

FOIA MARKER

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Economics Communications Plan

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COMMUNICATIONS PLAN

We propose a communications plan for reconciliation that begins immediately and extends through a Presidential trip (the victory lap) immediately preceding his signing the conference agreement. Our purpose -- strategically and tactically -- is to control how events are defined, as the history of the economic plan is written and presented to the American people, and to use the power and drama of the Presidency as the leading edge of our efforts.

The strategic objective involves a long-term commitment to selling the positive aspects of the plan -- saying it will work, and that adopting it will be good for the economy and good for the American people. This sense of optimism about the plan is important to boost the confidence of business and consumers, and to boost the spirits of Members of Congress who support the plan, so they return to their districts in August feeling good about having supported the President.

The tactical objective is to win the vote by increasing support among the public, and to keep them with us during whatever good and bad days come throughout the budget conference negotiations. That requires a communications plan for winning the competition for the interpretation of daily events as they occur in the conference and elsewhere, and it means managing four dialogues:

1. Daily reportage coming out of the budget conference.

- * Requires intelligence from Congressional Liaison, OMB and Hill sources on breaking events inside the conference, monitoring the development of stories by the tongue of Hill reporters following the budget.
- * We must organize rapid response to events as they occur using Administration, Congressional, and other surrogate spokespeople.

- * We need to coordinate the role of Administration spokespeople (Roger Altman and Leon Panetta should take the lead) to narrate the conference along the lines of our message
- * Pro-active scheduling of Administration spokespeople for Inside Politics, Evening News, McNeil-Lehrer, CNN and CNBC business programming, and Nightline during each news cycle.

2. Targeted media we do by region or by constituency.

- * To sell positive aspects of plan to invest the public in the need to pass it.
- * To go negative against opponents.
- * To shore up support among wavering Members.
- * Combine surrogate, Congressional, and NEC operations
- * Richard Strauss and Dave Anderson lead effort to beam surrogates into targeted areas.
- * Marla Romash handles high level surrogate scheduling to get our talking heads into the actual geographic targets.

3. National media audience

- * How can we best use the President and the Cabinet to advance the 'Hallelujah' message during the pendency of the conference.
- * Scheduling, press and communications operations overlap
- * Events include setting up the conference, Oval Office Address, and daily schedule

4. Nose-to-nose defense against attacks by the GOP and their special interest groups.

- * Savage the opposition for thwarting change, for offering no alternative, for promoting gridlock while the President is fighting for growth
- * Rapid response team (Rahm and Gene)
- * Use of Surrogates

Draft schedule tentatively approved by Gergen, Gearan and Hale follows.

Wednesday/July 14

Boiler Room is Operational

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send talking points. Repeating meeting during network news.

President in Midwest

Thursday/July 15

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send talking points. Repeat meeting during network news.

President and Community Banks

- * Community Development banks. The President will host an event at the White House heralding the introduction of his CD Bank bill. The President will be given a statement with scene-setting message material on the top.

President Goes to Capitol Hill

- * The President meets with the Bipartisan Leadership to discuss G-7, budget conference and the floods. The President meets with Members from flood ravaged states. We tentatively have suggested a rally on the Capitol steps.

Weekend Spin Operation

- * Assignments are given to begin calls from Thursday through Sunday from Administration officials to media opinion leaders to influence the interpretation of the week's events from the taping of the McLaughlin Group (Friday morning) and the beginning of Washington Week in Review through the four Sunday shows and the Monday morning columns.

House Democratic Whip Meeting

- * Altman and Begala to attend meeting of the House Democratic Whip meeting to discuss Administration message strategy.

Gephardt Message Meeting

- * Gearan and Dreyer attend weekly meeting with top Democratic Leadership Members and staff to discuss media plan.

Friday/July 16

- * ***Anniversary of President's acceptance address at the National Convention in New York.***
- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send talking points. Repeat meeting during network news.
- * **Gays in the Military.** The President will visit a local defense university to announce his executive order on Gays in the Military.

Tape Saturday Radio Address

- * The President tapes the Saturday radio address and we deliver a budget message.

Saturday/July 17

- * **Flood.** The President travels to St. Louis to meet with Governors to discuss further the flood situation.
- * Media training is provided for Administration spokespeople appearing on the Sunday shows.

Sunday/July 18

The President is Off

Sunday Talk shows

Monday/July 19

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send daily talking points. Repeat meeting during network news.

NACO

- * The President does satellite address to National Association of Counties on budget message.

National Economic Council

- * Plan message for National Economic Council meeting, pool spray

Congressional Budget meetings

- * The President hosts two separate meetings with Rostenkowski and Moynihan, Sabo and Sasser on the budget. We set up a colonnade shot for message picture and comment.

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

Gephardt Message Staff Meeting

- * Dreyer and Begala attend Gephardt message staff meeting to brief staff on events of the week related to budget and message for the House floor.

Tuesday/July 20

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send talking points. Repeat meeting during network news.

Seniors' Event

- * We design off campus event with senior citizens (not only "the groups" but real people, e.g. at a senior center) so the President can reiterate his commitment to their concerns in the budget negotiations.

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

Larry King Live

- * The President does Larry King Live.

Gephardt Message Meeting

- * Senior Administration official attends Gephardt message meeting.

Wednesday/July 21

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets.

Small Business Event

- * President travels off campus for event to push the small business elements of his package.

Small Business CEOs Lunch

- * The President's weekly CEO lunch is devoted to small business.

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

Gephardt Message Meeting

- * Senior Administration official attends Gephardt message meeting.

Thursday/July 22

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send talking points. Repeat meeting during network news.

Weekend Spin Operation

- * Assignments are given to begin calls from Thursday through Sunday from Administration officials to media opinion leaders to influence the interpretation of the week's events from the taping of the McLaughlin Group (Friday morning) and the beginning of Washington Week in Review through the four Sunday shows and the Monday morning columns.

Spectrum Sale

- * We design a high technology event around the spectrum sale proposal for the President at the White House.

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

Prime Time Live

- * The President uses an appearance on Prime Time Live to push his economic plan.

Gephardt Message Meeting

- * Senior Administration official attends Gephardt message meeting.

Friday/July 23

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send daily talking points. Repeat meeting during network news.

Cabinet meeting

- * Pool spray and comments on the budget conference at the top of the Cabinet Meeting.

Law Enforcement and Immigration Events

- * The President to do FBI and immigration events.

Shushkevich of Belarus

- * Lunch

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

Saturday/July 24

Radio Address

- * Radio Address on the budget is delivered live by the President before an audience comprised of the communications staffs of the Cabinet Departments.
- * Media training is provided for Administration spokespeople appearing on the Sunday shows.

Sunday/July 25

Sunday Talk Shows

The President is Off

Monday/July 26

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send daily talking points. Repeat meeting during network news.

Workplace conference

- * The President addresses the Department of Labor/Department of Commerce workplace of the future conference in Chicago. The President does a jobs-oriented photo-op before his address.
- * While in Chicago, the President does a regional press conference.

Reserved Regional Time

- * CANCELLED

Gephardt Message Staff Meeting

- * Dreyer and Begala attend staff meeting and brief staff on the weekly schedule and message events.

Tuesday/July 27

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send daily talking points. Repeat meeting during network news.

- * President lobbies Congress

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

NBC Dateline

- * Continuing the network round robin, the President does NBC Dateline on the Budget message.

Wednesday/July 28

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send daily talking points. Repeat meeting during network news.
- * President lobbies Congress

Reserved Regional Time

- * Based on targeting information from Congressional, we will have one hour of the President's time for regional media, such as columnists, editorial boards, one-on-one interviews, or regional press conferences.

Thursday/July 29

- * Daily boiler room staff meeting and discussion of calendar, AP Daybook items, budget events expected for the day. We review targeting information and prepare surrogate strategy for penetration of target markets. Write and send daily talking points. Repeat meeting during network news.
- * President lobbies Congress.

Eye to Eye

- * Concluding the network prime time round robin, the President does Eye to Eye with Connie Chung on the budget.

Weekend Spin Operation

- * Assignments are given to begin calls from Thursday through Sunday from Administration officials to media opinion leaders to influence the interpretation of the week's events from the taping of the McLaughlin Group (Friday morning) and the beginning of Washington Week in Review through the four Sunday shows and the Monday morning columns.

Upon Completion of the Conference

The President delivers an Oval Office Address on why the Congress should pass the plan. This can only be done at the completion of the Conference.

What Follows

Planning to maximize the value of the signing ceremony. In addition to traditional pens to legislators, our past passage strategy must highlight the benefits of the package.

Political support and reassurance for Members of Congress who walk the plank and support the plan. We need a package to give Members for the August recess.

A "victory lap" to highlight positive benefits of the plan during work time for the President in August. We cannot simply portray the plan in terms of deficit reduction. We need to do an around the country victory lap to portray individual benefits:

These events should take place between August 4 and August 12th.

High Tech/Silicon Valley, Texas or North Carolina

- Spectrum sale creates 200,000 jobs
- Whatever venture capital provisions end up in the bill

Welfare to work/Urban site

- EITC
- Targeted Jobs Tax Credit
- Immunizations
- Empowerment Zones
- Family preservation

South or Midwest: Pro-business and real estate, Low Interest Rates

- * Passive losses
- * Real estate, homebuilders, auto sales, home appliances
- * Small business, entrepreneurship (expensing, capital gains, access to capital) -- The President and Erskine Bowles
- * Trade adjustment assistance, training and income support

College Town/Anyplace USA

* School loans (interest and direct loans)

JULY 14, 1993

MEMORANDUM TO ROGER ALTMAN

cc: David Dreyer
Marla Romash
Ricki Seidman

FR: MEDIA AFFAIRS

RE: LOCAL PRESS STRATEGY FOR RECONCILIATION

I Overview

We have based our targeting decisions on the congressional/senate list of targeted Members and on the promise of one hour per day of POTUS' time for local press.

This would allow Media Affairs 10 hours of POTUS' time, separate and inviolate from any time allocated to the national press.

Time allocated to POTUS should be confirmed or rejected well in advance due to the nature of the event. Each of the days is targeted to a specific region or news format - an inability to do any one of the specific days causes the entire schedule to reshuffle, i.e. if we can't do Texas on Thursday, we might choose not to cancel Texas, but to move it to a different day, cancelling, perhaps, Georgia. But these decisions need to be made in advance so that we are not in danger of retracting invitations, or of cancelling our highest priority media targets in favor of lesser ones.

II Ranking and Scheduling

States are ranked by the number of targeted members in their delegation (see attached list). The top states are given an hour press avail with POTUS as part of a larger, "1/2 Day at the White House" package which includes Secretary Bentsen, Director Panetta, Chief of Staff McLarty and other Senior Administration officials. Some top states get POTUS for a "press teleconference," a 1/2hr press conference via satellite where print, radio, and tv all gather in a single room in a single remote location and all interact with POTUS in standard press conference style. He would see his questioners from the remote site in a teleprompter.

Second-tier states will be allocated one half hour each with VPOTUS for telephone conference calls (with the exception of TN and VA, which we suggest VPOTUS do full one hour press avails in-state).

Third & fourth tier states will be covered by Senior Administration officials via travel, satellite, radio calls, and print conference calls.

All targeted states will receive follow-up time with Senior Administration officials as well, especially as a means of rapid response.

POTUS time is divided the following ways (see attached schedule for more detail):

10 hours total based on 1 hour per business day (including 1 hour in Chicago)

- 5 hours for White House media days for top tier states (1 hour each)*
- 1 hour for IL & IN media during IL visit (1/2 hour each)*
- 2 hours for Press Teleconferences (1 hour each)*
- 2 hours for national radio affiliates/anchors (1/2 - 1 hour each)*

VPOTUS time is divided the following way (see attached schedule for more detail):

10 hours total based on 1 hour per business day

- 6 hours for conf. calls to second-tier states (1/2 hour each)*
- 2 hours press avail. in VA & TN (1 hour each; we recommend VPOTUS travel for these)*
- 2 hours for national radio affiliates/anchors (1/2 - 1 hour each)*

The White House media availabilities are arranged with an emphasis on continuity and message discipline. We propose a "team" approach: briefings with the same five officials & POTUS for every group, plus a relevant floater for regional emphasis (see attached for more detailed schedule). The standard lineup would be:

*Morning - Secretary Bentsen
Time to file/go live for 12:00 news
First Afternoon slot - Mack & Gergen
Second Afternoon slot - Region-specific floater
Third Afternoon slot - Tyson
Fourth Afternoon slot - POTUS*

III. Conclusion

This outline, we assume, will be modified. It is key to the successful organization, presentation, and execution of this ambitious project that we have specific time commitments by the end of this week. With proper preparation, this could be the most successful project this department has ever organized. The impact of this effort could indeed be extraordinary.

July 14, 1993

POTUS LOCAL MEDIA SCHEDULE

Monday 7/19: Radio Only
4:00-4:30 In-person interviews with (sequentially):
WKYX - Paducah
WWL - New Orleans
KMJ - Fresno
4:30-5:00 Statewide Conference Shows with:
Michigan
Minnesota
Ohio

Tuesday 7/20: Alabama Media Day

11-11:45 Bentsen
12-12:45 Mack/Gergen
12:45-2:15 File/Live shots/Lunch
2:30-3:00 VPOTUS
3:15-3:45 Tyson
4:00-5:00 POTUS

Wed. 7/21: California/Louisiana Press Teleconference
4:00-4:30 Los Angeles media
4:30-5:00 New Orleans media

Thurs. 7/22: New York/New Jersey Media Day

11-11:45 Bentsen
11:45-1:15 File/Lunch
1:30-2:15 Mack/Gergen
2:30-3:00 Rubin/Altman
3:15-3:45 Tyson
4:00-5:00 POTUS

Friday 7/23: Georgia Media Day

11-11:45 Bentsen
11:45-1:15 File/lunch
1:30-2:15 Mack/Gergen
2:30-3:15 Tyson

	3:15-3:45	Begala
	4:00-5:00	POTUS
Monday 7/26	Illinois/Indiana Avail	
	2-2:30	Illinois media avail in Chicago
	2:30-3:00	Indiana media avail in Chicago
Tues. 7/27	National Radio Town Meeting	
	4:00-5:00	Carried on all major national radio networks: ABC, CBS, NBC/Mutual, NPR, CNN, USA Radio, Unistar, UPI, AP, Standard News.
Wed. 7/28	Texas Media Day	
	11-11:45	Bentsen
	12:12-45	Mack/Gergen
	12:45-2:15	File/lunch
	2:30-3:00	Cisneros
	3:15-3:45	Tyson
	4:00-5:00	POTUS
Thurs. 7/29	Philadelphia Media Day	
	11-11:45	Bentsen
	11:45-1:15	File/lunch
	1:30-2:15	Mack/Gergen
	2:30-3:00	Reich
	3:15-3:45	Tyson
	4:00-5:00	POTUS
Friday 7/30	Nebraska/Wisconsin Press Teleconferences	
	4-4:30	Omaha media
	4:30-5:00	Milwaukee media

VPOTUS Schedule

VPOTUS would be available for telephone conference calls with the following state media, 1 hour per business day (1/2 hour per state) at his convenience (but preferably at the same time every day): MS, OH, LA, AZ, OK, FL, NV, MO, KY, WA, MN, ML. We recommend VA and TN for travel states for VPOTUS and that full length press avails be done in-state.

JULY 14, 1993

SAMPLE STATE LIST (GEORGIA)

Both editorial writers and reporters will be invited. Due to financial restraints, only the larger papers are likely to send both. Of this list, we would expect 10 Television (1/2 of invited group), 8 Print (1/3 of invited group), and 5 Radio (1/10 of invited group). The proportion for other invited states would probably be similar – somewhat higher in the Northeast.

Television:

WAGA-Atlanta
WSB-Atlanta
WXIA-Atlanta
WGNX-Atlanta
WTOG-Savannah
WJCL-Savannah
WSAV-Augusta
WRDW-Augusta
WJBF-Augusta
WTVM-Columbus
WLTZ-Columbus
WRBL-Columbus
WMAZ-Macon
WGXA-Macon
WALB-Albany
WFXL-Albany

Print Dailies:

Albany Herald
Athens Banner Herald
Atlanta Constitution
Brunswick News
Carrollton Times-Georgian
The Tribune-News
Columbus Ledger-Enquirer
Rockdale Citizen
Cordele Dispatch
Daily Citizen News
Douglas County Sentinel
The Courier-Herald
Gwinnet Daily News
The Times (Gainesville)
Herald of Savannah
Macon Telegraph & News
Savannah News
Macon Courier

Radio:

WSB-Atlanta
WGST-Atlanta
WGUN-Atlanta
WNEX-Macon
WBMQ-Savannah
WAEV-Savannah
WVEE-Atlanta
WPCN-Atlanta
WALG-Albany
WGPC-Albany
WRFC-Athens
WGAU/WNGC-Athens
WBBQ-Augusta
WRCG-Columbus
WSTH-Columbus

State Wire Services:

AP Georgia
UPI Georgia
Reuters Georgia

Ranking of States for Budget Vote

1. Texas	8	16. Oklahoma*	2
2. New York/ New Jersey*	6	17. Florida*	2
3. Alabama*	5	18. Nevada*	2
4. Pennsylvania	5	9. Missouri	2
5. California*	4	20. Tennessee	2
6. Georgia*	4	21. Kentucky	2
7. Illinois	4	22. Washington	2
8. Indiana	4	23. Minnesota	2
9. Nebraska**	2	24. Michigan	2
10. Wisconsin**	2	25. Connecticut*	1
11. Mississippi	3	26. South Carolina*	1
12. Ohio	3	27. North Carolina	1
13. Louisiana*	2	28. Montana	1
14. Arizona*	2	29. South Dakota	1
15. Virginia*	2	30. Utah	1
		31. New Hampshire	1

Multi-Target Markets

1. Philadelphia	5
2. New York City	4
3. Paducah-Cape Girardeau	3
4. Atlanta	3
5. Fresno-Visalia	3
6. Chicago	2
7. Sioux Falls	2
8. Dallas	2

*signifies targeted Senators

Targeted States

sorted by state, (number) represents the size of market within state, * signifies secondary targets

ALABAMA- Sen. Richard Shelby, Sen. Howell Heflin

Rep. Browder - 3rd

Anniston (7)

*Rep. Beville-4th

Birmingham (1)

*Rep. Hilliard

Tuscaloosa (6)

ARIZONA- Sen. Dennis DeConcini

Rep. Coppersmith- 1st

Phoenix (1)

CONNECTICUT- Sen. Joseph Lieberman

CALIFORNIA- Sen. Dianne Feinstein

Rep. Condit- 18th

Fresno-Visalia (5), Sacramento-Stockton (3)

Rep. Lehman- 19th

Fresno-Visalia (5)

Rep. Martinez- 31st

Los Angeles (1)

FLORIDA Sen. Bob Graham

*Rep. Hutto.- 1st

Mobile-Pensacola (6)

GEORGIA- Sen. Sam Nunn

Rep. Deal- 9th

Atlanta (1), Chattanooga (2)

Rep. Rowland- 8th

Macon (5)

*Rep. Johnson - 10th

Atlanta (1)

ILLINOIS

Rep. Lipinski- 3rd

Chicago (1)

*Rep. Costello 12th

St. Louis (2), Paducah-Cape Girardeu (3)

*Rep. Poshard -19th

Evansville, IN (4)

*Rep. Sangmeister- 11th:

Chicago (1)

INDIANA

Rep. Roemer- 3rd

South Bend-Elk Hart (2)

*Rep. Jacobs- 10

Indianapolis (1)

*Rep. Long- 4th

Ft. Wayne (4)

*Rep. Sharp- 2nd:

Paducah-Cape Girardeau (2)

KENTUCKY

Rep. Baesler-6th

Lexington (2)

*Rep. Barlow- 1st

Paducah-Cape Girardeau (3)

LOUISIANA- Sen. Bennett Johnston

Rep. Hayes

Lafayette (4)

MICHIGAN

*Rep. Barcia- 5th

Flint-Saginaw (2)

*Rep. Carr- 8th

Detroit (1), Flint-Saginaw (2), Lansing (3)

MINNESOTA

Rep. Minge- 2nd

Minneapolis-St. Paul (1), Sioux Falls-Mitchell, ND (2)

*Rep. Penny- 1st

Rochester-Mason City-Austin (3), Mankato (4)

MISSISSIPPI

Rep. Parker

Jackson (1)

Rep. Taylor- 5th

Biloxi-Gulf Port-Pascagoula (3)

*Rep. Montgomery- 3rd

Meridian (6)

MISSOURI

Rep. Danner- 6th

Kansas City (2)

Rep. Skelton- 4th

Kansas City (2), Columbia-Jefferson City (5),
Springfield (3)

*Rep. Volkmer- 9th

Quincy-Hannibal (6)

MONTANA

*Rep. Williams- at large

Billings-Harden (1), Missoula (2), Great Falls (3)
Butte (4), Helena (5)

NEBRASKA-Sen. Bob Kerrey, Sen. James Exon

NEVADA- Sen. Richard Bryan

*Rep. Bilbray- 1st Las Vegas (1)

NEW HAMPSHIRE

*Rep. Swett- 2nd Boston, MA (1), Portland-Poland Spring, ME (2)

NEW JERSEY- Sen. Frank Lautenberg

Rep. Andrews- 1st Philadelphia (2)

Rep. Klein- 8th New York (1)

Rep. Pallone- 6th New York (1)

*Rep. Torricelli- 9th New York (1)

NEW YORK

Rep. Maloney- 14th New York (1)

NORTH CAROLINA

*Rep. Valentine - 2nd Raleigh-Durham (2)

OHIO

Rep. Mann- 1st Cincinnati (2)

*Rep. Applegate- 18th Wheeling-Steubenville (7)

*Rep. Traficant- 17th Youngstown (6)

OKLAHOMA Sen. Boren

Rep. English- 6th Oklahoma City (1)

PENNSYLVANIA

*Rep. Borski- 3rd Philadelphia (1)

Rep. Holden- 6th Philadelphia (1), Wilkes Barre-Scranton (4)

Rep. McHale- 15th Philadelphia (1)

Rep. Mezvinski- 13th Philadelphia (1)

*Rep. Murphy- 20th Pittsburgh (2)

SOUTH CAROLINA- Sen. Fritz Holling

SOUTH DAKOTA

Rep. Johnson Sioux Falls (1), Minot-Bismarck-Dickinson, MT (2)
Rapid City (3)

TENNESSEE

Rep. Clement- 5th Nashville (1)

*Rep. Lloyd- 3rd Chattanooga (4)

TEXAS

Rep. Chapman- 1st Shreveport- Texarkana (4)

Rep. Edwards- 11th Waco (5)

Rep. Geren- 12th Dallas-Fort Worth (1)

Rep. Hall- 4th Dallas-Fort Worth (1)

Rep. Laughlin- 14th Victoria (18)

Rep. Sarapalius- 13th Wichita Falls-Lawton (11)

Rep. Wilson- 2nd Tylor-Longview-Jacksonville (8),

Beaumont-Port Arthur (12)

*Rep. Ortiz-27th Corpus Christi (10)

UTAH

Rep. Orton- 3rd Salt Lake City (1)

VIRGINIA- Sen. Chuck Robb

Rep. Pickett- 2nd Norfolk-Portsmouth-Newport News-Hampton (1)

WASHINGTON

Rep. Inslee-4th Yakima-Pasco-Richland-Kennewick (3)

*Rep. Cantwell- 1st Seattle-Tacoma (1)

WISCONSIN-Sen. Russ Feingold, Sen. Herbert Kohl

THE MESSAGE FOR RECONCILIATION

A review of the President's proposal, the House version and the Senate version makes it clear that no matter what form the final legislation takes, the main goals will be accomplished. These goals are historic, and tragically under-reported. We suggest using the period in which the Conference Report is being negotiated as an opportunity to drive home the Big Picture goals of this plan. They are:

1. **We will accomplish the largest deficit reduction in history and lock it into a Deficit Reduction Trust Fund;**
2. **We will make the rich pay their fair share -- requiring that the wealthiest 6% pay at least three-fourths of all the new taxes in this plan;**
3. **We will target incentives for business to create jobs;**
4. **We will target investments to spur growth;**
5. **We will protect older Americans from the Draconian cuts in Social Security, Medicare and veterans' benefits the Republicans have proposed.**

There's no need to "spin" this. If -- when -- we accomplish those five goals we will have done something very good for the country, and fundamentally changed direction from the old, failed trickle-down policies that got us into this mess.

That's where contrasting our plan with the Republican plan -- and with no plan at all -- serves us well. Their policies created this mess -- ours will make us strong again. Doing nothing -- or doing more of the same, as the Republicans call for -- will only make things worse. They fail every test:

- ♦ The Republicans do not achieve real deficit reduction, and do not lock savings into a trust fund;
- ♦ The Republicans are not willing to stand up to the powerful and the privileged to make the rich finally pay their fair share. They've spent the last 12 years raising taxes on working people so they can cut taxes on wealthy people. The Republicans aren't against taxes -- they're only against the rich paying them;
- ♦ The Republicans have no targeted incentives for business to create jobs;
- ♦ The Republicans have no targeted investments to spur growth;
- ♦ The Republicans do go after the most vulnerable, to protect the most prosperous. They would cut Social Security, Medicare, Medicaid, veterans benefits and virtually everything

else that helps middle class families -- all so the rich don't have to pay a single penny in additional taxes.

While you will doubtless be pressed for details beyond these five principles, there is nothing wrong with demurring for the moment on the technicalities, and educating the American people and the media on the historic change we seek. If we keep our eyes on the prize, and constantly remind folks of the Big Picture, we will have a message strategy -- and a conference strategy -- that works.

THE ECONOMIC MESSAGE

The Democratic message for reconciliation is simple:

HALLELUJAH! ***Change is Coming***

In those four words we convey the two central concepts we need to communicate to the American people: This is good, and this is change.

1. **THIS IS GOOD** -- The economic plan we are passing will be good for the country, good for the economy, and good for the middle-class working families who've been getting the shaft for too long. There are several specific facts and facets of the plan you can use to convey a sense of hope and optimism about this plan:
 - A. This plan puts us back in control of our economic destiny. After 12 years of finger-pointing, we're stepping up to the plate taking responsibility for the economic strength of this country. This plan is good news for the economy:
 1. It has the largest deficit reduction in history;
 2. It has the largest spending cuts in history;
 3. It puts America's economic house in order;
 4. It makes it possible for America to grow again, for our economy to expand again, by finally paying down the deficit that has been choking-off jobs and growth, and by shifting the federal budget away from wasteful spending and toward sound investment.
 - B. This plan will create **jobs**. 8 million of them over the next four years. Permanent, productive, private-sector jobs. This plan is a job generator because:
 1. It makes it easier for business to grow. If we keep interest rates at their present low level for the rest of this year, we will have pumped **\$100 billion of new private sector capital** into the economy.
 2. It has targeted new incentives to encourage business -- especially small business -- to create new jobs.

B. This plan will **improve your standard of living.**

1. The lower interest rates we achieve through this historic deficit reduction will **make it easier to own your own home, buy a new car, finance a college education, and pay down consumer debt.**
 - a. This is real money in the pockets of real people. For example, if you can refinance a \$100,000 mortgage down from 10% to 7.5%, you will save \$175 a month — more than ten times what you'll be paying in new taxes (if you make about \$50,000 a year).

2. **THIS IS CHANGE.**

- A. This is a fundamental break from the old, failed Trickle-Down policies of the past. It is **change that is historic in its scope:** the largest deficit reduction in history, the biggest set of spending cuts in American history. This is truly fundamental change.
 1. The old ways left deficits out of control, now **we're putting our economic house in order;**
 2. Where Trickle Down sheltered the powerful and privileged, and tried to balance the budget on the backs of the forgotten middle class, this economic plan is fair, shared and balanced.
 - a. **The rich are finally paying their fair share.** More than three-fourths of the taxes in this plan are being paid by the wealthiest 6%.
 - b. **The working poor actually get a break.** If you make \$30,000 a year or less and have children in the home, this plan gives you a tax break, to help you raise your children above the poverty line.
 - c. **The middle class wins in this plan.** After twelve years in which the Republicans taxed working people and gave the money to wealthy people, this is a plan in which the middle class wins. The total tax burden on the middle class ranges from \$2 a month in the Senate version to a maximum of \$17 a month in the House version. But look what you get for that: lower interest rates on everything from your home to your car loan to your credit card payments (SEE p.1 for a good example of this good deal); historic deficit reduction, real spending cuts in 200 specific programs, incentives for business to create jobs here in America, and the kind

of sustained, long-term growth that America needs.

3. **This plan makes real cuts in specific programs -- more than 200 specific cuts in programs that cut more than \$250 billion from the budget -- the biggest spending cut in history.** The old ways included using phony numbers, gimmicks and tricks to avoid making real spending cuts.
 4. Under business as usual, deficit reduction disappeared as time passed. But this plan locks the savings once and for all in a deficit reduction trust fund.
 - a. *For every \$10 we put in that \$500 billion trust fund, \$5 comes from spending cuts; \$4 comes from taxes on the wealthiest 6%, and only \$1 comes from the middle class.*
 - b. The trust fund will be proof that we really are paying down the deficit -- unlike the policies of the past, when the Republicans used gimmicks like "budget caps" that were lifted or ignored.
 5. In the old, failed way of doing things the most vulnerable were the most victimized. Under this plan we achieve more deficit reduction than the Republican proposals, with **less than half the level of cuts in Medicare, veterans benefits, and health care.**
 6. The old way of doing things allowed politicians to look no further than the next election. This plan looks to the next generation. From historic deficit reduction to lower interest rates to investing in our children, this plan sets the stage for long-term growth.
 7. Under the old policies, Presidents weakened America by ignoring economic crises here at home, now America is standing tall again. President Clinton's success at the G-7 Summit in Tokyo was due to the fact that America is finally taking responsibility for paying down the deficit, creating jobs and expanding growth -- and the world has greater respect for the leadership America is showing.
3. **COMPARED TO WHAT?** Always, always, always draw contrasts between this plan - which is our best hope for economic change -- and the Republican "plan" -- which offers no hope for change at all. On every point where the Democratic plan is strong, the Republican plan is weak. No credible deficit reduction. No courage to make the rich pay their fair share. No specific spending cuts. No reduction in interest rates to expand the economy. No targeted investments to create jobs. No targeted investments to spur growth. No security for older Americans.

- A. **The Republicans have no plan.** They offer nothing but more of the same. The only thing they offer is the one thing Washington already has a surplus of: hot air. They looked the deficit squarely in the eye...and blinked.
- B. **America cannot afford more of the same.** The Republicans did offer a couple of last-minute excuses for an economic plan. Here's what they propose: a continuation of the status quo: More uncontrolled deficits, more tax breaks for the very-rich, more cuts in Social Security, Medicare, veterans' benefits and health care for the most vulnerable.

Anytime you're asked about a specific in the economic plan, look for ways to bring it back to the general points that this is good for the country, and this is real change. Of course, you'll also want to contrast it with the Republican plan, which is bad for the country, represents no change, and really is no plan at all.

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Se Pckge - July 12, 1993

Altman

- Rm 160 - Boiler Room
15 staff members

- Create action in CDs of certain H/S members
HP list: 5 targets; H list to follow

- Maximally aggressive surrogate program
TV, Radio

- Interest group outreach
Realtors to drugists

- A Public perception on tax/cuts

- Altman - lead
(Josh Steiner
Linda Roberts) DOT

Steve Hiltner - pub liars

Joe Velasquez - grassroots / DNC

Rahm - surch response

Eric Berman - research

Karen Hancock - cong'l liaison

Melane - domestic policy

Richi / Collier

Gene - NEC / Research

Toiv - OMB

Romash - VP / surrogate

Julia Moffett / Silverman

Marcia H. - Scheduling

Dreyer - Communications

+ Jonathan Prince

Alexis / Joan B / Interget'l
Jody

White House wide staff mtg -

5³⁰ pm / Wed - Bfing for Cabinet, COS, Press Secy's

Book for POTUS when he returns

Message

Schedule

Constitution

Surrogate

leg Strategy

Constitution

Research

Field

Ec Research

Roll

Rally for POTUS when he returns to Andrews

→ or BC going to it ^{bypass} -
disp at Capital

→ for immediate flood mtr

Floods - deficit ↑; no offsets; bipartisan -

Restore investments above what S did

emp zones

etc

food sh

Restore business centres above what S did

Can't get to \$500 Bn - def red

5 ↑ gas tax where S is

or reducing investments

3

Motion to instruct - tomorrow on NRG tax
- old award to include \$500 Bt
& ~~not~~ % of tax burden

Admittedly for \$500 Bt, etc etc. -
head based NRG tax

RECONCILIATION OPTIONS

14-Jul-93

11:15 AM

OUTLAYS:

	HOUSE	SENATE	OPTION #1	OPTION #2	OPTION #3
Discretionary	-102.1	-101.9	-102.1	-102.1	-102.1
Medicare	-50.4	-58.3	-57.8	-57.8	-58.3
Retirement	-11.9	-12.0	-12.0	-12.0	-12.0
Medicaid	-7.2	-8.3	-8.3	-8.3	-8.3
Spectrum	-7.2	-7.2	-7.2	-7.2	-7.2
Student Loans	-4.6	-4.6	-4.6	-4.6	-4.6
CCC	-2.7	-2.0	-2.0	-2.0	-2.0
Veterans	-2.6	-2.6	-2.6	-2.6	-2.6
Unemployment	0.3	--	0.3	0.3	0.3
EITC	25.7	16.8	20.0	19.0	19.0
Food Stamps	7.3	--	2.5	2.0	2.0
Family Preservation	1.2	--	--	--	--
Immunization	1.3	-0.1	0.2	0.2	0.2
Other	-10.8	-11.1	-11.1	-11.1	-11.1
SUBTOTAL	-61.6	-89.4	-82.6	-84.1	-84.6
Unreconciled	-8.1	-8.1	-8.1	-8.1	-8.1
Debt Service	-55.8	-56.4	-55.0	-55.8	-56.1
TOTAL OUTLAYS	-227.6	-255.8	-247.7	-250.0	-250.9

REVENUES:

Empowerment Zones	5.3	0.2	3.0	3.0	3.0
* TJTC	1.8	0.6	0.9	0.9	0.9
* Employer Ed. Assist.	2.8	0.8	1.2	1.2	1.2
Youth Apprenticeship	0.6	--	--	--	--
* R&E Tax Credit	10.0	1.6	5.0	5.0	5.0
AMT Depreciation	8.9	4.3	4.3	4.3	4.3
Expensing	8.1	6.3	6.3	6.3	6.3
Bumpers Capital Gains	1.0	--	1.0	1.0	0.6
High-Speed Rail Bonds	0.2	--	--	--	--
* Small-Issue IDBs	0.2	0.2	0.2	0.2	0.2
EITC	2.7	1.5	1.8	1.7	1.7
* Mortgage Revenue Bonds	0.9	0.6	0.7	0.7	0.7
Passive Loss	2.7	2.2	2.7	2.7	2.7
Real Estate Depreciation	-3.6	-3.2	-3.6	-3.6	-3.6
* Low-Income Housing Credit	4.9	4.9	4.9	4.9	4.9
Pension Real Estate	0.3	0.3	0.3	0.3	0.3
Real Estate Indebtedness	0.4	--	--	--	--
* AMT Charitable	0.4	0.4	0.4	0.4	0.4
Other Revenue Losers	1.6	1.6	1.6	1.6	1.6
Income Tax Rates	-115.1	-106.2	-115.1	-115.1	-115.1
Capital Gains Surtax	--	-0.6	--	--	--
Social Security	-32.0	-26.3	-26.3	-26.3	-26.3
Moving Expenses	-1.6	-2.2	-2.2	-2.2	-2.2
Business Meals	-15.3	-15.5	-15.5	-15.5	-15.5
Club Dues	-1.1	-1.1	-1.1	-1.1	-1.1
Pension Cap	-2.4	-2.5	-2.5	-2.5	-2.5
Other Individual	-33.0	-33.0	-33.0	-33.0	-33.0
Corporate Tax Rate	-16.4	-16.4	-16.4	-16.4	-16.4
Section 936	-6.7	-4.0	-4.0	-4.0	-4.0
Lobbying Deductibility	-0.8	-1.2	-1.0	-1.0	-1.0
Stock-for-Debt Exception	--	-0.6	-0.6	-0.6	-0.6
Passive Loss Indebtedness	--	-0.4	-0.4	-0.4	-0.4
AMT Credit Indebtedness	--	-0.4	-0.4	-0.4	-0.4
Other Business	-13.0	-13.0	-13.0	-13.0	-13.0
Deferral	-0.8	-0.3	-0.3	-0.3	-0.3
* R&E Allocation	2.6	0.5	0.7	0.7	0.7
Unprocessed Timber	--	-0.4	-0.4	-0.4	-0.4
Other Foreign	-2.9	-2.9	-2.9	-2.9	-2.9
Energy Tax	-71.5	-23.0	-25.3	-30.1	-32.1
Intangibles	-2.1	-5.1	-3.1	-3.1	-3.1
Other Raisers	-12.2	-10.4	-10.7	-10.7	-10.7
TOTAL REVENUES	-275.2	-242.6	-242.7	-247.6	-249.9
TOTAL DEFICIT REDUCTION	-502.8	-498.4	-490.4	-497.7	-500.8
OUTLAY PERCENTAGE	45.3%	51.3%	50.5%	50.2%	50.1%

* Denotes "extender" provisions.

7 9/11 = 5112
3/1 = 110

THE WHITE HOUSE
WASHINGTON



September 23, 1993

MEMORANDUM FOR MACK MCLARTY
CHIEF OF STAFF

FROM: DAVID WATKINS
ASSISTANT TO THE PRESIDENT
FOR MANAGEMENT AND ADMINISTRATION

SUBJECT: WASHINGTON TIMES ARTICLE ON TELEPHONE PROCUREMENT

As you requested, I am enclosing both a summary and detailed talking points on the EOP Telephone Procurement.

cc: Roy Neel
Mark Gearan

23 September 1993

SUMMARY TALKING POINTS ON THE EOP TELEPHONE PROCUREMENT

- ▶ The new contract will **SAVE** the government at least **TWO MILLION** dollars. The contract signed by the previous administration was for \$27 million over ten years. The two new contracts cover essentially the same period for only \$25 million.
- ▶ Depending on the final configuration, **these savings could total more than \$7 million** over the ten year period for a new system with much greater functionality.
- ▶ **The previous administration signed the previous \$27 million contract without any competition whatsoever.** The new contract was competed among all three vendors that met the necessary security and production requirements.
- ▶ The procurement was carried out on a limited competition basis after discussions with the Secret Service and White House Communications Agency -- whose job it is to protect the communications systems of the White House -- because of national security requirements applicable due to its interoperability with the White House Communications Agency telephone system. Although the EOP system itself is not classified, the hardware and software involved will be located in a very sensitive site and will require very high level security clearances because it is connected to the phone systems carrying the highest level conversations of the Commander in Chief.
- ▶ Unlike in prior contracts, the new contract does not subject the government to penalties for discontinued service and the government will not be paying for access and services not utilized. The prior contracts contained minimums requiring the government to spend a certain amount no matter what level of service was required.
- ▶ As a purely technical issue, **the White House currently does not have the right technology, the right tools to manage the calls in a meaningful way.** The new system will allow collection of data that is simply infeasible under the current system: for instance, the new digital consoles to be installed will allow the system to distribute calls more evenly, and it can collect invaluable statistics (such as call volume by hour and day) so that management can make sophisticated staffing decisions according to those stats.
- ▶ The new contract's cut-over date is December 3 of this year.

DETAILED TALKING POINTS ON THE EOP TELEPHONE PROCUREMENT

- ▶ The new contract will **SAVE** the government at least **TWO MILLION** dollars compared to the contract signed by the previous administration. The ceiling for the two new contracts is \$25 million. The old contracts would have cost **\$27 million** (over the 10 year life of the contract), thus we will be saving a minimum of **\$2 million** over the ten year life of the contract.
 - ▶ Depending on the final configuration, **these savings could total as much as \$58,000 per month or over \$7 million** over the ten year period for a new system with much greater functionality.
 - ▶ The new equipment will be purchased. At the end of the purchase plan the equipment will be owned by the government. The government will acquire an asset as opposed to continuing the existing practice of perpetually paying tariffed rates for circuit switching capabilities and station equipment.
- ▶ The previous administration signed a **ten year** contract for \$27 millions dollars without any competition whatsoever. The new contract will cover the same period for only \$25 million -- that's a two million dollar saving -- and we competed it among the three vendors. As well, the previous contract was signed **without the necessary legal delegations from GSA, and for equipment that was antiquated at the time of the contracts' signing last July.**

Procurement Procedure:

- ▶ To establish the criteria for the selection of a new telephone system, a task force was created. The telecommunications task force included representatives from the United States Secret Service, the White House Communications Agency (WHCA), the EOP Information Resources Management Division, the procurement office, the Office of Administration procurement counsel, and telecommunications consultants.
- ▶ The procurement was carried out on a limited competition basis after discussions with the Secret Service and White House Communications Agency -- whose job it is to protect the communications systems of the White House -- because of national security requirements applicable due to its interoperability with the White House Communications Agency telephone system. Although the EOP system itself is not classified, the hardware and software involved will be located in a very sensitive site and will require very high level security clearances because it is connected to the phone systems carrying the highest level conversations of the Commander in Chief. The new system is directly connected to the WHCA situation room phone system, and both connect directly to phones on the President's desk. For these reasons, the limited competition approach was essential to protecting the security of the White House communications system. Because of these requirements, it was necessary to limit competition to vendors who already possessed facilities and personnel with proper security clearances and who could provide telephones that are compliant with

the guidelines of the Intelligence Community's Telephone Security Group (TSG), which are required for certain secure areas. Only three vendors were found to be able to meet these requirements within the requisite time period.

- ▶ The government's Justification and Authorization for Other Than Full and Open Competition stated that the EOP could not conduct a full and open competitive procurement due to: 1) the need to protect national security and 2) exigent circumstances created by the EOP's urgent telecommunications requirements. The Telecommunications Task Force determined that, to maintain the system's security, information concerning the layout, location, cabling and on-site access to the system would only be provided by those vendors who had already met stringent Secret Service and WHCA security requirements.
- ▶ The Task Force determined that only the three vendors allowed to compete for award could meet the EOP's delivery and security requirements.
- ▶ A formal Request for Proposals was issued and subsequently awarded to the bidding team that best met the technical and financial requirements of the EOP, and a substantial cost savings will be achieved through implementation of the new, more cost effective system.
- ▶ All officials involved in the contracting, including the Contracting Officer and the Contracting Officer's Technical Representative, signed a certification of Procurement Integrity as required by federal regulation.

Terms of the Contract:

- ▶ Unlike in prior contracts, the new contract does not subject the government to penalties for discontinued service and the government will not be paying for access and services not utilized. This is a significant improvement over the prior contracts. The prior contracts contained minimums requiring the government to spend a certain amount no matter what level of service was required; the new contract includes **no such minimums** to unnecessarily bind the government to unneeded expenditure.

Increased functionality:

- ▶ Existing diverse station equipment (1A2 key, Eagle, Merlins) will be replaced with like-featured state-of-the-art ISDN digital phones. Where security requirements permit, built-in speakerphones will be available; otherwise station equipment that is compliant with the Intelligence communities TSG (Telephone Security Group) guidelines will be provided. This ISDN station equipment will provide the capability to extend both video and simultaneous voice and data to every desktop.

- ▶ All new telephones will have built-in displays that will give the user information about the incoming call. For example, internal calls will show the caller's name and, for covering telephones, the called party's name. This will improve call coverage at central answering positions.
- ▶ Better administrative capabilities will allow our staff to quickly and easily reconfigure the telephone system to meet our changing requirements. This will significantly reduce our expenditures for moves and changes.
 - ▶ The new system will centralize management control. This centralized management will result in cost savings to the government because telephone moves, additions, and changes will be controlled by the Telephone Service Office (TSO). Unlike the existing system which required coordination with multiple vendors, the new system provides the government with the ability to implement change commands in-house from a single point, the TSO, at a substantial cost and time savings.
- ▶ As a purely technical issue, **the White House does not have the right technology, the right tools to manage the calls in a meaningful way.** The new system will allow collection of data that is simply infeasible under the current system: for instance, the new digital consoles to be installed will allow the system to distribute calls more evenly, and it can collect invaluable statistics (such as call volume by hour and day) so that management can make sophisticated staffing decisions according to those stats.
- ▶ The new system will replace the existing switch with three AT&T Definity G3R PBX switches and will replace the out-of-date cordboards with digital consoles. With this configuration the new system will provide enhanced survivability by distributing telephone calls through multiple locations within the system, instead of the one location currently used.
- ▶ Additionally, the survivability of our attendant consoles is dramatically improved. Replacement parts for the obsolete cordboards need to be specially engineered. Should the new ISDN attendant console fail, the entire console can be readily replaced or repaired.
- ▶ Other system enhancements include voice mail, automatic call distribution ("ACD," which is the sequencing of incoming calls to the "longest idle" operator), and integrated voice response (IVR) to handle the comments line.
 - ▶ The existing C&P Central Office switching system did not easily facilitate the implementation of a single voice mail system that could be used throughout the entire EOP. The functionality of a centralized voice mail system would have been difficult at best, because of the diversity of electronic key systems within the EOP. Currently, the key system environment is limited since all telephones do not have a Direct In Dial telephone number, which is necessary for a universal voice mail system.

- ▶ The new system, however, provides a single system-wide voice mail capability that fits within our budget constraints, and, in fact, will reduce recurring costs overall from those of the current system.

General Information:

- ▶ We have already begun implementation, and the entire system will be phased in over the next twelve months with the first service expected this fall.
- ▶ The Executive Office of the President has the option to either lease or purchase all of the telecommunications equipment, including the switching equipment and the telephone sets. The new system will be available to all EOP agencies; all EOP agencies have elected to use the new system.

Clinton's phones didn't need fix

The White House orders a \$26 million system, even though the old one can do the job

By Stephen Green
CORLEY NEWS SERVICE

With thousands of calls to the White House going unanswered immediately after President Clinton's inauguration, young aides griped about the telephone system and called it the antithesis of the high technology they hoped to bring to Washington.

Even Mr. Clinton publicly complained about a White House telephone system disparagingly described by one of his aides as a "tin can and a wire."

Notwithstanding the president's talk about economizing, Mr. Clinton's subordinates have proceeded with plans for a new telephone system and have ordered one installed — at an estimated \$26 million cost to taxpayers.

But a congressional investigation has found the present system was far more effective than the administration claimed. Indeed, investigators have determined it never was used close to its capacity.

Meanwhile, the expensive new system — awarded without the competitive bidding normally required by law for federal purchases — offers only marginal improvements, according to the investigation by the House Government Affairs Committee.

Claiming the telephone system had been saturated in early February by more than 65,000 incoming calls a day, Clinton administration officials used it as a symbol of old

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PHONES

From page A1

technology they identified with the Bush administration. They contrasted it with the kind of new technology they said they will use to assist in federal reform and give the nation a new communications highway.

But the bipartisan committee investigation has resulted in some Republican members of Congress turning the tables in a battle of symbols.

The GOP is using the system purchase to criticize Mr. Clinton, saying it is indicative of White House mismanagement — a sign the president's effort to "reinvent" government is likely to flop.

"After citing a failure to competitively award air charter contracts as a reason for firing travel office employees, it is ironic that the White House has turned to sole-source and limited competition in its own procurements," said Rep. Bill Clinger of Pennsylvania, the senior Republican on the House Government Operations Committee.

"Reinventing the government should start at the White House," said Sen. Christopher S. Bond, Missouri Republican and Mr. Clinger's counterpart on the Senate Government Operations Committee.

The White House press office did not respond to questions about the new phone system.

Mr. Clinger and Rep. John Conyers Jr., Michigan Democrat and chairman of the Government Operations Committee, initiated the committee investigation with a June 16 letter to the White House asking why competitive bidding was not used and seeking other information about the new system.

Three months later, in a Sept. 8 memorandum, the White House defended the purchase from the American Telephone & Telegraph Company and the local Chesapeake & Potomac Telephone Company.

Patsy L. Thomasson, special assistant to Mr. Clinton for White House administration, said competitive bidding was bypassed for reasons of national security and because there was an "urgent and compelling" need to acquire a new telephone system.

But the results of the committee's investigation, revealed in a report obtained by Copley News Service, reject both reasons cited by Miss Thomasson.

Although the White House justified its "urgent and compelling" rationale by citing an enormous increase in the number of incoming calls, the committee investigation found "the existing system has had ample capacity ... and never suffered a failure."

The White House told committee investigators that the more than

65,000 calls a day in February were too much for the system to handle. But the present system can "handle up to 100,000 an hour" and can be set to "field up to 200,000 calls per hour."

A simple check with their systems engineers would have shown they [White House aides] were wrong," the report said.

"In reality," the report continued, "the system problem which led to thousands of unanswered calls and busy signals was not inadequate equipment, but rather a lack of personnel to properly man the public comment lines and inadequate management procedures."

Furthermore, congressional sources said, the citing of an "urgent and compelling" reason to bypass competitive bidding generally has been confined to times of war.

Rejecting the White House's claim of "national security," committee investigators determined the telephone system is not classified and the "administration now admits" the system "has never been classified."

In fact, the report said, the Secret Service "informed administration officials that their refusal to release the 'request for proposals' [contract specifications] under the guise of national security" was insupportable.

"It appears that the new contracts were let in clear violation of the federal Competition in Contracting

Act," the report said.

According to the report, Miss Thomasson told the panel's investigators that with the present system, Mr. Clinton "cannot carry on truly private telephone conversations" because "White House operators have access to all phone lines."

But the committee report said that was not the case.

"If the president, or anyone else on staff, desires a private phone line, that line can be installed in a matter of hours. ... Clinton did not have such a line upon his arrival at the White House because neither Presidents Bush nor Reagan desired one," the report said.

Miss Thomasson said the new system will end up costing less due to lower maintenance costs. The committee report said the basis for her contention "is unclear."

The new telephone system, committee investigators found, will provide the White House with three new features:

- Voice mail for the entire complex of the Executive Office of the President.
- Six-party conference calls instead of three-party calls.
- Greater ease in rerouting telephone lines and numbers in inter-office personnel moves.

"These are the sum total of the added benefits the taxpayers have purchased," the committee report said.

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