Case Number: 2016-0152-F

FOIA MARKER

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

Folder Title: Chron File - April 1993 #1 [5]				
Staff Office-Individual: Defense Policy-Bell, Robert				
Original OA/ID Number: 44				
Row: 31	Section: 3	Shelf: 1	Position: 3	Stack: V

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Duplicate of vz4375_001a. (1 page)	04/06/1993	P1/b(1)
001b. cable	Duplicate of vz4375_001b. (3 pages)	02/26/1993	P1/b(1)
002a. memo	Duplicate of vz4375_003a. Record ID: 9301917. (1 page)	04/09/1993	P1/b(1)
002b. memo	Duplicate of vz4375_003b. Record ID: 9301917. (1 page)	04/09/1993	P1/b(1)
002c. draft	Presidential Determination. Record ID: 9301917. (1 page)	04/09/1993	P1/b(1)
003a. memo	For Lynn Davis. [CIA Act] [partial] (1 page)	04/09/1993	P3/b(3)
003b. form	Fax Cover Sheet. [CIA Act] [partial] (1 page)	04/09/1993	P3/b(3)

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:

Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

RESTRICTION CODES

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

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

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

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

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

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 6, 1993

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: ROBERT BELL RGB

FROM: ANNE WITKOWSKY AW

SUBJECT: Letters from Congressmen Kopetski and Andrews

Attached at Tab I is a memorandum to the President asking that he respond to a letter from Congressmen Kopetski and Andrews at Tab B. The Congressmen have written to advocate the preservation and strengthening of ACDA. ACDA's future is now the subject of a Presidential Review Directive.

Concurrences by: Rose Gottemoeller, Jeremy Rosner and Dan Poneman

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Letters to Congressmen Kopetski and Andrews
Tab B Incoming Correspondence from Congressmen Kopetski and Andrews

THE WHITE HOUSE

WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
HOWARD PASTER

SUBJECT: Letter from Congressmen Kopetski and Andrews

Purpose

To respond to a letter from Congressmen Kopetski and Andrews regarding the future of the Arms Control and Disarmament Agency (ACDA).

Background

Congressmen Kopetski and Andrews have written to you asking that we preserve and strengthen ACDA in order to maintain an independent agency for arms control and nonproliferation issues. They may be reacting to news reports that we plan to dissolve ACDA and that the State Department will absorb its functions, as necessary.

ACDA's future is now the subject of a Presidential Review Directive. We are in the process of analyzing our best course.

RECOMMENDATION

That you sign the letters to Congressmen Kopetski and Andrews at Tab A.

Attachments
Tab A Letters to Congressmen Kopetski and Andrews
Tab B Incoming Correspondence from Congressmen Kopetski and Andrews

THE WHITE HOUSE

WASHINGTON

Dear Tom:

Thank you for sending me your letter in support of the Arms Control and Disarmament Agency. It is timely, because we are now engaged in a thorough review of ACDA's future. The review is concentrating on ways to restructure the agency's work in order to respond to the high priority that I place on arms control and nonproliferation. I would not want to predict the outcome of the review at this stage, but I can assure you that we are attentive to the multiple considerations that must be brought to bear on the question of the agency's future, including those which you raise. We will weigh our decision with the utmost care.

Sincerely,

The Honorable Thomas H. Andrews
House of Representatives
Washington, D.C. 20515-3705

THE WHITE HOUSE

WASHINGTON

Dear Mike:

Thank you for sending me your letter in support of the Arms Control and Disarmament Agency. It is timely, because we are now engaged in a thorough review of ACDA's future. The review is concentrating on ways to restructure the agency's work in order to respond to the high priority that I place on arms control and nonproliferation. I would not want to predict the outcome of the review at this stage, but I can assure you that we are attentive to the multiple considerations that must be brought to bear on the question of the agency's future, including those which you raise. We will weigh our decision with the utmost care.

Sincerely,

The Honorable Michael J. Kopetski
House of Representatives
Washington, D.C. 20515-3705

MICHAEL J. KOPETSKI
5TH DISTRICT, OREGON

218 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3705
202-225-5711
FAX: 202-225-9477

COMMITTEE:
WAYS & MEANS

2077

HOME OFFICE:
THE EQUITABLE CENTER BUILDING
530 CENTER STREET, NE
SUITE 340
SALEM, OREGON 97301
503-588-9100
FAX: 503-588-0963

CLACKAMAS COUNTY OFFICE:
615 HIGH STREET
OREGON CITY, OREGON 97045
503-650-1273

OREGON TOLL FREE: 1-800-548-717

Congress of the United States
House of Representatives
Washington, DC 20515-3705

March 15, 1993

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

We are writing to convey our wholehearted support for the Arms Control and Disarmament Agency (ACDA) as an independent agency. It is our understanding the Administration is considering a variety of options for ACDA including absorption by the State Department and outright elimination. Mr. President, we urge you to support actively rebuilding the Arms Control and Disarmament Agency, so it can perform the functions envisioned by President Kennedy and the Congress when the agency was established.

Many in Congress support a truly independent ACDA. In a speech on the Senate floor last week, Senator Dale Bumpers stated, " . . . if ACDA did not exist, we would be here today trying to invent it. . . ACDA is the only body in this government that stands up as an intelligent voice for arms control." We want to associate ourselves with Senator Bumpers' entire statement in support of ACDA.

Despite the fall of communism, the dismantling of the Iraqi nuclear program, and the arms control agreements negotiated by former President Bush, the threat of nuclear proliferation persists. The cause of arms control and your Administration will be served well if ACDA is charged with the authority President Kennedy communicated to the American people. The last two Administrations did not use the agency well, but now is the time to revitalize, not destroy, this vital center of expertise and independent arms control advice.

Mr. President, we are well aware of the many demanding and important decisions you face today and in the coming weeks. We stand ready to assist your endeavors and salute your leadership. We look forward to working with your Administration in support of arms control and thank you for your consideration.

Sincerely,

Mike Kopetski
Mike Kopetski
Member of Congress

Tom Andrews
Tom Andrews
Member of Congress

THE WHITE HOUSE

WASHINGTON

March 31, 1993

MEMORANDUM FOR WILLIAM ITOH

FROM: HOWARD G. PASTER
LEGISLATIVE AFFAIRS

SUBJECT: CONGRESSIONAL MAIL

Enclosed please find several letters which were sent to the President and require a Presidential response. They are as follows:

1) Claiborne Pell (D-RI) and Daniel Patrick Moynihan (D-NY), concerning Tibet.

2) Tom Harkin (D-IA), concerning the Arms Control and Disarmament Agency.

3) Carol Moseley-Braun (D-IL), concerning foreign affairs casework.

4) Mike Kopetski (D-OR) and Tom Andrews (D-ME), concerning the Arms Control and Disarmament Agency.

5) Robert Menendez (D-NJ), concerning Cuba and nuclear power.

If you have any questions concerning these letters, please contact LeeAnn Inadomi of my staff at ext. 7500.

Enclosures

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2236

April 7, 1993

MEMORANDUM FOR ANTHONY LAKE

THROUGH: ROBERT G. BELL

FROM: STEVEN R. JONES SJ

SUBJECT: Response to Governor Tucker RE: Defense Finance and Accounting Service (DFAS)

On April 2 Governor Tucker of Arkansas faxed a letter to Mr. McLarty requesting information on the DFAS selection process. On March 12 Secretary Aspin rejected the DFAS "opportunity for economic growth" ("OEG") approach to selecting the new consolidated DFAS centers. He directed that the DFAS consolidation of smaller centers continue for the time being at the five existing large centers (Columbus, Cleveland, Denver, Indianapolis and Kansas City).

The OSD Comptroller is currently forwarding Secretary Aspin a range of options on how to proceed with the new selection process. The Comptroller staff could not give me an expected date for Secretary Aspin's announcement of a new selection process--I would estimate another 2 to 3 weeks.

There has been no decision yet on whether the new selection process will be open to all communities, those who applied in the last competition, or the twenty finalists announced by DFAS in December (Tab B).

RECOMMENDATION

That you sign the memo at Tab I forwarding a proposed letter from Mr. McLarty to Governor Tucker.

Attachments
Tab I Memo to Mr. McLarty
Tab A Proposed Letter to Governor Tucker
Tab B DFAS "OEG" Finalists
Tab C Incoming Letter from Governor Tucker

THE WHITE HOUSE

WASHINGTON

ACTION

MEMORANDUM FOR MACK MCLARTY

FROM: ANTHONY LAKE

SUBJECT: Defense Finance and Accounting Service (DFAS)

As you know, on March 12 Secretary Aspin rejected the DFAS "opportunity for economic growth" ("OEG") approach to selecting the new consolidated DFAS centers. In the Secretary's view, the previous approach unfairly transferred from the federal government to local taxpayers the burden of financing facilities used by DoD. As an interim measure, he directed that the DFAS consolidation of smaller centers continue at the five existing large centers (Columbus, Cleveland, Denver, Indianapolis and Kansas City).

The OSD Comptroller is currently forwarding Secretary Aspin a range of options on how to proceed with the new selection process. The Comptroller staff does not yet have an expected date for Secretary Aspin's announcement of a new selection process; my staff estimates that it will be another 2 to 3 weeks.

There has been no decision yet on whether the new selection process will be open to (1) all communities, (2) those who applied in the last competition, or (3) the twenty finalists announced by DFAS in December (Tab B). The Arkansas proposal was not one of the 20 finalists previously announced by DFAS. Thus, it will only be back in the running if Secretary Aspin selects options (1) or (2).

The Base Closure and Realignment Commission requested on March 29 that DoD forward all information on the DFAS selection process to date (the "OEG" process, not Aspin's new process). OSD has not yet responded to the Commission's request, but is expected to do so shortly. The Commission has not indicated whether it intends to challenge the Secretary's action in scrubbing the previous selection criteria.

There is little to recommend to Governor Tucker regarding the new DFAS competition until DoD announces the details of its new process.

RECOMMENDATION

That you sign the letter at Tab A to Governor Tucker.

Attachments
Tab A Proposed Letter to Governor Tucker
Tab B DFAS "OEG" Finalists
Tab C Incoming Letter from Governor Tucker

THE WHITE HOUSE

WASHINGTON

Dear Jim Guy:

Thanks for your letter of April 2 regarding the Defense Finance and Accounting Service (DFAS) consolidated centers.

The Arkansas proposal was not among the 20 finalists announced by DFAS last fall. As you know, Secretary Aspin rejected the previous Administration's approach, but has not yet finalized a new selection process.

As soon as the Department of Defense announces the new procedure to determine the locations of the future consolidated DFAS centers, I'll forward any information I have on the new DFAS selection process to you.

Personally,

The Honorable Jim Guy Tucker
Governor of Arkansas
State Capitol
Little Rock, Arkansas 72201

Opportunity for Economic Growth Finalists

(List in alphabetical order)

1. Bangor, ME
2. Cleveland, OH
3. Columbus, OH
4. Denver, CO
5. Evansville, IN
6. Huntsville, AL
7. Indianapolis, IN
8. Jackson, MS
9. Lawton, OK
10. Lubbock, TX
11. Macon, GA
12. New Orleans, LA
13. Oklahoma City, OK
14. Pensacola, FL
15. Saginaw, MI
16. San Bernadino, CA
17. Shreveport, LA
18. Southbridge, MA
19. Tulsa, OK
20. Youngstown, OH

April 3, 1993

TO: Mack

FROM: Marilyn

I have asked Bob Bell if someone on his staff could draft the appropriate response for your signature on this issue.

cc; Bob Bell

Bob,

Is this something your staff could draft?

Thanks for your help on Cong. Costello.

Marilyn

STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 72201

Jim Guy Tucker
Governor

April 2, 1993

Via Facsimile

Mack McLarty
Chief of Staff
The White House
Washington, DC 20500-2000

Dear Mack:

You may recall that the Pentagon is planning to consolidate its payroll centers into several major locations with jobs ranging from 2,500 to 4,500 per site.

Arkansas was one of many states submitting a proposal. The Bush administration tried to make final decisions after the election. Secretary Aspin has reversed the decision but apparently stated that only the top 20 will be considered. Arkansas may not be in the top 20 - Senator Bumpers is checking.

If we receive a center it would be an enormous boon for the state. Payroll averages over $30,000 per job. The jobs are about all bookkeepers, accountants, computer operators, computer programmers, etc. With Systematics nearby, it would further confirm us as a center for this higher pay, higher tech business development.

We have a very attractive package for the site: Camp Robinson location; on the north loop adjacent to I-40/I-30; near the large North Little Rock mail facility; access to a large airport; and the recreation and entertainment of West Pulaski County. The Legislature has passed an economic package that could make us very, very competitive. If this is one that is possible for us to win, we need to win. Is there anything you or I, or anyone, can do to get us there?

Warmest regards,

Jim Guy Tucker

JGT:cbk

RECORD ID: 9320333
RECEIVED: 07 APR 93 14

TO: ITOH

FROM: BELL
DARRAGH

DOC DATE: 07 APR 93
SOURCE REF:

KEYWORDS: ADMINISTRATIVE

PERSONS: JONES

SUBJECT: NSC STAFF TRAVEL TO NEW YORK ON 12 APR

ACTION: KENNEY APPROVED & SGD DUE DATE: 10 APR 93 STATUS: C

STAFF OFFICER: BELL LOGREF:

FILES: ADMIN NSCP: CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
		BELL
		DARRAGH
		JONES
		NSC CHRON

COMMENTS:

DISPATCHED BY ________ DATE ________ BY HAND W/ATTCH

OPENED BY: NSKDB CLOSED BY: NSKDB DOC 1 OF 1

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 7, 1993

ACTION

MEMORANDUM FOR WILLIAM H. ITOH

THROUGH: SEAN J. DARRAGH SJD

FROM: ROBERT G. BELL RGB

SUBJECT: Travel Request for Steve Jones to New York City, April 12, 1993

Request travel to New York City for one day to attend White House Technology Reinvestment Project briefings.

The cost of the trip will be paid by the ~~NSC~~ Air Force.

RECOMMENDATION

That you sign the travel authorization form at Tab I.

Attachments
Tab I Travel Authorization Form
Tab II Details on White House Technology Reinvestment Project Briefings

DATE 4/7/93

NSC STAFF TRAVEL AUTHORIZATION

1. **TRAVELER'S NAME:** Steven R. Jones

2. **PURPOSE/EVENT (Include Dates):** To attend briefings on Defense Reinvestment and Conversion Initiative, 12 April.

3. **ITINERARY (Please Attach Copy of Proposed Itinerary):** ______

4. **DEPARTURE DATE** 4/12/93 **RETURN DATE** 4/12/93
   DEPARTURE TIME AM **RETURN TIME** PM

5. **MODE OF TRANSPORTATION:**

   GOVT. AIR ______ **COMMERCIAL AIR** x **POV** ______ **RAIL** ______
   OTHER ______

6. **ESTIMATED EXPENSES:**

   TRANSPORTATION ~~$133~~ -0- **PER DIEM** ______ **OTHER** ______
   TOTAL ______

7. **WHO PAYS EXPENSES: NSC** ~~x~~ **OTHER** X

   IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS:
   will be covered by USAF blanket travel orders.

8. **WILL FAMILY MEMBER ACCOMPANY YOU: YES** ______ **NO** x

   IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid By Traveler, Describe Source & Arrangements): ______

9. **TRAVEL ADVANCE REQUESTED: $** 0

10. **REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders):** ______

11. **TRAVELER'S SIGNATURE:** Steven R Jones

12. **APPROVALS: Senior Director** Robert B. Bell

    Director of Administration [signature]

    Executive Secretary Kristie A. Kenney

WHITE HOUSE TECHNOLOGY REINVESTMENT PROJECT BRIEFINGS

The Clinton Administration will hold five regional briefings the week of April 12 on its $500 million Technology Reinvestment Project (see attached schedule). TRP, part of the President's $1.7 billion Defense Reinvestment and Conversion Initiative, is an innovative effort to develop dual-use technologies and to help small defense firms make the transition to commercial manufacture.

TRP consists of eight statutory programs established under the Defense Conversion, Reinvestment and Transition Assistance Act of 1992. The mission of TRP is to promote the transition to a growing, integrated national industrial base that provides the most advanced, affordable military systems and the most competitive commercial products. TRP programs are structured to expand high quality job opportunities in commercial and dual-use industries and to demonstrably enhance U.S. competitiveness.

The Technology Reinvestment Project represents an unprecedented collaboration between federal agencies. Led by the Department of Defense Advanced Research Projects Agency (ARPA), TRP has strong participation by the Department of Commerce (National Institute of Standards and Technology), the Department of Energy (Defense Programs), the National Science Foundation, and the National Aeronautics and Space Administration. These agencies will hold a single TRP competition and will jointly evaluate and select proposals. Individual projects will be managed by the agency whose mission and expertise are most germane.

The regional briefings are designed to inform potential applicants about the TRP programs. Each briefing will begin with an introduction by a high-level representative of the Clinton Administration, followed by remarks from federal and state elected officials. An ARPA official will provide a one-hour overview of the TRP; following that overview, there will be three consecutive breakout sessions, lasting about three hours, on TRP programs in (1) technology development, (2) technology deployment, and (3) manufacturing education and training programs. Each briefing will run from approximately 12:30 pm to 5:45 pm (the briefings will not include lunch).

The briefings will be free of charge to attendees. To pre-register or to get a copy of the program information package, please call 1-800-DUAL-USE (8 AM to 7 PM, Monday through Friday). Attendees must make their own hotel reservations (see attached schedule for location).

SCHEDULE

WHITE HOUSE TECHNOLOGY REINVESTMENT PROJECT BRIEFINGS

Monday, April 12	New York City	Sheraton New York Hotel & Towers 811 Seventh Ave. at 52nd Street New York, NY 10019 212-581-1000
Tuesday, April 13	Detroit	The Westin Hotel Renaissance Center Jefferson Avenue Detroit, MI 48243 313-568-8000
Wednesday, April 14	Orlando	Hyatt Orlando I-4 and U.S. 192 (Exit 25A) 6375 W. Irlo Bronson Memorial Hwy. Kissimmee, FL 34746 407-396-1234
Thursday, April 15	Dallas	Radisson Hotel, Central Dallas 6060 N. Central Expressway Dallas, TX 75206 214-750-6060
Friday, April 16	Los Angeles	The Biltmore Hotel 506 S. Grand Avenue Los Angeles, CA 90071 213-624-1011

These hotels have reserved a block of rooms for attendees for the nights before and after the briefing; they are available at a discount rate on a first-come, first-served basis.

Cities were selected in consultation with the regional governors' associations on the basis of accessibility to large numbers of defense firms.

DRAFT AGENDA

WHITE HOUSE TECHNOLOGY REINVESTMENT PROJECT BRIEFINGS

8:00 AM - 12:30 PM	Registration
8:00 AM	Breakfast for Governors' Staffs/State Officials
10:00 AM	Press Availability/Editorial Board
11:00 AM	Optional Luncheon(s)
12:30 PM	Technology Reinvestment Project Briefing Welcome - Key Clinton Representative
12:45 PM	Remarks by Elected Officials
1:30 PM	Program Overview Lee Buchanan, ARPA
2:30 PM	Coffee Break
2:45 PM	Breakout A Technology Development: Lee Buchanan, ARPA Breakout B Technology Deployment: Phil Nanzetta, NIST Breakout C Manufacturing Education and Training: TBD
5:45 PM	Adjourn

The agenda will be modified for each site.

2156

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 7, 1993

ACTION

MEMORANDUM FOR WILLIAM H. ITOH

THROUGH: ROBERT BELL

FROM: KEITH HAHN

SUBJECT: Commerce Qs & As RE S-4, National Competitiveness Act

The answers that Commerce has provided to questions posed by Senators Burns and Pressler have been reviewed by both the NSC International Economic office and the NEC to ensure that they are consistent with Administration policy. In addition, the first eleven questions -- dealing with telecommunications -- have been reviewed by representatives of the National Communication System for consistency with current and planned practices.

The Senators pose several questions which have not yet been addressed by this Administration. In these cases, the answers properly defer comment until a future date. By the same token, Commerce is appropriately vague on the level of resources that will be spent on specific projects.

Concurrences by: in draft Richard Barth, in draft Bill Primosch, Jeremy Rosner and Tom Kalil (NEC) in draft

RECOMMENDATION

That you sign the memorandum at Tab I concurring in the draft Commerce Qs and As.

Attachments
Tab I Memorandum for Signature
Tab II Incoming Correspondence

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR JAMES J. JUKES

FROM: WILLIAM H. ITOH

SUBJECT: Commerce Qs and As RE: S-4, National Competitiveness Act

The National Security Council staff concurs in the draft Commerce responses to questions on the National Competitiveness Act.

2156
20 pages total

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

April 1, 1993

LEGISLATIVE REFERRAL MEMORANDUM

LRM #I-259

TO: Legislative Liaison Officer -

DEFENSE - Samuel T. Brick, Jr. - (703)697-1305 - 325
EDUCATION - John Kristy - (202)401-2670 - 207
ENERGY - Bob Rabben - (202)586-6718 - 209
HHS - Frances White - (202)690-7760 - 328
JUSTICE - Faith Burton - (202)514-2141 - 217
LABOR - Robert A. Shapiro - (202)219-8201 - 330
STATE - Matt Winslow - (202)647-4463 - 225 (pages 8&16)
TRANSPORTATION - Tom Herlihy - (202)366-4687 - 226
TREASURY - Richard S. Carro - (202)622-1146 - 228
NSC - William H. Itoh - (202)395-3723 - 249
CEA - Francine Obermiller - (202)395-5036 - 242
EPA - Thomas C. Roberts - (202)260-5414 - 326
FCC - Steve Klitzman - (202)632-6405 - 260
GSA - William R. Ratchford - (202)501-0563 - 237
NASA - Mary D. Kerwin - (202)358-1948 - 219
NEC - Elizabeth Lindemuth - (202)456-6630 - 429
NSF - Lawrence Rudolph - (202)357-9435 - 248
OSTP - Damar Hawkins - (202)456-6272 - 288
SBA - Christine Swedin - (202)205-6702 - 315
USTR - Fred Montgomery - (202)395-3475 - 223 (pages 8&16)

FROM: JAMES J. JUKES (for) Ji
Assistant Director for Legislative Reference

OMB CONTACT: Jeffrey WEINBERG (395-3457)
Secretary's line (for simple responses): 395-3454

SUBJECT: COMMERCE Qs and As RE: S 4, National Competitiveness Act

DEADLINE: NOON April 8, 1993

COMMENTS: Commerce has requested expedited clearance.

OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please advise us if this item will affect direct spending or receipts for purposes of the the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

CC:

Ken Schwartz	
Cora Beebe	Jonas Neihardt
Louisa Koch	Maya Bernstein
Ron Jones	Alan Rhinesmith
Kathy Peroff	Doug Criscitello
Jack Fellows	Greg Henry
Steve Isakowitz	Randy Steer
Sarah Horrigan	Tom Dorsey (pages 8 & 16)
Bruce McConnell	Bruce Sasser (page 16)
	John Pfeiffer

LRM #I-259

RESPONSE TO LEGISLATIVE REFERRAL MEMORANDUM

If your response to this request for views is simple (e.g., concur/no comment) we prefer that you respond by faxing us this response sheet. If the response is simple and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a secretary.

You may also respond by (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); (2) sending us a memo or letter; or (3) if you are an OASIS user in the Executive Office of the President, sending an E-mail message. Please include the LRM number shown above, and the subject shown below.

TO: Jeffrey WEINBERG
Office of Management and Budget
Fax Number: (202) 395-3109
Analyst/Attorney's Direct Number: (202) 395-3457
Branch-Wide Line (to reach secretary): (202) 395-3454

FROM: ______________________ (Date)
______________________ (Name)
______________________ (Agency)
______________________ (Telephone)

SUBJECT: COMMERCE Qs and As RE: S 4, National Competitiveness Act

The following is the response of our agency to your request for views on the above-captioned subject:

_______ Concur

_______ No objection

_______ No comment

_______ See proposed edits on pages _______________

_______ Other: _______________________________

_______ FAX RETURN of _____ pages, attached to this response sheet

1

QUESTIONS FROM SENATOR BURNS

Question 1:

Mr. Secretary, as you well know and understand the private sector is building many telecommunications networks. This includes telephone companies, cable television companies, cellular telephone, alternative access providers, satellite providers, etc. Many contend that the proper role of the Federal government IS NOT to build and operate a competing telecommunications network and that if any Federal funds are spent they should be spent on research, user-friendly applications, and training programs to help educators, health care providers and other users obtain information. Mr. Secretary, do you believe that the Federal government should own and operate telecommunications networks which compete with those private sector networks established by private sector communications companies?

Answer:

No. The Administration does not intend to create a network that competes with private sector communications providers. The private sector currently invests approximately $50 billion annually in the U.S. telecommunications infrastructure. The privately-owned networks funded by such substantial investment will continue to be the basis of the U.S. infrastructure. Even current Federally-supported networks operating on a national scale, such as Internet, rely on facilities leased from private sector providers, and this relationship will not change. The Administration's program stresses a government-private sector partnership in which the Federal government promotes necessary development, but does not become the national network operator.

Question 2:

How should the network be managed and by whom?

Answer:

The private sector should operate and manage the nationwide information infrastructure. U.S. telecommunications is increasingly a "network of networks" operated by the private sector. The government should act as a facilitator of further development of this private sector infrastructure. It should aid basic research and development in telecommunications technology, stimulate efficient private sector investment, and promote interoperability among network providers. It should also seek to ensure that all people in the United States have access to the benefits of the nationwide information infrastructure. The infrastructure grant program to be managed by the National Telecommunications and Information Administration (NTIA) is designed to enable u ar that provide critical services to the

2

public, such as schools and hospitals, to take advantage of the capabilities provided by advanced telecommunications technologies.

Question 3:

On page 53 of the President's report entitled "A Vision of Change For America," the Administration states its intention to spend several hundred million dollars on "information highway" demonstration projects such as distance learning, remote medical monitoring and diagnosis, and telecommuting. Would it be reasonable to assume that private investment in the commercialization of such new technology and services by telephone companies, cable companies, satellite companies and others in the private sector would provide a better return to the American public? Do you see a situation where both government and the private sector develop such technology and services in competition with each other?

Answer:

One area in which the "superhighways" metaphor has caused some confusion concerns the role of the private sector. Unlike vehicular highways, which are almost all government-funded and operated, the information superhighway in this country is privately owned and operated. This difference has created concern among certain segments of the private sector about the scope of the infrastructure initiative. However, this initiative is not intended to, and could not, supplant the private sector's role as the principal builder and operator of the telecommunications infrastructure. Rather, by funding demonstration projects in which advanced telecommunications capabilities are utilized to aid traditional social services (such as education and health care) as well as some forms of basic research, the Administration's information infrastructure initiative will complement, not compete with, private sector infrastructure efforts.

Question 4:

Recently John Sculley of Apple and a number of other leaders in the computer industry released a proposal by a group called the Computer Systems Policy Project (CSPP). What is your position on these proposals?

Answer:

These proposals are broadly consistent with the Administration's vision of a nationwide information infrastructure. I believe that they are also consistent with the work being undertaken to further develop the NREN and the Administration's proposal to support, through NTIA, th interconnection of school , health

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care facilities, and providers of other social services that government traditionally has funded.

Question 5:

Mr. Secretary, some have suggested that the Federal government should lift the legal and regulatory barriers and restrictions -- such as the cable-telco cross ownership restrictions and restrictions on local telephone exchange competition -- which prevent the full development and utilization of the nation's information infrastructure. Do you believe that the time has come to lift or substantially alter these and other restrictions as a way of spurring infrastructure modernization by the private sector?

Answer:

A key component of the Department's overall infrastructure strategy is leading the Administration's efforts to create the regulatory and legal environment needed to ensure the successful implementation by the private sector of the "information superhighway." Direct government funding can effectively advance the telecommunications infrastructure only if it is provided in the context of rational, pro-investment, pro-competitive regulatory policies that encourage the private sector to develop and deploy advanced technologies. While there remain differences of opinion on the exact course to follow, there is increasing agreement that the policy gridlock that has characterized this area in the recent past needs to be broken. I can assure you that the Administration is very much aware that there needs to be a coherent relationship between government funding of infrastructure development and government policies that directly influence private investment decisions in telecommunications infrastructure. The Administration is therefore evaluating the current legal and regulatory policies affecting telecommunications to determine what reforms are necessary to enable us to achieve our goal of an advanced nationwide telecommunications infrastructure.

Question 6:

Mr. Secretary, do you view extending the information infrastructure to homes as importantly as networking manufacturing outreach centers, industry and research institutions?

Answer:

Yes. The benefits of an advanced telecommunications infrastructure will only be fully realized when all citizens have access to it. Initially, NTIA's infrastructure program would permit primarily institutional users with greater access to the benefits provided by networks like Internet and the developing NREN. Access to advanced telecommunications networks from K-12 schools

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is not widespread at the moment. We hope to see that change dramatically as a result of NTIA's program. Although there are tremendous information resources already available in this country, the United States needs to make sure that those resources can be accessed by all of our citizens. Building an information superhighway extends the opportunities for such access. It will result in a stronger United States, economically and socially. The NTIA infrastructure development program will help make modern advanced telecommunications capabilities available at places such as schools and universities. As you have noted, the responsibility of bringing the infrastructure to the home is that of the private sector.

Question 7:

Do you think S. 4 should more specifically note health care, education, and telecommuting applications for the home?

Answer:

The applications that would be developed under the provisions of S. 4 as currently written will provide major benefits in education, libraries, and health care. These applications could result in better methods for teaching, improved access to digital libraries, and more efficient delivery of health care. Although telecommuting is not mentioned in S. 4, that use of telecommunications can have substantial benefits to U.S. businesses and families. We would be interested in examining further whether telecommuting should be specifically included in S. 4.

Question 8:

Does NTIA and Commerce need any further legislative authority to pursue its information highway goals?

Answer:

Under present legislative authority for NTIA's Public Telecommunications Facilities Program (PTFP), significant progress can be made in FY 1993 in developing the nation's information infrastructure. The Administration is currently reviewing relevant statutory language to determine the changes needed to enhance the program's authority to allow funding of a broad range of services to meet its infrastructure development goals. While infrastructure funding under the present PTFP program is limited primarily to educational projects, the Administration expects to develop legislative proposals in the near future to expand the scope of the projects that can be funded through NTIA in order to help bring the full benefits of advanced telecommunications throughout the United States.

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Question 9:

Do you have sufficient staff and grant making experience at NTIA and Commerce to really get up and running quickly?

Answer:

Administering the grant program will require additional resources as proposed in the Administration's 1993 Supplemental Request. Currently, NTIA has a small, but highly specialized and experienced application review and grant monitoring staff with expertise in this area. This existing experienced staff, working with and directing the additional staff required to review and process the new applications expected under this program, will ensure that the program operates efficiently.

Question 10:

I see in President Clinton's economic package that he has included $64 million dollars for a program for "information highways." Although we do not have all the details yet, it seems that this is a grant program for fiber optic or "broadband capacity highways." If this new program is approved how are you planning to structure it? Currently, Federal grant programs cover only capital expenditures not operating costs, will that become the case for this program?

Answer:

The information highways program is not confined to broadband, fiber optic networks. In FY 1993, this program will be administered through NTIA's Public Telecommunications and Facilities Program (PTFP), which is currently limited primarily to educational communications. NTIA plans to fund proposals that embrace a variety of academic interests, e.g., engineering, agriculture, K-12 instruction, adult learning, health education, and cross-cultural exchanges. Most of these projects are "last mile" connections to some "backbone" network that may use satellite interconnection, terrestrial microwave, copper wires and signal compression, or fiber optics. The supplemental 1993 funds ($64 million) requested by the Administration for this program will be used to support projects, consisting of both construction and planning activities, that will help make modern advanced telecommunications capabilities available to schools, universities, and other educational institutions.

NTIA is also considering soliciting additional applications for infrastructure construction projects beyond those currently before the agency. The probable focus for these additional projects would be state and local governments. Applications for planning grants for advanced infrastructure development focused on education, health care, and other critical social services could be solicited from tate and local gov r ents, as well as

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from other entities such as universities or not-for-profit organizations involved in delivering these types of services to the public. These planning activities will establish a strong foundation for infrastructure development efforts in future years.

This 1993 "information highways" program will provide the basis for information infrastructure activities in 1994 and beyond. The President has also proposed a package of $500 million over the next four years for advanced public telecommunications infrastructure projects. As mentioned in the response to Question 8, the Administration plans to develop legislative proposals in the near future to expand the types of projects that can be funded through NTIA.

Question 11:

What percentage of the proposed $784 million will be used to purchase broadband transmission capacity? How could we best insure that the monies that the Federal government spends in this area do not create broadband islands and bypass existing local networks?

Answer:

[Note: The President's budget proposal for the NTIA infrastructure development program is $718 million.]

At this point, it is not possible to estimate the percentage of funds that will be used to support broadband transmission capacity directly. NTIA plans to fund the proposals by qualified applicants, such as state, local government, and educational entities, that best foster the development of the information infrastructure. We anticipate that such proposals will use a wide range of technologies - fiber systems - to connect the "last-mile" users to the services that the nationwide information infrastructure will provide. Because NTIA has not yet begun to solicit or receive applications, the specific uses of the proposed funding have not been identified.

NTIA will seek to fund infrastructure grant projects that expand the reach of advanced telecommunications capabilities throughout the United States. In many cases, the facilities funded will be connected by providers of local services, including local telephone companies, cable companies, and NSAT network operators. NTIA does not seek to fund broadband "islands" that could inefficiently duplicate or "bypass" existing local networks, and will keep this issue in mind when implementing the infrastructure grant program.

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Question 12:

S. 4 calls for a dramatic expansion in the technology and manufacturing programs of the Commerce Department.

What are the cost estimates for the activities and programs authorized under the legislation? Given that the total budget for the Commerce Department is approximately $3 billion, can this agency accommodate the expense of the initiatives authorized under the bill?

Answer:

S. 4 authorizes a total of $782 million for Commerce.

- $150 million in Manufacturing Technology and Extension;
- $1.5 million for Benchmarking Science and Technology;
- $210 million for the Advanced Technology Program;
- $30 million for the Civilian Technology Loan Program;
- $52.5 for the Civilian Technology Development Program;
- $25 million for the State Technology Assistance Program;
- $50 million for the American Workforce Quality Partnerships;
- $1 million for Wind Engineering Research;
- $12 million for the Technology Administration; and,
- $250 million for NIST Intramural Programs in FY 1994.

  While Commerce will continue to work with the Committee concerning some provisions, it is clear that much of the bill comports with the President's views on manufacturing and technology issues.

The Administration's plans for the Commerce Department include a tripling of NIST's budget -- from under $400 million now to about $1.4 billion in 1997. This includes a doubling of NIST's basic research and development work over the next four years from $194.9 in FY 1993 to $400 million by 1997; growth of the Manufacturing Extension Partnership to create somewhere in the range of 100 manufacturing extension centers nationwide by 1997 and an increase in the Advanced Technology Program, including increased funding of $132 million in FY 1994 rising to a program level of about $700 million in FY 1997. In the areas of manufacturing extension services, the Advanced Technology Program and NIST Intramural Research, all the basic administrative and program support mechanisms have been established to manage these programs. The systems can be scaled up to handle much larger programs. Therefore we feel confident that Commerce will be able to carry out these duties efficiently and effectively. The Administration has chosen to increase these programs because of their excellent track record and the contributions they can make to U.S. competitiveness and technological growth.

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Question 13:

S. 4 expands the Manufacturing Technology Center's program at the National Institute of Standards and Technology (NIST). The program is aimed at helping small and medium sized businesses modernize and improve their operations. (1) What have been some of the success stories among small businesses that the MTC program has generated so far? (2) How many manufacturing outreach centers are contemplated under the bill and how much will the establishment of such centers cost?

Answer:

(1) Attached are success stories from our Manufacturing Technology Center's program, including NIST Special Publication 830, "The Manufacturing Technology Centers Program: A Sampling of Individual Case Histories." (Attachment is too big to circulate.)

(2) S. 4 does not set forth a specific number of manufacturing outreach centers. However, the President's economic investment package includes about $1.4 billion in 1997. This funding level contemplates a program to create somewhere in the range of 100 manufacturing extension centers nationwide by 1997 to assist manufacturers to modernize their production capability. Federal funds, to be matched by state and local governments, will support and build on existing state, local and university programs, with the goal of creating the nationwide network of extension centers.

Question 14:

How does the Manufacturing Outreach Program authorized under the bill compare with similar programs in Japan, which currently maintains 170 manufacturing technology centers to help its businesses?

Answer:

We have not carried out an extensive study comparing the proposed DOC manufacturing extension program and the Japanese manufacturing technology centers. Dr. Philip Shapira of the Georgia Institute of Technology, an American scholar most familiar with Japanese program, believes that DOC's current MTCs are analogous to the Japanese centers. Dr. Shapira is currently in Japan studying their centers in more depth. Officials of the National Institute of Standards and Technology have been working with Dr. Shapira and look forward to the results of his current studies.

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Question 15:

S. 4 provides increased authorizations for NIST's Advanced Technology Program (ATP). The ATP has been effective in providing multiyear grants, on a matching basis, to high-tech firms working on critical technologies.

1. What is some of the most promising research currently funded under the program?

Answer:

To date, the ATP has funded 60 projects including 18 joint ventures and 42 single-company projects. There is at least one project in each of the critical technology areas identified by the Office of Science and Technology Policy in its 1991 report. All of these projects involve promising research in a variety of areas including: (1) flat-panel display manufacturing processes, (2) x-ray point sources and x-ray optics for semiconductor lithography, (3) printed wiring board fabrication technology, (4) advanced magnetic, optical, and holographic computer data storage and memory systems, (5) neural network control systems for materials processing, (6) flexible, automated design and manufacturing systems, (7) advanced computing systems, (8) multiwavelength laser diode systems, (9) automotive precision assembly technology, (10) advanced composites for automotive structural applications, (11) plasma technology for low-cost diamond production, (12) advanced electrochromic materials, (13) the application of gene sequencing to clinical diagnostics, (14) genetic and tissue engineering, (15) advanced imaging and image compression systems, (16) natural handwriting recognition, (17) solid state and semiconductor laser systems, (18) advanced machine tools and controllers, (19) optical communications, (20) advanced thermal insulating materials, (21) automatic guided vehicles, (22) nanocrystalline ceramic materials, (23) high-temperature superconductors, (24) viral inactivation, (25) semiconductor and electro-optical materials processing, (26) chemical modeling for rational drug design, (27) human stem cell expansion, (28) diamond thin-film processing, (29) more efficient electrical power and refrigeration systems, (30) plastic recycling, and (31) advanced illumination technology.

To date, only one ATP project has been completed. This was a joint venture of Hampshire Instruments (NY) and McDonnell Douglas Electronics (MO), which resulted in the development of an x-ray point source that is now being incorporated into a prototype x-ray stepper for use in advanced semiconductor lithography. A number of other projects still underway have resulted in very promising early results. These include the development of: (1) a unique method for depositing integrated circuits on glass substrates that will soon be incorporated into products being produced by a U.S. flat-panel display manufacturer, (2) natural handwriting recognition algorithms being developed by an ATP small busines awardee, that are being incorporated into a prototype application specific signal processing chip under development by a large U.S. manufacturer, and (3) the development of a promising new class of magnetic thin films that could provide the basis for a new type of non-volatile high-speed computer memory and also a new generation of high-density magnetic mass storage devices.

2. What is the geographical distribution of the grants and is there an effort to ensure that the "have-not" states receive some of the R&D grants under the program?

Answer:

The 60 ATP awards involve 150 participants. "Participants" include 108 joint-venture partners and the 42 single-company award winners. Excluded are subcontractors, informal collaborators with joint ventures, and collaborators and strategic (business) partners of single-company applicants. The 150 participants are located in 29 states and the District of Columbia as shown on the attached map. In 3 competitions, twenty-six of the states have had a total of less than 10 applications submitted by companies within those states. Since the probability of receiving an award has been less than 1 in 10 during those 3 competitions, it is unlikely that companies from these low-application states will win many awards, unless a substantially greater number of proposals are submitted.

The ATP is actively engaged in a program aimed at increasing the number of proposals submitted from the low-application states. An ATP Senior Executive has been assigned the task of working with appropriate state and local economic development authorities, congressional offices, and the U.S. Chamber of Commerce, to identify companies in the low-application states that might have an interest in the ATP. We are offering to hold workshops in these states to brief companies on ATP rules and application procedures and to give them an opportunity to ask questions. Hopefully, these workshops will result in an increase in applications from those states, which in turn should result in an increase in awards.

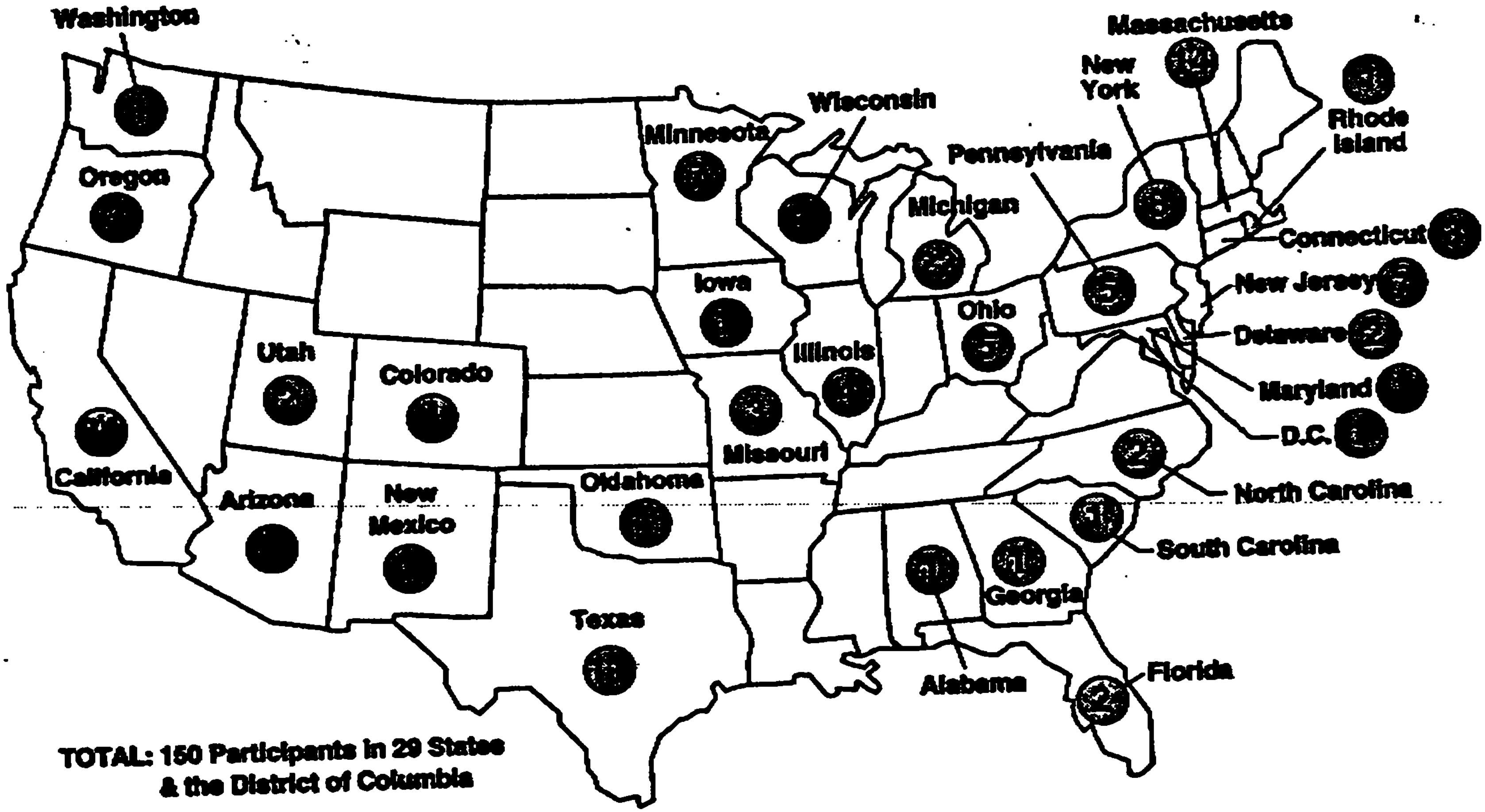
Attachment – Page 10A

Question 16:

S. 4 contains several financing provisions that generated a great deal of controversy last year when they appeared in S. 1330, a similar technology bill. Specifically, S. 4 calls for a DOC loan program that would provide loans to high-tech firms for R&D. In addition, the bill would provide capital to critical technology investment firms which, in turn, would provide capital to high-tech firms.

ATP COMPETITIONS 90-01, 91-01, & 92-01

ATP PARTICIPANTS* BY STATE



TOTAL: 150 Participants in 29 States & the District of Columbia

* "Participants" includes joint venture members, and excludes subcontractors, informal collaborators with joint ventures, and collaborators and strategic partners of single applicants.

February 1, 1993

10A

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First of all, is DOC really equipped to manage loan and financing programs which, by their nature, could become very complex and unwieldy. Does DOC currently have personnel to implement such activities? Is it appropriate for the federal government to, in effect, compete with the private sector in providing capital for commercial ventures?

Answer:

It is definitely not appropriate to compete with the private sector. If the private sector is meeting the capital needs of smaller high tech firms, then there is no reason for the Government to intervene. If it is not, then related questions must be answered. For example, we would need to explore whether the problem is a temporary one, whether private-sector solutions might be available and if not, whether there are other programs in the Government that could provide a solution, and whether the proposed program could be justified in terms of other federal priorities and the need to reduce the deficit.

These are the issues that I am exploring with my colleagues in the Administration. If, as a result of those consultations, the Administration concludes that a special program is warranted, we would make maximum use of existing capabilities in Commerce and other agencies, such as SBA.

Question 17:

Past technology bills introduced in Congress ran into difficulty due to the opposition of the Bush Administration. Does the Clinton Administration support S. 4 in general? Does it support the specific funding levels for the DOC programs contained in the bill? Does it support the bill's loan and venture capital provisions to support the efforts of R&D firms?

Answer:

Other than the financing provisions - which, as I indicated in response to the previous question, are being reviewed within the Administration - the Clinton Administration strongly supports S. 4 in principle. The bill's overall funding level for FY 94 is only $39 million above what we are requesting, a difference of only 5% ($782 million in S. 4 as compared to the Administration's request of $743 million).

However, while the proposed overall ~~anticipation~~ authorization levels are consistent with the Administration's request, we believe that the funding levels are inadequate for certain categories. For example, we are concerned that the bill authorizes no funds in FY 94 for upgrading NIST's lab facilities and authorizes only $210 million for ATP. We have requested $105 million and $318 million, respectively.

(12)

QUESTIONS FROM SENATOR PRESSLER

Question 1:

I am concerned about Sections 322 and 323 of this legislation which would create a Civilian Technology Loan Program and Civilian Technology Investment Companies modeled on the successful Small Business Investment Company (SBIC) Program operated by the Small Business Administration (SBA). As the ranking member on the Senate Small Business Committee, I am very familiar with the SBIC program which provides over $500 million each year in government financing - 17% of this going to small businesses in the technology sector. Indeed, some $1.6 billion of SBIC financing has been used, to date, to support advanced technologies. Successful companies helped by the program include Intel Corporation, Apple Computer, Cray Research and Compaq.

(1) Why does the Commerce Department want to create a completely separate bureaucracy to operate a duplicate program? Put another way, what can CTICs do that SBICs cannot?

Answer:

In the first place, I want to emphasize that this proposal originated in the House counterpart to S.4 and its predecessor, S. 1330. It is not a Commerce proposal, but we are reviewing it to determine if it is necessary and appropriate for DOC.

However, I agree with you that it should not be a duplicate program. It is my understanding that the bill's proponents do not conceive of it as such but, rather, as a complementary program because it is specially targeted to meeting the capital needs of small high tech startups whose assets are essentially people and ideas. Such technology projects are in the earliest stages of development, and years of research must be performed before profits, if any, are generated. As a result, financing for these types of businesses is significantly different from typical small businesses, which seek funds for specific assets necessary to bring a clearly identified product or service to a defined market. It is unclear what portion of the 17% of SBA financing which goes to businesses that are classified as high-tech reaches the start-up companies most in need of this assistance.

(2) How large would this program be? Specifically, how much money would be lent and how many CTICs would be created?

Answer:

As proposed, a fully funded program under S.4 would permit the Department to purchase or guarantee approximately $600 million in securities issued by the CTICs. I cannot predict how many CTICs would be established at that program level. The most the Government could invest in any ingle CTIC i $50 million.

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However, some investors would make the minimum investment of $5 million in private capital or $2.5 million for state or university sponsored CTICs, in which case the Government commitment would be much less (no more than $10 million and $5 million, respectively). Accordingly, there would likely be a mix of different sizes.

(3) What kind of staffing would be required by the Department of Commerce?

Answer:

I could not say at this time. However, staffing would be limited by the cap of $5 million or 10% of appropriations, whichever is greater, on administrative costs that both S.4 and H.R.820 would impose. We would make maximum use of the expertise of other agencies, such as SBA.

(4) Why not just expand the SBA's successful SBIC Program?

Answer:

These are issues that I am exploring with my colleagues in the Administration. If, as a result of those consultations, the Administration concludes that a special program is warranted, we would make maximum use of existing capabilities in Commerce and other agencies such as the SBA.

(5) Why would a company go through the trouble to become a certified CTIC when it could become a SBIC through the SBA, finance exactly the same high technology deals, AND be able to finance non-technology transactions as well?

Answer:

For reasons described more fully in response to Question 2(1), technology venture capitalists would likely prefer the nonparticipating security feature of CTICs.

Question 2:

I am interested in the specifics of how the CTIC program would work. The Senate and House Small Business Committees, together with the SBA, just completed a two-year effort to reform the SBIC industry and have created something called a "preferred security." Under this reform, the government is allowed to buy equity in a small business and receive dividends, without the power to make business decisions for the company. This provides an additional means of financing and saves taxpayer dollars by

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allowing the government to share in the profits of successful businesses.

(1) Would this new development be a part of the CTIC program?

Answer:

The CTIC program, at least as envisioned by the House, would also allow the licensees to issue a preferred security, but it would be nonparticipating - that is, the Government would not participate in profit sharing and would take a senior position to private equity capital. In other words, the Government is really functioning as a patient lender willing to relieve the borrower of making current interest payments until it is a going concern, rather than becoming an equity partner.

This CTIC proposal attempts to channel funding to smaller high tech companies needing less than $2 million and that may be years away from payoff, requires that specified percentages be invested in technology-based companies and in turn, a percentage of these investments be in early-stage technology investments. Accordingly, House staff has advised us that it believes, based on discussions with the financial community, that profit sharing under such circumstances would raise the risk factor to unacceptably high levels to attract technology venture capitalists or force the program to allow more investment to be made in bigger, later stage projects close to payoff. Were that to happen it would defeat the purpose.

Question 3:

Through the creation of CTCs and the Civilian Technology Loan Program, the Federal Government will choose certain technological areas to receive preferential treatment.

(1) How exactly will the U.S. Government choose which technologies should be promoted?

Answer:

We would expect that any legislation that gives preferential treatment to specific technologies will also provide the Executive Branch with clear guidance as to Congress' intentions. However, H.R. 820 targets only broad areas generally agreed to be significant for U.S. economy and competitiveness. H.R. 820 very clearly identifies the technologies considered "advanced" within the meaning of the Advanced Technology Program or "critical" as identified and updated by the Office of Science and Technology Policy. This provides substantial flexibility and breadth. Actual investment decisions will be made by the licensees within these broad parameters, so the specific decision would be driven by the market, not the government.

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(2) Do you believe the U.S. Government can pick and choose among U.S. industries more efficiently than market forces in making the decisions as to where capital is spent?

Answer:

No, but it is proper for Government to identify important national needs and, if they are not being served through normal market forces, to provide the necessary investment incentives consistent with budgetary constraints. For example, if market forces adequately valued small business formation as you do, there would be no need for an SBIC program, let alone a CTIC program. That is why President Clinton has made investment incentives the first order of business in his stimulus package. In this way, government is not making specific capital spending decisions; rather it is providing better access to capital for certain broad areas or critical generic technologies where there appears to be a market failure, e.g., a general lack of "patient" capital to fund technologies where the pay-off will take place very far down the road.

I should also reiterate that the bill's programs do not choose among industries, but support generic technologies that can create many new kinds of products and processes across a wide range of different industries.

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ARAB BOYCOTT AND U.S. COMPANIES

Question 1:

What is the U.S. Department of Commerce doing to further press the Kuwaitis on this issue?

Answer:

The Department of Commerce, which is responsible for the enforcement of the antiboycott provisions of the Export Administration Act, supports the work of the Department of State, which is responsible for seeking the discontinuance of the Arab boycott of Israel by Kuwait and other Arab League countries. The Department of Commerce's Office of Antiboycott Compliance (OAC) assists the Department of State's efforts by providing State with information on boycott-related requests, based on mandatory reports which exporting firms file with Commerce. Commerce also provides information and advice to State based on the extensive experience it has had with U.S. firms doing business in the Middle East.

Question 2:

Do you view this matter as a fair trade issue since U.S. companies are being blacklisted by the Kuwaitis?

Answer:

The United States considers the Arab boycott as a whole a fair trade issue because of the deleterious impact it has on the U.S. companies attempting to do business in the Middle East.

Question 3:

Given Kuwaiti commitments after the Gulf War to end its boycott of American companies that trade with Israel, what can the U.S. Government do to press Kuwait on its commitment? How could Commerce coordinate its efforts with the State Department in this arena?

Answer:

The Department of State is responsible for pressing Kuwait to live up to its agreement to end its boycott of American companies trading with Israel. Requests for information on progress in this regard should be referred to the Department of State. While the Commerce Department does not formally coordinate its enforcement of the antiboycott regulations with State, it does work clc ely with State in overall efforts to enforce the regulations and ulti tely to eliminate the boycott.

~~CONFIDENTIAL~~ ~~CONFIDENTIAL~~ 2214

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 7, 1993

ACTION

MEMORANDUM FOR WILLIAM H. ITOH

THROUGH: ROBERT BELL

FROM: KEITH HAHN

SUBJECT: Significant Military Exercise OCEAN VENTURE 93

Attached at Tab I is a proposed memorandum to the Executive Secretary, Department of Defense, approving military exercise OCEAN VENTURE 93. At Tab II Defense recommends approval and State concurs.

OCEAN VENTURE 93 is a major joint exercise scheduled to take place in the Puerto Rico operational area from April 20 - May 25. The major assault portion of the exercise will take place on May 14-15. The exercise will include joint ground operations (Army and Marine Corps), joint air operations (all Services), maritime operations and joint special operations (all Services).

This exercise is designed to test and demonstrate a wide range of inter-Service capabilities and would be an excellent opportunity for senior Administration officials -- and the President, if available -- to see how the U.S. military expects to operate in future contingencies.

Concurrence by: Barbro Owens-Kirkpatrick

RECOMMENDATION

That you sign the memorandum at Tab I approving the exercise.

Attachments
Tab I Memorandum for Signature
Tab II Incoming Correspondence

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By VZ NARA, Date 8/23/2016
2016-0152-F

~~CONFIDENTIAL~~
Declassify on: OADR

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR COL. MICHAEL B. SHERFIELD
Executive Secretary
Department of Defense

SUBJECT: Significant Military Exercise OCEAN VENTURE 93

Military exercise OCEAN VENTURE 93 is approved.

William H. Itoh
Executive Secretary

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Duplicate of vz4375_001a. (1 page)	04/06/1993	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:

Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

RESTRICTION CODES

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

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

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

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

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

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. cable	Duplicate of vz4375_001b. (3 pages)	02/26/1993	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:

Chron File - April 1993 #1 [5]

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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

April 8, 1993

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ROBERT G. BELL RGB

FROM: RICHARD HOOKER

SUBJECT: USSOCOM Commander's Conference 19-22 April

We recommend that you accept General Stiner's invitation to speak at the USSOCOM Commander's Conference at Andrews Air Force Base on 22 April. The conference provides a public opportunity to interface with the military, communicate Administration views to senior commanders in the Special Operations community and establish civilian-to-military relationships which will be helpful in national security decisionmaking. The conference site is nearby and your attendance will not require a lengthy absence.

Concurrence by: Keith Hahn

RECOMMENDATION

That you sign the letter at Tab I accepting GEN Stiner's invitation.

Attachments
Tab I Acceptance Letter
Tab II Incoming Correspondence

THE WHITE HOUSE

WASHINGTON

Dear General Stiner:

I am pleased to accept your invitation to speak at this year's USSOCOM Commander's Conference on April 22. Events of this kind are a useful and welcome opportunity to exchange views and promote shared perspectives in the national security community. I am particularly eager to meet with you and hear your thoughts about the issues and challenges which specifically relate to our special operations capability.

I look forward to seeing you at the conference.

Sincerely,

Samuel R. Berger
Deputy Assistant to the President
for National Security Affairs

General Carl W. Stiner
Commander-in-Chief
United States Special Operations
Command
MacDill Air Force Base, Florida 33608-6001

Staff
2032

UNITED STATES SPECIAL OPERATIONS COMMAND
COMMANDER IN CHIEF
MACDILL AIR FORCE BASE, FLORIDA 33608-6001

March 26, 1993

Mr. Samuel R. Berger
Deputy Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

Dear Mr. Berger:

I was pleased to have had the opportunity to brief you on the organization and missions of the U.S. Special Operations Command (USSOCOM). Given your schedule, I was pleased to have so much of your time and the opportunity to discuss this national asset--our nation's special operations forces.

I would very much appreciate it if you would address the USSOCOM Commanders' Conference to be held at Andrews Air Force Base, April 19-22. Specifically, I invite you to be our guest for lunch, to be followed by your address on April 22 (11 a.m. to 1 p.m).

Your presentation could be on any subject you think of benefit, but we are most interested in the new Administration's national security objectives. I envision allowing time for questions following your address. I have asked Under Secretary-designate of Defense Wisner to speak at 1 p.m. the same day on "new missions for the military."

I hope you will be able to join us on April 22. Should you have any questions, please have your staff call Mr. Scott Miller (813/840-5166). Thank you for your consideration.

Sincerely,

Carl Stiner

Carl W. Stiner
General, U.S. Army
Commander in Chief

2215

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 8, 1993

ACTION

MEMORANDUM FOR WILLIAM H. ITOH

THROUGH: ROBERT BELL

FROM: KEITH HAHN

SUBJECT: Commerce Draft Bill on Emerging Telecommunications Technologies Act

The purpose of the draft bill at Tab II is to reallocate 200 MHz of the frequency spectrum below 6 GHz from Federal to non-Federal use. This would provide additional frequencies for expanding existing and fostering new commercial applications, and would increase revenues to the U.S. Treasury. The bill also sets up mechanisms for joint spectrum planning and reporting. Finally, it provides means by which Commerce can set aside certain frequencies within this spectrum for specific government use.

In the past, Defense has opposed selling off portions of the frequency spectrum set aside for government use. However, Defense has bought off on the provisions for Commerce to set aside those frequencies within this spectrum that Defense thinks it might need, while freeing up the rest of the frequencies for commercial use.

This is a major income assumption in the budget -- $4 billion in this year's budget alone -- and failure to implement this change would require a significant reshuffling of the FY94 budget.

Concurrence by: Jeremy Rosner

RECOMMENDATION

That you sign the memorandum at Tab I concurring in the draft bill.

Attachments
Tab I Memorandum for Signature
Tab II Incoming Correspondence

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR JAMES J. JUKES

FROM: WILLIAM H. ITOH

SUBJECT: Commerce Draft Bill on Emerging Telecommunications Technologies Act

The National Security Council staff concurs in the draft bill.

2215

34 pages total

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

April 5, 1993

LEGISLATIVE REFERRAL MEMORANDUM

LRM #D-120
DRAFT #107

TO: Legislative Liaison Officer -

AGRICULTURE - Marvin Shapiro - (202)720-1516 - 312
DEFENSE - Samuel T. Brick, Jr. - (703)697-1305 - 325
EDUCATION - John Kristy - (202)401-2670 - 207
ENERGY - Bob Rabben - (202)586-6718 - 209
HHS - Frances White - (202)690-7760 - 328
JUSTICE - Faith Burton - (202)514-2141 - 217
INTERIOR - Ralph Hill - (202)208-6706 - 329
STATE - Matt Winslow - (202)647-4463 - 225
TRANSPORTATION - Tom Herlihy - (202)366-4687 - 226
TREASURY - Richard S. Carro - (202)622-1146 - 228
VA - Robert Coy - (202)535-8113 - 229
NSC - William H. Itoh - (202)395-3723 - 249
CEA - Francine Obermiller - (202)395-5036 - 242
EPA - Thomas C. Roberts - (202)260-5414 - 326
FCC - Steve Klitzman - (202)632-6405 - 260
NEC - Elizabeth Lindemuth - (202)456-6630 - 429
NSF - Lawrence Rudolph - (202)357-9435 - 248
OSTP - Damar Hawkins - (202)456-6272 - 288
SBA - Christine Swedin - (202)205-6702 - 315
USTR - Fred Montgomery - (202)395-3475 - 223
USPS - Stanley F. Mires - (202)268-2958 - 211

FROM: JAMES J. JUKES (for) JJ
Assistant Director for Legislative Reference

OMB CONTACT: Jeffrey WEINBERG (395-3457)
Secretary's line (for simple responses): 395-3454

SUBJECT: COMMERCE Draft Bill Emerging Telecommunications Technologies Act

DEADLINE: 4PM April 8, 1993

COMMENTS: This draft bill carries out a proposal in the President's Budget. A hearing has been scheduled for April 15th.

OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please advise us if this item will affect direct spending or receipts for purposes of the the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

cc: Ken Schwartz, Cora Beebe, Ron Jones, Bruce McConnell, Jonas Neihardt, Ed Rea, Carol Rasco, Chris Edley, Art Stigile

LRM #D-120

RESPONSE TO LEGISLATIVE REFERRAL MEMORANDUM

If your response to this request for views is simple (e.g., concur/no comment) we prefer that you respond by faxing us this response sheet. If the response is simple and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a secretary.

You may also respond by (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); (2) sending us a memo or letter; or (3) if you are an OASIS user in the Executive Office of the President, sending an E-mail message. Please include the LRM number shown above, and the subject shown below.

TO: Jeffrey WEINBERG
Office of Management and Budget
Fax Number: (202) 395-3109
Analyst/Attorney's Direct Number: (202) 395-3457
Branch-Wide Line (to reach secretary): (202) 395-3454

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

SUBJECT: COMMERCE Draft Bill Emerging Telecommunications Technologies Act

The following is the response of our agency to your request for views on the above-captioned subject:

_______ Concur

_______ No objection

_______ No comment

_______ See proposed edits on pages ___________

_______ Other: ______________________

_______ FAX RETURN of _____ pages, attached to this response sheet

DRAFT

Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C. 20510-0010

Honorable Thomas S. Foley
Speaker of the House of Representatives
Washington, D.C. 20515-6501

Dear Mr. President/Speaker:

Enclosed are six copies of a draft bill --

To establish procedures to improve the management and use of the electromagnetic spectrum, and for other purposes,

together with a statement of purpose and need and sectional analysis supporting its enactment.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this legislative proposal to the Congress from the standpoint of the Administration's program.

Sincerely,

Carol C. Darr
Acting General Counsel

DRAFT

3/30/93

STATEMENT OF PURPOSE AND NEED

Background

There is broad agreement that telecommunications is vitally important to U.S. society today. Telecommunications contributes to the productivity of American business and the well-being of the average citizen through a wide variety of services, such as radio and television broadcasting, cellular telephony, public safety services, radionavigation, amateur radio, and national defense. Spectrum is thus a national, public resource that should be managed for the ultimate benefit of all American citizens.

Due to the explosive growth of telecommunications, congestion in some portions of the spectrum is beginning to impair the ability of U.S. firms desiring to offer new radio-based services to meet customer demand, expand existing operations, develop innovative new spectrum uses, and remain competitive globally. It is thus desirable to make more spectrum available to the U.S. private sector, while also promoting more efficient use of this resource.

Legislation is needed to reform the current system of spectrum management in the United States. Spectrum management reforms should benefit the public by increasing spectrum availability for existing and innovative new services; ensuring that scarce spectrum is put to its most valuable use; and by permitting the United States Treasury, on behalf of the American taxpayer, to realize a return on the economic value of the spectrum that accrues from the private, commercial use of this national resource.

Presently, the Federal Communications Commission (FCC) manages use of the radio spectrum by all non-Federal Government users. The Department of Commerce, through the National Telecommunications and Information Administration (NTIA), manages Federal Government spectrum use under authority delegated from the President. The above-stated goals can best be achieved by taking two steps: (1) freeing up some frequencies now reserved for use by the Federal Government for the provision of new or expanded services sought to be offered by non-Federal users; and (2) providing authority for the FCC to make new license assignments through competitive bidding, subject to certain public interest exceptions.

The Proposal

The legislation would target 200 MHz of spectrum below 6 GHz for reallocation from Federal to non-Federal Government use, in order to promote innovation and development of the spectrum resource by the private sector. Thirty megahertz (MHz) could be reallocated on an expedited basis. As a critical element of this legislation, the FCC would be granted authority to use competitive bidding for awarding initial licenses for some spectrum, potentially including the spectrum reallocated in accordance with this legislation.

Key objectives of competitive bidding would be to promote the development and deployment of new spectrum-based technologies for the American public; to ensure efficient use of the spectrum; to promote competition in telecommunications services; to ensure that entrepreneurs and small businesses have reasonable opportunities to participate in competitive bidding; and to provide a return to the public on the use of this important resource. Moreover, the FCC would be required to use competitive bidding procedures during Fiscal Years 19__-19__ to assign at least 50 MHz of spectrum.

The FCC would be required to conduct a rulemaking implementing competitive bidding, to ensure that interested parties may address issues pertaining to the structure of the competitive bidding system and objectives to be met. U.S. Government users could be reimbursed for certain costs if they are moved to other portions of the spectrum. Revenues from competitive bidding would be paid into the U.S. Treasury, thereby providing a means to cover such costs and to provide additional revenues benefitting all U.S. citizens.

Competitive bidding is more efficient and equitable than current FCC procedures for assigning spectrum licenses where there are mutually exclusive applications. Currently, the FCC may use comparative hearings, which can be lengthy and expensive to applicants and the government; or lotteries, which are arbitrary and encourage speculation. Competitive bidding can ensure that spectrum is used by those who most value it, rather than those seeking to make windfall profits. Competitive bidding would ensure that spectrum is used more productively than if handed out for free to commercial entities. With the continuing concern over Federal deficits, the Federal Government should act to realize the revenue potential of spectrum competitive bidding.

The legislation addresses important practical concerns about competitive bidding. For example, competitive bidding would apply prospectively only to initial license assignments or construction permits, not to existing licenses, as many such licensees have already paid large sums in the secondary market to acquire their businesses. "Grandfathering" of current users would avoid disruption to existing services relied upon by the public. For similar reasons, competitive bidding would not apply to license renewals.

The legislation also exempts from competitive bidding certain spectrum uses that are essentially non-commercial or that have important public service attributes. The proposal would also exempt "end-user" licenses, such as those in the maritime service. The FCC, through rulemaking proceedings, could also grant additional exemptions found to be in the public interest.

Finally, successful bidders would not be given carte blanche with respect to frequencies they use. The FCC's allocation process would continue to determine the general spectrum uses for which licenses would be granted. Successful bidders would be required to operate under the conditions set forth in FCC licenses, subject to the broad public interest requirements of the Communications Act.

DRAFT 3/30/93

THE PROPOSED SPECTRUM LEGISLATION

Section-by-Section Analysis

Sec. 1: Short Title -- The bill's title is identified.

Sec. 2: Findings -- Spectrum is a valuable national resource, which is becoming increasingly congested below 6 gigahertz (GHz). To promote more efficient use of the spectrum, a target of 200 megahertz (MHz) should be reallocated from USG to non-USG use, and the Federal Communications Commission (FCC) should adopt procedures to distribute some spectrum through competitive bidding procedures.

Sec. 3: National Spectrum Planning -- The FCC and the Secretary of Commerce (Secretary) are to:

-- conduct joint spectrum planning meetings at least twice each year to evaluate future spectrum needs and to promote spectrum efficiency; and

-- submit joint annual reports to the President setting forth recommendations.

Sec. 4: Identification of Reallocated Frequencies -- The Secretary:

-- shall identify a target amount of 200 MHz of spectrum below 6 GHz for reallocation from USG to non-USG use within 15 years, based on specified criteria;

-- may identify from the target 200 MHz, an initial 30 MHz that can be made available for reallocation on an expedited basis; and

-- shall provide final identification, within 24 months, of the total 200 MHz targeted for reallocation.

Sec. 5: Withdrawal of Assignment to USG Stations -- Withdrawal is to be effectuated as follows:

-- the President may, within a limited time period, substitute frequencies for those recommended for reallocation, based on criteria in the legislation;

-- the President shall withdraw from USG users that spectrum recommended for reallocation;

-- the President may also establish different timetables for reallocation of certain spectrum, if necessary; and

~~CONFIDENTIAL~~

NSC/RMO PROFILE

RECORD ID: 9301917
RECEIVED: 29 MAR 93 09

TO: PRESIDENT

FROM: LAKE

DOC DATE: 09 APR 93
SOURCE REF:

KEYWORDS: SERBIA YUGOSLAVIA
UN CM

PERSONS:

SUBJECT: TRANSFER OF $5 MILLION FM FORN MILITARY FINANCING FUNDS TO PEACEKEEPING OPERATIONS ACCOUNT FOR USE IN TOUGHENING SANCTIONS

ACTION: PRES APPROVED RECOM DUE DATE: 01 APR 93 STATUS: C

STAFF OFFICER: RICE LOGREF:

FILES: PA NSCP: CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
		BELL
		CLARKE
		HAHN
		HOLL
		NSC CHRON
		RICE

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By VL NARA, Date 8/23/2016
2016-0152-F

COMMENTS:

DISPATCHED BY ______ DATE ______ BY HAND W/ATTCH

OPENED BY: NSJDA CLOSED BY: NSASK DOC 3 OF 3

~~CONFIDENTIAL~~

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002a. memo	Duplicate of vz4375_003a. Record ID: 9301917. (1 page)	04/09/1993	P1/b(1)

COLLECTION:
Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:
Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. memo	Duplicate of vz4375_003b. Record ID: 9301917. (1 page)	04/09/1993	P1/b(1)

COLLECTION:
Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:
Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002c. draft	Presidential Determination. Record ID: 9301917. (1 page)	04/09/1993	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:

Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

RESTRICTION CODES

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- RR. Document will be reviewed upon request.

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Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. memo	For Lynn Davis. [CIA Act] [partial] (1 page)	04/09/1993	P3/b(3)

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:

Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

RESTRICTION CODES

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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON D C 20506

April 9, 1993

MEMORANDUM FOR LYNN DAVIS
Department of State

FRANK WISNER
Department of Defense

VICTOR ALESSI
Department of Energy

(b)(3) [003a]
Central Intelligence Agency

BARRY MCCAFFREY
Joint Chiefs of Staff

THOMAS GRAHAM
Arms Control and Disarmament Agency

SUBJECT: Arms Control IWG on PDD-3

The Arms Control IWG will meet Tuesday, April 14, from 1:00-3:00, Room 208, to review PDD-3. Attendance is limited to principal plus two.

SPA for

Robert G. Bell
Special Assistant to the President and Senior Director for Defense Policy and Arms Control

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By VL NARA, Date 8/23/2016
2016-0952-F

~~CONFIDENTIAL~~
Declassify on: OADR

~~CONFIDENTIAL~~

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003b. form	Fax Cover Sheet. [CIA Act] [partial] (1 page)	04/09/1993	P3/b(3)

COLLECTION:
Clinton Presidential Records
National Security Council
Defense Policy and Arms Control (Robert Bell)
OA/Box Number: 44

FOLDER TITLE:
Chron File - April 1993 #1 [5]

2016-0152-F
vz4379

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TIME OF TRANSMISSION

TIME OF RECEIPT

WHITE HOUSE SITUATION ROOM

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: ______

DTG: ______

MESSAGE NO. ______ CLASSIFICATION ~~CONFIDENTIAL~~ PAGES 1

FROM ROBERT BELL (NAME) 3330 (PHONE NUMBER) 386 (ROOM NO.)

MESSAGE DESCRIPTION Arms Control IWG on PDD-3

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBER
STATE	LYNN DAVIS	ROOM 7510	647-1049
DEFENSE	FRANK WISNER	ROOM 4E808	703/697-2788
CIA	(b)(3)		
DOE	VICTOR ALESSI	ROOM 4B014	586-2102
JCS	BARRY MCCAFFREY	ROOM 2E868	703/695-4605
ACDA	THOMAS GRAHAM	ROOM 5930	647-9610

REMARKS:

URGENT - PLEASE CALL FOR PICK UP.

[003b]

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS
Initials: VR Date: 8/29/2016

UNCLASSIFIED
NSC/RMO PROFILE

RECORD ID: 9302201
RECEIVED: 06 APR 93 09

TO: AGENCIES

FROM: LAKE

DOC DATE: 09 APR 93
SOURCE REF:

KEYWORDS: NAVY DEFENSE POLICY

PERSONS:

SUBJECT: GLOBAL 93 GAME

ACTION: LAKE SGD MEMO TO AGENCIES DUE DATE: 09 APR 93 STATUS: C

STAFF OFFICER: HAHN LOGREF:

FILES: PA NSCP: CODES:

DOCUMENT DISTRIBUTION

FOR ACTION	FOR CONCURRENCE	FOR INFO
		BELL
		HAHN
		NSC CHRON

COMMENTS:

DISPATCHED BY Dore via D. Sheet DATE 4/9/93 BY HAND W/ATTCH

OPENED BY: NSMEM CLOSED BY: NSASK DOC 2 OF 2

UNCLASSIFIED

THE WHITE HOUSE

WASHINGTON

April 9, 1993

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH AND HUMAN SERVICES
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
THE SECRETARY OF VETERANS AFFAIRS
DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET
ASSISTANT TO THE PRESIDENT FOR NATIONAL ECONOMIC AFFAIRS
CHAIR, COUNCIL OF ECONOMIC ADVISORS
CHAIRMAN, NUCLEAR REGULATORY COMMISSION
ADMINISTRATOR OF GENERAL SERVICES
MANAGER, NATIONAL COMMUNICATIONS SYSTEM

SUBJECT: Global 93 Game

The Department of the Navy is sponsoring its Global 93 Game from 12-30 July 1993 at the Naval War College in Newport, RI. Each year the Global Game has proven to be a valuable tool for investigating new approaches to national security in our changing world environment. One of the best features of the Global Games has been the involvement of senior policy officials in the play.

The Global series examines a wide range of challenges to our national security. The current five-game series is designed to explore changes in the post-Cold War international order. The main thrust is twofold: to identify the issues that are pivotal to the national interests of the United States over the next decade; and to analyze these issues in the context of existing policy and strategy in order to identify where changes may be required to achieve national objectives. The keynote theme for this game is "Globalization of Change," with specific emphasis on the relationship between economic security and national security issues.

The game has achieved its greatest successes when senior officials participate. Each department or agency is requested to consider sending a representative at the senior staff level at both the game and the pre-game workshops to ensure that specific areas of interest receive appropriate consideration.

In preparation for this year's game, two series of workshops are being conducted to ensure that economic and resource issues will be adequately addressed. The Department of Commerce is hosting a series of workshops dealing with the implications of globalization on economic policy, both domestic and international. The Federal Emergency Management Agency is hosting workshops that will investigate the resource implications of globalization.

I encourage all of you to participate and ask that you contact the Game coordinators, Mr. Bud Hay and Captain Russ Palsgrove at the Naval War College, (401) 841-3306/2490 for additional information.

Anthony Lake
Assistant to the President
for National Security Affairs

cc: The Secretary of Defense
Director, Federal Emergency Management Agency

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2201

April 6, 1993

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: ROBERT BELL

FROM: KEITH HAHN

SUBJECT: Global 93 Game

Every July the U.S. Navy hosts a three-week game at the Naval War College in Newport, RI which is attended by representatives of all U.S. military services and most executive agencies, as well as congressional staffers and even a few members of Congress. In recent years we have used this game as an opportunity to sound out elements of the draft National Security Strategy, which is usually published in August.

Our goal this year would be to investigate potential evolutions in the National Security and National Military Strategies of the U.S. within the guidelines of the new Administration. Specifically, we would seek to focus on the following elements:

- Economic
  - -- Define strategic problems/opportunities
  - -- Identify key policy objectives
  - -- Define organizational relationships
- Security
  - -- Define evolving threats
  - -- Assess adequacy of National Security and National Military Strategies
  - -- Define interagency organizations and processes
- Operations
  - -- Define potential future crises
  - -- Develop theater & campaign options

The first week of this year's game will seek to integrate security and economic policy, develop regional policies, identify potential threats, and set up crisis management mechanisms. The second week will test responses to several regional crises, exercise campaign plans and examine new military service doctrines. The third week will look at proposed adjustments to national security, economic and military strategies that emerge from this game.

The Global 93 Game is an excellent opportunity for the military services and the executive agencies to work together to:

- Identify and define strategic problems and opportunities.
- Develop policies and strategies that support those interests.
- Develop a better understanding of security issues and priorities.
- Promote interagency coordination and integration in policy development for crisis response.

It also enables us to coordinate elements of the U.S. National Security Strategy PRD with a broad range of people who think and write about this topic.

Concurrence by: Steve Jones

RECOMMENDATION

That you sign the memorandum at Tab I encouraging executive departments and agencies to support the Global 93 Game.

Attachment
Tab I Memo to Agencies and Executive Departments