-CIO history. At the time of his election, he was serving his third term as president of the Mine Workers. Born (b)(6) (b)(6) Trumka was elected to the AFL-CIO Executive Council in 1989 as the UMWA reaffiliated with the federation.

At the UMWA, Trumka led two major strikes against the Pittston Coal Co. and the Bituminous Coal Operators Association that resulted in significant advances in employer-employee cooperation and the enhancement of mine workers' job security, pensions and benefits. In 1994, President Clinton named him to the Bipartisan Commission on Entitlement and Tax Reform, where he represented the interests of working families.

Linda Chavez-Thompson, *Executive Vice President*

Linda Chavez-Thompson, elected to the new position of executive vice president of the AFL-CIO on Oct. 25, 1995, was the first person of color elected to an executive office of the AFL-CIO and is the highest-ranking woman in the labor movement. Chavez-Thompson, born (b)(6) (b)(6) was first elected to the AFL-CIO Executive Council in 1993.

At the time of her election, she was vice president of AFSCME and executive director of AFSCME Council 42. She had directed the union's efforts in a seven-state district — Arizona, Colorado, Nevada, New Mexico, Oklahoma, Texas and Utah — that traditionally has been unfriendly to labor. But she achieved numerous successes there, including an organizing drive in Texas that brought in 5,000 new members over the past five years, and the passage of a collective bargaining law for public employees in New Mexico.

J. Randolph Babbitt, *Air Line Pilots*

J. Randolph Babbitt is president of the Air Line Pilots Association, a post he has held since Jan. 1, 1991. Born (b)(6) (b)(6) Babbitt was elected AFL-CIO vice president on Oct. 26, 1995. He currently serves as vice president of the AFL-CIO Transportation Trades Department and chairman of the Railway Labor Act Committee.

Before becoming ALPA president, Babbit for six years served as the union's executive administrator. A former Eastern Airlines pilot, he served for a number of years representing all 4,000 Eastern pilots for ALPA, and chaired ALPA's National Collective Bargaining Committee, Negotiator's Conference and Presidential Committee on Labor Standards.

Morton Bahr, *Communications Workers*

Morton Bahr is president of the Communications Workers of America, a post to which he was first elected July 16, 1985. Born (b)(6) (b)(6), Bahr was elected AFL-CIO vice president on Aug. 13, 1985. He is a member of the Labor Advisory Committee on Trade Negotiations for the U.S. Trade Representative and is among the founders and co-chair of Jobs with Justice. He is an executive committee member of the Democratic National Committee.

Bahr served 16 years as vice president of District 1, CWA's largest district, which includes New York, New Jersey and the New England states, where he directed the union's first public-sector organizing campaign. He holds a B.S. degree from Empire State College, is adjunct professor at the Harriman School for Labor-Management Policy at Stony Brook College and serves on the Board of Directors of the Economic Policy Institute.

John J. Barry, *Electrical Workers*

John J. Barry is international president of the International Brotherhood of Electrical Workers, a post he has held since Aug. 25, 1986. Born (b)(6) (b)(6). Barry was elected AFL-CIO vice president on Oct. 28, 1987. He also serves as vice president of the AFL-CIO Industrial Union Department, the AFL-CIO Building and Construction Trades Department and AFL-CIO Metal Trades Department, as well as executive board member of the AFL-CIO Maritime Trades Department.

Barry also is a board member of the AFL-CIO Human Resources Development Institute, the National Coordinating Committee for Multi-Employer Plans, Union Privilege Benefit Program, the A. Philip Randolph Institute, the AFL-CIO's African-American Labor Center and Asian-American Free Labor Institute, and Union Labor Life Insurance Co.

George F. Becker, *Steelworkers*

George F. Becker is international president of the United Steelworkers of America, a post he has held since March 1, 1994. Born (b)(6) (b)(6), Becker was elected AFL-CIO vice president on Feb. 24, 1994. Earlier, as a vice president, he led USWA's collective bargaining in the aluminum industry. Becker also led the USWA's organizing program and chaired the union's Task Force on Organizing and Task Force on Environment.

As a staff technician in the union's Safety and Health Department, Becker helped establish some of the first national health standards adopted by the Occupational Safety and Health Administration for workers exposed to lead, arsenic and other toxic substances.

Moe Biller, *Postal Workers*

Moe Biller is president of the American Postal Workers Union, a post to which he was first elected in November 1980. Born (b)(6) (b)(6), Biller was elected AFL-CIO vice president on Nov. 15, 1989. He serves as executive vice president of the AFL-CIO Public Employee Department, is a board member of the New York City Central Labor Council and Union Labor Life Insurance Company and is on the Executive Committee of the Postal, Telegraph and Telephone International.

Biller also is a member of the Coalition of Labor Union Women, the NAACP, the board of the A. Philip Randolph Institute, the Federal Advisory Council on Occupational Safety and Health and the Federal Thrift Advisory Council.

Marvin J. Boede, *Plumbers and Pipefitters*

Marvin J. Boede is president of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, a post he has held since Oct. 14, 1982. Born (b)(6), Boede was elected AFL-CIO vice president on Feb. 22, 1983. He is vice president of the AFL-CIO Building and Construction Trades Department and Metal Trades Department.

Boede, who has headed the federation's committee on training, previously was assistant president and an international representative for his union and was president of the Wisconsin State Pipe Trades Association, among other posts.

Clayola Brown, *UNITE!*

Clayola Brown is vice president of the Union of Needletrades, Industrial Textile and Employees, a post to which she was elected at the union's founding convention in July 1995. Born (b)(6), Brown was elected AFL-CIO vice president on Oct. 26, 1995. She also serves as director of UNITE's Department of Civil Rights and as manager and secretary-treasurer of the Amalgamated Service and Allied Industries Joint Board in New York.

A graduate of Florida A&M University, Brown is a board member of Amalgamated Bank of New York and chair of the NAACP Labor Ad Hoc Committee. She also serves on the executive committees of the Workers Defense League, A. Philip Randolph Institute, Coalition of Labor Union Women, Coalition of Black Trade Unionists and Southern Christian Leadership Conference.

William H. Bywater, *Electronic Workers*

William Bywater is president of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, a post to which he was first elected on Nov. 17, 1982. Born (b)(6) Bywater was elected AFL-CIO vice president on Feb. 22, 1983. He also is a vice president of the AFL-CIO Industrial Union Department and chairs the Coordinated Bargaining Council Steering Committee, which coordinates 13 unions' negotiations with General Electric and Westinghouse.

Earlier, Bywater served as IUE secretary-treasurer, president of IUE District 3 in New York and New Jersey, District 3 executive secretary and in a number of posts with IUE Local 425, including president, and was chairman of the IUE-Sperry Rand Conference Board.

Ron Carey, *Teamsters*

Ron Carey is president of the International Brotherhood of Teamsters, a post he has held since Feb. 1, 1992. Born (b)(6) in (b)(6). Carey was elected AFL-CIO vice president on Feb. 17, 1992. He also was elected president of the AFL-CIO Transportation Trades Department in September 1994.

The son of a Teamster, Carey served 25 years as president of Local 804, one of the largest locals in the nation, representing United Parcel Service drivers.

Arthur A. Coia, *Laborers*

Arthur Coia is general president of the Laborers' International Union of North America, a post to which he was first elected in February 1993. Born (b)(6) (b)(6). Coia was elected AFL-CIO vice president on Feb. 18, 1993.

A lawyer admitted to practice before the U.S. Supreme Court, Coia earlier served as his union's secretary-treasurer, manager of the New England and Eastern Canada Region and business manager for the Rhode Island Laborers' District Council.

Richard W. Cordtz, *Service Employees*

Richard W. Cordtz is president of the Service Employees International Union, a post to which he was first elected Dec. 12, 1995. Born (b)(6) Cordtz was elected AFL-CIO vice president on Oct. 26, 1995.

Cordtz has served as secretary-treasurer of the Conference of Secretary-Treasurers of the AFL-CIO and vice president of the AFL-CIO Transportation Trades Department. He has been vice president of Metropolitan Detroit AFL-CIO, president of SEIU Joint Council 35, president of Service Employees Central States Conference and member of Wayne County (Mich.) Planning Commission.

Douglas H. Dority, *Food and Commercial Workers*

Douglas H. Dority is president of the United Food and Commercial Workers, a post to which he was first elected in 1994. Born (b)(6) (b)(6), Dority was elected AFL-CIO vice president on Feb. 21, 1994.

Earlier, Dority served as UFCW executive vice president, director of organizing, vice president, director of Retail Clerks Region 2, and a number of posts with the Retail Clerks, including executive assistant to the director of organizing, administrative assistant to the president and assistant director of the southeastern and eastern divisions.

AFL-CIO Vice Presidents

M.A. "Mac" Fleming, *Maintenance of Way Employees*

Mac A. Fleming is president of the Brotherhood of Maintenance of Way Employees, a post he has held since 1990. Born (b)(6) (b)(6), Fleming was elected AFL-CIO vice president on Oct. 26, 1995. He also is chairman of the Railway Labor Executives' Association's Legislative Committee, chairman of the Cooperating Railway Labor Organizations, vice president of High Speed Rail/Maglev Association and Advisory Board member of American Income Life Insurance Company.

Fleming, who has an A.A. degree from Jones County Junior College in Laurel, Miss., has served as BMWE secretary-treasurer, and in a number of posts with the Atchison, Topeka and Santa Fe System Federation, including general chairman, vice chairman, assistant chairman, secretary-treasurer and system organizer.

Carolyn Forrest, *UAW*

Carolyn Forrest is vice president of the International United Automobile, Aerospace and Agricultural Implement Workers of America, a post to which she was first elected on June 17, 1992. Born (b)(6) (b)(6), Forrest was elected AFL-CIO vice president on Oct. 26, 1995. She also is director of UAW's Independents, Parts and Suppliers Department, Women's Department, Consumer Affairs Department, Conservation and Recreation Departments and Family Auxiliaries.

Forrest is a member of the Defense Policy Advisory Committee on Trade and the President's Commission on White House Fellowships. Earlier, Forrest served as director of the union's National Aerospace Department. Forrest was a founding member of the Coalition of Labor Union Women and a lifetime member of the NAACP.

Pat Friend, *Flight Attendants*

Patricia Friend is president of the Association of Flight Attendants, a post she has held since January 1995. Born (b)(6) in the Midwest and raised in Oklahoma, Friend was elected AFL-CIO vice president Oct. 26, 1995.

Before becoming AFA president, Friend was president of the United Master Executive Council, where membership expanded from 12,000 to 15,000 during her tenure. She chaired the United AFA ESOP committee, representing flight attendants' interest in the employee buyout negotiations. Formerly president of the AFA Local Executive Council in Chicago, Friend remains on the United seniority list.

AFL-CIO Vice Presidents

Robert A. Georgine, *Building and Construction Trades*

Robert A. Georgine is president of the AFL-CIO Building and Construction Trades Department and chairman and CEO of Union Labor Life Insurance Co., posts he has held since 1974 and 1990, respectively. Born [redacted] Georgine was elected AFL-CIO vice president on Oct. 30, 1985.

Earlier, Georgine was BCTD secretary-treasurer and president of the Wood, Wire and Metal Lathers' International Union, where he also served as assistant to the president and as international representative. He is a member of the board of the AFL-CIO Housing Investment Trust and the Joint Administrative Committee of the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry.

Wayne E. Glenn, *Paperworkers*

Wayne E. Glenn is president of the United Paperworkers International Union, a post he has held since July 31, 1978. Born [redacted] Glenn was elected AFL-CIO vice president on Nov. 19, 1979. He is vice president of the AFL-CIO Industrial Union Department.

Glenn also is a member of the U.S. Labor Department's Advisory Committee for Trade Negotiations, the International Federation of Chemical, Energy and General Workers board, advisory board to the Federal Reserve Bank in Atlanta and the executive board of the National Center for Resource Recovery. Earlier, Glenn served as president and executive secretary of the Arkansas AFL-CIO.

Michael Goodwin, *Office and Professional Employees*

Michael Goodwin is president of the Office and Professional Employees International Union, a post to which he was first elected in 1994. Born [redacted]. Goodwin was elected AFL-CIO vice president on Oct. 26, 1995.

Goodwin is vice president of the New York State and New York City AFL-CIOs, trustee of the Maritime Port Council of Greater New York, president of the American Labor Museum Botto House National Landmark and a director of the AFL-CIO Union Privilege program. He also has served as vice president of the AFL-CIO Industrial Union Department.

Joe L. Greene, *School Administrators*

Joe L. Greene is president of the American Federation of School Administrators, a post he has held since 1991. Born (b)(6) Greene was elected AFL-CIO vice president on Oct. 26, 1995.

Earlier, Greene served as executive board member of Metropolitan Detroit and Michigan AFL-CIOs, and building representative of the Detroit Federation of Teachers/AFT. He has held a number of school administrative positions and served as a consultant to many government bodies. He has a doctorate in school administration from the University of Michigan, an M.A. from the University of Detroit and a B.S. from Mississippi Valley State College.

Sonny Hall, *Transport Workers*

Sonny Hall is president of the Transport Workers Union of America, a post to which he was first elected in October 1993. Born (b)(6) (b)(6) Hall was elected AFL-CIO vice president on Oct. 26, 1995. He is chairman of the Coalition of MTA Transportation Unions and the New York State AFL-CIO Transportation Department, as well as a board member of Mount Sinai Hospital Health and Safety Department.

Earlier, Hall was TWU executive vice president and president of Local 100, TWU's largest local. He has a B.A. from Cornell Labor College.

Edward T. Hanley, *Hotel Employees and Restaurant Employees*

Edward T. Hanley is president of the Hotel Employees and Restaurant Employees International Union, a post he has held since May 1, 1973. Born (b)(6) Hanley was elected AFL-CIO vice president on Oct. 6, 1975. He also is vice president of the AFL-CIO Food and Allied Service Trades Department.

Hanley has served as the Illinois AFL-CIO secretary-treasurer, business agent for HERE Local 287 and president of the Chicago Joint Executive Board for culinary locals. He has been a director of the Chicago Convention Bureau and trustee of the Chicago Restaurant Health and Welfare Trust and Pension Trust.

Frank Hanley, *Operating Engineers*

Frank Hanley is president of the International Union of Operating Engineers, a post to which he was first elected on Feb. 1, 1990. Born (b)(6). Hanley was elected AFL-CIO vice president on Feb. 19, 1990. He is a board member of the AFL-CIO Building and Construction Trades Department, Industrial Union Department and Metal Trades Department, as well as a trustee of the AFL-CIO Housing and Building Investment Trusts.

Hanley is a graduate of Notre Dame University and Harvard University's Trade Union Program. He has served as a director of Union Labor Life Insurance Co. and as a member of the Commission to Promote Investment in America's Infrastructure.

Sumi Haru, *Screen Actors Guild*

Sumi Sevilla Haru is first national vice president of the Screen Actors Guild. Born (b)(6) (b)(6) Haru was elected AFL-CIO vice president on Oct. 26, 1995. A co-founder and former national chair of SAG's Ethnic Employment Opportunities Committee, Haru has served as national recording secretary with two presidents, and has been on the national board since 1974.

A producer, actor, electronic and print journalist, writer and poet, Haru produces variety and touring programs for the City of Los Angeles Cultural Affairs Department, and is co-producer and co-host of an award-winning magazine program on the city's arts and culture. She is president and co-founder of the Association of Asian Pacific American Artists, executive board member of the Asian Pacific American Labor Alliance and co-chair of the Rainbow Coalition Commission on Fairness in the Media.

James E. Hatfield, *Glass, Molders and Pottery Workers*

James E. Hatfield is chairman and past president of the Glass, Molders, Pottery, Plastics and Allied Workers International Union, and is president of the AFL-CIO Union Label and Service Trades Department. Born (b)(6) Hatfield was elected AFL-CIO vice president on Nov. 18, 1981.

He is vice president of the AFL-CIO Maritime Trades Department and Industrial Union Department, and is a board member of the A. Philip Randolph Institute.

Carroll Haynes, *Teamsters*

Carroll Haynes is president of Local 237 of the International Brotherhood of Teamsters in New York, N.Y., a post he has held since April 1993. Born (b)(6) (b)(6). Haynes was elected AFL-CIO vice president on Oct. 26, 1995.

A graduate of West Virginia State College, Haynes served as Local 237 vice president and chief administrator for 10 years before becoming president. In more then 30 years service to the local, he has served as chapter chairman, business agent, division director and trustee.

Frank Hurt, *Bakery, Confectionery and Tobacco Workers*

Frank Hurt is president of the Bakery, Confectionery and Tobacco Workers International Union, a post he has held since Oct. 1, 1992. Born (b)(6) (b)(6). Hurt was elected AFL-CIO vice president on Feb. 18, 1993.

Earlier, Hurt served as the union's secretary-treasurer, executive vice president and director of organization. He also has been a member of the UAW, the Teamsters and the Electrical Workers.

Gloria T. Johnson, *Electronic Workers*

Gloria Tapscott Johnson is a vice president of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, director of the union's Department of Social Action and chair of the IUE Women's Council. Born (b)(6), (b)(6) Johnson was elected AFL-CIO vice president on Aug. 3, 1993. She is president of the Coalition of Labor Union Women.

Johnson is a vice president of the AFL-CIO Department of Public Employees, chairing its Committee on Salaried and Professional Women. She chairs the National Committee on Pay Equity and is a board member of the A. Philip Randolph Institute.

John T. Joyce, *Bricklayers*

John T. Joyce is president of the International Union of Bricklayers and Allied Craftsmen, a post he assumed in November 1979. Born (b)(6), Joyce was elected AFL-CIO vice president on May 7, 1984.

Joyce co-chairs the Democratic Party's Labor Advisory Council and is a board member of the Human Resources Development Institute, the League for Industrial Democracy, the National Housing Conference, the National Committee Against Discrimination in Housing and Union Labor Life Insurance Co. He also serves on the executive committee of the International Confederation of Free Trade Unions and the board of the AFL-CIO Asian American Free Labor Institute and the African American Labor Center.

George J. Kourpias, *Machinists*

George J. Kourpias is president of the International Association of Machinists and Aerospace Workers, a post he has held since July 1, 1989. Born (b)(6), Kourpias was elected AFL-CIO vice president on Nov. 15, 1989. He is vice president of the National Council of Senior Citizens.

Earlier, Kourpias was a IAM vice president, president of District 162, vice president of the Iowa AFL-CIO, and president and secretary of the Iowa State Council of Machinists.

James La Sala, *Amalgamated Transit Union*

James La Sala is international president of the Amalgamated Transit Union, a post he has held since May 1, 1985. Born (b)(6) La Sala was elected AFL-CIO vice president on Oct. 26, 1995.

Earlier, La Sala served as ATU executive vice president, international vice president and special organizer, as well as Local 824 president. A World War II Navy veteran, La Sala has been an ATU member since 1947.

William Lucy, *AFSCME*

William Lucy is secretary-treasurer of the American Federation of State, County and Municipal Employees, a post to which he was first elected in May 1972. Born [redacted], Lucy was elected AFL-CIO vice president on Oct. 26, 1995.

Lucy is president of Public Services International, the world's largest union federation, is a founder and president of the Coalition of Black Trade Unionists, and is a vice president of the AFL-CIO Industrial Union Department, Maritime Trades Department and Department for Professional Employees. He serves on the board of directors of TransAfrica, the AFL-CIO African American Labor Center and Americans for Democratic Action, and has served on the Commission on Skills of the American Workforce.

Leon Lynch, *Steelworkers*

Leon Lynch is vice president (human affairs) of the United Steelworkers of America, a post he has held since September 1976. Born [redacted] Lynch was elected AFL-CIO vice president on Oct. 26, 1995. Lynch chairs the A. Philip Randolph Institute board and the National Black Caucus of State Legislators, and is president of the Workers Defense League.

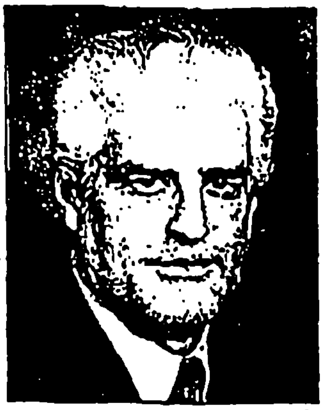
Lynch chairs USWA's Container Industry Conference and Public Employees Conference, and serves on the executive board of the AFL-CIO Industrial Union Department.

Jay Mazur, *UNITE!*

Jay Mazur is president of the Union of Needletrades, Industrial and Textile Employees (UNITE), a post he has held since the 1995 merger convention of the Internatinoal Ladies' Garment Workers Union and the Amalgamated Clothing and Textile Workers Union. Born [redacted] Mazur was elected AFL-CIO vice president on Aug. 5, 1986.

Before becoming UNITE president, Mazur was president of the ILGWU, where he developed the first immigration legal services to union members. He is a founding board member of the Asian Pacific American Labor Alliance.

Doug McCarron, *Carpenters*



Douglas J. McCarron is president of the United Brotherhood of Carpenters and Joiners of America, a post he has held since September 1995. Born in [redacted], McCarron was elected AFL-CIO vice president Oct. 26, 1995.

Before becoming UBC president, McCarron was vice president and secretary-treasurer of the Los Angeles County District Council, where he negotiated the establishment of the Carpenters-Contractors Cooperation Committee. The CCCC redirects more than $519,000,000 in public works from nonunion to union contractors, with more than $216,000,000 in additional work for nonunion contractors blocked through bid protest and other mechanisms.

Gerald W. McEntee, *AFSCME*

Gerald W. McEntee is the third president of the American Federation of State, County and Municipal Employees. Born [redacted], McEntee was elected AFL-CIO vice president Feb. 15, 1982. He is co-founder and chairman of the board of the Economic Policy Institute and co-founder of Project 500, a multi-million-dollar effort to retain Democratic majorities in state legislatures across the country. McEntee also is on the President's Commission on Children.

Before becoming president of AFSCME, McEntee was president of AFSCME Council 13, the largest public employee union in Pennsylvania. He holds a B.A. degree in economics from LaSalle College and has completed graduate credits at Temple and Harvard Universities.

Andrew McKenzie, *Leather Goods, Plastic, Novelty and Service Workers*

Andrew McKenzie is president of the Leather Goods, Plastics, Novelty and Service Workers' Union, a post he has held since September 1992. Born [redacted] he was elected AFL-CIO vice president Oct. 26, 1995. Earlier, as general secretary-treasurer of the union, McKenzie established the union's Health and Welfare and Pension Fund.

McKenzie has served on the board of directors of the A. Philip Randolph Institute and the United Fund. He also is a former chairman of the Board of Alliance for Community Control, an affiliate of the Human Development Corporation based in St. Louis.

Lenore Miller, *Retail, Wholesale and Department Store Union*

Lenore Miller is president of the Retail, Wholesale and Department Store Union, a post she has held since September 1986. Born [redacted] Miller was elected AFL-CIO vice president Feb. 16, 1987. She was the first woman union president elected to the council. Miller also is an officer of two international trade secretariats — the International Union of Food and Allied Workers' Association and the International Federation of Commercial, Clerical, Professional and Technical Employees.

Miller is vice chair of the President's Committee on Employment of People with Disabilities and is a member of the U.S. Commission on Leave. She also serves as president of the Jewish Labor Committee. In 1992, Miller was named Grand Marshal of the New York City Labor Day Parade.

A.L. "Mike" Monroe, *Painters*

A. L. "Mike" Monroe is president of the International Brotherhood of Painters and Allied Trades, a post he has held since 1992. Born [redacted] Moore was elected AFL-CIO vice president Oct. 26, 1995. He serves on the board of the AFL-CIO Building and Construction Trades Department, the Metal Trades Department, the Industrial Union Department, the Maritime Trades Department and the Union Labor Life Insurance Company.

Before becoming IBPAT president, Monroe was secretary-treasurer for eight years. He began his union career in 1955 with IBPAT Local 890.

Arthur Moore, *Sheet Metal Workers*

Arthur Moore is president of the Sheet Metal Workers International Association, a post he has held since July 1993. Born [redacted] Moore was elected AFL-CIO vice president Oct. 26, 1995. He also serves as a vice president of the AFL-CIO Building and Construction Trades Department and as a member of the executive board of the AFL-CIO Metal Trades and Maritime Trades Departments.

Moore has received numerous awards, including the Deversky Center's Labor and Industrial Relations Award; the Israel Peace Award and the Israel Unity Award for his concern for the economic security and survival of Israel; and the Good Scout Award from the Boy Scouts of America.

James J. Norton, *Graphic Communications Union*

James J. Norton is president of the Graphic Communications International Union, a post he has held since August 1985. Born [redacted] (b)(6) Norton was elected AFL-CIO vice president Nov. 13, 1991. He also serves on the board of the AFL-CIO Industrial Union Department, the Union Labor Life Insurance Company and the American Red Cross.

Before becoming GCIU president, Norton served as the union's recording and financial secretary. He also served on the six-person committee that negotiated the merger of the Graphic Arts International Union and the Printing and Graphic Communications Union to form the GCIU.

Arturo S. Rodriguez, *Farm Workers*

Arturo S. Rodriguez is president of the United Farm Workers, a post he has held since 1992. Born [redacted] (b)(6) was elected to the AFL-CIO Executive Council Oct. 26, 1995.

Before becoming UFW president, Rodriguez worked closely with UFW founder Cesar Chavez and led the union's intensive public education drive for the grape boycott in New York and in the South. He holds a B.A. degree in sociology from St Mary's University and an M.A. degree in social work from the University of Michigan.

Michael Sacco, *Seafarers*

Michael Sacco is president of the Seafarers International Union, a post he has held since June 1988. Born [redacted] (b)(6), Sacco was elected AFL-CIO vice president Nov. 13, 1991. He also serves as president of the AFL-CIO Maritime Trades Department.

Sacco served 12 years as vice president of the SIU Great Lakes and Inland Waters division. Based in St. Louis, he served as secretary-treasurer of the St. Louis Port Council and executive board member of the Missouri AFL-CIO. Sacco also has been vice president of the Seafarers Harry Lundeberg School of Seamanship, which prepares young men and women for seagoing caeers.

AFL-CIO Vice Presidents

Robert A. Scardelletti, *Transportation Communications Union*

Robert A. Scardelletti is president of the Transportation Communications Union, a post he has held since July 1991. Born (b)(6) (b)(6) Scardelletti was elected AFL-CIO vice president Oct. 26, 1995.

Before becoming TCU president, Scardelletti was a vice president and general chairman of System Board 86, the union's largest board representing workers at Conrail, Amtrak and other properties from New England to Mississippi. Scardelletti also has assisted many other union boards with collective bargaining and contract enforcement issues.

Albert Shanker, *AFT*

Albert Shanker is president of the American Federation of Teachers, a post he has held since 1974. Born (b)(6) (b)(6) Shanker was elected AFL-CIO vice president Oct. 25, 1973. He currently serves as chairman of the board of the AFL-CIO Department for Professional Employees and is founding president of Education International, a federation of some 20 million teachers from democratic countries around the world.

Shanker was president of New York City's United Federation of Teachers for 22 years. Under his leadership, the union held its first major teacher collective bargaining election. Shanker was the first labor leader elected to the National Academy of Education. He also is a founding member of the A. Philip Randolph Institute and the Bayard Rustin Fund.

Vincent R. Sombrotto, *Letter Carriers*

Vincent R. Sombrotto is president of the National Association of Letter Carriers, a post he has held since 1978. Born (b)(6) (b)(6) he was elected AFL-CIO vice president Nov. 18, 1981. Sombrotto also is chairman of the Fund for Assuring an Independent Retirement, a coalition of postal and federal unions and management associations, and of the Employee Thrift Advisory Council of the Federal Retirement Thrift Investment Board.

Prior to his election as NALC president, Sombrotto was president of Branch 36 in New York City, the union's largest local. In 1970, he was a leader of an eight-day strike that led to reforms including the passage of the Postal Reorganization Act.He also serves on the boards of the Postal, Telegraph and Telephone International, the Muscular Dystrophy Association, the American Diabetes Association and the United Way of America.

John N. Sturdivant, *Government Employees*

John N. Sturdivant is president of the American Federation of Government Employees, a post he has held since August 1988. Born (b)(6) (b)(6) Sturdivant was elected AFL-CIO vice president Nov. 15, 1989. He also serves on the board of the AFL-CIO Public Employee Department, the Coalition of Black Trade Unionists, the Workplace Health Fund, the George Meany Center for Labor Studies and the National Coalition of Black Voter Participation.

Prior to his election, Sturdivant served as the union's executive vice president, responsible for coordinating and managing daily operations of the union. He holds a bachelor of arts degree in labor studies from Antioch College and completed two years of law school at George Washington University.

Gene Upshaw, *Professional Athletes*

Gene Upshaw is president of the Federation of Professional Athletes, a post he has held since 1980. Born (b)(6), Upshaw was elected AFL-CIO vice president Oct. 30, 1985. He currently serves as a vice president for the Muscular Dystrophy Association, and a member of the National Committee on Drug Prevention of the U.S. Drug Enforcement Administration.

Before becoming president of the FPA, Upshaw was union representative and officer for 13 years. An NFL player for 16 years for the Oakland and Los Angeles Raiders, Upshaw served as player rep or alternate rep for the Raiders for six years.

Robert E. Wages, *Oil, Chemical and Atomic Workers*

Robert E. Wages is president of the Oil, Chemical and Atomic Workers, a post he has held since 1991. Born (b)(6) (b)(6) Wages was elected AFL-CIO vice president Oct. 26, 1995.

Wages has served OCAW in many capacities including as vice president, assistant to the president and general counsel. He earned a law degree from the University of Missouri and B.A. degree from the University of Kansas. As an attorney for the international, Wages was instrumental in the development of legal strategies utilized in the union's right-to-know campaign.

AFL-CIO Vice Presidents

Jake West, *Iron Workers*

Jake West is president of the International Association of Bridge, Structural and Ornamental Iron Workers, a position he has held since January 1989. Born (b)(6) West was elected AFL-CIO vice president Oct. 26, 1995. He is a board member of the AFL-CIO Building and Construction Trades, Metal Trades, Union Label and Service Trades and Maritime Trades Departments as well as the Union Labor Life Insurance Company.

Before becoming president of the union, West was general secretary. He began his career in 1951 with Local 433 in Los Angeles.

Alfred K. Whitehead, *Fire Fighters*

Alfred K. Whitehead is president of the International Association of Fire Fighters, a post he has held since 1988. Born (b)(6) Whitehead was elected AFL-CIO vice president Oct. 26, 1995. He also serves on the board of the AFL-CIO Public Employee Department.

Prior to his election, Whitehead was secretary-treasurer of the IAFF. He began his career as a fire fighter in the Los Angeles County Fire Department in 1954. He served as vice president on the California AFL-CIO and as vice president of the Los Angeles AFL-CIO.

Stephen P. Yokich, *UAW*

Stephen P. Yokich is president of the United Automobile, Aerospace and Agricultural Implement Workers of America, a post he has held since June 14, 1995. Born (b)(6) (b)(6) Yokich was elected AFL-CIO vice president Aug. 1, 1995. He serves on the board of the AFL-CIO Department for Professional Employees, the Democratic National Committee, the Michigan Cancer Foundation and the Labor Policy Institute of the International Union Department.

Before becoming UAW president, Yokich was vice president and headed the union's General Motors, Ford, Agricultural Implement and Organizing Department. He also is founder of Community Caring Program (initially known as the Arthur Ashe Scholarship Fund), which provides scholarships and pays for medical coverage for disadvantaged youth.