

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	To Mark D. Gearan from Simon Rosenberg re: DNC Plan for Economic Speech Support (19 pages)	02/15/93	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Maggie Williams (Subject Files)
OA/Box Number: 9478

FOLDER TITLE:

Economic Package [2]

2013-0359-S

ry1395

RESTRICTION CODES

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

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

- 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]

- 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]

- 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.

SUPPORTERS

*File
Economic
Program*

9 to 5

ACTWU

Advocacy Institute

AFL-CIO Executive Committee

AFSCME

AFT

Aids Action Council

American Solar Energy Society

American Wind Energy Association

American Council for an Energy-Efficient Economy

American Institute of Architects

American Biofuels Association

American Hospital Association

American Electronics Association

American Association of University Women

Apple Computer

ARCO Chairman, Lodwick M. Cook

Association for American Universities

Bread for the World

Bricklayers

Building & Construction Trades

Carpenters

Carpenters (St. Louis, Milwaukee, Southern Wisconsin, Western PA, Keystone Carrying

Capacity Network

Catholic Charities

Catholics for a Free Choice

Center on Hunger, Poverty, and Nutrition Policy

Children's Defense Fund

COALITION '93

Committee for Education Funding

Common Cause

Computer Systems Policy Project

CONCERN Inc.

Consumer Federation of America

Consumers Union, Washington Office

CWA

Defenders of Wildlife

District, PA, Local 1911, Northern New England)

Earth Energy Association

Economic Policy Institute

Ellen Malcolm, President, EMILY's List

End Hunger Network

Environmental Defense Fund

Environmental and Energy Study Institute
Fire Fighters
Food Research and Action Center
Friends of the Earth
Greenhouse Crisis Foundation
Hollywood Women's Political Committee
IMPACT - Illinois' Gay and Lesbian Political Action Committee
Independent Bankers Association of America
International Union of Operating Engineers
Interstate Solar Coordination Council
IUE
Izaak Walton League of America
Joint Center Political Economic Studies
League of Women Voters
Machinists
NARAL
National Jewish Democratic Council
National Farmers Union
National Council of the Churches of Christ
National Alliance of Business
National Association of Social Workers
National Coalition for Advanced Manufacturing (NACFAM)
National Council on the Aging
National League of Cities
National Audobon Society
National Urban League
National Education Association
National Minority Aids Council
National Rainbow Coalition (with reservations)
National Resources Defense Council
National Council of Jewish Women
National Wildlife Federation
Public Securities Association
Public Citizen
Rudin, Harvey (Chair of Urban Consortium)
Safe Energy Communication Council
Second Harvest
SEIU Local 721
SEIU Local 150
SEIU Local 365
SEIU Local 399
SEIU Local 509
SEIU Local 100
SEIU Local 87
SEIU Local 1
SEIU Local 31-M

SEIU Local 82
SEIU
SEIU Local 949
Semiconductor Equipment and Materials International
Sheet Metal Workers
Sierra Club
Solar Energy Industries Association
Steelworkers
Task Force on Hunger and Homelessness: U.S. Conference of Mayors
Teamsters
The Wilderness Society
Transportation and Communications International Union
U.S. Telephone Association
UAW
UFCW
Union of Concerned Scientists
Wayne Vallis
Women's Information Network
Women's National Democratic Club
Women's Legal Defense Fund
World Hunger Year

*****please note: Organizations listed as supporters may have not formally endorsed the President's plan due to their tax status; however, they have indicated their support.***

RESERVED SUPPORT

AARP

American Road and Transportaion Association

NEGATIVE RESPONSES

AFGE

National Treasury Employees Union

Hotel & Restaurant Employees Union

National Committee to Preserve Social Security and Medicare

ELECTED OFFICIALS

Governor William P. Casey, Pennsylvania
Governor Zell Miller, Georgia
Governor Ann W. Richards, Texas
Governor Bruce Sundlun, Rhode Island
Governor Lawrence Douglas Wilder, Virginia
Mayor Richard Daley, Chicago
Mayor Sharon Pratt Kelly, District of Columbia
Mayor Kurt Schmoke, Baltimore

Restrictive

National Conference of State Legislatures

Economic Package

TO: Ricki
FR: Maggie and Lisa
RE: Ideas for HRC and Economic Agenda
DT: February 3, 1993

What follows are very rough ideas regarding HRC and promoting the President's economic agenda. Ira Magaziner must help us put this into focus and words.

MESSAGE:

HRC should promote the President's economic agenda through health care. She should emphasize the relationship between health care and the economic stimulus package. (Ira Magaziner needs to help us flush this out.)

FORUMS:

HRC must emphasize the relationship between health care and economic stimulus as a package for now and later through forums with targeted audiences:

- 1) College campuses -- HRC is great with this audience. She could give a speech in an auditorium on campus or do a picture event.
- 2) Medical Schools
- 3) Nursing Schools
- 4) Working Women -- HRC could do a brown bag lunch with 9-5 working women (as she did in Cleveland during the campaign). She could do a blue-collar women's event in a factory.
- 5) Professional women -- HRC could do a roundtable with the editors of the women's magazines.
- 6) Radio -- HRC could do radio actualities for regional markets as well as radio shows.

MEMORANDUM

*Evie help me
Remind
me to talk
February 1, 1993 to
HRC
about
this*

done

To: Distribution List
Fr: Ricki Seidman
Re: Coordinated Effort to Promote Economic Plan

As we discussed at the political meeting this evening, we need to launch an all-out effort to develop support for the President's economic plan that will be announced on February 17, 1993. Your department should prepare a memo with two components:

Maggie

- suggestions for message/approach that are important to the constituencies/concerns with which you are dealing; and
- a list of proposed activities that your department could undertake (or activities that should be undertaken by other departments) to lay the predicate for and promote the plan, executing the message that you have described.

The list should be inclusive, rather than exclusive. Be creative.

Your list should include suggestions for events/actions that involve the President and events/actions that would involve surrogates, including the Vice President, the First and Second Ladies, members of the Cabinet, White House senior staff, and others.

Think of "set the stage" activity that should take place before February 17th, follow-up activity to occur between the 17th and March 1st, and longer term activity for the following weeks.

Please get your memo to me by **Wednesday at 4:00 p.m.** This material will provide the basis for the overall plan.

List

Rahm Emmanuel/Joan Baggett
Christine Varney
Alexis Herman/Mike Lux
Regina Montoya/John Hart
Howard Paster/Susan Brophy/Steve Ricchetti/Lorraine Miller
Carol Rasco/Bruce Reed/Bill Galston
Bob Rubin/Gene Sperling/Bo Cutter
Marla Romash
Maggie Williams/Lisa Caputo
David Dreyer/Bob Boorstin/Michael Waldman/Ann Walker
(FYI)Stephanopoulos/Gearan/Podesta

THE WHITE HOUSE

WASHINGTON

February 5, 1993

MEETING WITH PRINCIPALS OF THE NATIONAL ECONOMIC COUNCIL

DATE: February 7, 1993
LOCATION: Roosevelt Room
TIME: 4:00-7:00 p.m.
From: Robert E. Rubin *Gen*

I. PURPOSE

You will meet with your principal economic team for discussion of the major components of your economic package.

II. BACKGROUND

The team has been working together on the elements of the program scheduled for February 17.

III. PARTICIPANTS

President	Leon Panetta
Vice President	Laura Tyson
Mack McLarty	Bob Rubin
Greg Simon	Bo Cutter
Secretary Lloyd Bentsen	George Stephanopoulos
Secretary Robert Reich	Gene Sperling
Secretary Ronald Brown	Greg Simon

IV. PRESS PLAN

No press coverage.

V. SEQUENCE OF EVENTS

Discussion of the economic package, continuing from Friday's meeting.

VI. REMARKS

None required.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	To Mark D. Gearan from Simon Rosenberg re: DNC Plan for Economic Speech Support (19 pages)	02/15/93	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Maggie Williams (Subject Files)
OA/Box Number: 9478

FOLDER TITLE:

Economic Package [2]

2013-0359-S

ry1395

RESTRICTION CODES

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

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

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.

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]

THE WHITE HOUSE

WASHINGTON

February 11, 1993

MEMORANDUM FOR THE PRESIDENT

From: Alexis Herman

Subject: Office of Public Liaison Outreach Program in Support of
the Economic Package

The following represents a short and long-term outreach program in support of the Economic Package. Essentially, the Office of Public Liaison (OPL) is working to contact and develop relationships with key organizations and individuals who may have an interest in the Economic Package.

At a minimum, we want to consult those who will be a problem, herald the package for those who will benefit, and reinforce support for the package among the Democratic base.

I. Activities Prior to the State of the Union Address

- A. We have met with the key national business organizations in an effort to develop a mutually consultative relationship. This effort includes the President's and Bob Rubin's meetings with executives of the Business Roundtable and other selected CEOs. It also includes ongoing contacts with the National Associations of Manufacturers, the Chamber of Commerce, and the American Business Council. Our efforts culminated in the President's Economic Address on February 12.
- B. We have met with leaders of interest groups and think tanks from the liberal wing of the party to shore up their support and get them ready to help us. Groups invited to a Roosevelt room briefing with Bob Rubin and Gene Sperling include Economic Policy Institute, Citizens for Tax Justice, Citizen Action, Center for Budget and Policy Priorities, Institute for Policy Studies, National Council of Senior Citizens, National Farmers Union, National Council of Churches, ACORN, Public Citizen, Consumer Federation of America, National Council of La Raza, Joint Center for Economic and Policy Studies. This meeting was held Friday, February 12.
- C. OPL, the White House Political Department, the Labor Department, and the DNC have combined to be in

continuous contact with labor on the economic plan. We set up a meeting for the President with Land Kirkland on February 2. Secretary Reich is going to the AFL-CIO winter meetings in Florida, and Joan Baggett from political is spending Saturday through Wednesday there. Between Joan Baggett and Mike Lux, we will continue working with labor leaders over the coming weeks to get their enthusiastic support.

We are meeting with the following groups and industries expected to be **most affected** by the Economic Package. Our initial goal for this category is to insure that we make a legitimate effort to initiate a dialogue, as well as exhibit the Administration's willingness to maintain such a dialogue.

1. Seniors
2. Agri-Business
3. Energy Industry

We met with the most influential national seniors groups over past week. Specifically, The President met with representatives of the AARP on February 5. On February 10, Mike Lux met with the Leadership Council of Aging Organizations, a coalition of 40 national seniors organizations. While Mike could not discuss the specifics of the package with the group, he tested using the customary "buzzwords" without any strong negative reactions from the meeting participants.

We commenced our outreach to the agri-business community by inviting selected businesses to the President's Economic Address yesterday. Officials from Farm Bureau and Archer, Daniels, Midland attended. We will invite additional agri-business to the White House for a briefing by an appropriate surrogate on February 18 and 19. Included will be commodity group leaders as well as both liberal and conservative general farm groups.

We commenced our outreach to the energy industry by inviting selected businesses to the President's Economic address yesterday. Again, we are inviting key industry leaders to the White House for a briefing by an appropriate surrogate February 18 and 19.

- D. We also are meeting with interest groups who are expected to **benefit** from the package.

4. Education organizations
5. Children's/Parenting organizations

On Tuesday, February 16, key education and children's organizations will be briefed on the economic package. Laura Tyson will attend the meeting of the education organizations. Vice-President Gore is scheduled to attend the meeting with the children's/parenting organizations.

a. Examples of Education-Related Organizations

- American Federation of Teachers
- National Education Associations
- American Association of School Administrators
- Council for Educational Development
- Council for Exceptional Children
- National Governors Association
- National Association of State Colleges and Universities
- American Association of University Women

b. Examples of Children's/Parenting Organizations

- Children's Defense Fund
- AFSME
- SEIU
- Center for Law and Social Policy
- Academy of Pediatrics
- Child Welfare League
- National Black Child Development
- National Women's Law Center

II. Activities on February 17

The day of the State of the Union address, we will be clearing our staff's schedules so that we can make key phone calls all day. We will also be preparing phone lists for the Vice President, Assistants to the President, and Cabinet members. Our messages to these groups will be as follows:

- A. With core Democratic Party groups, the message will be that we urgently need them to say positive things about the overall package, even if there are some aspects of it they do not like.
- B. With groups that our budget does the most for, we are giving them the good news and saying: this is your moment -- it is now or never.
- C. With groups negatively impacted, we are saying give us time: we will keep working positively with you if you

don't attack publicly in the first 72 hours. Give the package a chance to lift off the ground.

III. Activities After Announcement of the Package

- A. We will continue our outreach program to Seniors, Agri-Business and the Energy Industry.
- B. With the announcement of a detailed package and full analysis of its positive and negative impacts on individual states and regions, we will, working in conjunction with the DNC, then modify our outreach program to focus on regional and state opinion makers whose states or regions are benefited or hurt by the package. We presently envision bringing such opinion leaders to the White House for briefings during the week of February 22.
- C. We also will continue our outreach to the groups and organizations referenced previously. For example, Public Liaison will coordinate White House participation in a Chamber of Commerce event that will include more than 2,000 business people from around the country.
- D. Our outreach on behalf of the package also will be supported by a similar Public Liaison program presently underway in support of the Health Care Initiative.

MEMORANDUM

TO: MARK D. GEARAN

FROM: ALEXIS HERMAN

**SUBJECT: RESPONSE TO REQUESTED UPDATE FOR THE ECONOMIC PACKAGE
OUTREACH STRATEGY**

DATE: February 15, 1993

The following represents OPL's response to your specific questions regarding our outreach strategy for the economic package.

Question 1. "Detailed list of which groups need meetings with the White House on Thursday and Friday,..."

See Tab A. Attached are lists of representative companies in agri-business, energy and high-technology.

Question 2. "Detailed plan for coordination of the White House Public Liaison office with the DNC..."

See Tab B. Attached is a memorandum which reflects the understanding between Craig Smith and Mike Lux regarding OPL's coordination with the DNC. I am in full agreement with the allocations of responsibilities outlined in the memorandum, but I would of course want to receive an opinion from White House Counsel before OPL staff attends DNC mobilization meetings.

Question 3. "List of attendees representing agri-business, commodity groups,....expected to attend the February 18 and 19 briefings...."

See Tab C.

Question 4. "Detailed plan for post speech outreach to state and regional opinion makers.

See Tab D.

Invitees for Agri-Business Briefing 2/18 or 2/19

The following list represents a cross-section of industries, trade associations and corporations who will be affected by cuts in agriculture funding who will be invited to a White House briefing.

American Poultry Association
Nona N. Sherarer, Sec - Treasurer
26363 S. Tucker Road
Estacada, OR 97023
503-630-6759

USA Rice Council
Bill Goldsmith, Exec. V. Pres.
Box 740123
Houston, TX 77274
713-270-6699 F 713-270-9021

Sugar Association
Charles D. Shamel, Pres.
1101 15th St., NW Suite 600
WDC 20005
202-785-1122 F 202-785-5019

Nat'l Grape Growers Cooperative
Robert N. Pyle, ED
PO Box 3731
WDC 20007
202-333-8579 F 202-337-3809

National Potato Council
Ron Walker, ED/Government Advisor
9085 E. Mineral Circle - Suite 155
Englewood, CO 80112
303-790-1141 F 303-790-1142

United Fresh Fruit and Vegetable Assn
George S. Dunlop, Pres.
727 N. Washington St.
Alexandria, VA 22314
703-836-3410 F 703-836-7745

American Soybean Assn.
PO Box 27300
Dt. Louis, MO 63141-1700
Dr. Kenneth L. Bader, CEO
314-432-1600 F. 314-567-7642

National Grain Trade Council
Robert R. Petersen, Pres.
1030 15th St. NW, Suite 1020
WDC 20005
202-842-0400 F 202-682-4033

National Corn Growers Association
Jeff Gain, CEO
1000 Executive Pkwy, Suite 105
St. Louis, MO 63141
314-275-9915 F. 314-275-7061

American Dairy Assn
Marion F. Brink, PhD., Pres.
6300 N. River Road
Rosemont, IL 60018
708-696-1880 F 708-696-1033

Federated Pecan Growers Assn of the US
Dr. E. Earl Puls, Sec-Treas.
Miller Hall
LSU
Baton Rouge, LA 70803
504-388-2222

Futures Industry Assoc.
John M. Damgard, Pres.
2001 Pennsylvania Ave. NW, Suite 600
WDC 20006-1807
202-466-5460 F. 202-296-3184

National Assn of Wheat Growers
Carl Schwensen, Exec VP
415 Second St. NE, Suite 300
WDC 20002
202-547-7800 F 202-546-2638

Nat'l Cattlemen's Assn
John Meetz, Exec., VP
Box 3469
5420 Quebec St.
Englewood, CO 80155
303-694-0305

Agriculture Council of America
1250 I St. NW - 601
WDC 20005
ED Judith O'Hara
202-682-9200 F 202-289-6648

Agriculture Publishers
401 N. Michigan Ave.
Chicago, IL 60611
312-644-6610 F 312-565-4658

American Association of Crop Insurers
2501 M St., 430
WDC 20037
E. VP E. Eugene Gantz
202-463-0541
F 202-466-6538

Farm Equipment Manufacturers
243 N. Lindbergh Blvd
St. Louis, MO 63141
E. VP Robert K. Schnell
314-991
0702

Nat'l Alliance of Independent Crop Consultants
1629 K St. NW - 1100
WDC 20006
E. VP Paul S. Weller, Jr.
202-785-6711 F 202-331-4212

Amer Assoc. of Meat Processors
PO Box 269
Elizabethtown, PA 17022
ED, Stephen F. Krut
717-367-1168 F. 367-9096

National American Wholesale Grocers
201 Park Washington Court
Falls Church, VA 22046-4521
John Block, President
703-532-9400 F 703-812-5766

Archer Daniels Midland
PO Box 1470
Decatur, IL 62525
Martin Andreas, Special Asst to Chairman
217-424-5200

Chicago Board of Trade
141 W. Jackson Blvd.
Chicago, IL 60604
Thomas R. Donovan, President
312-435-3604

Commodity Exchange, Inc. (COMEX)
1331 Pennsylvania Ave., NW Suite 550
WDC 20004
Stephen Storch, V.Pres., Gov't Affairs
202-662-8770

Deere & Co.
John Deere Road
1667 K St. NW - 1230
WDC 20006
Dean R. Dorf II, Counsel
202-223-4817

Beatrice/Hunt-Wesson, Inc.
1645 West Valencia Drive
Fullerton, CA 92633
Frank Quevedo, Director Corp. Affairs
714-680-1202

Frito-Lay
PO Box 660634
Dallas, TX 75266-0634
Robbi Dietrich, Director, Gov't Affairs
214-353-2102

General Mills
555 13th St. NW - 490
WDC 20004
Robert S. Bird, Director
202-737-8200

Sara Lee Corp.
3 First Nat'l Plaza -
Chicago, IL 60602
John Bryan, CEO
312-726-2600

Grocery Manufacturers of America
1010 Wisconsin Ave. NW - 800
WDC 20007
Manly Molpus, Pres./CEO
202-337-9400 F 202-337-4508

Food Marketing Institute
1750 K St NW - 700
WDC 20006-2394
Robert O. Aders, President
202-452-8444 F 202-429-4519

Fertilizer Institute
501 2nd St. NE
WDC 20002
Gary D. Myers, President
202-675-8250 F 202-544-8123

INVITEES FOR ENERGY BRIEFING - FEBRUARY 18 or 19, 1993

James T. Christy
Director, Federal Government
Relations
Air Products and Chemicals
805 15th Street, NW
Suite 330
Washington DC 20005

Allegheny Ludlum

Mr. David Parker
President
Aluminum Association
Washington DC

American Airlines
Box 619616
Dallas-Fort Worth Airport
Dallas TX 75261

Mr. Michael Baly
President
American Gas Association
VA

Richard Irby
American Gas Association
VA

Mr. Milton Deaner
President
American Iron and Steel Institute
Washington DC

John Jnebel
President
American Mining Congress
Washington DC

Mr. Charles DiBona
President
American Petroleum Institute
Washington DC

American Trucking Association

Mr. William E. Wickert, Jr.
Bethlehem Steel Corporation
1667 K Street, NW
Suite 600
Washington DC 20006

Mr. Robert J. Conner, Jr.
Vice President, Government Affairs
Chrysler Corporation
12000 Chrysler Drive
Highland Park MI 48288

Bob Moss
Coastal Corporation
Washington DC

Mr. Harold L. Bevis
Vice President, Public Affairs
Delta Air Lines
Hartsfield International Airport
Atlanta GA 30320

Mr. Jerry C. Byars
President, Government Affairs
Diamond Company
P.O. Box 10246
Birmingham AL 35202

Mr. Edgar S. Woolard, Jr.
Chairman & CEO
E.I. du Pont de Nemours & Company,
Inc.
1007 Market Street
Wilmington DE 19898-1226

Harold S. Russell
President, Government Affairs
FMC Corporation
1627 K Street, NW
Suite 500
Washington DC 20006

Mr. Reuben Autery
President
Gas Appliance Manufacturers
Association
VA

Mr. Samuel A. Mabry
President & Director, Federal
Affairs
Hercules Incorporated
Hercules Plaza
Wilmington DE 19894

Mr. Jerry J. Jasinowski
President
National Association of
Manufacturers
Washington DC

Mr. Nick Bush
Natural Gas Supply Association
Washington DC

Mr. Steve Walker
Director, Federal Government
Relations
Reynolds Metals Company
1401 Eye Street, NW
Washington DC 20004

Mr. Larry L. Thomas
President
Society of the Plastics Industry
VA

Field Lang
Synthetic Organic Chemical
Manufacturing Association

Mr. Elliot Hall
Vice President, Washington Affairs
Office
Ford Motor Company
1350 Eye Street, NW
Washington DC 20005

Mr. James D. Johnston
Vice President, Industry Government
Relations
General Motors
1660 L Street, NW
Washington DC 20036

Mr. Davis S. J. Brown
Vice President, Government Affairs
Monsanto Company
700 14th Street
Suite 1100
Washington DC 20005

National Coal Association

Ms. R.M. "Julie" Archuletta
Vice President, Government Affairs
Occidental Chemical
1747 Pennsylvania Avenue, NW
Suite 300
Washington DC 20006

Mr. James E. Rich, Jr.
Washington Representative
Shell Oil Company
P.O. Box 2463
Houston TX 77252

Mr. Tom Wylie
Vice President, Government Affairs
Sun Company
East Tower, Suite 1010
555 13th Street, NW
Washington DC 20004-1109

Mr. Michael Walsh
Chairman
Tenneco, Inc.
P.O. Box 2511
Houston TX 77252

John D. Ong
rman
The BF Goodrich Company
3925 Embassy Parkway
Akron OH 43333-1799

United Airlines

Mr. Charles Corry
Chairman & CEO
USX Corporation
600 Grant Street
Pittsburgh PA 15219-4776

Mr. James D. Range
Staff Vice President, Government
Affairs
Waste Management, Inc.
3003 Butterfield Road
Oak Brook IL 60521

WHITE HOUSE BRIEFING WITH GORE

Erich Bloch	Council on Competitiveness
Kent Hughes	Council on Competitiveness
Dan Burton	Council on Competitiveness
Dick Iverson	American Electronics Association
Denise Michel	American Electronics Association
John Pickett	CBEMA
Ken Kay	CSPP/CORETECH
Frank Press	National Academy of Sciences
Robert White	National Academy of Engineering 334-3200
Robert Rosenzweig	American Association of Universities
William Nitze	Alliance to Save Energy (in DC)
Richard Nicholson	Executive Director, American Association for the Advancement of Science
President	MCI Telecommunications (might also invite Richard Liebhaver, V.P.)
Darryl Banks	World Resources Institute (env. tech. expert) 638-6300
Clyde Prestowitz	Economic Strategy Institute
Ken Flamm	Brookings Institution
Jerry Jasinowski	National Association of Manufacturers
Bill Morin	National Association of Manufacturers
Mike Maibach	Intel
Les Simon	IBM
Veronica Haggart	Motorola
Vicky Hadfield	SEMI
???	IEEE
???	Industrial Biotechnology Association
Fred Nichols	NACFAM
Chuck Larsen	Industrial Research Institute
Brian Turner	AFL-CIO, Industrial Union Department
Jim Mack	NMTBA
Jeff Faux	Economic Policy Institute
Peter McGrath	National Association of State Universities and Land Grant Colleges
Fred Bergsten	Competitiveness Policy Council
Mike Gadbaw	General Electric
Wayne Sayer	
Don Fuqua	AIA
Gar Kaganowich	FASEB
Ebin Tisdale	HP
Jim Johnson	Apple

Texas

Ben Rosen
Jerry Junkins
Craig Fields
Bobby Inman

Compaq
Texas Instruments
MCC
SAIC

Washington

Frank Shrontz
Bill Gates

Boeing
Microsoft

Henry Schacht
Norm Augustine
Ian Ross
George Heilmeyer
Joe Gorman
Frank Popoff
Governor Celeste

Cummins Engine
Martin Marietta
Former Head, AT&T Bell Labs
Bellcore
TRW
Dow Chemical Company

CEO CONFERENCE CALL WITH GORE

California

John Sculley
John Young
Larry Ellison
Regis McKenna
Ed McCracken
Roger Johnson
Gordon Moore
Sherwood Rowland
Jim Morgan
C. Michael Armstrong

Apple
Hewlett-Packard
Oracle

Silicon Graphics
Western Digital
Intel
President, AAAS
Applied Materials
Hughes

Connecticut

Paul Allaire
Karl Krapec

Xerox
Pratt and Whitney

Illinois

George Fisher
Jerry Pearlman

Motorola
Zenith

Massachusetts

Mitchell Kertzman
Bob Palmer
Sheryl Handler
Lewis Branscomb
Mitch Kapor
Ralph Gomory

Powersoft
Digital Equipment Corporation
Thinking Machines
Harvard University
EFF
Sloan Foundation

Missouri

John McDonnell

McDonnell-Douglas

New York

John Armstrong

IBM

Ohio

???

Cincinnati Millicron

Pennsylvania

Roger Nagel
Lynn Williams

Iacocca Institute
United Steel Workers

MEMO

TO: FILE
FROM: Craig Smith
RE: RELATIONSHIP BETWEEN DNC CONSTITUENCY OPERATIONS AND WHITE
HOUSE PUBLIC LIASON DIVISION
DATE: 2/13/93

While there is a tremendous amount of overlap between what the White House Public Liason office does and what the DNC Constituency Division does, there are some key differences that will determine how the organizations interact. Among those are:

1. The White House has an obligation to reach out to groups regardless of their partisian persuasion, the DNC does not.
2. The White House cannot "close" on action plans that involve mobilization, the DNC can.

Because of these two differences, I would recommend that the relationship be structured in the following manner:

1. The White House operation will be in charge of all educational and persuasion activites. Those meeting will be held at the White House. DNC staff will discreetly attend those meetings to insure that they know what "pitch" was made.

2. The DNC will be in charge of all "mobilization" activites. All meetings held in conjunction with this function will be attended by White House in more prominent roles. DNC staff will "close" and get commitments for specific mobilization activites.

3. The White House public liason staff and the DNC constituency staff will determine who their counterparts are and will commit to keeping each other informed of various activities as they relate to the respective organizations.

DNC Constituency staff:

Minyon Moore - Deputy Political Director for Outreach
African American

Michael Coen - Assistant to the Director
White Ethnics

Heather Booth - Women
Environmentalists
Good Government Groups

Sam Rodriguez - Hispanics
Elected Officials

Vida Benavides - Asians

Rocco Claps - Gays and Lesbians

Sarah Ehrman - Jewish
Senior Citizens

Karen Wilcox - Business
Academicians
Education

Gail Britton - College Age Youth

- Labor

Additional constituency groups interests will be hired and/or assigned. At this point we anticipate doing that for the disabled, American Indians, 25 to 35 year olds, veterans, agriculture and possibly Perot voters.

Rural Meetings

1. Liberal Farm Groups

National Farmers Union
National Farmers Organization
American Agriculture Movement
Save the Family Farm Coalition
Farm Aid
The Grange

Most appropriate WH principle: Vice-President Gore or
Alexis Herman

OPL Staff in charge: Mike Lux

2. Individual Meetings

A meeting with Bob Bergland of the Rural Electric
Association.

Most appropriate WH principle: Mack McLarty or John Podesta

OPL staff in charge: Mike Lux

A meeting with top leaders of American Farm Bureau.

Most appropriate WH principle: Mack McLarty

OPL staff in charge: Amy Zisook

Energy Consumer Groups

Citizen Action
Consumer Federation of America
Public Citizen
U.S. PIRG
Consumers League
Consumers Union
Citizens for Tax Justice

Most appropriate WH principle: Vice-President Gore

OPL staff in charge: Mike Lux

Post Speech Outreach to State and Congressional District Opinion Leaders

We are awaiting the final Congressional targeting from Howard Paster's office. The plan would be to take whatever states and districts are on that list, and put together meetings based on the following procedure:

1. Identify the thirty people living in those states or districts who have the maximum influence with our swing members (eliminating any we find out are violently opposed to some major part of the plan.) We would use the DNC, WH Congressional Relations, WH Political Department, and any other friends with political intelligence about the state/CD to build these lists. They would include:

- important CEOs with influence on that MC.
- key labor leaders for with influence on that MC.
- top Democratic Party leaders with influence on that MC.
- top finance people for that MC.
- old staff people for that MC who have stayed in close touch.
- owners of important local newspapers, radio or tv stations.
- influential local elected officials.
- other influential organizational heads.

2. Invite these opinion leaders for a trip to the White House. Ideally, their day here would include:

- a few minutes with the President and/or Vice-President.
- a chance to meet with a Cabinet secretary.
- a thorough briefing on our budget and economic plans from an OPL staffer.
- a tour of the White House.
- for the Democratic activists, a chance to meet with David Wilhelm or top DNC staffers.

3. We would plan to then keep in touch with this group with follow-up faxes and mailings.

4. We would coordinate this with the Congressional Relations office, but it might also be appropriate for us to extend our visitors the courtesy of setting up a meeting with their MC as well.

M E M O R A N D U M

TO: Mack
FR: Rahm
RE: Week Two
DT: February 15, 1993

If Thursday and Friday are seen as creating the momentum behind the economic plan, the following week should accomplish two objectives: to continue to build support for the plan, and to further the theme of national interest vs. special interest.

There are a number of events we should put in motion in order to achieve the above goals.

1. Western governors (Romer, Walters, Sullivan, King, Miller and Andrus) should be brought together for a press conference to endorse the plan. They would probably support the plan, and can help with the rural piece.

2. Since the plan has been prematurely defined as part pain and sacrifice, we should seek a press conference with John White, Paul Tsongas, Warren Rudman, Mike Walsh, the Chair of the Business Roundtable, Lee Iacocca, etc... In the last year, these individuals have become the voices of pain and budget "honesty." They would legitimize the honest budget element.

3. As described in an earlier memo, the Economic Team should be broken into groups to hit one market each. (See attached memo)

4. On a different angle, we should build on the theme of the plain national interest against special interest. The President should attend counter-scheduled events:

- * Business groups to explain their higher taxes.
- * Hospitals, Doctors, Insurance companies, pharmaceutical companies.
- * Some gathering of large farm groups and agricultural interests.
- * Labor Unions.

M E M O R A N D U M

TO: Mark Gearan
FR: Rahm Emanuel
RE: DLC
DT: February 15, 1993

This is to give you an update on the DLC and Mainstream Forum members.

1. At 3:00 pm today, Leon Panetta will be doing a conference call with Dave McCurdy, Glenn Browder, John Spratt, Jim Slattery, and Jim Cooper.

2. Mack and the Vice President are speaking on Wednesday at 5:00 pm to the Mainstream Forum.

3. Al From is sending a memo to the state chapter presidents with our talking points.

4. Dave McCurdy will organize a press conference supporting the plan for Thursday or Friday.

***MEDIA MARKETS COVERED BY MEMBERS OF THE CABINET
AND TOP ECONOMIC STAFF***

THURSDAY

Tucson, AZ
Albuquerque, NM
Washington, DC
Austin, TX
Chicago, IL
Philadelphia, PA
Burlington, VT
Somerville, NJ
Columbia, SC
New York, NY
San Francisco, CA
Boston, MA
Cleveland, OH
Denver, CO
San Antonio, TX
Los Angeles, CA
Flint-Saginaw, MI
Biloxi-Gulfport-Pascagoula, MS

FRIDAY

Oklahoma City, OK
Washington, DC
Baltimore, MD
Syracuse, NY
Minneapolis/St. Paul, MN
Chapel Hill, NC
Raleigh-Durham, NC
New York, NY
Portland, OR
Oakland, CA
New Orleans, LA
Chicago, IL
Louisville, KY

TWO DAY TOTAL

Tucson, AZ
Oklahoma City, OK
Albuquerque, NM
Washington, DC
Baltimore, MD
Austin, TX
Syracuse, NY
Chicago, IL
Minneapolis/St. Paul, MN
Philadelphia, PA
Chapel Hill, NC
Burlington, VT
Raleigh-Durham, NC
Somerville, NJ
Columbia, SC
Portland, OR
New York, NY
Oakland, CA
San Francisco, CA
New Orleans, LA
Boston, MA
Cleveland, OH
Louisville, KY
Denver, CO
San Antonio, TX
Los Angeles, CA
Flint-Saginaw, MI
Biloxi-Gulfport-Pascagoula, MS

House and Senate Economic Vote Points by Market

Media Market	Points	Cabinet Secretary
New York	16.50	Secretary Ron Brown
New Orleans	9.25	Secretary Epsy
Cleveland	6.50	Secretary Shalala
Denver	4.00	Secretary Pena
Louisville	4.00	Secretary Pena
San Antonio	1.25	Secretary Cisneros
Los Angeles	1.25	Ambassador Kantor
Flint-Saginaw	1.25	Secretary Cisneros
Biloxi-Gulfport-Pascagoula	1.25	Secretary Epsy
Chicago	1.25	Secretary Ron Brown

-- TENTATIVE SCHEDULE --

Secretary Babbitt

Thursday, Feb. 18

11:30	Lunch hosted by "The Tucson 30" 30 largest employers in southern Arizona. Environmentalists will be invited to attend as well. Arizona Inn 2200 East Elm Street Tucson, AZ (602) 325-1541
5:45 pm	Live interviews with network affiliates Albuquerque, NM Airport
7:00 pm	Meet and greet with Interior office employees Interior regional office Albuquerque, NM
8:00 pm	Dinner with print reporters Albuquerque, NM

Friday, Feb. 19

11:15 am - 12:30 pm	Live and taped interviews with network affiliates Oklahoma City, OK
------------------------	--

Staff contact: Ali Webb

Secretary Hazel O'Leary

Thursday, Feb. 18

am

Tape address on the economic program to be broadcast at DOE facilities around the country on Friday.
Local media will be invited to all sites for viewing.

1:30 pm

Visit to Somerville (NJ) Elementary School's Science Center 2000, an interactive science learning program for 3rd, 4th and 5th graders.
Press availability to follow tour.

3:00 pm

Meet with Somerville Courier-News editorial board.

Friday, Feb. 19

8:30 am

Meet with Minneapolis Star Tribune editorial board.

10:30 am

Meet with St. Paul Pioneer Press editorial board.

12:00 n

Luncheon at Science Museum of MN hosted by MN Business Partnership, MN Chamber of Commerce, MN AFL-CIO and MN Science Museum.
Press availability to follow luncheon.

2:15 pm

Visit to the Minneapolis Veterans Hospital as part of National Salute to Hospitalized Veterans Week

4:45 pm

Deliver address followed by Q & A at the Humphrey Forum at the University of Minnesota, hosted by University officials, head of the MN Dept. of Energy, and House and Senate leadership.
Press availability to follow address.

Staff contact: Mike Gauldin

Secretary Jesse Brown

Thursday, Feb. 18

am

Tour/visit Lakeside VA hospital
Chicago, IL

11:00 am

Interview with the Chicago Defender

12:00 n

Luncheon with Armed Forces Council
Union League Club
Chicago, IL

1:30 pm

Interview with Chicago Tribune

2:30 pm

Interview with Chicago Sun Times

3:30 pm

Radio interviews

4:30 pm

Live interview on First Edition News (WBBM/CBS)

Friday, Feb. 19

Speech at Hyde Park Career Academy High School in
celebration of Black History Month
Chicago, IL

Saturday, Feb. 20

Speech to the Disabled Veterans Convention
Washington, DC

Staff contact: Linda Kaufman

Secretary Bentsen

Thursday, Feb. 18

9:00 am

Address to the Senate Budget Committee
Capitol Hill
Washington, DC

3:00 pm

Address to a joint session of the TX House and Senate
Press availability with Capitol press corps to follow address.
State Capitol
Austin, TX

Friday, Feb. 19

noon

Speech before the National Press Club
National Press Club Building
Washington, DC

Staff contact: Ed Knight

Hon. Bob Rubin

Thursday, Feb. 18

9:00 am

Meet with the editorial board of the New York Daily News

12:00 n

Speech to the New York City Partnership
A business and labor group.

3:00 pm

Taped interview with top network affiliate

6:00 pm

Visit to the Beacon School
A center for community services, education and recreation.
Harlem, NY

Friday, Feb. 19

9:00 am

Visit to the New York Stock Exchange

11:00 am

Meet with the editorial board of Newsday

Staff contact: Sylvia Matthews

Hon. Laura Tyson

Thursday, Feb. 18

noon

Address to the Commonwealth Club of San Francisco.

2:15 pm

Meeting with the editorial board of the San Francisco Chronicle

4:00 pm

Speech at University of California
Berkeley, CA
open to all students and faculty

Friday, Feb. 19

8:00 am

Address to the City Club of Portland
Mayfair Room, Benson Hotel
Portland, OR
(503) 228-2000

Local contact: Hon. Jeff Rogers, City Attorney

3:00 pm

Meeting and press availability with the Mayor of Oakland re:
summer jobs program
Oakland, CA

Staff contact: Tom O'Donnell

Deputy Secretary Roger Altman

Thursday, Feb. 18

9:00 am	Meeting with Editorial Board of the Boston Globe
10:30 am	Visit worker retraining site with Mayor Flynn
12:00 n	Lunch speech hosted by Boston Chamber of Commerce
2:30 pm	Meeting with the editorial board of the Boston Herald
4:00-6:00 pm	Live and taped TV interviews with three network affiliates

Staff contact: Josh Steiner

Administrator Carol Browner

Thursday, Feb. 18

3:30 pm

Address on economic program to 600 employees of the Philadelphia regional office of the EPA.
Press availability to follow address.

Friday, Feb. 19

10:00 am

Meeting with editorial board of the Baltimore Sun

11:15 am

Meeting and site visit with Mayor Schmoke
Press availability to follow.
Baltimore, MD

Staff contact: Ann Hardison

Deputy Secretary Kunin

Thursday, Feb. 18

6:00 pm

Speech at University of Vermont
Burlington, VT
open to all students, faculty and press

Friday, Feb. 19

9:00 am

Speech at Syracuse University
Syracuse, NY
open to all students, faculty and press

Staff contact: Camille Johnston

Secretary Riley

Thursday, Feb. 18

1:00 pm

Speech at the University of South Carolina
Columbia, SC
open to all students, faculty and press

3:00 pm

Meeting with the editorial board of the Columbia newspaper

Friday, Feb. 19

2:00 pm

Speech at University of North Carolina
Chapel Hill, NC
open to all students, faculty and press

4:00 pm

Meeting with the editorial board of the Raleigh-Durham
Raleigh, NC

Staff contact: Camille Johnston

Hon. Alan Blinder

Thursday, Feb. 18
12:00 n

Lunch speech to the Brookings Institute
Washington, DC
open to the press, no availability

Staff contact: Tom O'Donnell

Secretary Ron Brown

Thursday, February 18, 1993

Noon	Meeting New York City Partnership w/ Rubin
Mid-afternoon	Tour Metro Tech Center
5:00	Interview -- Live at 5:00 Taping at CNN -- Moneyline

Friday, February 19, 1993

A.M.	News/Radio Shows Chicago Mercantile Exchange and The Board of Trade Editorial Boards The Sun Times Chicago Tribune
------	---

Schedule: (UC)

Staff Contact: Bill Morton
Maria Cardona

(C) Confirmed
(UC) Unconfirmed

Secretary Henry Cisneros

Thursday, February 18, 1993

A.M. Tour and Speech (UC)
 Flint, Michigan

P.M. CDBG Project with (Mayor Nelson Wolff)
 San Antonio, Texas

Friday, February 19, 1993

Monday, February 22, 1993

Speech (C)
National Association of Home Builders
Las Vegas, NV

Staff Contact: Jim Whitney

Secretary Mike Epsy

Thursday, February 18, 1993

A.M.	Farm Event (UC) Mississippi State University USDA - Agriculture Research Center Starkville, Mississippi
Noon	Speech (C) Joint Session of the Legislature Jackson, Mississippi
P.M.	Town Hall Meeting (live at 5 or 6 or taped for 6:00 news (UC) Gulf Coast Area Biloxi, Mississippi

Friday, February 19, 1993

Noon	Event with Congressman Jefferson (UC) New Orleans, Louisiana
------	---

Staff Contact: Olieta Fitzgerald

Secretary Federico Pena

Thursday, February 18, 1993

A.M.	Speech (C) Joint Session of the Legislature Denver, Colorado
Mid-morning	Photo Opportunity (C) 23rd Street Viaduct Workers -- Recipients of Federal Transportation Funds
P.M.	Meeting with Editorial Board (C) The Denver Post Rocky Mountain News
P.M.	Meeting with Opinion Leaders (C) Denver, Colorado (i.e. Chamber of Commerce 20-30)

Friday, February 18, 1993

A.M.	Ford Motor Company Louisville, Kentucky (UC)
------	---

Staff Contact: Richard Mintz

Secretary Donna Shalala

Thursday, February 18, 1993

11:00 Tour and Discussion (C)
 Rainbow Babies and Children Hospital
 Cleveland, Ohio
 (Rainbow is a part of Case Western
 Reserve University Hospital a (child health care facility)

P.M. Interview (C)
 Cleveland Plain Dealer

Shalala will tour a pediatrics facility and then discuss with the parents of the patients the rising cost of health care. Rainbow's patients have pre-existing conditions.

The Chairperson of Rainbow Babies, Farah Waters, will facilitate the event. Also, Ms. Waters has been asked to join the health care task force.

Friday Options: Shalala is unavailable for any Friday travel.

Staff Contact: Virginia Cox

Ambassador Mickey Kantor

Thursday, February 18, 1993

Noon	Luncheon Speech with Los Angeles Business leaders (C) Times Mirror Chairman is the organizer Los Angeles, California
Mid-Afternoon:	Tour and Brief Chat to factory employees re: Jobs to Export (UC) Port of Los Angeles
P.M.	News Shows -- Michael Jackson (UC) Editorial Board -- Los Angeles Times KNBC--TV KNX-- Radio

Staff Contact: Ann Lazado

Secretary Reich

Thursday and Friday: Testimony (House & Senate) (C)
 News Shows -- Washington, D.C.

Staff Contact: Kitty Higgins

THE WHITE HOUSE
WASHINGTON

February 15, 1993

MEMORANDUM FOR MARK GEARAN AND RAHM EMMANUEL

SUBJECT: SENIORS

FROM: MIKE LUX

As an addendum to our department's other memo today providing the requested detail on our plan, I wanted to add a memo on senior citizens. Although some great groundwork has been laid, and we have always planned on doing follow up phone calls to senior groups, it is clear from looking at the cuts that seniors are taking a very big hit and that some additional work needs to happen.

I would suggest the following plan:

1. We are pulling together a meeting with Leon Panetta with the top people from the following groups for Thursday morning:

- AARP
- National Committee for the Preservation of Social Security and Medicare (The "Roosevelt" Group)
- National Council of Senior Citizens
- National Council on Aging

The message will need to be to tell people to keep working constructively with us instead of blasting away in the press.

2. The two most loyal segments of the seniors community are Families USA and AFL-CIO retirees. We'll work with them to see if we can get ringing endorsements on Thursday or Friday.
3. We should follow through on Rahm's idea of contacting Tip O'Neill to have him do a strong endorsement statement. I will have Alexis make that call.
4. When we did work with seniors in the campaign, having an FDR grandchild such as Anne Roosevelt speak for us played extremely well. We could have her with the President at his Hyde Park event.

*Scheduled
3:00
pm*

5. Mrs. Clinton should call groups most concerned about health care reform, especially seniors groups, on Tuesday and Wednesday to reassure them. Because Medicare savings are going into deficit reduction, these groups will be disappointed and skeptical about our commitment to health reform. Groups that need to be called include:
 - AARP
 - National Council of Senior Citizens
 - Families USA
 - AFL-CIO (John Sweeney would be the best person)
6. We are meeting with some of these senior groups this week on health care and the chance to have input on that issue should help keep people calm on the budget.

MEMORANDUM

To: Alexis Herman

Fr: Mike Lux

Re: Seniors

Date: February 15, 1993

Rahm came up with the idea of contacting Tip O'Neill to have him do a strong endorsement statement on either Thursday or Friday in response to the President's address to help ease the rough cuts seniors are taking. I think it would be a good idea for you to make this call.

DRAFT

MEMORANDUM FOR MACK McLARTY

FROM: Regina T. Montoya

DATE: February 15, 1993

RE: Office of Intergovernmental Affairs' Plan for Economic Agenda

The Office of Intergovernmental Affairs' liaison to the Public Interest Groups (PIGS) has been meeting with and communicating by telephone with the staff and leadership of the organizations which represent the various levels of government to gather as much support as possible for the President's economic agenda.

The Office of Intergovernmental Affairs has been in communication with the following:

- a. HUD - Loretta Avent and I met with Secretary Henry Cisneros, Chief of Staff, Bruce Katz, Andrew Cuomo and Jacquie Lawing today to coordinate communicating the President's economic agenda to local elected officials. Mayors of the 100 largest cities in America will be called by HUD Senior Staff on Thursday morning.
- b. DNC/DGA Coordination of Strategy - Loretta Avent has contacted Katie Whelan (who is out of the country until Tuesday, February 16, 1993). Loretta did speak with Crickett O'Connor from the DGA who felt that Katie Whelan and Jake Siewert would feel comfortable with the governors who are attending the Address to the Joint Session.

Craig Smith came to the office, and we reviewed our bi-partisan strategy with him. He, too, was comfortable with the list of governors we shared with Mark Gearan.

We also spoke to Alice Travis, and she and Loretta will continue meeting and discussing our intergovernmental agenda.

Loretta and I will attend the briefing from 11:30 a.m. - 12:00 p.m. tomorrow at the DNC for the Washington representatives (staff) of various elected officials, groups, states, and cities.

- c. U.S. Conference of Mayors (USCM) - Thomas Cochran, Executive Director, USCM, met with Loretta Avent and informed her that he and his President, William Althaus will hold a press conference at 10:30 a.m. on Thursday, February 18, to release the results of a 1000 cities survey.

The survey is on the stimulus money. Loretta's understanding is that, as of this moment, we can count on support from over 500 cities. They are serious about the completion of projects by December, 1993.

Loretta has heard that the press is trying to scare up a story by asking whether there is going to be a community development initiative. Part of that, she believes, stems from the press's using the term infrastructure to mean only roads and bridges, which appears (only on its image) to exclude housing and community development.

Loretta has discussed with Tom the best way to help our administration in responding to that question. We don't need an up-front fight between the cities and the states before the President speaks. She suggests we should start off with at least as much fairness and equity as possible.

USCM has 70 urban lobbyists that will be briefed once they get the materials. They will then fax to their membership whatever is necessary for their support. The President, who is Republican, has pledged his interest in getting bi-partisan support. Loretta spoke to him again to see if he was encountering any flak from his statement after meeting with the President at the White House.

- d. National League of Cities (NLC) - Loretta set up a meeting in our office with Mayor Don Fraser, NLC President, his Chief of Staff, Trudy Gayer-Moloney, and Janel Bush, his legislative person. The Mayor and his staff committed their support for what they thought the President's economic package would include and would lobby other Mayors we absolutely need to support the same. Trudy Gayer-Moloney called Loretta on Sunday to task her to please fax to her, as soon as we have materials, whatever is needed for their support, and they, in turn, would get it out through the NLC system. They also agreed to make calls for us.

Mayor Fraser feels that this is the President's best window of opportunity to push this kind of economic package through. He mentioned that Loretta helped put the NLC leadership in place through 1995, so they are prepared to work. His strongest area of interest is family and children.

- e. National Conference of State Legislatures (NCSL) - Carl Tubbesing called Loretta Avent from their NCSL Denver retreat today to let us know that they are on stand-by to help us in any way they can (within the bi-partisan constraints of the organization). Their President called to let us know that Loretta helped him in his election to head NCSL and that he welcomes the opportunity to help us as much as he can.

They have a fax system that can get our message to 50 of their Executive Committee Members, 100 Legislative Leaders, Key Legislators, Committee Chairs, officers, etc. It takes a little longer, but they can even get something out to the Fiscal Committee Chairs (see attached request of what they would like). Loretta has all their hotel, beeper and any other phone numbers we need. Their membership is key from many perspectives (i.e., Governors, etc.)

- f. National Association of State Treasurers - Loretta and I met last week with Milton Wells, Director, Office of Federal Relations, National Association of State Treasurers (see attached), and they also want to assist us quickly, and will do so as soon as they have been briefed.

- g. Council of State Governments (CSG) - Abe Frank, Deputy Director, called Loretta today and offered the assistance of their four regional offices to get the message out. They have a decentralized organization (Atlanta, Chicago, New York and San Francisco) and they can also get something out to Lieutenant Governors, Secretaries of State, The Leadership (Speakers of the House, Senate Presidents, etc.) The CSG can also get information to an issue-oriented membership (i.e., 50 Labor Commissioners, State Election Chairs, State Emergency Managers).

*Important
new federation*

- h. National Association of Counties (NACo) - Larry Naake, NACo Executive Director, called Loretta from home Saturday and Sunday to advise her of their desire to be at the table; their meeting with us made them feel like real partners again. Their President, John Stroger, offered the organization's assistance in getting our message out. They can fax our message to a network of 1100 (State Associations, Boards of Directors, Steering Committees, etc.). We can count on their delivery because the urban and rural counties will be important factors in the mix.
- i. National Association of Regional Councils (NARC) - Loretta and I met with the NARC President who is from California, and the leadership of the Texas Association of Regional Councils. They stand ready to assist us with getting our message out.
- j. National Association of Development Organization (NADO) - Loretta spoke to the NADO Executive Director, Alice Ann Walbruck, at home over the weekend. The help of this group is important to us in the rural area, and with agricultural issues. We can get their support, but will have to work hard because of the cuts.
- k. Metropolitan Washington Council of Governments (WASH-COG) - Ruth Crone, Executive Director, called Loretta, sent her a letter, and their Chairman of the Board of Directors, Hilda Pemberton, made a pitch at Loretta's brother-in-law in church on Sunday, to give this President's economic agenda a chance to work. Loretta is planning to call them on Wednesday. They will do what they can to get the message out. They represent between 16 and 19 jurisdictions in D.C., Maryland, and Virginia.
- l. International City County Managers Association - Loretta and I met with their deputy director and they have offered their services. Loretta, again, worked to get their current President, Roy Pederson, elected and he has called to ask her what he can do to help. Their membership is appointed and elected. We need to discuss this one in greater detail.

- m. Advisory Commission on Intergovernmental Relations (ACIR) - I received a letter today from one of its members (see attached). Loretta will follow-up to see how we can plug them in. We also need to discuss appointments to ACIR to insure our people get on. We have some ideas. Loretta received calls from two Public Interest Groups supporting a candidate, and to let us know who from the Commission could help push our economic agenda.

n. Governors

1. Conference Call - During the NGA Annual Winter Meeting, the President invited the Governors to attend the Address to the Joint Session, and several Governors have expressed an interest in doing so. These Governors have indicated that they would like to show their bi-partisan support of the economic plan.

In preparation for the Address, our office coordinated an hour and a half telephone conference call on Friday, February 12, 1993, with Leon Panetta; Bob Rubin; Governor Romer; Governor Walters; Governor Carper; Governor Edgar; Governor Branstad; Governor Mickelson; Ray Scheppach, Executive Director of NGA; and our office.

2. The Address - We have secured 5 floor passes and Governors Romer, Walters, Campbell and Thompson have been invited. Governor Florio will probably be the fifth. (See attached memo to Mark Gearan.)

3. Outreach to all Governors - Our office will be attending the daily communications meetings, and we will be distributing by telecopier to each Governor and to their DC representatives the briefing papers regarding the speech. In addition, as soon as the completed economic booklet is available, we will send it to each Governor by federal express and will have it available for pickup by each DC representative.

4. DNC Presentation to NGA - On Tuesday, February 16th, the DNC has scheduled a briefing to the Executive Director of the NGA, among others.

*Demo governors Washington
reps*

Memorandum for Mack McLarty
Page Six

Mack, you may already know this, but Loretta Avent worked as a lobbyist, generalist, government relations specialist, librarian, citizen participation coordinator, and assistant/associate director for a number of the organizations we are working with. They have all called me to express their excitement about her being in this office, and express that that is one reason we can count on their being reasonable and receptive to our agenda. The organizations are the NGA, NLC, USCM, WASH-COG, NACo and her former boss is the Executive Director of NADO. She was a consultant to the State Legislators. This has helped the Office of Intergovernmental Affairs tremendously.

RTM:ets

Attachments

February 13, 1993

TO: MARK GEARAN
PAUL BEGALA
cc George Stephanopoulos
Ricki Seidman
DeeDee Myers

FR: MARLA ROMASH

RE: UPDATE/VP AND ECONOMIC PLAN

SATURDAY, FEBRUARY 13, 1993:

- o CNN NEWSMAKER SATURDAY: Reinforce message in the President's Saturday radio address -- restoring hope, offering change, reinforcing cuts in government, battles with special interests, etc. Strengthens stories in Sunday newspapers.
- o JOINS PRESIDENT IN MEETINGS WITH CONGRESS
- o NBC NIGHTLY NEWS: 3 - 3-1/2 minute live to tape interview with Garrick Utley.

SUNDAY, FEBRUARY 14, 1993:

- o JOINS PRESIDENT IN "HEALTHY HEART RUN": February is "Heart Month."

MONDAY, FEBRUARY 15, 1993:

- o JOINS PRESIDENT IN MEETINGS WITH CONGRESS This is President's Day.

TUESDAY, FEBRUARY 16, 1993:

- o MEETING WITH DOW JONES BOARD (w/WSJ REPORTERS): Previously scheduled meeting with members of the Dow Jones Board. There will be at least one or two reporters and editors in the crowd. THIS WILL BE OFF THE RECORD.
- o MEETING WITH ENVIRONMENTAL LEADERS: Briefing for leaders of major environmental groups. List being developed now with input from public liaison.
- o SHIMON PERES MEETING: He's in town; this is on our schedule.

WEDNESDAY, FEBRUARY 17, 1993:

- o JOIN THE PRESIDENT IN MEETINGS WITH CONGRESS
- o MAINSTREAM FORUM: AGJ attends a 5:30 p.m. meeting with Rep. McCurdy and his group.
- o MEETING WITH HIGH TECH CEOs: Briefing for high tech leaders.
- o REGIONAL REPORTERS ROUNDTABLE/[LATE IN THE DAY]: For regional reporters at mid-sized dailies -- who may not get a shot at anyone else but who reach a large audience where it counts, the VP could provide an effective scene-setter. This should be done very late in the day.
- o POST-SPEECH INTERVIEWS: Live interviews, post-speech on CNN and the major networks (if they're planning to extend coverage beyond the GOP response). Nightline is worth considering, depending on how they frame the program.
- o SATELLITES/RADIO FEEDS: If there's money for satellites, the VP will be available. Radio feeds should go national and, where appropriate, we may want to think about live radio to important markets.

THURSDAY, FEBRUARY 18, 1993:

- o MORNING TELEVISION: "Good Morning America," "Today," and "CBS This Morning." "GMA" is a definite. The others have asked for the VP. Our goal is to hit all three; not clear at this writing if it will work.
- o SPERLING BREAKFAST: This would be a good draw and a big crowd -- could be an effective way to reinforce the message in second day stories.
- o JOIN THE PRESIDENT: Assuming the President visits the Hill, the VP would accompany. Should there be another event, and if it is appropriate, the VP would accompany as well. (NOTE: Thursday is regular lunch with the President.)
- o INTERVIEWS/MEETINGS: The VP will remain in Washington Thursday afternoon. That time will be used for media, continued meetings with Congressional leaders, or for briefings for special groups. We'll work with public liaison, Congressional, and political for schedule.

FRIDAY, FEBRUARY 19, 1993: TRAVEL
GREENSBORO/WINSTON SALEM, NC
ATLANTA, GA
RON BIRMINGHAM, AL

SATURDAY, FEBRUARY 20, 1993: TRAVEL
BIRMINGHAM, AL
TAMPA, FL
RON ARLINGTON, VA

*NOTE: Events Friday and Saturday TBA. Emphasis will be on enviro-jobs and technology-jobs pieces in the plan as well as general events. Schedule would be media-heavy with local interviews, editorial boards, etc.

SUNDAY, FEBRUARY 21, 1993: Return to D.C. (Could be available for Sunday shows.) Radio feed for Monday drive time. In the afternoon or early evening will depart for California to coordinate with President's schedule.

MONDAY, FEBRUARY 22, 1993: California with the President.

STILL TO BE DETERMINED: TECHNOLOGY ANNOUNCEMENT: We could reassemble and broaden the coalition that endorsed the campaign's technology initiative and build an event or a series of events over one day (or more, if appropriate) in California, where these issues are particularly important. Considering the subject, we could also talk about interactive hook-ups and involving various networks in spreading the news. There are a number of interesting opportunities here.

FOR WEEK AFTER STATE OF THE UNION:

- o Tennessee media roundtable for Tennessee reporters in D.C.
- o Regular meetings per Public Liaison and Political with interested groups. (We're assuming at least one meeting each day)

#####

THE WHITE HOUSE
WASHINGTON

DRAFT

February 13, 1993

MEMORANDUM FOR THE PRESIDENT

From: The Communications Department

Subject: Proposed Plan for Promoting the President's Economic Address

This memorandum describes our plans to promote the President's economic address through February 18. Further suggestions will be forthcoming from the Office of Media Affairs. Subsequent memoranda will propose plans for the period subsequent to the speech.

Proposed Message Events for the President

Friday, February 12. The President, Mrs. Clinton, Senator Pryor, and Secretary Shalala travel to a child health facility to reveal the Administration's policy on immunizations.

Saturday, February 13. The President delivers the radio address, works on his speech, and lobbies Members of Congress to pass the program.

Sunday, February 14. Valentine's Day. Strong message advocates of the President's program appear on the Sunday talk shows. The President goes on a "healthy heart run" with joggers illustrate February as "Heart Month."

Concerns for the weekend. The print reporters will be writing for Sunday, and the networks will be preparing for the weekend shows, curtain-raiser pieces on the economic program. Assuming we maintain a close hold on decisions that have been made, these works in progress will discuss the following issues, without substantial comment or direction from the Administration:

- *The tax hikes are coming.* Why are all the leaks basically devoted to tax hikes and not spending cuts? What are the spending cuts going to be?
- *Is the President serious about reducing the deficit?* Is Clinton sticking with the \$145 billion figure? Is he departing from the \$2 spending cuts for each dollar in taxes formula spelled out in Panetta's confirmation?
- *New priorities.* Will Clinton stick with the \$60 billion increase in public investment figure by 1997?
- *The elderly.* Is the fraction of Social Security taxes exposed to tax going up?
- *Energy taxes.* Which ones and who suffers?
- *Defense.* Will defense cuts go beyond the prior Clinton plan formula of \$60 billion below Bush over five years?
- **Monday, February 15.**

The President continues to meet with Members of Congress.

The President delivers an Oval Office Address on the State of the Economy and the mess we inherited from the 1980s and the need to shared contributions, activism, and growth in the 1990s. As Roosevelt said, comparing similar cultures in the 1920s and 1930s, we need to move from "the dream of the golden ladder -- each individual for himself" to "a broad highway on which thousands of your fellow men and women are advancing with you."

- **Tuesday, February 16.**

The President does an infrastructure event, eating lunch with hard-hats and talking about jobs at a construction site.

Capitol Hill. Democrats in Congress are preparing a three-day blitz around the Joint Session Address utilizing radio and satellite television feeds, as well as more traditional reaction interviews the night of the President's speech. These activities will depend on the Administration providing talking points and some economic and message briefers for Members as specified below.

From 12:30 to 1:30 p.m., Democrats will be taping satellite television feeds for 5 p.m. and 6:00 p.m. local broadcasts. *They are expecting the White House to deliver talking points prior to the taping.*

- **Wednesday, February 17.**

The President conducts his Joint Leadership Meeting with Members of the House and Senate.

- *Administration officials to meet with Gephardt message group from 8:45 a.m. - 9:30 a.m. to discuss speech.*
- *[Note to OPL] Stan Collender of Price-Waterhouse has lined up John White and Tom Gallagher to deliver positive statements on the program. He is still waiting to hear from Jim McIntyre, Harrison Welford, Charles Lieberman (Chemical Securities), and Mickey Levy (CRT Government Securities Chief). We need to brief these people with some special handling.*

The House Democratic Caucus will convene a "Committee on Party Effectiveness" lunch on Wednesday. *They have extended through David Dreyer an invitation for two Administration guests -- an economics spokesperson and a message advisor -- to brief Members on how we want the Members to react to the Joint Session Address.*

- *At a time set by the Administration, before the speech, the Hill is expecting (1) a mid-afternoon set of talking points for reactions to the speech; (2) delivery of a set of talking points on the specifics of the program; (3) convenient delivery of the President's text.*

Typically, after such Presidential speeches, local television and the networks set up "pens" in Statuary Hall of the Capitol. Nearly all Members of Congress go to the Hall for reaction interviews.

We need to ensure they have talking points, etc., before the speech, so that they are armed for the interviews which occur immediately following the Address.

Prior to the speech, Speaker Foley and Majority Leader Gephardt will both tape radio feeds which will go up on satellite before the President has concluded his address. Also before the President speaks, Members of Congress whose districts are in East Coast markets will pre-tape satellite feeds for broadcast by their local television stations. Following the speech, Members from the Mid-west, Mountain West, and West Coast time zones will tape satellite feeds. The feeds go up on the satellite beginning at 10:45 p.m.

- *The Hill is also suggesting that we recruit Members to react positively, and counter-intuitively, to program cuts or tax hikes that might hurt their own constituencies, but which they are nonetheless willing to support.*

● **Thursday, February 18.**

The President appears in the well of the House for a House of Commons-style question and answer period with Members of Congress in defense of the program he unveiled on Wednesday evening.

The Administration has asked House and Senate press secretaries to initiate morning drive time radio interviews. Foley and Gephardt have committed to radio feeds for afternoon drive time. All Members will be able to tape satellite feeds for distribution to their local television stations at 12:30 p.m. for airing on 5:00 p.m. and 6:00 p.m. broadcasts. *White House is asked to supply Thursday reaction talking points for this exercise.*

- *The Senate Democratic Policy Committee is asking for two Administration spokespeople -- an economics expert and a message advisor -- to visit with Senators at the weekly Thursday policy lunch. We would recommend that Howard Paster explore whether this lunch can be bumped to Wednesday, so that we may brief Senators before the speech. If not, perhaps Senator Mitchell can be convinced to put a smaller group together for a message briefing on Wednesday.*

Thursday afternoon: the President departs for his fly-around.

Briefings for the Press

Wednesday, February 17, 1993

TBA	President meets with four television anchors
10:00am	Gene Sperling background briefing for the wires AP, UPI, Reuters, AFP
10:00	Roger Altman meets with the four White House network correspondents at Treasury
11:00	Gene Sperling background phone calls to John Yang, Washington Post, David Wessel, Wall Street Journal; Steven Greenhouse or David Rosenbaum, New York Times
11:00	Treasury technical briefing with technical staff and debt managers. Secretary Bentsen and Roger Altman will give policy direction at the close of the briefing

12:30pm Leon Panetta, Laura Tyson, Gene Sperling brief the White House Press Corps
(on background and embargoed)

Thursday, February 18, 1993

TBA Bob Rubin, Roger Altman, Gene Sperling go to New York to Wall Street to
meet with the press

THE WHITE HOUSE
WASHINGTON

February 12, 1993

*Tuesday
Briefing
- 700 pm*

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY 
Secretary to the Cabinet

SUBJECT: Cabinet Activity to Promote Economic Plan
(Revised)

Cabinet Secretaries will be working aggressively over the next week to promote the economic plan which you will present to the Congress and the Nation next Wednesday evening, February 17. This memorandum sets forth the activities which the Secretaries and their staffs will undertake to promote the economic plan.

Today, we are meeting with Cabinet Department and Agency Chiefs of Staff to discuss strategy for promoting the economic plan.

On Saturday, February 13, representatives of the Secretaries' press operations are meeting with the White House Communications staff to discuss the upcoming week's activities.

Tuesday evening, February 16, there will be a briefing on the goals and methodology of the economic plan for all Secretaries, Deputy Secretaries, Chiefs of Staff and Communications Directors. Senior White House staff will conduct the briefing.

At your request, the Secretaries are calling their authorizing and appropriating congressional Committees to discuss the specific budget proposals. On Wednesday, February 17, we will provide the specific talking points for use by the Secretaries for their calls to the Hill. The Secretaries are being encouraged to call the congressional committee leadership of both parties and all Democrats. In addition, the Secretaries will hold background briefings for beat reporters on Wednesday.

On Wednesday evening, the Cabinet has been invited to attend the Joint Session of Congress as honored guests. At the conclusion of your speech, Secretaries will conduct television, radio or newspaper interviews. A program of satellite interviews is being developed by the White House Communications staff.

On Thursday morning, February 18, some Secretaries will be asked to appear on morning television programs. White House Communications staff is coordinating this with the Secretaries' press staff.

Most Secretaries will be travelling next Thursday to promote your economic plan. Attached is a draft schedule of Secretarial travel locations. Several Secretaries will be testifying before Congress on Thursday on behalf of the economic plan, including Secretary Bentsen, Secretary Reich, and Director Panetta. The White House Congressional Relations office is coordinating their testimony.

As you know, at this past Wednesday's Cabinet meeting, the Secretaries committed to provide information to other Secretaries regarding specific benefits which their Agency or Department will provide in the communities scheduled for Secretarial visits next Thursday. We will disseminate this information.

We are working very closely with the other White House departments, including Congressional Relations, Public Liaison, Intergovernmental Affairs, Public Affairs, and Communications to ensure that the roll-out of the economic plan is as strong as the plan itself.

cc: Stephen B. Silverman
Attachment

MEMORANDUM

February 15, 1993

TO: Mack McLarty, Mark Gearan
FR: Gene Sperling, Eric Berman, Paul Jamieson
RE: Proposed Strategy for Economists (REVISED 8:30 PM)

OUTREACH TO NATIONAL ECONOMISTS

We have identified 26 targeted national economists -- both those who are likely to be friendly and those who aren't -- who are typically contacted by the press for a major economic story. The plan here is to win the reaction war by briefing top national economists in advance of the speech and the press. The briefing will consist of general calls to help identify supporters for the President's package. Those who are enthusiastic will be prompted to take an active role in spreading good news about the plan.

STRATEGY FOR OUTREACH

Tuesday, senior Administration economic staff will contact the targeted economists to brief them on the President's economic package.

Those who are deemed "enthusiastic" will be prompted to write an op-ed piece and make themselves available to the media -- print, radio, and television. The economists will then make their availability known either through a press notification or by phoning their local media. The NEC "support group" staff -- i.e. Eric Berman, David Lane, Paul Jamieson, and others -- working with Media Affairs can provide specific contact persons, phone numbers, fax numbers, etc. Gene Sperling has already started calling some of these people to gauge their enthusiasm and has had success in lining some of these people up.

Callers should let these economists know that they will also receive the detailed OMB document (via fedex) on Friday (Thursday night mailout). However, they will be urged to contact media with positive statements before they receive the full document.

GENERAL TALKING POINTS FOR PHONE CALLS

- The President has put together a great plan and we want you to know some of the details so that you can be fully informed.
- The President feels that this is the best plan and, if it does not have strong support off the bat, we will lose a crucial moment for change.
- [If supportive] Would you be interested in expressing your support publicly? Will you talk to the press? We can have staff contact you or your staff to answer any logistical questions.
- We will fed ex you details on the whole package on Thursday (arrive Friday).

LIST OF TARGETED ECONOMISTS AND LIKELY CALLERS

(* denotes Nobel Laureate)

ECONOMIST**Academia**

William Sharpe, Stanford *
 Robert Solow, MIT *
 Kenneth Arrow, Stanford *
 James Tobin, Yale *
 Paul Samuelson, MIT *
 Lawrence Klein, UPENN *
 Franco Modigliani, MIT *
 Herbert Simon, Carnegie Mellon *
 Rudiger Dornbusch, MIT
 Martin Feldstein, Harvard
 Barry Bosworth
 Charles Schultze
 Rudy Penner
 George Perry
 William Nordhaus, Yale
 Bob Eisner, Northwestern
 James Galbraith

Financial

Bruce Steinberg, Merrill Lynch
 Allen Sinai, Boston Corporation
 Felix Rohatyn, Lazard Freres

Think-tanks

Henry Aaron, Brookings
 Jeff Faux, Economic Policy Institute
 Robert Kuttner
 Bob Greenstein
 Robert McIntyre, Citizens for Tax Justice
 Lester Thurow, MIT
 Carol Cox Waite, Ctr on Budget Priorities
 Larry Chimerine, DRI McGraw Hill
 Ben Friedman

Other

Pete Peterson
 Paul Tsongas
 Kevin Phillips

ADMINISTRATION

Tyson
 Blinder
 Summers
 Blinder
 Summers
 Blinder
 Summers
 Sperling
 Sperling
 Summers
 Rivlin
 Rivlin
 Rivlin
 Rivlin
 Blinder
 Tyson
 Sperling

Sperling
 Blinder
 Rubin

Sperling
 Tyson
 Sperling
 Sperling
 Rubin
 Rubin
 Panetta
 Blinder
 Summers

Altman
 [has already been called]
 Rubin

TARGETED MEDIA FOR ECONOMISTS' OP-EDS

ECONOMIST(S)

NY TIMES
WASHINGTON POST
WALL STREET JOURNAL
USA TODAY
LA TIMES
BOSTON GLOBE
CHICAGO TRIBUNE
PHILADELPHIA INQUIRER
DALLAS MORNING NEWS
HARTFORD COURANT

NEWSPAPER

Solow, Tobin
Schultze, Aaron
Dornbusch (already agreed)
Thurow, Faux
(Tyson will arrange)
Kuttner
Eisner, Pearlman
Klein
Jamie Galbraith
Tobin, Nordhaus

Unless Communications feels otherwise, other national economists will be urged to contact their local media.

"DEAR MR. PRESIDENT" LETTER

Gene Sperling will contact Henry Aaron at Brookings about circulating a "Dear Mr. President" letter among national economists on Thursday. This will be a general message of support to which economists will sign on. It should be clear that it is from the economists, organized by Henry Aaron, to the President. We will release this to the press.

REGIONAL ECONOMISTS' OUTREACH

NEC war room "support staff" will make initial calls to regional economists to gauge interest on Tuesday. Those who respond positively will get faxed an executive summary of the plan (produced by NEC by Thursday morning) and contact names/phone/fax number of their local media.

Note that there is some duplication of markets with the national economists. These duplicative markets are generally larger markets and thus we often need more than just one piece. Also, regional economists will be encouraged to contact media outlets (e.g. New York Newsday in New York) that have not been covered with national economists.

TARGETED REGIONAL MARKETS

(targeted by key Congressional district)

New York, NY
Philadelphia, PA
Hartford, CT
Boston, MA
Washington, DC
Portland, ME
Pittsburgh, PA
Cleveland, OH
Minneapolis, MN
St. Louis, MO
Omaha, NE

Kansas City, MO
Dallas-Ft. Worth, TX
Atlanta, GA
Greenville-Spartanburg
Tampa-St. Petersburg, FL
Louisville, KY
Norfolk, VA
Portland, OR
Denver, CO
Fresno-Vidalia, CA
Burlington, VT

Portland, ME
Des Moines, IA
Minot-Bismarck, SD
Birmingham, AL
New Orleans, LA
Oklahoma City, OK
Houston, TX
Jackson, MS
Lexington, KY
Albuquerque, NM
Salt Lake City, UT

MEMORANDUM

To: Laura D'Andrea Tyson
From: Eric Berman
Date: February 15, 1993
Re: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economists Tuesday, February 16, 1993:

ROBERT EISNER
Northwestern
ph> (708) 491-5394
fx> (708) 491-7001
(ask him to write in the Chicago Tribune)

WILLIAM F. SHARPE
Stanford University
ph> (415) 941-3990
fx> (415) 941-3994

JEFF FAUX
Economic Policy Institute
ph> (202) 775-8810
fx> (202) 775-0918
(ask him to write in USA Today)

MEMORANDUM

To: Alan Blinder
From: Eric Berman
Date: February 15, 1993
Re: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economists Tuesday, February 16, 1993:

ROBERT SOLOW

MIT

ph> (617) 253-5268

fx> (617) 253-0560

(ask him to write in the New York Times)

WILLIAM NORDHAUS

Yale University

(ask him to write in the Hartford Courant)

JAMES TOBIN

Yale University

ph> (203) 432-3720

fx> (203) 436-1600

(to be asked to write in the New York Times and Hartford Courant)

LAWRENCE R. KLEIN

University of Pennsylvania

ph> (215) 898-7713

ph> (401) 849-3587 (Rhode Island)

fx> (401) 847-2970 (Rhode Island)

(ask him to write in the Philadelphia Inquirer)

ALLAN SINAI

Boston Corp.

ph> (212) 298-6030

LAWRENCE CHIMERINE

DRI/McGraw-Hill

ph> (215) 293-9601

fx> (215) 687-9194

MEMORANDUM

To: Lawrence Summers
From: Eric Berman
Date: February 15, 1993
Re: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economists Tuesday, February 16, 1993:

KENNETH J. ARROW
Stanford University
ph> (415) 723-9165
fx> (415) 725-5702

PAUL A. SAMUELSON
MIT
ph> (617) 253-3368
fx> (617) 253-0560

FRANCO MODIGLIANI
MIT
ph> (617) 253-7153

MARTIN FELDSTEIN
Harvard
ph> (617) 495-2144

MEMORANDUM

Feb. 15, 1993

TO: Gene
FR: Paul
RE: Economists project

You must call these people on Tuesday

Herbert Simon
Carnegie Mellon University
p 412/268-2787
f 412/268-5288

Rudy Dornbush
(you have number)
* remind him of his promise to write to the WSJ *

Bruce Steinberg
Merrill Lynch
p 212/551-3000 (main number)

Bob Kuttner
(you have number)

Bob Greenstein
p 202/265-2191
f 202/408-1080

Jamie Galbriath (scheduled for the Dallas Morning News)
w 512/471-1244
f 512/471-1835
h 512/480-0250

Rudy Penner
(you have number)

Kevin Phillips

Henry Aaron —
Brookings Institution
ph> (202) 797-6125
fx> (202) 797-6181

"SEN MA. Pres. Lya"

Pearlman (who is that?) (scheduled for the Chicago Tribune)

NOTE: Laura Tyson is assigned to call Jeff Faux (p 202/775-8810; f 0918). Rubin is scheduled to call Kevin Phillips. Call Tyson and Rubin if you want to make these calls.

Other questions

1. Dear Mr. President Gearan wants the "Dear Mr. President" letter from Aaron that the top economists can sign onto, and then release it to the press. You should work out the details with Aaron.
2. Matching National Figures with Media You began this process, but do you want to finish assigning the top people to specific print/TV/radio?
3. Regional Strategy Faux did not go for the idea of having EPI people do all the calling and faxing of the lesser known regional economists. Gearan wants us to do it, so the NEC war room staff will start the phone calls on Tuesday and fax the executive summary and media contacts on Thursday.
4. CEO's What is Lux doing on this and should we coordinate with him?

MEMORANDUM

TO: Roger Altman
FROM: Eric Berman
DATE: February 15, 1993
RE: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economist Tuesday, February 16, 1993:

Pete Peterson

MEMORANDUM

TO: Alice Rivlin
FROM: Eric Berman
DATE: February 15, 1993
RE: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economists Tuesday, February 16, 1993:

Barry Bosworth
Brookings Institution
ph> (202) 797-6122

Charles Schultze
Brookings Institution
ph> (202) 797-6295

George Perry
Brookings Institution
ph> (202) 797-6296
fx> (202) 797-6181

MEMORANDUM

TO: Robert Rubin
FROM: Eric Berman
DATE: February 15, 1993
RE: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economists Tuesday, February 16, 1993:

Felix Rohatyn
Lazard Freres
ph> (212) 632-6123

Robert McIntyre
Citizens for Tax Justice
ph> (202) 626-3780
fx> (202) 638-3486

Lester Thurow
MIT: Sloan School of Management
ph> (617) 253-2932
fx> (617) 258-6617

MEMORANDUM

TO: Leon Panetta
FROM: Eric Berman
DATE: February 15, 1993
RE: National economists outreach

Pursuant to the strategy for economists distributed this morning by Mark Gearan, please call the following economist Tuesday, February 16, 1993:

Carol Cox-Waite

*File
Economic
Plan*

**DEPARTMENT OF AGRICULTURE
1994 Budget Passback**

Stimulus (1993):

- o \$4 million in FY 93 BA to add 160 meat and poultry inspectors in the Food Safety and Inspection Service.
- o Includes \$348 million for rural water and wastewater loans and grants.
- o Funds rural very-low income housing repair loans and grants (\$7 million).
- o Includes \$188 million for Forest Service enhanced natural resource protection and environmental infrastructure (including trails).
- o Includes \$47 million for emergency watershed project repair and construction.
- o \$71 million to begin full funding for a Special Supplemental Food Program for Women, Infants, and Children (WIC).
- o \$23 million for the Emergency Food Assistance Program (TEFAP) for commodities to be delivered early in FY 1994. This would ensure a smooth flow of commodities while waiting for FY 1994 funds. FY 1994 funding will maintain approximately the FY 1993 level of commodity deliveries.
- o \$38 million for repair and maintenance activities and hazardous waste clean-up at Agricultural Research Service facilities.
- o \$56 million for the Child and Adult Care Food Program to pay for meals for children added to Head Start as a result of funds provided under the Stimulus package.

Investments (1994-97):

- o Over \$17 billion in total BA FY 1994-1997 is included for Investments above baseline levels, including:
 - oo \$871 million for water and wastewater and grants (FY 1997 outlays = \$176 million, 1994-1997 = \$331 million); part of the rural development initiative.

- oo \$2.4 billion for business and housing loans and grants (FY 1997 outlays = \$454 million, 1994-1997 = \$1,155 million); also part of the rural development initiative.
- oo \$2.7 billion for the Women, Infants, and Children (WIC) program, to begin covering all eligible, so that the President's "full" funding commitment would be met by the end of FY 1996 (FY 1997 outlays = \$1 billion, 1994-1997 = \$2.7 billion).
- oo \$9 billion in Food Stamp increases to help offset the effects of the energy tax on low-income households. (\$1 billion in FY 1994, \$2 billion in FY 1995, and \$3 billion per year after FY 1995).
- oo \$565 million for Forest Service enhanced natural resource protection and environmental infrastructure (FY 1997 outlays = \$168 million, 1994-1997 = \$506 million).
- oo \$120 million in funding for a Food Safety Initiative to hire additional meat and poultry inspectors (+200 FTEs) and perform interagency research to reduce the level of food-borne pathogens (FY 1997 outlays = \$34 million, 1994-1997 = \$111 million).
- oo \$287 million for Forestry Research to improve domestic ecosystem management, and \$180 million for Forests for the Future international forestry assistance (combined FY 1997 outlays = \$155 million, 1994-1997 = \$431 million).
- oo \$263 million for a Tree Planting Initiative, to increase tree planting in both rural and urban areas (FY 1997 outlays = \$76 million, 1994-1997 = \$246 million).
- oo \$480 million for the National Research Initiative Competitive Grants Program to support high priority agricultural, food, and environmental research (FY 1997 outlays = \$110 million, 1994-1997 = \$188 million).
- oo \$1.2 billion for the Child and Adult Care Food Program to pay for meals for children added to Head Start as a result of funds provided under the Investment package. (FY 1997 outlays = \$.3 billion, FY 1994-1997 outlays = \$.8 billion).

Proposed Discretionary Reductions (savings in outlays)

- o To fulfill the President's goal to downsize the Federal Government, a **Farm Service Agency** would be created from current USDA agencies serving farmers at the county level. The proposal would improve service for farmers while reducing staff needs at the USDA National, State and local levels (Savings in FY 1997 = \$307 million, 1994-1997 = \$730 million).
- o **REA loans** would be made at Treasury rates while preserving \$25 million in five-percent loans each year for "needy" electric borrowers (Savings in FY 1997 = \$150 million, 1994-1997 = \$374 million).
- o Phase out **below-cost timber sales** over four years (Savings in FY 1997 = \$86 million, 1994-1997 = \$274 million).
- o Increase **meat and poultry inspection fees** to cover all overtime work (Savings in FY 1997 = \$104 million, 1994-1997 = \$416 million).
- o Reduce **lower-priority, earmarked agricultural research and facility construction** (Savings in FY 1997 = \$112 million, 1994-1997 = \$262 million).
- o **Specific agriculture user fees** would be increased to cover the full cost to the Government of providing commodity grading, over-time inspection, and other services. (Affects Agricultural Marketing Service, Federal Grain Inspection Service, and the Agricultural Cooperative Service) (Savings in FY 1997 = \$16 million, 1994-1997 = \$59 million).
- o **Foreign Agricultural Service (FAS)** lower-priority programs would be reduced with remaining funds targeted to those agriculture sectors that most need Federal assistance in order to enhance U.S. agricultural exports (Savings in FY 1997 = \$10 million, 1994-1997 = \$40 million).
- o **Streamline the Economic Research Service (ERS)**, reducing lower-priority economic research (Savings in FY 1997 = \$17 million, 1994-1997 = \$61 million).
- o **FmHA direct farm loans** would be cut by 25 percent and subsidized guarantees would be increased by an equal amount; subsidized guarantees would be targeted to beginning

farmers as authorized by the 1992 Farm Credit Improvement Act (Savings in FY 1997 = \$10 million, 1994-1997 = \$31 million).

- o **Streamlining** savings represent a freeze level for non-salaries and expenses accounts not affected by other proposals, and selected reductions in lower-priority programs (savings in FY 1997 = \$76 million, 1994-1997 = \$227 million).
- o **Technical adjustments** and miscellaneous changes, such as FTS 2000 price savings, and the removal of one-time disaster assistance from the baseline (Savings in FY 1997 = \$12 million, FY 1994-1997 = \$47 million).

Proposed Entitlement Savings (savings in outlays)

- o **Commodity Credit Corporation farm payments (CCC)** would be better directed to family-sized farmers. Farm payment recipients would be limited to those making less than \$100,000 in off-farm income (Savings in FY 1997 = \$140 million, 1994-1997 = \$470 million). Also, wool and mohair direct support payments would be limited to \$50,000 per person (Savings in FY 1997 = \$66 million, 1994-1997 = \$212 million).
- o **Reforms contained in the 1990 Farm Bill** would be extended starting in FY 1996: "triple base" acres would be increased from 15 to 25 percent, with corresponding increases in fees on "non-program" crops, and the 0/92 and 50/92 programs would be eliminated. Also, eliminate honey program subsidies in FY 1994. (Savings in FY 1997 = \$1.8 billion, 1994-1997 = \$2.9 billion).
- o **Reform crop insurance** by basing indemnities on area (county) yield, rather than on individual farm experience (combined mandatory and discretionary savings in FY 1997 = \$426 million, 1994-1997 = \$1.3 billion). Also, annual commodity disaster payments would be reduced by increasing the loss threshold from 35 to 40 percent and funded on a mandatory basis through a Presidential declaration of an emergency.
- o **Phase in increased grazing fees** over four years to approximate fair market value (Savings in FY 1997 = \$13 million, 1994-1997 = \$28 million). Secretary would be given flexibility to negotiate higher fees consistent with these savings targets.

- o **Increase recreation fees;** would increase existing fees and add entrance fees at specific national forest recreation areas (Savings in FY 1997 = \$13 million, 1994-1997 = \$46 million); no increase greater than \$3 per site or activity.
- o **Reduce Food Stamp administrative expenses.** Beginning April 1, 1994, match all State administrative expenses at 50 percent. AFDC and Medicaid matching rates will also be set at 50 percent.
- o **Market Promotion Program (MPP)** would have its current appropriation level of \$148 million extended permanently (Savings in FY 1997 = \$52 million, 1994-1997 = \$208 million).

Across-the-Board Reductions (savings in outlays)

- o **Pay adjustment** -\$124 million BA in FY 94; due to Government-wide changes in pay.
- o **FTE reduction** -\$10 million BA in FY 1994; FY 1994 FTE level of 109,669; -2,812 (-2.5%) from FY 1993; pursuant to the Executive Order. (Most of the savings from FTE reductions were assumed in the Farm Service Agency proposal)
- o **Other administrative efficiencies** -\$66 million BA in FY 1994; -3% pursuant to the Executive Order.
- o **Limits on R&D Grant Overhead** -\$16 million BA in FY 1994.

February 16, 1993

DEPARTMENT OF COMMERCE
1994 Budget Passback

Stimulus (1993)

- **EDA**. An increase of \$94M targeted to assist economically distressed communities.
- **NOAA**. An increase of \$81M will support weather service modernization and procurement of computers and other equipment to enhance program-related research efforts.
- **NIST**. An increased of \$117M is proposed for NIST programs -- \$103M for the advanced technology program and \$14M for networking and computer applications.
- **NTIA/Information Highways**. To promote faster introduction and expansion of networks between universities, businesses, schools and libraries, \$64M in new grant funds is proposed. A new program.
- **MBDA**. To meet anticipated 1993 budget shortfall, an increase of \$1.9M is provided.

Investments (1994-97)

- **Weather Service Modernization**. Provides funds in 1994 (+\$155M over baseline) to finance the multi-year capital modernization program. Most increases are for weather satellites and improved weather detection technologies (e.g. doppler radars).
- **National Institute of Standards and Technology (NIST)**. Grows from 1993 enacted of \$381M to \$1,369M by 1997. Increase over 1994 baseline is \$181M and over 1997 baseline is \$931M.
 - oo Advanced Technology Program grants: Program expands from \$68M in 1993 (enacted) to \$758M by 1997.
 - oo Manufacturing Extension grants: increased to support over 100 manufacturing outreach and technology centers nationwide by 1997. Program expands from \$19M in 1993 (enacted) to \$92M by 1997.
 - oo In-house research in NIST labs doubled over five-year period.
- **Economic Development Administration**. \$33M will be available in 1994 and \$55M will be available annually 1995 through 1998 as a part of the Defense conversion initiative.

- NTIA/Information Highways. Provides \$54M in 1994 (baseline is zero) and \$150M annually in 1995-1997 to expand the number of networks between universities, businesses, schools and libraries.
- FCCSET Initiatives. Additional funds may be provided in a separate passback.

Non-Defense Discretionary Reductions

- Bureau of Export Administration (BXA). Reduce 1994 BXA funding \$6M below baseline consistent with recent reductions in license applications. Stress bilateral/multi-lateral agreements to control technology exports to unstable countries.
- NOAA. Eliminate \$65M in 1994 spending for low priority programs, projects, and demonstrations, usually those earmarked by Congress.
- EDA - Trade Adjustment Assistance. Eliminate trade adjustment assistance to firms (-\$13M below 1994 baseline). Secretary Brown mentioned this as a low-priority program.
- Pay Adjustment. No pay raise in 1994 and pay raise reduced by one percent in each year, 1995-1997. Omit locality pay in 1994; implement revised locality pay system beginning in 1995. Savings of \$38 million in 1994 and \$94 million in 1997.
- FTE Reduction. Implement Executive Order on 100,000 FTE reduction. Savings of \$29M in 1994 and \$233M in 1997.
- Other Administrative Efficiencies. Implement Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government. Savings of \$21M in 1994 and \$97M in 1997.

Entitlements

- Auction Spectrum. Support legislation to require the FCC to auction radio spectrum. This legislation would transfer 200 megahertz from the Federal Government to the FCC for assignment using auction. Need to work ASAP with Dingell to ensure that auction proposal is not foreclosed by fast-moving House legislation.
- Patent and Trademark Office. Extend existing (OBRA) user fees beyond sunset date of 1995 (or increase other existing patent fees by some amount). Provide for indexing for out-years. Yields in excess of \$110M annually starting in 1996.

February 16, 1993

National Defense Talking Points

Post-Cold War military forces will be shaped for new requirements and highly ready:

- 1.4 million men and women on active duty,
- capable forward presence of roughly 100,000 troops in Europe, and
- force readiness will be maintained at high levels.

Hardware programs:

- major weapons systems will be assessed as the entire Defense program is reviewed this Spring,
- systems will continue our technological superiority,
- airlift and sealift adequate for new challenges,
- funding for SDI will be reduced, pending a strategic review, and
- science and technology programs remain a high priority.

National Defense Program will be affordable:

- planned national defense funding over next 4 years fulfills the promise of an additional \$60 billion in program savings,
- program savings combined with government-wide pay and benefit changes and additional reductions to offset projected under-funding result in total outlay savings of \$37 billion in 1997.

Defense planning will deal with new fiscal and management challenges.

- Most recent 5-year budget plan of the previous administration may have:

- oo understated costs of forces and hardware, and
- oo overstated the savings from planned Defense Management Reforms and overhead consolidations.
- Liabilities, such as for environmental clean-up, may be greater than previously anticipated.
- A task force is reviewing these funding and management issues.

Department of Energy Defense Programs

- 3% real increase (after inflation) per year for environmental clean-up, and
- no nuclear weapons production and only 15 tests of weapons through 1996.

To ameliorate the economic effects of reductions, the plan includes new initiatives for defense conversion.

- continued funding for the Department of Defense for dual-use technology and manufacturing programs,
- additional funding for DOD's Office of Economic Adjustment and for the Economic Development Administration in the Department of Commerce for community diversification programs,
- about \$9 billion in 1994-97 in investment initiatives of the Departments of Energy, Transportation and Commerce and NASA for technology programs and high technology product acquisition, creating "market pull" for defense industries and their workforce,
- \$5.4 billion in 1994-97 to the Department of Labor for dislocated worker training, and
- funding for the Department of Energy for training, employee assistance, and community assistance programs.

EDUCATION DEPARTMENT
1994 Budget Passback

Stimulus (1993)

- o Chapter 1 Summer Programs. \$500M for FY 1993 only. (No change from prior passback.) Appropriation language proposed so that at least 80% of the money is spent at the local level by Sept. 30, 1993.
- o Chapter 1 Census Offset. \$235M for 1993 only. Added since prior passback phone call. Provides partial offset for loss of funds in some areas due to shift from 1980 to 1990 Census data for fund allocations.
- o Pell shortfall: 1993-1994 and prior years. No change from prior passback. \$2.024B: \$1.371B for old shortfalls; \$.653B for 1993-1994. Fully funds current shortfall estimates through 1993-1994 school years.

Investments (1994-1997)

- o Apprenticeship. No change in 1997: outlays of \$495M. 1994 BA reduced from \$450M to \$270M since prior passback call. Labor and ED are collaborating on policy.
- o Allowance for Reform and Initiatives. No change in 1997: outlays of \$2.7B. 1994 BA reduced from \$1.45B to \$870M since prior passback. The allowance is for:
 - Elementary and secondary: "Safe Schools"; Systemic School Reform; reauthorization of Elementary and Secondary Education Act; other programs.
 - Postsecondary: Pell grants and other higher education programs.

Non-Defense Discretionary Reductions. No change from prior passback.

- o Reform Campus-based Aid. Reduce BA for supplemental grants, loan capital, work-study \$200M below 1993; freeze remaining \$1.2B in outyears; give schools flexibility to shift funds among activities. Outlay savings: \$275M in 1997.
- o Phase-out Impact Aid "b". Three year phase-out of Impact Aid "b" payments to school districts. No cuts in the much larger "a" payments. Outlay savings: \$145M in 1997.

- o "Streamlining": Eliminate, restructure or reduce other programs. 1997 outlay savings: \$620M, derived as follows (Secretary has discretion on how to achieve):
 - Eliminate consumer/homemaking. 1997 outlay saving: \$37M.
 - Reduce outlays one-third for 60 programs with less than \$50 million in 1993 BA. 1997 outlay savings: \$186M.
 - Freeze BA at 1993 level for most other programs. 1997 outlay savings: \$398M.

Entitlements. No change from prior passback.

- o Direct Loans. Legislation to expand and modify Direct Loan pilot with goal of full implementation of Direct loans in 1997. 1997 outlay savings: \$1.3B. Prepare loan repayment options, including repayments adjusted to annual income, to permit more people to take low wage community service jobs.
- o State Default Fee. States to share costs if default rate of students in State's schools exceeds 20 %. States may pass on costs to schools. 1997 outlay savings: \$131M.

Other

- o Across The Board Cuts. 1997 outlay savings: \$71M. Savings from: FTE reductions (-50 in 1993, rising to -198 by 1995); lower administrative expenses; lower research costs per new policy to cut grantee overhead; no 1994 pay raise.
- o Technical increases. Amounts increased over baseline. 1997 outlays: \$135M. 1994 BA increase: \$148M. Provides for: continuing Pell and student loan processing contracts; improvements in accounting systems; continuing planned expansions of statistics programs; National Assessment of Educational Progress, State-based and national assessments.

**DEPARTMENT OF ENERGY
1994 Budget Passback**

STIMULUS (1993)

- o **Weatherization Grants.** Increase funding by \$47 million to help weatherize homes of lower income households and create jobs quickly.
- o **Federal Energy Efficiency.** Increase funding for DOE in-house energy management and Federal Energy Management Program Activities (by \$13 million in FY93).
- o **DOE Laboratories.** Increase funding for Cooperative Research and Development Agreement (CRADAs) at the National Laboratories by \$47 million in FY93.
- o **Institutional Conservation Program.** Increase funding by \$19 million for model projects demonstrating energy conservation in buildings and industrial processes.
- o **Alternative Fuel Vehicles.** Increase funding by \$28 million for conversion to or acquisition of alternative fuel vehicles for Federal fleet.

INVESTMENT (1994-98)

- o **Funding for Conservation and Renewable Energy.** Propose \$3.5 billion over the FY 1994-98 baseline as part of the investment package, including:
 - \$1.9 billion over 1994-98 for renewable energy and conservation R&D, most of which is intended for implementation of the Energy Policy Act;
 - \$460 million over 1994-98 baseline for low-income weatherization grants; and
 - \$292 million over FY94-FY98 baseline for DOE in-house energy management and Federal Energy Management Program (FEMP) activities, including an efficiency fund that DOE will administer on behalf of a number of smaller agencies.
- o Government-wide, the buildings energy conservation program would increase by \$94 million in FY 1994 and a total of \$1.4 billion over baseline between FY 94-98.

- o Government-wide, the buildings energy conservation program would increase by \$94 million in FY 1994 and a total of \$1.4 billion over baseline between FY 94-98.
- o **Technology Transfer.** Add \$30 million in 1994 for Cooperative Research and Development Agreements at the non-defense laboratories (for a total of \$230 million above the baseline in FY 1994-98).
- o **Other Energy R&D/Technology Increases.** Other technology initiatives above the baseline include increased fusion energy R&D funds, increased gas utilization R&D (\$263 million between 1994 and 1998) and initiation of the Advanced Neutron Source at Oak Ridge (\$1.2 billion between 1994 and 1998).
- o **Environmental Restoration and Waste Management.** The clean-up program would be increased by three percent above baseline.

SAVINGS

- o **Uranium Enrichment.** To pave the way for the creation of the U.S. Enrichment Corporation, one of the enrichment operating plants would be closed (located in Portsmouth, Ohio -- not Paducah, KY). Produces savings of 241 million in outlays in 1994 and \$1.3 billion between 1994 and 1997.
- o **Nuclear Reactor Research.** Stops nuclear reactor research considered commercially unviable. Produces saving of about \$103 million in outlays in 1994 and \$1 billion between 1994 and 1998.
- o **PMAs.** We are withdrawing our debt payment reform proposal and BPA conservation initiative. We will retain a savings marker of \$300 million BA in the outyears but the nature of the savings proposal is to be worked out with Congress.
- o **Strategic Petroleum Reserve (SPRO).** We are proposing to reduce SPRO acquisitions by one-third. Currently, DOE adds about 20,000 barrels per day. (The 20,000 is acquisition for non-defense purposes; another 15,000 is acquired for defense purposes.) This proposal reduces acquisition to just over 13,000 barrels per day.
- o **SSC Will Continue.** The SSC is funded at \$108 million above the baseline in 1994 (total FY94 funding of BA \$640 million). Baseline funding is assumed in the outyears. The project would be stretched out, adding about 3 years and \$1.8 billion

to the schedule. This stretch-out will provide a breather to review magnets and costs and evaluate current contractor, and fix any problems with cost and schedule controls.

DEFENSE PROGRAMS

- o Total FY 1994 BA for DOE defense activities is \$11.6 billion. Part of this (\$5.5 billion) is for defense-related nuclear waste cleanup, which is funded at 3 percent above the baseline. This will require DOE to renegotiate some environmental compliance agreements it entered into with States and EPA and to undertake some reforms in the way it operates this program.
- o All other defense activities related to weapons production, stockpiling, and testing are \$1 billion below the FY 1993 level (\$6.0 billion). This funding level conforms with prior decisions to stop producing and reduce testing of nuclear weapons.
- o \$100 million (part of the \$11.6 billion above) is to provide assistance to workers and communities who lose jobs because of defense-related cuts for DOE.

OTHER

- o **Streamlining/FTE Cuts.** Other cuts, which affect all Federal agencies, will also be taken in an effort to improve the efficiency and streamline the Department's administrative operations. This includes a reduction in the overhead allowance for grants to universities (from 26 percent to 22 percent).
- o **Alaska Power Sale.** The Administration supports the sale of the Alaska Power Administration to the State and other publicly-owned utilities. No budget effects.
- o **FCCSET.** Federal Coordinating Council for Science, Engineering and Technology R&D initiatives are funded above baseline.

February 16, 1993

**ENVIRONMENTAL PROTECTION AGENCY
1994 BUDGET PASSBACK**

STIMULUS (1993):

- o **Watershed Resource Restoration Grants** -- provide \$47M in 1993 BA in Sec. 319 non-point source grants pursuant to Administrator Browner's request.
- o **Green Programs** -- provide \$23M in 1993 BA to greatly expand EPA's existing "green programs" to promote energy efficiency and reduce greenhouse gas emissions pursuant to Administrator Browner's request.
- o **Wastewater State Revolving Funds (SRFs)** -- provide \$845M in 1993 BA to virtually complete the \$18B authorization under the Clean Water Act.

INVESTMENT (1994-97):

- o **\$1 Billion per year for Drinking Water State Revolving Funds (SRFs) (\$599M in 1994)** -- establish new drinking water SRFs to help municipalities comply with Safe Drinking Water Act requirements (\$692M in 1997 outlays; \$1,328M in 1994-97 outlays).
- o **\$2 Billion per year for Clean Water State Revolving Funds (\$1,198M in 1994) Emphasizing Stormwater Projects** (\$1,402M in 1997 outlays; \$2,700M in 1994-97 outlays)
- o **Environmental Technology** -- expand environmental technology research by \$36M in FY 1994 BA and \$1.85B over nine years (\$127M in 1997 outlays; \$271M in 1994-97 outlays).
- o **Watershed Resource Restoration and Green Programs** -- investment funding for these items included in the stimulus package would be continued at \$50M and \$25M in BA per year respectively for 1995-97 (\$30M and \$15M respectively for 1994).

PROPOSED REDUCTIONS: (all Discretionary -- EPA has only minor Mandatory spending)

- o **Completion of Wastewater Construction Grants** -- provide wastewater funding under current authorization (\$150M per year) only to support NAFTA (including funding for colonias in Texas, New Mexico, and Arizona). Reduces 1997 outlays by \$1,947M and 1994-97 outlays by \$4,104M.
- o **Increase Private Sector Superfund Financing** -- reduce funding by \$118M in FY 1994 BA for EPA cleanups by increasing private sector cleanup activity through increased enforcement. Reduces 1997 outlays by \$109M and 1994-97 outlays by \$308M.

- o **Eliminate One-Time Building Projects** -- would eliminate from the baseline two one-time building projects added by Congress to EPA's budget in 1993.

CROSSCUTTING REDUCTIONS:

- o **100,000 FTE Reduction Savings** -- \$17M in 1994 BA savings due to 2.5 percent 1994 FTE cut pursuant to Presidential Executive Order. EPA's share of the FTE reduction is 448 FTE in 1994 (-179 FTE in 1993).
- o **Administrative Efficiencies** -- \$8M in 1994 BA savings due to 3 percent 1994 administrative expense cut pursuant to Presidential Executive Order.
- o **Pay Adjustment** -- \$30M in 1994 BA savings due to changes in Federal pay assumptions.
- o **Streamlining Savings** -- \$34M in 1994 BA savings due to elimination of inflation from the baseline for object classes and programs not affected by other changes.
- o **Other Crosscutting Reductions** -- \$3M in 1994 BA savings due government-wide limits on R&D grant overhead and \$1M due to FTS 2000 price reductions.

February 16, 1993

Department of Health and Human Services

HHS-wide Talking Points

To preserve maximum Secretarial flexibility to allocate resources, maintain consistency with Clinton priorities, and achieve deficit reductions levels, the following reductions may be allocated within HHS.

Reduction of 100,000 Federal Positions

- On February 10, 1993, the President issued an Executive Order reducing 100,000 Federal positions over the next three fiscal years. To achieve the President's goal by FY 1996, HHS' contribution is over 1,000 FTE in FY 1993 and over 10,000 FTE over FYs 1993-1996. At least 10 percent of the reductions shall come from the SES, GS-15 and GS-14 levels or equivalent.

Deficit Control and Productivity Improvement in the Administration of the Federal Government

- The President is committed to achieving real reductions in the administrative costs of Federal agencies. To meet this goal by FY 1997, HHS shall reduce its administrative overhead (defined as expenditures for contractual services and supplies) by approximately \$150 million in FY 1994 and approximately \$1.7 billion in FYs 1994-1997.

Streamlining

- To achieve the President's goal of streamlining agency programs, HHS's share of additional administrative reductions is over \$300 million in FY 1994 and over \$3 billion over FYs 1994- 1997.

Stimulus (1993)

- Head Start (Summer). An increase of \$500 million to fund a summer Head Start program to help disadvantaged children retain the social and intellectual gains made during the school year.
- Ryan White Act. An increase of \$200 million to respond to the President's pledge to fully fund the Ryan White Act.
- Immunizations. An increase of \$300 million through the national vaccine program to finance vaccine purchase, certain personnel expenses, vaccine safety and research, the development of a national tracking system, and a community based outreach and information campaign.
- NIH Higher Performance Computing Applications. A \$9 million increase to develop applications of advanced computer and networking technology for health care.
- Social Security Administration. A supplemental in FY 1993 for the Social Security Administration for purchase of computers and other equipment and processing disability determinations -- \$302 million in FY 1993, \$120 million in FY 1994, and \$200 million in succeeding years.

Investment (1994-97)

- No specific amount has been set aside for reforming welfare.
- Head Start (Summer). Continues the summer Head Start program at \$514 million in 1994.
- Head Start Program Growth. As pledged in *Putting People First*, this proposal begins fully funding Head Start. Head Start funding would increase by \$785 million in 1994 and by \$3.1 billion in 1997, and is complemented by Medicaid-related spending for child health and the Child Care feeding program in the Department of Agriculture's Child and Adult Care Food Program.
- Ryan White Act. A \$120 million increase in 1994, with total additional funding of approximately \$1.4 billion for 1993-1997.
- AIDS, Women's Health, Research and Other Public Health Initiatives. Includes an additional \$1,272 million in 1994 for funding HIV/AIDS, women's health, and other priority research efforts; immunizing young children; and promoting public health.
- Low Income Home Energy Assistance. Funds will be sought to alleviate the impact of the energy tax increase on low income households. Added budget authority of \$333 million in FY95, \$667 in FY96, and \$1 billion in FY97 and FY98.
- NIH High Performance Computing Applications. Includes an increase of \$24 million in 1994 to continue the activities begun in 1993 to develop applications of advanced computer and networking technology for health care.
- Substance abuse treatment. A \$90 million increase in 1994 to create treatment capacity where it is needed most and for hard-to-treat populations, especially pregnant women and women with children.
- Social Security Administration. A dedicated automation investment fund to improve service and productivity at the Social Security Administration of about \$1 billion. Spending is estimated at about \$145 million in FY94 and \$245 million in each of the succeeding four years. This is above currently budgeted investment levels.
- Parenting and Family Support. Discretionary funds of \$60 million in FY94 (\$1.1 billion over FY94-97) will be set aside to respond to sensitive, emerging issues in parenting and family support, including activities that would help disadvantaged parents work with their children at home.
- Medicaid and AFDC State Administrative Expenses. Beginning April 1, 1994, match all Medicaid and AFDC State administrative expenses at 50%. Food Stamp match rates would also be set at 50%. Limited hardship waivers will be available.

Technical Adjustments to the Baseline

- NIH Breast Cancer Research. The NIH 1994 baseline continues over \$200 million for the breast cancer research funds that originally appropriated to the Defense Department in 1993. This policy fully funds the out-year costs of these multi-year grants.

Entitlements

- Medicare. Proposed changes have been discussed that would save \$3.0 billion in FY94, \$15.5 billion in FY97, and \$53.9 billion over five years. Final details of the design and pricing of the SMI premium need to be resolved. (NOTE: These details involve savings of about \$1 billion.)
- Medicaid. Proposed changes would save \$225 million in FY94, \$2.1 billion in FY97, and \$8.7 billion over five years. The proposals would permit States to use prescription drug formularies to control growing drug costs, close loopholes that allow individuals to divest assets in order to receive Medicaid-covered long term care, and fix a technical error in OBRA 90 to remove the mandate that States cover personal care services.
- Child Support Enforcement. Expanded child support activities including those in *Putting People First* and many of the Interstate Commission on Child Support recommendations. The proposals are targeted to produce billions of dollars in increased child support collections and medical support. Federal savings are currently estimated at \$27 million in FY94 and \$505 million over FY94-98.
- Social Security Administration. Seek Social Security Act changes that would charge States a small fee for the administration of State supplements to the Supplemental Security Income program. The monthly fee would be \$1.67 per beneficiary in the first year, \$3.33 in the second year, and \$5 in the third year.

Non-Defense Discretionary Reductions

- Health Professions Curriculum Assistance. Reduce funding for health professions curriculum assistance by \$27 million in 1994, recognizing that most health professionals are no longer in short supply. Curriculum assistance grants targeted specifically for primary care, nursing, and disadvantaged assistance would receive funding increases.
- Food and Drug Administration User Fees. Collect \$200 million in 1994 from the drug industry for the value conferred by FDA certification of the safety and effectiveness of drug, medical devices, and other FDA-regulated products.
- Reduce Overhead Rate on University R&D. Adjust the budgets for civilian R&D grant-making agencies to reflect an upper limit on administrative and facilities-related overhead charges, consistent with streamlining overhead in Federal departments and with *Putting People First*. The HHS share will save \$223 million in 1994.

February 16, 1993

TALKING POINTS - INTERNATIONAL AFFAIRS

- Overall international affairs outlays have been reduced by \$1.4 billion in 1994 and \$2.4 billion during 1994-97.
- Within the amounts remaining, programs will be restructured to make funds available for key Clinton Administration foreign policy initiatives.
- Among the initiatives, greatest emphasis has been placed on programs to promote democracy abroad, particularly in the former Soviet Union. Funding for a Radio Free Asia is provided.
- The budget would make the United States current in its legal obligations to multilateral institutions and would meet all known needs for UN peacekeeping operations.
- Other major initiatives supported include non-proliferation activities, population control, the international environment, competitiveness, refugees and humanitarian emergency relief.
- Savings have been taken in traditional security assistance programs, which must be redesigned for the needs of the post-cold war world. Funding for countries involved in the Middle East peace process, mainly Israel and Egypt, will not be cut.
- Funding for Agency for International Development programs, particularly those that may export jobs, has been cut pending reorganization of that agency.
- International radio broadcasting will be streamlined with attendant savings, but Radio and TV Marti broadcasting to Cuba and will be maintained.
- Export financing for capital goods will be held level while the program, is reoriented for greater effectiveness.

February 16, 1993

Presidential Decisions on the FY 1994 Budget

Talking Points -- Secretary Cisneros
Department of Housing and Urban Development

- o **STIMULUS:** President adopted most of the Secretary's stimulus proposals.
 - Expand the Community Development Block Grant (CDBG) with \$2.5 billion in 1993 BA and modify to assure faster spending. Modifications include:
 - Remove current restraints on public services spending;
 - Enforce a strict recapture provision on any unspent CDBG stimulus funds after 1994;
 - Provide the HUD Secretary authority to waive statutory or regulatory provisions that impede fast spending.
 - Accelerate HOME expenditures. (No new money.)
New regulations and other options to accelerate expenditure of funds will be mutually developed by OMB and HUD staff.
 - Accelerate Public Housing Modernization expenditures. (No new money.) Shorten the grant-making process and streamline information requirements. HUD and OMB staff will work out details.
 - Add \$423 million for HUD's Supportive Housing program. This expansion of HUD's homeless funding in 1993 is consistent with the Secretary's request in his February 3rd letter to you. The supplemental will include modifications to accelerate current slow spending, and will enforce a strict recapture provision for any stimulus funds unspent after 1994.

- o **INVESTMENT:** President selected several HUD programs for special emphasis in his investment program. He added BA of \$15.3 billion from FY 1994-1998 for HUD investments. (HUD 1997 outlays were increased \$1.4 billion above the OMB baseline to accommodate these additional investments.)
- Increase basic (non-stimulus) Community Development Block Grant (CDBG) program by \$90 million in FY 1994, and \$150 million in FY 1995-1998. (+\$690 million of BA 1994-1998; 1997 outlays of \$4.4 billion are \$137 million above the OMB revised baseline.)
- Increase HUD's Low-Income Housing Preservation and Restoration programs. This increase assures that sufficient funds are available to preserve, rehabilitate, and restore the financial soundness of current low-income rental housing. (+\$4.1 billion of BA 1994-1998);
- Invest to assist more low-income households with housing. Expands two HUD programs: (a) increase rental assistance to 100,000 new housing vouchers in 1998 (from nearly 40,000 in FY 1993; gradual increase each year), and (b) double HOME grants to State and local governments to the full amount authorized (\$2.2 billion in FY 1994; FY 1993 base is \$1.1 billion), and maintain at that level through FY 1998. (+\$6.8 billion in BA in FY 1994-FY 1998).
- Invest more in homeless programs by increasing HUD's Supportive Housing Program by \$180 million in FY 1994 and \$300 million in FY 1995-FY 1998. This provides a more permanent solution to homelessness. (1997 outlays of \$300 million are \$138 million above the OMB revised baseline.)
- Increase public housing operating subsidies. This increase will assure full funding of authorized operating subsidies for public housing units. Also includes reforms to eliminate paying subsidies for vacant units.
- Fund Community Partnership Against Crime initiative. Funding for this new program will allow HUD to work with local public housing authorities in an intense effort to reduce crime in public housing. (\$690 million in BA, FY 1994-FY 1998).

-- Increase funding for HOPE for Severely Distressed Public Housing initiative. This proposal increases the funds available for rehabilitating severely dilapidated public housing units from the level of \$300 million in BA provided in FY 1993, to \$483 million in FY 1994, and \$600 million annually in years FY 1995-FY 1998. (\$1.26 billion in BA, FY 1994-FY 1998; \$374 million in outlays, FY 1994-FY 1998)

-- Fund HOPE Youthbuild initiative. This proposal provides resources to employ, train, and educate economically disadvantaged young adults in rehabilitating public and other low-income housing. (\$48 million in BA in FY 1994, \$368 million in FY 1994-FY 1998; \$106 million in outlays in FY 1994-FY 1998)

o TAX INITIATIVE FOR HOUSING: As part of his tax package, the President has approved the following tax changes to support housing.

-- Extend the Low Income Housing Tax Credit permanently;

-- Extend Mortgage Revenue Bonds permanently;

-- Propose creation of enterprise zones. Treasury, OMB and HUD staff should work together to develop program details for final proposal similar to that in H.R. 11. President has approved tax expenditures of \$1.2 billion in 1997 for enterprise zones (\$2.4 billion tax expenditures between 1994 and 1997).

o NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS:

To help meet his 1997 deficit reduction target, the President decided to reduce or reform several HUD programs. In addition, the President asks HUD to contribute its share toward government-wide savings initiatives. (Total estimated 1997 outlay savings are \$1.5 billion below the revised OMB baseline.)

-- Eliminate funding for Special Purpose Grants. These were added in the 1993 Appropriations process as "pork" items. The unauthorized projects violate the principles of open and fair distribution of HUD resources, which were enacted in the 1989 HUD Reform Act.

- Modify administrative fees for Federally-assisted housing from 7.65 percent of rents to 6.0 percent of rents. HUD fees are paid to local public housing authorities, which administer Federal housing subsidy programs. These fees substantially exceed the costs of the services the local entities perform. According to GAO and HUD studies, this proposal would gradually reduce these fees to a uniform level more consistent with service costs.
- Reallocate new construction funding from Public and Indian Housing and Elderly and Handicapped housing to HOME block grants. This proposal increases flexibility of local communities without diminishing the number of housing units being assisted. Only 70 percent of HUD new construction funds are transferred to HOME because of the state/local match requirement in HOME.
- Reform HUD's preservation program to eliminate excessively costly subsidies paid to private landlords to continue to operate rental units as low-income housing. Limits subsidy to the cost of a housing voucher. Also eliminates homeownership option.
- Government-wide savings. HUD is asked to bear its share of reductions needed to achieve the President's goals of: (1) a reduction of 100,000 FTE in federal civilian employment and (2) an across the board reduction in certain administrative costs.
- Additional savings to streamline government. In addition to the specific discretionary program savings the President has approved, the President asks that you plan to achieve additional savings to meet his objective of streamlining government.

Although these additional savings must be met in the aggregate (1997 outlay savings of \$656 million for HUD), you may reallocate them among your programs to reflect the consolidation and efficiency steps you believe are most appropriate. My OMB staff are prepared to work with your staff to develop the necessary detailed budget allocations by program.

- o **ENTITLEMENT SAVINGS:** These proposals save \$227 million in BA and outlays for 1997.
- **FHA Insurance Reforms.** Reforms will reduce insurance losses by removing legislative and regulatory impediments, and improving management. These reforms will re-establish the FHA insurance programs as effective government financing vehicles.
- **Propose GNMA REMICS (Real Estate Mortgage Investment Conduits).** Reduces mortgage costs to borrowers by enabling intermediaries to match investor investment preferences more precisely. The government's charge for guaranteeing REMICS will capture some of the efficiency gain of a REMIC for deficit reduction. The rest will accrue to the homeowner.

February 16, 1993

DEPARTMENT OF THE INTERIOR
FY 1994 BUDGET PASSBACK

STIMULUS:

- o Total BA of \$460M (\$745M requested by Secretary Babbitt), including:
 - Enhanced Natural Resource Protection and Environmental Infrastructure (+\$349M), including the National Parks (+\$230M), Wildlife Refuges (+\$88M), and other Public Lands
 - Bureau of Indian Affairs (BIA) school operations and Economic Development on Indian reservations (+\$88M)
 - Historic Preservation repair and maintenance, National Park Service (+\$23M)

INVESTMENT:

- o Natural Resource Protection and Environmental Infrastructure (+\$160M in FY94 BA) including National Parks, Wildlife Refuges, and Public Lands
- o Bureau of Indian Affairs Dam Safety (+\$18M in FY94 BA)
- o Public land highways and Indian reservation roads (+\$32M in FY94 BA) funded through Department of Transportation's Highway Trust Fund

PROPOSED REDUCTIONS:

Entitlements:

- o Phase in increased Grazing Fees over four years to approximate fair market value (Bureau of Land Management) (-\$22M in FY97 outlays; -\$48M in FY 94-97 outlays); Secretary would be given flexibility to negotiate higher fees consistent with these savings targets.
- o Permanently extend Hardrock Mining Holding Fees; continues proposal similar to FY 1993 enacted (-\$80M in FY97 outlays; -\$320M in FY 94-97 outlays)
- o Institute Hardrock Mining Royalty; based on 12.5 percent of gross production phased in over three years (-\$277M in FY97 outlays; -\$471M in FY 94-97 outlays)
- o Permanently extend 50% Net Receipt Sharing for On-shore Oil, Gas, and Coal Extracted from Federal Lands (not OCS); (-\$45M in FY97 outlays; -\$170M in FY 94-97 outlays).
- o Increase Recreation Fees; would increase existing fees and add new sites at national parks, refuges, and public lands (-\$45M in FY97 outlays; -\$147M in FY 94-97 outlays); except at national park units, no increase greater than \$3 per site or activity.

- **Implement a Federal irrigation water surcharge** (non-Central Valley Project)
(-\$15M in FY97 outlays; -\$45M in FY 94-97 outlays)
- **Reform Commonwealth of Northern Mariana Islands Funding Agreement** (-\$10M in FY97 outlays; -\$31M in FY 94-97 outlays)

Discretionary:

- **Reduce construction funding for selected Bureau of Reclamation water projects**
(-\$42M in FY97 outlays; -\$163M in FY 94-97 outlays)
- **Eliminate one-time Interior funding for disaster relief; eliminates FY 1992**
contingent supplementals (-\$68M in FY97 outlays; -\$250M in FY 94-97 outlays)
- **BIA Enhanced School Operations** (+\$60M BA in FY94, +\$60M in FY 97 outlays; +\$240M in
FY 94-97 outlays)
- **Indian Land and Water Rights Claim Settlements** (+\$200M BA in FY 94, +\$200M in FY 97
outlays; +\$800M in FY 94-97 outlays)

ACROSS-THE-BOARD CUTS PURSUANT TO PRESIDENTIAL DECISIONS:

- **Pay adjustment** -\$83M BA in FY94; due to Government-wide changes in pay.
- **FTE reduction** -\$68M BA in FY94; FY94 FTE level of 75,989; -1,948 (-2.5%) from
FY 93; pursuant to the Executive Order.
- **Other administrative efficiencies** -\$40M BA in FY94; -3% pursuant to the Executive
Order.
- **Limits on R&D Grant Overhead** -\$2M BA in FY94.

February 16, 1993

DEPARTMENT OF JUSTICE
1994 Budget Passback

Stimulus. None planned.

Investments/Crime Initiative.

- Community Policing/"Cops on the Beat." \$50M is provided in 1994 (\$300M by 1997) to initiate a program to aid States and localities to enhance their community policing activities. Funds may be used to: recruit and hire new officers; provide special training; or support community programs to reduce crime. Program is consistent with last year's crime bill and "Putting People First."
- Police Corps. \$25M is provided in 1994 (\$150M by 1997) to establish a program that provides scholarships to would-be police officers in exchange for a commitment to service as a State or local police officer. Candidates would receive a yearly stipend for tuition, books, and expenses. Program is consistent with last year's crime bill and "Putting People First."
- Brady Bill/Criminal Records Upgrade. \$25M is provided in 1994 (\$50M in 1995 and beyond) to initiate grants to states to upgrade criminal records infrastructure and to establish a computer interface with the FBI's criminal records databases. Initial year funding will be split between grants to States and FBI startup and operating costs. Thereafter, grants to states will be increased and FBI operations will be funded. Program is consistent with last year's crime bill and recent Presidential support of Brady Bill.
- Detention and Care of Federal Prisoners. \$199M over 1994 baseline (\$274M by 1997) will help the Bureau of Prisons and Marshals to house and feed an increased number of detainees and prisoners and to meet higher room and board and medical costs. Also includes funds to open new prisons.
- All Other Law Enforcement. \$91M over 1994 baseline (\$126M by 1997) is provided principally to INS, and FBI to enable agencies to continue to improve their services. Among the increases are: 1) \$9M for FBI's fingerprint identification improvement project (this would fully fund the Department's request); 2) \$35M for detention/deportation of criminal aliens by INS; 3) \$10M for additional INS inspectors at land border ports of entry; 4) \$8 million for improving INS data and communications

capabilities; 5) \$10M for implementation nationwide of the FBI's program to contract background investigations to former agents; 6) \$11M for rent payments to GSA; and 7) \$8M for the Community Relations Service to process and resettle Haitians and Cubans.

Non-Defense Discretionary Reductions

- **DOJ Program Streamlining.** The grant programs within the Office of Justice Programs (e.g., State and local drug grants) would be funded at 1993 enacted levels (~\$17M from baseline in 1994) and funding for new law enforcement training facilities at Quantico, VA, for DEA would be eliminated (~\$8M from 1994 baseline). The current training capacity at Quantico, coupled with facilities at Treasury's Federal law enforcement training center in Georgia (FLETC), provide sufficient resources to fulfill current Justice law enforcement training needs.
- **Prison Construction.** Limited new future construction is proposed for 1994 and 1995, and no new construction in 1996 and beyond (~\$71M from 1994 baseline). Does not affect all construction projects currently planned and funded. This reduction is in recognition of the fact that there is an unobligated balance in this account of over \$1.6B at the start of 1993 and significant progress has been made in reducing prison overcrowding. Prison overcrowding will be reduced to less than 10% by 1997 with funding already available for new construction. (Prison repair and modernization would be maintained at \$114M in 1994 and adjusted for inflation through 1998.)
- **Pay Adjustment.** No pay raise in 1994 and pay raise reduced by one percent in each year, 1995-1997. Omit locality pay in 1994; implement revised locality pay system beginning in 1995. Savings \$139M in 1994 and \$340M in 1997.
- **FTE Reduction.** Implement Executive Order on 100,000 FTE reduction. Savings \$82M in 1994 and \$703M in 1997.
- **Other Administrative Efficiencies.** Implement Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government. Savings of \$50M in 1994 and \$189M in 1997.

Entitlements. None

Other Items.

- DOJ is requested to examine the feasibility of charging fees for processing various INS forms to offset part of the costs of land border inspection (the potential is about \$7M annually) and to propose extending the land border crossing fee pilot project.
- DOJ is requested not to increase basic rates of pay for lawyers or law enforcement officers.

DEPARTMENT OF LABOR

STIMULUS

- o Emergency Unemployment Compensation: Policy is unchanged: extend the current program of 20/26 additional weeks of benefits through October 2nd. Those receiving benefits when the program ends will receive 15 additional weeks.
 - Estimates include State administration costs.
 - Language has been drafted so extension can be done through authorization or appropriations action.
- o Summer Youth Employment and Training: No change from prior passback. \$1 B is added to existing funds available for the summer of 1993.
- o Community Service Employment for Older Americans: \$32 M add-on would finance 5,300 job slots bringing the total slots up nearly to the 1993 authorized job slot floor of 70,000.
- o Worker Profiling: \$14 M is included for FY 93 for enhanced counseling/labor exchange activity to help identify quickly and provide services to the structurally unemployed to get them back to work.

INVESTMENT

- o Dislocated Worker Assistance: \$40 M reduction in 1997 outlays (now \$1.960 B). In FY 1994, \$1.2 B (an \$800 M reduction from the earlier \$2 B level) is added to the baseline for a new comprehensive worker adjustment program (baseline is \$725 M for Trade Adjustment Assistance and Economic Dislocation and Worker Adjustment Assistance acts). \$2 B is added for FY 1995-98.
- o Summer Youth Employment and Training: No change to 1997 outlays (\$625 M). The investment change reduced the 1994 additional amount from \$625 M to \$375 M (FY 93 stimulus is \$1 B). FY 1995-98 is \$625 M.
- o Community Service Employment for Older Americans: No change in 1997 outlays of \$35 M. The investment change reduced the FY 1994 add-on from \$35 M to \$21 M (FY 93 stimulus is \$32 M). The FY 1995-98 level is \$35 M.

- o Worker Profiling: No change in 1997 (no outlays). An additional \$9 M, the level after the investment change is provided in FY 94.
- o Job Corps:
 - 50/50 Plan: \$41 M drop in 1997 outlays (now \$202 M). Capacity will be increased by 50 centers (from 112 centers to about 162) by about the year 2001. Instead of \$222 M, the program starts at \$133 M in FY 1994 (an amount determined after the investment change); amounts vary in outyears based on DOL planning estimates.
 - Maintenance: \$5 M decrease in 1997 outlays (now \$45 M). \$30 M (as opposed to \$50 M before the 40% change) is provided in FY 1994 and \$50 M each year FY 1995-98 for backlogged maintenance and relocation costs at existing Job Corps centers.
- o Youth Apprenticeship: A \$5 M drop in outlays in 1997 (now \$495 M). (Also being passed back to Education because the Secretaries are collaborating). Instead of starting at \$450 M, FY 1994 will be \$270 M level), rising to \$500 M in 1995-98.
- o One-Stop Shopping: No change to 1997 outlays (\$250 M). \$150 M provided in FY 1994 (as opposed to \$250 M before the ratchet) and \$250 M each year for FY 1995-98 for the Employment Service for a common point of access to information on jobs/job training in communities.
- o Skill Standards: Covered in the allowance for education initiatives. Funds are to establish a national system of voluntary skill standards.
- o Staffing: An additional 365 FTE are added for the approved initiatives. The cost of those staff are to be absorbed in the amounts approved for the initiatives.

ENTITLEMENT SAVINGS: No change from prior passback.

- o None.

DISCRETIONARY SAVINGS: No change from prior passback.

- o **Streamlining:** \$53 M in FY 1994 is included in a lump sum that the Secretary can decide how to allocate.

-- Amount derived by freezing at the FY 1993 appropriated level the Job Training Partnership Act (JTPA) programs for which increases were not requested.

ACROSS-THE-BOARD FTE AND OVERHEAD REDUCTIONS

- o DOL's FTE are reduced by 198 in FY 1993 and by 792 in FY 1995. The overhead cut is about \$10 M in FY 1994 and \$52 M in FY 1997.

February 16, 1993

NATIONAL AERONAUTICS & SPACE ADMINISTRATION
1994 Budget Passback

Stimulus (1993)

- o Networking and Computing Applications. NASA will receive \$5M in 1993 as part of a four-agency effort to accelerate high performance computing applications as proposed in Senator Gore's Information Infrastructure and Technology Act (S.2937). Funding will continue in 1994-1998 as part of the Administration's investment package.

Investments (1994-1997)

- o Crosscutting High Performance Computing. Continues funding in 1994-1998 for the four-agency program to accelerate high performance computing (HPC) applications (\$12M in 1994 growing to \$50M in 1997).
- o Civil Aviation Research. Augments NASA aeronautics research to support the development of technologies for high-speed and subsonic civil aviation (\$57M in 1994 growing to \$247M in 1997).
- o Short-haul Aircraft Research. Augments NASA aeronautics research to support the development of technologies for short-haul aircraft (\$5M in 1994 growing to \$20M in 1997).

Non-Defense Discretionary Savings

- o Redesign Space Station and Add New Technology Investments. Provides \$588M in 1994 and \$643M in 1997.
 - Redesign Space Station. The current Space Station design (\$100 billion future mortgage) is fraught with cost overruns and its capabilities have been dramatically reduced from that promised originally. This proposal would redesign Space Station with a less expensive approach that achieves many of the research goals. This would include the creative use of the Shuttle and increased manned space cooperation with the Russians.
 - New Technology Investments. Provides a broad range of investments in space transportation, space science, space technology, aeronautics, and institutional

technology areas. These investments will help chart a new course for NASA and can provide a more meaningful contribution to the U.S. economy. A major component includes smaller science missions that cost less and provide results sooner.

- o Government-Wide Reductions. Government-wide FTS 2000, FTE, pay, R&D grant overhead, and other administration efficiency savings. This saves \$140M in 1994 growing to \$387M in 1997.

All Other NASA Programs

- o All other programs (like Mission to Planet Earth, Cassini, and the Space Shuttle) are funded at the requested level.

Summary

- o Would like to strengthen NASA by making a valuable investment in new technology, ~~simplify the space station, and place NASA on a steady, sustainable budget growth path.~~

February 16, 1993

DEPARTMENT OF TRANSPORTATION
FY 1994 BUDGET PASSBACK

Stimulus Spending (1993)

- Highways. Fully fund ISTEA (1993-97), including a \$2,976 million supplemental in 1993.
- Transit. Increase transit program by \$752 million over the baseline for 1993. Of this increase, \$270 million would be earmarked for discretionary program bus and van purchases and the remaining \$482 million would be spent on formula-allocated capital grants.
- Airport Grants. Provide an increase of \$250 million in obligation limitation to fund fully the 1993 authorizations (from \$1,800 million to \$2,050 million).
- Amtrak. Provide increase of \$188 million in 1993 for Amtrak capital projects.

Investment Spending (1994-98)

- Highways. In addition to providing full-funding for ISTEA in 1994-1997, provide additional funds (above ISTEA) for Public Lands Highways and Indian Reservation Roads: +\$36 million in 1994, increasing to +\$240 million by 1997. 2.5 cents of gas tax currently planned for deficit reduction will be diverted to the Highway Account of the Highway Trust Fund starting on October 1, 1995.

Also, increase "smart cars/smart highways" funding by \$70 million in 1994, reaching \$100 million over the baseline by 1997. This increased Intelligent Vehicle Highway System (IVHS) funding is for accelerated operational tests, increased research and development, advanced technology development (e.g., artificial intelligence applications), and acceleration of the National Advanced Driving Simulator and Automated Highway System.
- Transit. Provide increase of \$600 million over the baseline in 1994 and \$1.0 billion in each year from 1995-1998 for formula-allocated capital grant programs.
- Airport Improvement Grants and Air Traffic Control Modernization. The Federal Aviation Administration's (FAA) Airport Improvement Program would be increased by \$30 million in 1994 and \$50 million per year thereafter over the baseline. The air traffic control modernization program would be increased by \$120 million in 1994 and \$200 million per year thereafter over the baseline. This will enable the FAA to continue to address critical equipment deficiencies and prepare for future air

Defense Discretionary Reductions

- Maritime Administration- Ready Reserve Force. Ready Reserve Force funding (function 054) is reduced to \$234 million in 1994 and in 1997. This reduction is below the baseline by \$221 million and \$270 million, respectively, and reflects the overall cut in defense spending.
- Maritime Military Useful Loan Guarantees. This program is zeroed out in all years from 1994 through 1998. Savings of \$54 million in 1994 and \$59 million in 1997.

Entitlements/Revenues

- General Aviation Fees. This will assess the general aviation community for more of the costs they impose on the aviation system. Aircraft registration and renewal fees are proposed to be increased on a graduated basis over four years, reaching \$270 per aircraft by 1997 (yielding \$18 million of fees in 1994 and \$58 million in 1997 fees.)

traffic growth.

- Maglev/High-Speed Rail. Release ISTEA contract authority in 1994-1997 (+60 million in 1994, +\$175 million in 1997) and provide an additional \$575M in budget authority in 1994-1998 (\$75 million in 1994, \$125 million in 1997). These funds may be spent either on high-speed rail or maglev, whichever the Secretary finds to be superior. This requires a legislative change regarding ISTEA funding.
- Alcohol Safety and Other DOT Capital. Increase funding by \$67 million over the baseline in 1994 and \$100 million in 1995-98 to reduce alcohol-related traffic accidents, increase the use of safety belts and motorcycle helmets, and improve oil pollution abatement capability by replacing outdated equipment.

Non-Defense Discretionary Reductions

- Transportation Lower Priority Programs. Reduce funding for lower priority programs and projects totaling \$361 million in 1994, going to \$389 million in 1997. As one among several examples of possible reductions are highway demonstration projects.
- Airport Operations. FAA Operations would be reduced by \$62 million per year below the baseline to reflect the FAA's transition from a period of expanding its workforce due to rapid air travel growth to a period of slower growth and stable workforce.
- DOT Streamlining. Several DOT grant and contract programs are frozen at 1993 enacted levels (e.g., a portion of FAA research and development, motor carrier safety, and several small, outmoded railroad grant programs are terminated). Savings of \$23 million in 1994 and \$46 million in 1997.
- Civilian Pay Adjustment. No pay raise in 1994 and pay raise reduced by one percent in each year 1995-97. Omit locality pay in 1994; implement revised locality pay system beginning in 1995. Savings of \$128 million in 1994 and \$313 million in 1997.
- Military (Coast Guard) Pay Adjustment. No pay raise in 1994 and pay raise reduced by one percent in each year 1995-97. Savings of \$37 million in 1994 and \$90 million in 1997.
- FTE Reduction. Implement Executive Order on 100,000 FTE reduction. Savings of \$67 million in 1994 and \$131 million in 1997.
- Other Administrative Efficiencies. Implement Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government and realize savings in FTS 2000 contract costs. Savings of \$32 million in 1994 and \$151 million in 1997.

DEPARTMENT OF THE TREASURY

Talking Points for Passback

Stimulus

Internal Revenue Service -- Tax System Modernization (TSM) Acceleration: The President has approved an additional \$148 million in FY 1993 to accelerate the IRS's TSM projects and other ADP equipment replacement schedules. TSM is an ongoing, \$8 billion, decade-long (FY1990 - FY2001) effort to modernize the IRS.

Investment

Internal Revenue Service -- Tax System Modernization (TSM) Increase (1997 outlays plus \$696 million above baseline): The Budget will provide funding of \$2.1 billion above the baseline during the FY 1994 - FY 1997 period; \$98 million in FY 1994, increasing to \$731 million in FY 1997 for IRS Tax System Modernization (TSM) projects.

Over the long term, TSM will modernize IRS functions, allowing the IRS to move from an antiquated and disjointed computer system to an up-to-date, automated approach to processing taxes. TSM will enable IRS to reduce the risks and costs associated with maintaining its current systems. It will deliver productivity savings, reduce burden placed on public, and support improved compliance efforts.

Community Development Banks (1997 outlays plus \$110 million above baseline): The Administration will propose funds for community development banks to provide loans in distressed communities where capital sources are limited and discrimination in lending may be prevalent. This program has been placed in Treasury, although the final determination has not been made regarding which agency should have authority for the program. Assumes funding of \$60 million in FY 1994, increasing to \$111 million in FY 1997. OMB and Treasury staff need to work out details.

Non-Defense Discretionary Savings

Bureau of Alcohol, Tobacco and Firearms (BATF) -- User Fees: Alcohol label processing and laboratory analysis fees, producing an estimated \$5 million annually will be proposed to cover the costs of these BATF activities.

Government-wide Savings: The President expects the Treasury to bear its share of the savings necessary to achieve his objectives for (1) reducing Federal civilian employment by 100,000 FTE and (2) cutting administrative expenses.

Additional Savings from Streamlining Government (1997 outlay reductions of \$68 million from revised OMB baseline): In addition to the previously described specific changes to your programs the President has approved, the President asks that you plan to achieve additional savings to meet his objectives for streamlining government. Although these additional savings must be met in the aggregate, you may reallocate them among your programs to reflect the consolidation and efficiency steps you believe are most appropriate. My OMB staff are prepared to work closely with your staff to develop the necessary detailed budget allocations by program.

Technical Adjustments to Non-Defense Discretionary Savings

Internal Revenue Service -- Revenue Initiative: The President has approved an additional \$150 million and 2,000 FTE (3,200 positions) to raise revenues through additional audits and collections of tax debts. This will allow IRS to pursue, among other issues, non-compliance by foreign-controlled corporations. OMB, Treasury and IRS staff should work together to develop an initiative package so that the highest feasible yields from this investment are realized.

Entitlement Savings

United States Customs Service -- Merchandise/Passenger Processing Fees Extension: The Merchandise and Passenger Processing Fees due to expire in FY 1995 will be extended through FY 1998. The extension of these fees collected by Customs to cover some of the costs associated with processing passengers and merchandise are expected to increase revenues by approximately \$550 million per year.

The passenger fee assesses a flat charge on international air and sea passengers arriving in the U.S., and other fees on certain commercial conveyances. The merchandise fee is a capped ad valorem fee assessed on the value of commercial imports at entry.

United States Customs Service -- Overtime Reform: Overtime reform legislation will be proposed to curb current overtime abuses in Customs' Inspector overtime compensation provisions. It will reduce overtime costs by about \$18 million annually. The Passenger Processing Fee, which currently pays for inspector overtime and other processing costs, will also be changed to allow these savings to be realized for deficit reduction.

United States Customs Service -- Enhanced Harbor Maintenance Fee collections: Legislation will also be proposed to provide Customs with \$5 million from the existing Harbor Maintenance Trust Fund for enhanced enforcement of Harbor Maintenance Fee collections. Customs collects these fees for the Army Corps of Engineers subject to appropriation. Currently these fees are used to offset Corps costs of maintaining harbors. The savings resulting from the enhanced enforcement (\$10 million in FY 1994 increasing to \$65 million by FY 1997) will be used to reduce the deficit.

Shorten Maturity of Debt Securities (\$3.9 billion outlay reduction from 1997 baseline): This figure represents an estimate of interest cost savings that might result from a potential shortening of the maturity of securities issued by the Treasury. The Treasury Department is currently conducting a study of the appropriate maturity composition of the Federal debt. Within the next few months, the study will be completed and OMB will be provided with updated estimates of cost savings, consistent with the Treasury's policy conclusions.

Addendum

Multinational Development Banks: Provides all multilateral development bank (MDB) arrearages and all current MDB commitments including the new funding for the World Bank's International Development Association (IDA).

Assess Examination Fees for State-chartered, FDIC-insured Banks: This proposal would eliminate an incentive for banks and thrifts to shift from Federal to State charters in order to avoid OCC and OTS examination fees. FDIC and Fed supervised State-chartered banks would pay the same fees as national banks, but that they also be allowed to take credit for amounts they pay to State regulators.

VETERANS AFFAIRS (VA)

Stimulus (FY93):

- o Facility maintenance backlog: \$235m (v. \$250m before stimulus cut) for non-recurring maintenance and repair projects that can be completed quickly in medical facilities and cemeteries.

Investment:

- o Medical Care -- FY97 outlays are \$800m above baseline. FY94 outlays are \$280m above baseline to help support initiatives such as:
 - compliance with **residency workload limits**
 - continued implementation of **automated drug dispensing**
 - **activation of new facilities.**

Entitlement Savings: No change from prior passback

- o Proposals are largely permanent extensions of laws now in effect:
 - IRS match on income reported by pensioners (OBRA 90) savings begin in FY98.
 - \$90 for pension recipients in Medicaid nursing homes (OBRA 90) savings begin in FY98.
 - \$2 per prescription copayment (OBRA 90) savings begin in FY98.
 - Medical care cost recovery from third parties (OBRA 90) reduces outlays by \$407m in FY97 from the baseline.
 - Housing loan fee of 2% (increase similar to OBRA 90) reduces outlays by \$157m in FY97 from the baseline.

- 2.5% fee and 10% downpayment for second and subsequent use of housing guarantee reduces outlays by \$17m in FY97 from the baseline.
- Resale losses considered in housing program (93 approp) saves \$21m in FY97 from the baseline.
- Restoration of 9:1 contribution ratio in GI bill program reduces outlays by \$98m in FY97 from the baseline.
- Excess funds used to pay administrative costs in insurance programs saves \$31m in FY97 from the baseline.

Discretionary Spending Reductions

o Medical Care:

- Only one savings initiative -- use a prospective payment system to allocate resources; designed to promote better use of resources in the base; savings from the baseline: FY94--\$100m: FY97--\$400m.
- Net result of investment and savings -- In FY97, total outlays are \$277m below the baseline. For 94, the BA mark is \$606m above the 93 enacted level.
- "Comparable \$1b increase" for Medical Care -- The FY93 stimulus (\$220m estimate for Medical Care) and the 94 increase of \$606m total over \$800m above the current FY93 funding level. The pay freeze will save VA \$200m. Therefore, the \$800m is comparable to previous \$1b increases that included pay raises.

o Construction: No Change from prior passback

- Long term: investments to be considered through the Health Task Force.
- Short term: In 97, outlays are \$134m below the baseline. 94 BA level is \$362m, \$131m below the 93 enacted level. Funds to be used in accordance with two broad guidelines:
 - o Projects are to be fully funded so that they do not mortgage the future.

- o Planning process must take into account factors that are critical to stemming VA and national health care costs: health care resources available in the community, veterans' consumption of VA health care, and how the project fits into the VA medical system as a whole.

Across-the-Board Reductions

- o Overhead outlays have been reduced from the baseline by \$14m in FY94 and \$70m in FY97. "Overhead" cost categories that included **program activities were exempted from the cut** (e.g., contract nursing home care in the medical account).
- o FTE has cut of 2,304 in FY93 and 9,216 in FY97.
 - Impact of **across-the-board FTE cut was partially offset** by adding staff for Investment and other priorities before the cut was taken.

NATIONAL SCIENCE FOUNDATION
1994 Budget Passback

Stimulus (1993)

- o Research and Development. Attempts to restore NSF's research activities to the requested FY 1993 level. The focus will be on investment in fundamental research, including strategic areas such as understanding the climate system, advanced supercomputers and digital computer networks, biotechnology, materials processing, advanced manufacturing, and math and science education. This proposal includes \$188 million in FY 1993.
- o Network and Computing Applications. To develop applications using advanced computers and communication networks in fields such as health care, education, manufacturing, and access to libraries. This proposal includes \$19 million in FY 1993.

Investments (1994-97)

- o Crosscutting high performance computing. To continue the investment made in the Stimulus package focused on developing applications using advanced computers and communication networks in fields such as health care, education, manufacturing, and access to libraries. This investment includes \$36 million in FY 1994 and \$150 million in FY 1997.
- o Research and Development. Augments NSF's support for competitively awarded scientific and engineering research activities at U.S. universities and colleges, including fundamental research in such areas as understanding the climate system, advanced supercomputers and digital computer networks, biotechnology, materials processing, advanced manufacturing, math and science education. This investment grows from \$331 million in FY 1994 to \$1,054 million in FY 1997.

Savings.

- o Government-wide Reductions. Government-wide reductions in pay, FTE, administration efficiency savings, and limits on R&D grant overhead will save \$66 million in FY 1994 and \$79 million in FY 1997.

*file
pres schedule
economic*

To: List
From: John Podesta/Todd Stern
Subject: **TASK LIST FOR PRESIDENT'S FEBRUARY 18-19 TRIP**
Date: February 15, 1993

We have drawn up this task list to smooth the process of preparing the President's trip books for his upcoming economic swing. A dozen copies of all materials for the 2/18 trip should be delivered to our office by noon on the 17th. Speeches should be triple-spaced in large type, with paragraphs divided so that no paragraph runs on to the next page.

1. Speeches/Remarks

o	St. Louis (2/18)	Begala
o	Chillicothe, Ohio (2/19)	Communications
o	Hyde Park, New York (2/19)	Wilkie/Reed

2. Event Memos

o	St. Louis	Streett/Martin
o	Chillicothe	Streett/Martin
o	Hyde Park	Streett/Martin

3. Local Political Background

o	St. Louis	Emanuel
o	Chillicothe	Emanuel
o	Hyde Park	Emanuel

4. Special Local Impact of Economic Plan

o	St. Louis	Emanuel/Sperling
o	Chillicothe	Emanuel/Sperling
o	Hyde Park	Emanuel/Sperling

5. Economic Plan Talking Points

o	Points on overall plan	Prince
o	Special one-pagers	
	-- Benefits of plan	Communications
	-- Faithful to "Putting People First"	Communications
	-- Social security benefits/\$32,000	Communications
o	Constituency points	
	-- Enviro	McGinty
	-- Western	Solien/Watson
	-- Ag/rural	Chow/Podesta
	-- Seniors	Marina Weiss
	-- Veterans	Longabaugh
	-- Federal employees	Baggett

6. General Talking Points/Qs and As

- o Foreign policy
- o Health care

NSC
Boorstin

List

Joan Baggett
Paul Begala
Bob Boorstin
Barbara Chow
Rahm Emanuel
Mark Gearan
Marcia Hale
Alexis Herman
Will Itoh
Mark Longabaugh
Katie McGinty
Roger Martin
Regina Montoya
Howard Paster
Jonathan Prince
Bruce Reed
Carol Rasco
Ricki Seidman
Nancy Soderberg
Stephanie Solien
Gene Sperling
George Stephanopoulos
Stephanie Streett
Jeff Watson
Marina Weiss
Maggie Williams
Amy Zisook

*Full
Economic
Plan*

TALKING POINTS ON THE ECONOMIC PLAN
DRAFT February 17, 1993 7:20 am DRAFT

The President's economic plan will bring bold change to America. It completely changes the direction of the federal government, reconnecting it to the needs of working Americans and disconnecting it from the special interests, restoring growth and fairness to economic policy for the first time in a very long time.

The President's plan is rooted in these core principles:

- * To generate more and better jobs for millions of Americans who are out of work; over the course of four years, over 8 million new jobs will be created.
- * To increase incomes for all working Americans; and
- * To provide long-term, structural change to the economy by:

Increasing investments in the many ingredients necessary for economic strength, including people, infrastructure, and technology development; and

Reducing the deficit through over 150 specific program cuts.

For the past twelve years, the deficit went up while investment in people went down. The President's plan will flip that pattern 180 degrees: investment will go up and the deficit will go down.

The plan has three basic components:

- I An immediate stimulus program of \$30 billion to provide a jumpstart for the 9 million Americans that are still out of work:
 - * The stimulus program will produce nearly 500,000 jobs by the end of 1994.
 - * It invests in the nation's traditional and future infrastructure, with money dedicated to putting people back to work, rebuilding roads and bridges and creating information highways.
 - * It includes a series of incentives that will spur private investment including a tax credit for small businesses that invest in growth, providing new employment opportunities; and a tax credit for firms that invest in the research that results in technological innovations which, in turn, result in new jobs.
 - * It expands the summer jobs program to finance 683,000 new summer jobs.
- II An ambitious plan for long-term investment that redirects the mistaken spending priorities of the past:
 - * The plan invests in private sector job creation through tax incentives for small businesses as well as other companies; it recognizes that small businesses are the engines that drive economic growth and invests in them by: establishing a permanent investment tax credit for small businesses; and making a special

effort to insure that small manufacturers have easy access to technical expertise.

- * It will invest in education and training, by promoting lifelong learning and initiating the most ambitious plan of training and retraining ever conceived, including a defense conversion plan to insure that displaced workers have the skills they need to find jobs in our changing economy.
- * It expands the Earned Income Tax Credit; the president is standing firmly by his commitment to insure that no parent who works full-time will be forced to watch his or her family live in poverty.
- * It invests in children by providing money so that all eligible children can attend Head Start and babies who need vaccinations will have them.
- * It fully funds the Women, Infants, and Children program (WIC) to guarantee that our children grow up healthy, not hungry.
- * It calls for a number of incentives to explore new technologies that will create high-wage jobs and keep America on the cutting edge. These incentives will encourage the use of defense technology for civilian purposes.

III A serious, credible plan for deficit reduction to guarantee long-term economic growth and increases in wages.

- * The President's deficit reduction plan is the largest in history; it will result in a \$500 billion gross deficit reduction over four years.
- * This is accomplished by over 150 real, specific cuts in government programs and a revenue plan that restores fairness to the tax code, asking the most from those who profited the most in the 1980's. These cuts represent \$126 billion in non-defense spending over four years.
- * This deficit reduction plan will mean a drop in interest rates and a corresponding increase in consumer confidence that will spur economic activity and create jobs.
- * When interest rates drop, businesses will be able to afford loans to expand, and middle-class people will be able to afford loans to buy houses, to buy cars, and to send promising students to college.

The entire development of this plan was guided by a commitment to change, fairness, economic recovery, and honesty.

- * It provides a balanced approach between getting the economy going again right away and taking the long-term steps, including deficit reduction, to keep the economy going in the future.
- * The President's plan brings a new era of integrity and involvement to the budget process:

It marks the end of smoke and mirror budgets and pie-in-the-sky rosy scenarios; it places a premium on telling the truth and uses one of the

most conservative scenarios available for projecting the economy's growth.

The President was intimately involved in the process and fully understands the tough choices facing the American people. He went through the budget line by line and step by step.

Fundamental change in America will require a contribution from every American but the President's plan guarantees that it will be fair.

- * His plan turns first to government; he has already cut the White House staff by 25% and ordered the federal government to trim \$9 billion in administrative fat over the next four years.
- * He turns next to corporations and special interests, raising the corporate tax to 36% and eliminating loopholes that allowed them to avoid paying their fair share in the 1980's.
- * The President's plan then turns to the rich and, in fact, asks more of them than he thought would be necessary in the campaign. Over 70% of the new revenues in the plan will come from those who make more than \$100,000 a year.

The tax rate for the wealthiest Americans will be raised to 36% and the President is calling for a 10% surtax on millionaires.

- * The depth of the problem forced the President to turn to the middle class to contribute as well. The plan introduces a broad-based energy tax, based on the energy content of the fuel. The whole package is the most progressive tax package ever proposed:

Families whose combined income is under \$30,000 a year will be shielded from the effects of the increase.

The energy tax will conserve resources, decrease dependence on foreign oil, and reduce pollution.