FOIA Number: 2017-0401-F

FOIA MARKER

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

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Cabinet Affairs

Series/Staff Member: Katherine Bibb Hubbard

Subseries:

OA/ID Number: 13185

FolderID:

Folder Title:
Fast Track

Stack:	Row:	Section:	Shelf:	Position:
S	24	5	5	2

Phil
Coplan
OPM

PHOTOCOPY
PRESERVATION

Jack
Cummins
at
table
w/ Ross
w/
Kerry
dinner

10:50 - 11:50

Alvarez

Herman

MAKING IT POSSIBLE FOR ALL AMERICANS TO SHARE IN THE BENEFITS OF ECONOMIC CHANGE

> *We need a progressive growth strategy in which we take every action possible to ensure that all Americans can benefit from economic change. We need to break out of the old arguments that say you are either for blocking change or you are for the market, but everyone has to fend for themselves. Government needs to help workers, communities and those not in the job market take advantage of the opportunities of expanded trade.*

THE PRESIDENT, WORKING WITH MEMBERS OF CONGRESS, HAS DEVELOPED A COMPREHENSIVE SET OF INITIATIVES TO HELP ENSURE THAT ALL AMERICANS SHARE IN THE BENEFITS OF OPEN TRADE. This nine-part strategy increases funds for worker and community adjustment, while doing more to tap the untapped potential of our inner cities and poor rural communities.

The plan **(1)** expands resources to workers who lose their jobs, **(2)** helps communities get back on their feet and **(3)** helps tap the untapped potential of America's poor rural and urban communities.

EXPANDS RESOURCES TO WORKERS WHO LOSE THEIR JOBS.

I. Improves and expands Trade Adjustment Assistance and ensures a quick response for worker dislocation.

- ✔ Reauthorize TAA and NAFTA-TAA for two years.
- ✔ Give workers in firms which shift production to another country trade adjustment assistance.
- ✔ Promote "rapid response" for all substantial layoffs and plant closures.
- ✔ Cut certification times by one-third.
- ✔ Modify waiver for training requirements for TAA and NAFTA-TAA so that they are similar.
- ✔ Implement performance measures for TAA and NAFTA-TAA programs to ensure that programs work effectively.
- ✔ Create Presidential Commission on "Workers and Economic Change"

II. Expands dislocated worker funding so that funding in 2003 would be triple what it was in the year before President Clinton took office.

- ✔ $750 million increase in dislocated worker funding over five years

III. Earmarks $250 million in existing funds for secondary workers -- while initiating an informational campaign to reach out to them more effectively.

- ✔ $250 million over five years in Secretary of Labor's dislocated worker discretionary fund earmarked for secondary workers.
- ✔ Clarify that secondary firms can be certified for TAA and NAFTA-TAA even if primary firm does not apply for certification.
- ✔ Initiate informational and outreach campaign to increase the take-up rate of secondary workers

IV. Create a Trade-Adjustment Assistance Contingency to ensure that workers who lose their jobs due to trade -- including those who lose their jobs due to future trade agreements negotiated under Fast-Track authority -- receive benefits.

- ✔ Create Trade-Adjustment Assistance contingency fund that will automatically make additional adjustment assistance available for workers who have lost their jobs due to trade.

HELPING COMMUNITIES GET BACK ON THEIR FEET.

V. Provide $250 million for community adjustment -- creates Office of Community and Economic Adjustment to coordinate the response to trade-impacted areas.

- ✔ Expand Community Adjustment by $250 million over five years -- create Office of Community and Economic Adjustment to deal with trade-impacted regions.

VI. Improve and expand the North American Development Bank (NADBank).

- ✔ Expand financing for the NADBank Community Adjustment and Investment Program (CAIP) allowing the Bank to leverage private capital markets to provide over $150 million in additional financing to trade-affected communities.
- ✔ Expand outreach and technical assistance for its programs and improve accessibility for trade-impacted communities.
- ✔ Puerto Rico eligibility -- identify communities in Puerto Rico that may be eligible for assistance through CAIP as well through NAFTA Transitional Adjustment Assistance and the Economic Development Administration (EDA).

VII. Improve environmental protection along the border by making infrastructure financing more affordable.

- ✔ Make environmental infrastructure more affordable: NADBank and Border Environmental Cooperation Commission (BECC) will take steps to address the needs of poor communities.
- ✔ Strengthen community capabilities to develop new programs to provide technical assistance to border communities for environmental infrastructure development and management.
- ✔ Accelerate project development for NADBank and BECC.

VIII. Improve Export Assistance Centers so that they do more to help small businesses.

- ✔ Increase the number of rural, and small and medium-sized businesses receiving export assistance.
- ✔ Enhance and regularize training for Export Assistance Center staff.

TAPPING THE UNTAPPED POTENTIAL OF AMERICA'S POOR RURAL AND URBAN COMMUNITIES.

IX. Expand current initiatives that have proven records of helping to create jobs and opportunity for disadvantaged Americans.

- ✔ Make flexible funding available for second-round urban empowerment zones.
- ✔ Expand the YouthBuild program which provides high school dropouts 16-24 with general academic and job skills training. The proposal would increase the program $50 million over five years above the FY 98 level.
- ✔ Create opportunity areas for Out-of-School Youth which seeks to increase youth employment by supporting $250 million in competitive grants in high-poverty urban and rural areas.
- ✔ $500 million in Welfare-to-Work Transportation funds to help move people from welfare to work.
- ✔ $225 million for Community Development Financial Institutions to expand the availability of credit in distressed urban and rural areas.
- ✔ Enhance and build on tax provisions for equity investors in specialized small business companies (SSBICs).

MAKING IT POSSIBLE FOR ALL AMERICANS TO SHARE IN THE BENEFITS FROM OPEN TRADE

November 5, 1997

PRESIDENT CLINTON'S STRATEGY TO HELP WORKERS AND COMMUNITIES SUCCEED IN A GLOBAL ECONOMY. The Clinton Administration rejects the view that in the new economy, workers should be "on their own." This plan -- developed with Members of Congress -- illustrates the Administration's vision of economic growth: While we tear down foreign barriers and open foreign markets, we are going to work to bring more Americans into the winner's circle. In order to help more Americans succeed in a global economy, this plan, which will be part of the President's fiscal year 1999 budget, increases funds for worker and community adjustment, while doing more to tap the untapped potential of our inner cities and poor rural communities.

Worker Adjustment:

I. Improve and expand Trade Adjustment Assistance and ensure a quick response for worker dislocation;

II. Expand dislocated worker funding by $750 million over five years -- so that funding in 2003 would be triple what it was in the year before President Clinton took office;

III. Dedicate $250 million over next five years in existing funds for secondary workers -- while initiating an information campaign to reach out to them more effectively;

IV. Create a Trade Adjustment Assistance Contingency to ensure that funds are available to help workers who lose their jobs due to trade -- including those who lose their jobs due to future trade agreements negotiated under Fast-Track authority -- receive benefits;

Community Adjustment:

V. Provide $250 million for community adjustment -- create an Office of Community and Economic Adjustment to coordinate the response to trade-impacted areas;

VI. Improve and expand the North American Development Bank (NADBank);

VII. Improve environmental protection along the border by making infrastructure financing more affordable;

VIII. Improve Export Assistance Centers so that they do more to help small businesses; and

Tapping The Untapped Potential of America's Poor Rural and Urban Communities:

IX. Expand current initiatives that have proven records of helping to create jobs and opportunity for disadvantaged Americans.

I. **IMPROVE AND EXPAND TRADE ADJUSTMENT ASSISTANCE AND ENSURE A QUICK RESPONSE FOR WORKER DISLOCATION.** To make economic adjustment easier for workers, the Administration proposes a series of actions to make the dislocated worker and trade adjustment programs work better.

- **REAUTHORIZE TAA AND NAFTA-TAA FOR TWO YEARS.** Both the House Ways and Means and the Senate Finance Committees have approved an extension of TAA and NAFTA-TAA for two years. (TAA and NAFTA-TAA expire on September 30, 1998.) The Administration supports this reauthorization. CBO estimates the costs of the NAFTA-TAA extension for two years at about $102 million. While a two-year TAA extension costs $662 million, it does not require offsets since it is already included in the baseline.

- **GIVE WORKERS IN FIRMS WHICH SHIFT PRODUCTION TO ANOTHER COUNTRY TRADE ADJUSTMENT ASSISTANCE.** Under TAA, workers may only be certified for assistance if their firm is adversely affected by imports. Under NAFTA-TAA, workers may be certified if either their firm is adversely affected or their firm shifts production to Mexico or Canada. As part of the President's FY99 budget, the Administration would propose legislation to give workers in firms which shift production to another country trade adjustment assistance. Covering shifts in production under TAA, as well as NAFTA-TAA, would cost $69 million per year or about $345 million over five years.

- **ISSUE GUIDELINES TO PROMOTE GREATER USE OF "RAPID RESPONSE" FOR WORKER DISLOCATION.** Based on the recent experience with layoffs at Fruit of the Loom in Louisiana, the Labor Department will issue guidelines to the states promulgating that "rapid response" should be used for all substantial layoffs and plant closures. Rapid response is the initial information sharing activity (for employees, as well as employers) to facilitate access to all public programs -- this process helps individuals look for new jobs, while assessing their needs for reemployment services. The activity would occur as soon as the State receives a Worker Adjustment and Retraining Notification (WARN) notice of any substantial layoff or plant closure, or when the State becomes aware of such event through other sources.

- **CUT CERTIFICATION TIMES BY ONE-THIRD.** In order to cut the TAA certification time from 60 days to 40 days, the Department of Labor will take the following four steps: (1) reduce investigator caseload to allow for more timely follow-up in obtaining relevant company and customer data; (2) develop an enhanced in-house system for tracking import trends and performing import-impact analysis; (3) reduce the amount of time from 21 to 14 days between the day the Labor Department requests and receives data from companies; and (4) reduce the response time for the customer survey from 21 to 14 days. Technological improvements as well as possible staffing increases will allow the Department to assemble, review, and analyze investigative data and information in a more timely manner. The total cost for these improvements would be about $2.5 to $3 million over five years.

- **MODIFY WAIVER FOR TRAINING REQUIREMENTS FOR TAA AND NAFTA-TAA SO THAT THEY ARE SIMILAR.** TAA requires that a participant be enrolled in training in order to qualify for income support; however, waivers of the training requirement are granted very often. In contrast, there is no waiver authority under NAFTA-TAA. As part of the President's FY99 budget request, the Administration would propose to narrow waiver authority under TAA and loosen it under NAFTA-TAA. This would serve to both reduce the abuse of the waive provision under TAA and to harmonize the two programs. The costs of this proposal are undetermined, but it is likely revenue-neutral.

- **IMPLEMENT PERFORMANCE MEASURES FOR TAA/NAFTA-TAA PROGRAMS.** The Labor Department does not receive information on how workers do after they participate in either TAA or NAFTA-TAA programs. To ensure that the programs work effectively, the Labor Department is developing and implementing performance measures, and collecting outcome-based performance data for workers who receive adjustment assistance. This will permit better tracking of TAA/NAFTA-TAA program effectiveness, and promote improved outcomes for participants. These performance measures will be implemented within current administrative cost and program budgets.

- **CREATE PRESIDENTIAL COMMISSION ON "WORKERS AND ECONOMIC CHANGE IN A NEW ECONOMY."** The Administration will create a commission on "Workers and Economic Change in a New Economy." This commission will study businesses' best practices in the areas of education and on-the-job training, and the opportunities for improving trade-related training programs; specifically examining the Federal-State and public-private partnerships in helping educate and train America's workers for the next century. The Administration will seek to include workforce development professionals, academics, state workforce or labor commissioners, union leaders, business leaders, and Members of Congress. This commission will be appointed by the President and will report back to him with its results by December 1, 1998.

II. EXPAND DISLOCATED WORKER FUNDING SO THAT FUNDING IN 2003 WOULD BE TRIPLE WHAT IT WAS IN THE YEAR BEFORE CLINTON TOOK OFFICE.

- **$750 MILLION DOLLAR INCREASE IN DISLOCATED WORKER FUNDING OVER FIVE YEARS.** In the year before President Clinton took office, the dislocated worker program was funded at $517 million. Since President Clinton took office, dislocated worker money has more than doubled, allowing some 300,000 more dislocated workers to receive training this year than five years ago. The Administration proposes to increase funding so that a total of $750 million more in dislocated worker funding is provided over the next five years. And that means that the resources for dislocated workers in 2003 will be more than triple the $517 million funding in the year before President Clinton took office.

III. EARMARK $250 MILLION IN EXISTING FUNDS FOR SECONDARY WORKERS -- WHILE INITIATING AN INFORMATION CAMPAIGN TO REACH OUT TO THEM MORE EFFECTIVELY.

- **$250 MILLION OVER FIVE YEARS IN SECRETARY'S DISCRETIONARY FUND EARMARKED FOR SECONDARY WORKERS.** In conjunction with the passage of fast-track authority, the Department of Labor will issue a Statement of Administrative Action extending the Secretary's discretionary authority to use JTPA Title III funds to serve secondary workers in firms doing business with primary firms eligible for or certified for TAA. To ensure that adequate funding in available the Secretary of Labor will fence off $250 million over the next five years to provide job training and income support for secondary workers.

- **CLARIFY THAT SECONDARY FIRMS CAN BE CERTIFIED FOR ASSISTANCE EVEN IF PRIMARY FIRM DOES NOT APPLY FOR CERTIFICATION.** Some have expressed concern that secondary firms were being denied benefits because the relevant primary firm had not obtained certification. There are cases when the primary firm does not go through the certification process, but the secondary firm is adversely impacted from trade. Therefore, the Secretary of Labor will clarify that secondary firms -- adversely affected as a result of business lost with a primary firm -- can be certified for assistance, even if the primary firm does not apply for TAA or NAFTA/TAA certification. In order to certify these firms, the Labor Department will need to do broader, two-tiered investigations. This will cost an estimated $5 million over five years.

- **INITIATE INFORMATIONAL CAMPAIGN TO INCREASE THE TAKE-UP RATE OF SECONDARY WORKERS.** Many secondary workers do not know they are eligible for training and income support. This informational campaign will work to raise their awareness of these programs. Outreach efforts can successfully reach many workers who are not, but should be, receiving job training and income support. The resulting increased case load could require 4-5 FTEs, at a cost of $2 million over five years. The Administration proposes four methods to raise the secondary worker take-up rate:

  a. The best way for the Labor Department to find secondary workers is to start with the primary firm and work outwards. By December 1997, the Labor Department's Employment Training Administration will issue guidelines to the states requesting that they seek information from primary firms about their suppliers during or immediately following the certification process. This information will form the basis of a concerted effort to identify and locate potentially eligible secondary workers.

  b. By December 1997, the Labor Department will issue a set of guidelines so that direct contact with potentially eligible secondary firms and their workers is made. The Labor Department will also disseminate fact sheets and posters to these secondary businesses, and will make information available to personnel offices. The Labor Department will also set up a bilingual web site to help contact secondary workers.

  c. The Labor Department will distribute information to State Employment Service and Unemployment Insurance offices where workers go to file unemployment benefits.

d. In order to increase the take-up rate among secondary workers, the Labor Department would run a public education campaign using public service announcements in English and Spanish in trade-impacted areas. Specifications for the bidding process will be in place by December 1997 and the competition will begin soon thereafter. In seeking bids for the project, the Department will include in the specifications a requirement that the firm have experience with the Hispanic media in the region and will ask bidding firms to submit evidence of prior successful public education campaigns.

IV. CREATE TRADE ADJUSTMENT ASSISTANCE CONTINGENCY TO ENSURE THAT ALL WORKERS WHO LOSE THEIR JOBS DUE TO TRADE -- INCLUDING THOSE WHO LOSE THEIR JOBS DUE TO TRADE AGREEMENTS NEGOTIATED UNDER FAST-TRACK AUTHORITY -- RECEIVE BENEFITS.

- **CREATE TRADE ADJUSTMENT ASSISTANCE CONTINGENCY.** While the Administration believes that trade agreements are beneficial for the country -- with more jobs being created on net than lost -- we understand the concerns of those who believe workers will be adversely affected by these agreements. Thus, to be certain that no one is left behind, we are proposing a Trade Adjustment Assistance Contingency that automatically will make additional adjustment assistance available for workers who have lost their jobs due to trade -- including those people who lose their jobs due to trade agreements negotiated under fast-track authority. Additional funds will be made available in increments if adjustment assistance demands ever exceed the estimate in our budget. While we fully expect this contingency will not trigger on, with this safety net added to the Trade Adjustment Assistance program there should be no question that resources will be there if the need ever arises.

V. **PROVIDE $250 MILLION OVER FIVE YEARS FOR COMMUNITY ADJUSTMENT -- CREATE OFFICE OF COMMUNITY AND ECONOMIC ADJUSTMENT TO COORDINATE RESPONSE TO TRADE-IMPACTED AREAS.**

- **EXPAND COMMUNITY ADJUSTMENT BY $250 MILLION OVER FIVE YEARS -- CREATE OFFICE OF COMMUNITY AND ECONOMIC ADJUSTMENT TO DEAL WITH TRADE-IMPACTED REGIONS.** DOD's Office of Economic Adjustment (OEA) was the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. Learning from the defense conversion experience, we would create an OEA-type body -- the Office of Community and Economic Adjustment -- to coordinate the Administration's response to trade-impacted regions by working with Labor, Commerce, SBA, HUD, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop comprehensive economic adjustment strategies. They also would bring the appropriate state, local and federal groups to the table to provide adequate resources for implementing plans. The expert staff at OEA could be detailed to this body to help trade-impacted regions and workers. Moreover, to ensure there is proper funding for regions adversely impacted by trade, the Administration will expand the Economic Development Administration (EDA)'s Title IX budget. In 1997, Title IX had $27 million in funding to help areas with sudden and severe economic dislocation, such as major plant closings. The Administration will propose $50 million per year -- or $250 million over five years -- in community adjustment funding, more than doubling EDA's Title IX budget each year, while creating an Office of Community and Economic Adjustment. This will allow for comprehensive economic development assistance to regions adversely impacted by trade, or other severe economic dislocations.

VI. **IMPROVE AND EXPAND NADBANK.** The Administration proposes a three-point plan to improve and expand the North American Development Bank (NADBank):

- **EXPAND FINANCING FOR THE NADBANK CAIP.** The Administration proposes expanding paid-in capital for the North American Development Bank (NADBank) Community Adjustment and Investment Program (CAIP) by $37 million -- a full 160 percent increase over existing funds. These new funds will allow the Bank to leverage private capital markets to provide over $150 million in additional financing to trade-affected communities. The additional resources could finance new actitities, such as permitting the CAIP to provide matching grants, permitting more affordable financing for business development in trade-impacted communities, and to develop a micro-lending program to address the specialized needs of dislocated workers by encouraging small start-ups. The CAIP could also use the additional funding to expand its direct lending program by providing direct loans or innovative credit enhancements through intermediaries to assist a wide range of commercial and nonprofit borrowers who would otherwise lack access to commercial lending institutions.

- **EXPAND OUTREACH AND TECHNICAL ASSISTANCE.** The CAIP will work to increase awareness about its programs and improve accessibility for trade-impacted communities. To that end, the CAIP will work to refine the criteria of the direct lending program to better address community needs and disseminate them widely through a variety of media, including by developing a bilingual Web Site with detailed explanations of the direct lending criteria and application forms. In addition, CAIP would work with trade-impacted communities to provide technical assistance in the development of strategic plans to help identify opportunities and attract investment.

- **PUERTO RICO ELIGIBILITY.** Efforts must be made to permit communities within the Commonwealth of Puerto Rico that have been adversely impacted by trade and production shifts associated with NAFTA to access CAIP resources. To that end, the CAIP Finance Committee will develop a marketing plan identifying the appropriate authorities and community development organizations in Puerto Rico that should be provided with extensive information about CAIP eligibility requirements and programs. CAIP staff will work directly with Department of Labor (DOL) and Economic Development Administration (EDA) staff to identify communities in Puerto Rico that may be eligible for assistance through CAIP as well as EDA and workers who may be helped through NAFTA-TAA. In these eligible communities, CAIP will hold round tables with community groups, bankers, elected officials, and community leaders to market the program.

VII. **IMPROVE ENVIRONMENTAL PROTECTION ALONG THE BORDER.** The Administration will improve environmental protection along the border by making infrastructure financing more affordable for poor communities, strengthening community environmental capabilities and accelerating project approvals.

- **MAKING ENVIRONMENTAL INFRASTRUCTURE MORE AFFORDABLE.** The North American Development Bank (NADBank) and the Border Environment Cooperation Commission (BECC) will take steps to address the needs of poor communities: NADBank is establishing co-financing arrangements with U.S. and Mexican grant programs to provide affordable financing for border environmental infrastructure. We will seek appropriations of $250 million for this program over the next three years. NADBank is working on a proposal to help smaller U.S. communities access the tax-exempt bond market by establishing reserve funds for debt servicing in cooperation with the State Revolving Funds. This would leverage $4 million per year in NADBank financing to make available an additional $16 million per year for smaller border communities. Finally, BECC and NADBank will establish a program to assist residents in poor communities to finance residential hook-ups of water and wastewater services by providing lines of credit (through a public utility or other intermediary) to fund the costs of such services.

- **STRENGTHENING COMMUNITY CAPABILITIES:** NADBank and BECC are developing new programs to provide technical assistance to border communities for environmental infrastructure development and management. In cooperation with the EPA, BECC is establishing a Project Development Assistance Program (PDAP) to help border communities develop environmental infrastructure project proposals. This Program will commit and disburse up to $10 million to communities by the end of the year. NADBank has established an Institutional Development Program (IDP) to help communities on both sides of the border achieve effective and efficient operation of their water, sewage and solid waste management services. So far, NADBank has approved $1.8 million in technical assistance for 12 projects, and we will seek to double total IDP resources to $4 million.

- **ACCELERATING PROJECT DEVELOPMENT:** NADBank and BECC have developed a work plan for accelerating project development. Their 1997-99 work plan has identified more than 30 projects and potential projects with a total cost of more than $500 million. They will also take steps to expedite project approvals, especially for smaller border communities: Small projects (typically costing $100,000 or less) will be eligible for expedited processing, provided they are sponsored by an appropriate Federal or state agency (*e.g.*, the Texas Water Development Board). Similar projects that meet BECC/NADBank requirements for project quality and review will be considered for certification as a group and financed through a NADBank line of credit with an appropriate Federal or state agency.

VIII. **IMPROVE EXPORT ASSISTANCE CENTERS SO THAT THEY DO MORE TO HELP SMALL BUSINESSES.** There are over a hundred Export Assistance Centers located across the United States helping businesses export American goods abroad. Small businesses are an essential part of America's export strategy, accounting for almost 96% of all exporters, but only 30% of the value of exports. As part of our National Export Strategy, we will:

- **INCREASE BOTH THE NUMBER OF RURAL BUSINESSES AND SHARE OF SMALL AND MEDIUM-SIZED BUSINESSES RECEIVING EXPORT ASSISTANCE.** By the end of 1999, the Export Assistance Center Network will increase by 20 percent the number of small and medium-sized firms receiving export assistance in the United States. To ensure this increase, the Export Assistance Center Network will do more to fully engage the programs of all its strategic partners to reach out to those businesses which have not ventured into foreign markets. Many small businesses in poorer rural communities have not realized their full export potential. To ensure more is done for rural small businesses, the Export Assistance Center Network will increase its focus on manufacturers and service companies located in rural areas -- with the goal of increasing by 20 percent the number of rural businesses who report exporting successes through the Export Assistance Network.

- **ENHANCE AND REGULARIZE TRAINING FOR EXPORT ASSISTANCE CENTER STAFF.** The Department of Commerce will enhance and regularize the training of all Export Assistance Center staff, improving customer service. Part of this training will be increasing the familiarity of the Export Assistance Centers field staff with all Trade Promotion Coordinating Committee (TPCC) agency programs, particularly in the trade finance area.

IX. **EXPAND INITIATIVES THAT HAVE PROVEN RECORDS OF HELPING TO CREATE JOBS AND OPPORTUNITY FOR DISADVANTAGED AMERICANS.** In order to create jobs and opportunity for disadvantaged Americans, the Administration proposes to:

- **MAKE FLEXIBLE FUNDING AVAILABLE FOR SECOND-ROUND URBAN EMPOWERMENT ZONES.** The Administration would request $100 million per year in flexible grant funds for second-round urban EZs. This funding could be used for a wide range of activities, including economic development and housing projects, project-based rental assistance, and job training. Providing flexible grant funding for the second-round of urban Empowerment Zones would cost $500 million over the next five years.

- **EXPAND THE YOUTHBUILD PROGRAM.** YouthBuild provides high school dropouts 16-24 with general academic and job skills training, as well as apprenticeships constructing and rehabilitating affordable housing. The FY 1998 appropriation for YouthBuild is $35 million. This proposal would provide, beginning in FY 1999, an increase of $10 million per year -- or $50 million over five years -- for YouthBuild (above the FY 98 level).

- **CREATE OPPORTUNITY AREAS FOR OUT-OF-SCHOOL YOUTH.** The Administration requested and continues to advocate strongly for $250 million in competitive grants to selected high-poverty urban and rural areas, including designated EZs and ECs, to increase out-of-school youth employment. The House Labor-HHS-Education Appropriations bill includes $100 million in funding for FY 1999; the Senate bill $250 million (also advance funded). The Administration will work to ensure that the out-of-school youth program receive $250 million per year, or $1.25 billion over five years.

- **$500 MILLION IN WELFARE-TO-WORK TRANSPORTATION FUNDS.** The Administration requested $100 million for an unspecified number of projects. The initial House bill provided $42 million for 10 projects. The Senate transit legislation reported by the Banking Committee fully funds the President's request. To help move people from welfare-to-work, the Administration will continue working to secure full funding for welfare-to-work transportation funds. The Administration will work to ensure that welfare-to-work transportation funds receive $500 million over the next five years.

- **$225 MILLION FOR CDFIs TO EXPAND THE AVAILABILITY OF CREDIT IN DISTRESSED URBAN AND RURAL AREAS.** The Community Development Financial Institution (CDFI) fund is designed to expand the availability of credit, investment capital, financial services, and other development services in distressed urban and rural communities. The Administration requested $125 million for CDFIs, but the Treasury-Postal conference report provided $80 million for FY98. The Administration will propose a $45 million increase over the conference report in our next budget -- that's $225 million over five years for CDFIs.

- **ENHANCE AND BUILD ON TAX PROVISIONS FOR EQUITY INVESTORS IN SSBICs.** The Administration is committed to ensuring the success of the initiatives contained in the President's 1993 Economic Plan to encourage investments in specialized small business companies (SSBICs). The Administration would work with Congressman Jefferson and Congressional tax-writing staffs to enhance the effectiveness of these provisions through proposed modifications. These proposed modifications would cost on the order of $50 million over five years.

Fns 69481

Albright	Berger	Glickman	Daley	Rubin	Herman
Filner	Ackerman	Boswell	Bentsen	Sanchez	Emerson
Payne	Bateman yes	Pomeroy	Lofgren	K. McCarth	Sue Kelly
Wexler	Burton	Barton	Etheridge	M. Collins	Whitfield
Goss	Fox yes	Bryant	Burr	Regula	John
McKeon	McHugh	Combest	Ganske	Thornberry	Weldon
	Pappas	Goodlatte	Wicker	Shadegg	
	Stump won't meet	Skelton	J. Kennedy	622-0053	
			R. Hall		

Denise - 260-2665

Barshefsky	Raines	Sperling	Pena	Browner	Richardson
Foley	Fattah	Clayton	Velaquez	Eshoo Phone	Hinojosa
Snowbarger	Bonilla	Menendez	Hefner	Myrick	Price
Watts (which one)	Dickey	Livingston	R. Hall	Sanford	Watt
Cardin	Ehrlich	Packard	Hill	Bill Young	Linder
Hastings (which one)	Hobson	Riggs	McIntosh	Deutsch	Reyes on sch.
S-9651 Debbie	Sununu			Rather NOT wants no more meetings	Rodriguez aft. 5:30

would rather not waste time

Want LA to meet instead of MOC

Slater	Tarullo				
Millender-McDonald	LaTourette				456-5539
Jackson-Lee	Lazio				
S. Bachus	Jerry Lewis				
Coble	MCollum				
Cook	Kim				
Martinez					
Pease					

Bibb 62525

Final

→ Todd Lecturn
→

Cabinet Room/Roosevelt Room

(27 Chair Arrangement for Cabinet Meetings/ 28 Chair Arrangement for Cabinet Briefings)

Richardson
HHS
Berger
Interior
ALBRIGHT
State
POTUS (meetings only)
BOWLES
CoS
RUBIN
Defense
DALEY
Commerce
SLATER
Trans
Education
TURULLO
Counselor to POTUS
BROWNER
EPA
~~RICHARDSON~~
UN
RAINES
OMB
RADD
ONDCP
MARSHALL
Cabinet Secretary (briefings only)
BERMAN
SBA
EMANUEL
CEA
~~BRODHY~~
FEMA
~~BROPHY~~
HILLEY
USTR
VA
~~BARSHEFSKY~~
CIA
HUD
SILVERMAN
Energy
Labor
Justice
Dep CoS (briefings only)
Vice President (meetings only)
Dep CoS (briefings only)
Treasury
USDA
PENA
HIGGINS
BARSHEFSKY
SPERLING
3 MATHEWS
~~RUBIN~~
GLICKMAN

RADD
HILLEY
BERMAN
BROPHY
SILVERMAN

21

POOL / PRESS

Terzano
Leavy
Nathan Naylor
Paul Cusack
Lisa Berg

→ 8 Weclcim
WHACA
→ all
pres cameras
→ statements

FAST TRACK MEETING
November 6, 1997
As of: November 4, 1997 (11:26am)

PRINCIPAL	RESPONSE
Secretary Albright	YES
Secretary Rubin	YES
~~Secretary Cohen~~	~~Checking~~
~~Secretary Babbitt~~	~~Checking~~
Secretary Glickman	YES
Secretary Daley	YES
~~Secretary Herman~~ Deputy Secretary Higgins	YES
~~Secretary Shalala~~	~~NO, unless required~~
~~Secretary Cuomo~~	~~Checking~~
Secretary Slater	YES
Secretary Peña	YES
Administrator Browner	YES
Director Raines	YES
Ambassador Richardson	YES
Ambassador Barshefsky	YES
Gene Sperling	YES
Sandy Berger	YES, but he will be late and may not be able to go to the Hill
Dan Tarullo	YES

White House Staff List:
Vicki Radd
Jason Berman
Steven Silverman
John Hilley
Susan Brophy
Bibb Hubbard

* The VP is also going to the Hill for one-on-one meetings we don't want play this up. (per Ron Klain)

Albright	**Berger**	**Glickman**	**Daley**	**Rubin**	**Herman**
Filner	Ackerman	Eshoo	Bentsen	Deutsch	E.B. Johnson
T. Hall	Bateman	Boswell	Lofgren	Hooley	Sawyer
Payne	Burton	Pomeroy	Etheridge	Lowey	Edwards
Pelosi	Fox	Barton	Burr	K. McCarth	John
Wexler	McHugh	Bryant	Ganske	M. Collins	Weldon
Goss	Pappas	Combest	Wicker	Regula	
McKeon	Stump	Goodlatte			
Barshefsky	**Raines**	**Sperling**	**Pena**	**Browner**	**Richardson**
Baldacci	Doggett	Clayton	Velaquez	Reyes	Hinojosa
Foley	Fattah	Menendez	Hefner	Rodriguez	Price
Snowbarger	Bonilla	Livingston	R. Hall	Myrick	Luther
Watts	Dickey	Packard	Hill	Sanford	Watt
	Ehrlich	Riggs	McIntosh	Shadegg	Linder
	Hobson			Thornberry	
	Sununu			Bill Young	
Slater	**Tarullo**				
Millender-McDonald	LaTourette				
Jackson-Lee	Lazio				
S. Bachus	Jerry Lewis				
Coble	MCollum				
Cook	Kim				
Emerson					
Pease					

FAST TRACK:
IN THE INTEREST OF AMERICA AND AMERICAN WORKERS

"[T]o keep America growing, to continue creating jobs and opportunities, we must continue to expand exports. We must use every tool we have to pry open foreign markets to American-made products. We must act now, to continue our progress so our new economy works for all Americans. America must continue to fight for open trade around the world -- and that means Congress must renew the President's traditional authority to negotiate trade agreements."

-- President Clinton, 9/10/97

Fast Track Will Create More Higher Paying Jobs For America's Workers.
The United States needs fast track to continue to create higher-paying jobs for more of its workers. Without it, America's role as the largest exporter in the world will be put in jeopardy. And with new markets opening around the world, it is more important than ever to give the President traditional trade authority to break down foreign trade barriers. These barriers put American products made by American workers at a disadvantage.

Fast Track Background

Q: *What is fast track?*

A: *Fast track legislation is essentially an agreement between Congress and the President on how Congress will consider trade agreements negotiated by the President. As part of that arrangement, the President agrees to extensively consult and coordinate with Congress throughout trade negotiations. In return, Congress votes on legislation implementing trade agreements on an up or down basis, with no amendments. This ensures that other countries will give us their bottom line best offer. Every President since 1974 has had fast track authority.*

President Clinton Has Helped American Workers...
President Clinton has a strong record of helping the families of American workers. The President's record includes: ensuring low-income families received tax relief in the form of a child tax credit in this year's balanced budget deal; securing a 20% tuition tax credit in the balanced budget agreement; creating a $1,500 HOPE Scholarship to make college universally available; doubling dislocated worker funding; and obtaining the largest Pell Grant increase in two decades.

...And Will Continue To Ensure That All Workers Benefit From Expanded Trade
President Clinton will continue to build on his strong record of supporting American workers and ensuring that all workers benefit from expanded trade by fighting for increased training and education opportunities. The Administration is currently developing a comprehensive plan to help communities and workers who have been affected by trade.

Fast Track Will Ensure America's Role As Global Leader.
The fast track debate is about much more than trade. It is about American leadership in the world. It is a test of whether the United States intends to maintain our half century of leadership -- or retreat and turn inward. And while our economy is currently the envy of the world -- once again the world's most competitive economy -- we cannot afford to take this success for granted. <u>We need to continue to open and expand markets in order to maintain our position as the global economic leader.</u>

Failure To Lead On Trade Will Hurt Our Foreign Policy.
Fast track is a test of our foreign policy. America's failure to lead on trade will have harmful effects on our ability to lead in other areas as well. For example, if Latin America is permitted -- by default in our leadership -- to turn increasingly to Europe and Asia for trade relations, the U.S. relationship with Latin America will weaken. As the sole remaining superpower, the United States has a fundamental interest in aiding both security and prosperity around the world -- particularly in our own hemisphere.

– Fast Facts –

- Exports support over 11 million American jobs, including one in five manufacturing jobs.
- One third of America's economic growth over the past five years has come from exports.
- The United States is once again the world's most competitive economy; the world's leading exporter; the largest producer of automobiles and semiconductors.
- Export related jobs pay on average 15% more than non-export related jobs.
- Expanding trade is increasingly tied to America's future economic growth; 96% of world's consumers live outside the U.S.

FAST TRACK AND AMERICAN LEADERSHIP

Overview

- **The fast track debate is about much more than trade. It is about American leadership in the world.** Other governments, particularly those in Latin America, view fast track as a test of whether the United States intends to maintain our half century of leadership -- or retreat and turn inward.

- **A failure of U.S. leadership would be a huge mistake.** For over 50 years, we have led the world toward freer markets -- reducing average tariffs from 40% at the end of World War II to about 5% today. That has led to a 90-fold increase in trade, which has enormously benefitted the U.S. We must not turn our back on that progress.

- **American leadership is not divisible. If we fail to lead on trade, our influence will suffer in other areas.** The patterns of trade developed in the coming decades will create patterns affecting our national security, foreign relations and political interests. If Latin America is permitted -- by default in our leadership -- to turn increasingly to Europe and Asia in its trade relations, it will weaken our relationship with Latin America. Rejecting fast track would also send a terrible signal to emerging markets, undermining the developing world trend toward free market policies and democracy.

Exports and U.S. Growth

- **For the U.S., the case for fast track is clear: if we are to sustain our economic growth, we must export.** Since 1993, one-third of our growth has come from exports. Over the next decade, the economies of Latin America and Asia are expected to grow at three times the rate of the U.S. economy. In a world where 96% of the world's consumers live outside our borders, we must export to grow. It's that simple.

- **We are in a perfect position to compete. Our economy is the envy of the world.** We are once again the world's most competitive economy, the world's largest exporter, the leading producer in key industries like automobiles, semiconductors and pharmaceuticals. It makes no sense to sideline ourselves now.

- **But we cannot afford to take our economic leadership for granted.** Throughout the world, other countries are moving to reach trade deals opening their markets. We can either lead this process -- or watch it proceed without us:
    - In Latin America and Asia alone, other countries have reached more than 20 preferential trade agreements without us. Today every major economy in the hemisphere has a preferential trade deal with Chile, except the U.S.
    - The EU is seeking a preferential trade agreement with MERCOSUR, a market of over 200 million people and a GDP exceeding $1 trillion. President Chirac has declared "the future of the region rests with Europe, not the United States."

Fast track and U.S. Foreign Policy

- **Fast track is a test of our foreign policy.** As the sole remaining superpower, the United States has a fundamental interest in aiding both security and prosperity around the world -- particularly in our own hemisphere. Stable trading relationships are critical to that end. In the post Cold-War world, trade agreements serve some of the same purposes security pacts played during the Cold War: They bind nations together through a set of shared interests and common objectives.

- **If the U.S. fails to lead, we risk losing influence by default. The trade patterns set in coming decades will have enormous strategic importance too.** That is part of the strategy behind FTAA and APEC processes. They are not just economic: they are also intended to reinforce broader U.S. engagement in Latin America and Asia, two regions where U.S. foreign policy strategic and security interests are deeply implicated. Rejecting fast track would signal retreat from these initiatives.

- **That would clearly undermine broader U.S. interests.** Latin America sees trade as the linchpin of a stronger hemispheric relations -- our failure to engage would undermine cooperation on a range of issues including drug interdiction, immigration, environmental protection and corruption. In Asia, the industrialization of 3.5 billion people in the arc from Korea to Pakistan will be perhaps the greatest development of the 21st Century. It is critical to America's economic and security interests that we be deeply engaged in the transformation. Without fast track, we are crippled in that effort.

- **The cause of democracy and free markets would also suffer.** After decades of failed experiments and anti-Americanism, many of the world's emerging markets today are embracing free markets, democracy and other American values. Today -- for the first time in history -- one half of the world's population lives under elected rulers. But this fragile progress will continue only if we continue to press countries to embrace free trade policies, build stronger middle classes and strengthen the building blocks of democracy. Rejecting fast track would send a terrible signal that we are not serious about trade liberalization and reform.

Conclusion

- **The United States faces a critical choice.** We can continue to make our economy the model for the rest of the world, open foreign markets, and reaffirm our global leadership. Or we can convince ourselves that we cannot compete, turn inward, and cede that leadership to others eager to take our place. The choice is that stark -- and that important.

KEEPING AMERICA AND IT'S WORKERS THE MOST COMPETITIVE IN THE WORLD

America Needs Fast Track to Continue to Create Higher-Paying Jobs for More Americans. Without it, America's role as the largest exporter in the world will be put in jeopardy. And with new markets opening around the world, it is more important than ever to give the President traditional trade authority to break down trade barriers that put American products made by American workers at a disadvantage. We will continue to ensure that America's workers will benefit from expanded trade by fighting for increased training and education opportunities.

I. AMERICAN WORKERS STILL FACE A DISADVANTAGE BECAUSE TOO MANY FOREIGN COUNTRIES PLACE RESTRICTIONS ON AMERICAN GOODS. WE NEED FAST TRACK TO LEVEL THE PLAYING FIELD FOR AMERICAN WORKERS.

What We Inherited. In 1993, President Clinton came into office at a time when, even as the U.S. continued its commitment to free and fair trade, other countries still maintained high tariffs and other obstacles to fair trade -- to the disadvantage of America's workers.

President Clinton Has Moved to Address this Disadvantage by Completing the Uruguay Round and Successfully Pursuing an International Technology Agreement -- Both Under Fast Track Authority. We have worked to level the playing field by negotiating tough, fair agreements -- securing more concessions from our trading partners than we had to give up. For example, Australia has cut its tariffs five times more than we have had to, Korea six times more, and Peru ten times more than the U.S. Because of the ongoing benefits from the Uruguay Round, it is estimated that trade will continue to grow by an average of 9% per year until 2000.

Even So, American Workers Still Face a Disadvantage. Even with this substantial progress, American exports still face higher tariff rates than our own. For instance, tariffs on U.S. agricultural exports average 38%, while our own rates average 11%. Tariffs on U.S. electric machinery exports average 5%, while our rates average under 2%. Without fast track authority, these conditions will only persist -- especially as other countries negotiate their own preferential trade deals to the detriment of our workers and firms. American workers deserve better.

Open and Fair Trade is in the Best Interest of American Workers and their Families. As the American people prepare for the challenges of the 21st century, we face a critical choice: We can meet the challenges of the future, write the trade rules and continue America's remarkable economic growth -- or we can turn our back on the world and fail to compete for new markets, new contracts, new business and new jobs. All over America, jobs have been created in small, medium and large companies that would not exist today if we did not have the ability to negotiate fair trade agreements.

- Over the last four years, American manufacturing exports rose 42%, high technology exports jumped 46%, service exports climbed 33% and farm exports rose 41%.
- From 1990-1996, U.S. auto exports to the biggest emerging markets (excluding Mexico) rose $500 million and are estimated to reach $6.1 billion by 2010. U.S. parts exports to these emerging markets are expected to more than triple from the current $3 billion to $10 billion in 2010.
- The U.S. dominates 75% of the global software market. More than one-half million workers are employed in the industry -- double the level a decade ago. This industry is expected to grow 9% *per year* worldwide over the next decade.

- The U.S. once again dominates the world's semiconductor industry -- after trailing Japan for years. More than one-quarter million American are employed in the semiconductor industry -- up 13% over the last three years. The global semiconductor market nearly tripled in size between 1990 and 1995 -- and sales are expected to reach $200 billion by the year 2000 -- a fourfold increase over a decade.
- Exports of goods and services have risen from about 4% of GDP in the early 1960s to over 13% today. Over 15% of the total American workforce is employed in the manufacturing sector. U.S. exports have grown three times faster than Japan's and five times faster than Germany's since the mid 1980s.

II. TO ENSURE THAT ALL AMERICAN WORKERS BENEFIT FROM EXPANDED TRADE, THE CLINTON ADMINISTRATION HAS FOUGHT FOR INCREASED TRAINING AND EDUCATIONAL OPPORTUNITIES.

We need a growth strategy in which we take every action possible to ensure that all Americans can benefit from economic change. We need to break out of the old arguments that say you are either for blocking change or you are for the market, but everyone has to fend for themselves. Government needs to help workers, communities and those not in the job market realize the benefits of expanded trade.

- **The Administration is developing a comprehensive plan to help communities and workers who have been affected by trade.** President Clinton is building on his strong record of helping workers and families secure more opportunities to improve their educations and obtain higher paying jobs. The President will announce his plan early next week.

<u>A Record of Strong Action to Help Families and Workers</u>

- **Fought To Ensure Low-Income Families Benefitted from Child Tax Credit.** Because of the President's efforts, 13 million children from families with incomes below $30,000 will receive the tax credit -- up to 7.5 million more than under the House plans. Families making under $30,000 -- such as young teachers, police officers, farmers, nurses and others who work hard and play by the rules -- will now receive the child credit.
- **20% Tuition Tax Credit.** The balanced budget deals provides for a 20% tuition tax credit applied to the first $5,000 of qualified education expenses and to the first $10,000 thereafter for college juniors, seniors, graduate students, and working Americans pursuing lifelong learning.
- **$1,500 Hope Scholarship Tax Credit.** The balanced budget deal also includes a $1,500 Hope Scholarship to make the first two years of college universally available. For a student attending the average four-year college, the Tuition Tax and HOPE Scholarship tax credits will provide tax savings of up to $5,000.
- **Doubled Dislocated Worker Funding.** The funding for dislocated workers has been doubled, from $651 million in FY93 to $1,286 million in FY97. This year, the dislocated worker program will assist 580,000 workers, up about 300,000 since President Clinton took office.
- **Largest Pell Grant Increase in Two Decades.** The Balanced Budget agreement boosts the maximum 1998 Pell grant from $2,700 to $3,000, and expands the program to more poor independent students -- that's the largest increase in two decades.

III. IF THE PRESIDENT DOES NOT HAVE THE SAME NEGOTIATING AUTHORITY THAT EVERY PRESIDENT HAS HAD SINCE 1974, OUR COMPETITORS, NOT AMERICAN WORKERS, WILL REALIZE THE BENEFITS FROM EXPANDED TRADE.

Today, we have the opportunity to permanently create the types of jobs that pay more and provide our workers with more security -- <u>if we continue to increase our exports and open more markets</u>. But if the President does not have the authority to negotiate tough and fair trade agreements with Congress' consent, our competitors will create the best jobs for their workers -- while the U.S. will be relegated to the sidelines.

- **Without fast track, the U.S. will lack credibility to push for a fast start on global negotiations scheduled to start at the end of 1999. <u>The United States stands the most to gain in these negotiations because of its comparative advantage in agriculture, commercial services, and government procurement.</u>**

  ☞ **Agriculture.** Agricultural exports support nearly a million U.S. jobs. Agriculture remains one of the most protected and subsidized sectors in the world economy. American exports still continue to face trade barriers through high tariffs and preferential trade deals that exclude the U.S.

  ☞ **Commercial Services.** Service exports of U.S. firms supported nearly 4 million jobs in 1996. Unless negotiated away, barriers will inhibit increased U.S. service exports. In Korea, a number of service sectors remain restrictive for foreign investment including telecommunications and insurance. Brazil has restrictive investment laws, lack of transparency in administrative procedures and limits on foreign capital participation. Distribution in the domestic market is restricted in Indonesia.

  ☞ **Government Procurement.** Some sectors relating to government procurement include civil aircraft, energy equipment, environmental technologies and services and medical equipment which employ over 2 million American workers. The vast majority of low and middle-income countries have not signed the WTO Government Procurement Code and the U.S. cannot negotiate government procurement obligations in plurilateral negotiations.

WHY AMERICA WON'T GET ITS FAIR SHARE OF JOBS WITHOUT FAST TRACK

America needs fast track to continue to create higher-paying jobs for more Americans. Without it, America's role as the largest exporter in the world will be put in jeopardy. And with more markets opening around the world, it is now more important than ever to give th President traditional trade negotiating authority to break down foreign trade barriers to American goods and services.

The U.S. needs to maintain its leadership role in opening markets through tough, fair trade agreements.

- **Since 1992, 49 states have experienced an increase in overall goods exports and 45 states have experienced an increase in jobs supported by trade.**
- **46 states have higher exports to Mexico and 47 states have higher exports to Japan.**

In the upcoming WTO negotiations, President Clinton needs fast track to have the flexibility to negotiate agreements in **agriculture, commercial services, and government procurement.** <u>In each of these areas, the U.S. is the most competitive nation in the world and stands to benefit the most from writing the rules of trade</u>.

AGRICULTURE

The U.S. is the world's largest agricultural exporting country -- shipping a record $60 billion in exports abroad. In 1996, total world agricultural exports totaled $600 billion. While reaching record levels, U.S. exports still accounted for <u>only 10%</u> of that.

- **U.S. agricultural exports support nearly a million jobs and this number is rising.** Since 1990, the value of U.S. agricultural exports has increased by $20 billion, or nearly 50%. Each week last year, on average, American producers and processors shipped out more than $1.1 billion in farm and food products to foreign markets.
- **Last year, our agricultural exports were twice the level of our imports -- a claim no other sector can make.** Dollar for dollar, we export more corn than coal, more wheat than steel, more meat than aluminum, and more fruits and vegetables than CDs, records, and tapes. U.S. exports are growing more than three times as fast as domestic demand for foods.
- **U.S. agriculture will pay a high price if fast track is not granted.**
  - ☞ More than 20 bilateral and regional trade agreements are already in place in the Western Hemisphere, and the U.S. is party to only one. While these preferential trade agreements multiply, the U.S. share of the region's total agricultural imports is declining.
  - ☞ Chile has already signed trade agreements with Bolivia, Colombia, Ecuador, Mexico, Venezuela, MERCOSUR and most recently Canada. The U.S. has already lost an estimated $500 million in exports to other countries that have duty preferences in place.
  - ☞ Chilean fresh fruit pays a 2% duty when entering Venezuela (due to the Chile-Venezuela FTA), whereas American producers pay a 15% tariff. The U.S. Embassy estimates that the U.S. market share would grow from its current 39% to 67% if U.S. producers had equivalent access to the Venezuelan market.

Without fast track, the U.S. will lack the credibility to push for a fast start on WTO agricultura. negotiations, scheduled to start at the end of 1999. Agriculture remains one of the most protected and subsidized sectors in the world economy. American exports still continue to face trade barriers through high tariffs and preferential trade deals that exclude the U.S. **Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 trade agreements that do not include the United States.**

> The best way we can continue to increase our agricultural exports and create more higher-paying jobs is through broad trade negotiations where the U.S. has the ability to seek additional commitments from other countries to reduce their barriers to American agriculture.

COMMERCIAL SERVICES

Exports of services by U.S. firms supported an estimated 3.9 million U.S. jobs in 1996. U.S. service exports have more than doubled over the last ten years, increasing $135 billion since 1987 and $84 billion since 1990 to $250 billion in 1996. In 1995, U.S. service exports accounted for 16% of global service exports; our closest competitors that year were France (8%) and Germany, Italy, Japan and the U.K. (between 5% and 6% each).

- **U.S. exports to emerging markets have grown at impressive rates:** nearly 30% to China, Taiwan and Korea, and over 20% to Hong Kong and Argentina. The U.S. also exported over $1 billion in 1995 to the emerging markets of Argentina, Brazil, China, Hong Kong, the Philippines, India, Indonesia, Korea, Malaysia, Singapore and Thailand.

- **Service exports are estimated to reach $300 billion by 2005 and $350 billion by 2010.** With the expanding electronic commerce market, the growth trend in the service sector may easily surpass these estimates. For example, look at the health care services industry. In 1994, exports reached $812 million. The industry is estimated to grow to $1.03 billion by 1998 and continue its growth to $1.4 billion by 2002.

- **Unless negotiated away, barriers will inhibit increased U.S. service exports.** In Korea, a number of service sectors remain restrictive for foreign investment, including audio-visual services, insurance, telecommunications and advertising. Brazil has restrictive investment laws, lack of transparency in administrative procedures and limits on foreign capital participation. Distribution in the domestic market is restricted in Indonesia and many other countries.

Fast track will strengthen U.S. efforts to reduce trade barriers and expand these international markets -- key to maintaining U.S. competitiveness and innovation.

GOVERNMENT PROCUREMENT

- **In 1996, government procurement totaled $200 billion in U.S. exports in 1996 in a total world market of $600 billion.** Sectors relating to government procurement include civil aircraft, which supports over 450,000 high-wage jobs, energy equipment supporting 350,000 workers, environmental technologies and services supporting 1.3 million workers, and medical equipment employing over 260,000 workers.

Environmental Technologies and Services

- **U.S. exports increased 26% from $11.5 billion in 1994 to $14.5 billion in 1995 -- making the U.S. the world's largest supplier.** Growth in exports was responsible for 40% of the $7.5 billion in 1995 environmental technology industry growth. The global market is projected to grow from about $440 billion in 1995 to approximately $600 billion by the year 2010. While the U.S. enjoys over $14 billion in environmental exports only 8% of the U.S. environmental industry's revenue comes from exports. Major competitors, such as Germany and Japan, export in excess of 20%.

- **Opportunities abound for U.S. environmental technology.** The market in Indonesia exceeds $1.3 billion of which $300 million is from the U.S.). Thailand's market exceeds $1 billion (U.S. exports account for two-fifths of that) and could double over the next five years. Malaysia's market is around $700 million and is expected to grow at 15-20% per year through 2000.

- **Competition isn't waiting for U.S. leadership.** $10 billion in new investment is expected through the year 2000 in Brazil. U.S. exports last year amounted to about $100 million. Tariffs range up to 18%, although MERCOSUR partners receive duty free treatment and other Latin American countries receive a 60% duty reduction.

Medical Equipment

- **Total medical device exports reached $11 billion in 1996 -- a 14% rise from 1995.** Exports as a share of industry shipments were 20% in 1990 and are expected to be 30% by 2005. Since 1990, U.S. medical devices exports to China, ASEAN and the other big emerging markets (excluding Mexico) doubled, reaching $2 billion in 1996. Thailand's medical device market exceeds $600 million, and Indonesia's market has been growing by over 10% annually. Malaysia has budgeted $1.4 billion this year to upgrade health care quality, and Singapore has over $500 million earmarked for redevelopment projects.

- **The industry faces tough barriers in low and middle income countries** which include approval procedures for imported devices; government health care reimbursement policies which discriminate against U.S. products; and non-transparent government procurement policies. MERCOSUR countries are developing import and standard regulations which will negatively impact U.S. medical device manufactures.

  Fast track will strengthen U.S. efforts to reduce trade barriers and expand these international markets which are key to maintaining U.S. competitiveness and innovation.

- The vast majority of low and middle-income countries have not signed the WTO Government Procurement Code and the United States cannot negotiate government procurement obligations in plurilateral negotiations.

- Current WTO negotiations on establishing elements of a transparency agreement offer the opportunity to secure more transparency in foreign government bids, to the benefit of U.S. firms and workers.

Civil Aircraft

- **One out of every two civil aircraft manufactured in the U.S. is exported.** Asia has become the fastest growing foreign market for U.S. civil aircraft, accounting for about 45% of U.S. exports in 1996. Korea is in the midst of a major civil aviation expansion -- a ten year procurement program plans the purchase of some 230 aircraft worth about $20 billion. With ASEAN, there is a large and growing demand for airport and ground support equipment. The Philippines has initiated a $3 billion refleet and modernization program. Almost all of Thailand's demand must be met by imports.

- **High tariffs and government subsidization are major barriers.** Low and middle income country tariffs range from 3 to 40% while the U.S. has no tariffs.

- **Competition isn't waiting for U.S. leadership.** Canada is competitive in Latin America, especially in the business and regional jet aircraft sectors. Canada already has a Free Trade Agreement with Chile which will provide a three percentage point tariff advantage over U.S. suppliers by 1997. This tariff deferential, which will increase to 11 percentage points when the FTA is fully implemented, provides the Canadian industry a significant advantage in certain segments of the market.

Energy Equipment

- **Since 1990, U.S. exports of energy equipment have doubled reaching $15.5 billion in 1996 with a trade surplus of $6.5 billion.** U.S. exports to the big emerging markets, China and FTAA countries more than doubled since 1990. Exports account for an estimated 34% of the U.S. industry's product shipments. By 2005, energy equipment exports are expected to exceed domestic shipments.

- **The demand for energy in low and middle income countries is expected to grow at more than twice the rate of industrialized countries.** Thailand is expected to invest $22 billion in new power plants; Indonesia is spending $40 billion developing a natural gas field; China and India represent even larger potential markets as each country attempts to meet increasing demand.

- **Competition isn't waiting wait for U.S. leadership.** MERCOSUR countries are in the process of privatizing the electricity sector and expect increased demand for generation and distribution equipment. Imports supply approximately one-fifth of the equipment demand, and the U.S. supplies one-third of that. Yet, with tariffs ranging up to 24%, U.S. companies will be at a significant disadvantage if other countries are given preferential access.

  With U.S., German and Japanese companies providing almost equal shares of energy equipment in world markets, any preferential access to developing countries by our competitors will hurt U.S. workers and companies.

- **Fast track will strengthen U.S. efforts to reduce trade barriers and expand these international markets which are key to maintaining U.S. competitiveness and innovation.**

Plant Locations and Impacted Workers

Arkansas

Fayetteville	334 employees represented by UNITE
Harrison	335 employees represented by UNITE
	669 -- total

New Mexico

Albuquerque	577 employees represented by UNITE
Roswell	607 employees represented by UNITE
	1284 total

Tennessee

Knoxville (2)	
[sewing]	1927 employees represented by UFCW
[finishing]	405 employees represented by UFCW
Centerville	403 employees
	2735 total

Texas

San Angelo	526 employees
El Paso (3)	
[Airway]	682 employees
[Eastside]	326 employees
[Lomaland]	658 employees
	2192 total

NOTES:

- Total 6,395 employees affected.
- Representing 34 percent of total manufacturing workforce in the U.S. and Canada
- Total of 11 plants out of 32 manufacturing plants and finishing centers in the U.S. (An additional 5 in Canada).
- By June 30, 1998, all plants will be closed.
- Average hourly wage: $8.60 (varies by plant and location).
- 37,500 worldwide employment; 18,608 total manufacturing U.S. employees.
- 1,000 white collar, headquarters positions eliminated this year.
- All NAFTA/TAA certified, except 2 in Arkansas. Applications being developed.

Congressional and Intergovernmental List

Arkansas
Governor Mike Huckabee (R), 501/682-2345
Senator Dale Bumpers (D), 224-4843
Senator Tim Hutchinson (R), 224-2353

Fayetteville
Mayor Fred Hanna 501/575-8330
Congressman Asa Hutchinson (R), 225-4301

Harrison
Mayor Dan Herness 879/741-2777
Congressman Asa Hutchinson (R), 225-4301

New Mexico
Governor Gary Johnson (R), 505/827-3000
Senator Pete Dominici (R), 224-6621
Senator Jeff Bingaman (D) 224-5521

Albuquerque
Mayor Marty Chavez (D) (Jim Baca (D), Mayor-elect), 505/768-3000
Congressman Steve Schiff (R) 225-6316

Roswell
Mayor Tom Jennings, 505/624-6700
Congressman Joe Skeen (R) 225-2365

Tennessee
Governor Don Sundquist (R), 615/741-2001
Senator Fred Thompson (R), 224-4944
Senator Bill Frist (R), 224-3344

Knoxville (2 plants)
Mayor Victor Ashe, 423/215-2040
Congressman John Duncan (R), 225-5435

Centerville
Mayor Jerry Dixon, 931/729-4246
Congressman Ed Bryant (R), 225-2811

Texas
Governor George Bush (R), 512/463-2000
Senator Phil Gramm (R), 224-2934
Senator Kay Bailey Hutchison (R), 224-5922

San Angelo
Mayor Johnny Fender, 915/657-4241
Congressman Charles Stenholm (D), 225-6605

El Paso (3 plants)
Mayor Carlos Ramirez, 915/541-4145
Congressman Silvestre Reyes (D), 225-4831

Draft Release Draft Release Draft Release Draft Release Draft

Secretary of Labor Alexis M. Herman Directs Transition Assistance Be Made Available to 6,000 Levi's Workers in Four States

Secretary of Labor Alexis M. Herman, in response to an announcement that Levi Strauss & Company will close 11 plants in four states, today ordered her staff to work with state and local officials in Tennessee, Arkansas, New Mexico and Texas to make expedited transition assistance available to the more than 6,000 workers who will be affected by the plant closings over the next eight months.

"It's always hard when workers lose their jobs, but we do have strategies that have been successful in easing the transition to new employment and Levi's eight-month notice makes it easier for us to put these strategies in place. I immediately called and got our people on the ground moving, so we could have a system in place from day one to assist these workers, their families and their communities," Herman said.

"I am putting all the resources of the Labor Department behind this effort, in cooperation with state and local officials, to supplement the range of planning measures that the company, working together with its employees' unions, has already put in place."

Department of Labor programs, which include early interventions through state rapid response units, ensure that workers receive job search assistance, retraining, job counseling and support services -- including income support during training and relocation allowances -- to assist them in finding new jobs.

LEVI STRAUSS LAYOFFS

POTENTIAL QUESTIONS AND ANSWERS

1. Isn't this announcement of large scale layoffs in the apparel industry, which has already seen jobs moved abroad (to the Far East, and to the Caribbean for example), further proof that NAFTA legislation has hurt American workers, and that the Fast Track legislation will continue to negatively impact them?

A. Apparel imports into this country have been increasing for many years, even before NAFTA. These kind of layoffs occur for a number of reasons, including excess capacity, and market conditions. We do not look at this as any kind of indicator regarding the loosening of trade barriers, or the need for Fast Track authority. While these dislocations are painful, they are a fact of our economic life. Our challenge is to show that we can manage this change, and turn our workforce to productive uses in other areas.

2. What is the Administration's response to these large layoffs? --- one of the largest to be announced this year?

A. The Secretary of Labor has ordered her staff to work with the state and local officials in each affected area to activate so-called Rapid Response teams, to work with the company and the workers to get adjustment and reemployment services going right away.

The company has outlined a package of severance benefits, and given long range notice of its actions. This makes it easier for the Labor Department and state and local governments and organizations to work with the company and the workers to make sure that this change is successfully managed.

3. Do you think the package of benefits outlined by Levi Strauss and Company should be used as a model for good corporate citizenship?

A. The package as is outlined in press documents released by the company appears very responsible. We cannot comment on the details at this time, but certainly applaud the fact that the notice is given early, and that the company appears to recognize the value that the workers are to them, and that they need to be treated fairly in this transition.

4. Did the Administration know of these layoffs in advance?

A. The Department of Labor was informed in recent days that layoffs of this magnitude would be occurring. The value of this communication is to get the Rapid Response activities underway as soon as possible, and to get an early start on the coordination of government and corporate resources that will be marshaled for these workers.

DOTPOINTS

LEVI STRAUSS LAYOFFS

NAFTA/TAA---TAA CERTIFICATIONS

- Levi Strauss Company has in the past year, sought and received certification for previously laid-off workers in 22 plants under the Trade Adjustment Assistance program (TAA) and under the NAFTA Transitional Adjustment Assistance (NAFTA/TAA) program. The numbers of workers certified in these plants totaled only about 400. Nine of these 22 plants are among the plants included Monday's announcement. Only the plants in Harrison and Fayetteville, Arkansas are not yet certified for TAA and NAFTA TAA.

- It is likely that most if not all of the workers affected by the November 3rd announcement will also qualify for TAA and NAFTA/TAA.

- The TAA qualification will result from the fact that overall, apparel imports INTO this country from all sectors of the globe have been increasing for some time. ALL domestic apparel manufacturers are impacted by these increased imports.

- The NAFTA qualification is based on the fact that Levi Strauss's competitors have located plants in Mexico, and that these companies import into the United States from Mexico. Levi Strauss was able to prove that it suffered competition from its competitors plants in Mexico.

- [NOTE: *It is also the case the Levi Strauss has production facilities in Mexico, but its imports into the U.S. from these facilities was only slightly higher than previous year's so this was not a significant factor in its NAFTA certification. The most significant factor was competition from other companies who had relocated to Mexico]*.

- The existence of the certifications means that additional training and income support benefits are available to these workers, over and above the basic unemployment insurance and training benefits that are available to other dislocated workers. They represent extra assistance that these workers can use to manage this change in their lives.

LEVI STRAUSS & CO. NEWS

1155 Battery Street, San Francisco, CA 94111

~~CONFIDENTIAL~~

November 3, 1997
For Immediate Release

Contact: TBD
(Phone or pager number)

**Levi Strauss & Co. Announces Plant Closure Plans in the U.S.
Affected Employees to Receive $200 Million in Benefits**

SAN FRANCISCO (November 3, 1997) — Levi Strauss & Co. (LS&CO.) today announced it will close 11 U.S. facilities in 1998 in response to a long-standing need to bring the company's manufacturing capacity in line with its U.S. production needs. The company also announced that it will spend $200 million in employee benefits and $8 million in grants to local communities affected by the plant closings.

The following plants have been identified for closure:

- one plant in each of the following communities: Fayetteville, Ark.; Harrison, Ark.; Albuquerque, N.M.; Roswell, N.M.; and Centerville, Tenn.;
- a sewing plant and a finishing center in Knoxville, Tenn.; and
- four plants in Texas: one in San Angelo and three in El Paso (Airway, Eastside, Lomaland).

The 11 plants employ a total of 6,395 workers, representing 34 percent of LS&CO.'s total manufacturing workforce in the U.S. and Canada.

"During the past few years, it has become obvious that we have more production capacity than we need to supply our U.S. denim market," said Bob Haas, LS&CO. chairman and chief executive officer. "Regrettably, we must close some of our facilities to resolve the problem. With this in mind, we are establishing significant programs to ease the transition for employees and communities impacted by our actions."

Haas said the company will offer affected plant workers a superior package of benefits that far exceeds apparel industry standards. This package was negotiated with the Union of Needletrades Industrial and Textile Employees (UNITE!), which represents four of the designated plants, and the United Food and Commercial Workers (UFCW), which represents two of the plants.

(more)

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: OB DATE: 2/26/19

The benefits are valued at $200 million and include:

- Eight months' notice,
- Up to three weeks' severance pay per year of service,
- Out-placement and career counseling services for six months,
- Continuation of health care benefits through COBRA for up to 18 months,
- A $500 new job bonus paid to employees upon securing new employment,
- A $6,000 allowance that can be applied to a menu of benefits, easing expenses associated with relocation, education and retraining, dependent care and small business start-up, and
- An early retirement window for eligible employees.

Haas added that the company also is identifying and securing appropriate government assistance programs designed to provide a variety of benefits to displaced employees.

In addition, the Levi Strauss Foundation is committing nearly $8 million to assist local communities affected by plant closures. "We will continue to offer grants for three years to community-based nonprofits to ease the social and economic impact of the closures," said Haas.

The excess capacity situation is fueled by increased production efficiencies, a changing apparel market and a shift in the company's brand management strategy. "At the same time we are able to produce more jeans due to improved efficiencies, we are experiencing slower growth in the apparel market," explained Gordon Shank, president of Levi Strauss, the Americas. "Likewise, to maintain the leadership position of our Levi's® brand, we are focusing our efforts on enhancing the brand for our consumers rather than pursuing volume for volume's sake. This combination of factors amounts to us having much more production capacity than we need."

In determining how many and which plants to close, LS&CO. weighed each facility's performance records, geographic location and community resources.

Even with closures, LS&CO. will have one of the largest apparel manufacturing bases in North America. "Our owned and operated facilities in the U.S. currently provide us with a competitive advantage not available to us elsewhere," said Shank. "They offer speed to market, flexibility and mass customization capabilities."

Levi Strauss & Co. is the world's largest brand-name apparel manufacturer with 1996 sales of $7.1 billion. It owns and operates 32 apparel manufacturing plants and finishing centers in the U.S. and five in Canada. The company manufactures and markets branded jeans, casual sportswear and dress pants under the Levi's®, Dockers® and Slates® brands, and employs approximately 37,500 people worldwide.

EDITOR'S NOTE: A fact sheet describing employee benefits and community grants follows this release.

###

LEVI STRAUSS & CO.
PLANT CLOSURE BENEFIT FACT SHEET

Employee Benefits for hourly workers at plants designated for closing:

Eight months' notice - employees notified in early November and receive notice pay for eight months. Outplacement services begin in early January and are offered through June.

Up to three weeks of severance per year of service - affected employees receive one week of severance per year of service and can receive two additional weeks per year with the signing of a general release.

Outplacement and referral services for six months - while exact services may vary by location, they will generally focus on support to employees to help them make vocational or retraining choices, and may include skills assessments, job fairs, counseling and financial planning.

Continuation of health care benefits - through COBRA. LS&CO. offsets the cost of coverage for up to 18 months, based upon years of service.

A $500 new job bonus - paid to employees upon securing new employment.

A $6,000 flexible allowance - employees can select from a menu of benefits depending on their needs and apply the allowance to offset expenses associated with such things as relocation, education and retraining, dependent care and small business start-up.

Early retirement window - employees participating in the company's pension plans and who have reached age 50 and completed at least 15 years of service may elect to take early retirement.

Global Success Sharing Plan - the company's employee incentive program. Eligible employees laid off due to a plant closure will receive a full payout in 2002 if the company meets its financial performance and cash flow objectives.

Government Assistance Programs - LS&CO. has secured and will continue to pursue appropriate government assistance programs designed to aid displaced employees. Employees may receive such benefits as extended unemployment benefits and job training support, job search allowance and relocation funds.

Community Transition Fund: a total of $8 million is designated to assist impacted communities over the next three years:

Core grantmaking continues for three years - The Levi Strauss Foundation (LSF) will meet its existing grant commitments to community nonprofits. Starting in 1998, LSF will continue to award grants for up to three years to selected nonprofit organizations working in the company's core focus areas -- economic empowerment, AIDS, youth empowerment and social justice. This enables communities and agencies to maintain services now funded through LSF grantmaking programs while seeking alternative funding sources.

Special grantmaking for three years - the Foundation has designated funds for special grants to support human services likely to be in demand during the transition period, and to help develop long-term solutions to improve community economic and social well-being. These human services may include childcare programs, food banks, transportation services and programs focused on substance abuse, domestic violence and counseling.

Matching Gifts/Volunteer Grants - grants will be made in 1998 at the current level to organizations that were funded in 1997 as a result of employee directed contributions or volunteer service.

Volunteer programs - LS&CO.'s Community Involvement Teams in impacted communities will continue to designate grants to nonprofits of their choice in 1998. Additionally, the Foundation will seek out and provide grants to organizations that encourage and expand local volunteer programs.

United Way - LSF will award three-year grants to local United Ways in impacted communities.

Project Change - The Foundation is continuing its commitment to Project Change, a community anti-racism initiative in four locations – Albuquerque, N.M.; El Paso, Texas; Knoxville, Tenn.; and Valdosta, Ga. Plants in three of these communities have been identified for closure. The Foundation has granted $3.6 million to support Project Change over the next five years.

###

Congress of the United States
Washington, DC 20515

REMARKS BY SENATE DEMOCRATIC LEADER TOM DASCHLE ANNOUNCING HIS SUPPORT FOR "FAST TRACK" TRADE AUTHORITY MONDAY, NOVEMBER 3, 1997

Today is an historic day in American trade policy. Never before has an American President submitted, with his request for fast track negotiating authority, a formal statement of his broader foreign economic policy agenda.

Never before has a President spelled out in such detail what his administration will do to ensure that trade expansion raises living standards for the greatest number of Americans.

This "statement of executive initiatives" addresses concerns that I, and other Democratic Senators, have raised -- particularly concerns about worker rights and environmental protection.

On the basis of these initiatives, as well as separate assurances I've received on agricultural trade, I am announcing today that I will support the President's request for fast track trade negotiating authority.

I want to congratulate the Administration for the tremendous amount of work they have put into this unprecedented document.

The days when negotiating trade agreements meant simply coordinating tariffs and quotas are gone. Today, we're stitching together the fabric of entire economies. This broader scope of negotiations demands a broader strategy for negotiations. That's what this document sets out.

The statement contains a concrete strategy to improve workers' rights, and protect the environment, in developing countries at the same time we negotiate trade agreements with them.

Raising these standards to our level and avoiding a race to the bottom will be an explicit objective of this Administration, particularly when we're negotiating free trade agreements.

First, the Administration has pledged to take specific steps to shine a brighter public spotlight on the labor rights and environmental conditions and practices in these countries. I believe that sunshine can be a powerful disinfectant in this regard.

The Administration will conduct a benchmark assessment of our future FTA partners in the areas of labor, the environment, the legal system, and exchange rate policy. And the Labor Department will issue annual reports on the labor rights conditions in our existing FTA partners.

Congress and the American people will be able to judge for themselves whether our trading partners are living up to their end of the bargain on workers' rights and the environment.

Second, the Administration has pledged to try to reform world trade and financial institutions to take better account of labor and environmental concerns.

The Treasury Department will press the World Bank to create a labor rights department in order to increase the emphasis on worker rights in developing nations.

On the environment, the U.S. will push to open up the World Trade Organization's "dispute settlement" process to input from environmental groups.

And we will seek to have the WTO convene an Eminent Persons Group on the environment to consider whether some of the GATT's rules need to be changed to better accomodate national environmental policies.

Also, we will undertake a set of border clean-up initiatives to protect the health and safety of Americans living near our nation's borders, and to protect our natural environment along the borders. These will be announced later this week, and Senate Democrats consider them very important.

In closing, this statement proves -- in black and white -- that this administration understands trade agreements must raise living standards. Expanded trade is the future. America cannot turn its back on that future. Neither can we turn our back on our history, and our deep commitment to workers rights and environmental protection.

Once again, I want to congratulate the Administration on taking this historic step.

###

STATEMENT OF EXECUTIVE INITIATIVES

The renewal of traditional trade negotiating authority will enable the United States to continue to assume the leadership role in breaking down trade barriers and opening markets -- creating new opportunities for our workers and our companies. By fostering a close partnership between the President and the Congress, this authority also ensures that the United States speaks with a united, bipartisan voice in pursuing our international trade agenda.

Even as we use this authority to negotiate strong new trade agreements, we need to ensure that our trade agenda complements and reinforces other important policy objectives -- as it always has done. These goals include helping promote greater attention by other countries to the protection of the environment and worker rights. Because of American leadership, we already have witnessed significant progress in both areas. Maintaining and extending this progress depends on our continued economic leadership role, which in turn is dependent on the renewal of our traditional trade negotiating authority. Failing to do so not only will deny us the ability to attack foreign trade barriers and create new jobs at home, but also will ensure that we are not positioned to help advance environmental protection and promotion of worker rights in other countries.

Greater international attention to labor and environmental issues is integral to our efforts to see that all workers have the opportunity to compete and win in the global marketplace. It also helps serve as an important reminder that the ultimate rationale for freer, expanded trade is to create additional wealth and, by so doing, to improve the living conditions of workers both in the United States and abroad. U.S. leadership in this regard also affords a clear example to the rest of the world that protecting the environment and worker rights helps contribute to increased economic growth and prosperity.

The initiatives described below complement the provisions on labor and the environment in the "fast track" legislation now under consideration in the Senate and House of Representatives. They demonstrate that we should work to promote stronger protection of the environment and worker rights in a variety of ways in a variety of fora; indeed, they reveal that trade negotiations may not always afford the best venue for achieving these important objectives.

These initiatives are fully consistent with our goal of expanding international trade. By remaining active here, the United States can help ensure that protection of the environment and promotion of worker rights are in step with trade liberalization. Our leadership position grants us both an opportunity and a challenge: to ensure that trade expansion and improved protection of the environment and worker rights are mutually supportive, and together contribute to economic growth, higher standards of living, and a higher quality of life both in the United States and abroad.

I. Environmental Issues

A. World Trade Organization (WTO): Transparency and Openness

This Administration has long been committed to improving the transparency of WTO activities and the openness of WTO proceedings, and we will be continuing our active pursuit of these goals in the coming year. First, to demonstrate the significance we attach to this issue, the Administration's fast track bill included a principal negotiating objective of achieving the observance of open and equitable procedures by U.S. trading partners and WTO members. Second, we will present our transparency objectives with respect to WTO activities and proceedings at a meeting of the WTO General Council (the WTO's governing body) before the end of the year. Third, we will adopt increased transparency, openness and public participation as priority objectives for the mandated review of the WTO dispute settlement rules and procedures that must be completed by WTO Members by the end of 1998.

The specific objectives that we will pursue in support of greater openness and transparency in dispute settlement include:

- Advocating consideration by WTO panels and the Appellate Body of *amicus curiae* submissions from non-governmental interested parties in dispute settlement proceedings that involve environmental and conservation issues.
- Seeking to open WTO dispute settlement panel and Appellate Body proceedings to observance by the public.
- Providing for more timely public access to dispute settlement documents, including through electronic means, to enhance the ability of non-governmental representatives to provide their input and expertise.

In addition, we will work to ensure that similar transparency and openness provisions are included in future trade agreements -- whether multilateral, regional, or bilateral -- that contain dispute settlement provisions.

B. WTO: Eminent Persons Group

We strongly support efforts to improve the understanding of how environmental considerations relate to WTO rules and principles. We believe that establishment of an "eminent persons group" can advance that process significantly and help establish the groundwork for further initiatives in this area. To that end:

- We will propose that the WTO Director General convene a group of eminent persons, to include independent experts in the fields of trade, the environment, and development, to examine issues and formulate options for the WTO to consider.

- We will propose that the group examine the interaction of national and international environmental policies with WTO rules and principles. Among the issues it should address are: the relationship of GATT Articles III and XX to environmental measures that affect trade; the relationship between trade measures in international environmental agreements and WTO rules; and the relationship between trade disciplines and ecolabeling.

C. International Financial Institutions (IFIs)

We intend to build upon and expand our efforts to promote incorporation by the IFIs of the full range of environmental issues into their operations and promote a greater flow of resources to environmental projects. In an effort to achieve these goals, the following specific steps will be taken:

- Secretary Rubin will propose that the Inter-American Development Bank (IDB) create an independent advisory committee comprised of senior IDB officials, representatives of non-governmental organizations, and others to examine environmental issues arising from prospective operations and to make specific recommendations to the IDB.

- We will press for significant increases in direct lending for environment and natural resources management projects (in the IDB such funding rose to $815 million in 1996 due in large part to our advocacy) and for a higher share of lending to be dedicated to these projects.

- We will continue to scrutinize closely the effectiveness of public information disclosure for environmentally sensitive projects to ensure compliance with the existing law, focusing on the required advance consultation with affected and interested persons.

- We will examine closely the practices of the independent inspection panels established to examine alleged non-compliance with established policies and propose improvements to this process and its expansion to the IFIs that currently do not make use of independent inspection panels.

- We will pursue vigorously international support for our proposal to create a $250 million fund that would provide below market rate loans to finance environmental initiatives.

- We will continue to urge the IMF, as appropriate, in its program design and annual consultations with members to consider the link between the environment and economic policy choices.

Please note also the environmental dimensions of the review of future free trade agreement partners, described below at II(A).

II. Labor Issues

In the labor area, the Administration supports a range of initiatives designed to strengthen the respect for core labor standards. We already have taken a number of important steps to broaden international respect for freedom of association; the right to organize and bargain collectively; prohibitions on forced labor and exploitative child labor; and discrimination in employment. The list of measures that follows illustrates our commitment to address worker rights issues aggressively in a variety of ways.

A. Review of Future Free Trade Agreement (FTA) Partners

The Administration is committed to ensuring that Congress and the American public have an opportunity to thoroughly evaluate future free trade agreements. One important element of this plan is our commitment to make certain that Members of Congress and the public are informed of the broader relevant conditions in prospective FTA partner countries, including each country's labor laws and practices, environmental laws and practices, legal system, macroeconomic policies and conditions, trade laws and practices, and other relevant conditions. To advance this effort:

- We will submit to the Congress, and make available to the American public, a review evaluating these conditions in each prospective FTA partner country when an agreement is brought back for congressional approval. This review will be prepared with the participation of relevant Executive Branch agencies, including the Department of Labor, the Environmental Protection Agency , the Department of Justice, the Department of Treasury, the Office of the United States Trade Representative, and the Department of Commerce.

- Among the matters this review will address are: (1) the FTA partner country's relevant labor and environmental laws, including the enforcement of those laws; (2) the integrity and effectiveness of the country's legal system; (3) the country's macroeconomic policies and practices, including the operation of its exchange rate system; and (4) a description of the country's institutional structures and general policies and practices for addressing each of these areas.

B. Labor Department Annual Report on Labor Conditions under the North American Agreement on Labor Cooperation

We believe that a greater understanding of the labor conditions in our NAFTA partners will allow us to build on the work already being done under the North American Agreement on Labor Cooperation (NAALC) and, at the same time, strengthen the NAALC's own effectiveness in addressing relevant labor issues. To aid in this objective:

- The Department of Labor will produce an annual report reviewing for each NAFTA partner the labor laws, practices, and conditions covered by the NAALC, as well as the relevant proceedings, actions and cases under the NAALC, and the steps being taken by our NAFTA partners to conform to the findings in any such cases.

C. International Financial Institutions (IFIs)

The Administration will undertake a series of measures designed to enhance the U.S. leadership role in pressing for incorporation of issues related to core labor standards into the planning and programs of the IFIs. The following measures will help enhance attention to these issues within the U.S. Government, secure a greater international focus on worker rights issues, and heighten the priority given to worker rights issues by the IFIs:

Ensuring International Focus on Worker Rights Issues

- The Administration believes the United States should continue to heighten attention to this issue. To that end, Secretary Rubin highlighted the need to place greater emphasis on labor standards in his speech at the World Bank/IMF Annual Meeting in September. He will continue to do so in appropriate fora.

- We will propose a summit meeting of the presidents of the IFIs and the Director General of the ILO to reinforce the commitment of the institutions to working closely together.

Enhanced Focus Within the Administration

- In consultation with Secretary of Labor Herman, Secretary of the Treasury Rubin will propose formation of an interagency team -- including the Departments of Labor, State, and Commerce -- to explore issues related to core labor standards more broadly and examine ways to incorporate these issues more systematically into the work of the IFIs. As part of this, the State Department will undertake a variety of diplomatic efforts to promote observance of core labor standards.

Heightening the Priority given by the IFIs to Worker Rights Issues

- We will call for the World Bank to establish an office that is dedicated to analysis of labor issues and has direct input into the Bank's program and lending activities, and will encourage regular direct contacts between ILO staff and this office. We will seek over time to pattern this effort on the institutional reforms undertaken by the Bank in recent years to strengthen its capacity to incorporate environmental considerations in lending and policy advisory activities.

- We will continue to promote vigorously our proposal to develop a screening mechanism -- now under discussion with the multilateral development banks -- to ensure that worker rights issues are taken systematically into account in the institutions' operational planning and programming. We also will explore the best means for ensuring that IFI budgets contain resources sufficient to conduct screening operations and similar analytical functions.

- We will actively promote the Administration's proposed joint World Bank-IMF conference on issues related to core labor standards in an effort to pursue explicit commitments to make tangible progress in the IFIs on these issues. The conference could bring together senior IFI and ILO officials, as well as academics and representatives of non-governmental organizations.

- We will urge the multilateral development banks to increase both technical assistance and direct lending to promote greater adherence to core labor standards.

- We will urge the IMF to further emphasize the importance of labor issues in its annual reviews of member countries and by examining the link between promotion of core labor standards and long-term macroeconomic performance (for possible inclusion in its new governance policies).

- We will follow up vigorously on the paper completed, at our urging, by the World Bank on child labor issues, including its specific proposals for more active Bank engagement on these issues.

- We will continue to implement the statutory requirement directing the Secretary of the Treasury to urge the IFIs to adopt policies encouraging borrowing countries to protect worker rights and requiring an annual report to Congress on how the IFIs are performing.

D. Export Processing Zones

The U.S. Government has been concerned over the past several years with programs through which certain countries apply lower labor standards and permit less adequate worker protections in special tariff-free export processing zones (EPZs). We are committed to developing a clearer understanding of such programs and, in so doing, exploring the best means for addressing the concerns that already have been identified and any others that may be highlighted through additional study of EPZs. To accomplish this:

- The Department of Labor will update its 1990 study finding that some countries applied different rules in such zones with the intent of restricting certain important labor standards, including the freedom of association and the right to bargain collectively.

- We will continue to encourage work within the ILO to analyze the extent to which differential standards exist in such zones, and will urge the ILO to work with member states to address these practices. We also will review whether to recommend increased coordination on this issue between the ILO and the WTO.

E. Child Labor

The Administration has focused particular attention on addressing concerns about the exploitation of child labor. Since 1993, we have responded to congressional concerns by preparing three major reports on child labor practices, and have used these reports to aid the private sector in developing voluntary codes of conduct, labeling efforts, and production changes in overseas facilities. Innovative approaches in this area also include technical assistance to help developing countries eliminate exploitative child labor; pressing successfully for a greater ILO focus on exploitative child labor; using U.S. laws to suspend trade benefits in response to persistent exploitative child labor practices; and holding two workshops in 1997 with our NAFTA partners to discuss child labor concerns in North America. To build on these efforts:

- The Labor Department will soon release a fourth report on actions being taken internationally to combat child labor and other exploitative working conditions. The Department also expects to begin a fifth report evaluating strategies that have been undertaken in other countries to reduce exploitative child labor.

- The Administration supported the recent enactment of a change in the Tariff Act of 1930 to clarify that products of forced or bonded child labor can be excluded from entry into the United States. The Department of the Treasury is establishing a task force to assure that the Administration can effectively respond to any allegations raised under the new law.

THE WHITE HOUSE

WASHINGTON

November 3, 1997

Dear Mr. Leader:

As I know we both agree, the future of America's farmers and America's farming communities is integrally related to our ability to compete in global markets. In 1996, U.S. agricultural exports climbed to $60 billion, an historic high for such exports. In fact, American agriculture is more than twice as reliant on foreign trade as the U.S. economy as a whole, with exports currently accounting for an estimated 30 percent of agriculture's cash receipts.

But as you have correctly pointed out, more can be done to increase the ability of American farmers to sell their products overseas. You have been a leader in promoting the ability of U.S. farmers to export their products and I am glad to continue our joint efforts to achieve this goal. In that regard, I am glad to convey my support for the attached list of initiatives that can further strengthen the ability of America's farmers to compete in today's global economy.

Sincerely,

Bill

The Honorable Thomas A. Daschle
Minority Leader
United States Senate
Washington, D.C. 20510

ADMINISTRATION SUPPORT FOR U.S. AGRICULTURE

The Administration is well aware that no other sector in the U.S. economy has benefited as much from trade as agriculture, and that no other sector's future is so closely tied to exports and free and fair access to foreign markets. Agricultural exports were a record $60 billion in FY 1996, and with a trade surplus of $27 billion, agriculture is now the largest positive contributor to the U.S. balance of trade.

We share the concerns of Senator Daschle and other leaders in the agricultural community about the very real restrictions in foreign countries facing exporters of U.S. agricultural products. The Administration will continue to be aggressive in the international arena, building on our past trade policy successes, and opening up new opportunities for U.S. agriculture.

Support for Agricultural Exports

The export of agricultural products is an important component of U.S. agriculture's success in foreign markets. These exports contribute directly to farm income and to the health of the overall economy, and value-added farm sales overseas are an important factor in improving the United States merchandise trade balance. Unfortunately, U.S. farmers and ranchers cannot realize their full export potential because some foreign countries deny fair and equitable market access to U.S. agricultural products.

> **In order to identify unfair market restrictions on U.S. value-added agricultural exports, and to focus our resources on removing these barriers, the Administration supports S. 219, the Value-added Agricultural Products Market Access Act of 1997.**

The Administration agrees that it would be beneficial for the U.S. Trade Representative to identify, on an annual basis, countries that deny market access for value-added U.S. agricultural products, or that apply standards for the import of value-added agricultural products from the United States, that are not related to protecting human, animal, or plant life or health, and are not based on scientific principles.

The Need for More Timely Data on Trade in Livestock and Livestock Products

America's livestock sector contributes greatly to our agricultural trade surplus. The export value of red meats, for example, have risen steadily during this Administration, and is at a record level. U.S. agriculture now boasts a $2.4 billion surplus in red meat trade.

Significant cross-border trade in live animals and meat has accompanied the rise in exports. Timely and reliable trade data are critical to our producers, especially those who live in border areas and experience first-hand trade with our geographical neighbors. Imports can have an important impact on the conditions of competition facing U.S. livestock producers. The Department of Agriculture's Task Force on Concentration in the Livestock Industry called for more timely reporting of price and quantity data for livestock and livestock product trade. More timely data can help improve competition in the market place.

For this reason, I direct the following administrative action that will improve the availability of livestock import data:

> **The Secretary of Agriculture, in close cooperation with the U.S. Customs Service and the agricultural community, will identify and make available to the public timely and appropriate quantity and value data on U.S. imports of live cattle and beef.**

Improved Availability of Basic Data on Canada's Cattle Sector

Increased cross border trade between the United States and Canada in cattle and beef has raised the interest of U.S. livestock producers about economic conditions in Canada's cattle sector. Up-to-date information on cattle inventory, cattle slaughter, and cattle and beef trade will answer U.S. producer needs for information about a significant competitor in the U.S. market. To obtain this information on Canada's cattle sector:

> **The Secretary of Agriculture will engage in consultations with his counterpart in Canada for the reciprocal exchange, on a monthly basis, of data on cattle inventory; cattle slaughter; and cattle and beef trade between the United States and Canada. This data shall be made available to the public upon receipt.**

Voluntary Labeling of Meat of U.S. Origin

The rise in cross-border trade between the United States and Canada in cattle and beef has raised interest in developing a voluntary labeling system for meat of U.S. origin. The Administration stands ready to assist the livestock industry in its ongoing efforts to examine and develop voluntary labeling of meat of U.S. origin. To this end:

> **The Secretary of Agriculture will, in cooperation with the U.S. livestock industry, develop guidelines for the voluntary labeling of meat and meat food products produced in the United States from livestock raised in the United States to indicate the U.S. origin of the meat and meat food products, and will provide technical assistance to the U.S. industry to facilitate the use of such labeling.**

FAST TRACK SCHEDULE

Thursday, October 30

-- Presidential statement thanking Gingrich for House vote
-- Albright appearance on Larry King Live

Friday, October 31

-- President's remarks to workers at Tropical/West Palm Beach Port (to be delivered by Daley)
-- Berger address to Council on Foreign Relations (includes strong fast track message)

Saturday, November 1

-- President's radio address on fast track, including endorsements by former Presidents, secretaries of State, Treasury, etc. (to be delivered by Vice President)
-- Republican response on fast track by Speaker Gingrich (request by Brophy)

Sunday, November 2

-- Possible references to fast track in President's political speeches (unlikely; check with C. Smith)
-- Bill Richardson appearance on Fox Morning News (request pending)

Monday, November 3

(?) -- President meets with Daschle and other Senate Democrats; pool spray and post-meeting press stake-out where Daschle announces his support in light of package on labor/environment (check with Daschle; Republican consultation needed)

Tuesday, November 4

-- East Room press conference with President, Daschle, Gingrich, Lott and Fazio (approx. 2:30 pm)
-- President meets with Chet Edwards and undecided Texas Democrats; -(no press) post-meeting press stake-out ~~announcing member endorsements~~ (approx. 5:30 pm)
10am - Event on the Hill w/ Members coming out

Wednesday, November 5

-- White House announcement with President, Vice President, Herman, Daley, Sperling, Barshefsky, other Cabinet members, and supportive House Democrats of new package of TAA/training proposals - Oval

-- Cabinet amplification of new training/TAA package -- cable news; regional tongs

-- Bowles, Berger, Barshefsky address Business Roundtable policy group CEO's in morning -- ~~small~~ group in a.m.

-- Business Roundtable policy group meeting in afternoon; request for principal -- ~~Vice President~~? ~~big~~ policy group

Thursday, November 6

-- President attends Bush Library dedication where President talks about fast track vote tomorrow and each former President endorses fast track (TBD whether formers will agree)

-- Vice President meets with Cabinet members at White House; Cabinet then fans out on Hill for member visits; press follows some Cabinet (Albright) (tentative)

Other

1. Cabinet members assigned to media markets in undecided member districts

2. Placement of Administration officials on weekend shows

3. Lewis, Emanuel, Begala, and others to call weekend pundits/commentators to advance message of Republican leadership now invested and

U.S. DEPARTMENT OF LABOR
BUREAU OF INTERNATIONAL LABOR AFFAIRS
OFFICE OF INTERNATIONAL ORGANIZATIONS

FAX COVER SHEET

PAGE 1 OF 2

DATE August 26 1997

TO: Bibb Hubbard

OFFICE: Cabinet Affairs - White House

TELEPHONE: 456- FAX: 456 6704

****

FROM: Catalina Ruiz-Healy for Andrew Samet

TELEPHONE: 219-6241 FAX: (202) 219-9074

SUBJECT:

MESSAGE:

Here's the union list you had requested at our IAA meeting

Andrew Samet

Unions not Affiliated with the AFL-CIO

Name	Number of Members	Base
Amalgamated Lace Operatives of America	450	Cuberland, RI
American Association of Classified School Employees	200,000	San Jose, CA
American Association of University Professors	not available (na)	Washington, DC
American Musician's Union	200,000	Englewood, NJ
Association of Railway Technical Employees	na	El Paso, TX
Association of Western Pulp and Paper Workers	16,000	Portland, WA
Atlantic Independent Union	na	Philadelphia, PA
Brotherhood of Shoe and Allied Craftsmen	500	East Bridgwater, MA
Christian Labor Association	na	Zeeland, MI
Congress of Independent Unions	75,000	Alton, IL
Directors Guild of America	9,000	Hollywood, CA
Farm Labor Organizing Committee	6,000	Toledo, OH
Federation of Postal Security Police Officers	na	Deer Park, NY
Federation of Westinghouse Independent Salaried Unions	12,000	Monroeville, PA
Fraternal Order of Police	na	Louisville, KY
Graphics Artists Guild	3,000	New York, NY
Independent Association of Publishers Employees	1,800	Princeton Junction, NJ
Independent Bakery Employees Union	na	Alexandria, LA
Independent Hospital Workers Union	na	Alexandria, LA
Independent Musicians Union of the US and Canada	150	Cheektowaga, NY
Independent Pilots Association	1,209	Louisville, KY
Independent Union of Plant Protection Employees	500	Marblehead, MA
International Brotherhood of DuPont Workers	8,000	Martinsville, VA
International Brotherhood of General Workers	na	Mt. Prospect, IL
International Guards Union of America	3,600	Amarillo, TX
International Security Officers, Police and Guards Union	13,000	Brooklyn, NY
International Union of Industrial, Service, Transport, Health Employees, District #6	10,000	New York, NY
International Union of Life Insurance Agents	2,000	Milwaukee, WI
International Union of Progressive Mine Workers of America	na	Harrisburg, IL
International Union of Security Officers	7,000	San Leandro, CA
International Union of Tool, Die, and Mold Makers	na	Rahway, NJ
Laundry and Dry Cleaning International Union	na	Pittsburgh, PA
Machine Printers and Engravers Association	700	East Providence, RI
National Alliance of Postal and Federal Employees	18,000	Washington, DC
National Association of Air Traffic Specialists	2,000	Beltsville, MD
National Association of Basketball Referees	150	Brooklyn, NY
National Association of Catholic School Teachers	5,000	Philadelphia, PA
National Association of Federal Employees	52,000	Washington, DC
National Federation of Independent Unions	70,000	Philadelphia, PA
National Labor Relations Board Union	1,100	Seattle, WA
National Organization of Industrial Trade Unions	na	Jamaica, NY
National Production Workers	na	Chicago, IL
National Rural Letter Carriers	78,000	Alexandria, VA
National Treasury Employees Union	140,000	Washington, DC
United Electrical, Radio and Machine Workers	60,000	Pittsburgh, PA
Yiddish Writers Union	57	New York, NY
	Source: Bpomer, Cynthia, Ed., American Directory of Organized Labor. (Detroit: Gale Research Inc., 1993)	
(NOTE: In addition to these unions, we also know of the following:)		
Allied Pilots Association (American Airlines)	na	Dallas, TX
Association of Professional Flight Attendants	na	Dallas, TX
Independent Federation of Flight Attendants	na	Minneapolis, MN
Independent Steel Workers Union	na	Wierton, WV
Total known membership	996,216	

****
*** TX REPORT ***
****

TRANSMISSION OK

TX/RX NO	1048
CONNECTION TEL	62806
SUBADDRESS	
CONNECTION ID	
ST. TIME	08/26 09:35
USAGE T	01'53
PGS.	4
RESULT	OK

THE WHITE HOUSE

OFFICE OF CABINET AFFAIRS

Date: 8/26/97

To: Carmen Fowler

From: Debb Hubbard

Facsimile: 62806

Telephone:

Subject:

Pages: 4 (Including this cover sheet)

Comments:

THE WHITE HOUSE

OFFICE OF CABINET AFFAIRS

Date: ______________

To: MIKE HUERTA

From: Bibb Hubbard

Facsimile: 366 3950

Telephone: ______________

Subject: ______________

Pages: ______________ (Including this cover sheet)

Comments:

Please review & let me know if you have any comments. Thanks.

OLD EXECUTIVE OFFICE BUILDING ❖ ROOM 160 ❖ WASHINGTON, DC 20502

TELEPHONE (202) 456-2572 ❖ FACSIMILE (202) 456-6704

U.S. Department of Transportation
Office of the Secretary of Transportation

Assistant Secretary for Budget and Programs

400 Seventh St., S.W
Washington, D.C. 20590

August 4, 1997

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

It is with conflicted feelings that I tender my resignation from the position of Assistant Secretary for Budget and Programs/Chief Financial Officer of the Department of Transportation, effective September 30, 1997.

I have served in this capacity for four years and each day have awakened with renewed appreciation for the complexity and importance of what I was called upon to do and renewed realization of the honor and privilege it was to serve you, the Secretary, and the people of our remarkable country. I have enjoyed my time in the government immensely. Doing the people's business at this level is challenging, even difficult--but nothing has ever been so rewarding.

During my tenure the Department of Transportation has had solid budgets and has supported Administration priorities in numerous ways. In my own area, I introduced efficiencies and modernized the financial management practices throughout the Department. I leave behind a few good tools and trust they have "taken root". I am most proud of having been the "shepherd" of the State Infrastructure Bank program, which introduced new ways of using federal transportation funds and is the vehicle to leverage private sector investment in transportation infrastructure.

I have always believed that our government benefits from the periodic infusion of new people with new ideas and ways of doing business. I believe, too, that we are a stronger nation for citizens taking a turn in positions like the one I hold and not becoming yet another level of career staff, but returning after a fair stint to their life's work and their communities. Accordingly, I will be returning to the private sector in the near future.

AUG - 7 1997

Mr. President, I am proud to have been a part of your Administration. After 12 years it was glorious to have the presidential candidate I voted for actually elected! Your energy and persistence have invigorated the country, and you have turned the American Conversation to important matters. If I can be of help to your Administration in the future, please do not hesitate to call upon me.

Sincerely,

Louise Frankel Stoll

Louise Frankel Stoll

cc: Rodney Slater, Secretary of Transportation
Robert Nash, Assistant to the President and Director of Presidential Personnel

I have received your letter advising me of your resignation as Assistant Secretary for Budget and Programs at the Department of Transportation. It is with deep regret that I accept your resignation, effective September 30, 1997.

You deserve to be proud of your important contributions to our nation's economic success. In advising the Secretary of Transportation on the Department's financial matters and managing and executing its budget, your expertise and professional acumen have been a great asset to my Administration. Sound fiscal policies and management enable the Department to effectively serve the American people, and I am sincerely grateful for your tireless work to this end.

As you well know, increasing our nation's investment in infrastructure is one of my Administration's chief priorities. I especially value your leadership in the development of the innovative State Infrastructure Bank program which is an important part of my Administration's efforts to maximize the benefits of federal investments in infrastructure.

With deep gratitude, I extend my appreciation for your service to our country. I salute you for helping to prepare our nation for the challenges of the next century, and I thank you for a job well done. Best wishes for every success and happiness in the future.