Case Number: 2010-1024-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title: China (September to October 1999, POTUS - Jiang Bilateral at APEC, New Zealand) [8]				
Staff Office-Individual: National Economic Council-Lee, Malcolm				
Original OA/ID Number: CF 1177				
Row: 23	Section: 5	Shelf: 6	Position: 1	Stack: V

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Talking Points on Bilateral Issues for Meeting with MITI Minister Yosano. (6 pages)	c. 10/1999	P1/b(1)
002. note	Key Points from the Executive Summary. (2 pages)	c. 08/1999	P1/b(1)
003. draft	Response to the U.S. International Trade Commission Report on the Effects of China's Accession. (2 pages)	09/01/1999	P1/b(1)
004. list	NEC Internal Phone List. (1 page)	c. 09/1999	b(2), P6/b(6)
005. draft	Memorandum for the President from Samuel Berger and Gene Sperling. Subject: Your Trip to New Zealand for APEC. (18 pages)	09/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [8]

2010-1024-F
vz1854

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Talking Points on Bilateral Issues for Meeting with MITI Minister Yosano. (6 pages)	c. 10/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [8]

2010-1024-F
vz1854

RESTRICTION CODES

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. note	Key Points from the Executive Summary. (2 pages)	c. 08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [8]

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vz1854

RESTRICTION CODES

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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. draft	Response to the U.S. International Trade Commission Report on the Effects of China's Accession. (2 pages)	09/01/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [8]

2010-1024-F
vz1854

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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. list	NEC Internal Phone List. (1 page)	c. 09/1999	b(2), P6/b(6)

COLLECTION:
Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:
China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [8]

2010-1024-F
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SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, SEPTEMBER 9, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
EVENT COORDINATOR:	LAURA GRAHAM	
	HOME:	703-212-7642
	OFFICE:	202-456-2349
	WHCA PAGER:	4809
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	WASHINGTON, D.C.	
	HICKAM AIR FORCE BASE, HAWAII	

SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, SEPTEMBER 9, 1999
Draft Schedule

9:00 am- 9:15 am		**MEETING** OVAL OFFICE Staff Contact: John Podesta
9:15 am- 9:30 am		**BRIEFING** OVAL OFFICE Staff Contact: Samuel Berger
9:30 am- 9:45 am		**BRIEFING** OVAL OFFICE Staff Contact: Samuel Berger
9:50 am- 10:00 am		**MEETING** OVAL OFFICE Staff Contact: Stephanie Streett
10:00 am- 10:20 am		**BRIEFING** OVAL OFFICE Staff Contact: Bruce Reed
10:25 am		**THE PRESIDENT** proceeds to Presidential Hall, Old Executive Office Building
10:35 am- 11:20 am		**CRIME EVENT** PRESIDENTIAL HALL Remarks: Paul Glastris Staff Contact: Bruce Reed Event Coordinator: Laura Graham **PRESS TBD**
11:25 am		**THE PRESIDENT** proceeds to the Oval Office
11:30 am- 4:00 pm		**PHONE AND OFFICE TIME** OVAL OFFICE
4:00 pm- 4:45 pm		**BRIEFING AND TAPE RADIO ADDRESS** LOCATION TBD Staff Contact: Loretta Ucelli, Megan Moloney

DOWN FOR THE DAY

8:45	pm	**THE PRESIDENT** departs The White House via motorcade en route Reflecting Pool [drive time: 5 minutes]
8:50	pm	**THE PRESIDENT** arrives Reflecting Pool
9:00	pm	**THE PRESIDENT** departs Reflecting Pool via Marine One en route Andrews Air Force Base [flight time: 10 minutes]
9:10	pm	**THE PRESIDENT** arrives Andrews Air Force Base
9:25	pm (EST)	**THE PRESIDENT** departs Andrews Air Force Base via Air Force One en route Hickam Air Force Base, Hawaii [flight time: 9 hours, 45 minutes] [time change: -6 hours]

BC RON	**AIR FORCE ONE**
HRC RON	**TBD**

SCHEDULE OF THE PRESIDENT
FOR
FRIDAY, SEPTEMBER 10, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	AUCKLAND, NEW ZEALAND	

SCHEDULE OF THE PRESIDENT
FOR
FRIDAY, SEPTEMBER 10, 1999
Draft Schedule

1:10 am [7:10 am EST]	**THE PRESIDENT** arrives Hickam Air Force Base [REFUEL: 2 hours]
3:10 am [9:10 am EST]	**THE PRESIDENT** departs Hickam Air Force Base via Air Force One en route Auckland International Airport, Auckland, New Zealand [flight time: 8 hours, 30 minutes] [time change: +22 hours]
BC RON	AIR FORCE ONE
HRC RON	TBD

SCHEDULE OF THE PRESIDENT
FOR
SATURDAY, SEPTEMBER 11, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	AUCKLAND, NEW ZEALAND	

SCHEDULE OF THE PRESIDENT
FOR
SATURDAY, SEPTEMBER 11, 1999
Draft Schedule

9:40 am [5:40 pm EST] (NZT)		**THE PRESIDENT** arrives Auckland International Airport, Auckland, New Zealand
		Greeters: Prime Minister Jenny Shipley Governor General Sir Michael Hardie-Boys
9:55 am- 10:10 am		**ARRIVAL CEREMONY** TARMAC Auckland International Airport Event Coordinator: Julie Eddy **OPEN PRESS**
10:20 am		**THE PRESIDENT** departs Auckland International Airport via motorcade en route Stamford Plaza Hotel [drive time: 25 minutes]
10:45 am		**THE PRESIDENT** arrives Stamford Plaza Hotel
10:45 am- 3:20 pm		**DOWN TIME** STAMFORD PLAZA HOTEL
3:25 pm- 4:25 pm		**BRIEFING** ROOM 1028 Stamford Plaza Hotel Staff Contact: Samuel Berger
4:35 pm		**THE PRESIDENT** departs Stamford Plaza Hotel via motorcade en route Governor General's Residence [drive time: 15 minutes]
4:50 pm		**THE PRESIDENT** arrives Governor General's Residence

5:00	pm-	**BILAT WITH CHINESE PRESIDENT JIANG ZEMIN**
6:00	pm	ROOM TBD Governor General's Residence Remarks: Tomasz Malinowski Staff Contact: Samuel Berger Event Coordinator: Julie Eddy Interpretation: Consecutive **POOL SPRAY (AT THE TOP)** **Note: Leader plus 7 in attendance.**
6:05	pm	**THE PRESIDENT** departs Governor General's Residence via motorcade en route Stamford Plaza Hotel [drive time: 15 minutes]
6:20	pm	**THE PRESIDENT** arrives Stamford Plaza Hotel

DOWN FOR THE EVENING

BC RON	STAMFORD PLAZA HOTEL AUCKLAND, NEW ZEALAND
HRC RON	TBD

SCHEDULE OF THE PRESIDENT
FOR
SUNDAY, SEPTEMBER 12, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	AUCKLAND, NEW ZEALAND	

SCHEDULE OF THE PRESIDENT
FOR
SUNDAY, SEPTEMBER 12, 1999
Draft Schedule

8:25 am- 8:45 am		**BRIEFING** ROOM 1028 Stamford Plaza Hotel Staff Contact: Doug Sosnik Event Coordinator: Julie Eddy
8:45 am- 9:00 am		**BRIEFING** ROOM 1028 Stamford Plaza Hotel Staff Contact: Samuel Berger Event Coordinator: Julie Eddy
9:05 am		**THE PRESIDENT** departs Stamford Plaza Hotel via motorcade en route New Zealand National Maritime Museum [drive time: 5 minutes]
9:10 am		**THE PRESIDENT** arrives New Zealand National Maritime Museum Greeters: Prime Minister Jenny Shipley

9:15 am- 10:00 am	**REMARKS TO CEO SUMMIT** LOUIS VUITTON CENTER New Zealand National Maritime Museum Remarks: David Halperin Staff Contact: Samuel Berger, Gene Sperling Event Coordinator: Julie Eddy **OPEN PRESS**

Note: There will be approximately 300 guests in attendance.

- Off-stage announcement of **the President.**
- Ambassador Jim Bolger, former Prime Minister of New Zealand, makes remarks and introduces **the President.**
- **The President** makes remarks.
- John Smith, Chairman and Chief Executive Officer, General Motors, briefly thanks **the President.**
- **The President** works a ropeline and departs.

10:05 am	**THE PRESIDENT** departs Louis Vuitton Center via motorcade en route Hobson Wharf [drive time: 5 minutes]
10:10 am	**THE PRESIDENT** arrives Hobson Wharf

Greeters: (outside)	Ambassador Beeman
Greeters: (inside)	Dyer Jones, President, America's Cup Challenge Association

10:15 am- 10:55 am	**PHOTO OPPORTUNITY AND BOAT TOUR WITH *AMERICA'S CUP* TEAM** HOBSON WHARF New Zealand National Maritime Museum Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **PRE-POSITIONED POOL PHOTO ONLY**
11:00 am	**THE PRESIDENT** departs New Zealand National Maritime Museum via motorcade en route Stamford Plaza Hotel [drive time: 5 minutes]

11:05	am	**THE PRESIDENT** arrives Stamford Plaza Hotel
11:05 11:40	am- am	**BRIEFING/DOWN TIME** ROOM 1028 Stamford Plaza Hotel Staff Contact: Samuel Berger Event Coordinator: Julie Eddy
11:45 12:45	am- pm	**TRILAT WITH SOUTH KOREAN PRESIDENT KIM DAE-JUNG AND JAPANESE PRIME MINISTER OBUCHI** STAMFORD BALLROOM Stamford Plaza Hotel Remarks: David Halperin Staff Contact: Samuel Berger Event Coordinator: Julie Eddy Interpretation: Simultaneous **POOL SPRAY (AT THE TOP)** **Note: Leaders plus 8.**
12:50 1:10	pm- pm	**BRIEFING** STAMFORD BALLROOM SECTION ONE Stamford Plaza Hotel Staff Contact: Samuel Berger Event Coordinator: Julie Eddy
1:15 1:45	pm- pm	**BILAT WITH RUSSIAN PRIME MINISTER PUTIN** MERLION ROOM Stamford Plaza Hotel Staff Contact: Samuel Berger Event Coordinator: Julie Eddy Interpretation: Whisper **ARRIVAL GREETING PHOTO ONLY** **Note: Leaders plus 7.**
1:45 2:20	pm- pm	**DOWN TIME** STAMFORD PLAZA HOTEL
2:25	pm	**THE PRESIDENT** departs Stamford Plaza Hotel via motorcade en route Carlton Hotel [drive time: 5 minutes]

2:30	pm	**THE PRESIDENT** arrives Carlton Hotel Greeters: Prime Minister Jenny Shipley **Note: There will be pool press upon arrival.**
2:35 2:50	pm- pm	**MEET AND GREET WITH LEADERS** COROMANDEL ROOM Carlton Hotel Staff Contact: Samuel Berger, Gene Sperling Event Coordinator: Julie Eddy **CLOSED PRESS** **Note: Leaders only.**
2:50 3:15	pm- pm	**APEC CONFERENCE - OFFICIAL WELCOME "POWHIRI"** SECOND FLOOR LOBBY Carlton Hotel Staff Contact: Gene Sperling Event Coordinator: Julie Eddy Interpretation: Consecutive **POOL PRESS** **Note: Leaders only.**
3:30 4:20	pm- pm	**APEC CONFERENCE – LEADERS AGENDA BRIEFING** TASMAN TWO Carlton Hotel Staff Contact: Gene Sperling Event Coordinator: Julie Eddy Interpretation: Whisper **CLOSED PRESS** **Note: Leaders only.** **Note: Prime Minister Jenny Shipley will moderate discussion.**

4:30 pm- 5:45 pm		**APEC CONFERENCE – LEADERS DIALOGUE WITH ABAC** BALLROOM Carlton Hotel Remarks: Staff Contact: Gene Sperling Event Coordinator: Julie Eddy Interpretation: Simultaneous **POOL SPRAY (AT THE TOP)** **Note: Leaders only.**
6:00 pm		**THE PRESIDENT** departs Carlton Hotel via motorcade en route Stamford Plaza Hotel [drive time: 5 minutes]
6:05 pm		**THE PRESIDENT** arrives Stamford Plaza Hotel
6:10 pm- 7:25 pm		**DOWN TIME** STAMFORD PLAZA HOTEL
7:30 pm		**THE PRESIDENT** departs Stamford Plaza Hotel via motorcade en route Town Hall [drive time: 5 minutes]
7:35 pm		**THE PRESIDENT** arrives Town Hall
	Greeters: (outside)	Tia Barrett, Head of Protocol, APEC
	Greeters: (inside)	Prime Minister Jenny Shipley Mr. Burton Shipley
		Note: There will be pool press upon arrival.
7:40 pm- 8:00 pm		**MEET AND GREET WITH LEADERS** LEADERS LOUNGE Town Hall Staff Contact: Samuel Berger, Gene Sperling Event Coordinator: Julie Eddy **POOL PRESS** **Note: Leaders only.**

8:00 pm- 10:10 pm		**APEC DINNER** GREAT HALL Town Hall Staff Contact: Gene Sperling Event Coordinator: Julie Eddy **POOL SPRAY (AT THE TOP)** **Note: Black-tie attire.** **Note: Leader plus 10.**
10:15	pm	**THE PRESIDENT** departs Town Hall via motorcade en route Stamford Plaza Hotel [drive time: 5 minutes]
10:20	pm	**THE PRESIDENT** arrives Stamford Plaza Hotel
BC RON		**STAMFORD PLAZA HOTEL** **AUCKLAND, NEW ZEALAND**
HRC RON		**TBD**

SCHEDULE OF THE PRESIDENT
FOR
MONDAY, SEPTEMBER 13, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	AUCKLAND, NEW ZEALAND	

SCHEDULE OF THE PRESIDENT
FOR
MONDAY, SEPTEMBER 13, 1999
Draft Schedule

8:00 am- 8:15 am		**BRIEFING** ROOM 1028 Stamford Plaza Hotel Staff Contact: Doug Sosnik Event Coordinator: Julie Eddy
8:20 am		**THE PRESIDENT** departs Stamford Plaza Hotel via motorcade en route Auckland Museum [drive time: 10 minutes]
8:30 am		**THE PRESIDENT** arrives Auckland Museum Greeters: (outside) Tia Barrett, Head of Protocol, APEC Greeters: (inside) Prime Minister Jenny Shipley **Note: There will be pool press upon arrival.**
8:35 am- 8:55 am		**MEET AND GREET WITH LEADERS** MAURI COURT Auckland Museum Staff Contact: Gene Sperling Event Coordinator: Julie Eddy **CLOSED PRESS** **Note: Leaders only.**
9:00 am- 11:45 am		**LEADERS RETREAT - SESSION ONE** LEADERS MEETING ROOM Auckland Museum Staff Contact: Gene Sperling Event Coordinator: Julie Eddy Interpretation: Simultaneous **POOL SPRAY (AT THE TOP)** **Note: Leaders only.** **Note: Prime Minister Jenny Shipley will moderate discussion.**

12:00 pm- 12:15 pm		**CLASS PHOTO** LAWN Auckland Museum Staff Contact: Gene Sperling Event Coordinator: Julie Eddy **OPEN PRESS** **Note: There will be pre-positioned pool on the walk to Winter Garden Pavilion.**
12:30 pm- 2:00 pm		**LEADERS LUNCH** WINTER GARDEN PAVILION Auckland Museum Staff Contact: Gene Sperling Event Coordinator: Julie Eddy Interpretation: Whisper **PRESS TBD** **Note: Leaders only.** **Note: Pull-aside with Phillipines and Thailand.**
2:30 pm- 3:45 pm		**LEADERS RETREAT - SESSION TWO** LEADERS MEETING ROOM Auckland Museum Staff Contact: Gene Sperling Event Coordinator: Julie Eddy Interpretation: Simultaneous **CLOSED PRESS** **Note: Leaders only.** **Note: Prime Minister Jenny Shipley will moderate discussion.**
4:00 pm- 4:20 pm		**READING OF THE DECLARATION** MUSEUM STEPS Auckland Museum Staff Contact: Gene Sperling Event Coordinator: Julie Eddy **OPEN PRESS**
4:30 pm		**THE PRESIDENT** departs Auckland Museum via motorcade en route Aotea Centre [drive time: 10 minutes]
4:40 pm		**THE PRESIDENT** arrives Aotea Centre

4:45 6:10	pm- pm		**BRIEFING/DOWN TIME** ROOM 13 Aotea Centre Staff Contact: Samuel Berger Event Coordinator: Julie Eddy
6:15 6:45	pm- pm	(T)	**SIGNING WITH VIETNAMESE PRIME MINISTER KHAI** ASB THEATRE Aotea Centre Remarks: Ted Widmer Staff Contact: Samuel Berger, Gene Sperling Event Coordinator: Julie Eddy **OPEN PRESS**
6:50	pm		**THE PRESIDENT** departs Aotea Centre via motorcade en route Stamford Plaza Hotel [drive time: 10 minutes]
7:00	pm		**THE PRESIDENT** arrives Stamford Plaza Hotel

DOWN FOR THE EVENING

BC RON	**STAMFORD PLAZA HOTEL** **AUCKLAND, NEW ZEALAND**
HRC RON	**TBD**

SCHEDULE OF THE PRESIDENT
FOR
TUESDAY, SEPTEMBER 14, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	AUCKLAND, NEW ZEALAND	

SCHEDULE OF THE PRESIDENT
FOR
TUESDAY, SEPTEMBER 14, 1999
Draft Schedule

8:00	am	**THE PRESIDENT** departs Stamford Plaza Hotel via motorcade en route Auckland International Airport, Auckland, New Zealand [drive time: 25 minutes]
8:25	am	**THE PRESIDENT** arrives Auckland International Airport
8:40	am	**THE PRESIDENT** departs Auckland International Airport via Air Force One en route Queenstown Airport TBD, Queenstown, New Zealand [flight time: 2 hours, 15 minutes **WITH INTERCHANGE**]
10:55	am	**THE PRESIDENT** arrives Queenstown Airport TBD
11:10	am	**THE PRESIDENT** departs Queenstown Airport TBD via motorcade en route Millbrook Resort [drive time: tbd]
11:25	am	**THE PRESIDENT** arrives Millbrook Resort

DOWN FOR THE DAY AND EVENING

BC RON	MILLBROOK RESORT QUEENSTOWN, NEW ZEALAND
HRC RON	TBD

SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, SEPTEMBER 15, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	QUEENSTOWN, NEW ZEALAND	
	CHRISTCHURCH, NEW ZEALAND	
	HICKAM AIR FORCE BASE, HAWAII	

SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, SEPTEMBER 15, 1999
Draft Schedule

8:15	am	**THE PRESIDENT** departs Millbrook Resort via motorcade en route Queenstown Airport TBD, Queenstown, New Zealand [drive time: tbd]
8:30	am	**THE PRESIDENT** arrives Queenstown Airport TBD
8:45	am	**THE PRESIDENT** departs Queenstown Airport TBD via Air Force One en route Christchurch International Airport, Christchurch, New Zealand [flight time: 1 hours, 25 minutes **WITH INTERCHANGE**]
10:10	am	**THE PRESIDENT** arrives Christchurch International Airport
10:25	am	**THE PRESIDENT** departs Christchurch International Airport via motorcade en route Antartica Center [drive time: tbd]
10:40	am	**THE PRESIDENT** arrives Antarctica Center
10:45 11:00	am- am	**BRIEFING** ROOM TBD Antarctica Center Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **PRESS TBD**
11:00 11:15	am- am	**TOUR OF ANTARCTICA CENTER** ROOM TBD Antarctica Center Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **CLOSED PRESS**

11:30 12:30	am- pm		**REMARKS TO PEOPLE OF NEW ZEALAND** ROOM TBD Antarctica Center Remarks: Paul Orzulak Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **OPEN PRESS** **Note: There will be approximately tbd guests in attendance.**
12:45	pm		**THE PRESIDENT** departs Antarctic Centre via motorcade en route Sign of the Takahe [drive time: tbd minutes]
1:00	pm		**THE PRESIDENT** arrives Sign of the Takahe
1:00 1:30	pm- pm		**BRIEFING** ROOM TBD Sign of the Takahe Staff Contact: Samuel Berger Event Coordinator: Julie Eddy
1:30 2:00	pm- pm		**BILAT WITH PRIME MINISTER SHIPLEY OF NEW ZEALAND** ROOM TBD Sign of the Takahe Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **CLOSED PRESS**
2:00 2:30	pm- pm		**BRIEFING** ROOM TBD Sign of the Takahe Staff Contact: Samuel Berger Event Coordinator: Julie Eddy
2:30 3:00	pm- pm	(T)	**POSSIBLE JOINT PRESS STATEMENT** ROOM TBD Sign of the Takahe Remarks: David Halperin Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **PRESS TBD**

3:25	pm	**THE PRESIDENT** departs Sign of the Takehe via motorcade en route Millennium Hotel [drive time: 15 minutes]
3:40	pm	**THE PRESIDENT** arrives Millennium Hotel
4:00 4:30	pm- pm	**MEETING WITH OPPOSITION LEADER CLARKE** ROOM TBD Millennium Hotel Remarks: Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **PRESS TBD**
4:30 7:15	pm- pm	**DOWN TIME** MILLENNIUM HOTEL
7:15	pm	**THE PRESIDENT** departs Millennium Hotel via motorcade en route Wigram Air Museum [drive time: 20 minutes]
7:30	pm	**THE PRESIDENT** arrives Wigram Air Museum
7:40 10:00	pm- pm	**GALA DINNER WITH PRIME MINISTER SHIPLEY OF NEW ZEALAND** ROOM TBD Wigram Air Museum Remarks: Paul Orzulak Staff Contact: Samuel Berger Event Coordinator: Julie Eddy **PRESS TBD** **Note: This is a black tie event.** **Note: There will be approximately 300 guests in attendance.**
10:00	pm	**THE PRESIDENT** departs Wigram Air Museum via motorcade en route Christchurch International Airport [drive time: 10 minutes]
10:10	pm	**THE PRESIDENT** arrives Christchurch International Airport

10:25 pm (NZT)		**THE PRESIDENT** departs Christchurch International Airport via Air Force One en route Hickam Air Force Base, Hawaii [flight time: 8 hours, 50 minutes] [time change: -22 hours]
9:15 am (PST)		**THE PRESIDENT** arrives Hickam Air Force Base
9:25 am- 5:00 pm		**REFUEL/DOWN TIME**
5:15 pm		**THE PRESIDENT** departs Hickam Air Force Base via Air Force One en route Andrews Air Force Base [flight time: 8 hours, 45 minutes] [time change: +6 hours]

BC RON **AIR FORCE ONE**

HRC RON **TBD**

SCHEDULE OF THE PRESIDENT FOR THURSDAY, SEPTEMBER 16, 1999

Draft Schedule

SCHEDULING DIRECTOR:	STEPHANIE STREETT	
	HOME:	202-332-5651
	OFFICE:	202-456-2823
	WHCA PAGER:	4824
PRESS DESK:	DORI SALCIDO	
	HOME:	703-548-6466
	OFFICE:	202-456-5771
	WHCA PAGER:	4844
TRIP COORDINATOR:	JULIE EDDY	
	HOME:	202-546-3838
	OFFICE:	202-456-5330
	WHCA PAGER:	4560
WEATHER:	WASHINGTON, D.C.	

SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, SEPTEMBER 16, 1999
Draft Schedule

9:45	am (EST)	**THE PRESIDENT** arrives Andrews Air Force Base
10:00	am	**THE PRESIDENT** departs Andrews Air Force Base via Marine One en route The White House [flight time: 10 minutes]
10:10	am	**THE PRESIDENT** arrives The White House

DOWN FOR THE DAY AND EVENING

BC RON	THE WHITE HOUSE WASHINGTON, D.C.
HRC RON	TBD

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. draft	Memorandum for the President from Samuel Berger and Gene Sperling. Subject: Your Trip to New Zealand for APEC. (18 pages)	09/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [8]

2010-1024-F
vz1854

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Office of Japan

Office of the U.S. Trade Representative
Executive Office of the President

Fax: (202) 395-3597
Phone: (202) 395-5070

Facsimile Transmittal

To: Malcolm Lee, 456-9290
From: Tom Kelly
Re: Japan Briefing Materials
Date: August 23, 1999
Pages: 14 page(s) total, including this cover sheet

LAEL
cc: GENE

Our latest generic briefer is attached.

- JAPAN BACKGROUND
- FOR MEETING W/ DIET MEMBERS

SUMMARY OF KEY TRADE ISSUES WITH JAPAN
AUGUST, 1999

GENERAL TRADE ISSUES

- The United States is pleased that there are some signs that Japan's economy is beginning to grow.

- The Administration continues to hope and push for an economically strong, healthy, and more open Japan. Not only do we look to Japan as a market for our goods and services, but we also need Japan as a partner in restoring prosperity to Asia.

- As such, it is essential that Japan continue to work to stimulate its economy, fortify its financial system, undertake aggressive deregulation and fully open Japanese markets to foreign goods and services.

- We have been watching the Obuchi Administration's efforts to boost Japanese industrial competitiveness with great interest, and we congratulate Japan on the recent passage of a series of key legislation in support of this goal.

- We hope that these efforts will be successful. Without continued meaningful structural reform of the Japanese economy, a return to sustained economic growth will be very difficult.

- Linked to this is the strong concern in the United States that the near-record and growing bilateral trade deficit (which reached $64.1 billion in 1998, just under the record $65.6 billion set in 1994), could become a significant source of considerable tension between our two countries.

- As the United States' economy has continued to grow, the American people and American political leadership have remained supportive of free trade. However, the growing deficit, coupled with any perception of unfair trade and continued market access problems with respect to such countries as Japan, could cause this consensus to disappear.

- It is critical that we work together with Japan to make concrete progress on outstanding trade issues to ensure that increased tension at this time is avoided, particularly as we lead up to the November WTO Ministerial.

SPECIFIC ISSUES

<u>Steel</u>

- Unfortunately, steel continues to be at the forefront of our trade relationship with Japan.

- Last year steel imports from Japan and a number of other countries increased by more than 100 percent, and the U.S. market has not yet recovered from last year's steel import surge. Rather, despite continued strong U.S. demand, prices remain depressed and capacity utilization rates remain low.

- In response to last year's unprecedented import surge, the steel industry filed a number of antidumping cases, including the cold-rolled case.

- All actions taken by the USG in conducting these cases have been fully in accordance with our statute, established procedures, and our WTO requirements.

- It is very important that Japan continues to reduce its steel shipments to pre-crisis levels.

- The Administration remains very focused on this issue and we are interested in further exploring with our trading partners the causes for repeated trade friction in this sector.

- As you know, in early August, the Clinton Administration announced a new Steel Action Program, and USTR has recently made formal requests for consultations with Japan on this key subject.

WTO

- This year, the United States will host the World Trade Organization's (WTO) Ministerial Conference in Seattle which will launch a new Round of international trade negotiations.

- The United States believes that the agenda for this Round must be broad enough to address market access priorities of all Members, including the built-in agenda of agriculture and services as well as non-agricultural goods, but manageable enough to complete within three years.

- As such, special attention should be paid to those areas in which trade policy can encourage technological progress notably in electronic commerce. Related to this, we believe that it would be appropriate to initiate a forward work-program that would help us more fully understand the implications of newer topics and build consensus for the future.

- Other key areas include accession, institutional reform, and

- We have appreciated the close partnership we have been able to establish with the Government of Japan aimed at ensuring that the upcoming Round is a success, and we hope to work even more closely with your Government in the coming months to develop consensus on an agenda.

- On that note, I would like to emphasize that the U.S. hopes and expects to reach agreement to expand market access opportunities in two key areas: 1) Information Technology Agreement II; and 2) Accelerated Tariff Liberalization.

- Related to the Accelerated Tariff Liberalization effort, the United States was pleased with the decision made by the Ministers in Kuala Lumpur last year to send the tariff elements of the package of sectoral initiatives to the WTO for negotiation and final agreement.

- As we have made crystal clear since that time, we believe the position taken by Japan, which precluded it from engaging in the fish and forest products sectors while they were being negotiated in APEC, was very disappointing and irresponsible.

- The Kuala Lumpur Ministerial result represents a real commitment on the part of Japan to negotiate tariff reductions in all eight sectors, including fish and forest products, in the WTO. It is important, both for APEC and U.S.--Japan relations, that Japan play a constructive role in working to conclude agreement in 1999 -- as it specifically agreed to do in Kuala Lumpur.

Deregulation

- The United States strongly believes that the success of Japan's efforts to deregulate its economy will have a far reaching impact not only on the future of Japan, but also on the future of U.S.-Japan trade relations.

- Support for pro-competitive practices is essential to secure new investment, new technology development, entrepreneurship and the creation of new economic opportunities that Japan needs to turn around its economy and restore growth.

- As Prime Minister Obuchi has observed, "We realize that unless we adopt a more flexible economy driven by the market, Japan is doomed to economic and technological decline."

- Success of our bilateral efforts with Japan to promote and implement deregulation under our Enhanced Initiative on Deregulation and Competition Policy is therefore vitally important.

- The Enhanced Initiative is an important component of the Administration's strategy to further open the Japanese market and is designed to complement ongoing bilateral enforcement efforts with respect to such issues as steel, insurance, flat glass, autos & auto parts, government procurement; and our multilateral agenda in APEC and the WTO to reduce Japanese trade barriers.

- On May 3, the President and Prime Minister Obuchi announced a package of new deregulation measures in a Second Joint Status Report under the Enhanced Initiative designed to substantially deregulate Japan's telecommunications, housing, medical devices, pharmaceuticals, energy, distribution, and financial services sectors, and to address cross-cutting competition policy and transparency issues.

- Recognizing the importance of continued deregulation in Japan, both governments also agreed to continue their work under the Enhanced Initiative for a third year.

- The United States is currently compiling a package of deregulation proposals which it intends to submit to Japan in September.

- Both governments are aiming to issue a Third Joint Status Report by the end of March 2000.

FULL IMPLEMENTATION OF BILATERAL TRADE AGREEMENTS

- The Administration views full and faithful implementation of our bilateral trade agreements as a critical component of our Japan trade policy.

- We understand that serious issues have arisen related to the implementation of several U.S.-Japan agreements in key sectors such as insurance, flat glass, government procurement, especially computers, and autos and auto parts.

- I would like to emphasize to you that we view it as extremely important that we continue to achieve concrete progress under these agreements at this key time -- and a time when our trade imbalance is growing so rapidly and other trade issues, such as steel, are increasingly becoming the focus of concern in Washington.

Insurance

- The United States and Japan held consultations in April 1999 to review implementation of our bilateral insurance agreement.

- These consultations addressed a wide range of issues, primarily focused on Japan's implementation of measures to deregulate its primary insurance sectors and on measures proscribing the activities of large Japanese insurers in the third sector.

- Representatives from the National Association of Insurance Commissioners joined the interagency delegation at these consultations, chaired by USTR and including representatives from the Departments of Justice, Commerce, State and Treasury, as well as the U.S. Embassy in Tokyo.

- While these consultations, the first U.S.-Japan consultations since the establishment of the Financial Supervisory Agency, were useful, it is important that both governments continue to engage on the insurance issue. The United States has therefore requested consultations with Japan in September.

- We look forward to working constructively with Japan to resolve outstanding issues.

Flat Glass

- There are still a number of impediments to access to Japan's flat glass market. It is essential that they be addressed. We therefore welcome the continuing bilateral discussions on this issue.

- The JFTC survey raises as many questions as it answers regarding competition in the Japanese flat glass market. It is essential that the JFTC continue to work with the U.S. Government to review ongoing problems such as intensifying equity links between distributors and manufacturers and the use of irregular pricing practices, sales targets, and rebates by Japanese manufacturers.

- The U.S. Government will continue to be concerned about this issue until the Japanese Government takes substantive steps to address the anti-competitive problems that plague this sector.

Government Procurement

- The U.S. Government remains seriously concerned with the notable lack of progress to date under several of our bilateral government procurement agreements, including Construction, Computers, Telecommunications, and Supercomputers.

- Already, in several sectors covered by our bilateral agreements, we have reached a point where foreign share of the Japanese government market has declined to levels at or below what they were the corresponding agreements were signed. This is unacceptable.

- For example, U.S. share of the $250 billion Japanese construction market has been decreasing since the 1994 Public Works Agreement was implemented. Last year U.S. firms won only $50 million in contracts – only .02% of the market.

- Recent discussions regarding the public works sector led to the creation of the U.S.-Japan Construction Cooperation Forum in order to facilitate U.S. firms' participation in Japan's $250 billion construction market.

- We are carefully watching progress in this and other key sectors, and do not want to see government procurement grow into another long-term irritant in the U.S.-Japan trade relationship.

- It is essential that the Japanese Government work together with us to get us back on track to achieve the joint goal of our procurement agreements -- namely, to increase foreign firms' access to and sales in the Japanese public sector. In the end, our expectation is that U.S. sales in the Japanese public sector will be much more reflective of U.S. sales in the Japanese private sector and around the world.

Autos and Auto Parts

- While we saw initial progress under the 1995 U.S.-Japan Automotive Agreement, trends over the past year have been largely negative. Sales in Japan of autos produced by the Big Three declined 35 percent in 1998 over the previous year and fell 29 percent in the first quarter of 1999 over the same period the previous year. Moreover, exports of U.S.-made auto parts to Japan fell 7 percent in 1998, the first decline since the 1995 Automotive Agreement was signed.

- These trends are the result of Japanese Government reluctance to take additional steps to actively deregulate and fully open the Japanese the automotive sector, as well as the protracted recession.

- Senior-level Administration officials have raised their serious concerns over these trends in recent meetings with their Japanese counterparts.

- They also have strongly urged Japan to implement the 11 new concrete proposals that the U.S. Government present to Japan, which include measures to increase competition in the auto parts market and strengthen dealerships.

- The United States proposed eliminating unnecessary requirements of the shaken repair and inspection system to allow more garages, particularly independent garages -- which are more inclined to use foreign auto parts -- to conduct inspections and repairs. Japan has agreed to work with us on identifying potential target for streamlining under this system.

- The United States also proposed that the Japanese Government remove additional items from the disassembly repair regulations in order to enhance competition in this sector and lower costs. In addition, Japan agreed to further liberalize the certified mechanics system at the request of United States.

- The U.S. Government will discuss the progress the Japanese Government has made on these issues at our next annual review under the U.S.-Japan Automotive Agreement, which will be held in October.

- The U.S. Government is closely following developments regarding Japan's new fuel economy regulation, which became effective on April 1, 1999. The U.S. Government fully recognizes the important environmental concerns that underlie this regulation. At the same time, we will continue to monitor this issue to ensure that the rulemaking process is fully transparent and that foreign vehicle manufacturers receive treatment no less favorable than that offered to domestic manufacturers. The United and Japan held consultations on this issue last, and the two sides will continue these discussions in early September.

BACKGROUND

Steel

Anti Dumping:

Japan is concerned that political pressure from the steel industry and labor unions could hamper fair and objective handling of steel antidumping cases. A series of recent antidumping petitions, together with the steel industry's support for a protectionist trade bill, is most alarming to Japan as it could lead to a general momentum of protectionism in the US.

Corporate Restructuring:

On June 11, 1999, Japan announced an industrial restructuring and employment package aimed at market oriented industrial and corporate restructuring in Japan's economy. The United States supports these objectives, provided that they promote increased competition and do not provide hidden subsidies.

Steel Action Plan:

Japan accounted for 40% of the 1998 U.S. import surge and, in January 1999, the Administration announced its "expectation" that imports from Japan would soon return to pre-crisis levels, and that we would consider self-initiating trade cases if they did not. Based on average U.S. import data for 1995-1997 the notional pre-crisis level is 2.1 million metric tons (MMT). Japan recently informed us that it expects its 1999 export level to be on a par with its 1997 exports which were 2.7 MMT. However, Japan expects that semifinished products will account for a higher share of exports in1999 (some of the 1999 share may also be pig iron which we do not count as "steel").

Japan has complained that, since the hot rolled case, U.S. producers have filed additional dumping cases on cold rolled sheet, pipe and tube, and structural shapes, as well as a 201 case on wire rod. Thus, 82.5 percent of Japan's current steel exports to the United States are covered by trade cases.

The Steel Action Program announced on August 5, 1999, seeks to initiate a steel dialogue with Japan. Our key objective would be to better understand and to review the implications of Japan's industrial restructuring programs on Japan's steel industry. We will, among other things, endeavor to ensure such plans do not involve unfair or trade distorting subsidies, government programs or government policies that would support excess production capacity. <u>In an informal, preliminary discussion, MITI was receptive to such a dialogue, as it would increase transparency and understanding, and better identify issues of concern.</u> Japan is interested in exploring multilateral approaches and supports establishment of an industry forum (under the OECD Steel Committee structure) to discuss global steel issues. A bilateral forum would also provide an opportunity to raise issues of concern to Japan with respect to our trade laws. We envisage working level meetings about twice a year, similar to the process underway with Korea.

WORLD TRADE ORGANIZATION (WTO)/

ACCELERATED TARIFF LIBERALIZATION

In November 1997, APEC leaders agreed to pursue a program of trade liberalization in 15 specific sectors. Work in nine of these sectors (which comprises approximately $1.5 trillion in world trade) was to have been completed in 1998, hence the designation "early voluntary sectoral liberalization" (EVSL). These sectors are: environmental goods and services, energy goods and services, fish, forest products, medical equipment, chemicals, gems and jewelry, toys, and telecommunications. The remaining six sectors -- food, rubber, fertilizers, automotive, civil aircraft, and oilseeds -- were put on a slower track and will be dealt with in the future.

The aim of the EVSL initiative was to comprehensively eliminate or reduce tariff and non-tariff barriers and to facilitate economic and technical cooperation in each of the sectors. While U.S. tariffs in most of the sectors is relatively low, tariffs in APEC countries range from 10-20 percent and tariffs of over 25 percent in the fish and chemicals sectors are not uncommon.

While Japan's leaders agreed to the original APEC EVSL plan in 1997, despite intense U.S. and other international pressure, their position coming in to the Kuala Lumpur APEC Trade Ministerial was that Japan would not participate in tariff reductions in fish and forest products sectors in APEC, but would consider such tariff cuts in the WTO as part of a comprehensive new round. At the Kuala Lumpur Ministerial, Japan agreed to language in the Ministerial Declaration that commits it to participate in negotiations on the tariff elements of the sectoral initiatives developed by APEC in the WTO "with a view towards further improving ... participation and endeavoring to conclude agreement in the WTO in 1999; and by working constructively to achieve critical mass in the WTO necessary for concluding agreement in all 9 sectors."

The U.S. Government views this language as a concrete commitment that confers the obligation not only to try to negotiate closure of these agreements in 1999, but to seek commitments from others to reach critical mass.

DEREGULATION

BACKGROUND

DEREGULATION

The United States has long promoted deregulation in Japan based upon the belief that deregulation will strengthen the foundations of the Japanese economy, increase business and employment opportunities throughout Japan, open Japan's markets to its trading partners, and improve the standard of living and long-term economic and financial security of the Japanese people. Meaningful and timely deregulation is a critical complement to effective macroeconomic policies to restore domestic demand-led growth to the Japanese economy. Moreover, the current global economic crisis, and particularly the serious economic downturns experienced by many of Japan's Asian neighbors, makes all the more pressing the need for Japan to take forceful action to deregulate and open its markets.

As such, the Enhanced Initiative on Deregulation and Competition Policy ("Enhanced Initiative") was launched in June 1997 by President Clinton and then Prime Minister Hashimoto as the centerpiece of bilateral deregulation efforts. The two Governments announced the First Joint Status Report on the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy (" First Joint Status Report") one year later, during the Birmingham Summit. The Report details measures Japan will undertake to deregulate and open its telecommunications, housing, financial services, and medical devices/pharmaceuticals sectors, as well remove market access barriers in such structural areas as distribution, competition policy, and transparency. The two governments also agreed to add deregulation of the energy sector under this initiative. In October 1998, the U.S. established the agenda for the second year under the Enhanced Initiative when it provided Japan with a submission containing more than 270 proposals for deregulation in Japan.

On May 3, the President and Prime Minister Obuchi announced the Second Joint Status Report under the Enhanced Initiative. This package of deregulatory measures builds on the progress achieved in Birmingham as well as including measures for deregulation of entirely new areas, such as energy. Some of the key measures contained in this report include:

Given the importance of deregulation in Japan, both governments agreed to continue their efforts under the Enhanced Initiative for a third year and to work to compile a third package of deregulatory measures by the end of Japan's fiscal year in March 2000.

FULL IMPLEMENTATION OF TRADE AGREEMENTS

Insurance

Under the bilateral Insurance Agreement reached in December 1996, the two Governments were to determine by July 1, 1998 whether Japan had fully implemented a number of specific deregulatory measures designed to open Japan's primary insurance sectors to effective competition. In July, USTR announced that Japan has not yet fully implemented all of the specific deregulation actions called for in our bilateral insurance agreement on the time line envisioned by both Governments. Therefore, the United States continues to be opposed to initiating the process to terminate certain measures contained in the bilateral agreement concerning the third sector, where non-Japanese insurance companies have been positioned to get a toe-hold in the closed Japanese market, until Japan fully meets its primary sector deregulation obligations.

Deregulation of the primary sector, comprising 95 percent of Japan's $335 billion insurance market, is a key element of the bilateral insurance agreement and essential to increasing market access for U.S. and other foreign firms in Japan. Japanese companies dominate Japan's insurance market, particularly in the primary sector where they control 98 percent of the life business and 97 percent of the non-life business.

They also control 84 percent of the third sector's non-life business but only have a 32 percent share of third sector life underwriting, where foreign firms, led by U.S. companies AFLAC, AIG and CIGNA, have acquired a 68 percent market share.

The United States has raised concerns with Japan's implementation of reforms to its rating organizations. The rating organizations traditionally have acted as cartels imposing uniform industry-wide insurance rates on consumers for such products as voluntary automobile insurance and fire insurance. Specifically, U.S. concerns include continued collection by the rating organizations of expense data from member firms, lack of transparency and foreign participation in the decisions of the rating organizations, and possible expansion of the rating organization's authority to cover new product categories.

The United States has also raised concerns regarding the processing of new product and rate applications by Japan's regulatory agencies. For example, the United States has raised with Japan a number of specific cases where the Finance Ministry exceeded the standard 90-day period for processing insurance applications for new products or rates.

In addition to primary sector deregulation, the United States has informed Japan of its concern with Japan's licensing of a cancer rider to Tokyo Anshin, the life subsidiary of a large Japanese insurance company, Tokyo Fire and Marine. Based on its design and marketing, this rider appears intended to circumvent the third sector provisions of the 1996 Insurance Agreement which prohibited Japanese life subsidiaries from marketing stand-alone cancer policies.

A USTR-led an interagency team met with Japanese government representatives on April 16 in Washington D.C. to address these and other issues related to primary sector deregulation, as well as the activities of large Japanese insurers and their subsidiaries in the third sector.

The Administration is prepared to utilize all of the tools at our disposal to ensure the full benefits to U.S. industry from our bilateral Insurance Agreement. With the entry into force of the WTO Financial Services Agreement on March 1, the United States now enjoys multilateral rights of enforcement under the WTO Dispute Settlement rules with respect to measures Japan has committed to take to deregulate and open its insurance market. Of course, we continue to retain our rights under U.S. trade law to enforce our trade agreements.

Notwithstanding, the United States desires to address all outstanding issues with Japan on insurance in a constructive manner. As such, it is essential the both governments continue the dialogue begun in April to narrow our differences. The United States has proposed to meet again with Japan in September on insurance.

Flat Glass

Flat glass is a classic example of Japanese resistance to open markets. Despite their extensive experience and success in other countries and many years of active efforts in Japan, two U.S. companies, Guardian Industries and PPG Industries, have failed to break the stranglehold of Japan's flat glass oligopoly.

In January 1995, the United States and Japan concluded an agreement aimed at opening the channels through which glass was marketed. Through a variety of methods, including majority ownership, these distribution channels are tightly controlled by three Japanese glass companies. The Agreement provides that Japanese glass firms will take a variety of measures to assure that foreign glass has full access to the distribution network. The Government of Japan also commits in the Agreement to remove discrimination in public works projects, and to promote the use of insulated and safety glass, where American companies have superior products. An annual survey is undertaken under the Agreement to assess the openness of the distribution system.

The Agreement has helped American firms to a certain extent. For example, it induced Japan to feature American glass in a number of high-profile public construction projects. In addition, it obligated Japan to adopt new energy conservation standards that will raise the demand for insulated glass. But the basic problem remains the same: U.S. glass manufacturers still have about two percent of the Japanese flat glass market, despite the fact that Japanese companies and distributors acknowledge the high quality and lower cost of American glass. Foreign companies supply about seven percent of Japan's flat glass market; in most other major industrial markets, including the United States and the EU, foreign-owned companies supply about 38 percent of the domestic flat glass market through imports and in-country production.

The President has raised the flat glass issue with Prime Minister Obuchi on a number of occasions, most recently during their Summit meeting May 3. He told the Prime Minister that Japan's full compliance with all U.S.-Japan trade agreements, including flat glass, was essential.

The United States and Japan met June 14-15 in Tokyo to review implementation of the Agreement. Discussion focused on the substance of recent surveys of the sector by MITI and the Japan Fair Trade Commission, which confirmed a number of troubling trends that are likely to reinforce the dominance of Japanese manufacturers over the market.

At the meeting, the United States urged Japan to further look into critical issues such as increasing equity ties between Japanese manufacturers and distributors, the imposition of sales targets and security deposit requirements on distributors by the manufacturers, and their irregular pricing practices and deficient Antimonopoly Law compliance programs. Japan subsequently accepted some, but not all, of the U.S. proposals, and the JFTC has rejected our request for further dialogue. We are seeking a meeting with Japan in the early Fall to discuss our concerns in greater depth. The United States remains determined to press Japan until its flat glass market is truly open and competitive.

Government Procurement

Over the last decade, the U.S. and Japanese Governments have concluded bilateral government procurement agreements covering six important sectors: telecommunications (including an agreement on Nippon Telegraph and Telephone [NTT] Procurement), computers, supercomputers, construction, satellites and medical technology. The agreements provide for open, non-discriminatory and transparent procurement procedures with the stated goal of significantly increasing foreign access in the Japanese public sector market. The agreements also attempt to ameliorate specific traditional Japanese procurement practices which have historically prevented U.S. and other foreign firms from fully and equally participating in the Japanese public market. For example, agreement provisions include Japanese pledges to: provide equal access to all public information at all phases of the procurement for upcoming procurements; to decrease the number of sole-sourced procurements; and to design impartial bid protest systems.

Over the last several years, however, there has been a notable downward trend in Japanese government purchases of foreign goods and services in the majority of the sectors covered by our bilateral agreements. Most recently the focus has been on Japanese public works, with the visit of Commerce Department Undersecretary David Aaron to Tokyo at the end of July to chair the annual review of our bilateral construction agreements. At this review, the United States expressed strong disappointment with the fact that the U.S. share of the $250 billion Japanese construction market has been decreasing since the 1994 Public Works Agreement was implemented. Last year U.S. firms won only $50 million in contracts – only .02% of the market. The record "high" was $300 million won by U.S. firms in the late 1980s; however, this number was also considered by both sides to be unrealistically low.

The U.S. Government has also recently offered suggestions and pursued issues related to Japanese implementation of the Computer and Supercomputer Agreements. However, the Japanese Government has shown a strong reluctance to seriously engage with us on this issue, despite the declining numbers.

A more open and transparent public procurement system will encourages competition throughout the Japanese economy and it allows the Government to spend its taxpayers money in a more efficient and productive way by encouraging lower costs and greater value for the money spent. The United States is also well-poised to benefit from movement in this direction, as U.S. firms are world leaders in a variety of goods and services that the Government of Japan procure on a regular basis. The U.S. Government continues to actively pursue these issues with the Government of Japan at all opportunities.

Autos and Auto Parts

The United States has raised concerns regarding recent trends in U.S.-Japan automotive trade at every level, and has stated that we expect to see continued progress under this Agreement, despite the Japanese recession. To address specific U.S. concerns related to the Japanese market and to ensure continued progress under the Agreement, the United States made 11 specific proposals to the Japanese Government. Among these were proposals to streamline the new car registration system, ensure that the proposed new fuel economy standards are non-discriminatory, and streamline the *shaken* inspection procedures and related equipment requirements.

During the informal working-level consultations held on February 25 in Tokyo, the United States and Japan discussed the status of these proposals. Japan informed the United States of its intention to take specific measures, including establishing a "one-stop shop" to streamline this system. In the auto parts area, Japan agreed to establish a dialogue on ways to streamline the shaken inspection system and to further liberalize the certified mechanics system. Through this proposal, the U.S. Government hopes to promote the establishment of specialized garages, which were created under the Auto Agreement to encourage the development of an independent repair market.

The U.S. Government also has raised with Japan its concerns about its new fuel economy standard and questions about the manner in which Japan intends to administer the new regulation, which will go into effect in 2010. The two sides held consultations on this issue on March 22-23, 1999, during which the Japanese Government provided the United States with additional information about the regulation. The United States is studying this new information and the two sides will consult further on this issue on September 8-9 in Washington.