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POTUS [President of the United States] Trip to Venezuela, Brazil and Argentina (October 12-18, 1997) [Folder 2] [3]

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THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 16, 1997

REMARKS BY PRESIDENT CLINTON
AND PRESIDENT MENEM
IN TOAST REMARKS

Ballroom of Rural Center
Buenos Aires, Argentina

9:35 P.M. (L)

PRESIDENT MENEM: Mr. President of the United States of America, distinguished Mrs. Clinton, members of the U.S. delegation. Head of government of the city of Buenos Aires, Ministers of the Executive in Argentina, members of the Congress -- the National Congress and the Provincial Congress -- governors of the provinces of Argentina, members of the diplomatic corps, former President of Argentina, and ladies and gentlemen.

We feel deeply honored with the visit to Argentina of President Bill Clinton and his wife, Hillary, and the important and distinguished U.S. delegation. We celebrate in this enjoyable company the friendship bringing our people together through a solid dialogue and mutual cooperation. It is because of you, my dear friend, that with your open and friendly attitude you have invited us to be at this time enjoying a moment of cordiality.

The United States of America, along this century that is coming now to an end, has been a leader in the great causes. Standing firmly in times of misfortune and strong, generous and understanding in victory, the United States of America is the synonym of democracy, the fulfillment of the law, the respect of human values, above anything else.

There is no better way of showing the fresh and vital attitude and the poetic spirit of the United States of America

than through the lines written by Walt Whitman and Longfellow, or the witty humor of Mark Twain that meant so much joy in our childhood, with Tom Sawyer and Huckleberry Finn. Because the American spirit is positive and optimistic, it is vigorous and stimulates the individual in its struggle for a system that creates opportunities for everybody. We are living today in a great world transformation. We need then nuances that will allow us to adapt to a world that changes suddenly and profoundly. But we are aware that this profound change in no case should forget the human being.

Mr. President, it was in 1994 that you gave momentum to this new hemispheric dialogue that was started during the Summit for the Americas in Miami. Argentina accepted with enthusiasm that challenge, with full conviction that it is necessary to strengthen the relations we have with our true allies. This enterprise is now going hand in hand with our own will of creating integration in the subregional area, and it is an unprecedented road that will bring renewal and unity. Mercosur is a clear example of that thought.

Your presence in Argentina, Mr. President, has all the political strength and the value of a symbol. It is the fundamental landmark for Argentine-American relations.

I will now ask President Clinton and his charming wife, as well as the members of the U.S. delegation, to join me in a toast. Quoting the words of our National Anthem that say, to the great Argentine people, salute. It is my wish that this expression would be extensive to both people and that the relations that will bring us greater strength will be seen in the economic, cultural and human affairs. And also, a very special toast for the personal happiness and the best of stays in our country for our dear President Bill Clinton. Thank you. (Applause.)

PRESIDENT CLINTON: Mr. President, Zulema, to the members of Congress and the Supreme Court, Mr. Mayor and governors, former President Alfonsín, members of the diplomatic corps, distinguished guests.

Mr. President, thank you for your fine statement, your warm welcome, and the extraordinary hospitality that Hillary and I and our entire delegation of Cabinet, administration and congressional members have received from the people of Buenos Aires and Argentina.

Mr. President, as you know, like you, I come from a small rural state, where some people still value their horse more than their automobile. (Laughter.) And with this remarkable feast, you have reminded us with barbecue that we are truly at home. (Laughter and applause.)

Exactly 150 years ago, in the autumn of 1847, a young man from Argentina visited the United States and was profoundly affected by the experience. He thought that we Americans ate our meals too quickly -- (laughter) -- that our young people had strange courtship habits, and that the White House was not big enough for the President. (Laughter.) Still, he was impressed by a nation in which individuals were valued for their capacity and their work, where education was prized as the great equalizing force of democracy, where a multitude of people of different backgrounds and languages came together -- in his words -- "as if they were one family, joining one another, mixing with each other, parts of old societies forming the new, most daring republic in the world."

Mr. President, that young man was Domingo Faustino Sarmiento. (Applause.) Today, 150 years later, America looks across the great expanse of our hemisphere at Argentina and we are inspired by Argentina today as Sarmiento was by America then. We see a nation shaped, like us, by waves of immigrants from the Old World and the experience of frontier life in the New World. Here, where so many languages are spoken, from Basque to Ukrainian, from Arabic to Welsh, we see a nation drawing strength from its remarkable diversity.

Today we see an Argentina grounded in democracy, committed to economic reforms that have put it on the road to more widespread prosperity, and to educating its people for the demands of the new economy.

I speak for all Americans when I say how very pleased I am that in the last decade our nations have built a strong, new relationship, driven by shared values, based on partnership and respect.

Argentina and America have joined together in common cause. We pledge to create a free trade area of the Americas by 2005, to bring new prosperity to all people of our hemisphere; to turn the revolution in information technology to our children's advantage by opening a world of knowledge to all -- all -- our children.

One hundred fifty years ago, education was Sarmiento's great passion. Today, it is central to our ability to prove that democracy works for all people and to the future we are trying to build together.

We are also partners in helping those around the world who take risks for peace. I thank the people of Argentina for sending peacekeepers into troubled places all over the Earth and setting an example for all nations.

The robust bonds of friendship between Argentina and the United States are rooted in our shared commitment to peace and freedom, to prosperity and security, to the integrity of the individual, the family and the community. They are at the heart of all we dream for our future.

President Menem, I salute you for the extraordinary leadership you have shown in helping our nations turn this corner in history. No one in our hemisphere has done more to seize the opportunities of this new era. Generations to come will remember this as a moment when our two nations served the deepest interests of our people. (Applause.) And tonight, the United States is proud to work alongside Argentina, an Argentina that is fulfilling Domingo Sarmiento's greatest hopes.

Ladies and gentlemen, let us raise a glass to the new partnership between our people for peace and prosperity, here and throughout the world. (Applause.)

END

9:55 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 17, 1997

INTERVIEW OF THE PRESIDENT
BY ARGENTINE REPORTERS

The Sheraton Hotel
Buenos Aires, Argentina

11:05 A.M. (L)

Q I will begin with a question about one of the main aspects of your visit to Brazil and Argentina, which was the Mercosur question. During several months it appeared that there were controversial views in the U.S. concerning Mercosur. Since you strongly backed, both in Brazil and Argentina, Mercosur, the question is how you built up your conclusion or your position over the Mercosur; and did you consider, eventually, other approaches before taking a final decision, particularly in Brazil the other day.

THE PRESIDENT: Well, I think that the impression developed -- first of all, let's talk about how the impression developed.

Q Yes.

THE PRESIDENT: I think the impression developed because some people in the government and in the press in America I think had the impression that Mercosur might be used as a vehicle to limit the growth of trade and investment with the United States in ways that would have adverse consequences for our long-term political, as well as our economic, cooperation.

Now let me say at the end of the Cold War there were Americans who felt that way about the European Union, as well. When I became President there was a group of people, good people, in our government -- permanent, civil servants -- who had the same feeling about the European Union.

But I have a very different view. I believe that the United States should do whatever it can to promote the political and economic cooperation of democracies -- not simply to grow the economy, but in a larger sense to lift the conditions of ordinary people and to strengthen democratic institutions so that they cannot be reversed. And, finally, because the threats we face today at the end of the Cold War are much more likely to be threats that cross national borders -- like terrorism, drugs, organized crime -- as opposed to threats from other nations. So we all have to adjust our thinking.

What I'm trying to do is to promote a process of reorganization of the world so that human beings are organized in a way that takes advantage of the new opportunities of this era and permits them to beat back the problems. If you start with that presumption, instead of a political organization in South America that doesn't include us is a threat to us, then you come to a very different conclusion. My conclusion is that Mercosur has been good for the countries that are members of it because they've torn down barriers among each other, that helps them all economically. At the same time, our trade with all the Mercosur nations has increased.

And it permits other things. For example, Brazil and Argentina work with us to stop the interruption of the democratic process in Paraguay. We now have the problems of potential terrorist activities in the tri-border -- the countries are now better equipped to do that. So to me this is a positive thing.

Now, having said that, what I had hoped to do on this trip is to convince the leaders -- not just the Presidents, but the leadership, generally -- that it is also in our interest to follow through on the commitment we made at the Summit of the Americas in Miami to work toward a free trade area of the Americas, and to see Mercosur, NAFTA, Andean Pact, CARICOM as building blocks in this. This is very important, because if the rest of the world should happen not to agree with us philosophically, then having a big trade area will be a great insurance policy for all these countries. And if we can prove that you can merge integrated economies and integrated democracies, then we'll be more likely to build a global system of this kind.

So that's a long answer, but anyway it's important that you understand that this Mercosur issue for me is part of a very big world view. I just never felt as threatened by it as a lot of

people who saw it in terms of this particular negotiation over this tariff or this custom or that sort of thing.

Q Mr. President, in this era of free market in the region, the problem of social inequity is a great deal for our countries and also for the strength of our democracy. I would like to have your views about that.

THE PRESIDENT: First of all, I think it's important to point out that this problem of social inequity is a problem that every country in the world is facing -- even countries with very robust growth. No country has solved the problem perfectly of how to grow the economy and preserve more equality, and at the same time move more poor people into the middle class.

Let me just give you a couple of examples. Look at France, which has a very strong social contract but pays for it with very high unemployment. Great Britain has opted for a policy more like ours, where they're generating lots of jobs now -- their unemployment rate is 6.5 percent, only about a point-and-a-half higher --

Q 5.9, yesterday.

THE PRESIDENT: 5.9 yesterday, so it's only a point higher than ours. And they're open to immigrants now, as the United States is. But as a result of that, because the modern economy favors technology and education, they've had increasing inequality there, just as we have.

I think it's important to point out that most of this is due to the structural changes in all advanced economies, driven by technology. Trade is a part of it, but mostly it's the changing of the paradigm, if you will, away from the industrial society to the Information Age. And I believe the answer is to have the government have less destructive involvement in the economy, but the government should have more constructive involvement in the society. Basically, you have to do, I think, three things.

You have to, first of all, have a system of lifetime education and training so that everybody can participate. Secondly, you have to have a strategy to bring the benefits of free markets to the places that are untouched -- technology can help, investment can help. I think that is very important. And, thirdly, you have to have adequate protections for people who, through no fault of their own, are not participating. This

is easy to say and difficult to do, because if it costs too much to do this you will weigh down the economy. But essentially that is what must be done.

So the challenge in Argentina, the challenge in Brazil, the challenge in Latin America is, in a different way, the challenge that we in America face in the United States and that the Europeans are trying to do -- even the Japanese now are having to deal with it. So this is the new social challenge of the 21st century. The answer is not to withdraw from the trade or to pretend that the technology doesn't exist. The answer is to get all the benefits.

Argentina for example -- I will make you a prediction here. If you can maintain these levels of growth that you have now, your unemployment will go down, but it will not go as low as you want unless you have real systems to create more small businesses, to hook small business into technology and exports, and to create much more universally effective education systems. But that's no criticism of the last seven years; you had to fix all the problems of the past before you can confront the challenges of the present.

Q Mr. President, to follow up what you just said, corruption makes inequality even worse. You said that the applying of the term endemic corruption to Brazil has been a mistake. What's the precise meaning of the -- what's the precise meaning of widespread corruption that had been implied in the same document to the Argentine situation?

THE PRESIDENT: Well, first of all, I wasn't even familiar with this document. I didn't know it was issued. I don't know who wrote it.

But let me back up and say when you are in a period where the government has had heavy-handed involvement in the economy, and then things start to change and arrangements are unsettled, that's a point where, in general, civil societies are vulnerable to corruption. Also, human nature being what it is, there will nearly always be someone somewhere who is doing something wrong.

So what you want, however, is a system where the incentives are to be honest; where there are disincentives -- sanctions -- for being dishonest; and where you're moving in the right direction. I told President Menem -- we had a talk about this last night, I was complimenting President Caldera of Venezuela because he took the lead in making sure that our hemisphere --

we have, basically, the only convention against corruption of any hemisphere in the world.

And I said to President Menem, and I said to the young people at the Town Hall Meeting yesterday what my experience is, just from my life in politics. And that is that if a civil society can maintain a vigorous, free press, an economy that works, and you can just preserve democracy, time takes care of a lot of this. That is, I believe that 20 years from now an American President will be sitting here, and either you will be sitting here or your successors will be. And I will predict to you that if democracy survives in Argentina -- which I believe it will -- there will be less corruption; but you could still ask a question about corruption. Do you see what I mean? You could still ask.

So what my advice would be here, because this country has come so far so fast, moving away from some of its darkest moments not very long ago, and also moving away from the heavy-handed control of the state over the economy, that the focus should be on maintaining a vigorous and safe free press; making sure that the economy operates according to internationally accepted norms; and preserving democracy.

I had a great talk not very long ago with Senator Dole, who was my opponent in the last election. We have quite an interesting and good relationship, I think, and he was in Congress for 35 years. So I said to him, Bob -- the Washington press was full of some thing at the moment, I can't even remember what it was -- I said, Bob, is Washington more honest today or less than 30 years ago? He said, it's not close, they're much more honest.

Q Much more honest?

THE PRESIDENT: Much more. And the same thing is true everywhere. In other words, barring some unforeseeable development, it always gets better if you can keep the press free and vigilant and if you can keep the economy operating with some integrity. And just the passage of time strengthens the presumption of democracy and freedom and accountability. So it will get better here if that can happen -- everywhere.

Q Mr. President, in your trip here and in Brazil and Venezuela, was there anything that was striking or that surprised you, that changed your idea of these countries or what

American policy should be towards them? I mean, what did you learn on this trip?

THE PRESIDENT: Well, first of all, I would say that I feel that the potential for both growth and greatness in these societies is even greater than I had imagined. I think that the potential for America to have a constructive partnership and actually help deal with some of these challenges that countries face -- and they're different in all three countries -- is even greater than I had imagined, as long as it's clear that we are dealing in an atmosphere of mutual respect and equality.

And I think that the potential for solving at least some of the worst social problems is greater than I had imagined. That is, when I was in Brazil I went to a school in a very poor neighborhood in Rio, where the children came out of circumstances that were very difficult. And they were doing quite well. And it seems to me that one of the obligations that the United States has through our business community here is to do more throughout Latin America to give that kind of educational experience to children. If I could do one thing in sort of a crash way, it would be to try to revolutionize the quality and reach of education for all the children of the region.

Q You spoke about the freedom of the press. You might be aware that in Argentina there's a coexistence between freedom of the press and then serious threats and actions against the press.

THE PRESIDENT: I'm very aware of that.

Q For example, the assassination of Jose Luis Cabeza, a photo journalist. This morning the papers inform quite, I hate to say, unprecisely, about some initiative you probably told the government about supporting the press in an international, American, Pan American --

THE PRESIDENT: Again, on this issue, I can't comment on the specifics of because I don't know. I'm aware that the photographer was killed and I know a lot of your reporters have been threatened, and that the problem from your point of view must be the question of whether this can be stopped in specific cases.

But what I said to President Menem yesterday was that, again, this is something that -- Argentina is building a civil

society, and it has to be built brick by brick. And the fact that the press is free is a good thing. The fact that some people feel free to at least threaten and perhaps harm members of the press is a bad thing. So to get beyond that you have to build even more bricks in the house of civil society.

What I suggested was that the OSCE, the Organization on Security and Cooperation in Europe actually has a press ombudsman, which has become quite important because we have all these countries converting from Communism to free societies -- again, coming to grips with this from a different background, but it's the same sort of issue. And most of our people who deal with it think this has been quite a good thing. So I suggested that perhaps he and other leaders here might support an initiative to do the same thing within the OAS, so that we could help every country where this is an issue, through an ombudsman who could say not only this particular case has to be dealt with, but here are institutional changes that could be made in this, that or the other country, that would make it better. That was my precise suggestion.

Q But that ombudsman, what kind of questions would it deal with?

THE PRESIDENT: Well, it would deal with whatever questions the OAS was willing to refer to it. But I think the idea would be to be able to take specific cases and build a system where those kinds of cases didn't come forward. Of course, the individual case would still have to be handled through the justice system; but the point is maybe a press ombudsman would say, look, here's the sort of judicial system every country in OAS should have, or here's the kind of judicial training center we ought to have. That's another one of our proposals, battling around the OAS -- to set up a common judicial training center so that every country could send their judges there and we could have generally accepted systems which would help to build a civil society.

Q Mr. President, are you aware or were you requested any kind of classified information from the FBI or the CIA by the Jewish organization that interviewed you yesterday regarding the attack at the Embassy and the Amia?

THE PRESIDENT: Well, the press report on that was a little bit misleading today -- I don't think on purpose. But let me explain what I said.

Q That's why I was questioning.

THE PRESIDENT: Yes, I'm glad you asked. What I said was that the judge with oversight on the case had already talked to both the FBI and the CIA. The families of the victims and their advocates believe that perhaps there are some people in our government, or some people who've been involved in this who have some information that has not been turned over. What I said was that I would go back to our sources, our people, and see if we could get any more information; I would do everything I could.

I think there was a little misunderstanding, perhaps, in the translation when I simply pointed out that when we operate in other countries we sometimes talk to people who deserve the right to be protected and we have general rules that we follow -- not in Argentina, everywhere in the world -- to try to make sure that we never put anyone at risk who is helping us. But we're going to see if we have information we have not turned over that we can give to the appropriate authorities so we can go forward with this.

This would be a very good thing, not only for the families of the victims, but for Argentina, if we could actually resolve the cases of the bombing of the Embassy and the Community Center.

Q Argentina and U.S. relations were not always like today. What really changed according to you, and when you first perceived that such a change was underway?

THE PRESIDENT: Well, I think in the nearest term what has changed is that Argentina moved away from military governments that oppress and kill its people toward, not only a democracy, but a democracy under President Menem that has genuinely reached out to the rest of the world and tried to open not only the economy, but the society. Even the debates you are having about the government here are evidence of that. So I think that's the first and most important thing.

Then I think the United States -- I would hope that this is true; it's self-serving for me to say this, but I hope it's true -- the United States, since I've been President we have had a genuine interest in establishing a new kind of partnership with Latin America. President Roosevelt wanted to do it, he wanted to be a good neighbor, but the Cold War intervened -- he died, the Cold War intervened, things happened. President Kennedy wanted to do it, he wanted an alliance for progress. But there

were difficulties which made it impossible to have a continuing effort. And then some of our Presidents just simply disagreed. They saw every development in Latin America as a manifestation of what was happening in the Cold War between the United States and the Soviet Union.

I saw, as the first President who would govern completely at the end of the Cold War, an opportunity essentially to go back to the vision of Bolivar. And we are becoming more alike, not only because of the globalization of our economy and the universality of our communications, but because Spanish speaking Americans are our fastest growing group. And because we share now these values of democracy and peace and security.

So I think all these things have played a role. I hope that I have played a role. I was the first President, I believe, to appoint an envoy to all of the Americas -- Mack McLarty, my former Chief of Staff. I don't think any President has ever done anything like that before. So I have a person that is very close to me actually in the region all the time, knowing the leaders, knowing the people working with this.

But I think none of it would have been possible if first you hadn't had the changes in Argentina. Because if we are totally at odds with a country over its human rights policy, over its political policy, over whether it's open to the United States in a genuine partnership, then even our ability to lay down the mistakes we've made in the past as a country would not have made it possible. So the two things happened together.

Q Thank you.

END

11:30 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 17, 1997

REMARKS BY THE PRESIDENT
AT MEETING OF BUENOS AIRES BUSINESS COMMUNITY

Sheraton Buenos Aires
Buenos Aires, Argentina

9:58 A.M. (L)

THE PRESIDENT: Thank you very much, ladies and gentlemen. Thank you, President Fedrigotti, President Menem, distinguished members of the Argentine government, to the members of Congress and Cabinet in our administration who are here. Let me say on behalf of all of them, we are delighted to be here. We have had a wonderful stay in Buenos Aires. And we thank this distinguished group of Argentine and American business leaders for giving all of us the opportunity to join you this morning.

When President Bush came here in 1990, it was a very different time for Argentina. Inflation was soaring, output was plunging, trade was anemic. Today the country has experienced a truly remarkable turnaround. It is a great credit to the people of Argentina, to wise decision-makers, and to the direction that President Menem has set.

You have cut inflation to almost zero. The expanded trade attracted a flood of foreign investment, spurred impressive growth. You are on the move -- good for Argentina, and good for America. For since 1990 our exports to Argentina have more than tripled. In the same period, American investment has soared from \$2 billion to approximately \$12 billion, and it's still growing.

Trade has contributed a quarter of Argentina's growth over the past three years. And, of course, behind these individual statistics lie many, many success stories that are paying off for people in human, as well as economic, terms.

To take just one example, General Electric Power Systems has sold state-of-the-art gas turbines and generators that will account for more than 30 percent of Argentina's new power generation capacity. That supports jobs for Argentinean and American workers alike, and will provide Argentina with higher quality, lower costs, more environmentally friendly power to keep engines humming, classrooms lit, and the economy growing. It is clearly the kind of win-win situation we see repeated over and over again.

And, of course, we see in Argentina a mirror of what is happening around the region today as barriers fall and trade expands and people everywhere gain greater opportunities for new jobs, new skills, and higher incomes. We see it also as a harbinger of what we might build in the future in all of this region for all of the people.

Since 1993 when I took office and established a new economic policy that focused on reducing our deficit, investing in our future, and expanding trade, expanding trade has accounted for one-third of America's strong economic growth. Now I am working to persuade Congress to renew the fast track authority traditionally given to Presidents so that we can do even more to speed the falling of barriers and the opening of doors.

Latin America's emerging markets are expected to grow more than twice as fast as the economies of the advanced industrial nations. Now, it is clearly in the United States' interest to be at the forefront of that for the next generation.

But I want to emphasize to all of you that this is, for us, about more than economics. We also want to be genuine partners in seizing all the opportunities and meeting all the challenges of this new age. It's about far more than just trade figures; it's also about political partnerships, the preservation of democracy, the strengthening of the social contract to include all people who aspire to better lives, the ability to fight drugs and crime and terrorism, the ability to build a future that is consistent with the dreams of those who founded all our nations.

Argentina is at the heart of movements bringing our hemisphere together, working the with your neighbors through Mercosur and your strategic alliance with Brazil to spur democracy, economic reform, and regional security cooperation.

Mercosur not only expands trade and prosperity, it has also reinforced democracy and promoted peace, as greater independence and shared hopes for the future make a return to past hostilities unthinkable.

The United States welcomes constructive efforts by others to bring our hemisphere together. Every step taken, whether it's Mercosur, NAFTA, CARICOM, the Andean Pact, helps to build momentum toward what I believe should be all our ultimate goal -- a free trade area of the Americas.

President Menem and I reached agreement that we should launch comprehensive negotiations at the Santiago Summit in April, moving from a common agenda to a common action plan. This, after all, is the course we all embraced at the Summit of the Americas in Miami in late 1994. We share a vision of a thriving American market of 800 million people from Point Barrow, Alaska, to Patagonia, investing in each other's future, enriching each other's lives, strengthening each other's institutions for freedom and democracy and peace and security.

But even as we work to open markets, we need to make sure that expanding commerce closes, rather than widens, the gaps between the haves and have-nots in our hemisphere. We don't want to leave anyone behind, and it is not in our interests to do so. For in the 21st century, increasingly, the wealth of nations will lie in the minds and hearts of people. We can and must ensure that rising trade means a rising standard of living for all.

How are we to do this? Some, even in countries that have done very well, like ours, believe that we should become more protectionist. But it's not an option. It will only make things worse, for the world economy, whether any government likes it or not, is already on a fast track.

None of us can shut the world out or pretend somehow that we can compete in a global economy by closing ourselves off from our neighbors. We are riding a great tide of change, and we can turn it into a powerful tide of progress for all people -- provided the benefits and the burdens are shared fairly, and the policies are wise and free people to fulfill their own destinies.

That means deepening democracy and the rule of law, including the free press and the independent judiciary that serve our citizens everywhere. The same rule of law that

protects human rights upholds the sanctity of contracts and helps to build a stable investment environment.

We must also insist on worker protections so that trade enhances working conditions instead of undermines them. We must promote sustainable development and prove that you can, and indeed must, protect the environment as we grow the economy.

And we must equip all our people with the education, the training, and the skills they need to succeed in the 21st century world. We must master the new technology that can bring all people into the future and bring them all into the same world of knowledge, no matter where they live. We can make it so that every book, every map, every work of art is at every child's fingertips with the click of a computer mouse. But first they must have access to computers and they need to know how to use them.

Just as the Internet is transforming education, it is also expanding the horizons of commerce. Already, Argentines can purchase everything from books to computer equipment with the simple stroke of a keyboard. Trade on the Internet is growing so fast that in just a few years it will generate hundreds of billions of dollars in goods and services. It is, indeed, already, the fastest growing social organism in all of human history.

If we establish an environment in which electronic commerce can thrive, free from unnecessary governmental regulations or other burdens, then every computer will be a window of opportunity for every business in the world. A global network of sales and distribution will be within reach of even the smallest or most isolated company. You can start a business today and trade around the world tomorrow. That's what the Internet will mean.

But in order for the digital economy to flourish, it must be market led. President Menem and I discussed the importance of making sure that this dynamic medium is not weighed down by the heavy hand of government.

We live in a time of extraordinary opportunity. Revolutions in technology, information, and communications bring our people and our nations closer than ever before, opening new possibilities and also giving the organized forces of destruction new opportunities to reap ill-gotten gains through crime and drugs and terrorism.

The promise before us is bright, but it is not inevitable. We must seize the opportunities and we must meet the challenges and we must do it together. We have to focus on the future, not the past; on embracing all, not dividing our peoples as they have been too often; on building an economy that works for everyone who is willing to work in it. We have to make our common commitment to peace and freedom, to prosperity and democracy. And we have to make it irreversible.

If we support these policies and this direction, then we can make our entire region an image of what we'd all like to be, a place where freedom and prosperity go hand in hand, a place where everyone feels that he or she has a chance, where every boy or girl believes that they can grow up in dignity to live out their dreams, a place where we work together to fight those terrible threats of crime and terrorism and drugs, a shield against whatever storms the future may bring, an alliance to seize whatever new chance the future may hold -- a model, in short, for the 21st century world.

That is what I want for the Americas. That is what you are building every day here in Argentina. And that is what I hope together we can build for our children. Thank you very much. (Applause.)

END

10:10 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 17, 1997

PRESS BRIEFING BY
MIKE MCCURRY AND
NATIONAL SECURITY ADVISOR SANDY BERGER

Sheraton Buenos Aires
Buenos Aires, Argentina

11:50 A.M. (L)

MR. MCCURRY: By popular demand, several of you who are wrapping up your coverage of the President's very successful trip to Latin America wanted someone to come in and talk about what a successful trip it was to Latin America. And for that reason, I have produced the National Security Advisor to the President of the United States of America, Mr. Samuel Berger.

Mr. Berger, welcome to the White House press filing center.

MR. BERGER: I've never been more movingly introduced in my life. Popular demand -- I can just see it out there. Let me just say a few things and then let's go to your questions.

The President has been very pleased by the results of this trip, at least so far. We have one more day tomorrow in Bariloche. I think this is, if you step back a bit, quite a remarkable set of events, because what we're seeing here is literally a sea change in the attitude between -- a sea change in relations between the United States and Latin America. It didn't just happen on this trip, it's been happening, but this trip I think reflects it, accelerates it, encapsulates it.

I think this results from the new face of the United States in a post-Cold War period, the new face that the United States presents to Latin America and the new face that Latin America presents to the United States. In the first half of that equation, I would say that for our part what the President has

conveyed over the last several days is, number one, our desire for a constructive partnership with these countries; number two, the fact that we are not threatened by their growth. This is a very important issue for them. In fact, the President has said that he welcomes Mercosur, the aggregation or the group, the alignment of the regional cooperation of a number of countries here has been a powerful statement in South American terms of our saying, your growth, your success is not something we have to resist, it's something that benefits us.

It also was reflected, I think, in the way the President has talked about the common elements and has recognized the common elements of the problems that we face -- whether it's fighting drugs or terrorism or even dealing with twin problems of growth and equity, which we've talked about and the President has talked about throughout this trip.

A fundamental, almost existential question for South America, where the disparities have been so great, now they have this new growth -- how do they close the gap. But the President has talked about those issues not only as issues for them, but issues for us as well, and issues that we're dealing with -- how do we close the gap as we continue to grow -- and as I pointed out earlier, very much part of the fast track debate.

Now, for their part, the harsh anti-Americanism that one would have seen here I think perhaps as recently as 10 years ago or eight years ago simply is dissolving. And that's the result of a number of things that they deserve enormous credit for. We now have shared values of democracy and market economics. I think they're more trustful of our motives and our desire to seek a constructive partnership based upon mutual respect.

So I would say that we have done some serious work on specific issues while we have been on this trip -- energy and narcotics in Venezuela, education, crime drugs in Brazil, peacekeeping, environment here in Argentina into tomorrow. But just as important as the specific progress that has been made on these issues I think has been -- is the new confidence that has emerged in our relations, something that began in Miami when the President convened all the leaders in 1994, something I think that has been accelerated and intensified by this trip, and something that we will now pursue as we head towards the second Summit of the Americas in Santiago in April.

The end. Questions.

Q Sandy, will the President take any action today on the Japanese shipping situation, and what are his options under the law?

MR. BERGER: Well, this is a matter still under negotiation, so I'm not going to comment too much on it. Obviously, the FMC has voted; I don't know whether it's actually issued its declaration at this point. There are negotiations going on between the United States and Japanese officials. This is obviously a serious concern to us. The question of equitable access to shipping facilities in Japan is a very important matter to us, and we will be pursuing it during the day and tomorrow. But I don't want to speculate on what might happen.

Q Is there a deadline when you think this might hit? There was some talk about noon today or midnight tonight.

MR. BERGER: No, I think -- I don't think it's today. But I think there are certain timetables, as I understand it, FMC procedures and it's obviously not something that goes on forever.

Q Sandy, you mentioned that the harsh anti-Americanism appears to have dissipated.

MR. BERGER: Largely dissipated.

Q As you are speaking, the television monitors are showing images from last night in the Palermo district, and I was just wondering what your take is on that.

MR. BERGER: Let me put it this way. I -- that's why I said "largely." But I don't believe an American President could have spoken in front of the memorial of San Martin, as the President did yesterday, 10 years ago in Argentina. So are there still elements in the society, are there still groups in the society that are anti-market economy, anti-American? Certainly. We're dealing here with a long history that precedes not only this President, but precedes this century. But the President has received an extraordinarily friendly and warm welcome in Argentina, as he did in Brazil and Venezuela, whether it's from the students that he met, whether it's from the people on the street, whether it's from the people he's met in and out of government. This is a country that likes America.

Brazil likes America. Venezuela likes America. That would not have been true five or 10 or 15 years ago.

Q When you speak about -- confidence between USA and this hemisphere, which of the aspects do you think should be concentrated or be worked on in order --

MR. BERGER: I think that's a very good question. I think that we have to consolidate through the habits of cooperation rather than the propensity to dictation. I mean that not in the stenographic sense -- that is, we are working with them now in partnership on a whole range of issues -- on terrorism, on the environment, on counternarcotics, on energy, on building civil society and helping them build their democracies. And I think that as that pattern of cooperation -- I think the tone was set in Miami in '94 when everybody sat around one round table, there was no head table, there was no seat that was larger than another seat, they sat around that table as partners -- through the way we've tried to deal with the countries of Latin America.

I think this will intensify and I think it's reinforced by what's happened -- I don't want to underestimate what's happened in these countries. The fundamental paradigm -- the fundamental arrangements of government in these countries has shifted dramatically since the '70s, when we had -- when we would be talking about "disappeared" in Argentina.

Q Sandy, if fast track were to fail this fall, what would it do to these trends you're describing? Would it slow them or interrupt them, reverse them?

MR. BERGER: I think it would undermine -- it would hurt our ability to take advantage of them to the fullest. The fact is that integration is going on. Trade is increasing. But as these countries negotiate trade agreements with other countries, those other countries will have a competitive advantage in these markets against us. We will be playing on an uneven playing field.

Chile, for example, has an 11 percent tariff on telecommunications equipment. Chile also has a free trade arrangement or tariff preferential arrangement with I believe every country in this hemisphere except the United States.

So American companies lost a large contract, I think earlier this year or late last year, to Northern Telecom, in part because we had an 11 percent monkey on our back. And number one in economic terms, John, I would say, it will disadvantage us. We will be paying -- our companies and workers

will be -- it will be harder for them to take advantage of the growth than others. Second of all, I think politically -- I think that in this new partnership, I think the countries of Latin America still look to the United States for leadership -- not for domination, but for leadership. And I think that were we not to have fast track, I think it would be a puzzling statement to the rest of this hemisphere as to why the United States, the most successful and thriving economy in the hemisphere and in the world, was unwilling to try to lead in forming the new economic arrangements of the next generation.

Q Going back to Japan, you said that this cannot go on forever. Could you give us a sense of the deadline for the decision, and at what stage or when could the President step in?

MR. BERGER: No. I'm not going to -- I can't go beyond what I did -- simply there are negotiations going on.

Q Well, at least what is the deadline? It's not clear when --

Q Could you just clarify why you don't think the deadline --

Q Just about the deadline. Could you be a bit more clear about when this negotiation is supposed to end?

MR. BERGER: I know the negotiations are going on today. I can't honestly tell you what the concrete deadline is. If I can get more information to you on it in the next several hours, we will.

Q Can you explain why you think it is not today, sir?

MR. BERGER: Because I have been led to believe it's not today. But I'm here and they're there, and I would like to be a little more confident of my facts before I either lead you or mislead you.

Q Mr. Berger, before the trip began you gave a pop quiz on South America. At week's end, do you think more Americans are more aware of what is happening in South America?

MR. BERGER: I think so, I hope so. I think what they have seen is a far more diverse hemisphere than probably our instinctive images are. We tend to think of Latin America -- the most vivid images in our mind are maquiladora pictures that

we've seen in debates about fast track. And as we saw in Rio, there continue to be -- there continues to be very deep poverty in Latin America. But we've also seen a new vitality, a new vitality among the leaders, a new vitality -- a new confidence in the democracy that they fought so hard to restore and now have back, and a new vitality economically.

I think that hopefully people in the United States see this and say that Latin America is more like us than we thought it was.

Q Does the President think that his visit has had any impact at all on his chances for fast track approval in Congress? Does this make a difference at all?

MR. BERGER: I don't know the answer to that. I think it's hard -- obviously, while we're here, the President, as you've heard, has mentioned fast track in most of the speeches. But I think it's not necessarily the right place to have -- engage in a fundamentally domestic debate in front of a foreign audience.

By the time the message gets back to people back home, I'm not sure that it has a decisive impact, but I would hope that it would have a positive impact for the reason that I said; that is, seeing that this is an enormously vibrant, growing, thriving area of the world should, I think, help convince Americans and the members of Congress that we ought to be as much a part of the growth, as much a part of that future as we possibly can.

Q But at the same time, before a foreign audience, he urged businesses to help out, help him out on fast track. Do you have any sense whether or not more businesses are going to step up to the plate and come out or push either through advertising or through lobbying their congresspeople for fast track?

MR. BERGER: I think there are a lot of folks back in the United States that have expressed their support for fast track, including business groups and others. And I would hope that they would continue to do that.

Q Sandy, some of these nations have not had very many years to plant roots for their new democratic systems. What makes you think that -- isn't it possible that there could be some back-sliding?

MR. BERGER: I think the point -- let me start with your premise I think is right and is important to recognize, and that is here in Argentina, for example -- it's not that far in time from a very harsh period and those memories are very vivid and the restoration of democracy is still a work in progress. And I think that one of the things that the President has talked about with each of these leaders, particularly with President Cardoso, with President Menem, is how important it is to build the institutions of civil society so that the democracy that you have helped to restore is sustained.

Those institutions are an independent judiciary; those institutions are a free press; those institutions are all of those -- non-governmental organizations -- those are all extraordinarily important in terms of making sure that democracy -- the return to democracy does not reverse.

Q One of the main complaints of U.S. businessmen in Argentina is that there is a lack of respect for intellectual property rights, particularly in the pharmaceutical industry where it's just -- industries, basically -- what specific assurances have you gotten from the Menem administration that that is going to change?

MR. BERGER: This has been an issue that we have been dealing with the Argentines on for some time. In fact, I believe they're on the USTR's list of countries that have intellectual property problems in the pharmaceutical industry and others.

The President raised it very specifically with President Menem, pressed very hard with him to try to pass the laws necessary to protect intellectual property. In this case, the problem has been less President Menem than getting some of these laws through his parliament.

Q -- the President told the Argentine journalists in an interview this morning --

MR. BERGER: I couldn't hear you, and also Mr. McCurry, however, will do it.

MR. MCCURRY: Give it a try. Sandy is probably going to miss the plane -- my fault. Sorry about that.

Let me answer your question, Mara. The President had a very good interview with four leading journalists from the

Argentinean community today. I should say, put that in some context, that that interview was preceded by a meeting that my colleagues, Mr. Blumenthal and Mr. Steinberg, had with some Argentine journalists that wanted to express concerns about freedom of press issues that exist here in Argentina. That was a very positive meeting and we gained a lot of understanding of the concerns that those journalists had.

The President in his interview -- and we will have the transcript available when we arrive at our next destination -- talked about a lot of things. In fact, for those of you writing trip wrap-ups, there's a very good commentary that the President had about the meaning of the trip, the importance of the stop here in Argentina. But they did ask specifically about questions related to press freedom. And the President described his conversation with President Menem about this issue and talked about the reasons why a free and vigorous press, along with an open and liberalized economy, can over time create greater opportunities for all people when it's an important part of the transitions that are occurring around the world, to marry market economics with free flows of information and a vigorous and free press.

The President noted in his conversations with President Menem of how useful it's been to have a formal structure at the Organization for Security and Cooperation in Europe to assist former totalitarian countries making a transition to democracy, and he suggested that there should be some type of mechanism or, what the President described as an ombudsman placed perhaps in the Organization of American States to deal in this region with standards and norms expected for the conduct of free journalism, and to deal with complaints or issues for journalists who feel like their rights to report and to cover stories are being interfered with.

That was I think the beginning of a conversation that clearly we hope will continue. We have been working within the OAS on things like judicial training and establishing norms of law enforcement and judicial proceedings, and this was another aspect of how we might take a regional forum like the Organization of American States and deal with concerns that are of issue not only here in Argentina, but in other countries in the hemisphere as well.

Q I should have tried this with Sandy, but I think all three stops, certainly in Venezuela and Brazil, there were rhetorical pledges of support for the President's goals on

global warming, that developed countries be included, but that they not put unfair restrictions on their growth. Were there any more concrete pledges of support?

MR. MCCURRY: I think as you know, tomorrow in Bariloche, the President does have an opportunity with President Menem to emphasize the importance of the work we do together in this hemisphere on environmental protection, but I anticipate them having some specific things to say tomorrow that will address that question.

You'll recall that a goal of U.S. policy as we think ahead to Kyoto has been to look for ways in which we define realistic, achievable, but binding targets for emission reductions, flexibility in implementing those targets, which would require cooperative arrangements, joint implementation between countries who want to engage in, for example, market-based trading of political permits similar to what we do in acid rain reduction in the United States.

And then third, a principle that we have stressed over and over again is the participation of the developing world along with the developed world. And of course the President's message in Venezuela, Brazil, and Argentina has been that you have to be part of the solution. I'm very hopeful, as we are here now, that we'll have some very specific, concrete things to say tomorrow on that and that President Menem will talk about his attitudes on these subjects. And that will be an important aspect of the stop tomorrow.

Q Mike, you've been at the podium during past face-offs with Japan, many of them. How would you compare this in terms of seriousness? And is this threat of detaining and blocking ships a real one, or is this part of the negotiating process?

MR. MCCURRY: This is an unusual way in which a trade concern is being pursued because it's outside some of the contours of what we normally think of as the trade disputes and successfully resolved with Japan in the past. But at the moment, it is being, I think, reported as a much more dramatic episode than what the reality is at this point.

Remember, the Federal Maritime Commission to my knowledge - - Anne, correct me if I'm wrong -- has not yet delivered to the United States government, specifically to the Transportation Department, any result of action that it has contemplated that

would require any action by us. And at the meantime, our negotiations are pursuing that.

We clearly are going to pursue the penalties. The \$3.8 million in penalties that have now been assessed because of Japanese port practices have to be paid. Not only, by the way -- they are now adding up beyond that. That's only the amount that covers the period through the end of September, and in the first half of October additional penalties have been assessed. So those penalties are going to have to be paid or the underlying practices that are of concern are going to have to be addressed.

And I think our negotiators are making that clear. But given the strength of our relationship with Japan, the importance of our commercial transactions, we would hope and expect that this matter would be resolved short of any more dramatic or more escalatory proceedings, but we'll have to wait and see.

Let me move on to something we need to do before you all leave here. The President again this morning used his line item veto authority to save taxpayers \$19 million. He cancelled eight projects that are in the 1998 Energy and Water Appropriations Act. This is the sixth time the President has used the line item authority, and if you accumulate what the President has done up to now, he has saved a total of roughly \$2 billion for U.S. taxpayers by his exercise of this authority.

I think it's also accurate to say that no doubt his use of this authority has been a deterrent as the appropriations process unfolds in Congress so that additional wasteful spending is not included in other bills that have not yet been completed.

Today's actions affect five water projects that the President did not request in his budget. Those projects are either new -- they're not part of any ongoing project, or they have greater costs than benefits, or they are largely recreational in purpose and affect only a limited number of people, or, it was the belief of the President, they should be funded at the local level.

The President also cancelled three other projects that he believed represented unwarranted subsidies to corporate interests.

Details on all of these projects are going to be briefed at the White House in about 45 minutes by OMB Director Frank Raines and representatives of the Army Corps of Engineers and Bureau of Reclamation and Energy Department, which are the agencies that are affected by the President's actions. They will have a lot more detail on those individual projects, and we can get a readout on that briefing when we arrive at our next stop.

Q Mike, can you tell us what states?

MR. MCCURRY: Yes, the states in which these projects are located are Indiana, Alaska, Pennsylvania, Mississippi, Virginia, Arizona, and then there is one -- the two Energy Department projects are really not specifically located in one state. I think one of them looks like -- was supported by members of the Minnesota congressional delegation so there might be some tie-in to Minnesota. But there will be more detail provided up at the White House on each of those.

Q Did President Clinton make any effort to contact Senator Lott on the project --

MR. MCCURRY: Those notification have been, as we have been doing with the line item veto, have been done locally -- have been done through our representatives up in Washington -- I think specifically through Congressional Affairs, although some other White House staffers may have been involved as well.

Q -- when you talk about specifics, are you going to actually put forward the negotiating position tomorrow?

MR. MCCURRY: John's question was, did we make any specific headway on the arguments that the President has made here in the region with some of his counterparts that he's visited with. And I think we will see some evidence of some specific progress, at least with respect to our cooperative efforts with Argentina on that issue when the two Presidents address it tomorrow.

On the larger question of when is the United States going to begin to move more publicly into a discussion of its negotiating positions for the Kyoto conference, as we've said all along, we expect that to happen during the course of the upcoming meetings next week in Rome, but I can't get any more specific than that.

There is still, by the way, still work to be done on some fundamentally important choices the President has to address.

He's been getting briefed on and off about this, has had several meetings back in Washington with his advisors. I expect him to get some additional written material on the issue over the course of the weekend, and no doubt there will be some meetings at the White House prior to any final decisions.

Q Mike, I just wanted to be sure -- there are five water projects and three energy projects?

MR. MCCURRY: There are five water projects, one Bureau of Reclamation project. I mean, five Army Corps of Engineers projects, one Bureau of Reclamation project, and two Department of Energy projects.

Q Just following up on the global warming question again, given that the President hasn't decided yet what -- targets he's going to shoot for, how is he going to be able to conduct conversations with the Presidents of Latin America beyond generalities about the notion that we should all make -- as long as it's cost-free?

MR. MCCURRY: Because the fundamental -- in a sense, our negotiating position is made clear by the principles that we have. If you have binding emission targets, the question of what those targets are set at is an important question, but not as significant as the fact that you are actually going to set binding targets.

Second, if you are insisting on flexibility of implementation, that suggests the whole way in which you structure the control regime to achieve those targets. And I think that's widely known.

But, third and most importantly in terms of our conversations here, if you insist on participation by the developing world, the question is how, under what terms, and the discussions the President has had with his counterparts here have been about what role the developing world would play in an international regime to control the emission of greenhouse gases.

Q Is Argentina a developing nation?

MR. MCCURRY: It would be -- those terms for purposes of defining what your emission levels are have been defined. There have been different negotiating positions that have been advanced on what is the level of CO2 or other outputs that would

trigger certain kinds of designations. But that's still part of what's being discussed by negotiators.

All right. Do we need a briefing tomorrow or if we just have a couple people in and around the environment of that available so you can talk to them. I'm not planning to do anything else tomorrow unless events dictate it.

Q Can you tell us what the radio address is about?

MR. MCCURRY: The radio address is on education. While I'm here I'll give you a brief snapshot of the week ahead. The President anticipates returning -- one of his underlying themes of this trip has been the importance that education plays in sustaining the kind of economic growth that is important in this hemisphere; that the strength of the global economy is going to depend on well-educated workers and a work force who are able to acquire new skills and use them as we see all the changes occurring in the global marketplace.

Well, that is very relevant to a debate back home on national standards and on how we invest in the kind of training and teaching that will produce the work force of the 21st century that's equipped to compete in these kinds of global settings.

The President is going to make a strong argument next week that we need national standards, even though there are members of Congress, mostly from the other party, that don't believe we need national standards. More ironically, there are members of -- some of the same members saying not only do we not need standards, we also don't need to invest in teaching people to read and to do some of the things that would be measured in national tests.

So I think the President is going to join that debate, and his radio address is going to be more broadly about generally the importance of educational standards. But I anticipate next week being a week that's filled with a lot of debate about how we're going to produce world-quality, high-class education for American children.

On Monday, the President doesn't have any public events, but I'm going to have Secretary Riley over at the White House to talk about some interesting ways in which kids can prepare for college, specifically with respect to mathematics preparation.

Tuesday, we've got a number of college presidents in town who are going to support the President's America Reads initiative, which, as I just indicated, has been under -- facing criticism in Congress.

On Wednesday, we aren't ready to say what we'll be doing on this day. You should say it's possible we'll make an announcement this week since we said we might do it, but don't rule it out, don't rule it in. You get the kind of flavor -- okay, if you can't catch that hint you're all asleep.

Thursday is the child care conference, right -- the White House Conference on Child Care on Thursday. And that's going to be a lot of fun and interesting. And on Friday, the President will address the Annual Conference of the National Board of Certified Teachers.

So it's a week that's going to be devoted to the education and care of America's children, something that is part of the ongoing commitment of the President as he advances his objectives in his second term.

Q Is he going to be doing anything on fast track? Is that important?

MR. MCCURRY: Of course. He's been doing some things on fast track even during this trip, but we will continue -- I think one thing that will certainly happen next week is, as we do after all foreign policy trips, there will be briefings for members of Congress about what we've done during the course of this trip, the importance the President attaches to all of the things he's talked about with respect to free trade and why that, hopefully, will be impressive to members of Congress as they consider that vote.

Q What did you say is going on on Wednesday again? I'm sorry.

MR. MCCURRY: I already said it.

Q I know, but I need you to repeat it for me.

MR. MCCURRY: I didn't say anything. I just read a note that said we're holding it open, but nothing is scheduled for that day.

Q Friday the teachers are doing what? Is it national standards or charter schools or --

MR. MCCURRY: Yes. Over the course of the week we're going to spend a lot of time talking about why we have to measure ourselves against national standards that will world-class, well-educated kids. And then, second, we're going to talk about why -- in order to achieve those standards and measure against those standards, we need to invest in things like training teachers so that they can go teach kids to read, which is the America Reads initiative, or developing the volunteer participation that we foresee as well.

Okay, that's the week ahead. Over and out.

END

12:32 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Bariloche, Argentina)

For Immediate Release

October 18, 1997

PRESS BRIEFING

BY DEPUTY NATIONAL SECURITY ADVISOR JIM STEINBERG
AND PRESS SECRETARY MIKE MCCURRY

Llao Llao Hotel
Bariloche, Argentina

10:20 A.M. (L)

MR. STEINBERG: Today, the two Presidents are going to issue a joint statement on their cooperation on environment issues. The most important, from our point of view, is the aspects of the agreement talking about climate change. The President has said from the beginning that the only way to deal with the problem of greenhouse gas emissions is a global solution, because it doesn't matter where carbon emissions come from, they all affect the climate; and that although developed countries now account for the majority of emissions over the next 50 years, the developing countries will soon overtake the developed countries.

So a strategy which only deals with emissions from developed countries won't provide a long-term solution to the problem. And so we've advocated an approach that includes meaningful participation by developing countries, as well as developed.

And the statement that they're going to issue today will have two important elements that deal with the responsibilities of developing countries in a climate change agreement. The first is that they will agree that any meaningful solution to the problem has to address the question of developing countries emissions limits, as well as developed countries. And that means that we will have to have a strategy -- although the specific obligations can be different for developing countries than developed, that in one form or another the overall solution

has to address emissions limits for developing countries. And it's very important that Argentina, as a leading developing country, is now accepting this as an important part of the overall strategy.

The second thing that the Argentinean government is agreeing to with President Clinton is the idea of joint implementation for credit. For those of you who were with the President in Costa Rica, this is something that we've been very involved with already in Central America. But the basic concept is that in order to have the most cost effective strategy for reducing greenhouse gases, you want to be able to have the reductions come in the places where the cost of reductions are least. And for many developed countries and for firms in developed countries to try to reduce emissions in that country can often be much more expensive than the cost of trying to do it in developing countries, which are now just making their initial investments in productive capacity.

Under a strategy of joint implementation for credit, a firm in the United States could invest in a developing country -- in a more cost efficient power plant or a factory -- and receive credit for the emissions reductions that it would be able to credit in terms of its own obligations. This could have a really significant impact in the overall cost of emissions reductions. It's a strategy that we've already begun to implement in a number of countries; but the concept of using this as part of the overall climate change treaty will have an important impact in making it much more cost effective for American firms to meet any targets that are agreed to.

Q So a U.S. firm could get credits back in the U.S.?

MR. STEINBERG: They get credits in the U.S. for investments they make in emissions reductions in any place, but particularly in developing countries. It's a win-win proposition because the American firms get their reductions at a cheaper cost and the developing countries get the investment and the technology that comes with these.

Q Are you talking tax credit?

MR. STEINBERG: No, it would be credit towards whatever the emissions limits are, whatever the scheme is that's developed in terms of their obligations for emissions limits. So if they were required to reduce by 10 percent, for example, they could get those reductions by the investments in reductions outside

the country. It's a more effective way for them to meet those obligations.

Q What bureaucracy is going track this? It's a massive thing to keep data on.

MR. STEINBERG: There are a number of different ways to do this. We're already very much engaged in this with -- there are about 20 projects already engaged. And I think the experience has shown it's a fairly -- I mean, the incentives are for the firms to produce the information that they need in order to get those credits.

Any of these structures, obviously, are part of what's going to be negotiated as part of the Kyoto process. I can't tell you until the negotiations actually come to fruition about what the arrangements would be.

Q Is this the first case of a market for pollution credits, or doesn't that exist already in other --

MR. STEINBERG: There's a market for pollution credits within the United States, for example, in sulphur dioxide emissions. We have an emissions trading system.

Q This would be SO₂ working for CO₂?

Q If you allow people to take credits for things overseas wouldn't that be yet another incentive to move jobs and production overseas?

MR. STEINBERG: No. What it does is it actually could help save jobs and production in the United States, because it would mean the they could meet their emissions targets at a much smaller cost. And so it means that they would not have to incur much more expensive costs in the United States, which could hurt productivity in the United States. So it's a win-win proposition.

Q Is this the firmest the President has ever been on saying there has to be binding limits on developing countries?

MR. STEINBERG: It's always been part of our strategy that developing countries have to be part of it and that in some form or another limitations would have to be accepted for developing countries.

Q Well, would these, in fact, be binding limits on developing countries, the same way they're binding on developed?

MR. STEINBERG: The same way -- I mean, they wouldn't necessarily be the same obligations. We recognize, as the President has said, that we're not asking developing countries to do it necessarily at the same pace or at the same amount -- but in some form or another there would have to be a sense that it was not open-ended for developing countries while developed countries are taking on those obligations.

Q The Argentine part of this deal is essentially that they have to agree to take the foreign investment, no?

MR. STEINBERG: Well, what we're looking for them is to be a partner for us as part of the Kyoto negotiations in trying to develop a strategy for including developing countries in the overall climate change regime.

Q Jim, isn't it likely that some countries, especially in Europe, are going to say this is a way for the U.S. to shirk its responsibilities by passing the buck to third world countries, to other countries, not to make the drastic cuts in the U.S.?

MR. STEINBERG: The importance for everybody is to find the most cost effective way to get meaningful reductions in emissions. And I think it's in everyone's interest to see this happen this way.

The Europeans are, in effect, asking to do the same things themselves, because the European Union is proposing that they get to do their emissions reductions by a bubble, which means that there would be one level for all of the European Union and that they're going to allow the poorer countries in Europe to get the benefit of all these things -- like Portugal for example, under the bubble concept would benefit and get the same kind of treatment that we're talking about here.

So, in effect, the EU bubble is a mini-version of what we're talking about here in involving developing countries. They implicitly want to get the same kind of deal. And that shows that they understand why it's in the interest to be able to have this kind of flexibility -- the ability to trade, the ability to find the most cost effective way. It's in everybody's interest to do it that way.

Q -- sided with them already?

MR. STEINBERG: We're having discussions with all the countries, because it's a strategy --

Q What was their reaction?

MR. STEINBERG: Some are supportive, some are not as supportive.

Q Which ones are and are not?

MR. STEINBERG: You'll have to talk to the Europeans about that.

Q Can I change the subject?

Q One more on this. How much clout does Argentina have? I mean, are they a voice that you think is going to be critical with others in this region?

MR. STEINBERG: I think it's an important voice in the sense that they are a country that's well respected. There is an Argentinean who is leading the negotiations in Bonn -- although this person is not acting just as their government person, I think it shows the importance. Argentina has been active, you'll hear today from some of the speakers, in climate change. It's the first country in the developing world to develop their own climate change action plan. And so that kind of substantive leadership I think will have an impact on the negotiations.

Q Did Brazil and Venezuela give an explanation on why they wouldn't endorse a similar plan on the visit there?

MR. STEINBERG: I think the President had good discussions with both Presidents about these issues. It's something that's going to have to be negotiated. Everybody understands that some of the issues will depend on what the details are. But I think that there's progress on this.

Q Why didn't Brazil and Venezuela sign on to this?

MR. STEINBERG: Again, this is something that we're in negotiations. The developing countries have to understand and have to feel comfortable with what their obligations are going to be. But what we're trying to do is develop some momentum so

people understand the need to move this forward, and the understanding that we cannot solve the problem unless these countries participate.

Q Argentina was more amenable was just because they have a higher per capita?

MR. STEINBERG: I can't speculate on that.

Q And when are we going to see numbers, Jim? When is our side going the start talking specific numbers?

MR. STEINBERG: The President has indicated that he wants to announce his plan during the course of the Bonn negotiations. And I would expect that we probably will have something specific to say next week.

MR. MCCURRY: Other subjects.

Q Wait a minute. On target dates and numbers both, on level of admissions and target dates?

MR. STEINBERG: I'm not going to try to pre-figure the specifics of what the President is going to announce, but I expect we'll have that next week.

Q A New York Times story says that administration officials are on their way to China, that China is ready to sign -- own deal not to help Iran with nuclear technology. Are administration officials on their way to China? Is China ready to make this deal in advance of Jiang Zemin's visit?

MR. STEINBERG: We've obviously been having intensive discussions with the Chinese on a number of issues prior to the upcoming summit. We do have some officials who are going to discuss a range of non-proliferation related issues with the Chinese.

Q What administration officials are on their way?

MR. STEINBERG: Middle level negotiating.

Q Middle level State? Middle level NSC?

MR. STEINBERG: It's a team from several agencies.

Q Is the U.S. hopeful, or has the U.S. received signals from China that China is now ready not to help Iran with nuclear technology?

MR. STEINBERG: This is something we've been discussing in detail with them. We've been making some progress on those issues, but we hope that we can continue to make more progress.

MR. MCCURRY: They're sensitive to our concerns.

Q But you eventually are hopeful that China is ready to send some signals before the visit?

MR. STEINBERG: I think let's just see what they come up with in these discussions.

Q What about Sikorski helicopters and computers? Would that be a part of something that you'd be discussing with lifting the ban with the Chinese, as well?

MR. STEINBERG: The team that's out there is discussing non-proliferation related issues.

MR. MCCURRY: Okay. Other subjects.

Q What can you say about this Radovan Karadzic TV station that's gone off the air today?

MR. STEINBERG: Well, as you know, for some time the United States and SFOR has been concerned about the misuse of the media by the Serbs in Pale. As a result of their failure to live up to their commitments, SFOR several weeks ago arranged to, in effect, gain control of those transmitters and to make sure that the only access was going to be for those people who were prepared to use it in a responsible way and was not going to either endanger SFOR or undermine the Dayton Agreements. And both the high representative and SFOR have been working to make sure that that takes place.

We were concerned by efforts by the Serbs in Pale to try to circumvent that by the use of pirate transmitters, and the higher-up in SFOR are working to try to address that question.

Q Jim, what's the status of the Federal Maritime Commission's dispute with Japan?

MR. STEINBERG: I don't have the specific details out here. My understanding is that -- well, there is certainly significant progress on the underlying substantive negotiations. The Federal Maritime Commission has not forwarded any order at this point to the Transportation Department. But there may be more going on today that I just haven't checked on.

Q -- progress on the fines?

MR. STEINBERG: On the underlying agreement, the underlying port dispute.

Q Can you speak to that, Mike?

MR. MCCURRY: No, no. It's the same as Jim, that they have made significant progress and there has been, in principle, some significant headway on it. But the key thing is that the Commission has not forwarded the Transportation Department any notice of decision that would require any enforcement action. And that gives the negotiators time to complete whatever discussions they have underway.

Q Isn't that a subject that if we wanted to cover we'd have to get on a plane and go back to Washington? (Laughter.)

MR. MCCURRY: You've got it. You got that one right, Bubba. (Laughter.) That's where the action will happen.

Let me do a couple of other points. The Presidents had an exceptionally warm and productive dinner last night. It was more focused on a bigger picture discussion of the bilateral relationship, and time for them to both socialize and deepen their personal relationship. They discussed a little bit the announcement they'll make today.

They will have a variety of recreation this afternoon. I think President Clinton and President Menem plan to play golf. The President was talking about going out horseback riding at some point, so he might do that, as well.

Q Are they going to let him?

MR. MCCURRY: Apparently it's all right for him to do it and the docs have said it's all right. But it's still not clear whether that's going to happen or not because of time.

Q Mike, we noticed in the interview with the Argentine reporters, in the transcript, that the President said he wants to reorganize the entire world. What does that mean?
(Laughter.)

MR. MCCURRY: The President's thinking very ambitious after the all the success we've had on this trip. So he's thinking in large geopolitical terms. (Laughter.)

Q He said he wants a new system for human beings to operate in. (Laughter.)

Q Will black helicopters be involved? (Laughter.)

MR. MCCURRY: No. Look, what he was doing was giving them a sense of the world view which motivates a lot of the work we're doing to update and modernize the institutions of the post Cold War era. He talked about -- it was interesting, on the issue of press freedoms or deepening the institutions of civil society, he talked about the role that organizations like OSCE play, like OAS plays. I thought there was a lot of meat and substance that went into his explanation to these journalists of how the issue of trade fits into a larger context of the political, cultural and economic changes that are occurring in this hemisphere.

Okay. What else? Anything else? We're not briefing down in the filing center today, because I think pretty much people are wrapping up early with early deadlines.

Q Is there going to be a press conference after this, or not? Will they answer any questions?

MR. MCCURRY: No. I don't anticipate that, no. Because that would require too much work on such a beautiful day.
(Laughter.) All right, everybody, have a good time.

END

10:35 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 10, 1997

STATEMENT BY THE PRESS SECRETARY

The President today named Amy Weiss Tobe as Deputy Assistant to the President and Deputy Press Secretary for Operations, effective October 27.

Tobe currently serves as Communications Director at the Democratic National Committee, where she manages the communications and press staff; oversees strategic, long and short-term message planning; and serves as the chief spokesperson. From 1993-1995, she worked for U.S. Representative Mike Synar (D-OK), serving as press secretary and then managing his 1994 re-election campaign. She was a founder of and served as Director of Communications for the Campaign for America Project, a national media and grass roots campaign chaired by Synar to stimulate citizen action for campaign finance and lobbying reform. Tobe was the Oregon state press secretary for the Clinton/Gore 1992 campaign and served as Communications Director at the Center for National Policy from 1988-1993.

Tobe was raised in Ridgewood, New Jersey. She holds a B.A. in print journalism from American University and now lives in Alexandria, VA with her husband, John, and 13-month old son, Jack Michael.

-30-30-30-

THE WHITE HOUSE
Office of the Press Secretary
(Caracas, Venezuela)

For Immediate Release

October 13, 1997

STATEMENT BY THE PRESIDENT

Hillary and I were saddened to learn of the death of John Denver. His soaring music evoked the grandeur of our landscape and the simple warmth of human love. He was a dedicated champion of the environment, spending many hours on the vital work of protecting natural heritage. And he opened many doors to understanding among nations through his tours of the Soviet Union, China and Vietnam. Our thoughts and prayers go out to his family and to his millions of fans.

-30-30-30-

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**PARTNER PARKS DECLARATION BETWEEN
THE EVERGLADES NATIONAL PARK AND
THE PANTANAL NATIONAL PARK**

**UNITED STATES OF AMERICA AND
THE FEDERATIVE REPUBLIC OF BRAZIL**

Whereas, the national parks of the United States and Brazil provide protection of valuable natural resources and sanctuary for important ecosystems and the great diversity of life that resides in them;

Whereas, the national parks of the United States and Brazil contribute to sustainable development, provide places of wonder, recreation, learning and enjoyment for all people;

Whereas, the United States and Brazil have recognized the value of conserving their complex wetlands and each has created a national park to conserve portions of its wetlands systems of the Everglades and Pantanal;

Whereas, the United States and Brazil recognize the important contribution of non governmental organizations to the protection and development of national parks, especially of the National Parks of the Everglades and Pantanal;

Whereas, the United States and Brazil are signatories of the Ramsar Convention on Wetlands of International Importance, especially as waterfowl habitat (Ramsar, 1971), and that the National Parks of the Everglades and Pantanal are Ramsar sites, wetland systems included on the Ramsar list, which are considered natural storehouses of biological diversity that furnish life support systems for a large portion of humanity;

Whereas, in the Declaration of Principles of the Summit of the Americas the United States and Brazil committed to create cooperative partnerships to strengthen our capacity to protect ecosystems, a principle which was reaffirmed at the Bolivian Summit on Sustainable Development, as well as in the United States-Brazil Common Agenda for the Environment;

NOW, THEREFORE, WE DECLARE AS FOLLOWS:

The Everglades National Park and the Pantanal National Park are hereby designated as Partner Parks.

It is the intention of the United States and Brazil to encourage cooperation to strengthen conservation, management and sustainable use of these sites. It is the intention of the United States and Brazil to encourage Partner Parks to identify areas of mutual interest and capabilities to develop cooperative projects and initiatives that could involve governmental authorities, the private sector, non-governmental organizations and other entities, including activities such as:

- a) Professional personnel exchanges to observe alternative methods of planning and managing natural resources, assessing environmental impacts, enhancing visitor services, assuring enforcement, increasing revenue, educating the public, and involving nearby citizens; and
- b) Information exchanges to share knowledge and expertise on infrastructure technologies, scientific studies, financial mechanisms, and communications systems.

It is the intention of the United States and Brazil to develop a work plan annually based on available resources of both countries. Cooperative activities spelled out in the work plan are to be reviewed annually at the United States-Brazil Common Agenda for the Environment consultations.

Done at Brazil, on this 14th day of October, 1997, in duplicate in both English and Portuguese, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA: FOR THE FEDERATIVE REPUBLIC OF BRAZIL:

COOPERATION IN ENERGY TECHNOLOGY
IMPLEMENTING ARRANGEMENT BETWEEN
UNITED STATES OF AMERICA
AND
THE FEDERATIVE REPUBLIC OF BRAZIL

The Government of the United States of America and the Government of the Federative Republic of Brazil, hereinafter referred to as the Parties;

Having a mutual interest in exchanging information, experience and points of view regarding the development and analysis of energy information, energy regulation, energy planning, development of strategies to establish and promote market-based systems in renewable energy and energy efficiency technologies, and fossil energy technologies;

Recognizing the contribution of renewable energy and energy efficiency technologies and fossil energy technologies to increasing energy diversity, addressing environmental concerns, enhancing energy security; and

Desiring to cooperate in promoting rural electrification and sustainable development, and expanding opportunities for international trade in renewable energy and energy efficiency technologies between the United States and Brazil;

Hereby agree as follows:

ARTICLE I
SCOPE AND OBJECTIVE

A. This Implementing Arrangement is subject to the terms and conditions of the Agreement Relating to Cooperation in Science and Technology between the United States of America and the Federative Republic of Brazil, signed on February 6, 1984, and was renewed by the Amendment and Extension Protocol signed on March 21, 1994, hereinafter referred to as the Umbrella Agreement.

B. The objective of this Implementing Arrangement is to establish a framework for scientific and technological cooperation by the Parties in the field of energy technology on the basis of reciprocity and mutual benefit.

C. For the purposes of this Implementing Arrangement the Department of Energy of the United States of America (DOE) and the Ministry of Mines and Energy of the Federative Republic of Brazil (MME) are the Executing Bodies.

ARTICLE II AREAS OF COOPERATION

Cooperation under this Implementing Arrangement may be undertaken in the following areas, including the areas detailed in the Annexes I, II, and III:

- A. Efficient and advanced energy technologies;
- B. Coal and advanced power systems;
- C. Environmental technologies;
- D. Renewable energy technologies;
- E. Energy information, planning and regulations;
- F. Basic energy research; and
- G. Such other areas as may be mutually agreed by the Executing Bodies in writing.

ARTICLE III FORMS OF COOPERATION

Cooperation under this Implementing Arrangement may include:

- A. Exchanges of information and data on scientific and technical activities, developments, practices, methods and results;
- B. Exchange of scientists, engineers and other specialists for agreed periods of time for participation in experiments, analysis, design and other research and development activities at research centers, laboratories, engineering offices and other facilities and enterprises of the Executing Bodies, or their agents;
- C. Short-term visits by staff or assignments of staff;
- D. Organization of, and participation in, seminars, workshops and other meetings;
- E. Exchange of and provision of samples, materials, instruments and components for experiments, testing, and evaluation;
- F. Execution of joint studies, projects or experiments, including joint design, construction and operational activities; and
- G. Other forms of cooperation as mutually agreed by the Executing Bodies in writing.

ARTICLE IV MANAGEMENT

A. DOE and MME will each name one Coordinator to supervise activities under this Implementing Arrangement. The Coordinators shall approve and monitor all activities carried out under this Implementing Arrangement and shall assess opportunities for expanding cooperation.

B. The Coordinators may establish subcommittees to facilitate the implementation of projects initiated under this Implementing Arrangement.

C. The Coordinators shall meet periodically, alternately in the United States and Brazil, to evaluate all aspects of cooperation carried out under this Implementing Arrangement.

ARTICLE V ADDITIONAL ORGANIZATIONS

Each Executing Body shall encourage and facilitate the development of direct contacts and cooperation between governmental agencies and other public and private institutions in their respective countries to advance the objectives of this Implementing Arrangement.

ARTICLE VI PROJECT DOCUMENTS

To undertake a cooperative activity as described in Article 3(F), the Executing Bodies shall conclude a Project Document. Each such Project Document shall include detailed provisions for carrying out the specific form of cooperative activity and shall cover such matters as technical scope, management, assignment of staff and exchange of equipment, total costs, cost sharing, and schedule as appropriate.

ARTICLE VII EXCHANGE OF EQUIPMENT

A. Each Executing Body may provide equipment to the other Executing Body to be utilized in a joint activity. The sending Executing Body shall promptly supply a detailed list of the equipment to be provided, together with the relevant specifications and appropriate technical documentation related to use, maintenance, and repair of the equipment to the receiving Executing Body.

B. Unless otherwise agreed to by the Executing Bodies in writing, the sending Executing Body shall retain title to equipment and spare parts provided to the other Executing Body, and the receiving Executing Body shall return such property to the sending Executing Body upon completion of the joint activity.

C. Equipment provided pursuant to this Implementing Arrangement shall be brought into operation at the host establishment only by agreement of the Executing Bodies.

D. Equipment provided pursuant to this Implementing Arrangement for use in joint activities shall be considered to be scientific, not having a commercial character, and each Executing Body shall make its best effort to obtain duty free entry. The receiving Executing Body shall use its best efforts to facilitate entry and exit of equipment and spare parts of the other Executing Body into, and from, its territory.

E. Unless otherwise agreed, the sending Executing Body shall be responsible, and shall pay expenses, for the transport of equipment and materials by plane or ship to an authorized port of entry of the receiving Executing Body's country convenient to the ultimate destination, and for the safekeeping of equipment and insurance en route.

F. Except when formally stated in a Project Document to the Implementing Arrangement, the host establishment shall provide the necessary premises for the equipment provided, and shall provide for utilities such as electric power, water and gas. The host establishment normally shall provide materials to be tested, in accordance with technical requirements mutually agreed upon by the Executing Bodies.

ARTICLE VIII PERSONNEL EXCHANGES

A. Whenever an exchange or assignment of personnel is contemplated, each Executing Body shall ensure the selection of adequate personnel with skills and competence necessary to conduct the activities planned under this Implementing Arrangement. Each such exchange of personnel shall be mutually agreed to in advance by an exchange of letters between the Executing Bodies, referencing this Implementing Arrangement and pertinent intellectual property provisions.

B. Each Executing Body shall be responsible for the salaries, insurance, and allowances to be paid to its staff or its contractors.

C. Each Executing Body shall pay for the travel and living expenses of its staff or its contractors when staying at the establishment of the host Executing Body, unless otherwise agreed.

D. Each Executing Body shall assist the other Executing Body's staff or its contractors (and their families) to arrange adequate accommodations on a mutually agreeable, reciprocal basis.

E. Each Executing Body shall assist the staff of the other Executing Body or its contractors as regards administrative formalities.

F The staff of each Executing Body or its contractors shall conform to the general rules of work and safety regulations in force at the host establishment.

ARTICLE IX AVAILABLE INFORMATION

A. The Executing Bodies shall exchange information necessary to carry out this Implementing Arrangement. All information arising under this Implementing Arrangement will be promptly exchanged between the Executing Bodies.

B Information transmitted by one Executing Body to the other Executing Body under this Implementing Arrangement shall be accurate to the best knowledge and belief of the transmitting Executing Body, but the transmitting Executing Body does not warrant the suitability of the information transmitted for any particular use or application by the receiving Executing Body or by any third party.

ARTICLE X INTELLECTUAL PROPERTY, BUSINESS-CONFIDENTIAL INFORMATION

The protection and allocation of intellectual property and the treatment of business-confidential information created or furnished in the course of cooperative activities under this Implementing Arrangement will be governed by the provisions of Annex I of the Agreement to Amend and Extend the Agreement between the United States of America and the Federative Republic of Brazil Relating to Cooperation in Science and Technology, referred to in Article I.

ARTICLE XI GENERAL PROVISIONS

A. Unless otherwise agreed in writing, costs resulting from activities under this Implementing Arrangement shall be the responsibility of the Executing Body that incurs them.

B Each Executing Body shall conduct the activities provided for in this Implementing Arrangement subject to its applicable laws and regulations and shall provide resources subject to the availability of appropriated funds and personnel.

C. Each Executing Body shall use its best efforts to obtain all permits and licenses required by law to carry out this Implementing Arrangement.

D. Any dispute concerning the interpretation of this Implementing Arrangement shall be settled by mutual agreement of the Parties.

ARTICLE XII
FINAL PROVISIONS

A. This Implementing Arrangement shall enter into force upon signature and shall remain in force for five (5) years or so long as the Umbrella Agreement remains in force, whichever is shorter. Unless one of the Parties notifies the other Party in writing of its intention to terminate this Implementing Arrangement at least three months before its expiration, this Implementing Arrangement shall be automatically extended for another 5-year period and may be amended or extended by written agreement of the Parties so long as the Umbrella Agreement remains in force.

B. The Executing Bodies may continue all activities initiated but not completed at the expiration or termination of this Implementing Arrangement until their completion as mutually agreed in writing by the Parties.

C. Either Party may terminate this Implementing Arrangement at any time upon six-months advance written notification. Such termination shall be without prejudice to the rights that may have accrued to either Party under this Implementing Arrangement up to the date of termination.

Done at Brasilia, D.F., in duplicate, in the English and Portuguese languages, both texts being equally authentic, this 14th day of October , 1997.

FOR THE UNITED STATES OF AMERICA:

FOR THE FEDERATIVE REPUBLIC OF BRAZIL:

ANNEX I
FOR COOPERATION IN
THE FIELD OF COAL AND POWER SYSTEMS

DOE and MME, as Executing Bodies, have a mutual interest in exchanging experience and views on coal and power systems, which includes clean coal research, development, and demonstration technologies, and in pursuing general collaboration in these areas.

The Parties recognize the contributions of fossil fuel technologies, including advanced power systems technology development, to fuel diversity, enhancing mutual environmental protection and energy security, and expanding opportunities for international trade.

The Parties will mutually benefit from collaboration in the deployment and use of coal and power systems.

MANAGEMENT

1. Each Executing Body shall designate one Program Coordinator for this Annex; these Program Coordinators shall provide technical management and coordinate activities under this Annex. Each task undertaken under this Annex shall be covered by a work plan that is approved by both of the Coordinators, each of whom shall then designate a Co-Project Officer for that specific task.

SCOPE

2. The Executing Bodies agree to cooperate in a manner that will facilitate joint activities and market deployment of fossil energy technologies in an environmentally responsible way. Pursuant to Article II of the Implementing Arrangement, these joint activities may include, but need not be limited to:

A. Consultations by senior program officials to permit joint planning of cooperative projects for which the participating organizations agree to share the tasks, the costs, or both;

B. Joint technical evaluation of fossil energy technologies. In recognition of the important role of coal in the Brazilian fuel mix, the Parties shall cooperate to facilitate the application of these technologies to resolve issues concerning coal use;

C. Exchange of technical and economic data, including clean coal data regarding power systems, fuel upgrading, and environmental control options, and co-sponsorship of conferences and seminars specifically related to:

- Advanced power systems, combustion technologies, and developmental components and sub-systems, such as air-blown gasification, pressurized fluidized-bed combustion, externally fired combined-cycle systems, hot-gas cleanup, and the combustion of coal-water mixtures;
 - Advanced coal preparation, conversion and utilization technologies, such as the manufacture of ultraclean coal-water mixtures, coal-water slurry transport systems, and direct and indirect coal liquefaction processes;
 - Environmental control technologies, such as wet and dry SO₂ scrubbers, NO_x reduction processes, including low NO_x burners and reburning technologies, combined SO₂ and NO_x control systems, selective catalytic and non-catalytic reduction (SCR and SNCR), high-efficiency particulate removal systems, and processes for by-product and ash utilization and/or waste management;
 - Environmental monitoring technologies, including continuous emission monitors, and computer modeling and assessment techniques for determining potential impacts, and alternative pollution prevention and control and waste minimization opportunities supportive of sustainable development and economic growth;
 - Exchange information on environmental legislative approaches and standards consistent with and supportive of coal use and environmental protection;
 - Environmental improvements with regard to coal production, handling, and transportation, including efficiency enhancement and cost-effective modern analytical devices and mechanisms for decision making and operational infrastructures.
- D. Exchange of information including operating experience regarding fuel cells and gas turbines, and co-sponsorship of conferences and seminars specifically related to:
- The distributed power applications of fuel cells while decreasing the emissions of carbon dioxide, a greenhouse gas; and reducing other pollutants;
 - Conducting studies on the capability of Advanced Turbine Systems to minimize pollution and increase performance through high efficiency over other conventional power options.
- E. Joint review of appropriate research and development projects, both those in progress in the United States and Brazil and those that are deemed meritorious for initiation to benefit the enhanced use of coal in Brazil, followed by an agreed-upon plan to implement the findings and recommendations culminating from the review;
- F. Exchange visits to mutually agreed-upon United States and Brazilian coal mining and equipment organizations, commercial and clean coal technology research, development, and demonstration program facilities pertaining to the technical areas and issues described above;

G. Training and internship program support for personnel in the aforementioned coal and power system technologies to strengthen related human resources and institutional government, university, and industry laboratory infrastructure, and to facilitate joint government and industry activities;

H. Joint development of technical programs to facilitate industrial partnerships between coal and power systems industries of the United States and Brazil.

EXPENSES

3. Except when otherwise specifically agreed in writing, all costs resulting from cooperation under this Annex shall be borne by the Party that incurs them.

GENERAL PROVISIONS

4. Cooperation under this Annex shall be subject to the Implementing Arrangement.

5. This Annex shall remain in effect for five (5) years or until termination of the Implementing Arrangement, whichever occurs first. This Annex may be amended or extended by mutual written agreement of the Executing Bodies.

6. At the discretion of either Executing Body, this Annex may be terminated upon six (6) months advance notice in writing by the other Executing Body.

ANNEX II
FOR COOPERATION IN
THE FIELD OF RENEWABLE ENERGY

The Parties have a mutual interest in promoting the competitive use of renewable-based electric power;

Effective collaboration by the Parties in the field of renewable energy will contribute to sustainable development, promote global environmental protection, and stimulate the market for renewable energy technology; and

The Parties will mutually benefit from collaboration in the development and utilization of renewable energy technologies;

AREAS OF COOPERATION

1. Cooperation under this Annex may include, but is not limited to, the following areas:
 - A. Hybrid power for business development;
 - B. Policy and technical support for integration of renewable energy in electric utility restructuring;
 - C. Renewable energy resource assessment;
 - D. Energy supply for rural uses and off-grid communities;
 - E. Energy policy analysis including impact of policy reform on renewable energy development and privatization initiatives;
 - F. Identification of opportunities for solar thermal, solar photovoltaics, wind, biomass and small and micro hydroelectric projects;
 - G. Development, packaging, and distribution of information on renewable energy and business development, for encouragement of business ties between Brazilian and US Companies;
 - H. Identification of financing sources for renewable energy projects in Brazil

OTHER PARTICIPATING ORGANIZATIONS

2. Pursuant to Article V of the Implementing Arrangement, additional organizations may participate in cooperative activities under this Annex, at their own expense, and subject to such terms and conditions as the Executing Bodies may specify. For the Federative Republic of Brazil, such organizations may include, but are not limited to the Centrais Elétricas Brasileiras SA (Eletrobrás), Petróleo Brasileiro S.A. (Petrobras) and Centro de Pesquisas de Energia Elétrica (CEPEL). For the United States of America, such organizations may include the United States Agency for International Development, the National Renewable Energy Laboratory (NREL), Sandia National Laboratory, and the Export-Import Bank.

MANAGEMENT

3. Each Executing Body shall designate one Program Coordinator for this Annex. Program Coordinators shall provide technical management and coordinate activities under this Annex. Each task undertaken under this Annex shall be described in a work plan that is approved by both the Coordinators, each of whom shall then designate a Co-Project Officer for that specific task.

EXPENSES

4. Except when otherwise specifically agreed in writing, all costs resulting from cooperation under this Annex shall be borne by the Executing Body that incurs them.

GENERAL PROVISIONS

5. Cooperation under this Annex shall be subject to the Implementing Arrangement.

6. This Annex shall remain in effect for five (5) years or until termination of the Implementing Arrangement, whichever occurs first. This Annex may be amended or extended by written agreement of the Executing Bodies.

7. At the discretion of either Executing Body, this Annex may be terminated upon six (6) months advance notice in writing to the other Executing Body.

ANNEX III
FOR COOPERATION IN
THE FIELD OF ENERGY EFFICIENCY

The Government of the Federative Republic of Brazil is developing objectives and specific National Programs for energy efficiency which include protecting natural resources and the environment through technical improvement in energy utilization, increasing the economic benefit of energy utilization, and realizing a sustainable strategy for economic development, and

Effective collaboration by the Parties in the field of energy efficiency technology will increase energy efficiency, promote global environmental protection, and stimulate the market in the Federative Republic of Brazil for energy efficiency, goods and services;

The Parties will mutually benefit from collaboration in the development and utilization of energy efficiency technologies;

OBJECTIVES

1. The objectives of cooperation under this Annex are:

A. Supporting Brazilian National Programs on energy efficiency strategies and policies to promote and expedite sustainable development in Brazil, through comparative evaluation of technologies for the energy end-use sectors and reducing barriers to energy efficiency;

B. Expediting, with the support and participation of U.S. industry, U.S. organizations and other U.S. Government agencies, the introduction into the Federative Republic of Brazil of technically feasible and cost-effective energy efficiency technologies, through, but not limited to, project demonstration by U.S. firms and information exchange on technology, technical services and project financing;

C. Assisting the Federative Republic of Brazil achieve its energy efficiency targets over the next five years, while simultaneously advancing global environmental protection and stimulating trade in energy efficiency technology, goods, and services; and

D. Training support and technical assistance from U.S. experts.

AREAS OF COOPERATION

2. Cooperation under this Annex may include, but is not limited to, the following areas:
 - A. Energy efficiency policy and regulatory issues;
 - B. Information exchange and business outreach;
 - C. Performance monitoring and verification;
 - D. Appliance testing, labeling and standards;
 - E. Industrial assessments and process control as they relate to energy efficiency
 - F. Transportation
 - G. Energy efficient motor systems and engines;
 - H. Natural gas end-use technologies
 - I. Efficient lighting;
 - J. Reflective roofs;
 - K. Public buildings retrofit and utility demand-side management; and
 - L. Identification of financing sources for energy efficiency projects.

OTHER PARTICIPATING ORGANIZATIONS

3. Pursuant to Article V of the Implementing Arrangement, additional organizations may participate in and (or) lead cooperative activities under this Annex at their own expense, and subject to such terms and conditions as the Executing Bodies may specify. For the Federative Republic of Brazil, such agencies and organizations may include, but are not limited to the National Electricity Conservation Program (PROCEL) and the National Oil and Natural Gas Conservation Program (CONPET). For the United States of America, such organizations may include, but are not limited to, the United States Agency for International Development.

MANAGEMENT

4. Each Executing Body shall designate one Program Coordinator for this Annex. Program Coordinators shall provide technical management and coordinate activities under this Annex. Each task undertaken under this Annex shall be described in a work plan that is approved by both of the Coordinators, each of whom shall then designate a Co-Project Officer for that specific task.

EXPENSES

5. Except when otherwise specifically agreed in writing, all costs resulting from cooperation under this Annex shall be borne by the Executing Body that incurs them.

GENERAL PROVISIONS

6. Cooperation under this Annex shall be subject to the Implementing Arrangement.

7. This Annex shall remain in effect for five (5) years or until termination of the Implementing Arrangement, whichever occurs first. This Annex may be amended or extended by mutual written agreement of the Executing Bodies.

8. At the discretion of either Executing Body, this Annex may be terminated upon six (6) months advance notice in writing to the other Executing Body.

**DECLARATION OF THE UNITED STATES-BRAZIL
PARTNERSHIP FOR EDUCATION
(Brasilia, October 14, 1997)**

We the Presidents of the United States and Brazil recognize that a new reality is reshaping the world and that our citizens must be prepared to meet the challenges of a globalized world in the 21st century. Education is the key to the future. We recognize that working together we will harness inevitable change to the benefit of families in our countries.

Literacy and a first-class educational foundation are critical determinants to the well-being of our citizens, the strength of our economies, and preserving the values we as democratically-elected leaders hold dear.

Skilled and educated people are the foundations of strong democracies and market economies. We must, therefore, ask more of our educational systems than ever before. Our governments have similar initiatives promoting the development of modern information infrastructures that will facilitate economic growth and will be the foundation of new ways to teach and learn. Our students must be able to compete in a new and constantly-changing job market. This requires access to life-long learning programs and the ability to participate in and benefit from varied cultures outside our borders as well as to process and organize more disparate information than ever before. Education is needed to participate actively and knowledgeably in democratic, plural and diverse societies.

The democracies of our hemisphere, which will take part in the next Summit of the Americas to be held next April in Santiago, agree that education must be a central element in our shared agenda. Bearing in mind the urgency of prompt, effective action, as a top priority we have separately launched, within our respective countries, new initiatives to raise the quality of education, particularly in the primary and secondary levels.

And together, today, we hereby establish the United States-Brazil Partnership for Education. Expanding exchanges, upgrading standards, enhancing teacher training, increasing participation by the family, community and business as well as incorporating new technology underpin our partnership.

Cooperation in the Development and Use of Technologies in Education

New technologies make possible the broad dissemination of information and permit new teaching methods and practices such as distance learning and the use of computers. In addition, students must also master new technologies in preparation for a changing workplace and take part in economic development. We will take advantage of technologies such as the Internet to broaden cultural and language contacts for our

students and teachers. We will jointly test and evaluate existing technologies, and facilitate development of appropriate new technologies, while engaging the private sector to assist with their introduction into the classroom.

Ensuring that Every Child Learns Through Educational Standards, Assessments, and Indicators

Evaluating the performance of educational systems requires a clear definition of what schools should teach and what students are expected to know, as well as effective tools for measuring progress. Our governments will each establish standards for student performance in key subjects at appropriate levels, as well as the means to measure them. We will share experiences and information regarding progress on a continuous basis.

Strengthening Preparation and Professional Development of Teachers and School Managers

Excellent schools require excellent teachers and managers. We will seek to have qualified, dedicated teachers in all classrooms, at all grades. To support this goal, we will exchange experiences and evaluate alternative models for teacher preparation and training for school management officials. We will especially consider ways to improve training for science teachers of scientific disciplines at the primary and secondary levels.

Increasing Educational Exchanges Between the United States and Brazil

Already sharing a wide array of public and private educational exchange programs, the United States and Brazil will seek to expand exchanges at all levels, focusing on the priorities in this declaration. We will utilize existing and new mechanisms to establish a student exchange program for university students in mutually agreed areas such as engineering and technology. We will also consider a program of exchanges for language teachers to strengthen language skills and cultural ties between our countries. To assist private programs, we will explore methods for linking institutions to promote mutual recognition of educational credits.

Enhancing Family, Community, and Business Involvement in Education

Opportunities for learning extend beyond the formal classroom. Parents, family members, employers, employees, older students, and volunteers can effectively participate in the education of children, especially in literacy enhancement. We re-affirm that the private sector is partner in education and will promote its involvement in such areas as combatting illiteracy and student dropout rates and enhancing school administration and overall school development

Implementing the Partnership

Finally, to ensure our partnership is vigorously implemented, we hereby establish the Education Partnership Implementation Commission (EPIC). Through regular meetings, EPIC will monitor implementation of actions outlined in the annex to the Memorandum of Understanding to which our governments subscribe today, as well as periodically formulate new actions. In furtherance of the precepts set forth in this Declaration, EPIC will also seek participation of the private sector and members of the public in implementation of this agreement. Working together, we will reinforce our common resolve, deepen our bonds of friendship, and prepare our children for the coming century.

William Jefferson Clinton

Fernando Henrique Cardoso

Fact Sheet: The US-Brazil Partnership for Education

In Brasilia on October 14, the United States and Brazil will launch an education partnership that reflects a top domestic priority of both President Clinton and President Cardoso. In his 1997 State of the Union address, President Clinton announced that his *number one priority* for the next four years is a bold call to action to improve American education. In Brazil, President Cardoso has embarked on a far-reaching education reform program. While the initiatives reflect the unique needs of both nations, they contain important similarities. Both Presidents understand that education is an indispensable ingredient of stable democracy as well as the key to both individuals' and nations' success in the global economy. This partnership recognizes that increasing the educational levels of our citizens boosts individual earnings and buying power, benefiting the people of both countries.

The *"US-Brazil Partnership for Education"* has been negotiated through a series of high-level meetings between top officials from across government agencies: for the United States, the Departments of Education and State, US Information Agency, US Agency for International Development, National Science Foundation, and National Endowment for the Humanities and, on the Brazilian side, the Ministries of Education, External Relations, Science and Technology, Communications, and others. The **Memorandum of Understanding** ("MOU") that formalizes the partnership lays out a broad agenda of specific actions to be undertaken over the next two years in five priority areas:

- **Technology in Education.** The two countries will launch a dialogue with the private sector on developing a range of solutions for using technology in the classroom; exchange findings on the impact and effectiveness of technology on student learning; expand collaboration in the development of the Next Generation Internet Initiative; and explore ways to link up classrooms, teachers, and students in the US and Brazil -- the Western Hemisphere's two most populous democracies.
- **Educational Standards, Assessments, and Indicators.** The countries will work to build world-class systems of education statistics and indicators; engage in joint study of how to enhance reading and mathematics achievement in the early grades; and hold a policy dialogue on how to set standards in a decentralized education system.
- **Strengthening Professional Development of Teachers and School Managers.** The two countries will share information on the best ways to prepare teachers and school administrators to face the challenges of today's classrooms, with increased emphasis in both countries on school-site decision making; cooperate to improve the teaching and learning of science; and explore the feasibility of exchanging US and Brazilian teachers.
- **Diversifying Educational Exchanges.** The two countries will seek to establish a new exchange program for US and Brazilian university students in specific academic areas like engineering and technology; and seek to promote stronger linkages between US and Brazilian universities and schools.
- **Enhancing Business, Community, and Family Involvement in Education.** Businesses in the United States and Brazil are rolling up their sleeves to pioneer efforts to improve education in their local communities; this agreement will enhance these efforts by sharing information and materials on how families and businesses can best contribute to children's learning and improve schools.

Education is now widely recognized as the foundation for economic growth and development, and the indispensable ingredient of stable democracy. Those looking for an explanation of the "Asian miracle" in countries like the Republic of Korea and Singapore find a key in those countries' simultaneous investment

in the coverage and quality of their primary and secondary education systems. In Brazil as in other countries, increasingly, "what you earn depends on what you learn," and improving education is viewed as the only means of ensuring that all citizens can participate in growing prosperity and breaking down the severe income inequalities. There is a growing market in educational ideas that have been tested and found to work. Educated, more prosperous citizens of Brazil are tomorrow's consumers of goods from all over the world. US students need access to knowledge about other countries including Brazil; opportunities to study and intern abroad; innovations. The hemisphere's two most populous democracies have much in common, including highly decentralized education systems. We can learn more about the promise and limits of our educational strategies by learning from Brazil. A recent article in Brazil's second largest circulation news weekly, "Isto E", states that "Brazil hopes that the educational agreement with the United States becomes a model for other Latin American countries."

**MEMORANDUM OF UNDERSTANDING
ON EDUCATION
BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE
GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL**

The Government of the United States of America

and

The Government of the Federative Republic of Brazil

(hereinafter referred to as the "Parties")

Bearing in mind the objectives of the Agreement effected by exchange of notes on the "Education Commission for Educational Exchange and Financing of Exchange Programs," that entered into force on October 19, 1966, and the Agreement between the United States of America and the Federative Republic of Brazil relating to "Cooperation in Science and Technology," that entered into force May 15, 1986, and was extended on January 30, 1996, have determined to implement a "Partnership for Education" through this Memorandum of Understanding.

1. The Parties intend to enhance and expand cooperative efforts in education based on the following guidelines:

- a) Activities under this Memorandum will be conducted in accordance with the constitutions and applicable laws and regulations of the Parties, and will be subject to the availability of appropriated funds in the respective countries. Within this framework, the Parties will make every effort to promote favorable conditions for the fulfillment of this cooperation and these exchanges.
- b) The Parties will attempt to identify new areas for joint activities in the field of education and wherever they deem appropriate to strengthen or expand existing programs.

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2. In carrying out this Memorandum, the Parties in particular intend to:

- a) Encourage and facilitate closer relationships between their respective federal, state and local education agencies and offices, schools and school systems, post-secondary institutions, appropriate educational organizations, other educational entities, and private sector establishments involved in education in the two countries.
- b) Encourage mutually beneficial educational activities involving policy makers, researchers, scholars, faculty members, teachers, educational administrators, and other specialists.
- c) Emphasize the following topics in their cooperative activities: effective uses of technologies in education; activities aimed at ensuring that every child learns through educational standards, assessments, and indicators; strengthening preparation of teachers and school managers; diversifying educational exchanges; and enhancing family, community and business involvement in education.

3. Specific mutually agreed-upon activities to be undertaken pursuant to this Memorandum are included in the Annex. Additional activities may be agreed upon by the Parties in accord with the objectives of this Memorandum.

4. The U. S. executive agency with primary responsibility for implementing this Memorandum is the Department of Education, in consultation with the Department of State and the United States Information Agency, the Agency for International Development, the National Science Foundation, and the National Endowment for the Humanities. The executive agency of the Federative Republic of Brazil with primary responsibility for implementing this Memorandum is the Ministry of Education and Sports, in consultation with the Ministry of External Relations, the Ministry of Science and Technology, the Ministry of Communications, the National Council for Scientific and Technological Development, and the Foundation for the Coordination of Personnel Development in Higher Education. Other agencies may be invited to participate in this Partnership on both sides.

5. The Parties establish an Education Partnership Implementation Commission (EPIC) in which the representatives of the Parties will meet periodically to review progress made in implementing programs in each of the five major substantive areas that make up the Partnership. The preparation for such meetings, their timing and their agendas will be established through diplomatic channels.

6. Unless otherwise agreed, each Party and executive agency is to bear the costs of its participation.

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7. This Memorandum will take effect upon signature and activities will continue under it until December 31, 1999, after which it will be automatically extended for successive two-year periods unless one Party notifies the other in writing of its desire to terminate it no later than June 30, 1999, or six months before either Party intends to cease cooperating under this Memorandum of Understanding.

Done at Brasilia on October 14, 1997, in duplicate, in the English and Portuguese languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
FEDERATIVE REPUBLIC OF BRAZIL:

ANNEX

In the implementation of the Memorandum of Understanding, the Parties plan to undertake the following activities for the period November 1, 1997 through December 31, 1999.

Technology in Education

1. The Parties will put forward their best efforts to facilitate cooperative development, testing and evaluation of both new and existing technologies, in order to share knowledge on how they can best be used to enhance learning and communication. The Parties recognize that education and the development of a modern information infrastructure are the keys to the future in promoting economic growth and opportunity.

These efforts will be implemented through activities such as the following:

- a) Launching a dialogue with the private sector in both countries on developing a range of solutions for using technology in the classroom.
- b) Exchanging research and evaluation findings on the impact and effectiveness of technology in education on student learning and working to engage the private sector in holding meetings of experts on the effectiveness of distance learning and computer-based instruction.
- c) Cooperating on the parallel development, deployment, and evaluation of applications and tools for the Next Generation Internet Initiative (NGII) through training human resources, installing, as appropriate, state-of-the-art equipment and software, and implementing high bandwidth testbed experiments. Both governments will work to expand the collaboration of the education and science communities in these research and education efforts.
- d) Seeking to create a jointly sponsored internet-based site on the languages and cultures of the United States and Brazil. The internet site, which may be developed by teacher-training universities in the United States and Brazil, could be designed to make accessible in one place standards-related teaching materials on the two languages and cultures to facilitate substantive interaction between United States and Brazilian teachers.
- e) Exploring ways to link United States and Brazilian classrooms, teachers and students using computer and telecommunications technology. This might include a launch of an internet-based teachers forum and/or the expansion of an

international, internet-based student network such as Project GLOBE. Exploring possibilities of creating shared repositories of internet-based courseware.

f) Taking steps to facilitate the establishment of United States-Brazil school-to-school relationships among leaders in specific aspects of technology.

g) Cooperating to facilitate learning of both Portuguese and English as second languages (PSL and ESL) in the United States and Brazil, through the use of technology.

Educational Standards, Assessments and Indicators

2. Jointly convening a policy dialogue on establishing educational standards in decentralized systems. Inviting policy makers and other experts from the United States and Brazil, from the national and state levels, to share experiences in establishing standards.
3. Engaging in cooperative efforts to review and facilitate development of standards-based student assessment, by sharing experiences and technical expertise on national-level design and implementation of large scale assessments to evaluate student performance, in the context of helping all children to reach the standards.
4. Working cooperatively to develop world-class systems of education statistics and indicators compatible with existing (OECD and UNESCO) international indicator efforts.
5. Engaging in joint research and study about enhancing reading and mathematics achievement in the early grades.
6. Exchanging information and technical experts to facilitate the participation of both countries in the next round of the Third International Mathematics and Science Study (TIMSS).

Strengthening Professional Development of Teachers and School Managers

7. Initiating a dialogue about improving programs for the preparation of teachers and school managers.
8. Exploring with appropriate authorities, including at the state level, the feasibility of establishing exchanges of United States and Brazilian primary and/or secondary school teachers of Portuguese and English as second languages, to strengthen the language and cultural skills of these teachers and build the capacity of local communities in both countries to provide appropriate instructional programs.
9. Cooperating to improve the teaching and learning of science.

10. Exchanging and jointly evaluating designs and methodology of professional development for teachers, including programs delivered through distance learning.
11. Exchanging information and exploring the possibility of conducting joint research on training principals to implement school-based management.

Diversifying Educational Exchanges Between the United States and Brazil

12. Establishing an exchange program for United States and Brazilian students majoring in mutually agreed upon academic areas, such as engineering and technology, to spend up to one calendar year in our respective countries attending classes and interning in firms related to their areas of study.
13. Establishing methods for enhancing institutional linkages between United States and Brazilian universities and other educational institutions to enhance the mobility of faculty and students and promote mutual recognition of credits and studies.
14. Holding a seminar in Brazil for United States university faculty members and/or school teachers to enhance an interdisciplinary understanding of Brazilian culture. Holding a seminar in the United States for Brazilian professors and/or school teachers to enhance an interdisciplinary understanding of United States culture.

Enhancing Business, Community and Family Involvement in Education

15. Establishing a dialogue and facilitating consultation by experts to share practical experiences in strengthening the involvement of businesses, communities and families in education, and explore avenues for encouraging expansion of school-business partnerships to improve the quality of education.

Further Activities

16. The Parties, in consultation with appropriate agencies, may engage in other activities to carry out the purposes of this Memorandum of Understanding through exchange of letters.

PRESIDENT CLINTON USES LINE-ITEM VETO ON DEFENSE APPROPRIATIONS ACT OF 1998

October 14, 1997

- President Clinton used the line-item veto today to cancel 13 projects in the Defense Appropriations Act of 1998.
- The President's action will save \$144 million in budget authority in 1998.
- The Defense Appropriations Act included funding for over 750 projects, costing about \$11 billion, that the President did not request in his 1998 budget.
 - The Administration carefully reviewed those unrequested projects and found that while most of them have merit, some do not.
- The Administration has chosen criteria that are appropriate to each appropriations bill under review.
- For the Defense Appropriations Act, the President considered such factors as:
 - whether he requested the projects in his 1998 budget,
 - whether they contribute to our national security, and
 - whether they fit with our long-range defense plans.
- The President's action will in no way adversely affect our military capability, the readiness of our forces, or their operations in defense of our Nation.
 - The Defense Department has determined there is no national security requirement for these projects.
- The President left thousands of projects in the bill, including the vast majority that Congress added, reflecting his commitment to the military readiness of American forces and Congress' role in shaping appropriations bills.
 - In fact, his actions mean that he has agreed to a net addition of about \$1 billion in Defense Department funding above the level in the Bipartisan Budget Agreement.

THE LINE ITEM VETO ACT

- o **Scope of Authority.** President may cancel any item of discretionary or direct spending or any limited tax benefit, if he sends a special message to Congress identifying the item within 5 days (excluding Sundays) of signing the bill containing the item.
- o Cancellations transmitted to Congress are effective upon receipt by Congress, and remain effective unless overturned by a disapproval law.
- o The item veto may only be used on items in bills the President signs --he may not veto items that become law without his signature.
- o **Definition of Item.** The President may cancel (not reduce) whole individual "items" of discretionary spending --defined as any dollar amount in an appropriations bill or report, or any amount required to be allocated by a specific proviso in a bill or represented separately in explanatory text in a report.
- o President may cancel only the amount of spending --not conditions or restrictions on spending.
- o The President may also cancel any "item of new direct spending" --defined as a specific provision of law estimated to result in an increase in direct spending, relative to the baseline.
- o **Limited Tax Benefits.** "Limited tax benefits" that may be canceled include only revenue-losing provisions applying to 100 or fewer beneficiaries in a fiscal year (where the beneficiaries are not similarly treated), or transitional relief to 10 or fewer beneficiaries. Congress may specify in tax legislation whether the bill contains any provisions subject to cancellation authority.
- o **Lockbox.** Includes a "lockbox" mechanism: discretionary cancellations trigger automatic cap reductions, and paygo savings from cancellations are not put on paygo scorecard.
- o **Congressional procedure.** The Congress has 30 session days following a cancellation message to consider disapproval legislation, under expedited procedures.
- o Disapproval bills introduced in the House must disapprove all cancellations made with respect to a particular law. Bills introduced in the Senate may select particular cancellations. However, the bills may be amended in both chambers to alter the list of cancellations.
- o **Effective dates.** Item veto authority became effective on January 1, 1997 and will sunset on January 1, 2005.

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$30,000 thousand for Operation and Maintenance, Air Force project "SR-71" on page 75 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would provide manning, operations and support to sustain SR-71 training requirements during fiscal year 1998 and provide for a 30-day operational deployment capability. The SR-71 is a high-speed, high-altitude, long-range, multi-sensor, all-weather, wide-area surveillance aircraft. There is no military requirement to continue to operate the SR-71. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$21,870	-\$6,480	-\$900	-\$270	-\$120	\$30,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$30,000 thousand in FY 1998
Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:
 If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Operation and Maintenance

2(A). Governmental Function/Project (Account): SR-71 (Operation and Maintenance, Air Force)

2(B). States and Congressional Districts Affected: California, 21st Congressional District

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: California: five; 21st District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$9,000 thousand for Aircraft Procurement, Air Force, project "SR-71 Mods" on page 103 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would modify cameras, enhance radar processing, install a Global Positioning System navigation system, and improve electronic intelligence for the SR-71 reconnaissance aircraft. The SR-71 is a high-speed, high-altitude, long-range, multi-sensor, all-weather, wide-area surveillance aircraft. There is no military requirement to continue to operate the SR-71. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$711	-\$2,169	-\$2,961	-\$1,782	-\$765	-\$9,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$9,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:
If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Aircraft Procurement

2(A). Governmental Function/Project (Account): SR-71 Modifications (Aircraft Procurement, Air Force)

2(B). States and Congressional Districts Affected: California, 25th Congressional District.

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: California: six; 25th District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$4,000 thousand for the Research, Development Test and Evaluation, Army project titled "Gallo Center" on page 112 of House Report 105-265 dated September 23, 1997, and page 166 of House Report 105-206 dated July 25, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The President's FY 1998 Budget supports ongoing work to demonstrate and export new environmentally acceptable technology to the industrial base and to train the industrial base on the use of new technology. The appropriated increase would support life-cycle environmental and manufacturing technologies research specifically related to weapons systems and munitions technology assessment and analysis. The Army does not believe this additional research merits funding at this time.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$2,320	-\$1,320	-\$212	-\$72	-\$32	-\$4,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$4,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Test and Evaluation

2(A). Governmental Function/Project (Account): Gallo Center (Research, Development, Test and Evaluation, Army)

2(B). States and Congressional Districts Affected: New Jersey, 11th Congressional District

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: New Jersey: one; 11th District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$6,000 thousand for the Research, Development Test and Evaluation, Army project "Molten Carbonate Fuel Cells Technology" on page 113 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would research and develop alternative fuel cell technology that converts chemical energy to electricity. It has primary applications for the Department of Energy which has responsibility for alternative energy research. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$3,480	-\$1,980	-\$318	-\$108	-\$48	-\$6,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$6,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Test and Evaluation

2(A). Governmental Function/Project (Account): Molten Carbonate Fuel Cells Technology (Research, Development, Test and Evaluation, Army)

2(B). States and Congressional Districts Affected: Unknown

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Unknown

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$3,000 thousand for the Research, Development Test and Evaluation, Army project "Periscopic Minimally-Invasive Surgery" on page 113 and 116 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would research less-invasive surgery techniques that could potentially result in faster healing, less hospital time, and reduced costs. However, the Department already funds microsurgery programs with specific military applications. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$1,740	-\$990	-\$159	-\$54	-\$24	-\$3,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$3,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Test and Evaluation

2(A). Governmental Function/Project (Account): Periscopic Minimally-Invasive

Surgery (Research, Development, Test and Evaluation, Army)

2(B). States and Congressional Districts Affected: Unknown

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Unknown

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$4,000 thousand for the Research, Development Test and Evaluation, Army project "Proton Beam" on page 113 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would research a new machine that delivers radiation therapy for cancer treatment. The appropriated funds constitute a grant to a private organization for medical research that should be funded through a peer review process. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$2,320	-\$1,320	-\$212	-\$72	-\$32	-\$4,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$4,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Test and Evaluation

2(A). Governmental Function/Project (Account): Proton Beam (Research, Development, Test and Evaluation, Army)

2(B). States and Congressional Districts Affected: California, 40th Congressional District

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: California: seven; 40th District: three

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$3,000 thousand for a Research, Development, Test, and Evaluation, Navy project "Terfenol-D" on pages 119 and 122 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project is intended to enable the Navy to achieve further cost reductions in the application of a magnetorestrictive, iron/terbium/dysprosium alloy for new high performance sonar systems. This effort is to be undertaken through a partnership between any entity which has made a financial commitment and has experience in the production of the alloy and the National Center of Excellence in Metal Working Technology. The Navy has no military requirement for this technology. This project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>						
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
\$3,000	-\$1,603	-\$1,008	-\$253	-\$60	-\$33	-

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$3,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Test, and Evaluation

2(A). Governmental Function/Project (Account): Terfenol-D (Research, Development, Test, and Evaluation, Navy)

2(B). States and Congressional Districts Affected: Pennsylvania, 12th Congressional District

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Pennsylvania: three; 12th District: two

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$3,000 thousand for a Research, Development, Test, and Evaluation, Navy project for "COTS airgun as an acoustic source" on page 120 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would continue development, testing, and calibration of components for a mobile, high power broadband acoustic surveillance source that is based upon the adaptation of commercial air-gun technology. Technical review in the Department of Defense has concluded that this technology will not be effective, except in shallow water regions where there are no current requirements. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

	<u>Outlay Changes (in thousands of dollars)</u>					
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
\$3,000	-\$1,603	-\$1,008	-\$253	-\$60	-\$33	-

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$3,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Test, and Evaluation

2(A). Governmental Function/Project (Account): COTS airgun as an acoustic source
(Research, Development, Test, and Evaluation, Navy)

2(B). States and Congressional Districts Affected: Unknown

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State
and District identified above:** Unknown

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$10,000 thousand for Research, Development, Test and Evaluation, Air Force project "Military Spaceplane" on page 125 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would fund research into hypersonic technologies and is intended to complement NASA's reusable launch vehicle program. However, NASA, not the Department of Defense, is responsible for the development of reusable launch vehicles. The project is being canceled because it was not requested in the President's FY 1998 Budget, and because the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

	<u>Outlay Changes (in thousands of dollars)</u>				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Total	-\$4,272	-\$4,272	-\$887	-\$357	-\$116
\$10,000					-

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$10,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:

If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Testing and Evaluation

2(A). Governmental Function/Project (Account): Military Spaceplane (Research, Development, Testing and Evaluation, Air Force)

2(B). States and Congressional Districts Affected: New Mexico, 1st Congressional District.

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: New Mexico: three; 1st District: two

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$30,000 thousand for Research, Development, Test and Evaluation, Air Force project "Clementine" on page 125 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would test and demonstrate microelectronics for acquisition tracking and intercept of an asteroid in space using a mothership integrated with three microsatellites. The scientific objective of the mission is to obtain data on the asteroid. The project's key military application would be for space-based missile defense. The project is being canceled because it was not requested in the President's FY 1998 Budget; it was not in the Department of Defense Future Years Defense Plan; and its key military application is not part of the Department's national missile defense readiness plan.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

<u>Outlay Changes (in thousands of dollars)</u>					
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Total	-\$12,817	-\$12,820	-\$2,662	-\$1,071	-\$347
\$30,000					-

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$30,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:

If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Testing and Evaluation

2(A). Governmental Function/Project (Account): Clementine (Research, Development, Testing and Evaluation, Air Force)

2(B). States and Congressional Districts Affected: New Mexico, 1st Congressional District.

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: New Mexico: four; 1st District: three

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$1,500 thousand for Research, Development, Test and Evaluation, Air Force project "Optical Correlator Technology" on page 125 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would conduct research and development to attempt to improve optical correlator technology. The project is being canceled because it was not requested in the President's FY 1998 Budget, and because the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

	<u>Outlay Changes (in thousands of dollars)</u>				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Total	-\$641	-\$641	-\$133	-\$54	-\$17
\$1,500					

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$1,500 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:

If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Testing and Evaluation

2(A). Governmental Function/Project (Account): Optical Correlator Technology

(Research, Development, Testing and Evaluation, Air Force)

2(B). States and Congressional Districts Affected: Unknown

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$37,500 thousand for Research, Development, Test and Evaluation, Defense-wide project "ASAT" on page 130 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would fund a technology demonstration experiment to prove the feasibility of launching a seeker that would smash into an enemy's satellite, thereby disabling it. However, alternative means exist for addressing a satellite threat, such as destroying ground stations or disrupting satellite communications links. This item is being canceled because it was not requested in the President's FY 1998 Budget; it was not in the Department of Defense Future Years Defense Plan; and there are alternative ways to disrupt enemy satellite capabilities.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$16,313	-\$15,000	-\$4,500	-\$563	-\$563	-\$37,500

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$37,500 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:

If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Testing and Evaluation

2(A). Governmental Function/Project (Account): ASAT (Research, Development, Testing and Evaluation, Defense-wide)

2(B). States and Congressional Districts Affected: California, 23rd and/or 24th Congressional Districts.

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: California: eight; 23rd District: one; 24th District: one

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$2,000 thousand for Research, Development, Test and Evaluation, Defense-wide project "Risk-based toxic chemicals research" on page 133 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would address questions relating to establishment of cleanup criteria for toxic chemicals associated with base operations and for remediation of waste sites. It would duplicate ongoing research being conducted by the Department of Defense. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$870	-\$800	-\$240	-\$30	-\$30	-\$2,000

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$2,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:

If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Testing and Evaluation

2(A). Governmental Function/Project (Account): Risk-based toxic chemicals research (Research, Development, Testing and Evaluation, Defense-wide)

2(B). States and Congressional Districts Affected: Unknown.

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Unknown

**CANCELLATION OF
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)

1(A). Dollar Amount of Discretionary Budget Authority: \$1,000 thousand for Research, Development, Test and Evaluation, Defense-wide project "Defense Techlink rural technology transfer" on page 133 of House Report 105-265 dated September 23, 1997.

1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would develop a rural technology model of a five state rural region of Montana, North Dakota, South Dakota, Wyoming and Idaho. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

	<u>Outlay Changes (in thousands of dollars)</u>				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Total	-\$435	-\$400	-\$120	-\$15	-\$15
\$1,000					-

1(F). Adjustments to Defense Discretionary Spending Limits

Budget Authority: -\$1,000 thousand in FY 1998

Outlays: The estimated outlay effect for each year is shown above.

Evaluation of Effects of These Adjustments upon Sequestration Procedures:
If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

2(A). Agency: Department of Defense

2(A). Bureau: Research, Development, Testing and Evaluation

2(A). Governmental Function/Project (Account): Defense Techlink rural technology transfer (Research, Development, Testing and Evaluation, Defense-wide)

2(B). States and Congressional Districts Affected: Idaho, Montana, North Dakota, South Dakota, Wyoming; Congressional Districts unknown.

2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Idaho: three; Montana: two; North Dakota: one; South Dakota: two; Wyoming: one