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Daily Press Guidance

Tuesday
May 13, 1997

For Internal Use Only

Press Guidance
Tuesday, May 13, 1997

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BROWNFIELDS GUIDANCE IN ADDITION TO PREPARED MATERIALS
MAY 13, 1997

- * This is mostly targeting of existing FY97 funds by EPA, HUD, and other agencies. Rest is targeting or proposed FY98 funds. HUD is about 50/50 '97/'98.
- * Important to emphasize the proposed tax incentive described in paper, since it's something that was agreed to in the budget agreement, and we need to get it nailed down. It's \$2 billion over five years (but we can't say full amount was agreed to in budget agreement).

TOIV
Weinstein/DPC

THE WHITE HOUSE
Office of the Vice President

Tuesday, May 13, 1997
FOR IMMEDIATE RELEASE

Contact: (202) 456-7035

**VICE PRESIDENT GORE ANNOUNCES EXPANSION
OF BROWNFIELDS INITIATIVE**

WASHINGTON-- Vice President Al Gore today (5/13) announced that he was bringing together the resources of more than 15 Federal Agencies as part of the Clinton Administration's new "Brownfields National Partnership."

The Partnership is one part of a three-pronged strategy on Brownfields that the Vice President and senior administration officials announced today. The second part is a new round of Brownfields project grants and the third part is the Vice President's call to Congress to pass the President's Brownfields legislative package.

The Brownfields Partnership builds on the Administration's actions to empower and revitalize America's communities. This expanded effort includes commitments from across the federal government and the private sector to help thousands of communities cleanup and redevelop Brownfields -- abandoned pieces of land, usually in inner cities, that are lightly contaminated from previous industrial use.

"I now call on Congress to do its part by passing the President's Brownfields legislative proposals, including the Brownfields tax incentive," the Vice President said. "Our communities demand it. And our children deserve it."

The Brownfields Partnership -- which includes a \$300 million Federal investment in Brownfields cleanup and redevelopment from more than 15 Federal Agencies -- is expected to leverage from \$5 billion to \$28 billion in private investment, support up to 196,000 jobs, and protect up to 34,000 acres of undeveloped "greenfield" areas outside of cities.

The Vice President also announced a new round of Brownfields redevelopment pilot project grants to 34 additional communities to spur revitalization in those communities. To date, the Clinton Administration has awarded 113 such pilot projects, totaling nearly \$20 million to towns and cities across the country as a seed money to promote Brown fields redevelopment efforts.

The Administration launched the Brownfields initiative in November, 1993 with a \$200,000 grant from the Environmental Protection Agency to Cleveland, Ohio so that the state and local officials could help create a model for redeveloping these areas across the country. The Administration has since taken a series of actions, as part of its overall community empowerment

CLINTON ADMINISTRATION EXPANDS COMMITMENT TO BROWNFIELDS REDEVELOPMENT

Vice President Gore today launched an expansion of the Clinton Administration's Brownfields Redevelopment Initiative, building upon the Administration's actions to revitalize America's communities. First, a new Brownfields National Partnership brings a wide array of new federal and private sector resources to help thousands of communities clean up and redevelop brownfields. This ongoing Partnership -- which also builds on the Administration's Community Empowerment Agenda -- will support communities and provide new tools for their use. Second, the latest round of EPA's brownfields redevelopment pilot project grants brings resources to an additional 34 communities to spur revitalization. Third, the Vice President called on Congress to pass the President's brownfields legislative package, which includes a tax incentive to encourage brownfields redevelopment.

1) *New Brownfields National Partnership:* This new two-year effort includes more than 100 commitments from more than 25 organizations -- including more than 15 federal agencies -- to further **spur cleanup and redevelopment at some 5,000 brownfields sites** around the U.S. The new partnership is expected to result in:

- **A \$300 million federal investment** in brownfields cleanup and redevelopment, along with an **additional \$165 million in loan guarantees** to advance community revitalization;
- Leveraging from **\$5 billion up to \$28 billion in private investment** to redevelop these areas and return them to productive community use;
- **Support up to 196,000 new jobs;**
- **Protection of up to 34,000 acres of undeveloped "greenfield" areas**, and quality of life improvements for up to 18 million Americans living near these communities.

Under the new federal partnership, 15 federal agencies will provide:

- **Assessment, cleanup and job training funds** (\$125 million) from EPA; additional job training support from Departments of Health and Human Services, Labor and Education;
- **Redevelopment and housing funds** (\$155 million) and loan guarantees (\$165 million) from the Department of Housing and Urban Development; redevelopment of distressed areas (\$17 million) from the Economic Development Administration; coastal community revitalization (\$900,000) from the National Oceanic and Atmospheric Administration; and surveys to speed federal property development (\$1 million) from the General Services Administration.

In addition, HHS will work across the Administration to develop a public health policy to protect community residents near brownfields; Department of Treasury will work with Congress on the President's proposal for a \$2 billion brownfields tax incentive; and EPA, Department of Justice and the states will collaborate to establish national guidelines for state voluntary cleanups.

To provide models for successful collaboration, the Administration will select 10 Brownfields Showcase Communities to demonstrate importance of cooperation among federal agencies, state and local governments and the private sector in cleaning up and revitalizing brownfields. The Administration will select these sites through a competitive process from among brownfield and empowerment community/enterprise zone sites across the country.

2) *New Pilot Grants Provide More Communities with Seed Money to Spur Redevelopment:* Building on the Clinton Administration's efforts since November 1993 to provide seed money to communities seeking to clean up and redevelop brownfields, the Vice President today announced an additional 34 grants of up to \$200,000 to national or regional brownfields redevelopment pilot projects. To date, the Clinton Administration has awarded 113 such pilot projects totaling nearly \$20 million to communities across the nation to help them restore abandoned industrial sites to new uses that revitalize both the environment and the economy in urban centers and surrounding communities. Each pilot project is expected to serve as a model for other communities to use in removing the barriers to cleanup and redevelopment of brownfields in a variety of settings.

3) *A Call to Congress to Pass Brownfields Tax Incentive Legislation:* The Vice President called on Congress to pass the President's brownfields legislative package, which includes a tax incentive to encourage brownfields redevelopment. President Clinton's FY 1998 balanced budget plan contains a targeted tax incentive to spur the private sector to clean up and redevelop brownfields in economically distressed rural and urban areas. This \$2 billion tax incentive is expected to leverage \$10 billion in private sector investment, helping to revitalize some 30,000 brownfields sites. Under the proposal, businesses would be able to expense the costs of cleaning up these properties in the year in which the costs are incurred, rather than capitalizing such costs of the life of the property. This tax proposal will provide significant financial incentives for the private sector to revitalize these areas.

THE CLINTON ADMINISTRATION'S BROWNFIELDS REDEVELOPMENT INITIATIVE

Brownfields are abandoned pieces of land -- usually in inner city areas or surrounding communities -- that are lightly contaminated from previous industrial use. These sites do not qualify as Superfund toxic waste National Priority sites because they do not pose a serious public health risk to the community. However, because of the stigma of contamination and legal barriers to redevelopment, businesses do not buy the land and sites remain roped off, unproductive and vacant. Additionally, by redeveloping abandoned industrial property, "green" areas outside the city will be preserved.

Beginning in November 1993, the Clinton Administration has taken a series of actions to clean up and redevelop brownfields to return them to productive use in these communities:

- ***Creating a national model:*** In November 1993, EPA Administrator Browner launched the Brownfields initiative with a \$200,000 grant to Cleveland, Ohio for a pilot project with state and local officials to determine the best way to develop a national model for revitalizing these areas across the country. Since 1993, Cleveland has leveraged \$4.5 million for environmental cleanup and improvements for the property. Several new businesses have located on the site, over 180 new jobs have been created and payroll tax base improvement alone has netted over \$1 million for the local economy.
- ***Removing the barriers to development:*** Since January 1995, the Administration has removed the legal obstacles to development of brownfields sites by **taking more than 30,000 sites off the Superfund inventory**. By taking these low-priority sites off the list, we relieve potential developers of unnecessary red tape, remove the stigma of contamination, and get the sites on track for redevelopment.
- ***Providing seed money:*** The Administration has met and exceeded its original goal to provide Brownfields seed money across the country, with a total of 113 such grants of up to \$200,000 each underway. A total of nearly \$20 million has been awarded to date. The program brings together people who live near contaminated land, businesses that want to get land cleaned up, community leaders, investors, lenders and developers. Together, they seek ways to restore abandoned sites to new uses -- increasing property values, stimulating tax revenues, creating jobs and job training opportunities, and revitalizing inner-city neighborhoods.
- ***Tax Incentive and Budget Commitments:*** President Clinton's FY 1998 balanced budget plan contains a targeted tax incentive to spur the private sector to clean up and redevelop brownfields in economically distressed rural and urban areas. This \$2 billion tax incentive is expected to leverage \$10 billion in private sector investment, helping to revitalize some 30,000 brownfields sites. Under the proposal, businesses would be able to expense the costs of cleaning up these properties in the year in which the costs are incurred, rather than capitalizing such costs of the life of the property. This tax proposal will provide significant financial incentives for the private sector to revitalize these areas.

BROWNFIELD SUCCESS STORIES

DALLAS, TEXAS

The city of Dallas, with help from the United States Environmental Protection Agency, is returning brownfield properties into productive use for the community. With six sites in the cleanup and redevelopment process, \$41 million in private investment has been leveraged, along with a \$2 million public investment.

For example, the Dixon Street site is being converted from an abandoned brownfield site into a valuable recreation center for the neighborhood's children. The three and half acre site was an apartment complex until 10 years ago when it was torn down and left as vacant lot, which became a midnight dumping site with unknown contaminants. The site -- located next to a park -- collected trash and became a magnet for criminal activity. Larry Johnson, a Dallas native and New York Knicks basketball celebrity, donated \$1 million to construct the new recreation center. So far, 71 new jobs have been created from these efforts, and an estimated \$32 million per year is expected to enhance city coffers.

EMERYVILLE, CALIFORNIA

Prosperity is gradually replacing blight in Emeryville, CA, a small town located near Berkeley, Oakland, and San Francisco. EPA and Emeryville have joined forces on a Brownfields Pilot project to rejuvenate several abandoned, former-industrial sites contaminated with heavy metals, hydrocarbons, and chlorinated solvents. With the help of a \$200,000 EPA Brownfields grant, the town has leveraged \$644 million in private investment and has attracted several developers that will soon begin construction on retail, hotel and office developments. Within the next five years, the city anticipates 10,600 new jobs will be created. In addition, Chiron Corporation, the second largest biotechnology firm in the country, will construct 12 new buildings over the span of 20 years to house their biotech firm, creating over 3,000 high-paying jobs. Over one hundred acres of abandoned former industrial sites are being cleaned up and redeveloped, creating an increase of \$6.4 million in the tax base.

BRIDGEPORT, CONNECTICUT

In 1992, the City began its own brownfield redevelopment effort by working with Westinghouse Corp. to clean up and redevelop a contaminated site left vacant by the company. After Westinghouse cleaned up the site and donated it to the community, the City began redevelopment of an industrial park, and as many as 400 new jobs are anticipated.

With the help of a \$200,000 EPA Brownfields grant, the City is replicating this project at the other 29 brownfield sites in their clean up and redevelopment pipeline. The City has created a Pilot Report, an identification and ranking of the City's abandoned, contaminated sites, and has aided in attracting potential developers who may otherwise avoid properties which contain unknown environmental liabilities. So far, 120 acres are being cleaned up and redeveloped, spurring \$15 million in private investment and \$130 million in public investment. Although still in the early stages, the local tax base will get a \$250 thousand boost due to the collaboration between the city, EPA, other public and private entities and local neighborhood groups to revitalize these sites.

Clinton Administration Brownfields Economic Redevelopment Initiative
Summary of Pilot Projects - May 1997

NATIONAL PILOT PROJECTS

Bucks County, Pennsylvania - Commissioner Michael Fitzpatrick

With the help of its \$200,000 seed grant, Bucks County -- an Enterprise Zone -- will work in a three-square-mile area to identify underutilized former industrial sites for redevelopment.

Cook County/Harvey, Illinois - Mayor Nickolas F. Graves

With the help of its \$200,000 seed grant, Cook County will work with the city of Harvey to plan for redevelopment of an abandoned manufacturing facility as well as create new jobs.

Cowpens, South Carolina - Mayor William E. White

With the help of its \$200,000 seed grant, Cowpens will plan for cleanup and redevelopment of a 70-acre former textile mill, for which a potential purchaser has already been identified.

Dade County/Miami, Florida - Mayor Alex Penelas

With the help of its \$200,000 seed grant, Dade County will focus on a 30-acre former industrial center adjacent to public housing to plan for its cleanup and create redevelopment incentives.

Elmira, New York - Mayor Howard F. Townsend

With the help of its \$200,000 seed grant, Elmira will select 4 to 6 brownfields for cleanup and redevelopment, and consider a stop-loss insurance fund to cover private cleanup costs.

Fayetteville, North Carolina - Mayor Johnny Lee Dawkins, Jr.

With the help of its \$200,000 seed grant, Fayetteville will focus on redevelopment plans for three downtown brownfields that combine residential, commercial and retail properties on 3,000 acres.

Greenfield, Massachusetts - Mayor Peter Ruggeri

With the help of its \$125,000 seed grant, Greenfield will create a cleanup plan for an abandoned machine tool plant, and determine future options for returning it to productive community use.

Hartford, Connecticut - Mayor Michael P. Peters

With the help of its \$200,000 seed grant, Hartford will target deteriorated industrial sites in three neighborhoods, with a goal of attracting new industrial and commercial development.

High Point, North Carolina - Mayor Rebecca Smothers

With the help of its \$200,000 seed grant, High Point plans to revitalize its West Macedonia area, southeast of its downtown, by planning cleanups and creating new public-private partnerships.

Jacksonville, Florida - Mayor John A. Delaney

With the help of its \$200,000 seed grant, Jacksonville will focus on revitalizing underused or vacant brownfields in the Talleyrand Redevelopment Area and East Jacksonville.

Jersey City, New Jersey - Mayor Bret Schundler

With the help of its \$200,000 seed grant, Jersey City plans to boost its tax base and create jobs by revitalizing former industrial and rail areas surrounded by residential communities.

Ketchikan Gateway Borough, Alaska - Mayor John "Jack" Shay

With the help of its \$200,000 seed grant, Ketchikan Gateway Borough will create cleanup and reuse plans for a recently closed paper mill, to avoid deterioration and boost employment.

State of Maine - Governor Angus S. King, Jr.

With the help of its \$199,017 seed grant, Maine will target 85 towns and cities statewide to assist in revitalization and job creation, using a revolving loan fund to help support cleanup assessments.

Memphis, Tennessee - Mayor W. W. Herenton

With the help of its \$200,000 seed grant, Memphis will focus on an abandoned tire plant in the North Memphis Enterprise Community, creating plans for its cleanup and productive reuse.

New Bedford, Massachusetts - Mayor Rosemary S. Tierney

With the help of its \$172,000 seed grant, New Bedford will use tax incentives and loan options for cleanups to help redevelop former mill sites into aquaculture facilities to boost its economy.

Niagara Falls, New York - Mayor James C. Galie

With the help of its \$195,250 seed grant, Niagara Falls will plan cleanups at four brownfields in its industrial core, offering tax credits and other incentives to encourage their redevelopment.

Perth Amboy, New Jersey - Mayor Joseph Vas

With the help of its \$200,000 seed grant, Perth Amboy will focus on redeveloping two formerly heavy industrial areas, and develop model insurance to remove cleanup liability issues.

Puerto Rico - Governor Pedro Rossello

With the help of its \$200,000 seed grant, the Puerto Rico Economic Development Administration will plan for 3 cleanups, including one to turn a vacant electroplating plant into a recycling center.

Santa Barbara County, California - County Administrator Michael Brown

With the help of its \$200,000 seed grant, Santa Barbara County will revitalize the Goleta Old Town area -- with some 50 possible brownfields -- through cleanup and redevelopment plans.

St. Paul, Minnesota - Mayor Norm Coleman

With the help of its \$146,000 seed grant, the St. Paul Port Authority will work with community groups to identify up to six underused or abandoned brownfields for cleanup and redevelopment.

Tallahassee, Florida - Mayor Scott Maddox

With the help of its \$191,000 seed grant, Tallahassee will examine 73 brownfields on 450 acres for potential cleanup and redevelopment, focusing on the Gaines Street/Cascade corridor.

Tucson, Arizona - Mayor George Miller

With the help of its \$200,000 seed grant, Tucson will clean up and redevelop up to 20 brownfields in an 80-acre area of warehouses, roadways and vacant industrial sites.

Wellston, Missouri - Mayor Robert L. Powell

With the help of its \$200,000 seed grant, Wellston will plan cleanups and redevelopment of a 100-acre brownfield area, with the goal of creating a new light manufacturing technology park.

Wilmington, Delaware - Mayor James H. Sills, Jr.

With the help of its \$200,000 seed grant, Wilmington will focus on 1,750 acres of former industrial sites for cleanup and redevelopment, and start a brownfields cleanup loan program.

Northwest Wisconsin - Governor Tommy G. Thompson

With the help of its \$195,510 seed grant, Northwest Wisconsin will initially target six brownfields across the region for redevelopment, including those in a waterfront area in the city of Superior.

REGIONAL PILOT PROJECTS

Baltimore County, Maryland - County Executive Charles A. Dutch Ruppersberger

With the help of its \$200,000 seed grant, Baltimore County will focus on a revitalization strategy for vacant and underused brownfield sites in its southeast industrial corridor.

Chicago, Illinois - Mayor Richard M. Daley

With the help of its \$41,000 seed grant, Chicago will create a stakeholder participation process to facilitate community input into three ongoing brownfields redevelopment efforts.

East Palo Alto, California - Mayor R. B. Jones

With the help of its \$125,000 seed grant, East Palo Alto will focus on a 130-acre industrial area with nearly 60 properties, conducting environmental assessments to speed redevelopment.

Englewood, Colorado - Mayor Tom Burns

With the help of its \$200,000 seed grant, Englewood will create low-interest cleanup loans and identify potential developers for two former industrial sites, an iron works and a plating facility.

Gainesville, Florida - Mayor Bruce Delaney

With the help of its \$100,000 seed grant, Gainesville plans to meet an environmental need -- treating downtown stormwater runoff -- by turning a 20-acre brownfield into a stormwater park.

Lynn, Massachusetts - Mayor Patrick S. McManus

With the help of its \$200,000 seed grant, Lynn will complete cleanup and redevelopment plans for three diverse brownfields, to return them to residential, industrial and recreational use.

Ogden City, Utah - Mayor Glenn J. Mecham

With the help of its \$200,000 seed grant, Ogden City will create redevelopment plans for three central business district brownfields; a new baseball stadium is planned for a former iron works.

Tulsa, Oklahoma - Mayor M. Susan Savage

With the help of its \$200,000 seed grant, Tulsa will create cleanup and redevelopment plans for 10 brownfields in its northwest neighborhoods, and explore financing and tax incentives.

Westfield, Massachusetts - Mayor Richard Sullivan, Jr.

With the help of its \$197,000 seed grant, Westfield will target a former boiler manufacturing facility -- which closed down four years ago -- for assessment, cleanup and redevelopment.

May 12, 1997

**QUADRENNIAL DEFENSE REVIEW
COMMUNICATION PROGRAM**

The Department must have a comprehensive, unified message to convey to Congress and to the public, portraying the QDR as an innovative, analytical, far-reaching assessment of the national defense needs of the U.S., a blueprint which will enable the United States to respond to any threat we will face into the 21st Century. It is important that all Department components speak with one voice in its interaction with Congress and interested parties.

Key messages include:

- The QDR outlines a three-part strategy. First, we must shape the security environment to protect our national interests, promote regional stability, and deter aggression around the world. Second, we must be able to respond quickly to the full spectrum of threats through forces which are flexible, strong and ready to dominate any aggressor early in any conflict. Lastly, we have to prepare now for any threats that might arise in the future. By executing the robust modernization program we have planned, the United States will maintain its global leadership well into the next century.
- The QDR strategy must be executed within realistic budget restraints. The QDR positions the Department to exploit the revolutions in military affairs and business affairs that will yield the efficiencies necessary to modernize for the next century, while preserving today's readiness and capability. The Force is not broken. Because our military is strong, well-trained and ready, there is no need to radically restructure it. The QDR charts a prudent course to maintain its current strengths, achieve greater efficiencies, and reallocate resources to modernize for the future.
- The QDR is comprehensive. All elements of our defense program -- strategy, force structure, infrastructure, readiness, modernization, people and information and intelligence programs -- were thoroughly reviewed. Everything was on the table. All major components within the Department of Defense participated in the review. The service chiefs and CINCs were actively engaged. The QDR's recommendations resulted from tough decisions and difficult tradeoffs, but successfully balance the need to maintain readiness today, modernize for tomorrow and harness revolutionary technologies which will emerge in the coming decades.
- The QDR is not an end in itself, but a continuing process. The Department will work closely with the rest of the Administration, the Congress, and National Defense Panel in the months ahead. Many issues within the QDR require further analysis. However, this represents a critical foundation which will guide our defense programs well into the next century.

The QDR Roll-out will be accomplished in two phases. Phase 1 involves Congressional consultations and general public discussion regarding the QDR process, strategy and difficult choices facing the Department of Defense. Most of the media and political interest will revolve

GUIDANCE ON DASCHLE ABORTION LEGISLATION
MAY 13, 1997

- * As you know, the President has made it clear all along that he would sign legislation to ban late-term abortions as long as that legislation provided adequate protection to the life **and** health of the mother.
- * So far, Congress has declined to send him legislation that protected the mother's health.
- * Senators Daschle and Feinstein have both been working hard to design legislation that would address this concern.
- * We have been examining both proposals, and the President is very eager to get a report on them this afternoon. We will have more to say about this after the President has had an opportunity to receive the information he is looking for.

(Mike -- we might endorse both equally. Daschle says "grievous injury and defines it." He also imposes significant, but civil, penalties. Feinstein also imposes civil penalties, though less serious, and says "serious adverse health consequences" and doesn't define them. This has been our mantra, but we can't lean toward her.)

TOIV
Podesta

GUIDANCE ON PUBLIC HEALTH SERVICE/SYPHILIS EXPERIMENT EVENT
MAY 13, 1997

- * We decided to hold the event here at the White House to show proper respect, to pay them the highest honor, and to add to the import of the apology the President is making on behalf of the government and the American people.
- * The President is concerned about those who could not make the trip, and we have arranged for a satellite downlink to Tuskegee. In addition, he has asked the Acting Surgeon General to travel there and be his personal representative there.
- * At this time, we are anticipating that at least five of the eight survivors of the experiments will attend. The oldest is 100 years old. A survivor will probably speak.
- * In addition, we are anticipating three wives or widows, nine children and two grandchildren. We are anticipating at least 35 people total, including survivors, family, and escorts.
- * The vast majority of these folks are coming from the Alabama area, and there will probably be a lot of press coverage of them as they depart Alabama to come here.

TOIV

Conversation with Ben Johnson

THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)

DRAFT -- May 13, 1997

For over 20 years, the IDEA has guaranteed a free, appropriate public education to students with disabilities; IDEA currently assists over 5.7 million students across the U.S. to reach their full potential. IDEA has greatly decreased the number of children in institutions and has significantly increased the number of young adults with disabilities going on to higher education and employment. The reauthorization legislation approved by the House and Senate today, with the strong support of the President, strengthens and reaffirms our Nation's commitment to disabled children and their parents.

The new legislation upgrades the IDEA in several ways:

- A stronger emphasis on educational results. The new IDEA revises the content of student Individual Education Plans to better focus on enabling disabled children to participate and progress in the general curriculum. In addition, the new law reaffirms that all children with disabilities must be included in State and district assessments, with appropriate accommodations where necessary.
- Better support for parents. Under the new IDEA, Parents will be more fully involved in student placement decisions. Moreover, the new law requires that parents receive report cards on the progress of their children as frequently as parents of non-disabled children.
- Protecting the safety of all students in the classroom while retaining the essential rights and protections of disabled students. As proposed by the Administration, the new IDEA expands the authority of school officials to remove a child for up to 45 days for misconduct involving weapons or illegal drugs. The new law gives hearing officers the authority now reserved to courts to remove a child whose continued presence would pose a substantial risk of injury to the child or others. However, the reauthorization overrides a recent 4th Circuit decision on cessation of services, making clear that educational services may not be terminated for any child with a disability.
- Reduced costs, paperwork, and litigation. The new IDEA gives school districts financial relief through new cost-sharing provisions, and reduces paperwork for teachers, school districts and States. In addition, parents and school authorities will be able to resolve disputes through new mediation mechanisms.
- Improved funding formula. As proposed by the Administration, the reauthorization makes changes in the IDEA funding formula to diminish incentives to wrongly identify children as having a disability, although these changes would only take effect in future years as appropriations reach higher levels.

The new legislation is the product of a consensus-building process involving

congressional Democrats and Republicans, the Department of Education, and representatives of the education and disability communities, and shows how bipartisan cooperation can help achieve important national goals.

Talking Points on the IDEA Reauthorization - DRAFT May 12, 1997

- The IDEA reauthorization bill that is likely to pass today, with the full support of the President, will strengthen and reaffirm our Nation's 20-year old commitment to disabled children and their parents.
- The new law reflects many of the key principles outlined in the Administration's reauthorization proposal. The upgraded IDEA contains a stronger emphasis on educational results and provides better support for parents. The reauthorization also protects the safety of all students in the classroom while retaining the essential rights and protections of disabled students. In addition, the new IDEA has a modified funding formula to reduce incentives to wrongly identify children as having a disability.
- IDEA legislation died a contentious death at the end of the last Congress, but today's vote shows what is possible when Democrats and Republicans put aside their differences and work to achieve important national goals. We hope to continue in this bipartisan spirit and move forward on the rest of our agenda to improve education and prepare America for the 21st Century.

INTERNAL Q'S AND A'S ON IDEA -- NOT FOR DISTRIBUTION

DRAFT -- May 13, 1997

Q: Do you think Majority Leader Lott and his staff deserve the credit for passing this legislation this time?

A: The Majority Leader and his chief of staff, David Hoppe, showed considerable leadership throughout this process, but this accomplishment would not have been possible without the hard work of a number of Democrats and Republicans from both the House and the Senate, and by Secretary Riley and the Administration negotiating team, led by Assistant Secretary Judy Heumann ("HUMAN"). This group worked very closely with education groups and the disability community to get a consensus bill.

Q: What effect does this legislation have on Virginia's dispute with the Administration over services to disabled students who have been suspended or expelled?

A: The new IDEA has important provisions that protect the safety of all students in the classroom while retaining the essential rights and protections of disabled students. For example, the new law expands the authority of school officials to remove a child from the classroom for misconduct involving weapons or illegal drugs, and gives hearing officers authority (previously reserved to courts) to remove a child whose continued presence would pose a substantial risk of injury. With respect to Virginia, the reauthorization adopts the Administration's position, overriding a recent 4th Circuit decision and making clear that educational services may not be terminated for any child with a disability.

Q: Pete Wilson and others have criticized this bill because it still requires that long-term inmates get services, taking funds away from other students. Should Congress have prohibited services to this population?

A: In a compromise supported by California Republican Congressman Frank Riggs, the new IDEA strikes a reasonable balance on the issue of serving disabled youth in adult correctional facilities, allowing the Governor to transfer responsibility for these services to the State correctional agency and relieving the State from certain requirements of the law.

Q: Is this legislation supported by education groups and the disability community?

A: While nearly all groups involved in the negotiating process had to give up something to reach consensus, the new law has remarkably broad support among both education groups and disability rights advocates.

Q: How much does the Federal government spend on special education?

A: For FY 97, appropriations for State grants under IDEA (parts B and H) total \$3.78 billion, up from \$3 billion in FY 96. The Administration has proposed increasing state grants by

an additional 4.3%, to a total of \$3.95 billion, for FY 98.

Q: Some Republicans contend that this bill is an unfunded mandate. Do you agree?

A: IDEA is not an unfunded mandate. No state has to participate in IDEA; participation is voluntary, and assists states to meet their constitutional obligations to provide equal access to a public education to children with disabilities. States would have these obligations even if they did not receive IDEA funds. Moreover, IDEA is exempted from coverage by the Unfunded Mandates Reform Act of 1995 signed by the President.

Q: Does the Administration agree with Senator Gregg that the share of IDEA funding should increase to 40% of total costs?

A: The Administration agrees with Senator Gregg that the federal government should contribute more toward meeting the costs of special education, and has consistently sought increases in funding for this program. However, it is important to support a broad range of programs which will improve educational opportunities for all Americans.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 12, 1997
(House)

AME ✓
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Brief Book

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5 - Individuals with Disabilities Education Act (IDEA) Improvement Act of 1997 (Rep. Goodling (R) PA and 18 others)

The Administration strongly supports House passage of H.R. 5 as a major step towards ensuring high-quality educational opportunity for all students. Reauthorization of the Individuals with Disabilities Education Act (IDEA) reaffirms and strengthens this commitment to children with disabilities and their parents. This legislation is the product of comprehensive bipartisan negotiations involving both chambers of the Congress and the Administration, with broad public input from many individuals and organizations. It places a strong emphasis on teaching and learning, and will do much to help improve educational results for the 5.8 million children with disabilities who are served under the IDEA.

Talking Points on Shapiro, Vacancies & Holder
Tuesday, May 13, 1997
Contact: Myron Marlin 616-2777

SHAPIRO

Is it true that Howard Shapiro, the FBI's General Counsel is quitting?

- You would have to ask the FBI. But I don't believe they are commenting.

VACANCIES

How do you explain that Justice still does not have a confirmed number 2 or 3 person, and is still lacking a permanent Solicitor General, Civil Rights head, and Criminal head?

- We are working together with the Attorney General and the Judiciary Committee to fill the vacancies that are still open at the Justice Department as quickly as possible. In fact we hope that [Eric Holder] the number 2 position there will be confirmed shortly.

ERIC HOLDER

Is it true that Holder's confirmation hearing has been delayed?

- I understand that's true. Apparently the Judiciary Committee asked for some additional information. And the Justice Department asked for a few days to ensure that what is provided does not jeopardize any pending matters. So the Department agreed to postpone. [You should probably check with Justice.]

**BACKGROUND/TALKING POINTS
NEW ENTRANT AIRLINES AND SLOTS AT MAJOR AIRPORTS
MAY 13, 1997**

per Wall Street Journal article

BACKGROUND/SLOTS

- * DOT Assistant Secretary for Aviation and International Affairs Charles Hunnicut will testify today at 2:30 p.m. before a Senate Commerce subcommittee regarding barriers to entry in the aviation industry.
- * Goal is not to make much news, but let the committee members who have widely differing views be the focus of coverage. Our position on airline competition is simple: more competition is better for consumers - yielding better service and lower fares.
- * With regard to the WSJ story suggest that DOT will move in the next few weeks to give some new entrant airlines slots (takeoff and landing rights) at O'Hare, Kennedy and LaGuardia, it is likely DOT will approve some additional slots in the next month for new entrants, but the number will be small.
- * Hunnicut will cite a recent GAO report encouraging more domestic airline competition and the DOT response to the GAO report. Hunnicut will testify:

"The Department ... took note of a GAO suggestion that Congress may wish to revise the legislative standard governing the Secretary's granting of additional slots to accommodate new entrants, making competition a key criterion. The Department stated that even without a change in legislation, it intended to be more receptive to considering competition as a factor in granting slot exemptions to new entrants under the "exceptional circumstances" criterion in the law."

TALKING POINTS/SLOTS

- * I would direct to you the Transportation Department on that. I understand they have a Senate hearing later this afternoon and will address that topic, among others.
- * [If pressed: We favor increased competition because, in the end, travellers (1.5 million every day in the U.S.) benefit.]

BACKGROUND/PERIMETER RULE

- * Congress, through its authority overseeing Dulles and National, years ago, put in place the "perimeter rule", which prohibits nonstop flights to and from National from beyond a 1,250-mile radius ("perimeter").

TALKING POINTS/PERIMETER RULE

- * DOT has not and will not take a position on the perimeter rule at National Airport. Congress put that rule in place, it's appropriate for that body to decide on any modifications.

Steve Aikins / DOT
366-4531

Press Guidance

May 13, 1997

DOMESTIC PARTNER DISPUTE AT SAN FRANCISCO AIRPORT

Background: The city of San Francisco passed an ordinance stating that if you do business with the city, and are of a certain size, you need to provide the same benefits to your gay employees as all other employees (ie, domestic partnership benefits). United Airlines', which has a hub in SF, lease is up for renewal and the city forced them to comply with this ordinance or not to do business with the city. The city cut a deal with United allowing the airline to defer compensation over a short period of time in exchange for a phasing in of some sort of domestic benefits. This isn't the first time the city has worked out a deal -- They reached an agreement with the Roman Catholic Church which continues to operate several AIDS programs in the city.

Q: What does the Administration think of the dispute between the City of San Francisco and United Airlines?

A: As far as we know this is a dispute related to contractual and leasing issues and neither the city nor the airline has requested any type of federal intervention.

FYI for Briefer only -- Yesterday, at a private meeting of the Airline trade industry a decision was reached stating that the industry would challenge the right of a municipality to dictate the terms of employee relationships.

Silverman

Conversation with Socharides and Aikey/DOT



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 9, 1997
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 4 - Family Friendly Workplace Act (Ashcroft (R) MO and 41 others)

The Administration strongly opposes S. 4, as reported by the Senate Labor and Human Resources Committee, because it does not uphold three fundamental principles: (1) real choice for workers; (2) real protection against employer abuse; and (3) preservation of workers' rights. The President will veto S. 4 or any other compensatory time legislation that does not fulfill these principles.

S. 4 purports to give working families greater flexibility. In reality, it grants employers more rights and leaves working Americans and their families worse off.

- S. 4 fails to offer workers real choice. In particular, S. 4 would allow an employer to unfairly pick and choose which employees are offered compensatory time. Moreover, it would allow the employer to decide when workers use their compensatory time-off by disapproving such time-off if the employer claims it would "unduly disrupt" its operations — even if a worker needed the time off for family leave or medical emergencies. In addition, S. 4 would permit an employer to unilaterally "cash out" a worker's earned compensatory time over 80 hours. These provisions do not guarantee real choices to workers.
- S. 4 fails to protect workers against potential abuse. At a time when overtime is reaching an all-time high in some industries, S. 4 offers inadequate protections against employer abuse, especially for vulnerable workers and part-time, seasonal, and temporary employees, including garment and construction workers. The bill also fails to prohibit employers from substituting compensatory time-off for paid vacation or sick leave benefits. It does not adequately safeguard workers when an employer goes bankrupt or out of business: workers could lose up to six weeks of pay due to S. 4's unreasonably high cap of 240 hours of bankable compensatory time. S. 4 also lacks meaningful remedies when workers exercise their private right of action against employers who penalize them for choosing overtime pay in lieu of compensatory time.
- S. 4 fails to preserve workers' rights. It effectively eliminates the 40-hour workweek by allowing employers to establish an 80-hour biweekly work schedule or a flexible credit hour program that allows employers to pay straight time pay for overtime work. That is money out of the employee's pocket. It also ends the 60-year-old right to time and a half pay whenever an employee works more than 40 hours a week, not just when the employer orders it. In addition, workers who take compensatory time-off can be forced to work extra hours in the same week even on the weekend without being paid time and a half pay.

This gives families less flexibility, not more. If compensatory time legislation is truly to provide more flexibility to working families, it must not be allowed to undermine the 40-hour workweek.

Finally, the Administration strongly believes that any legislation to authorize compensatory time under the Fair Labor Standards Act should be linked to expansion of the Family and Medical Leave Act (FMLA). Expanding the FMLA to give working families greater flexibility to foster the education of their children or provide elder care will go a long way toward achieving the stated goals of S. 4.

Press Guidance
May 13, 1997

Advisory Commission on Consumer Rights and Quality in the Health Care Industry

The Commission will meet hold their first meeting today at the Mayflower Hotel.

Secretary Shalala and Secretary Herman will co-chair the meeting. The agenda will include the following items:

- Receiving testimony from consumers business representatives to illustrate the Commission's commitment to the quality and consumer protection concerns of this constituency;
- Reviewing, editing and adopting the Commission's final work plan.
- Reading a letter from the President commending the commission for the final work plan (attached).
- Announcing two of the three remaining unnamed commission members. (One was technically announced yesterday)
- Swearing-in all of the members.

The Advisory Commission on Consumer Protection and Quality in the Health Care Industry was created by Executive Order. The purpose of the Commission is to advise the President on how changes in the health care delivery system are affecting quality, consumer protection and the availability of needed services. Through a series of public meetings, it will collect and evaluate information and develop recommendations on improving quality in the health care system. The Commission will be co-chaired by the Secretary of Health and Human Services and the Secretary of Labor.

The Commission has broad-based representation from consumers, businesses, labor, health care providers, insurers, and quality and financing experts. The Commission members have expertise on a range of health issues including the challenges facing rural and urban communities, children, women, seniors, minorities, people with disabilities, mental illness, AIDS, privacy rights and health care ethics.

Mellody per Chris Jennings and past materials

THE WHITE HOUSE

WASHINGTON

May 12, 1997

Dear Commission Members:

I enjoyed meeting many of you several weeks ago when we formally announced the members of the Commission. As you begin your first official meetings, I want to thank you once again for agreeing to serve.

I am delighted that such a distinguished group of experts, representing consumers, business, labor, health care providers, insurers and other health plans, and government, has agreed to participate on this Commission. Your work will play a crucial role in helping policymakers on all sides of the political spectrum chart a thoughtful course through a time of profound change in our health care system.

One of the Commission's most important goals is to ensure that patients and their families have appropriate consumer protections in our evolving health care system. I urge you to develop a "Consumer Bill of Rights" to be completed no later than this fall -- well before the January 31 due date of the Commission's preliminary report. Providing your recommendations in a timely manner to respond to this challenge will help in developing a long-overdue national consensus on this critical issue.

I also want to thank you for working so hard on clarifying your agenda and establishing a work plan. You well understand the need to focus narrowly enough to be effective as you review the broad range of issues that could come under your charge.

Thank you again for taking on this important challenge. I look forward to following your deliberations and reviewing your recommendations closely.

Sincerely,

Bill Clinton

Baltimore Flooding
May 13, 1997

Background: The city of Baltimore experienced severe flooding as a result of a water main break last week. According to news inquiries this morning, city officials are discussing the possibility of requesting federal disaster assistance to aid in the recovery efforts.

* As always, a determination of federal assistance would be made only after receiving a request from the Governor that damage was beyond the state and local government's capability to handle. FEMA does not currently anticipate receiving any federal disaster request from the state of Maryland as a result of the flooding in Baltimore. FEMA is monitoring the situation and stands ready to look at ways to provide assistance if needed.

For briefer's information:

* There have been situations where FEMA has issued emergency declarations to assist state and local governments in cases of severe water main breaks. While there is precedent for this federal assistance, it is an unusual occurrence and one that is most often handled by individual states without FEMA's involvement. (FEMA would not want to encourage such a request).

J. Green per conversation w/ Phil Cogan, FEMA

Press Guidance
May , 1997

EPA Particulates

Representative David McIntosh is delivering a lunch speech today at the Press Club to criticize the EPA for its ozone rule.

- EPA has introduced a proposed rule, which is in the rule-making process.
- The soot part of the rule is due by court order on July 19th. We will have more to say after the final rule is announced.

FYI for briefer only - McIntosh has been criticized in the past for having been beholden to industry special interests on environmental issues.

Mellody per B Johnson

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

AME
MEG, BT, JL

May 13, 1997

MEMORANDUM FOR MICHAEL MCCURRY

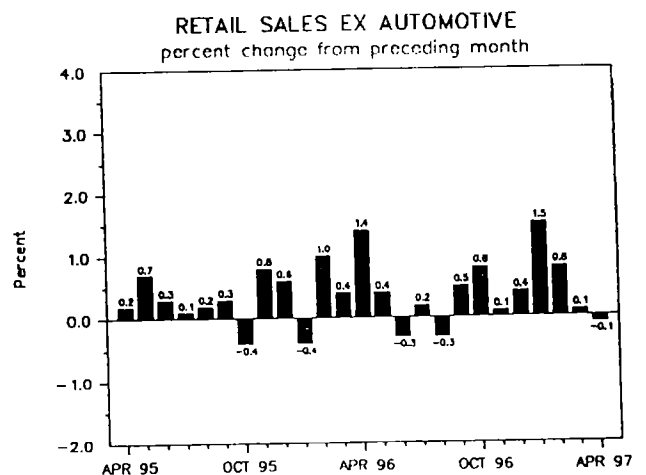
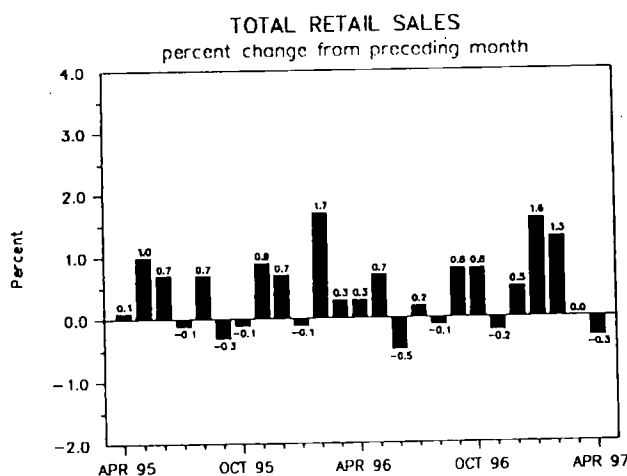
FROM: ALICIA H. MUNNELL *AM*

SUBJECT: April Retail Sales, Commerce Department Release,
Tuesday, 8:30 a.m.

Nominal retail sales fell 0.3 percent in April, in line with market expectations. This follows very strong growth in the last quarter.

- Sales at auto dealers fell 0.9 percent--roughly consistent with unit sales as reported by the automakers.
- Excluding motor vehicles, retail sales fell 0.1 percent in April; the market had expected an increase.
- Revisions to earlier data suggest a small downward revision to first quarter personal consumption expenditures.

These data reinforce the view that the economy is slowing from the rapid expansion of the first quarter.



Press Guidance
May 13, 1997

Budget

John Hilley and Frank Raines will meet with Spratt, Lautenberg, Kasich and Domenici (the budget principals) on the Hill at 2:30pm. We'll know more after the meeting.

FYI - VP noted at his event that we would like to wrap this up soon.

Background: They would like to make this the final meeting.

Mellody per Siewert, Haas

ZAIRE

Q: Can you give an update on plans for Mobutu to hand over power to the Speaker of the Zairian Parliament?

A: There is some constitutional ambiguity about the election of Archbishop Laurent Monsengwo by a portion of the HCR-PT as new speaker of the interim parliament. A significant portion of the opposition did not participate in the decision. Monsengwo himself has not said he would accept the post.

We understand Archbishop Monsengwo plans to cross to Kinshasa shortly from Brazzaville after which he will make a statement of whether he has decided to accept the post.

We continue to support the efforts of the South African Government and UN/OAU Representative Sahnoun to find a peaceful resolution to the crisis.

If this or any other development helps create conditions for a peaceful transfer of power to an inclusive transitional government, then we would welcome it.

Q: (If asked) Who is objecting to Monsengwo's election and why?

A: The alliance has indicated it would only accept power from Mobutu, not from any transitional authority.

Q: Can you confirm South African-sponsored talks will begin on Wednesday?

A: The South Africans have indicated that Mobutu and Kabila are currently scheduled to meet under their auspices May 14.

Q: Will the U.S. send a representative? Who would that be?

A: We have no plans to send a representative. If the South African and UN/OAU mediators indicate it would be helpful, we stand ready to assist.

Q: Can you give an update on Alliance movement on Kinshasa?

A: We have heard various reports about the position of alliance forces close to Kinshasa, but it is difficult to confirm any of them. The City of Kenge, 125 miles east of Kinshasa reportedly fell to rebel forces late last week.

Q: This weekend the Alliance announced it had information that elements of the Zairian Government were preparing to kill expatriates in order to prompt foreign military intervention. Any comment?

A: We have heard similar rumors before. We have no reason to believe they are true. However, we have been taking appropriate precautions.

Q: Is the American Embassy drawing down personnel?

A: Based on the uncertain situation in Zaire, Ambassador Simpson has decided to further reduce American staff from 38 to 25.

Private Americans who wish to depart Zaire at this time are able to do so via commercial means.

The Department issued a travel warning for Zaire March 20 which strongly encouraged Americans to depart Zaire in light of the uncertain political and security situation and the potential for unrest throughout the country. The travel warning remains in effect.

IRAQ

EVACUATED IRAQIS DETAINED IN CALIFORNIA

Background: All of the 6,500 persons evacuated from Northern Iraq by the United States last fall have left Guam and are now in the continental U.S. The group consisted of individuals (and their families) who had worked for USG agencies or U.S.-affiliated NGOs in Northern Iraq, as well as approximately 600 members of the Iraqi opposition. They were believed to be at risk in Northern Iraq and were paroled into the U.S. on humanitarian grounds.

While the vast majority has been granted asylum status and placed with appropriate sponsors in the U.S., the INS did not grant asylum to 25 of the evacuees (8 men and 1 woman) on the basis of the FBI's assessment that they represented a threat to the national security. The interagency decided that it would err on the side of caution and defer to the FBI rather than try to sort the cases out on Guam -- an inappropriate forum in which to thoroughly review their cases. Therefore, the interagency decided that it would be better to bring these persons to the US and have their cases more fully reviewed by an immigration judge -- with counsel representing the Iraqis. The INS expects that, upon further review of their files in the US, it will choose not to oppose the asylum requests of some of the evacuees.

The 25 were transferred to California last March and are being detained at facilities in Lancaster and near Bakersfield pending the outcome of their exclusion proceedings. They will appear before immigration judges who will consider their asylum claims. Their thirty-four accompanying family members made independent asylum claims and have been resettled in the U.S. with the assistance of private voluntary agencies.

- Evacuation of Iraqi nationals from Northern Iraq was a humanitarian gesture in keeping with U.S. tradition.
- Persons evacuated were determined to be at risk based on their association with the United States.
- Roughly 6,500 evacuees have been resettled in various areas of the U.S. with the assistance of private voluntary agencies.
- Background security checks were undertaken both before the evacuation and during processing on Guam. Vast majority of evacuees were resettled and are beginning new lives in the US.
- Among the 6,500 evacuees, a very small number was not granted asylum while on Guam because of questions relating to their background. Guam was not considered an appropriate forum in which to fairly and thoroughly review their cases.

- A final decision regarding their asylum claims has not been made. Their cases will be reviewed more fully by immigration judges, and they will be able to be represented by counsel.
- In the meantime, they are being detained in various California facilities pending completion of their proceedings, consistent with the Immigration and Naturalization Act.

DELIVERY OF FOOD

Q: What is your reaction to Iraqi government charges that the U.S. is holding up approval of contracts for the delivery of food to Iraq under UNSCR 986 because of political reasons?

A. The charges are baseless.

The contract approval process is not the bottleneck in the distribution of food. There are contracts which have been approved but are awaiting funding from oil sales before they can be fulfilled.

In fact, some 500,000 tons of food have been delivered to Iraq, but the U.N. reports that only a relatively minor amount of this food has actually been delivered by the Iraqi authorities.

It is ironic and tragic that the Iraqi regime, after rejecting two earlier UNSC Resolutions intended to provide such relief, and after delaying implementation of 986 for 18 months, is now complaining because the sanctions committee insists that it follow the rules.

Q: What about the Iraqi charge that the US representative is the only one of those overseeing the approval of contracts who has yet to approve some contracts?

The U.S. is proceeding to implement the system agreed to by the Iraqi government and the U.N.

We call upon the Iraqi regime to show elementary compassion for the suffering of the Iraqi people and to comply with the clear and simple U.N. conditions for the shipment of food and medicine under the system to which it agreed.

RUSSIA/NIS

Current

On May 13 WashTimes story that Russian Defense Minister "Stalls" START

- Again, must note that we do not comment on contents of purported intelligence reports.
- However, MOD Rodionov, who is here at the invitation of Secretary Cohen to discuss new and ongoing bilateral military contacts, publicly called for START ratification last fall -- we believe members of Russian government support President Yeltsin's firm commitment at Helsinki to ratify START II.

Unauthorized Launch/Detargeting

Q: How safe are Russia's nuclear missiles from an accidental launch?

A: As we understand it, Russian missiles will not launch without the receipt of duly authenticated codes from their national command authority. Absent the appropriate unlock codes, a Russian ballistic missile cannot undergo the steps necessary to even prepare it for launch.

Q: Are Strategic Rocket Forces (SRF) so "poorly treated" and "psychologically weary" that they would launch a missile out of frustration?

A: There is a concern that living conditions and morale have deteriorated in the military. However, SRF forces continue to demonstrate a high level of professionalism despite the challenges they currently face.

Without the receipt of duly authenticated codes from their national command authority, a Russian missile will not launch. Consequently, our intelligence continues to indicate that the possibility of unauthorized launch is remote, because of the many safeguards built into the Russian nuclear Command and Control System.

Q: How likely is it that some frustrated soldier would "launch a kamikaze attack" against the Kremlin or some other target?

A: Because of the many safeguards built into the Russian nuclear Command and Control system, the possibility of such a launch is remote.

Q: Can the missiles be fired independently of the Command and Control system or if the outmoded and poorly maintained system fails?

A: As we understand it, Russian missile will not launch without the receipt of duly authenticated codes which come from the national command authority. Absent the appropriate unlock codes, a Russian ballistic missile cannot be fired.

Q: Is the detargeting announce by the President only symbolic? What leads us to believe the detargeting data have in fact been off-loaded from the missiles?

A: At the January 1994 Moscow Summit, Presidents Clinton and Yeltsin announced that they would direct the detargeting of U.S. and Russian strategic missiles, respectively, so that by May 30, 1994, none of these missiles would be targeted against any country on a day-to-day basis. The United States implemented detargeting by May 30, 1994, and the Russian government notified us that it also implemented detargeting on schedule.

Yeltsin signs peace accord with Chechens

- Understand President Yeltsin signed accord on principles of relations with Chechen Republic today in Moscow; note Yeltsin himself signaled it is "peace" treaty -- that is main content -- allowing Moscow and Chechen leaders to settle issues without violence.
- Welcome this very constructive step; also note that Chechen leader Maskhadov condemned terrorism, kidnapping -- applaud pragmatism of both leaders.

Solana-Primakov

- NATO Secretary General Solana and Russian Foreign Minister Primakov are meeting **today and tomorrow in Moscow** to discuss NATO-Russia relationship and document. **Expect talks to be productive, substantive**, although issues remain to be resolved, particularly as regards security implications of NATO enlargement.
- Russians expressed interest in late May NATO-Russia summit to sign NATO-Russia document. Depends on whether we can conclude NATO-Russia document. Obviously, this being worked very intensely, but still need to resolve differences.

General

NATO-Russia (expanded)

- Plans for NATO enlargement proceeding on schedule -- Madrid summit on track; will issue first invitations to prospective new members at July 8-9 meeting.
- Enlargement part of broader effort to build comprehensive European security system, which includes strong NATO-Russia relationship. Going forward in way that does not threaten any nation's security, enhances stability in Europe.

In Helsinki, President and Yeltsin disagreed over enlargement but agreed to work together to build cooperative NATO-Russia relationship.

- See Russia as partner of NATO in shaping more secure, stable and undivided Europe. That is good for United States, Russia and Europe.

Denver Summit of the Eight

- Denver meeting will be Denver Summit of Eight; will build on increased Russian involvement; Yeltsin to arrive and depart with others; will be one press conference by leaders of the Eight.
- Seven will still discuss economic, financial matters; expect this to be small part of agenda.

IRAN -- EARTHQUAKE

Background: With regard to U.S. response to Iranian earthquake, in the past we have provided aid to the victims of other Iranian earthquakes. For example, in 1990 when Iran was hit with a quake of the same magnitude, we gave Iran \$800,000 in cash and kind (blankets) donations. In last February's earthquake (which was not nearly as devastating as this one), we provided \$25,000 in aid.

The International Federation of the Red Cross is asking for \$8.2 million in emergency aid. State is proposing a \$100,000 donation . We and Democracy (Rich Ragan) believe that is appropriate figure.

Q: Is the U.S. going to provide any humanitarian aid for the Iranian earthquake victims?

A: This is a humanitarian tragedy.

The International Federation of the Red Cross has issued an appeal for emergency aid. We are determining an appropriate donation which we can make to this appeal.

State announced Monday that the USG would be making a \$100,000 donation through NGOs.

CFE/ABM

- **Discussions with the Hill continue.**

TRIPS AND VISITORS

- Ukrainian President Leonid Kuchma will be in Washington May 14-16 to conduct the inaugural meeting of the U.S.-Ukraine Binational Commission with Vice President Gore. He will meet with President Clinton during his visit. *(FYI: POTUS meeting scheduled for Friday 5/16)*
- President will travel to Netherlands May 28 for U.S.-EU Summit and Marshall Plan commemoration event. President has accepted invitation to stop in London to meet with Prime Minister Blair.
- **President Kiro Gligorov of the Former Yugoslav Republic of Macedonia in Washington June 17 for working visit with the President.**
- Denver Summit June 20-22.
- POTUS will travel to Denmark in July in conjunction with the July 8-9 NATO Summit in Madrid.
- President's visits to Brazil, Argentina and Venezuela rescheduled to October 12-17.
- APEC Summit in Vancouver, Canada November 24-25.

Visit of President Aliyev of Azerbaijan

Background: The President wrote Aliyev Friday, inviting him to visit Washington, "perhaps in late July or August." Amb Kauzlarich delivered the letter to Aliyev on Saturday, who promptly had the part regarding the invitation read to the Azeri press.

- POTUS has invited Aliyev to visit Washington; date TBD, possibly in the late summer.

VISIT TO LONDON

- President has accepted invitation to stop in London to meet with Blair in connection with his planned travel to the Netherlands for U.S.-EU Summit and Marshall Plan commemoration May 29. Schedule for visit to London still to be worked out.
- Agenda for meeting will be broad one -- U.S. and UK have unique partnership in security and defense area. Certainly expect close cooperation with UK on these issues to continue with Blair government..
- Have not yet elaborated agenda but European security and NATO issues, Northern Ireland will certainly be on it. Would also expect discussion of Bosnia and issues related to China and imminent Hong Kong transition. Two leaders may also want to compare notes on economic, social policy.

* * * * *

THE WHITE HOUSE

Office of the Press Secretary
(San Jose, Costa Rica)

For Immediate Release

May 9, 1997

STATEMENT BY THE PRESS SECRETARY

Visit by the President to London

In connection with his trip to the Netherlands May 28 for the U.S.-EU Summit and the commemoration of the 50th anniversary of the Marshall Plan, the President has accepted an invitation to stop in London to meet with newly elected British Prime Minister Tony Blair. The schedule for the visit and meeting has yet to be finalized. This will be the President's first meeting with Prime Minister Blair since he took office.

#

NAZI ASSETS

Release of USG Report on Nazi Assets

- State Department U/S Eizenstat has released interagency report on Holocaust assets entitled “U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany during World War II.”
- Mandate from President was to describe, as fully as possible in relatively short period, U.S. and Allied efforts to recover and restore gold and other assets stolen from governments and civilians by Nazis. U/S Eizenstat asked to lead interagency effort.
- Assets included some \$580 million of central bank gold (around \$5.6 billion in today’s value) and undetermined amounts of other assets taken from Jewish and other victims of Nazis.
- Preparation of report, under the direction of Dr. William Slany, Chief Historian of State Department, has been a remarkable process. Eleven agencies cooperated in its compilation.
- Some 15 million pages of relevant documents were unearthed and more than 800,000 documents were declassified and made available to researchers for the first time. Largest undertaking of its kind in USG history.
- Openness important achievement in itself. Report will lead way for individuals and organizations to continue research so that we can better understand history of this tragic era. To assist research, report is accompanied by a 350 page guide to available resources.
- Report is historical, search for facts, not political or policy analysis. President wanted it to be as transparent and objective as possible, neither justifying nor accusing any nation.
- Findings are sobering. Report raises serious questions about parts played by a number of countries, including the United States.
- Failure to follow tough negotiating positions and insensitivity to humanitarian issues sometimes kept us from benefiting those who had suffered so greatly.
- Picture that emerges, particularly of the neutral nations is often harsh. Many profited extensively from their economic cooperation with Nazi Germany.
- Switzerland is a special subject of the study because of the extent of its financial dealings with the Nazis and the negotiations with the U.S. after the war, though it was only one of many nations involved.

- Lesson learned is that every nation involved in these terrible events must face the past honestly and responsibly. This generation's challenge is to complete the unfinished business of the Second World War, to begin reconciliation by doing justice while the surviving victims are still alive. This is our broader purpose, and it is hoped that this study will further that process.

CHINA

COSCO

- Dorothy Robyn's efforts on behalf of the City of Long Beach and its reuse plan for the Long Beach Naval Station were completely consistent with Administration policy and procedure.
- When the Defense Department closes a military base, it also designates a local reuse authority (LRA) to develop a detailed plan for reusing the base and helping maintain as many local jobs as possible. In the case of the Long Beach Naval Station, the City of Long Beach is the DoD-designated local reuse authority. After extensive public outreach and consultation, in 1995 the City-as-LRA approved a plan to expand the Port of Long Beach onto the former Long Beach Naval Station. The Defense Department and the Clinton Administration officially support that plan.
- Dorothy Robyn had no contact whatsoever with the China Ocean Shipping Co. (COSCO), which Long Beach had recruited as a future tenant at the former Naval Station.
- She participated in a conference call with several historic preservation groups, at the request of the Mayor of Long Beach, to state the Administration's position of support for the City's reuse plan. She made no effort to pressure the groups.
- There was nothing unusual about Robyn's actions, as the NYT story implies. Robyn is responsible for military base reuse issues in the White House, and her job is to try to accelerate the lengthy process of transferring closed bases to communities for redevelopment and job retention.
- Robyn helped develop the President's 1993 plan for revitalizing base closure communities, and she has worked closely with many of these communities to speed redevelopment. These include Sacramento, California, where the former Mather Air Force Base will soon support an industrial park and 2,000 jobs; Alexandria, Louisiana, where the former England Air Force Base is now the England Industrial Airpark, supporting over 1,000 jobs; and Alameda, California, where at the former Alameda Naval Air Station, workers who once built the Bradley fighting vehicle are building electric cars.

MFN

- Q: What is the Administration position on a short, e.g., 3 or 6 month, extension of China's MFN status?
- A: The Administration supports the current approach of unconditional renewal of MFN for one year. We share the concerns of those in Congress who want to express support for continuation of Hong Kong's current way of life and freedoms. However, it should be understood that a short-term extension would create uncertainty and damage confidence in Hong Kong, just at the time it most needs to maintain its strength and vitality. That is

why residents of Hong Kong and their elected representatives overwhelmingly favor unconditional MFN for China.

Q: [If asked] Will the President renew China's waiver of MFN status this year?

A: The Administration supports the current approach of unconditional renewal of MFN for one year.

(FYI: We have not made decision re veto -- don't want to suggest we think we will lose. We would like permanent MFN, but we also want that suggestion to emerge from the Hill, not us.)

Q: Can you clarify whether Martin Lee has called for a permanent extension of MFN or just one year?

A: Martin Lee publicly said he supports unconditional one year renewal. In addition, Hong Kong Governor Chris Patten has written the President and Congressional leadership supporting the full and unconditional extension of China's MFN status as an essential ingredient for maintaining confidence in Hong Kong.

(FYI: Privately, he told some in Congress a short renewal might be a good idea.)

Q: Did top Chinese officials approve plans to buy influence/is it continuing?

A: Number of allegations have appeared in the newspapers. As you know, on-going investigation; because issue is law enforcement matter, dissemination of information limited to protect the investigation. Under the circumstances, not appropriate for me to comment.

Q: Effect on U.S. policy

A: As we have said in the past, should allegations of illegal activity/ funneling campaign contributions prove true, would be a serious matter and take appropriate action. Both the Vice President and the Secretary of State have communicated that message to senior Chinese officials. Since the investigation is on-going, it would premature to speculate on just what response would be appropriate.

Q: Should AG share more info with you?

A: As have said in the past, difficult balancing question between national security and law enforcement concerns.

Q: How come FBI briefing intelligence committee and not you?

A: Not aware of the content of any briefing to the Hill.

ISRAEL

If asked about press reports accusing U.S. Government official of being an Israeli agent:

- As a matter of practice we do not comment on intelligence matters.

If pressed:

- We do not comment on intelligence matters.

Q: Have you been in touch with the Israeli Government about this matter?

A: This is an intelligence matter; I'm not going to comment on any aspect of it.

MIDDLE EAST PEACE PROCESS

DENNIS ROSS MEETINGS

Q: Can you update us on the Ross Mission in the Middle East?

A: Ambassador Ross continues to consult with leaders in the region on efforts to restore negotiations.

Over the weekend, he traveled to Egypt where he met with President Mubarak, and on Monday he met with King Hussein in Amman.

He will continue his efforts with the Israelis and Palestinians this week.

Q: Some commentators have accused the Administration of not taking on the responsibility it should to save the Middle East peace process, even if that means putting some pressure on Israel to compromise. What are you doing?

A: At a time when the peace process is experiencing serious difficulties, there is a temptation to look for quick fixes or easy answers to explain the lack of progress.

That's not our approach. President Clinton has made it clear since the beginning of his Administration that he is committed to helping the parties to make peace after five decades of war and violence.

The President and Secretary Albright and are in regular and constant contact with Arab and Israeli leaders in order to do everything we can to get the negotiations back on track. The talks we have had over the past two months, including two meetings with Prime Minister Netanyahu, have been for the purpose of developing an approach which will move the process closer to our goal of a comprehensive peace.

For these efforts to succeed, two things are necessary: Zero tolerance for terror, including a 100% effort to prevent it, and a readiness by both sides to take steps that build confidence in the integrity of the negotiating process.

We understand the urgency of moving ahead, but we're not going to be rushed. We need to make sure that both sides are ready to take the steps necessary for credible negotiations.

CIA -- TENET

- When the President announced his intention to nominate Mr. Tenet, he was fully aware of the circumstances about which the White House Counsel has advised the Department of Justice. He considered them in making his decision.
- The President and we firmly believe that none of this information reflects adversely on Mr. Tenet. He should be confirmed by the Senate and will be a superb director.

BRAC

- There have been four rounds of base closures and realignments since 1988. To date, we have contracted our base structure by 18 percent. During the same period, we have reduced the size of U.S. military personnel by 33 and 1/3 percent. Procurement spending has been reduced by almost 70 percent from its peak before the end of the Cold War.
- When the current BRAC round -- the last one authorized by legislation -- is completed in 2001, the contraction in the base structure will be about 21 percent, which still lags behind the one-third reduction in the force.
- The Pentagon has been looking at this in connection with the Quadrennial Defense Review (QDR). The Pentagon has concluded that we are paying for more infrastructure than we need. Secretary Cohen is considering whether we should seek additional base closures. Budget pressures and the requirement for robust modernization dictate that we look for ways to reduce the base structure.
- Additional BRAC rounds would require legislation. We will need to work with the Congress on this issue.

SAUDI ARABIA

Bin Ladin

- His message and his methods are reprehensible.
- The U.S. has military forces in the Persian Gulf to protect its vital interests.
- Host governments, including the Saudi leadership, share these interests and are our valuable allies.
- Terrorist threats are not going to force us to abandon our interests or our friends in the region.
- In the meantime, we are taking every step to protect our forces in the area from terrorist attack. Our units in Saudi Arabia are already on high alert.

Khobar Bombing

Q: Is the suspect in Canada being interviewed? Is he cooperating with the U.S.? Is he coming to the U.S., etc.?

A: This is an ongoing criminal investigation.

It would be inappropriate for us to comment on such details.

I refer you to the Justice Department."

Q: Are we getting cooperation from Syria on the Khobar bombing investigation?

A: The investigation into the Khobar bombing is ongoing. We do not comment on investigations in progress.

Regarding Syria, I'm not going to discuss the details of our diplomatic exchanges with other governments, particularly when they involve a matter under investigation.

Q: Are the Saudis helping? What have we learned from the suspect detained by Canada?

A: As I've said before, we have gotten cooperation from the Saudis and we've been assured at the highest levels of the Saudi Government that more cooperation will be forthcoming.

As has been reported, Canada has detained an individual who may have information about Khobar. I'd refer you to the FBI for any comment on that.

Q: But the Canadians charged this guy with participating in the bombing and the papers they filed indicate he has links to Syria and Iran. Do you concur with the Canadian assessment of his culpability? Does this mean we're going to finally take action against Iran? Will it be military action?

A: Canada did make some specific allegations in the papers the Canadian government filed with its own courts. As you know, we, too, have an investigation ongoing.

At this time in our own investigation, it is neither necessary nor appropriate to make specific public charges or allegations. The FBI, the agency in our government that is in charge of this investigation and the agency that has been working with Canada, will follow all leads and will take them to their appropriate conclusion.

We are treating this as a criminal, law enforcement investigation. I'm not going to speculate about the outcome of the investigation or any actions that outcome might require.

Q: So you're ruling out any military action against Iran based on the clear and convincing evidence Canada's authorities have submitted to their courts?

A: I'm declining to speculate on the outcome of the case. Nothing more, nothing less.

KOREA

Korean War POW/MIA's

- Q: What actions are you taking to account for Korean War POW/MIA's and what comment do you have on the report that an American serviceman, Charles Robert Jenkins, who defected in the mid-60's is alive? Does Mr. Jenkins want to come home and have you taken steps to bring him back to the United States?
- A: First, on the POW/MIA accounting issue. We have had a series of bilateral talks with North Korea to launch a program of accounting for American service personnel lost in the Korean War. We have received 172 sets of remains ('92-'93) and recently concluded a joint recovery operation that resulted in the identification of one serviceman. Unfortunately talks last week in New York did not result in any agreement for additional joint recovery operations or initiation of archival research, an important component to making any accounting effort successful. We will continue to pursue this humanitarian issue with North Korea until we are satisfied we have done all that is possible to find the answers so many Americans who lost loved ones in the War still seek.
- Regarding recent reports about Americans living in North Korea, I can say that the Defense Department has received similar reports, which we believe to be mostly hearsay. We are aware, however, of possibly four Americans who defected to North Korea in the 1960's and appear to be living there of their volition. Sgt. Jenkins, Ms. Harrell's brother, may be one of these defectors. We have asked North Korea to allow us to interview Americans believed to be living in North Korea, but have received no assurances. Nor has the North made any comment about the number or names of the defectors.
- Finally, we will pursue the question of POW/MIA accounting as well as our efforts to gain access to Americans living in the North independent of other issues being discussed with the North Koreans, including the four party talks.

Food Aid/Four Party Talks

- Q: Have the U.S. and South Korea linked the provision of food aid to North Korea to the acceptance by Pyongyang of the four party peace talks?
- A: We have not linked food aid to the four party talks. We have provided some \$25 million in humanitarian assistance to North Korea this year. South Korea has participated in the international food appeal as well.

Defector

Q: Does North Korea possess nuclear weapons as reported by the recent defector?

A: Have long believed that North Korea might possess nuclear ambitions. That's why we negotiated the framework agreement in 1994 that froze North Korea's nuclear program, placed it under international safeguards, and will eventually dismantle it.

Not sure the defector's allegations add anything to our knowledge about North. ROK has agreed to provide us access to him so that we can make independent evaluation.

We always are alert to the possibility that conflict could erupt on the peninsula. We, U.S. Forces Korea and our South Korean allies are vigilant in monitoring the military situation in the North. Our forces in combination with the South are the best deterrent to a North Korean attack.

BURMA

Q: Why did you wait so long to invoke Cohen-Feinstein sanctions?

A: We have been watching closely events in Burma to determine whether conditions of the law have been met.

As indicated in the President's [Secretary's] statement, the regime has perpetrated a range of abuses over the past seven months, which have had the cumulative effect of triggering the requirements of the Amendment.

Q: What would it take to lift the sanctions?

A: We would expect to see progress by the Burmese authorities on critical human rights and democracy issues, which include the lifting of restrictions on Aung San Suu Kyi and the political opposition, respecting the rights of free expression, assembly and association, and undertaking a dialogue on Burma's political future that includes leaders of the NLD and the ethnic minorities.

[Note: Lifting of the sanctions could be accomplished in a number of ways, including through a waiver provision in the law, which requires a Presidential determination that application of sanctions would be contrary to the national security interests of the United States.]

Q: What are Aung San Suu Kyi's views on sanctions?

A: We are reluctant to attempt to characterize Aung San Suu Kyi's position on sanctions; rather we would encourage you to refer to her many public statements on this issue.

Q: Why are sanctions appropriate for Burma but not for China?

A: Our values and goals in the area of human rights promotion are constant, but our approach from one country to another can and does vary based on our judgment on what may be effective.

In case of Burma, there is a stronger international consensus on the need to bring pressure to bear upon the government. For example, the European Union has imposed a visa ban and restricted trade preferences, and all members of the UN General Assembly and Human Rights Commission have joined consensus in resolutions critical of Rangoon. Thus, our action on Burma is part of a collective effort to pressure the regime, and may encourage other governments to take stronger actions. Moreover, given the relatively high degree of repression and state control over aspects of civic and economic life in Burma [i.e., greater than in China], a policy of engagement with Rangoon is less likely to bring about positive change over time.

BOSNIA

Train and Equip Program (NYT)

- The international Train and Equip program is successfully helping to establish a stable military balance in Bosnia, which is one of the keys to establishing a lasting peace in the region. The recently announced delivery order of 116 refurbished howitzers and 21 heavy equipment transporters from U.S. Army excess stocks to Bosnia is part of the ongoing program to meet the defense requirements of the Federation, as identified shortly after Dayton, and within the parameters of the Bosnia arms control agreements.
- The T&E program continues to facilitate concrete progress in the formation of joint Federation defense structures that will be critical to strengthening the Bosniak-Croat Federation. The latest step forward in this regard, announced in Sarajevo last week, are the agreements between Presidents Izetbegovic and Zubak on a joint Federation Military Strategy and on key commands.

Tudjman Letter

- The President and Croatian President Franjo Tudjman have exchanged letters on our overall bilateral relationship. In his response, the President reiterated our support in principle for Croatia's PFP membership while noting that there is a lot of work to be done together in implementing Dayton/Erduť agreements before we get there.

Problems with Dayton Implementation

- Implementation of Dayton and bringing long term peace and reconciliation to Bosnia remains a long term process and much work remains to be done. Nevertheless, we should not lose sight of how far we've come.
- Only 18 months ago, the bloodiest conflict in Europe since World War II continued to rage in Bosnia. Today, the market massacres, sniper alleys, and grim campaigns of ethnic cleansing are over; since Dayton, we have maintained a secure peace, separated and demobilized the former warring parties, held successful national elections, created new national institutions that are beginning to govern, and made real progress toward the difficult long term challenges of political reconciliation and economic reconstruction.
- More recently, the parties agreed on a new central bank and common currency. So we continue to see progress on a day-to-day basis but our work in Bosnia is not yet done.
- The Dayton process brought peace to Bosnia and remains the best hope for long-term stability and reconciliation. We continue to reexamine our implementation efforts and look for ways to more effectively bring about the conditions needed for a self-sustaining peace. But it is the Bosnian parties themselves who bear primary responsibility for fulfilling the vision of the Dayton Accords.

War Crimes Verdict

- We welcome the historic verdict by the International Criminal Tribunal convicting Dusan Tadic of crimes against humanity. There can be no peace without justice in Bosnia and this conviction is an important step toward that goal.
- With this conviction and the recent delivery of indicted war criminal Zlatko Aleksovski to the Hague, it is clear we are making slow progress on war crimes. We will not be satisfied, however, until all indicted war criminals stand trial at the Hague.

War Criminals

- We continue to remain deeply concerned with the slow progress on war crimes front in Bosnia. We continue to press the parties to fulfill their obligations to turn over indicted war criminals. We are also examining a variety of ways we can help the Tribunal to bring indicted war criminals to justice. We have made no decisions on how to assist the Tribunal. We are reviewing many different options.

If pressed about sending teams of special police or commandos to arrest war criminals:

- We have been examining several options to assist and enhance the ability of the Tribunal to bring indicted war criminals into custody. One option may be to establish some sort of capability to execute the court's arrest warrants. We are studying the feasibility of these options but have made no decisions yet.

Radovan Karadzic

- Karadzic was removed from office and remains banned from any public or political role as agreed by Republika Srpska. We continue to monitor the situation and will insist that Republika Srpska live up to their agreement. We remain concerned about his potential influence and will not be satisfied until he is brought to justice in the Hague.

Supplemental Amendment for Date Certain Withdrawal from Bosnia (passed by Senate)

- We strongly urge that this legislation not be further pursued. President's senior advisors would recommend a veto to the bill if an amendment is adopted that would mandate a date certain for withdrawal of U.S. forces from Bosnia — even a date of June 1998, when SFOR's mission is scheduled to end.
- An amendment requiring a withdrawal by a date certain — with no regard for the situation on the ground or prospects for self-sustaining peace — would seriously restrict the flexibility of our military commanders in completing their mission and jeopardize the secure environment needed for civilian implementation.

- We continue to believe SFOR's mission (18 months) should provide sufficient time to establish the conditions to maintain security and stability without an outside military presence. We have no desire or plan to extend the mission beyond mid-1998, but we should not set an arbitrary deadline that would call into question our commitment to implementation of the Dayton Accords, our reliability as a NATO ally, and our commitment to peace and stability in Europe.

SFOR Mission Duration

- We continue to believe that SFOR's mission should be completed in 18 months. 18 months should give sufficient extra time needed to establish conditions to maintain security and stability without an outside military presence.

NORTHERN IRELAND

IRA Approved Off-Duty Policeman's Murder?

- Do not have any official confirmation of this press report.
- Understood that different group, INLA, claimed responsibility for this brutal murder.

BRITISH ELECTION -NI RESULTS

Background: Clear that Gerry Adams has won back the West Belfast seat he lost to the SDLP in 1992. That was expected. The biggest news is that Sinn Fein strategist Martin McGuinness has won a seat too, defeating hard-line unionist and DUP candidate Willy McCrea in spite of splitting the nationalist vote with an SDLP candidate. It looks like the UUP (mainstream unionists) will either keep 9 seats or get 10.

- Important election in Northern Ireland, fought on completely different issues than in rest of UK.
- If asked reaction to SF seats: Hope party leaders will conclude that democracy works, offers only way forward to just and lasting settlement in Northern Ireland. Time to take gun out of Irish politics forever and get down to work.

PEARSON DEPORTATION

Background: DOJ has decided to appeal the lower court's ruling that Brian Pearson is eligible to stay in the U.S. Pearson served time for an IRA bombing (of a military/ policy barracks--no one injured) before coming to the U.S.

- This decision was made by the Department of Justice on legal grounds. Questions concerning the case should be referred to DOJ.
- If asked: This is a deportation case; our policy toward Northern Ireland was not at issue. That policy is clear --we strongly condemn IRA terrorism and will continue to support efforts to achieve a just and lasting peace in Northern Ireland.

MITCHELL RESIGNATION AS SAPASS FOR ECONOMIC INITIATIVES IN IRELAND

[Background: It has not been made public yet but Senator Mitchell has submitted a letter to POTUS resigning his position as Special Advisor to the President and Secretary of State for Economic Initiatives in Ireland -- a position he has held since late 1994. Ideally, we would prefer to announce it at same time his successor is named, which will take a few weeks.]

- Yes, Senator Mitchell has decided to give up position as Special Advisor to President and Secretary of State for Economic Initiatives in Northern Ireland. Will of course continue as chair of Belfast peace talks; in fact, understand his decision to resign the economic job based on need to devote his time to the talks.
- We are moving to select a successor to Senator Mitchell to oversee Administration support for economic initiatives. Creating jobs through investment and trade is key to underpinning Northern Ireland peace process over long term.

CONTINUED IRA VIOLENCE

- Strongly condemn continued IRA violence in Northern Ireland and in Britain, urge immediate, unequivocal cease-fire.
- Belfast peace talks (now in recess until June) have best chance of long-term success if they are inclusive (that is, if Sinn Fein participates) but that can only happen after IRA cease-fire.

ON WHETHER IRA NEEDS TO DISARM BEFORE JOINING TALKS

- U.S., like British and Irish governments, have accepted the report issued last year by Senator Mitchell and his colleagues, which suggested decommissioning of arms in parallel with talks.

GULF WAR ILLNESSES

What is your reaction to the findings in the Presidential Advisory Committee (PAC) interim letter report that (1) there was information even prior to the Gulf War raising cause for concern about chemical weapons storage at Khamisiyah; and (2) that there was “substantial mismanagement and lack of communication” between the military and intelligence community on this information?

- Important here at the outset to note that we are where we are today -- with all of the recent and continuing document releases -- because of the President's direction to get out all of the facts, and DOD and CIA's commitment to carry out that direction...
- DOD and CIA have already stated for the record that their handling of Khamisiyah-related information should have been better, and they are both committed to capturing the appropriate “lessons learned”...
- Moreover, both agencies currently have their IG staffs investigating the related issues, and their reports are expected this summer...

Why was there, in the PAC's words, “no serious [executive branch] effort to examine the possibility of chemical warfare agent exposure of U.S. troops at Khamisiyah until late 1995” when there were documents available raising this concern by December 1991?

- No question that the recently-released documents should have been identified and released much earlier; this figured prominently in the President's decision in JAN 97 to extend the PAC he established in MAY 95 in order to provide independent oversight of the ongoing process...
- These documents are being identified and released now in response to the President's direction to get out all of the facts...
- As to why these documents did not come to light earlier, the various ongoing IG and other investigations at DOD and CIA should help us to understand what happened...

The PAC found that there is no single entity integrating the data for a comprehensive assessment of the government-wide response to Khamisiyah; the PAC also questioned how individual accountability will be addressed. What is the White House view?

- First, the PAC's recommendation that a “presidential-level” entity to integrate intelligence community “lessons learned” is consistent with the Administration's commitment to take full advantage of the Gulf War experience to improve our preparedness and planning for future deployments -- this recommendation will be carefully considered when the President receives the PAC's interim letter report and the accompanying agency responses...
- DOD and CIA have asked former SEN Warren Rudman to advise both agencies on the GWI problem. SEN Rudman is well-qualified to undertake a review of all investigative findings, and his efforts will enhance our ability to integrate the intelligence “lessons learned”...
- With respect to accountability, our understanding is that there is no evidence to date of individual misconduct. If and when any such evidence comes to light, the DOD and CIA IG and other investigators tackling the many issues involved would document and refer that evidence to their respective agency heads as a matter of course...

The PAC believes that an EPA-type approach would be appropriate for the long-delayed Khamisiyah modeling effort and that veterans deserve to learn the results of a full-range of modeling scenarios (including worst-case events). What is your reaction?

- DOD and CIA recently formed a joint modeling team to take this work forward to conclusion as rapidly as possible, with the projected completion date of 21 JUL 97...
- The PAC's assessment that EPA-type modeling may be useful or even more appropriate will need to be evaluated by the joint DOD/CIA team...
- In terms of targeted notification letters, DOD has already sent out letters to those personnel within 50 kilometers of Khamisiyah, and will conduct additional notifications if necessary...
- Most important here is that the issue of notification has no bearing on the eligibility of veterans for physical examinations, health care, and compensation -- and DOD and VA have strongly encouraged all Gulf War veterans to take full advantage of the available programs...

Is DOD using the Privacy Act as a "shield" to block the PAC's "unfettered access" to the critical information they need?

- Our understanding is that earlier this year DOD lawyers noted Privacy Act legal concerns about certain information being provided to the PAC in response to their requests...
- We have confirmed that the Privacy Act does have application and have been informed that the required legal steps are being taken to obtain the consent of individuals providing information for release of that information to the PAC...

Is the PAC likely to be extended again given the many problems still remaining?

- The PAC has a critical role to play -- the White House is relying on the PAC's expertise and independent assessments to enhance program quality across the full spectrum of government activity related to Gulf War illnesses...
- Any discussion of extending the PAC would be premature at this juncture given the many initiatives currently underway and the amount of time remaining before the end of the initial extension period (31 OCT 97)...

What about the statement in the recent CIA white paper that the CIA briefed the NSC staff in JAN 96 on the Khamisiyah evidence?

- The CIA white paper (and one of the accompanying documents containing briefing slides) reflects the classified CIA brief the NSC staff received in JAN 96.
- During the briefing -- which focused on the CIA's declassification initiative and ongoing study of potential exposures -- the staff was told that information had come to light about the possibility of chemical munitions storage and agent release at the Khamisiyah facility. This was briefed as preliminary information, and the NSC staff noted at the close of the brief that CIA needed to pursue this possibility aggressively together with DOD.
- Subsequent CIA and DOD efforts to investigate this concern eventually led to the JUN 96 DOD announcement of Khamisiyah.

The intelligence community admits making mistakes in its handling of the Gulf War illnesses investigation, and the many recently-declassified documents clearly should have come out much sooner. With much of the related activity occurring during George Tenet's tenure at CIA, does the Director-designate retain the President's full confidence?

- Absolutely.
- The CIA has contributed a tremendous amount to our knowledge about chemical weapons in the Gulf War theater and specifically about exposure incidents that might be related to undiagnosed Gulf War illnesses.
- George Tenet is fully supportive of the President's commitment to get out all the facts, and has increased the level of resources devoted to the Gulf War illnesses problem when new information indicated the need to do so.

What has the Administration done for Gulf War veterans who are sick?

- Through the dedicated efforts of DOD and VA personnel, veterans are receiving the care they need for Gulf War illnesses, whether diagnosed or undiagnosed.
- Overall, to date -- (1) DOD & VA toll-free help lines; (2) 80,000+ free medical exams; (3) 26,000+ compensation claims approved; (4) special legislation paying disability for Gulf veterans with undiagnosed illnesses, with an extension of the presumptive period for undiagnosed illness compensation forthcoming soon; (5) thousands of pages declassified; and (6) 90+ federally-sponsored research projects completed or underway.

FAST TRACK

- Committed to getting fast track through the Congress.
- Will continue to work with Congress to pass fast track authority.
- High level Administration officials have been meeting with key members on both sides of the aisle to push this legislation forward.
- Hopeful that we will succeed.

Q: It has been reported that the President is planning to delay his request for fast track authority to accommodate the budget process. Is that true? Does this signal Administration retreat on fast track? Has Gephardt scared the President off?

A: Not at all. The President is still firmly committed to seeking fast track authority to open foreign markets. It is critical if we want to continue creating good jobs for American workers.

Every President since Ford has had fast track authority for key periods, and the reasons for it now are more compelling than ever. Over 11 million U.S. jobs now depend on exports, and these jobs pay 13-16 percent more than the average U.S. job. Today, 95 percent of the world's consumers live outside the U.S., and the vast majority of those consumers live in the emerging and fastest growing markets of Latin America and Asia. We simply must continue to open these markets for U.S. exports if we are to succeed in the global economy.

We cannot afford inaction. If we are not seizing opportunities to break down trade barriers and open foreign markets, we can be sure other countries will act -- to the benefit of their companies and their workers.

The United States has nothing to fear. We are the most competitive large economy in the world as judged by independent experts. But our ability to define the nature of our trade relationships will in significant measure determine our leadership role in the next century. Fast track authority is the most important factor determining these relationships.

As you know, we have been consulting with Congress to develop bipartisan support for this legislation. We think that is the best way to build a strong foundation for this effort. We will continue to consult with Congress as to the substance, tactics and timing of the fast track initiative.

Q: It has been reported that the Administration is weighing the dropping of labor and environmental goals from fast track trade authority legislation, a move certain to infuriate labor unions. Is this true?

A: As we have stated before, our goal is to build the broadest possible support for the fast track legislation. To that end, Ambassador Barshefsky and others have been consulting actively with members of Congress representing all points of view on this subject, and with all interested parties, including organized labor. We will continue to do so with the goal of enacting legislation that receives broad support.