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Daily Press Guidance

Tuesday
July 15, 1997

(For internal use only.)

Press Guidance
Tuesday, July 15, 1997

Domestic

1. Budget - Budget
2. Tobacco - Tobacco
3. U.C. Berkeley - Affirmative Action
4. Religious Freedom Act - Religion

Events

1. ~~Hispanic Outreach meeting~~ - This is not in the guidance
2. Internet Decency - Internet Decency
3. VPOTUS Air Safety event - Transportation

Foreign

1. Cambodia
2. Cuba
3. Kenya
4. Boeing- McDonnell Douglas Merger - Foreign
5. Korea
6. Bosnia
7. Japan
8. Hotung Meeting
9. Thompson Hearings - campaign finance hearings
10. Iran
11. Northern Ireland
12. Taiwan
13. BRAC
14. Latin America
15. Supercomputers
16. Russia/NIS
17. Russian Mir Situation
18. Caspian Sea
19. Sayegh/Khobar
20. Middle East
21. Terrorism Bill
22. Haiti
23. UN
24. Congo/Kinshasa
25. Landmines
26. Fast Track
27. Trips and Visitors
28. Gulf War Illness
29. Panama

The Mid-Session Review of the Budget

July 14, 1997

* Each year, OMB is supposed to send Congress its Mid-Session Review of the Budget before July 16.

-- The mid-session includes:

our new baseline for deficits over the next 5 years, and

other technical information.

* Over the last 20 years, the Mid-Session has been sent late about 10 times, normally for very good reasons. 

* This year may be another of those times.

* We have begun consultations with Congress (key members, staff) on the timing of the Mid-Session.

* There are at least two basic considerations:

1. Should we put out a report that, because we hope to finish reconciliation by early August, will be out of date in just three weeks -- or would it make more sense to wait and incorporate our reconciliation action into our report?

2. In light of reason (1), does it make sense to allocate OMB and Treasury resources away from the important work of reconciliation to finish a report that we think will be out of date in three weeks?

* We have not made a final decision about what we'll do.

* But we will make this decision in consultation with Congress.

Mellody per Haas

Press Guidance:
July 14, 1997

THE BALANCED BUDGET AGREEMENT AND THE DEFICIT

Recent news reports and commentators have suggested that the deficit would come down faster in the absence of our balanced budget agreement.

- These reports are absolutely false -- if not nonsensical.
- The budget agreement provides for a net \$200 billion in ADDITIONAL deficit reduction over the next five years.
 - That's AFTER taking account of the tax cuts and new public investment.
 - For instance, the agreement calls for a net \$115 billion in savings from Medicare alone. *
- The agreement will ensure that we reach balance by 2002.
- In the absence of an agreement, the deficit will begin to rise in 1998 and stay above or near \$100 billion for at least the next five years:
 - That's according to the CBO assumptions that were used for the budget agreement.
- We recognize that continued economic growth has consistently brought the deficit in lower every year that we've been here, compared to what we projected earlier in the year.
- But that just means that we've used conservative economic assumptions, as we have said all along.
- We should not, however, all of a sudden decide that we're going to ASSUME the deficit away by insisting that all of our good luck will continue.
 - That is, we STILL need to make the policy changes that the budget agreement calls for.
- In addition, we should make the policy changes as a down payment on the long-term problems raised by the retirement of the baby boom generation.
 - That down payment will make the long-term problem more manageable.

Larry Haas



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

July 11, 1997

THE DIRECTOR

The Honorable John R. Kasich
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As Conferees begin to consider this year's budget reconciliation bill, I am writing to transmit the Administration's views on the House and Senate versions of the spectrum title in the spending bill on reconciliation, H.R. 2015.

We are pleased that the House and Senate adopted many provisions that are consistent with the Bipartisan Budget Agreement, reflecting the continuing bipartisan cooperation that we will need to fully implement the agreement and balance the budget. The Administration supports a number of the spectrum-related provisions contained in both the Senate and House bills.

Most significantly, both versions of the legislation generate roughly \$20 billion in savings, over \$6 billion short of the targets agreed to in the Bipartisan Budget Agreement. The shortfall in both versions of the bill is due primarily to: the lack of a firm date for the return of analog broadcast spectrum (-\$2.9 billion in the House and -\$3.4 billion in the Senate) and the omission of two of the proposals agreed to in the Balanced Budget Agreement, (1) the spectrum fee (-\$2.0 billion); and (2) auction of vanity toll-free telephone numbers (-\$0.7 billion). In addition, two critical issues exist which could have significant spending impacts: authorization of reimbursement of Federal users for relocation costs and authority for the Federal Communications Commission (FCC) to revoke and reauction licenses when a licensee declares bankruptcy. I strongly urge the conferees to craft legislation that complies with the savings targets agreed to in the Budget Agreement and to addresses these critical provisions.

The Administration's specific concerns with the spectrum portion of the House and Senate passed versions of the bill are detailed below.

Reimbursement of Federal Users: While the Senate bill provides for reimbursement of Federal agencies for the costs of relocating to new spectrum bands so that the spectrum they are now using can be made available by the FCC for auction for commercial use, the House bill contains no such provision. This key provision is essential to prevent future multi-billion dollar demands by agencies, such as the Department of Defense, for additional discretionary funding to cover these costs. The reimbursement process has been adopted by the FCC and is sound policy for both government and non-government users. The Administration strongly urges the conferees to adopt the Senate language.

Analog Return: Neither bill contains a firm date for terminating analog broadcasting. This omission has resulted in reduced scoring by the Congressional Budget Office of \$2.9 billion in the House and \$3.4 billion in the Senate. Any delay in the return of analog broadcast spectrum would likely impede the rapid build-out of digital technology expected to create jobs and consumer benefits, result in reduced spectrum auction revenues, and create significant delays in reallocating 24 MHz to the public safety community, which are critical to the Nation's police, fire, and safety personnel. The conferees are urged to include language specifying the firm date of 2006 as proposed by the Administration.

Authority to Revoke Licenses for Reauction in the Event of Bankruptcy: Neither the House nor Senate bills include language allowing the FCC to revoke and reauction licenses when an entity declares bankruptcy. Such language is important to protect our interest in licenses awarded in previous auctions. Clarifying the inherent conflict between the Telecommunications Act of 1996 which authorizes the FCC to revoke and reauction licenses in the event of default and bankruptcy law could avoid prolonged, expensive, and unnecessary litigation. The Administration believes that this language is particularly relevant in the budget bill to safeguard past and future spectrum receipts and to maximize use of this valuable resource.

Directed Reallocation: The House bill requires that the 100 MHz directed reallocation from the FCC be in increments of 25 MHz and the 20 MHz reallocated from Federal use be in a single increment unless smaller bands can yield higher value. Identifying spectrum for reallocation in these increments would be extremely difficult. The House bill also identifies specific bands for reallocation. We believe that such specificity is not required to ensure that valuable spectrum is made available and could be construed as micro-management. The inter-agency spectrum management process has been very successful and is the best way to determine the optimal spectrum for reallocation. The Administration supports the acceleration of the auction of 45 MHz located at 1,710-1,755 MHz in 2001. However, it is important that incumbent Federal users be allowed to continue to use this spectrum until December 31, 2003, according to previous reallocation plans. We urge the conferees to adopt the Senate language for the entire directed reallocation section.

Statutory Waivers of Duopoly and Newspaper-Broadcast Cross-Ownership Rules: The Administration has serious concerns with the non-germane language included in the House bill that eliminates the Duopoly and Newspaper-Broadcast Cross-Ownership Rules for entities that bid on spectrum now used for analog television broadcasting. The Administration strongly opposed changes to these rules when they were debated during the Telecommunications Act of 1996. Congress subsequently rejected efforts to weaken these rules. The Administration objects to the attempt to revisit these issues in the context of the budget reconciliation process. These provisions could undermine our Nation's long-standing commitment to fostering a diverse marketplace of ideas. Moreover, it ignores potential telecommunications policy goals and revenue gains that may be achieved if the FCC were to reconfigure this spectrum for alternative uses. We urge the conferees to delete this language.

Repeal of Authority to Retain Auction Receipts for Administrative Expenses: The House bill would repeal current FCC authority to retain a portion of auction receipts to cover the expense of administering auctions. Such repeal would either necessitate discretionary appropriations to cover these costs, force a 10% reduction in FCC activities, or prevent the Commission from conducting auctions. The Administration urges the conferees to delete this provision.

Spectrum Fees: Neither bill includes language authorizing the fee included in the Budget Agreement. Specifically, this fee would be levied against entities that received spectrum at no charge for digital broadcasting, but opted to utilize it for ancillary services. Additionally, neither version of the bill includes language allowing the FCC to use economic mechanisms other than auctions where appropriate, i.e., user fees to create incentives for efficient spectrum management. Such language would allow the FCC to implement a fee structure to allocate licenses that could generate additional revenue. The majority of other public resources utilized by the private sector has a fee structure to protect the public interest. The conferees are urged to include both of these provisions.

Auction of Vanity Toll Free Telephone Numbers: Neither bill includes authority for the auction of vanity toll free telephone numbers. This authority would provide an effective means for the FCC to allocate a potentially valuable resource when multiple entities request the same phone number in an efficient and equitable manner. The conferees are urged to include this provision.

Minimum Bid Requirements: The Administration is not opposed to minimum bid requirements, in some cases, and believes that the Commission should have the authority to take such action if it deems it to be in the public interest. However, the Administration opposes mandated minimum bids as a substantial administrative burden on the FCC and believes that if required for all auctions, unnecessary litigation and delay in the deployment of new services to consumers could occur.

Public Safety: Both bills include a very expansive definition of public safety that would create loopholes permitting far too many entities to be exempted from auctions. The Administration's proposal includes the specification that in cases where public safety is the "sole use" of spectrum, said spectrum shall be exempt from auction. We request that the conferees amend the current versions of the legislation to be consistent with language proposed by the Administration. In addition, the Senate bill would potentially permit nongovernmental entities access to the reallocated 24 MHz of spectrum, effectively limiting the spectrum available to state and local agencies and jeopardizing their ability to fulfill their public safety duties. Finally, the Senate bill specifies that the Commission consult with the Secretary of Commerce and the Attorney General when assigning 24 MHz to be made available for public safety uses. We believe that such consultation is essential to ensure that Federal law enforcement and emergency management personnel are included within the public safety community with access to the 24 MHz.

Effective Date: The effective date specified in the House bill precludes auction of mutually exclusive applications received prior to enactment, but for which the Commission was unable to conduct auctions prior to the end of 1998. The Senate language, which does not include this stipulation, is preferable.

Sunset of Auction Authority: The House bill would sunset auction authority in 2002 instead of 2007, as proposed by the Administration and as included in the Senate bill. The Administration is concerned that if any delay were to occur with the large volume of auctions, including spectrum made available as a result of the analog return scheduled for the 2001-2002 time frame, the FCC would be forced to halt all proceedings as a result of expiration of authority. The Administration prefers the Senate language.

FCC Information Requirements: The Senate language would require the FCC to provide specific information to the Federal Government if it were unable to accommodate commercial licensees forced to relocate. The House includes no such provision. The Administration believes that the Senate language is important to avoid impinging on Federal users.

Universal Service Fund: The House bill proposes to accelerate spending in the Universal Service Fund. Accelerated spending could advance the Administration's commitment to provide access to advanced telecommunications services for schools, rural health care facilities, and libraries. The Administration could support this provision if it clearly permits carryover of any unspent funds. Universal service support is paid out on an annual, as-needed basis to carriers to reimburse them for subsidize service that they provide in that year. Carryover is essential to prevent a shortfall in any one year for universal service support.

I urge the Congress to address these concerns and make the appropriate adjustments. Such action is essential to fulfill our mutual goal of a balanced budget by the year 2002.

Sincerely,



Franklin D. Raines
Director

Identical Letter Sent to The Honorable John R. Kasich,
The Honorable John M. Spratt, Jr., The Honorable Pete Domenici,
The Honorable John McCain, The Honorable Ernest F. Hollings,
The Honorable Ted Stevens, The Honorable Frank R. Lautenberg,
The Honorable Thomas J. Bliley, The Honorable Billy Tauzin,
The Honorable John D. Dingell, and The Honorable Edward Markey

Record Type: Record

To: Gene B. Sperling/OPD/EOP, Barry J. Toiv/WHO/EOP, Jake Siewert/OPD/EOP
cc: Anne H. Lewis/OPD/EOP, Charles R. Marr/OPD/EOP
Subject: Minimum wage

Q: What's your reaction to Senator Kennedy's proposal to raise the minimum to \$7.25 an hour by 2002?

- The Administration fought hard to win the increase in the minimum wage from \$4.25 to \$5.15 an hour that was passed last fall. The first phase of the increase -- from \$4.25 to \$4.75 -- took effect on October 1, 1996. The second phase -- from \$4.75 to \$5.15 -- will take effect on Labor Day (September 1, 1997).
- Once it is fully phased in, the minimum wage increase will raise the earnings of 10 million hard-working Americans. It is a critical element of President Clinton's strategy to make work pay.
- A recent study from the Economic Policy Institute shows that, contrary to the claims of critics, the minimum wage increase had no impact on overall employment rates of teenagers and young adults. In fact, employment rates of both age groups rose slightly after the October 1996 increase, although the employment gains were not statistically significant.
- We are pleased with the results thus far. But it seems sensible to let the second stage of the legislated increase take effect on September 1 before considering further action.

Press Guidance
July 15, 1997

Veterans Compensation for Tobacco Related Disabilities

Today's Federal Register is expected to include an opinion of the Veterans Affairs General Counsel that under current law VA may compensate a veteran (or eligible survivors) for disability or death due to tobacco use if that tobacco use was a result of nicotine dependence arising in the service. Legislation proposed by VA in May 1997 seeks to change current law by ruling out a service connection for such tobacco related afflictions. *

Does the VA General Counsel ruling cause the Administration to reconsider its legislative proposal for veterans compensation for tobacco related illness?

The General Counsel's ruling simply addresses current law and does not look at the larger issue of Veterans compensation. In addition, the proposed legislation would only apply to claims filed after the date of enactment.)

How do you reconcile this proposed legislation with your implicit position in the tobacco settlement that nicotine is addictive and smokers should be compensated?

Veteran's Affairs' legislative proposal is based on the position that compensating veterans for the results of their tobacco use, not withstanding nicotine addictive properties, simply exceeds the Government's responsibility. Veterans' compensation benefits were designed to assist those veterans who become ill or are injured in service to their country. These types of claims fall outside the parameters in which the compensation system was originally established. *

Mellody per guidance from VA and DPC

Talking Points on Graduate Admissions Complaint
Against the University of California

What the Complaint is About:

On March 19, 1997 several private civil rights organizations filed a complaint against the University of California System alleging discrimination, on the basis of race, ethnicity and sex, in admissions to graduate and professional schools.

The complaint was filed with the Office for Civil Rights (OCR) in San Francisco.

What We Have Done to Date:

OCR has evaluated admit data for the upcoming school year from the three UC law schools. Preliminary statistical analysis shows that under the admissions policies currently in use, there is a significant disparity in the admission rate for Hispanic/Latino, African American, American Indian and Asian candidates at Boalt Hall and UCLA and for Hispanic/Latino, African American and Asian candidates at Davis when compared to whites. There is no similar disparity at these three law schools for women.

Next Steps:

OCR has notified the complainants and the recipients that OCR will initiate an investigation at the three law schools to determine if the current admissions policies violate federal civil rights law.

The Point About Which People Get Confused:

Much of the press coverage this year has focused on the drop in the number of minority candidates admitted since affirmative action has been discontinued.

OCR is not investigating the decline in numbers that has occurred since the UC system discontinued its affirmative action efforts. The UC system is not required to have an affirmative action program.

What OCR is investigating is whether the current admissions policies have a discriminatory impact on certain minority group students.

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Graduate Admissions Complaint
Against the University of California

Issue--

On March 19, 1997 a broad coalition of private civil rights organizations filed a complaint against the University of California System alleging discrimination in admissions to graduate and professional schools in violation of Title VI of the Civil Rights Act of 1964 (race and ethnicity) and Title IX of the Education Amendments of 1972 (sex). OCR regulations require the investigation of complaints that raise discrimination issues under Title VI or Title IX.

Status--

OCR has evaluated admit data from the three UC law schools. This preliminary statistical data shows that under the admissions policies currently in use, there is a significant disparity in the admission rate for Hispanic/Latino, African American, American Indian and Asian candidates at Boalt Hall and UCLA and for Hispanic/Latino, African American and American Indian candidates at Davis when compared to whites. There is no similar disparity at these three law schools for women.

Background--

Much of the press coverage this year has focused on the drop in the number of minority candidates admitted since affirmative action has been discontinued. OCR is not investigating the decline in the number of minority students offered admission absent affirmative action. The UC system is not required under Title VI to have an affirmative action program. What OCR is investigating is whether the current admissions policies have a discriminatory impact on certain minority group students.

The difference in admit rates does not establish a violation of Title VI. It does, however, provide a basis upon which to initiate an investigation of whether the admissions policies and procedures currently in use at Berkeley, Davis and UCLA Law Schools violate Title VI and its implementing regulations.

As admissions data for the 1997-98 school year become available for other graduate and professional schools, OCR may identify additional graduate and professional schools for investigation.

OCR is not investigating the academic objectives of any graduate level admissions program or the content of standardized tests, such as the LSAT.

The complaint does not directly challenge the adoption of SP-1 under Title VI and Title IX; however, it does challenge the admissions practices that were put into place in response to the resolution. (SP-1 was approved by the Board of Regents in July 1995 and states that race, ethnicity or gender shall not be used as criteria for admission to the university. The admissions policies for UC graduate and professional schools were modified by SP-1 as of January 1, 1997, affecting admissions for fall 1997.)

A copy of the letter advising the President of the University of California is attached.

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JUL 11 1997

Dr. Richard Atkinson
President
University of California
Office for the President
300 Lakeshore Drive, 22nd Floor
Oakland, CA 94612

(In reply, please refer to Docket Number 09-97-2089-I.)

Dear Dr. Atkinson:

On March 19, 1997, the U.S. Department of Education (hereinafter Department), San Francisco Office of the Office for Civil Rights (OCR), received a complaint against the University of California (hereinafter University) alleging discrimination on the basis of race, national origin, and gender. Generally, the complaint alleges discrimination against minorities and women in admission to the graduate and professional schools of the University.

OCR has the authority to investigate complaints of discrimination on the basis of race, color, or national origin in programs receiving financial assistance from the Department under Title VI of the Civil Rights Act of 1964, and its implementing regulation, 34 C.F.R., Part 100. OCR also has jurisdiction to investigate claims of discrimination on the basis of gender in education programs receiving financial assistance from the Department under Title IX of the Education Amendments of 1972, and its implementing regulation, 34 C.F.R. Part 106. The University as a system and each of its campuses are recipients of Federal funds through the Department and operate public postsecondary education institutions. Therefore, OCR has jurisdiction over the University and every campus of the University.

OCR has sufficient information to initiate an investigation at the University's Berkeley (Boalt Hall), Davis and UCLA Law Schools to determine whether the admissions policies and procedures currently in use at those schools violate Title VI and the implementing regulation. At the Berkeley and UCLA Law Schools, OCR will investigate this issue with respect to African American, Hispanic/Latino, Asian and American Indian students. At the Davis Law School, OCR will investigate this issue with respect to African American, Hispanic/Latino and Asian students. The admissions data evaluated by OCR does not provide a sufficient basis for initiating an investigation under Title IX at any of the three law schools. As admissions data for the 1997-98 school year becomes available for other graduate and professional schools, OCR may identify

additional schools for investigation.

Please be advised that no action need be taken by the University at this time. The University will be contacted by OCR in the near future regarding requests for data and the scheduling of interviews and onsite visits.

The OCR right of access to all sources of information relevant to complaints is set forth in the procedural provisions of the Title VI regulation at 34 C.F.R. § 100.6(c). Information of a confidential nature obtained in connection with compliance evaluation or enforcement will not be disclosed except where necessary in formal enforcement proceedings or where otherwise required by law.

Under the Freedom of Information Act, it may be necessary to release this document and related records on request. If OCR receives such a request, it will seek to protect, to the extent provided by law, personal information which, if released, could reasonably be expected to constitute an unwarranted invasion of privacy.

Enclosed for your information is a copy of the fact sheet entitled, "Some Information about OCR's Complaint Resolution Procedures."

Thank you for your cooperation. If you have any questions, please contact me, at (415) 437-7700.

Sincerely,

Stefan Rosenzweig
Director
San Francisco Enforcement Office
Western Division

Enclosure

cc: Dean Herma H. Kay
University of California at Berkeley,
School of Law (Boalt Hall)

Dean Susan W. Prager
University of California at Los Angeles,
School of Law

Dean Dr. Ellen Jordan
University of California at Davis,
School of Law

Press Guidance
July 3, 1997

Religious Freedom Constitutional Amendment

Washington Post ran an op-ed by Nathan Levin, a Washington lawyer who has argued five religious liberty cases before the Supreme Court, calling for a constitutional amendment on religious freedom. The editorial notes President Clinton's support of the law which was struck down by the Supreme Court.

Would the President support an amendment to the Constitution on religious freedom?

- As the President indicated in his statement, he was *deeply disappointed* that the Supreme Court held that state and local governments are not bound by the protections of religious liberty afforded by the Religious Freedom Restoration Act.
- As he stated, in the four years that he has served as President, nothing has given him greater joy than the efforts of this Administration to support freedom of religion and *we will continue to work to protect religious liberty to the fullest extent the Constitution allows.*
- At the same time, the President obviously believes that amendments (particularly those affecting the First Amendment) to the Constitution should be made in only the rarest of circumstances and when all other avenues have been explored.

More from the statement on SCOTUS decision:

- We have worked in tandem with an unprecedented coalition of people with diverse backgrounds and beliefs in support of religious liberty. Our work with this coalition led not only to the passage of RFRA, but also to the issuance of guidance to public school districts on the extent of permissible prayer and other speech of religious character.

Mellody per Bill Marshall, Counsel

Internet Decency Act
July 15, 1997

* On Wednesday, the President (T) and Vice President will be meeting with industry executives, members of Congress, and groups representing parents, children and educators to promote a "family friendly" Internet.

* The President will be announcing some concrete steps that industry and non-profit organizations are prepared to take to make the Internet a safer environment for kids. This will include giving parents and teachers the tools they need to prevent children from getting access to inappropriate material - and steering them towards high-quality educational material.

11:15 am vp working meeting with industry leaders and groups representing teachers, parents, librarians, and internet users; oeob ceremonial office
 tbd stills only
 tbd potus drop-by

12:10 pm family friendly internet announcement -- oeob 450
 vp remarks
 steve case, ceo of aol, remarks
 lois jean white, president of pta, remarks
 potus remarks
 open press

per Julia Payne

THE WHITE HOUSE
Office of the Vice President

For Immediate Release
July 15, 1997

Contact: 202-456-7035

VICE PRESIDENT GORE HIGHLIGHTS
NEW NASA AND FAA AVIATION SAFETY TECHNOLOGY

**The Vice President receives update on White House Commission
on Aviation and Safety and Security Recommendations**

WASHINGTON -- Vice President Gore today (7/15) viewed four new technologies developed by NASA and FAA that will make flying safer and received an update on improvements to aviation safety and security.

"No matter how safe aviation is, we must make it even safer," said the Vice President. "A key to that is giving new tools to the people flying, maintaining and directing our planes. Today, we've had a glimpse of those new tools."

Most of the technologies reviewed and demonstrated at Dulles Airport were developed by the NASA Aviation Safety Program, a \$500 million partnership that includes NASA, the FAA, the aviation industry and the Department of Defense. NASA Langley Research Center in Hampton, Va., is leading the safety program.

Joining the Vice President at Dulles Airport were Transportation Secretary Rodney Slater and NASA Administrator Dan Goldin. The technology showcased included:

- ◆ The Trace Detection System -- This system, which is designed to check all baggage going on a commercial flight, is being purchased and put into use by the FAA. Contracts have been awarded for over 500 systems.
- ◆ The Non-Destructive Evaluation System: This system is designed for finding cracks in aging aircraft. It is currently being commercialized for use in maintenance inspections.
- ◆ The Taxiway Navigation and Situational Awareness System: This system allows pilots to navigate on the ground in virtually zero visibility conditions. It will be tested at Atlanta Hartsfield Airport in August.
- ◆ The Cockpit Weather Information System: This system gives pilots advanced information in an interactive touch-screen format, which is not used today. NASA is about to begin in-flight testing in a United Airlines DC-10.

In an update given to the Vice President on the implementation of recommendations from The White House Commission on Aviation Safety and Security, a report from Secretary Slater noted that "work is underway on every recommendation made to the Department."

Slater wrote, "Although the final Report was issued less than six months ago, the Department has already dedicated considerable resources and effort to implementing its recommendations. We have a comprehensive, specific implementation plan with deadlines, and the senior leadership of my office and the FAA meet monthly to review our progress.

"The Commission demanded action. We listened, learned and acted."

Some of the recent steps taken to increase aviation safety and security include:

- ◆ The FAA adopted a new set of rules requiring all airlines, no matter how big or small, to operate under a single level of safety -- the highest level possible.
- ◆ Using new procurement rules, the FAA is fielding new air traffic control technology faster and at less cost. For example, a new computer system for the busiest air traffic control centers was delivered ten months ahead of schedule and \$3 million under budget.
- ◆ FAA has moved to require smoke detection and fire suppression in the cargo and baggage compartments on large aircraft. FAA intends to complete the rulemaking by the end of 1997.
- ◆ 54 new explosives detection systems have been purchased. Newly purchased units are now in two airports and installations are underway in other cities.
- ◆ An initial deployment of other types of advanced equipment began with the installation of trace explosives detection devices in Atlanta last year and continues today at several major airports. The FAA Integrated Product Team plans to award contracts to purchase over 480 trace explosives detection devices and about 20 automated dual energy X-ray machines, plus a quadruple resonance device.
- ◆ The commission stressed long-term safety improvements could only be achieved through renewed and expanded commitment by all involved in aviation. Some of the recent commitments have included the offer by American Airlines and others of incentives for parents to place their children in safety seats; the improvement to the rudders of older 737s by Boeing, in conjunction with the FAA and the NTSB; and the upgrading flight data recorders by Southwest Airlines.
- ◆ The FAA has hired 375 additional inspectors to increase security oversight at airports across the nation.

"This week marks the anniversary of the crash of TWA flight 800 and I want to make sure that all those lost loved ones know that our thoughts and prayers are with them. I think that they know how hard the NTSB and the FBI are working to bring their investigation to a conclusion," said the Vice President. "And I want them to know that the President and I, Secretary Slater, Administrator Goldin and all of the people at the FAA and NASA are working just as hard to make flying as safe and secure as it can be for all Americans."

###

Q: What is the status of events in Cambodia?

A: The situation in Phnom Penh has not changed. Sporadic violence continues, but a sense of calm also is in evidence as stores are reopening, traffic is moving normally and people are beginning to re-emerge and return to work. We are assisting U.S. citizens with departures from Phnom Penh and expect most Americans to evacuate over the course of the coming week.

We welcome ASEAN's decision to delay Cambodia's entry into ASEAN until a later date. We support the ASEAN consensus that membership for Cambodia depends on respect for the Paris Accords. We also look forward to the mission by three ASEAN foreign ministers to Cambodia intended to attempt a return to the Paris Accords process.

Q: Will U.S. continue to provide economic aid to the Hun Sen government?

A: We are suspending our aid programs for 30 days while we conduct an intensive review of all our programs. We are consulting with other donors about their programs of assistance. At the end of the 30 days, depending on the circumstances at that time, we would anticipate resumption of those programs that provide humanitarian, people-to-people support in the area of basic human needs.

Q: Is this a political signal?

A: Yes. We will need this 30-day review, while our embassy and AID staff are drawn down, to assess what can and should be continued, but we do not anticipate a resumption of our aid program at current levels.

Q: What is the situation in Cambodia regarding American citizens?

A: There is no immediate danger to American citizens. We are in constant contact with our Embassy and are evaluating the situation on the ground daily. Our first concern is for the safety of Americans; we have set up a warden system at the Cambodian hotel and we are urging Americans to register at the hotel. We have urged Americans to depart Cambodia.

Q: Will Ranariddh meet U.S. officials during his visit to Washington?

A: Ranariddh met with UN officials in New York on Thursday July 10, and with senior State Department officials in Washington on Friday, July 11. There are two key points we underscored with Ranariddh: violent overturn of the results of democratic elections are unacceptable, but equally unacceptable is a role for the Khmer Rouge in the Cambodian government. We continue to work with ASEAN to return Cambodia to the path of democracy agreed in the Paris Accords.

Are you stopping aid to Cambodia? What are you saying to Hun Sen?

- We're suspending our aid programs for 30 days while we conduct an intensive review. We're talking to other donors about their programs. Though it depends on circumstances a month from now, we expect to resume those programs that provide humanitarian, people-to-people support for basic human needs.

Claim that U.S. Persons Linked to Hotel Bombings

[Background: The Cuban government released a statement on Saturday claiming that it had evidence that individuals and explosive devices from the United States were involved in the bombing Saturday of two Havana hotels. The attacks, the most serious in three decades, left three persons injured. FYI, initial rumors that a bomb may have been involved in the crash of a Cuban domestic airplane the night before have faded.]

Q: Any comment on the Cuban claim of possible involvement of U.S.-based individuals in the bombings?

A: We have asked the Cuban government to provide us any information or evidence it may have to support its contention.

Do not have any information linking U.S. persons to the bombings.

We seek a peaceful transition to democracy in Cuba and do not in any way condone the use of violence to achieve that goal.

Helms-Burton extension

Q: What is the deadline for the President, under Title III of Helms-Burton, to extend the suspension of U.S. claimants' right to file suit against foreign firms "trafficking" in confiscated properties in Cuba?

A: If the President decides to renew the suspension for another six months, he must notify the Congress 15 days before the current suspension expires -- i.e., by July 16.

Q: Have there been further disturbances in Kenya following clashes July 7-9?

A: Unconfirmed numbers of students from the Kenya Polytechnic campus near Nairobi engaged in violent protests on Monday, throwing stones, stopping traffic, and shouting demands regarding school fees and constitutional change. Police responded with force -- including tear gas and rubber bullets -- to break up the protest. There is no confirmation of alleged use of any live ammunition. Several injuries were reported in the clash.

Reports have put the numbers of students protesting at anywhere from several hundred to "thousands." The students were reportedly protesting parliamentary legislation that would require the expulsion of students failing to pay their school fees. The political opposition in Nairobi appears to have played no role in organizing this protest, the first major disturbance in Kenya since last Wednesday.

We continue to be concerned about violent confrontations in Kenya, have called again on all parties for peaceful dialogue and are continuing to urge the government to implement meaningful electoral reforms.

BOEING-MCDONNELL DOUGLAS MERGER

July 9, 1997

- Recent press reports indicate that an advisory panel to the European Commission has recommended that the proposed merger between Boeing and McDonnell Douglas should be prohibited. Our understanding is that this is not a final decision and that negotiations between Boeing and the European Union (EU) will continue, with a final decision due later this month.
- We continue to be concerned about statements from the European side that give the appearance that the merger review process has been influenced by political factors or trade policy aims. We have made clear our expectation that the decision on the European side must be made solely on objective antitrust grounds.
- As you know, the independent U.S. Federal Trade Commission, after a lengthy and intensive investigation, determined that the merger would not harm consumers. The FTC on July 1 ruled that the merger would not violate U.S. antitrust law, because it would not lessen competition that otherwise would have occurred in the aircraft industry. This unconditional approval followed an extensive and exhaustive investigation by the FTC, an independent agency whose decisions are not subject to review by the Congress or the President. We hope the EU will give considerable weight to these independent U.S. antitrust authorities' conclusions.
- The Department of Justice has requested consultations with EU competition authorities under our 1991 antitrust cooperation agreement. The purpose of these consultations is discuss factors that Justice believes are highly relevant to the EU's determination but that the EU may not have fully considered.

If asked, "What would happen if the EU denied the merger?"

- It is premature to speculate. We hope the matter will be resolved to the satisfaction of all sides.

Additional information for background use:

- The United States and the European Union share a commitment to sound antitrust enforcement. We have a solid record of antitrust cooperation with one another. This merger is a case involving global markets in which the fundamental antitrust concerns before our respective antitrust authorities should be the same -- whether the merger of these two American companies would harm consumers, in this case the airlines and military purchasers that buy the types of aircraft the companies produce.
- The independent FTC determined that it would not. Key to the FTC's ruling was the conclusion that Douglas Aircraft Company, the commercial side of McDonnell Douglas, no longer exerts a competitive influence in the market for civil aircraft. Of the 40+ airlines interviewed by FTC staff, only two said they would purchase Douglas aircraft in the future. The FTC's chairman told the *Washington Post* that unanimity of opinion among

prospective customers was "stunning" and said it would have made it impossible to sustain any legal challenge to the merger in court.

Most Recent POTUS Q/A's - 7/15/97

Recent press reports indicate that an advisory panel to the European Commission has recommended that the proposed merger between Boeing and McDonnell Douglas should be prohibited. What is the U.S. reaction?

- This is not a final decision, so negotiations between Boeing and the European Union will continue.
- We have expressed our clear expectation that the decision by the E.U. must be made solely on objective antitrust grounds.

Q: Can you confirm that former Senator Nunn and former Ambassador Laney will visit North Korea?

A: Yes, Former Senator Sam Nunn and former American Ambassador to South Korea James Laney plan to pay a private visit to North Korea 20-22 July and South Korea 22-24 July to discuss Korean Peninsula issues.

The trip is private, and is occurring at the invitation of North Korea. U.S. officials have briefed Senator Nunn and Ambassador Laney on Korean peninsula issues. We of course look forward to hearing their impressions on their return.

Q: What is your reaction to recent statements by international groups that the famine in North Korea is worsening?

A: The food shortages in North Korea inflict a horrible cost on the North Korean people who already are suffering from impoverishment. The international community has responded generously to calls for emergency humanitarian assistance, and the United States has contributed some \$50 million to the UN World Food Program appeals.

We will participate in the current WFP food appeal through the contribution of 100,000 tons of food. But the long term answer is not short-term food aid; the North's prospects for agricultural production sufficient to feed itself will only improve through structural economic and agricultural reform. That reform can be greatly assisted through the four party peace talks, which we hope to launch in August.

U.S./ROK/DPRK Talks

Q: The United States and North Korea met in New York July 2 for bilateral talks. What was the substance of the discussions and were there any results?

A: The United States and North Korea met as part of our on-going effort to address issues of concern to both sides, as called for in the Agreed Framework. The talks were not related to the 30 June trilateral meeting between the United States, South Korea and North Korea that discussed four-party peace talks issues. The two sides discussed a wide range of issues, from missile talks and MIA concerns to the food situation in North Korea. The talks were informational in nature and will continue at the working level in the future.

Q: What is the significance of the preparatory talks that were announced in New York?

A: The agreement by North Korea to participate in preparatory talks 5 August in New York is the first real step toward realizing President Clinton and President Kim's offer of peace talks that will lead to a permanent peace on the Korean peninsula. China will join the preparatory talks during which we will establish the venue, timing, procedures and agenda for the plenary session of the four party peace talks.

Q: How long will the preparatory talks last and when do you anticipate the start of the plenary session of the four party talks?

A: We do not have a specific time limit on the preparatory talks. We anticipate each of the four nations involved will come to the talks prepared to work toward the earliest date for the start of the plenary session.

If Asked:

Q: What is China's reaction to the announcement by the United States, South Korea and North Korea that four-party preparatory talks involving China will start August 5, in New York? Has China agreed to participate?

A: China previously endorsed the four-party process and today has issued a statement welcoming the agreement reached Monday. In its statement China agrees to participate in the four-party talks and continue to cooperate and play a constructive role in the process of establishing a peace mechanism for the Korean peninsula. We welcome China's positive statement and look forward to the contribution it will make in the talks.

Q: Has the U.S. interviewed the North Korean defector Hwang? What is your assessment of his information?

A: The U.S. routinely is given access to North Korean defectors by the South Korean government. Trained U.S. intelligence professionals conduct interviews of the defectors. In the case of Hwang, we recently sent a team to Seoul to interview him. We are in the process of evaluating the information Hwang has provided. It would be inappropriate to comment on the substance of Hwang's comments before that evaluation is complete.

Most Recent POTUS Q/A's - 7/15/97

Why are you sending more aid to North Korea?

- *We just announced that we will donate another 100,000 tons of food through the World Food Program, adding to the \$50 million we have already contributed.*
- *The food shortages inflict horrible suffering on the North Korean people.*

Are you pleased that North Korea has agreed to join the U.S. and South Korea for talks on August 5 in New York?

- *Yes. I think these talks can reduce tensions and build confidence on the Peninsula and, ultimately, lead to a formal end to the Korean War.*

- So it's an historic opportunity. An agreement could bring lasting peace and stability to the region.
- And it's important that China will play an active role. This is an example of the value of our broad engagement with Beijing.

If Asked about Bosnian Serb Reaction/Risk of Reprisals

- Tensions remain in some areas of Republika Srpska. SFOR is closely monitoring the situation and has taken necessary precautions. We expect the RS leadership to calm their people and get on with the business of implementing Dayton, including handing over war criminals.
- All the parties must understand that they should not challenge SFOR. We will hold the Parties' leadership responsible for keeping their people under control.
- They should know we would deal very effectively, very swiftly with a forceful response. We'll do what we have to do to protect our troops.

Q: Has the policy changed on Post-IFOR?

A:

1. The President has always said that the SFOR mission will end June 1998. Indeed, that is part of the original NATO decision.
2. It is essential that we focus our energy between now and then on assisting the parties with full implementation: common institutions, refugees, economics, war criminals, and police training.
3. The President has said all along that the international effort to assist civilian implementation is a longer term enterprise. We don't believe the President intended to say anything more.

Q: Are we absolutely ruling out United States troops in Bosnia after June 1998?

A: We expect the SFOR mission to be completed on schedule.

SFOR War Criminals Operation

- SFOR action was conducted under existing NATO authority to detain indicted war criminals that SFOR encounters in the course of its regular duties and if the tactical situation permits. SFOR acted within its mission and mandate. This is not a change to SFOR's mission.
- Nevertheless, this action demonstrates that the international community is determined that war criminals must be brought to justice. The parties must fulfill their obligations under Dayton including turning over war criminals to the Hague.
- The President is satisfied that SFOR acted in a courageous and appropriate manner.

If Asked about Details about Operation:

- Detention of indicted war criminal Milan Kovacevic took place without incident. He has been handed over to the International Criminal Tribunal, arrested and transported to the Hague.
- Indicted war criminal Simo Drljaca, former police chief in Prijedor, fired upon SFOR soldiers as they sought to detain him. One British SFOR soldier was wounded. Drljaca was killed when SFOR personnel returned fire in self-defense. Two male relatives of Drljaca who were with him were detained following the incident but have subsequently been released.
- Both Kovacevic and Drljaca were the subject of sealed indictments for war crimes issued by the Tribunal for complicity in acts of genocide against Bosnian Muslims and Croats in the Prijedor area in 1992.
- SFOR forces regularly encountered these individuals in the vicinity of Prijedor, a township in the British sector, both before and after issuance of the sealed indictment. SFOR concluded they should detain these individuals; NATO political authorities agreed with that view.
- U.S. SFOR forces provided some logistics and technical support to the operation. No U.S. forces participated in the detention, however.

If asked whether SFOR is planning to detain Karadzic or Mladic or other indictees:
(Dole/Lieberman Press Conference)

- SFOR is authorized to detain war criminals encountered in the course of its regular duties and if the tactical situation permits. SFOR has no plans to hunt war criminals.
- Yesterday's SFOR operation conformed to what is described above. These indicted war criminals had been encountered in the course of SFOR's regular duties. Of course, any indicted war criminals would be subject to detention in such circumstances.
- It is the Parties who bear the responsibility for turning over war criminals. We will not be satisfied until all indicted war criminals stand trial at the Hague.

Is this a change in SFOR Procedures for War Criminals?

- The procedures followed in the operation arose by the recent decision of the ICTY to issue sealed indictments for war criminals. The operation was carried out under long standing authority, adapted to the new developments created by the use of sealed indictments.

- Because SFOR was aware that it regularly encountered several of the individuals under sealed indictments, SFOR commanders undertook the preparations they deemed necessary to minimize the risks that could arise from an encounter and from the detention of the individuals in question.

RS Power Struggle

- Last week's detention of indicted war criminals was unrelated to the leadership split within Republika Srpska.
- We continue to monitor the political developments in Republika Srpska and the situation involving Republika Srpska President Plavsic and the Pale hardliners. The challenge to the authority of the elected president was clearly an attempt to avoid implementing Dayton.
- We support the rights of the legitimate democratically elected authorities to exercise their appropriate powers. The OSCE and the High Representative, among other experts, have concluded that Mrs. Plavsic's actions are legitimate and authoritative. We fully accept that judgment. We note that thousands of Bosnian Serbs have taken to the streets of Banja Luka in support of President Plavsic.
- Special Representative Gelbard and the interagency team have been in the region over the past few weeks and have met with Plavsic, Krajisnik and others to stress U.S. concerns. They recently discussed the situation with Allied counterparts in Madrid.
- President Clinton and the other NATO Heads of State in Madrid issued a statement expressing concern over the situation in Republika Srpska and its bearing on Dayton implementation. The statement decried the anti-democratic behavior on the part of the Pale hardliners, including police abuses and denying information on the crisis to the Bosnian Serb people. The leaders agreed that the legitimate authorities and institutions of Republika Srpska must be respected and that Radovan Karadzic should be handed over for trial in the Hague.
- We are calling for a diffusion of tensions and demanding that President Plavsic have full access to media in Bosnia; and for the Special Police to stand-down from the current crisis; and for all police to cooperate fully with the International Police Task Force in restructuring and reform. The international community will not tolerate the use of force or violence as a course of action in the current situation.
- In response to the uncertainty, SFOR has increased its alertness and presence in the Banja Luka area in order to better maintain security and stability.

Radovan Karadzic

- Karadzic was removed from office and remains banned from any public or political role as agreed by Republika Srpska. We expect and insist that Republika Srpska officials 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.

- President Plavsic has charged Radovan Karadzic with corruption and with interfering with her governance of Republika Srpska, in violation of the agreement reached with the RS last year.

Amendments for Date Certain Withdrawal from Bosnia

- President's senior advisors have recommended a veto if such a measure were to remain in the Authorization bill after the House-Senate Conference. Even though we have no plans to extend the SFOR mandate past June 1998, requiring a withdrawal from Bosnia by a date certain interferes with the President's foreign policy prerogatives and is counterproductive.
- A withdrawal by a date certain – with no regard for the situation on the ground and progress to be made on civilian implementation – 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. To our troops on the ground and those who have served in Bosnia, this legislation would question the purpose and value of their service and sacrifice.

As the President has emphasized, our focus should be on the hard work that needs to be done in the next year on civilian implementation. U.S. political and economic engagement in Bosnia will remain essential after SFOR's mission is done, and we can only succeed if the parties and the international community remain assured of U.S. leadership and commitment

Most Recent POTUS Q/A's - 7/15/97

Have you changed your position on the June 1998 deadline?

- *I have always said that the SFOR mission will end in June 1998. That was part of the original NATO decision.*
- *We have got to focus our energy between now and then on assisting the parties with full implementation: common institutions, refugees, economics, war criminals, and police training.*
- *I have also said all along that the international effort to assist civilian implementation is a longer term enterprise.*

Are you absolutely ruling out United States troops in Bosnia after June 1998?

- *I expect the SFOR mission to be completed on schedule.*

U.S.-Japan Defense Guidelines Interim Report

- We are issuing this interim report to demonstrate the progress we have made thus far in our bilateral review of the 1978 Guidelines for U.S.-Japan Defense Cooperation. With this interim progress report we aim to enhance domestic and regional understanding of U.S. and Japanese intentions as we proceed toward the final report in the fall.
- The current Guidelines were completed in 1978, based on the Cold War threat to Japan at the time. At their April 1996 Summit in Tokyo, as part of the 1996 "Joint Security Declaration," President Clinton and Prime Minister Hashimoto agreed to revise those Guidelines to reflect changes in the strategic situation in East Asia since the end of the Cold War.
- The review will address U.S.-Japan defense cooperation in three areas covered in the 1978 Guidelines:
 - Cooperation under normal circumstances (peacetime)
 - Cooperation in response to imminent/actual armed attack on Japan
 - Cooperation in response to situations in areas surrounding Japan which have an impact on the security of Japan.
- The United States and Japan will examine important functional areas of cooperation that have merged in a post-Cold War context:
 - Normal Circumstances : UN peacekeeping, multilateral defense diplomacy and humanitarian relief operations.
 - Defending Japan against direct attack: command and control, intelligence and logistics.
 - Responding to situations in surrounding areas that affect the security of Japan : minesweeping; rear area logistical support for U.S. forces; enhanced information sharing; use of airfield, ports, and other bases, areas and facilities in a crisis; non-combatant evacuation.
- The Guidelines review is taking place within the overall framework that has guided U.S.-Japan defense cooperation to date. The review is based on the framework of the Constitution of Japan and each nation's rights and obligations under the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.
- The entire region looks to the U.S. - Japan Alliance as a source of long-term stability. Through a transparent review of the defense Guidelines we will demonstrate that we are forward engaged and ready to cooperate with Japan - within an established and reassuring framework -- should crises arise in the region.
- The U.S. and Japan are prepared to discuss the contents of the Interim Report with our friends and allies throughout the region.

Background

The Defense Guidelines is not new news. The only thing that is happening currently is an internal debate in Japan regarding Hashimoto's decision to deploy C-130s to Utao, Thailand "in case" they were needed to evacuate Japanese citizens from Cambodia. Hashimoto is getting some flack over this; some in Tokyo are suggesting this foreshadows things to come once the Defense Guidelines are approved. i.e., expanding Japanese military role in the region. We need to stay away from that speculation. The DOD statement out of Hawaii should be sufficient. Mike should reiterate that our expectations for the revised Defense Guidelines are not in conflict with Japan's Constitutional constraints or Japan's policy of not participating in collective defense arrangements. We also need to stay away from speculation about Hashimoto's decision to deploy the C-130's to Thailand. The Japanese are now trying to find a graceful way of redeploying the aircraft to Japan without further embarrassment to Hashimoto. (If pressed for a linkage between the C130 deployment and the Defense Guidelines, we should stress that the C130 decision was a Japanese government decision and the Guidelines are still under review -- we see no connection.)

HOTUNG MEETING

July 15, 1997

Q: Did NSA Berger meet in the fall of 1995 with a UK citizen and Hong Kong resident named Eric Hotung? Was it in exchange for a campaign contribution? Why was the meeting scheduled? What was discussed?

A: Eric Hotung is active in Hong Kong, having authored op-eds and other commentary on developments in Asia. He has had meetings with senior working level U.S. officials during previous visits to the U.S. They have found him to be an individual with some interesting ideas about political developments and prospects in the region.

Sandy Berger's calendar indicates that he had a five-minute meeting with Mr. Hotung on October 4, 1995. [If asked: The meeting was arranged at the request of Doug Sosnick's office, according to the calendar.]

Mr. Berger has no recollection of the meeting or what may have been discussed at the meeting.

There was nothing improper or inappropriate about such a meeting.

Note to briefer:

According to NBC's Lisa Myers: Hotung's meeting followed a Don Fowler-Doug Sosnick memo of September 20 1995 requesting a meeting for Mr. Hotung with Mr. Berger. The memo indicates he wanted to discuss political developments in Hong Kong, the US/Taiwan relationship, and the US/PRC relationship.

THOMPSON HEARINGS

July 9, 1997

Q: What about Senator Thompson's allegation that White House officials not only knew about possible PRC involvement in campaign funding from an FBI briefing of NSC officials, but knew or should have known from other sources or indicators as well?

A: The issue raised by Senator Thompson concerning the FBI briefing of two NSC officials about China's alleged attempt to fund U.S. political campaigns has already been thoroughly reviewed.

The contemporaneous notes of one of the NSC participants, a career FBI special agent, clearly reflect that the NSC officials were asked not to disseminate this material. The decision not to disseminate, however, was made without reference to the FBI request. Hindsight would have obviously yielded a different decision.

As to the Senator's remarks that the White House had independent access by other means to the FBI-briefed allegations of possible illegal activity, we can find nothing to substantiate his assertion.

Q: What about the Senator's assertion that the PRC has undertaken efforts to influence U.S. elections in violation of U.S. law?

A: As the President said before it would be a very serious matter for the United States if any country were to attempt to funnel funds to one of our political parties for any reason. The Vice President and the Secretary of State brought this issue to the specific attention of the government of China during their visits this spring.

The Department of Justice has an ongoing investigation on these issues; I understand they have drawn no conclusions.

Q: When is the last time the FBI/DOJ briefed the President or Sandy Berger on this matter?

A: On two occasions since last February National Security Advisor Berger has been briefed on aspects related to national security.

Q.: Did Huang meet with Sandy Kristoff in September '94 on APEC?

A.: At the time, Sandy Kristoff was working for the NEC on APEC issues. In the fall of '94, in preparation for the Jakarta APEC Leaders Meeting, Ms. Kristoff's office handled the logistical arrangements for a number of inter-agency meetings to prepare for the President's trip to Jakarta. These meetings were sometimes chaired by Ms. Kristoff, sometimes by others, e.g. those responsible for scheduling. It is likely that Mr. Huang was cleared into the White House under Ms. Kristoff's name for one of these meetings.

Ms. Kristoff has no recollection of ever having met with Mr. Huang; he played no role in the policy issues that she worked on.

Most Recent POTUS Q/A's - 7/15/97

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- It is likely that Mr. Huang was cleared into the White House under Ms. Kristoff's name for one of these meetings.
- Ms. Kristoff has no recollection of ever having met with Mr. Huang; he played no role in the policy issues that she worked on.

If asked :

Q Any reaction to reports that the Administration is pursuing a new policy on Iran?

A The Administration has not undertaken any new initiative with respect to Iran -- our policy remains unchanged.

From the beginning of the Administration, we have been deeply concerned with Iran's support for terrorism, its efforts to acquire weapons of mass destruction and its opposition to the Middle East process -- and we have taken a number of steps, including tightened sanctions, to put pressure on Iran to change its behavior.

At the same time, we have always said that we are open to a dialogue with Iran, in which all of the issues between us could be discussed. Iran has not been willing to engage in such a dialogue.

The President has said that the election of Khatemi as President is an interesting development and a possible indication that the people of Iran want change. We would welcome change in Iran's policy in the area of concern to us, and we will be watching their actions carefully.

Q: Did the President speak with the Irish Prime Minister today?

A: POTUS called to talk to Prime Minister Ahern, establish personal contact on Northern Ireland peace process, as he had with Prime Minister Bruton.

POTUS and Ahern had exchanged letters since Ahern came to power June 26 but this is first call. They did meet in Dublin in 1995.

President keeps in touch with both Irish and British leaders to support their efforts to achieve a negotiated settlement in Northern Ireland. That was subject of this call.

Discussed Irish and British efforts to move talks into substantive negotiations; ideally with Sinn Fein participation on basis of unequivocal ceasefire.

Agreed this is critical period for peace process; President reiterated offer to do whatever he can to help.

Q: Any response to the press conference by members of Congress last week?

A: President deeply concerned about Northern Ireland -- remains actively engaged. Discussed it on numerous occasions Prime Minister Blair recently; kept in touch with former Irish Prime Minister Bruton, as he plans to do with new Prime Minister, Bertie Ahern.

If pressed:

Q: How involved has the Administration been in dealing with the situation?

A: Ahern only in office two weeks; he and POTUS have not talked yet, but POTUS has written.

President believes that negotiations leading to just and lasting settlement are best way forward. Focus of attention should be on talks, peace process, rather than sectarian confrontations

Administration officials remain actively engaged as well -- have been in close touch with officials of two governments and Northern Ireland parties.

If pressed:

Q: Who is the Administration dealing with in Northern Ireland?

A: Not going to go into detail on who or when, but certainly can say we are actively engaged with all key players.

Q: Is the British Government doing enough to move the process forward?

A: Believe British government seeking to move peace process forward; aide memoire of June 13 remains forthcoming offer for Sinn Fein participation in talks on basis of unequivocal ceasefire.

If asked:

Q: Any criticism of Mowlam's decision?

A: NIO Secretary Mo Mowlam has been determined and courageous in seeking to move peace process forward in Northern Ireland. Criticism of her on basis of one difficult decision is shortsighted.

If asked:

Q: Would the Administration support the use of UN peacekeepers in this situation?

A: Do not think that UN peacekeepers appropriate or useful in this context.

If asked :

Q: What about State Department Spokesman Nick Burns' comments regarding the British decision?

A: President did not say he agreed with British decision; we have said only that we understand it was difficult decision and we are not going to second guess British. Burns was speaking personally when he speculated that the decision may have been a good one in light of last year's violence.

Reaction to Events in Northern Ireland

- President following events in Northern Ireland with deep concern, saddened by spectacle of renewed confrontation and violence in Northern Ireland.
- We regret that local residents and marchers failed to reach agreement on contested parade.
- *If pressed on whether we support British decision:* Not going to second-guess decision, which Chief Constable explained was made on security grounds.
- *If asked about Adams call for nightly demonstrations:* Urge both communities to move beyond bitterness and confrontation, focus on avoiding future problems. Political dialogue and communal reconciliation are only way forward for Northern Ireland.

- Goal remains a just and lasting political solution; now more than ever, leaders need to work toward that goal.

Q: Is there hope for the peace process with tensions escalating during marching season?

A: Believe people of both communities want to avoid sectarian confrontation over controversial marches. Applaud determined efforts of British government and Northern Ireland leaders to find solution that will avoid exacerbating tension.

Peace process at critical juncture; confrontation over marches not in anyone's interest. Urge residents and marchers to approach issue with generous spirit, seek to avoid confrontation.

Hope men and women of goodwill from both communities will not allow destructive few to determine outcome.

Q: What do you think of statement Blair made in Parliament June 25 on Northern Ireland?

Welcome Prime Minister's statement and British aide memoire made public yesterday. British Government is making a courageous, straightforward effort to get an inclusive process going on the basis of an unequivocal IRA ceasefire.

We urge the IRA, as we consistently have, to declare and implement ceasefire, and to pursue goals by democratic, exclusively peaceful means.

The talks must go forward, ideally with Sinn Fein on the basis of unequivocal IRA ceasefire, without them if necessary.

Q: What do you think of the joint Anglo-Irish strategy on decommissioning that was unveiled June 25?

We welcome paper by two governments on how to handle thorny issue of decommissioning. Their proposal follows suggestion made in Mitchell Report for decommissioning in parallel with progress in talks.

We urge parties in talks to move forward into substantive negotiations on the basis of the reasonable approach outlined in joint paper.

BELFAST TALKS

- Belfast peace talks chaired by Senator Mitchell, which reconvened June 3, offer only way to achieve just and lasting settlement to conflict. Change can only come through dialogue and negotiation, not violence.

- If asked: Senator Mitchell has said he will stay on as talks chairman until either a result is achieved or he becomes convinced that no progress is possible.

CONTACT WITH SINN FEIN

- The President has many times called on the IRA to end the violence and declare an unequivocal cease-fire. Committed to remain actively engaged in search for just and lasting peace.
- The U.S. maintains contact with all parties to reinforce this message and to support the two governments' efforts to move the process forward.
- Also keep in direct, frequent touch with British and Irish officials.
- We do not go into detail on our diplomatic contacts in support of the peace process.
- [If pressed]: We will keep open channels of communication to Sinn Fein as long as we believe that is helpful to the peace process.

Most Recent POTUS Q/A's - 7/15/97

What is your reaction to the continuing violence in Northern Ireland? Is the peace process falling apart?

- *Obviously these events concern me a great deal. I am saddened by the spectacle of renewed confrontation and violence.*
- *The important thing now is to return to focusing on the peace process.*

TAIWAN
July 15, 1997

Q: Can you confirm Hong Kong press reports that Lee Teng-hui has requested a transit visa to transit the U.S. enroute to Central America in September? What would the U.S. position be on such a request?

A: We have not received a request from the Taiwan authorities for Lee Teng-hui to transit the United States.

Permission for transits by Taiwan's senior leaders, for the safety, comfort and convenience of the traveler, is granted on a case-by-case basis.

Background For Briefer

- In the Quadrennial Defense Review (QDR) Report, SECDEF requested two more BRAC rounds in 1999 and 2001 in order to increase procurement funding for modernization of the armed forces.
- The President has made previous public statements that he supports the DoD request for two more BRAC rounds.
- BRAC is politically unpopular on the Hill. Some Members of Congress have linked their opposition to the President's 1996 decision to privatize in place two Air Force maintenance depots identified for closing in the 1995 BRAC round.

Points to be Made

- The Administration is very disappointed in the Senate's decision not to allow two more BRAC rounds as requested by the Secretary of Defense.
- Previous BRAC rounds did not reduce DoD infrastructure proportional to reductions in force structure. We are spending millions of dollars on bases we do not need. Those funds are urgently needed to increase procurement in order to ensure that the U.S. armed forces maintain their technological superiority in the 21st century.
- Selecting bases for closure or consolidation is painful, but not nearly as painful as the tragic consequences that could arise if our sons and daughters in the military are forced to fight the next conflict with aging, obsolete equipment.

Questions and Answers

- Q. Some Members of Congress have linked their opposition to the President's 1996 decision to privatize in place two Air Force maintenance depots identified for closing in the 1995 BRAC round. Is the President willing to reverse his decision in order to gain support for additional BRAC rounds?
- A. No. That linkage is based on the false premise that the President's decision in some way interfered with the BRAC process. The 1995 BRAC report clearly stated that privatizing the depots was an option. The Air Force and DoD agreed that privatization had the advantage of avoiding the disruption of services that would occur if their work load were transferred to other depots. The decision to privatize the two depots was entirely consistent with the BRAC Commission's recommendations and therefore is not a valid reason for opposing further BRAC rounds.
- Q. Would the President veto the Authorization Bill because of this?

- A. It is too early to be talking veto. The Administration in continuing to work closely with the House and Senate to ensure that authority for two more BRAC rounds is included in the final Authorization Bill.
- Q. Do you have any reaction to the claim that DoD cannot accurately quantify the savings from previous BRAC rounds?
- A. You will have to refer that question to DoD for the details on BRAC savings. But it is not grounds for deferring future BRAC rounds, which would only result in scarce Defense dollars being spent on bases we don't need and cannot afford. It is also a very short-sighted view. Closing bases does entail expenses, such as for moving military units to other bases and environmental cleanup. So over the short term, the savings are small. But once those one-time, up front costs are paid, DoD is permanently relieved of the costs of maintaining and operating those bases. There is no question that over the long term two additional BRAC rounds would indeed save funds badly needed for procurement.

Most Recent POTUS Q/A's - 7/11/97

Any reaction to the Senate's rejection of your base-closing proposals?

- *In the Quadrennial Defense Review (QDR) Report, Secretary Cohen asked for two more BRAC rounds in 1999 and 2001 in order to increase funding for modernization of the armed forces.*
- *I have already said that I support this request.*
- *I am very disappointed in the Senate's decision to block this request.*
- *We are spending millions of dollars on bases we do not need. Those funds are urgently needed to increase procurement in order to ensure that the U.S. armed forces maintain their technological superiority in the 21st century.*
- *Selecting bases for closure or consolidation is painful, but not nearly as painful as the tragic consequences that could arise if our sons and daughters in the military are forced to fight the next conflict with aging, obsolete equipment.*

LATIN AMERICA

July 10, 1997

If asked about Washington Times story saying we are close to lifting our Latin America arms embargo:

- Our policy remains under review.
- No decisions have been made.

Latin American arms transfer policy

Q: Has the President decided to permit the sale of advanced fighter aircraft to Chile?

A: The President has decided to authorize the state department to issue marketing licenses in order to allow companies who wish to compete for Chile's prospective purchase of advanced fighter aircraft to participate in the process. A decision has not yet been made, however, on whether to permit such sales to Chile.

Q: Does this mean the policy on arms transfers to Latin America is still under review?

A: Yes. In light of the changes underway in Latin America, the administration has been taking a very careful look at its policy on advanced arms transfers to Latin America and whether it should move to a case-by-case review of requests to transfer advanced arms to Latin America. That policy remains under review. However, Chile's process for deciding which fighter aircraft to purchase has already begun. In order not to prejudice U.S. companies from competing for the sale while the policy review continues, the president decided to authorize companies to at least participate in the current technical stage of the bidding process.

Q: What were the president's reasons for this decision and how does it fit in the administration's overall policy toward Latin America?

A: For many years, the United States has exercised a policy of restraint related to arms transfers to Latin America, particularly of advanced weapons systems. This policy of restraint was imposed at a time when military governments dominated Latin America and when there was considerable tension between some Latin American states. The policy reflected U.S. desire to reduce conflict and avoid an arms race in the region.

Now democracy is taking hold in all but one country in the hemisphere, a remarkable achievement, and economic integration and political cooperation are making great advances. As a result, tensions have diminished and the risk of inter-state conflict among neighbors is lower than it has been in decades.

Our main goals in Latin America are to promote and strengthen these democracies, to support the economic and social development of the hemisphere's citizens, to encourage growth, expand trade and assure access for American exports, and to cooperate on counternarcotics and other fields. We are also committed to promoting restraint in arms purchases, confidence-building and transparency measures among countries in the region.

Q: When will the president make a decision on whether US companies can actually sell fighter aircraft to Chile?

A: The administration will continue reviewing the matter and will ultimately make a decision based on several factors, including the sale's impact on regional stability and restraint and consolidation of democracy.

SUPERCOMPUTERS

July 1, 1997

Q: The Administration has just published a list of entities in Russia, China, India, Pakistan, and Israel that require a license for U.S. exports because of potential involvement in nuclear weapons-related activities. Isn't this list too little, too late?

A: Of course not. We have a responsibility to ensure that U.S. technology does not assist foreign nuclear weapons programs. Even where proliferation has already taken place, limiting the flow of technology can limit further development. At the same time, we recognize that the growth and spread of high technology, such as computers, make absolute controls impossible. The list we published is designed to inform U.S. exporters of particular end-users of concern, thereby facilitating other legitimate commercial transactions with these countries.

Q: Why does the Administration oppose Congressional efforts to tighten computer export controls?

A: The President's 1995 decision to streamline computer export controls was based on an assessment of technological trends and national security concerns. In particular, we focused controls on high powered computers to end users of concern. Overall, this new system has worked well. It has facilitated U.S. computer exports for peaceful purposes, while blocking exports to proliferation programs.

Of course, no export control system is perfect. We are already responding to the small number of problems that have been detected. Legal investigations are underway. We have raised the issue with foreign governments at very senior levels. We are taking administrative measures to tighten controls, such as the recently published list of entities.

Additional controls as proposed by some in Congress would not be helpful in maintaining the balance in our current policy between national security interests and economic competitiveness.

U.S. High Performance Computers/China

Q: Is it true that the U.S. is investigating the transfer of a U.S. supercomputer to a Chinese military research and development facility?

A: Yes. This matter is being investigated by the Commerce Department, and we have already raised our concerns with the Chinese government. Obviously, I can't go into the details, but we are taking the appropriate steps to deal with this situation.

Q: What has the Administration determined about the reported shipments of 46 "supercomputers" to China?

The Administration revised export controls on computers in early 1996, consistent with our national security and nonproliferation concerns. Systems between 2,000 and 7,000 MTOPS (Millions of Theoretical Operations per Second) may be exported to civil end-users/uses in countries like China without prior permission.

We require companies to keep specific records of all such exports, which we are reviewing. If problems are identified with any of these shipments, we have the legal and administrative means to address them and I can assure you we will use that authority.

Q: Can you comment on the report that a Chinese government weapons development facility has acquired a U.S. supercomputer?

The matter is being investigated by the Department of Commerce. Because there is an active investigation, however, further comment at this time would be inappropriate.

Q: What are the export controls on computers destined for China?

In January 1996, the Administration implemented the following computer export policy to, among other countries, China:

Computers at any level require an export license when the exporter knows, or has reason to know, that the shipment is being made to a facility engaged in the design, development and production of weapons of mass destruction.

Computers up to 2000 MTOPS may be sold to all other end-users in China, including military end-users, without a license.

Computers up to 7000 MTOPS may be sold to strictly civilian end- users for civilian uses, without a license.

Computers above 7000 MTOPS, for all end-users/end-uses, require a license.

Q: Isn't it difficult for a company to know in every case whether an end-user is civilian, or military, or engaged in proliferation activities?

It can be. That is why U.S. exporters have been clearly instructed to contact the Commerce Department when they are uncertain about an end-user.

Q: Doesn't this shipment show that the Administration's computer decision has allowed a serious breach to our national security - namely that a U.S. supercomputer is now helping the Chinese government build weapons?

The Administration's computer policy recognizes the growing worldwide availability of high performance computers. It also recognizes that U.S.-origin computers should not be shipped to certain end users without explicit U.S. authorization.

This was, and is, a reasonable balance to our security and economic interests that was carefully considered and supported by all of the national security agencies involved in the export policy development process, including Defense, State, Commerce and Energy.

An unauthorized shipment of a U.S.-origin computers is a matter for our enforcement officials, and as I noted, an investigation into this matter has been initiated.

Q: Why has the United States sold supercomputers to China to aid in the development of their nuclear weapons program?

The Administration announced in 1995 that it would revise its controls on supercomputers, recognizing that they were becoming more powerful and increasingly available worldwide.

But in liberalizing these controls, the Administration made special provision for licensing supercomputers to China--as well as other countries of proliferation concern--so as to ensure against sales for military end uses.

As a result, we require licenses for military-related computer sales to China for computer in the 2,000-7,000 MTOPS (millions of theoretical operations per second) range.

We also seek to ensure that supercomputers are not diverted to military uses through continuous Commerce review.

We continue to believe that our policy appropriately takes into account that significant changes in computer technology while protecting our non-proliferation goals.

With respect to the development of nuclear weapons, the Chinese have joined the other nuclear powers in a moratorium on nuclear testing. We believe it would be very difficult through computer modeling to acquire confidence in the redesign of nuclear weapons without testing.

Most Recent POTUS Q/A's - 7/11/97

Your administration has announced it will tighten the rules on sales of supercomputers to entities that secretly produce nuclear weapons. Isn't this too little, too late?

- Of course not. We have to make sure that U.S. technology doesn't help foreign nuclear weapons programs. Even when proliferation has already taken place, limiting the flow of technology can limit further development.*
- At the same time, the growth and spread of high technology, such as computers, make absolute controls impossible. The list we published is designed to let U.S. exporters know about the particular "end-users" that concern us without interfering*

with our legitimate commercial transactions with these countries.

Why does your administration oppose amendments to the Defense Authorization bill that would legislate these kinds of export controls?

- My 1995 decision to streamline computer export controls was based on an assessment of technological trends and national security concerns. Overall, the new system has worked well. It has helped increase U.S. computer exports for peaceful purposes, while blocking exports to proliferation programs.
- Additional controls as proposed by some in Congress are unnecessary and could upset the balance in our current policy, which makes sure we are defending both our national security interests and economic competitiveness.

Current

Upcoming Visits

- Kyrgyz President Akayev here; sees Vice President July 15.
- Georgian President Shevdnardze to see President July 18.
- Azeri President Aliyev to see President August 1.

Russian Parliament passes restrictive new law on religion

- New law on religion passed by Duma and Federation Council (upper house of parliament); now with President Yeltsin for consideration.
- President personally raised this issue with Yeltsin (in Denver), expressed our concern about implications of new law, stressed our view that freedom of religion should not be restricted; Yeltsin indicated he would look into issue.
- In all contacts with Russians, we will reiterate our conviction that guarantee of freedom of religion essential to democratizing society.

General

NATO-Russia

- Founding Act signed by NATO heads of state and government and President Yeltsin in Paris May 27 milestone agreement -- lays basis for robust and growing partnership between NATO and Russia.
- See Russia as partner of NATO in shaping more secure, stable and undivided Europe. That is good for United States, Russia and Europe. Now will work with Russia to give real substance to Founding Act.

Prospects for START II Ratification by Russian Duma

- Believe Yeltsin committed to START II ratification by Duma.
- START II ratification in both U.S. and Russia's best interests -- provides for stabilizing reductions in strategic forces, reduced costs, and opens the door to negotiations on further reductions in "START III," as agreed in Helsinki.
- Ratification of START II by Russia remains an essential prerequisite to begin START III negotiations toward further reductions in nuclear forces.

Most Recent POTUS Q/A's - 7/15/97

What topics do you plan to discuss with Georgian President Shevardnadze on Friday?

- I expect we will discuss a range of issues, including economic and political reform in Georgia, the conflict in Abkhazia, and Georgia's participation in the new emerging European security structure -- NATO and EAPC.

RUSSIAN MIR SITUATION

July 15, 1997

Background

On July 14, Mir cosmonaut Vasily Tsibliyev reported to Russian ground controllers that he was experiencing cardiovascular health problems. The exact nature of his illness is unclear; so far, the flight doctors have only prescribed rest. As a result, today's [July 15] rehearsal of the internal spacewalk and repair mission aboard Mir has been postponed. The actual repair work in the damaged Spektr module, which was to take place July 17 or 18, has also been postponed. This morning, the Russian Space Agency asked NASA to prepare U.S. astronaut Michael Foale to take Tsibliyev's place in conducting the repairs. NASA will be carefully evaluating the available options before making any decision. The original plan was for Foale to remain in the Soyuz capsule during the spacewalk and repairs.

Q: Given that the Russian cosmonaut, commander Vasily Tsibliyev, on board Mir is now ill, will U.S. astronaut Michael Foale take his place and conduct the spacewalk to repair the Mir's power supplies?

A: Russian space officials have raised this possibility. NASA is assessing whether it makes sense for Foale to do this, including whether his training is sufficient.

No immediate decision is going to be made until we understand all of the safety implications and consider all of the options, which include:

- Monitoring the commander's health for the rest of the week to determine if he can conduct the mission;
- Delaying the repair until the replacement crew (a 2 Russian, 1 French crew) arrives August 5; or,
- Michael Foale conducting the spacewalk.

At this point, it is important to allow NASA to go through the evaluation process. It is too early to make a decision. Nothing will be determined today.

Q: Does the United States still intend to fly the next astronaut [Wendy Lawrence] on the Mir? What does this incident mean for the future of U.S. -Russian cooperation in the international space station program?

A: NASA is examining the Mir situation, but the Shuttle-Mir program is only one facet of U.S.-Russian space cooperation. We also have many other areas of continuing space cooperation, including unmanned interplanetary missions, studies of the earth, life and microgravity science research, and aeronautical safety.

We remain committed to the international space station program and Russian participation in it. Our experience on the Mir has provided us with invaluable operational experience in dealing with situations that may arise on a permanently inhabited space station. It has also strengthened communications between Moscow's ground control and NASA. This will be critical for successful operation of the International Space Station. This incident does not alter our plans for future cooperation.

U.S. Policy on Caspian Energy and Pipeline Development

- U.S. and other foreign companies have actively pursued energy exploration and production opportunities in the countries of the former Soviet Union since 1991, with many of the efforts focused on the Caspian Sea basin.
- A critical issue in the successful commercial development of Caspian Sea energy resources is the ability to transport these resources to world markets. The Caspian's landlocked location far from leading markets for oil and gas makes this concern all the more serious.
- Based on the number of planned oil and gas projects in the Caspian Sea basin (including Kazakhstan, Azerbaijan and Turkmenistan), experts predict that there will be the need for between four and six main export pipelines over the next several decades.
- Since at least World War II it has been U.S. policy to support multiple pipelines for the transport of energy resources in order to enhance energy security. Reliance on a single pipeline for energy transport leaves both the supplier and consumer countries vulnerable to a pipeline shutdown. Besides enhancing energy security, multiple pipelines also encourage competition and foster lower energy prices.
- U.S. support for multiple pipelines from the Caspian Basin has been our stated policy since early 1995. An Administration official speaking with Platt's Oilgram on February 2, 1995 said that "we support multiple routes." On February 24, 1995, a senior State Department official said that "in the short-run there should be a variety of viable alternatives, and that in the medium-to-long-run the resource base in the region should support multiple pipelines."
- State Department press guidance on February 3, 1995 also noted that "we expect eventual production in the Caspian region to require multiple pipelines." A March 9, 1995 State Department message to our embassies in the Caspian region stated that "the USG still believes multiple routes are necessary and that their development will provide additional security for oil companies as they proceed."
- Mike McCurry in describing a telephone call between President Clinton and Azerbaijani President Aliyev in early October 1995 said that "President Clinton expressed his support for commercially viable, early constructed and multiple oil pipelines from the Caspian Sea region."
- In February 1995, the United States endorsed a pipeline route from Baku, Azerbaijan to Ceyhan on the Mediterranean coast of Turkey. State Department guidance on February 3 stated that "we would endorse construction of a pipeline through Turkey. We are not ruling out other routes."

- The U.S. endorsement of the Baku-Ceyhan route did not include an endorsement of any particular route to Ceyhan. February 3 State Department guidance clearly stated that “the U.S. has not endorsed a particular route to Turkey.” Possible routes include lines through either Armenia, Georgia or Iran. We have expressed our opposition to any route through Iran given our policy to oppose projects which could provide Iran with political and/or financial benefits.
- To this day we have not taken a position on which route the Baku-Ceyhan pipeline should take. Our position was and remains today that the route chosen is a decision for private companies and should be based on commercial principles, non-discriminatory access and market-based tariffs. We have strongly resisted efforts by countries and companies to “choose” an export route.
- The State Department’s April 1997 Report to Congress on Caspian Region Energy Development succinctly stated overall U.S. policy on the Caspian. “It is the Clinton Administration’s policy to promote rapid development of Caspian energy resources through multiple pipelines and diversified infrastructure networks to reinforce Western energy security, and provide regional consumers alternatives to Iranian energy.”

June 25, 1997

Q: Where are we one year after the Khobar bombing?

One year ago a terrorist bomb exploded in front of Khobar Towers in Dhahran, Saudi Arabia, killing 19 Americans. We share the special grief this day brings to the families of the airmen who died a year ago.

Since then, we have made every possible effort to bring those responsible to justice, a process that is still ongoing. As we have pursued this investigation, we have received cooperation from the Saudi authorities. We have enhanced our military security by moving our facilities in Saudi Arabia, with substantial Saudi cooperation and funding.

We will continue to give this investigation top priority. We have reached no conclusion regarding responsibility for Khobar. Just as we have in other terrorist cases, we will take all the time necessary to complete a thorough investigation. Because this is an ongoing criminal investigation, I cannot comment on the details of our current activities.

Q: Many reports are pointing the finger at Iran. Is this where your investigation is leading? If Iran or those under Iranian influence prove responsible will we react militarily?

As this is an ongoing criminal matter, I cannot comment on our investigations. Nor will I comment on what action we may or may not take in a hypothetical situation.

Q: One year later, not one commanding officer has been court-martialed or even fired for their negligence in allowing 19 of those under their command to be killed. Where is the accountability?

These matters are still under review by the Secretary of Defense, who said just two weeks ago that he is in the process of going through the Downing report, the General Record report and the IG report. I refer any further questions to the Defense Department.

Q: Will U.S. forces in the region be on increased alert during the anniversary period?

USCENTCOM continues to monitor and enhance force protection measures to minimize potential risk to U.S. forces in the region.

Q: What is status of Sayegh?

Mr. Sayegh was deported from Canada to the U.S. He is in custody. I cannot comment any further.

Q: Was Sayegh working for Iran? What about reports that he was in Iran at the time of the bombing?

We will not comment on an ongoing investigation.

Q: Can you confirm that Sayegh is linked to Khobar? Did you make a deal for his extradition?

A: The Canadian government decided to deport Sayegh to the U.S. The deportation was based on the fact that the U.S. was the last country he had been in prior to entering Canada.

He has arrived in the U.S. and been taken into custody. I cannot comment further on this matter.

Most Recent POTUS Q/A's - 7/11/97

Do you accept Sayegh's claims that he was in Iran at the time of the Khobar bombing? What about reports that Sayegh has implicated a high-ranking Iranian intelligence officer in planning attacks on U.S. and other facilities? If Iran or those under Iranian influence prove responsible, will we react militarily?

- *This is an ongoing criminal matter, so I'm not going to comment. And I don't want to say what action we may or may not take in a hypothetical situation.*

Have U.S. forces in the region been put on increased alert?

- *USCENTCOM continues to monitor and enhance force protection to minimize any risk to our forces.*

MIDDLE EAST PEACE PROCESS

July 14, 1997

Peace Process: U.S. Role

Q. The Israeli press is reporting that the situation is about to explode. What is the USG doing about this? What is going on in terms of peace process talks? What did the President mean when he talked in Madrid about new initiatives?

A. The U.S. continues to be actively engaged in facilitating contacts between the Israelis and the Palestinians.

Israelis and Palestinians are meeting regularly in a variety of fora to discuss directly issues relevant to the peace process. We, along with the Egyptians, will continue to help in facilitating these discussions, which continue to offer the best hope of returning momentum to the negotiations.

It is important that the talks take place against a backdrop of security cooperation. In this regard, we are pleased that joint Israeli-Palestinian patrols have resumed in Hebron. We consider this to be a positive sign.

Q. What about the President's comments? What are the initiatives to which he referred in Madrid?

A. As always, we are working closely with the parties and are considering how best to help them move forward. I am not going to get into more details.

Peace Process: Wounding Of Journalists In Hebron

Q. Did Israeli soldiers deliberately target journalists covering the violence in Hebron, and, if so, what is your reaction to such targeting?

A. We have seen press reports of the latest violence in Hebron.

We deplore all the violence that has been taking place in the West Bank and Gaza in recent weeks. We urge the Israeli and Palestinian leaderships to do their utmost to end the violence and settle their differences through political means.

We note that the foreign press association has accused the IDF of targeting journalists covering this violence and that the Israeli Government has denied these accusations.

Peace Process: Palestinian Trampling Of The Israeli Flag

Q. What is the U.S. reaction to Palestinian negotiator "Abu Alaa" (Ahmad Qurai) trampling the Israeli flag during Palestinian demonstrations in Ramallah?

- A. As we have said before, the parties need to take each other's concerns into account and avoid actions which might undermine confidence in each others or the peace negotiations.

The parties should instead be focusing on statements and actions which can foster confidence and support forward movement in the negotiations.

- Q. But what about the specific action of trampling the flag?

I do not have anything to add to what I just said.

Most Recent POTUS Q/A's - 7/15/97

It looks like you've decided to step back from active engagement in the peace process. Correct?

- *Not at all. We work at this every day.*
- *And we won't stop pressing, because the alternative to a genuine peace process is genuine turmoil.*

Most Recent POTUS Q/A's - 7/11/97

FINANCIAL TRANSACTIONS WITH COUNTRIES SUPPORTING TERRORISM ACT

What is your position on the House bill sponsored by Rep. McCollum?

- I'm opposed to it. It would deny the Executive Branch the discretion we need to determine, on a case-by-case basis, the most appropriate and effective sanctions to impose against governments that support terrorism.
- We currently have an effective sanctions program against terrorist countries.
- But we need to be able to respond quickly and flexibly to unforeseeable developments and international events. The loss of the ability to tailor sanctions to unique circumstances and situations would undermine our ability to defend our national security and economic interests.
- No list can adequately address the circumstances that could arise in our dealings with terrorist regimes.
- In addition, this bill would interfere with our ability to implement mandatory U.N. Security Council resolutions that impose sanctions, and to carry out our binding international obligations.
- It also could undermine our efforts to serve as an effective intermediary in the Middle East Peace Process and our efforts to promote peaceful change in Cuba through the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act, and other legislation.

HAITI
July 15, 1997

Q: Does the U.S. support extension of the UN mission in Haiti?

A: In a November 1996 letter to the UN Secretary General, Haiti's President Preval formally requested a continued international presence in Haiti for up to one year. In May, he publicly stated that that full 12 month period would be required before the Haitian National Police would be able independently to ensure a secure and stable environment. Based on that request, our assessment of the security situation in Haiti, and our judgement of the pace of progress being made by the Haitian police, we support a continued UN mission in Haiti for an additional four-month period.

Q: What is the Administration's reaction to Senate passage of the U.N. arrears bill?

A: There is much in the bill that the Administration supports. The agreement to pay more than \$800 million in U.S. arrears to the UN is a major step forward.

Appreciate good-faith efforts that Helms, Biden, and others made on this issue.

The bill contains provisions that cause us concern. As the legislative process moves ahead we will work with Congress on them.

Q: The United States' summit partners have been critical of the arrears package. Comment?

A: I believe that overall the package is an important step in the right direction.

We know that persuading other UN member states to embrace these reforms will be a challenge for U.S. diplomacy.

Are confident the UN members will agree that a reformed UN will be stronger, more effective, and more relevant, and they will support this initiative.

We believe UN needs to embrace extensive reforms if it is to remain relevant in meeting the challenges of the next century – many of which we are addressing here in Denver.

July 11, 1997

Most Recent POTUS Q/A's - 7/11/97

Do you have a position on the UN's negotiations with Kabila over allowing an investigation team into areas where atrocities were reported?

- Secretary General Annan has been handling this. I understand he is preparing to launch his own investigation.
- I support his decision. What is important is that we get the facts about what happened. It is crucial to get an investigative team on the ground as soon as possible.

Leahy Legislation

Q: Senator Leahy has announced that he is introducing legislation further curbing U.S. use of anti-personnel landmines. What is the Administration's position on this new legislation?

A: The President has committed the United States to aggressively pursue an international agreement to ban use, stockpiling, production and transfer of APL, with a view to completing the negotiation as soon as possible.

We are pursuing that goal in the Conference on Disarmament (CD) in Geneva, working to establish a negotiating mandate as soon as possible.

The CD offers the most practical alternative for achieving a global ban. Its membership is broad and geographically representative. It has a proven track record. The CD includes most of the countries which are historically the world's landmines producers. It is precisely these countries which need to be part of a ban to ensure the ban will be effective.

The proposed legislation would prohibit funding for new U.S. deployment of anti-personnel landmines (APL) beginning January 1, 2000.

This would be inconsistent with U.S. APL policy, which seeks a global agreement to ban APL and reserves the option for the U.S. to use self-destructing/self-deactivating APL in military hostilities to safeguard American lives and hasten the end of fighting.

The United States views the security situation on the Korean Peninsula as a unique case and in the negotiation of a global APL ban will protect our right to use APL there until alternatives become available or the risk of aggression has been removed.

We note that the legislation does take into consideration a key element of U.S. APL policy in allowing for the possibility of an exception for U.S. deployment of APL on the Korean Peninsula, provided the President submits an annual report to Congress certifying that new deployments are "indispensable to the defense" of South Korea.

However, this recognition of our security requirement in Korea does not outweigh the disadvantages of the proposed legislation, especially in undermining our strategy of seeking negotiated global ban rather than a unilateral measure.

Q: How significant is the decision yesterday at the Conference on Disarmament?

On June 26 in Geneva the 61 nations of the Conference on Disarmament agreed to set up a special coordinator on anti-personnel landmines. Ambassador Campbell of Australia will serve in this role.

The special coordinator will act as a facilitator to develop a mandate for next steps in negotiations on anti-personnel landmines.

This agreement is an important step forward toward the establishment of negotiations on anti-personnel landmines in the CD.

We look forward to early progress in the next CD session beginning on July 28.

Q: What is your position on the Canadian-led "Ottawa Process"?

A: We welcome the Ottawa Process as providing important momentum toward the common goal of a ban on anti-personnel landmines.

During the visit here of Prime Minister Chretien, this issue was discussed. We and the Canadians agreed to meet to see if we could "narrow our differences."

Pursuant to this agreement, experts met in Ottawa in mid-June. These meetings were a good first step.

A U.S. delegation was present as observers at this week's "Ottawa Process" conference in Brussels. Negotiations on the Ottawa Process treaty text will begin in Oslo in September.

Between now and September we will continue our close consultations with the Canadians and others.

No decision has been made on whether we will participate in the Oslo meeting.

Q: Is there a policy review underway?

A: Now that the first six months of this year's CD session has concluded we are taking stock of our progress there. We are also taking stock of progress in the Ottawa Process.

We want to ensure we remain on the most effective path for achieving the goal the President set forth last year -- achieving a comprehensive ban on anti-personnel landmines that is worldwide.

Q: When will this "stock-taking" exercise be concluded?

A: This assessment will be conducted over the course of the summer.

Most Recent POTUS Q/A's - 7/15/97

Why are you opposing a global ban?

- I'm deeply committed to a comprehensive, global ban on landmines. And we've taken important steps in that direction.*

- The CD in Geneva is the best forum because it includes the majority of landmine producing countries.
- We've seen positive signs of progress in Geneva. These first steps are just a start, but important.
- We're also consulting with the Canadians to ensure that the Ottawa Process is complementary.

Do you oppose Senator Leahy's legislation?

- We share the same goal. He's made a tremendous contribution.
- But we differ on approach. I think the best way to reach a global ban is through a negotiation in which key countries -- those that are part of the problem -- are contributing to its solution.

The Administration's international trade agenda is on track and moving forward at full speed. In APEC, the Free Trade Area of the Americas, and in the WTO, the United States and the Clinton Administration are setting the agenda to open markets, expand trade, and increase domestic prosperity. More than 25% of our economic growth in the past four years has been driven by export growth.

- In the last six months, the U.S. led the world to conclude trade agreements in information technology and telecommunications which covered more than \$1 trillion in global trade. We just led the developed countries of the world to conclude an historic anti-corruption agreement among the 29 developed nations in the OECD. We are moving forward in financial services talks at the WTO.
- The President was personally involved in securing the ITA agreement, working with APEC leaders last Fall to build support for this agreement. APEC has already embarked on "ITA II" to expand the reach of this agreement and will consider other sectoral trade agreements this year.

The President and the Administration are actively engaged with the Congress on the trade agenda.

- We are now working in Congress to preserve MFN trade status with China -- normal trade relations -- a critical measure to protect the economic health of Hong Kong because half of U.S.-China trade goes through Hong Kong.
- We have secured commitments from the congressional leadership to address "fast track" on an expedited basis this Fall and conclude this year. This effort will involve the President, the Vice President, and the resources of the White House.

We would like to see Congress approve "fast track" in the Fall to ensure that we can gain the best possible trade terms on a reciprocal basis for U.S. companies and workers. The trade agenda has not been held back by the absence of "fast track" negotiating authority. We are moving forward in the FTAA, within APEC, and in the WTO on a wide range of negotiations including financial services.

- Fast track is important because trade barriers in the fastest growing markets in the world are much higher than ours, and fast track will increase our leverage to bring those barriers down and open markets.
- We will work with the Congress this summer to build consensus on the scope of fast track and how to address labor and environmental issues.

TRIPS AND VISITORS

- Georgia President Shevardnadze visits POTUS on July 18.
- German President Herzog visits on July 24
- President's visits to Brazil, Argentina and Venezuela rescheduled to October 12-17.
- APEC Summit in Vancouver November 24-25.

GULF WAR ILLNESSES

June 24, 1997

Q: What is your reaction to the recent GAO report criticizing the government's Gulf War illnesses-related research efforts and specifically suggesting that health problems experienced by Gulf War veterans may have been caused by exposure to chemical or biological weapons?

A: Will not be satisfied until we have all the answers possible, all the facts available. If evaluation of the GAO report -- not yet released -- indicates that any shift in emphasis or additional research needed, these decisions will be taken.

We welcome the GAO's contribution to the other efforts currently underway to increase our understanding of Gulf War veterans' illnesses and provide them with the most effective care and treatment possible.

We plan on carefully reviewing the report and getting the reactions of the Presidential Advisory Committee and the agencies concerned. Any new findings and recommendations will be carefully considered for incorporation into the ongoing research and medical care programs.

I think it is important to note that the PAC has played a critical role in initiating and overseeing this process, and that many of the efforts currently underway were a direct response to PAC recommendations.

From the day I took office I have been committed doing the right thing to help our veterans. I view the GAO report in the same spirit: as another opportunity to shed light on the best possible program to help our veterans. My hope is that this new report will be helpful to further improve our ability to help the veterans who served their country in the Persian Gulf.

Q: Recent developments suggest that GAO, DOD and the PAC have significant differences of opinion on the causes of Gulf War illnesses. What does this mean to veterans?

A: First and foremost, I support all efforts -- by the agencies involved, by the PAC, and by Congress -- that may contribute to improving current programs for our Gulf War veterans.

In terms of any differences of opinion at this stage, remember that Gulf War illness causation issues are numerous and complex, and the research available to date is limited -- which is why the ongoing government research program encompasses more than 106 projects.

Finally, once, the agencies and the PAC are in a position to comment more specifically on its conclusions and recommendations, any new findings will be carefully factored in to the ongoing research and medical care programs.

Q: Rep. Bernie Sanders of Vermont released a letter signed by 86 members of the House calling for the Presidential Advisory Committee on Gulf War Illnesses to reassess its conclusion that the illnesses reported by Gulf War veterans were likely caused by war-related stress in the face of "clear" evidence that exposure to a wide variety of chemicals in the Persian Gulf may be a significant factor in Persian Gulf illness. Has this Congressional request undermined the PAC's ability to provide credible oversight to the government's efforts relating to Gulf War illnesses?

A: We appreciate Rep. Sanders' and Congress' interest in getting to the bottom of the difficult question of Gulf War illnesses. As you know, the President had consistently pledged to leave no stone unturned in helping affected veterans.

The Presidential Advisory Commission's conclusion that stress was a likely cause of illnesses reported by Gulf War veterans was based on a thorough review of the scientific literature available at the time, and was accompanied by a call for a substantial new research program looking into a number of other risk factors in addition to stress, including low-level exposure to chemical warfare agents, multiple chemical sensitivities, and infectious diseases, among others. Such a program -- encompassing over 106 projects between DoD, VA and HHS -- is now underway, and the PAC deserves a great deal of credit for providing its impetus.

As the new research and more thorough investigative efforts by the various agencies produce results, the PAC will continue to play a critical role as an independent guarantor that the overall program meets rigorous standards of scientific and clinical effectiveness.

Q: What is your reaction to the study published in the New England Journal of Medicine showing no evidence that Persian Gulf veterans face increased risk of having children with birth defects?

A: We welcome publication of this first-rate study addressing an important concern of the men and women who served our nation in the Persian Gulf.

The study compared the birth records of children born at military hospitals to virtually all of the nearly 580,000 active duty military members who served in the Persian Gulf with those of a parallel group of 700,000 military personnel who were not deployed to the Gulf. The results should reassure all Persian Gulf veterans, whether or not they have experienced possible Gulf War-related illnesses, that their family planning can proceed without worry about second-generation health problems related to Persian Gulf service.

We also note that this study is just one element in a large and comprehensive research program being conducted by many researchers in coordination with DOD, HHS, and VA. Additional research designed to address other important health concerns in a thorough and credible manner remains in progress, and we look forward to communicating future results to Persian Gulf veterans as soon as they become available.

- Q. 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 my decision in JAN 97 to extend the PAC 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 my 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.

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

- A. The PAC has a critical role to play -- we are relying on their expertise and independent assessments to enhance program quality across the full spectrum of government programs.

Discussion of PAC extension would be premature at this juncture given the many initiatives still underway and length of time remaining in the initial extension (31 OCT 97).

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

- A. Overall, to date -- (1) DOD & VA toll-free help lines; (2) 80,000+ free medical exams; (3) care for all Gulf War veterans who are sick (whether or not a diagnosis has been possible); (4) 26,000+ compensation claims approved; (5) special legislation paying disability for Gulf veterans with undiagnosed illnesses, with an extension of the presumptive period for undiagnosed illness compensation forthcoming soon; (6) thousands of pages declassified; and (7) 90+ federally-sponsored research projects completed or underway.

PANAMA
July 15, 1997

STATE DEPARTMENT PRESS STATEMENT
U.S. AND PANAMA TO BEGIN FORMAL TALKS

Since the visit of President Perez Balladares to Washington in September 1995, the governments of Panama and the United States have engaged in a series of informal conversations concerning the creation of a Multinational Counternarcotics Center (MCC) and the participation of the United States. As part of these contacts, there have been a series of informal meetings between Ambassador John Negroponte and Dr. Jorge Ritter of Panama.

As a result of these exploratory meetings, the two Governments have identified sufficient areas of common interest to proceed to formal talks. Talks will begin during the month of July with a view to concluding agreements on the creation of an MCC and the participation of the United States.

Q. Does this mean that you have reached agreement in principle on a continued U.S. military presence in Panama after 1999?

A. No. We have not reached agreement in principle on a U.S. military presence in Panama, nor on the establishment of a Multinational Counternarcotics Center (MCC). We have held a series of informal discussions about the MCC proposal. The MCC is a novel concept and both sides wanted to be sure we shared similar understandings of how an MCC would work. The final version remains uncertain and will depend on the outcome of the formal talks.

Q. Will the MCC serve as a cover for U.S. military bases in Panama?

A. As envisioned, the MCC would require military support to carry out its counternarcotics mission. The nature and extent of that support will be one of the subjects of the formal talks.

We hope the MCC would enjoy the support and participation of several other countries.

Q. How large will the U.S. military presence associated with the MCC be?

A. The exact size and nature of the U.S. presence will be subjects for the upcoming formal talks.

Q. What is the likelihood that the U.S. and Panama will negotiate successfully and reach formal agreement on the MCC?

A. We're proceeding because both sides believe an MCC could be mutually beneficial, under the right conditions. It is likely that an agreement can be reached, but it is by no means certain. There are still many important details that need to be worked out.

Q. What exactly will be negotiated? what is the purpose and organization of the MCC under consideration?

A. The U.S. and Panama will work toward two related agreements, the first concerning the creation of an MCC and the second concerning the U.S. participation in the MCC. The U.S. views these two agreements as inter-dependent and we will not conclude one without the other.

We believe the MCC could perform two main functions, consisting of an Information Directorate to coordinate the collection, analysis and dissemination of information regarding drug trafficking and related crimes, and a Training Institute to provide training in counterdrug law enforcement.

Q. When do you expect to reach a final agreement?

A. We have not established any artificial deadlines. However, it is fair to say both sides share a determination to proceed as quickly as is prudent and practical.