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A BILL

To establish procedures for notice, consultations, and implementation with regard to certain trade agreements, and for other purposes.

*Be it enacted by the Senate and the House of
Representatives of the United States of America in Congress
assembled,*

1 **SEC. 1. SHORT TITLE.**

2 This Act may be cited as the "Export Expansion and
3 Reciprocal Trade Agreements Act of 1997".

4 **SEC. 2. TRADE NEGOTIATING OBJECTIVES.**

5 (a) OVERALL TRADE NEGOTIATING OBJECTIVES. - The
6 overall trade negotiating objectives of the United States for
7 agreements subject to the provisions of section 3 are -

8 (1) to obtain more open, equitable, and reciprocal
9 market access;

10 (2) to obtain the reduction or elimination of barriers
11 and distortions that are directly related to trade;

12 (3) to further strengthen the system of international

1 trading disciplines and procedures;

2 (4) to foster economic growth, raise living
3 standards, and promote full employment in the United
4 States and to enhance the global economy; and

5 (5) to address those aspects of foreign government
6 policies and practices regarding labor, the environment,
7 and other matters that are directly related to trade and
8 decrease market opportunities for United States exports or
9 distort United States trade.

10 (b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.-

11 (1) SPECIFIC BARRIERS. - The principal negotiating
12 objectives of the United States regarding specific trade
13 barrier and other trade distortions are to expand
14 competitive market opportunities for United States
15 exports and to obtain fairer and more open conditions of
16 trade by reducing or eliminating tariff and nontariff
17 barriers and policies and practices of foreign governments
18 directly related to trade that decrease market opportunities
19 for United States exports or distort United States trade.

20 (2) TRADE IN SERVICES. - The principal negotiating
21 objective of the United States regarding trade in services

1 is to reduce or eliminate barriers to international trade in
2 services, including regulatory and other barriers that deny
3 national treatment and unreasonably restrict the
4 establishment and operations of service suppliers.

5 (3) FOREIGN INVESTMENT. - The principal
6 negotiating objective of the United States regarding foreign
7 investment is to reduce or eliminate artificial or trade-distorting
8 barriers to United States foreign investment by -

9 (A) reducing or eliminating exceptions to the
10 principle of nondiscriminatory treatment;

11 (B) freeing the transfer of funds relating to
12 investments;

13 (C) reducing or eliminating performance
14 requirements and other unreasonable barriers to the
15 establishment and operation of investments;

16 (D) establishing standards for expropriation
17 and compensation for expropriation consistent with
18 United States legal principles and practice; and

19 (E) providing meaningful procedures for
20 resolving investment disputes.

21 (4) INTELLECTUAL PROPERTY. - The principal

1 negotiating objectives of the United States regarding
2 trade-related intellectual property are -

3 (A) to further promote adequate and effective
4 protection of intellectual property rights, including
5 through -

6 (i) ensuring full implementation of the
7 Agreement on Trade-Related Aspects of
8 Intellectual Property Rights referred to in
9 section 101(d)(15) of the Uruguay Round
10 Agreements Act (19 U.S.C. 3511(d)(15)), and
11 achieving improvements in the standards of
12 that Agreement;

13 (ii) providing strong protection for new
14 and emerging technologies and new methods
15 of transmitting and distributing products
16 embodying intellectual property;

17 (iii) preventing or eliminating
18 discrimination with respect to matters
19 affecting the availability, acquisition, scope,
20 maintenance, use, and enforcement of
21 intellectual property rights; and

1 (iv) providing strong enforcement of
2 intellectual property rights, including through
3 accessible, expeditious, and effective civil,
4 administrative, and criminal enforcement
5 mechanisms; and

6 (B) to secure fair, equitable, and
7 nondiscriminatory market access opportunities for
8 United States persons that rely upon intellectual
9 property protection.

10 (5) TRANSPARENCY. - The principal negotiating
11 objective of the United States with respect to transparency
12 is to obtain broader application of the principle of
13 transparency through -

14 (A) increased and more timely public access
15 to information regarding trade issues and the
16 activities of international trade institutions; and

17 (B) increasing the openness of dispute
18 settlement proceedings, including under the World
19 Trade Organization.

20 (6) AGRICULTURE. - The principal negotiating
21 objective of the United States with respect to agriculture

1 is to achieve fairer and more open conditions of trade in
2 agricultural commodities by -

3 (A) reducing or eliminating tariffs or other
4 charges that decrease market opportunities for
5 United States exports;

6 (B) reducing or eliminating subsidies that
7 decrease market opportunities for United States
8 exports or distort agricultural markets to the
9 detriment of the United States;

10 (C) developing, strengthening, and clarifying
11 rules that address practices that unfairly decrease
12 United States market access opportunities or distort
13 agricultural markets to the detriment of the United
14 States, including -

15 (i) unfair or trade-distorting activities of
16 state trading enterprises and other
17 administrative mechanisms;

18 (ii) unjustified restrictions or
19 commercial requirements affecting new
20 technologies, including genetically modified
21 organisms;

- 1 (iii) unjustified sanitary or phytosanitary
2 restrictions;
3 (iv) other unjustified technical barriers to
4 trade; and
5 (v) restrictive rules in the administration
6 of tariff rate quotas.

7 (7) WORKER RIGHTS AND ENVIRONMENTAL
8 PROTECTION. - The principal negotiating objectives of the
9 United States regarding worker rights and protection of
10 the environment are, through the World Trade
11 Organization, -

12 (A) to promote respect for internationally
13 recognized worker rights, including with regard to
14 child labor;

15 (B) to secure a review of the relationship of
16 worker rights to the provisions, objectives, and
17 instruments of the World Trade Organization with
18 a view to ensuring that the benefits of the trading
19 system are available to all workers;

20 (C) to adopt, as a principle of the World Trade
21 Organization, that the denial of internationally

1 recognized worker rights should not be a means for
2 a country or its industries to gain competitive
3 advantage in international trade;

4 (D) to promote sustainable development; and

5 (E) to seek to ensure that trade and
6 environmental protection are mutually supportive,
7 including through further clarification of the
8 relationship between them.

9 The United States will also seek to establish in the
10 International Labor Organization a mechanism for the
11 systematic examination of, and reporting on, the extent to
12 which member governments protect internationally
13 recognized worker rights and enforce core labor
14 standards.

15 (c) GUIDANCE FOR NEGOTIATORS. -

16 (1) In pursuing the negotiating objectives described
17 in subsection (b), United States negotiators shall take into
18 account United States domestic objectives including, but
19 not limited to, the protection of health or safety, essential
20 security, environmental, consumer or employment
21 opportunity interests and the law and regulations related

1 thereto.

2 (2) In the course of negotiations conducted under
3 this act, the United States Trade Representative shall -

4 (A) consult closely and on a timely basis with,
5 and make every effort to keep fully apprised of the
6 negotiations, the congressional advisers on trade
7 policy and negotiations appointed under section 161
8 of the Trade Act of 1974; and

9 (B) take into account the need for the United
10 States to retain the ability to enforce rigorously its
11 trade laws in order to ensure that United States
12 workers, farmers, and firms can compete on fair
13 terms and enjoy the benefits of reciprocal trade
14 concessions.

15 (d) ADHERENCE TO OBLIGATIONS UNDER URUGUAY
16 ROUND AGREEMENTS. - In determining whether to enter into
17 negotiations with a particular country, the President shall take
18 into account the extent to which that country has implemented,
19 or has accelerated the implementation of, its obligations under
20 the Uruguay Round Agreements (as defined in section 2 of the
21 Uruguay Round Agreements Act).

1 **SEC. 3. TRADE AGREEMENTS PROCEDURES.**

2 (a) AGREEMENTS REGARDING TARIFF BARRIERS. -

3 (1) IN GENERAL. - Whenever the President
4 determines that one or more existing duties or other
5 import restrictions of any foreign country or the United
6 States are unduly burdening and restricting the foreign
7 trade of the United States and that the purposes and
8 policies of this Act will be promoted thereby, the President
9 -

10 (A) before October 1, 2001 (or October 1,
11 2005, if fast track procedures are extended under
12 subsection (c)), may enter into trade agreements
13 with foreign countries; and

14 (B) may, subject to paragraphs (2) and (3),
15 proclaim -

16 (i) such modification or continuance of
17 any existing duty,

18 (ii) such continuance of existing duty-
19 free or excise treatment, or

20 (iii) such additional duties,

21 as the President determines to be required or

1 appropriate to carry out any such trade agreement.

2 (2) LIMITATIONS. - No proclamation may be made
3 under paragraph (1) that -

4 (A) reduces any rate of duty (other than a rate
5 of duty that does not exceed 5 percent ad valorem
6 on the date of the enactment of this Act) to a rate of
7 duty which is less than 50 percent of the rate of such
8 duty that applies on such date of enactment;

9 (B) provides for a reduction in duty on an
10 article to take effect on a date that is more than 10
11 years after the first reduction that is proclaimed to
12 carry out a trade agreement with respect to such
13 article; or

14 (C) increases any rate of duty above the rate
15 that applied on January 1, 1995.

16 (3) AGGREGATE REDUCTION; EXEMPTION FROM
17 STAGING. -

18 (A) AGGREGATE REDUCTION. - Except as
19 provided in subparagraph (B), the aggregate
20 reduction in the rate of duty on any article which is
21 in effect on any day pursuant to a trade agreement

1 entered into under paragraph (1) shall not exceed
2 the aggregate reduction which would have been in
3 effect on such day if -

4 (i) a reduction of 3 percent ad valorem
5 or a reduction of one-tenth of the total
6 reduction, whichever is greater, had taken
7 effect on the effective date of the first
8 reduction proclaimed under paragraph (1) to
9 carry out such agreement with respect to such
10 article, and

11 (ii) a reduction equal to the amount
12 applicable under clause (i) had taken effect at
13 1-year intervals after the effective date of such
14 first reduction.

15 (B) EXEMPTION FROM STAGING. - No
16 staging is required under subparagraph (A) with
17 respect to a duty reduction that is proclaimed under
18 paragraph (1) for an article of a kind that is not
19 produced in the United States. The United States
20 International Trade Commission shall advise the
21 President of the identity of articles that may be

1 exempted from staging under this subparagraph.

2 (4) ROUNDING. - If the President determines that
3 such action will simplify the computation of reductions
4 under paragraph (3), the President may round an annual
5 reduction by an amount equal to the lesser of -

6 (A) the difference between the reduction
7 without regard to this paragraph and the next lower
8 whole number; or

9 (B) one-half of 1 percent ad valorem.

10 (5) OTHER LIMITATIONS. - A rate of duty reduction
11 or increase that may not be proclaimed by reason of
12 paragraph (2) may take effect only if a provision
13 authorizing such reduction or increase is included within
14 an implementing bill provided for under section 5 and that
15 bill is enacted into law.

16 (6) OTHER TARIFF MODIFICATIONS. -

17 (A) Subject to the consultation and layover
18 requirements of section 115 of the Uruguay Round
19 Agreements Act, the President may proclaim the
20 modification of any duty or staged rate reduction of
21 any duty set forth in Schedule XX, as defined in

1 section 2(5) of that Act, if the United States agrees
2 to such modification or staged rate reduction in a
3 negotiation for the reciprocal elimination or
4 harmonization of duties under the auspices of the
5 World Trade Organization or as part of an interim
6 agreement leading to the formation of a regional
7 free-trade area.

8 (B) Paragraphs 1-5 of this subsection shall not
9 limit the authority provided to the President in
10 subparagraph (A) or in section 111(b) of the
11 Uruguay Round Agreements Act.

12 (b) AGREEMENTS REGARDING TARIFF AND NON-TARIFF
13 BARRIERS. -

14 (1) IN GENERAL. - Whenever the President
15 determines that -

16 (A) one or more existing duties or other
17 import restrictions of any foreign country or the
18 United States, or any other barrier to, or other
19 distortion of, international trade unduly burdens or
20 restricts the foreign trade of the United States or
21 adversely affects the United States economy; or

1 (B) the imposition of any such import
2 restriction, barrier, or distortion is likely to result in
3 such a burden, restriction, or effect;

4 and that the purposes and policies of this Act will be
5 promoted thereby, the President may, before October 1,
6 2001 (or October 1, 2005, if fast track procedures are
7 extended under subsection (c)), enter into trade
8 agreements with foreign countries providing for -

9 (i) the reduction or elimination of such
10 duty, restriction, barrier, or other distortion, or

11 (ii) the prohibition of, or limitation on
12 the imposition of, such barrier or other
13 distortion.

14 (2) CONDITIONS. - A trade agreement may be
15 entered into under this subsection only if such agreement
16 makes progress in meeting the applicable objectives
17 described in section 2(b) .

18 (3) BILLS QUALIFYING FOR "FAST TRACK"
19 PROCEDURES. -

20 (A) The provisions of section 151 of the Trade
21 Act of 1974, as amended by subparagraph (B) of

1 this paragraph, (in this Act referred to as “fast track
2 procedures”) apply to implementing bills (as
3 defined in subsection (b)(1) of such section)
4 submitted with respect to trade agreements entered
5 into under section (3)(b) of this act.

6 (B) Section 151(b)(1) of the Trade Act of
7 1974 is amended by striking subparagraph (C) and
8 inserting -

9 “(C)(i) if changes in existing laws or
10 new statutory authority is required to
11 implement such trade agreement or
12 agreements or such extension,
13 provisions which are necessary or
14 appropriate to implement such trade
15 agreement or agreements or extension
16 and which are trade-related, either
17 repealing or amending existing laws or
18 providing new statutory authority; and
19 (ii) provisions necessary for purposes of
20 complying with section 252 of the
21 Balanced Budget and Emergency Deficit

1 Control Act of 1985 in implementing
2 the applicable trade agreement.”

3 (c) APPLICATION AND EXTENSION OF “FAST TRACK”
4 PROCEDURES . -

5 (1) IN GENERAL. - Except as provided in section
6 5(b)-

7 (A) fast track procedures apply to
8 implementing bills submitted with respect to trade
9 agreements entered into under subsection (b) before
10 October 1, 2001; and

11 (B) fast track procedures shall be extended to
12 implementing bills submitted with respect to trade
13 agreements entered into under subsection (b) after
14 September 30, 2001, and before October 1, 2005, if
15 (and only if)-

16 (i) the President requests such extension
17 under paragraph (2); and

18 (ii) neither House of the Congress adopts
19 an extension disapproval resolution under
20 paragraph (5) before October 1, 2001.

21 (2) REPORT TO CONGRESS BY THE PRESIDENT. -

1 If the President is of the opinion that fast track procedures
2 should be extended to implementing bills described in
3 paragraph (1)(B), the President shall submit to the
4 Congress, not later than July 1, 2001, a written report that
5 contains a request for such extension, together with -

6 (A) a description of all trade agreements that
7 have been negotiated under subsection (b) and the
8 anticipated schedule for submitting such agreements
9 to the Congress for approval;

10 (B) a description of the progress that has been
11 made in negotiations to achieve the purposes and
12 policies of this act, and a statement that such
13 progress justifies the continuation of negotiations;
14 and

15 (C) a statement of the reasons why the
16 extension is needed to complete the negotiations.

17 (3) REPORT TO CONGRESS BY THE ADVISORY
18 COMMITTEE. - The President shall promptly inform the
19 Advisory Committee for Trade Policy and Negotiations
20 established under section 135 of the Trade Act of 1974
21 (19 U.S.C. 2155) of the President's decision to submit a

1 report to the Congress under paragraph (2). The Advisory
2 Committee shall submit to the Congress as soon as
3 practicable, but not later than August 1, 2001, a written
4 report that contains -

5 (A) its views regarding the progress that has
6 been made in negotiations to achieve the purposes
7 and policies of this act; and

8 (B) a statement of its views, and the reasons
9 therefor, regarding whether the extension requested
10 under paragraph (2) should be approved or
11 disapproved.

12 (4) REPORTS MAY BE CLASSIFIED. - The reports
13 submitted to the Congress under paragraphs (2) and (3),
14 or any portion of the reports, may be classified to the
15 extent the President determines appropriate.

16 (5) EXTENSION DISAPPROVAL RESOLUTIONS. -

17 (A) For purposes of this subsection, the term
18 "extension disapproval resolution" means a
19 resolution of either House of the Congress, the sole
20 matter after the resolving clause of which is as
21 follows: "That the ____ disapproves the request of

1 the President for the extension, under section
2 3(c)(1)(B)(i) of the Export Expansion and
3 Reciprocal Trade Agreements Act of 1997, of the
4 provisions of section 151 of the Trade Act of 1974
5 to any implementing bill submitted with respect to
6 any trade agreement entered into under section 3(b)
7 of the Export Expansion and Reciprocal Trade
8 Agreements Act of 1997 after September 30,
9 2001.”, with the blank space being filled with the
10 name of the resolving House of the Congress.

11 (B) Extension disapproval resolutions -

12 (i) may be introduced in either House of
13 the Congress by any member of such House;
14 and

15 (ii) shall be jointly referred, in the House
16 of Representatives, to the Committee on Ways
17 and Means and the Committee on Rules.

18 (C) The provisions of sections 152(d) and (e)
19 of the Trade Act of 1974 (19 U.S.C. 2192(d) and
20 (e)) (relating to the floor consideration of certain
21 resolutions in the House and Senate) apply to

1 extension disapproval resolutions.

2 (D) It is not in order for -

3 (i) the Senate to consider any extension
4 disapproval resolution not reported by the
5 Committee on Finance;

6 (ii) the House of Representatives to
7 consider any extension disapproval resolution
8 not reported by the Committee on Ways and
9 Means and the Committee on Rules; or

10 (iii) either House of the Congress to
11 consider an extension disapproval resolution
12 after September 30, 2001.

13 **SEC. 4. NOTICE AND CONSULTATIONS.**

14 (a) NOTICE AND CONSULTATION BEFORE
15 NEGOTIATION. - The President, at least 90 calendar days before
16 initiating negotiations on any agreement that is subject to the
17 provisions of section 3(b), shall -

18 (1) provide written notice to the Congress of the
19 President's intent to enter into the negotiations and set
20 forth therein the date the President intends to initiate such
21 negotiations, the specific United States objectives for the

1 negotiations, and whether the President intends to seek an
2 agreement or changes to an existing agreement; and

3 (2) before and after submission of the notice, consult
4 regarding the negotiations with the Committee on Finance
5 of the Senate and the Committee on Ways and Means of
6 the House of Representatives and such other committees
7 of the House and Senate as the President deems
8 appropriate.

9 (b) CONSULTATION WITH CONGRESS BEFORE
10 AGREEMENTS ENTERED INTO. -

11 (1) CONSULTATION. - Before entering into any
12 trade agreement under section 3(b), the President shall
13 consult with -

14 (A) the Committee on Ways and Means of the
15 House of Representatives and the Committee on
16 Finance of the Senate; and

17 (B) each other committee of the House and the
18 Senate, and each joint committee of the Congress,
19 which has jurisdiction over legislation involving
20 subject matters which would be affected by the
21 trade agreement.

1 (2) SCOPE. - The consultation described in
2 paragraph (1) shall include consultation with respect to -
3 (A) the nature of the agreement;
4 (B) how and to what extent the agreement will
5 achieve the applicable purposes and policies of this
6 act; and
7 (C) plans regarding the implementation of the
8 agreement under section 5, including whether the
9 agreement includes subject matter for which
10 supplemental implementing legislation may be
11 required which is not subject to fast track
12 procedures; and
13 (D) any other agreement or agreements the
14 President has entered into or intends to enter into
15 with the country or countries in question.
16 (c) ADVISORY COMMITTEE REPORTS. - The report
17 required under section 135(e)(1) of the Trade Act of 1974
18 regarding any trade agreement entered into under section 3(b)
19 of this Act shall be provided to the President, the Congress, and
20 the United States Trade Representative not later than 30
21 calendar days after the date on which the President notifies the

1 Congress under section 5(a)(1)(A) of the President's intention
2 to enter into the agreement.

3 **SEC. 5. IMPLEMENTATION OF TRADE AGREEMENTS.**

4 (a) IN GENERAL. -

5 (1) NOTIFICATION AND SUBMISSION. - Any
6 agreement entered into under section 3(b) shall enter into
7 force with respect to the United States if (and only if) -

8 (A) the President, at least 90 calendar days
9 before the day on which the President enters into the
10 trade agreement, notifies the House of
11 Representatives and the Senate of the President's
12 intention to enter into the agreement, and promptly
13 thereafter publishes notice of such intention in the
14 Federal Register;

15 (B) within 60 calendar days after entering into
16 the agreement, the President submits to the
17 Congress a description of those changes to existing
18 laws that the President considers would be required
19 in order to bring the United States into compliance
20 with the agreement;

21 (C) after entering into the agreement, the

1 President submits a copy of the final legal text of
2 the agreement, together with -

3 (i) a draft of an implementing bill;

4 (ii) a statement of any administrative
5 action proposed to implement the trade
6 agreement; and

7 (iii) the supporting information
8 described in paragraph (2); and

9 (D) the implementing bill is enacted into law.

10 (2) SUPPORTING INFORMATION. - The
11 supporting information required under paragraph
12 (1)(C)(iii) consists of -

13 (A) an explanation as to how the
14 implementing bill and proposed administrative
15 action will change or affect existing law; and

16 (B) a statement -

17 (i) asserting that the agreement makes
18 progress in achieving the applicable purposes
19 and policies of this act; and

20 (ii) setting forth the reasons of the
21 President regarding -

1 (I) how and to what extent the
2 agreement makes progress in achieving
3 the applicable purposes and policies
4 referred to in clause (i), and why and to
5 what extent the agreement does not
6 achieve other applicable purposes and
7 policies;

8 (II) whether and how the agreement
9 changes provisions of an agreement
10 previously negotiated;

11 (III) how the agreement serves the
12 interests of United States commerce;
13 and

14 (IV) why the implementing bill
15 and proposed administrative action are
16 required or appropriate to carry out the
17 agreement.

18 (3) RECIPROCAL BENEFITS. - To ensure that a
19 foreign country which receives benefits under a trade
20 agreement entered into under section 3(b) is subject to the
21 obligations imposed by such agreement, the President

1 shall recommend to Congress in the implementing bill
2 and statement of administrative action submitted with
3 respect to such agreement that the benefits and obligations
4 of such agreement apply solely to the parties to such
5 agreement, if such application is consistent with the terms
6 of such agreement. The President may also recommend
7 with respect to any such agreement that the benefits and
8 obligations of such agreement not apply uniformly to all
9 parties to such agreement, if such application is consistent
10 with the terms of such agreement.

11 (b) LIMITATIONS ON FAST TRACK PROCEDURES. -

12 (1) FOR LACK OF CONSULTATIONS. -

13 (A) Fast track procedures shall not apply to
14 any implementing bill submitted with respect to a
15 trade agreement entered into under section 3(b) if
16 both Houses of Congress separately agree to a
17 procedural disapproval resolution within any 60
18 calendar-day period.

19 (B) For purposes of this paragraph, the term
20 "procedural disapproval resolution" means a
21 resolution of either House of the Congress, the sole

1 matter after the resolving clause of which is as
2 follows: "That the President has failed or refused to
3 consult with the Congress on trade negotiations and
4 trade agreements in accordance with section 4(b) of
5 the Export Expansion and Reciprocal Trade
6 Agreements Act of 1997 and, therefore, the
7 provisions of section 151 of the Trade Act of 1974
8 shall not apply to any implementing bill submitted
9 with respect to any trade agreement entered into
10 under section 3(b) of the Export Expansion and
11 Reciprocal Trade Agreements Act 1997."

12 (2) PROCEDURES FOR CONSIDERING RESOLUTIONS. -

13 (A) PROCEDURAL DISAPPROVAL
14 RESOLUTIONS -

15 (i) in the House of Representatives -

16 (I) shall be introduced by the
17 chairman or ranking minority member
18 of the Committee on Ways and Means
19 or the chairman or ranking minority
20 member of the Committee on Rules;

21 (II) shall be jointly referred to the

1 Committee on Ways and Means and the
2 Committee on Rules; and

3 (III) may not be amended by either
4 Committee; and

5 (ii) in the Senate shall be original
6 resolutions of the Committee on Finance.

7 (B) The provisions of section 152(d) and (e) of
8 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))
9 (relating to the floor consideration of certain
10 resolutions in the House and Senate) apply to
11 procedural disapproval resolutions.

12 (C) It is not in order for the House of
13 Representatives to consider any procedural
14 disapproval resolution not reported by the
15 Committee on Ways and Means and the Committee
16 on Rules.

17 (c) RULES OF HOUSE REPRESENTATIVES AND SENATE. -
18 Subsection (b) of this section and section 3(c) are enacted by
19 the Congress -

20 (1) as an exercise of the rulemaking power of the
21 House of Representatives and the Senate, respectively,

1 and such are deemed a part of the rules of each House,
2 respectively, and such procedures supersede other rules
3 only to the extent that they are inconsistent with such
4 other rules; and

5 (2) with the full recognition of the constitutional
6 right of either House to change the rules (so far as relating
7 to the procedures of that House) at any time, in the same
8 manner, and to the same extent as any other rule of that
9 House.

10 **SEC. 6. TREATMENT OF CERTAIN TRADE AGREEMENTS.**

11 (a) NEGOTIATIONS UNDER THE WORLD TRADE
12 ORGANIZATION. - The provisions of section 4(a) shall not
13 apply to [add ITA II] an agreement which results from a
14 negotiation under the auspices of the World Organization
15 initiated under a Uruguay Round Agreement, as defined in
16 section 2 of the Uruguay Round Agreements Act, that were
17 commenced before the date of the enactment of this Act, and
18 the applicability of fast track procedures to such agreement
19 shall be determined without regard to the requirements of
20 section 4(a).

21 (b) AGREEMENT WITH CHILE. - If an agreement to which

1 section 3(b) applies is entered into with Chile after the date of
2 the enactment of this Act and results from negotiations that
3 were commenced before such date of enactment the provisions
4 of section 4(a) shall not apply to such agreement and the
5 applicability of fast track procedures to such agreement shall
6 be determined without regard to the requirements of section
7 4(a).

8 **SEC. 7. DEFINITIONS AND CONFORMING AMENDMENTS.**

9 (a) DEFINITIONS. - For purposes of this act:

10 (1) The term “core labor standards” means -

11 (A) the freedom to associate;

12 (B) the right to organize and bargain
13 collectively;

14 (C) a prohibition on forced labor;

15 (D) a prohibition on exploitative child labor;

16 and

17 (E) a prohibition on discrimination in
18 employment.

19 (2) The term “distortion” includes, but is not limited
20 to, a subsidy.

21 (3) The term “foreign country” includes any foreign

1 instrumentality. Any territory or possession of a foreign
2 country that is administered separately for customs
3 purposes, shall be treated as a separate foreign country.

4 (4) The term “internationally recognized worker
5 rights” has the meaning ascribed to that term in section
6 507(4) of the Trade Act of 1974, as amended.

7 (5) The term “trade” includes, but is not limited to -

8 (A) trade in both goods and services, and

9 (B) foreign investment by United States
10 persons, especially if such investment has
11 implications for trade in goods and services.

12 (b) CONFORMING AMENDMENTS. - Title I of the Trade
13 Act of 1974 (19 U.S.C. 2111 and following) is amended as
14 follows -

15 (1) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is
16 amended by striking “section 1103(a)(1) of the Omnibus
17 Trade and Competitiveness Act of 1988” ” and inserting
18 “ section 5(a)(1) of the Export Expansion and Reciprocal
19 Trade Agreements Act of 1997”.

20 (2) Section 131 (19 U.S.C. 2151) is amended -

21 (A) in subsection (a) -

1 (i) in paragraph (1), by striking “section
2 123 of this Act or section 1102 (a) or (c) of
3 the Omnibus Trade and Competitiveness Act
4 of 1988,” and inserting “section 123 of this
5 Act, section 1102 (a) or (c) of the Omnibus
6 Trade and Competitiveness Act of 1988, or
7 section 3(a) or (b) of the Export Expansion
8 and Reciprocal Trade Agreements Act of
9 1997,”; and

10 (ii) in paragraph (2), by striking “section
11 1102(b) of the Omnibus Trade and
12 Competitiveness Act of 1988” and inserting “
13 section 3 (b) of the Export Expansion and
14 Reciprocal Trade Agreements Act of 1997”
15 after “under” ; and

16 (B) in subsection (b), by replacing “section
17 1102(a)(3)(A) of the Omnibus Trade and
18 Competitiveness Act of 1988” with “section
19 3(a)(3)(A) of the Export Expansion and Reciprocal
20 Trade Agreements Act of 1997”; and

21 (C) in subsection (c), by replacing “section

1 1102 of the Omnibus Trade and Competitiveness
2 Act of 1988," with "section 3 of the Export
3 Expansion and Reciprocal Trade Agreements Act of
4 1997,".

5 (3) Sections 132, 133(a), 134(a), and 162(a) (19
6 U.S.C. 2152, 2153(a), 2154(a), and 2212(a)) are each
7 amended by striking "section 1102 of the Omnibus Trade
8 and Competitiveness Act of 1988," each place it appears
9 and inserting "section 3 of the Export Expansion and
10 Reciprocal Trade Agreements Act of 1997,".

11 (4) Section 134(b) (19 U.S.C. 2154(b)) is amended
12 by replacing "section 1102 of the Omnibus Trade and
13 Competitiveness Act of 1988" with "section 3 of the
14 Export Expansion and Reciprocal Trade Agreements Act
15 of 1997".

16 (5) Section 135(a)(1)(A) (19 U.S.C. 2155(a)(1)(A))
17 is amended by replacing "section 1102 of the Omnibus
18 Trade and Competitiveness Act of 1988" with "section 3
19 of the Export Expansion and Reciprocal Trade
20 Agreements Act of 1997".

21 (6) Section 135(e) (19 U.S.C. 2155(e)) is

1 amended -

2 (A) in paragraph (1), by replacing "section
3 1102 of the Omnibus Trade and Competitiveness
4 Act of 1988" with "section 3 of the Export
5 Expansion and Reciprocal Trade Agreements Act of
6 1997" each time it appears, and by replacing
7 "section 1103(a)(1)(A) of the Omnibus Trade and
8 Competitiveness Act of 1988" with "section
9 5(a)(1)(A) of the Export Expansion and Reciprocal
10 Trade Agreements Act of 1997"; and

11 (B) in paragraph (2), by replacing "section
12 1101 of the Omnibus Trade and Competitiveness
13 Act of 1988" with "section 2 of the Export
14 Expansion and Reciprocal Trade Agreements Act of
15 1997" after "1988".

16 (7) APPLICATION OF SECTIONS 125, 126, AND
17 127 OF THE TRADE Act OF 1974. - For purposes of
18 applying sections 125, 126, and 127 of the Trade Act of
19 1974 (19 U.S.C. 2135, 2136(a), and 2137) -

20 (1) any trade agreement entered into under section
21 3 shall be treated as an agreement entered into under

1 section 101 or 102, as appropriate, of the Trade Act of
2 1974 (19 U.S.C. 2111 or 2112); and

3 (2) any proclamation or Executive order issued
4 pursuant to a trade agreement entered into under section
5 3 shall be treated as a proclamation or Executive order
6 issued pursuant to a trade agreement entered into under
7 section 102 of the Trade Act of 1974.

Fast Track

MEMBER	EVENTS	COMMENTS
Support		
Bentsen	1 (0)	next month
Clement	2(0)	EGG - ~~box~~ - clay
Harman	1(1)	code
Stenholm	3(2)	personal
Lean Support		
Boswell*	2(1)	EGG ink
Cardin	1(1)	"
Doggett	1(1)	"
Eshoo	2(1)	"
Ford*	3(0)	"
John*	2(1)	"
Johnson, E.B.	1(0)	(Seattle Trade)
McDermott	1(0)	
Sherman*	2(1)	CB, prob NO
Snyder*	2(0)	Clay
Sawyer	2(1)	GB

Undecided		
Baldacci		Cohen
Clayton		CB
Deutsch	2(1)	CE & Essen, pot no
Edwards	1(0)	Gulf / EB
Fattah		Spiky GB
Filner	1(1)	Brown, Beckwith
Hall, R.		Rubin
Hall, T.		Aggr, Eisenstadt, B. Atwood (malder)
Hastings, A.		Rubin
Jackson-Lee		Potus in Houston - 3 (Gis)
Kilpatrick*	1(1)	Alexis.
Kind*	1(1)	EB mel
LaFalce		Rubin - Esim FR
Lofgren	2(1)	CB, Rubin - Escripta
Lowey	3(0)	Rubin, Ann Lewis
Luther	3(0)	Smith call, (Scanned Rubin)
Markey	1(1)	To WM Tues Rubin, EB mel

Slater

Glick

Pomeroy

McCarthy, K.	2(1)	was MM. Ruler, EB
McIntyre*	2(1)	Slater = <u>New</u> , Ershov
McNulty	1(0)	CB
Millender-McD	1(0)	cancelled lunch Slater
Minge	2(1)	Daily - faxed - Bob Kelly Glick
Payne	2(0)	EB lunch, EB
Pomeroy	2(1)	Scared, busy & wrong exch rate → She
Price*	3(2)	fear
Rangel	2(1)	missed cancel, Jeff thinks Charles not gone
Scott	1(1)	
Skelton	1(0)	
Stokes		was close to Waters - never idea for trade agreement 'russ Smith, Al Miller
Thuman	2(2)	
Towns		<u>Russ</u> - lunch today.
Wexler*	1(1)	Eisenstadt EB
Lean No		
Ackerman		Ruler, Glickman - from
Allen		Reader than journal; Polky EA?

Barrett	1(0)	Gone
Becerra	1(1)	Back in zone - Janel, Del
Blagojevich		Gone, Daley
Boyd	1(1)	Veggie community
G. Brown		definitely no, except... Mount Baker
Etheridge*	2(1)	Daley, both people, Erskine call
Goode		Votes R; Jim Morantz Says no. Archer -
G. Green		is plan; 3 together w/pater,
Hinojosa	1(0)	to Hispanic 4 pack
Hooley*	3(1)	Cheniere there now 9/26
Jefferson	2(1)	Cheniere - long talk - Leghault wants him there, thinks Charles wants deal. may call her
Johnson, J.*	1(1)	Packets - front office. Tony Thompson.
Martinez		No, except if not a no - then call.
Meehan	1(0)	
Mendez	3(1)	Cuban community in Florida, Hill/By
Oberstar		State
Ortiz	1(0)	start - Jr
Pastor		4 pack
Pelosi		EB - pretty negative

Reyes	2(1)	Jay Berna
Rodriguez		Bern
Torres	2(0)	Jared
Schumer		one to help - Culer
A. Smith	1(1)	one to help - one to help - one to help

President Submits Legislation to Restore Traditional Trading Authority
Tuesday, September 16, 1997

Sensible Bipartisan Legislation. Today, President Clinton will submit legislation to Congress that restores the President's traditional authority to negotiate trade agreements and break down barriers to American exports. This negotiating authority legislation will help keep our economy on the right track and create good American jobs, while honoring our commitment to our workers and environment. We expect this legislation will garner the bipartisan support it deserves.

Open Trade is Critical to America's Continued Prosperity. The American economy is on the move again. The President's three-part economic strategy -- cutting the deficit to spur private sector investment, investing in critical priorities like education and training, and opening markets abroad -- is a proven success. Since President Clinton took office, the American economy has generated nearly 13 million new jobs, unemployment is below 5%, wages are up, and the deficit has been cut by more than 85%. America is in the midst of a longer period of sustained growth than any other major economy in the world; one-third of our growth depends on overseas trade.

American Exports Create Millions of High-Paying Jobs. Our aggressive export strategy has paid off for American companies and workers. America is once again the world's largest exporter, the largest producer of semiconductors, and the largest producer of automobiles. Exports support over 11.5 million jobs in the United States, including one in five manufacturing jobs. Over the last four years alone, exports have created 1.7 million new jobs -- jobs that typically pay 15 percent more than non-export-related jobs.

We Need To Keep Breaking Down Foreign Trade Barriers. To keep our economy on the right track, we need to give the President the power that every President since Ford has had to break down unfair foreign barriers to American exports. This legislation restores the President's power to negotiate agreements that will help American businesses compete and win.

Legislation Honors Our Commitment to America's Workers and Our Environment. As we expand trade, the President is committed to pursuing three objectives: (1) to break down unfair foreign trade barriers and create good American jobs; (2) to promote and advance worker rights; and (3) to promote responsible environmental protections. As we renew fast track authority, our goal has been to give the President an array of negotiating tools to advance those objectives and level the playing field for American workers in the trade deals:

- Trade Agreements. This bill permits labor/environmental provisions "directly related to trade" to be brought back to Congress under fast track authority.
- Side Agreements. The President has extensive executive authority to reach labor/environmental agreements with countries. We have already committed to conclude companion labor/environment agreements in future trade agreements where appropriate, and Chile has already agreed to enter such agreements.

- Other Agreements. This Administration has done more than any other to press countries to improve labor and environmental protection -- and we will continue to do so, whether through the ILO, the WTO, the UN, or international financial institutions. We should be concerned about improving conditions in all countries, not just in free trade partners.

President is Committed to Ensuring that Everyone Benefits from the Global Economy.

President Clinton has always recognized that we have a special obligation to help low wage and dislocated workers. That's why he fought to raise the minimum wage, provide a more generous Earned Income Tax Credit, increase investment in training, and win new pension and health benefits for workers. That effort has already brought real results for low wage workers:

- Since the President's 1993 Economic Plan passed, the real average income of the poorest 20 percent of families has increased nearly \$1,000 -- or 9.7 percent.
- In 1995 -- the most recent year data are available -- America saw its largest decline in income inequality and the biggest drop in the number of people in poverty in 27 years.

As trade helps America continue to prosper, the President will continue his fight to expand opportunities for dislocated and low wage workers.

Specific Provisions of the Bill Include:

- Authority to Open Markets: The bill gives the President authority to negotiate global, regional, sectoral and/or bilateral trade agreements, which would be brought back for Congressional approval under "fast track" procedures (extensive consultations, limited debate, no amendments). This authority is critical to give our negotiators the credibility they need to secure good agreements.
- Reaffirms Commitment to Labor/Environment: The bill includes a specific negotiating instruction to improve labor rights and environmental protection abroad (a first-ever reference to the environment in fast track legislation). Provisions in bilateral free trade agreements must be "directly related to trade," but the Administration may also seek side agreements, where appropriate.
- Pursues Trade Priorities: The bill contains negotiating objectives emphasizing key U.S. trading interests, such as agriculture, services, investment, intellectual property, and the need for the U.S. to preserve its health and safety laws and to vigorously enforce U.S. trade laws.
- Enhanced Congressional Consultations: We have added strong language to ensure Congress is a full partner in setting objectives and establishing trade priorities for American negotiators, including some provisions that have never before been included in fast track bills: (1) a requirement that the Administration inform Congress of its negotiating objectives for a specific agreement before negotiations begin; (2) a requirement that the Administration consult before signing a trade agreement about any parallel agreements, such as labor and environmental side agreements.
- Duration. Authority granted until 2001, with extension until 2005 only after a congressional vote.

U.S. Small Business Administration



Championing America's Entrepreneurs

Fax Transmission Cover Sheet

115- VIMM fadd
 117 Peter O Keefe) FYI
 33f David Leavy

To: Bibb Hubbard

The White House

Telephone: (202) 456-2577 Fax: (202) 456-6704

Date: 9-22-97 Time: _____Number of Pages (including this page): 2From: Paul Weech

Office of the Administrator

Telephone: (202) 205-6605 Fax: (202) 205-6802

Message: _____

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CONFIDENTIALITY NOTE: The information contained in this facsimile transmittal sheet and the document(s) that follow are for the exclusive use of the addressee and may contain information protected by the Privacy Act, 5 U.S.C. 552a, or otherwise confidential, privileged, or non-disclosable information. If the recipient of this facsimile is not the addressee or is not the person responsible for delivering this facsimile to the addressee, the recipient may violate the law by reading, photocopying, distributing or otherwise using this facsimile transmission or its contents in any way. If the recipient has received this facsimile transmission in error, call the sending office immediately.

SBA Form 959 (3/97) Previous editions obsolete.

Did you know the SBA ...

Has a portfolio guaranteeing over \$29 billion in loans to 200,000 small businesses that otherwise would not have had such access to capital?

Backed over 52,700 loans totaling \$10 billion to America's small businesses in fiscal year 1996?

Last year extended management and technical assistance to nearly 850,000 small businesses through its 950 Small Business Development Centers and 13,000 Service Corps of Retired Executives volunteers?

Provided nearly 38,000 loans totaling \$987 million to disaster victims for residential, personal property, as well as business losses in fiscal year 1996?

Has 7,000 private sector lenders as partners providing their capital to small business?

Has increased its venture capital program with more private capital in the past two years than in the previous 15 years combined?

Provides loan guarantees and technical assistance to small business exporters through U.S. Export Assistance Centers in 15 cities?

Can be contacted through the SBA Home Page on the Internet (<http://www.sba.gov>)?

Can respond to written small business questions through the U.S. Business Advisor on the Internet (<http://www.business.gov>)?

Did you know that America's 22 million small businesses ...

Employ more than 50 percent of the private workforce,

Generate more than half of the nation's gross domestic product, and

Are the principal source of new jobs?



**U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416**

OFFICE OF THE ADMINISTRATOR

September 22, 1997

MEMORANDUM

**To: Bibb Hubbard, Director of Special Projects
Office of Cabinet Affairs**

**From: Paul Weech, Chief of Staff
U.S. Small Business Administration**

Re: Fast Track - Houston

Per your request, I am forwarding for your consideration for POTUS trip to Houston, the following suggested small business firms that might be useful and supportive of Fast Track. If you have any questions, please feel free to call me at 202/205-6605.

1. Hallmark Sales Corporation
Alfredo Zorzi, President
1601 Peachleaf
Houston, TX 77039
(713) 590-1367

Hallmark is an exporter of industrial equipment and supplies primarily to Latin America. It also has a medical division which markets a line of disposable medical products. Current sales exceed \$5 million and the company has 22 employees.

Hallmark has offices in Mexico City, Buenos Aires, Argentina and maintains contract representatives in Venezuela, Chile, and El Salvador.

Hallmark received the President's "E" award in 1991 and in 1992 was named as one of the best 100 exporters in the nation.

2. Gonzales Electrical Systems Company
Don Gonzales, President
6830 College, Suite G-1
Beaumont, TX 77707
(409) 860-3802

Gonzales Electrical Systems is a marine electrical contractor that furnishes electricians to drilling companies primarily in Israel and Saudi Arabia. The company also manufactures panels and switchboards for petrochemical companies.

Started in 1994 with 2 employees, Gonzales Electrical now has 25 employees. Sales have increased 700% over this period. The company expects to have over 50 employees by the year 2000.

Gonzales Electrical Systems has used the SBA's Export Working Capital Loan program to finance contracts in Israel and Saudi Arabia.



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CABINET AFFAIRS ROUTING SLIP

DATE: 9/22

ACTION/CONCURRENCE/COMMENT DUE BY: _____
FOR APPROPRIATE ACTION: _____
FOR YOUR INFORMATION: _____

FROM: DAVID S. BEAUBAIRE
SPECIAL ASSISTANT TO THE CABINET SECRETARY
AND DIRECTOR OF SURROGATE SCHEDULING

SUBJECT: USIA - Central High

COMMENTS: _____

ERSKINE BOWLES	1 FL WW	RON KLAIN	276 OEOB
JOHN PODESTA	1 FL WW	DAVID LEAVY	331 OEOB
SYLVIA MATHEWS	1 FL WW	LISA LEVIN	106 OEOB
THURGOOD MARSHALL, JR.	2 FL WW	ANN LEWIS	G FL WW
GLYN DAVIES	G FL WW	JOE LOCKHART	G FL WW
DON BAER	G FL WW	LAURA MARCUS	1 FL WW
KRIS BALDERSTON	160 OEOB	JULIE MASON	103 OEOB
NICK BALDICK	115 OEOB	ANDREW MAYOCK	164 OEOB
BEVERLY BARNES	1 FL WW	MIKE MCCURRY	1 FL WW
MARSHA BERRY	103 OEOB	ANNE MCGUIRE	160 OEOB
LISA BERG	281 OEOB	LORRIE MCHUGH	1 FL WW
JILL BLICKSTEIN	251 OEOB	CHERYL MILLS	2 FL WW
ANTONY BLINKEN	331 OEOB	MONA MOHIB	106 OEOB
EMILY BROMBERG	106 OEOB	LINDA MOORE	115 OEOB
REBECCA CAMERON	1 FL WW	MINYON MOORE	115 OEOB
PHIL CAPLAN	G FL WW	JON MURCHINSON	170 OEOB
LAURA CAPPS	196 OEOB	JENNIFER PALMIERI	184 OEOB
DAWN CHIRWA	130 OEOB	MONA PASQUIL	115 OEOB
PEGGY CUSACK	200 OEOB	JULIA PAYNE	170 OEOB
LYNN CUTLER	106 OEOB	CHIP PAYSON	184 OEOB
SUZANNE DALE	2 FL WW	NICOLE RABNER	100 OEOB
FRED DUVAL	106 OEOB	VICKY RADD	115 OEOB
MARIA ECHEVESTE	2 FL WW	BRUCE REED	2 FL WW
RAHM EMANUEL	1 FL WW	DAN ROSENTHAL	185 1/2 OEOB
SKY GALLEGOS	111 1/2 OEOB	STEFANIE SANFORD	160 OEOB
JASON GOLDBERG	1 FL WW	STEVE SILVERMAN	160 OEOB
JULIA GREEN	1 FL WW	KAREN SKELTON	115 OEOB
LARRY HAAS	253 OEOB	CRAIG SMITH	1 FL WW
BILL HALTER	356 OEOB	PATTI SOLIS-DOYLE	185 1/2 OEOB
JOHN HART	106 OEOB	GENE SPERLING	2 FL WW
NANCY HERNREICH	1 FL WW	DOUG SOSNIK	1 FL WW
JOHN HILLEY	2 FL WW	ELISABETH STEELE	2 FL WW
RUSSELL HORWITZ	2 FL WW	TODD STERN	G FL WW
BIBB HUBBARD	160 OEOB	STEPHANIE STREETT	G FL WW
MARK HUNKER	2 FL WW	GINNY TERZANO	273.5 OEOB
MICKEY IBARRA	2 FL WW	KIM TILLEY	287 OEOB
RONDA JACKSON	160 OEOB	BARRY TOIV	G FL WW
CYNTHIA JASSO-ROTUNNO	115 OEOB	MICHAEL WALDMAN	196 OEOB
BEN JOHNSON	122 OEOB	PAUL WEINSTEIN	214 OEOB
ANSLEY JONES	281 OEOB	DAN WEXLER	117 OEOB
ELENA KAGAN	2 FL WW	BILL WHITE	111 1/2 OEOB
JONATHAN KAPLAN	235 OEOB		

Laura Graham

187 OEOB

Jon Jennings

160 OEOB

Kara Gerhardt 170 OEOB

**United States
Information
Agency**

Washington, D.C. 20547

Office of the Director

**USIA****USIA PARTICIPATION WITH LITTLE ROCK CENTRAL HIGH
40TH ANNIVERSARY****Special Coverage**

- **USIA LITTLE ROCK FACILITATOR** - Beth Rule, former resident of Little Rock and teacher of French for 10 years at Central High School will assist USIA reporters with interviews, contacts, and briefings on the city and high school, and their past and current status with race relations. (Currently Voluntary Visitors Division Chief, Office of International Visitors)
- **WIRELESS FILE ARTICLES** - Agency reporter David Pitts on assignment in Little Rock from 9/19-27, conducting interviews and filing stories for worldwide distribution. (File provides timely and authoritative information to embassies and USIA posts in Arabic, English, French, Russian, and Spanish.)
- **WASHINGTON FOREIGN PRESS CENTER (FPC)** - Ernest Green briefing for foreign journalists at FPC week of 9/15
- **VOICE OF AMERICA (VOA)** - Two reporters from VOA will be in Little Rock to broadcast the "Talk to America" international call-in show, featuring Ernest Green, Central High students and Little Rock Mayor Jim Dailey. (VOA, the Agency's multilingual international radio service, provides accurate and reliable news and information to approximately 92 million people worldwide)
- **WORLDNET** - interactive show scheduled for 9/29 with Lottie Shackelford, Exec. VP Global USA and former Little Rock Mayor, with USIA posts in Africa, Eastern Europe, Near East and South Asia and Western Europe. **NEWSFILE** to cover events.
- **OFFICE OF INTERNATIONAL VISITORS (IV)** - With the Arkansas Council for International Visitors, IV will sponsor and send to Little Rock a senior reporter with Radio Television Hong Kong, Ms. Mak Yin Ting, who is studying issues regarding editorial self-censorship, political control of the media and professional journalistic standards.
- **FULBRIGHT ACADEMIC EXCHANGES** - 14 foreign Fulbright students, studying at the University of Arkansas, will be honored guests at the Presidential event at Central High School, affording them the opportunity to observe the historic event within the context of current discussions on race relations.
- **ELECTRONIC JOURNAL** - entitled "Toward One America: A National Conversation on Race" featuring follow-up articles on the Little Rock/Central High Anniversary Event, including articles by Roy Reed and others. (Available on the internet at ejvalues@usia.gov)

09/15/97

ASSISTANCE FOR WORKERS AFFECTED BY FRUIT OF THE LOOM LAYOFFS

"Rapid response" is the initial information sharing activity to assist individuals find new employment and the assessment of workers needs for the initiation of reemployment services for individuals expected to be dislocated. The activity occurs as soon as the State receives a WARN notice of any substantial layoff or plant closure.

On August 7, officials of Fruit of the Loom announced that about 4,800 workers at six plants in Louisiana, Kentucky and Texas would be laid off effective October 6. In addition, in June, layoffs had begun occurring at a plant in Mississippi.

- ◆ Rapid response in Louisiana has included needs assessments and company interviews. A job fair for Fruit of the Loom employees is being scheduled. Since the layoff notification, 198 workers have been transferred within the Louisiana plants.
- ◆ In Texas, a labor/management committee has been established and will meet regularly through October 6. Job search workshops and other services are being provided, and company officials are making themselves available on weekends and evenings.
- ◆ In Kentucky, following a joint planning meeting held on August 13, group informational meetings were held in both Campbellsville and Jamestown and a job fair will be held on September 13.
- ◆ In Mississippi, the local employment service and the community college visited the plant and provided information on services available.

On August 25, officials of Fruit of the Loom petitioned the Department of Labor for Trade Adjustment Assistance (TAA) on behalf of workers at six of the seven Fruit of the Loom facilities affected by the layoffs. (Workers at Campbellsville, Kentucky are covered by an existing TAA certification.) The Department completed its investigation of the petitions in record time and, on August 29, workers at the six Fruit of the Loom facilities were certified eligible to apply for Trade Adjustment Assistance.

Petitions were also filed by the company for workers adjustment assistance under the NAFTA-TAA program. Workers can be certified under NAFTA-TAA if it is determined that their separations were related to increased imports from Mexico or Canada or to a shift of production by the firm to Mexico or Canada. Workers at the three Louisiana facilities were also certified as eligible to apply for NAFTA-TAA on the basis of the Department's determination that increased imports from Mexico contributed to their separations. It is important to note that a NAFTA-certification is not a determination that workers were adversely affected by NAFTA, but only that workers were adversely affected by imports from, or a shift of production to, Canada or Mexico.

It is estimated that as many as 4,800 workers will lose their jobs at the seven facilities in the next several months and will be eligible to apply for adjustment assistance benefits including 1,430 at St. Martinville, Louisiana; 600 at Abbeville Louisiana; 350 at Port Barre, Louisiana; 556 at Jamestown, Kentucky; 1,400 at Campbellsville, Kentucky; 380 at Harlingen, Texas and 45 at Sherman, Mississippi. Historically, fewer than half of the workers who are certified as eligible to apply for trade adjustment assistance actually apply for and receive the benefits available under TAA and NAFTA-TAA, many securing acceptable reemployment on their own or before exhausting their unemployment insurance eligibility.

Following individual eligibility determinations by the State Employment Security Agency, these workers covered by both TAA and NAFTA-TAA certifications will be able to choose between receiving adjustment assistance benefits under regular TAA or NAFTA-TAA.

Although generally all dislocated workers are eligible for unemployment insurance and basic reemployment services such as skills assessment and counseling and many are eligible for training under Title III of the Job Training Partnership Act, certified trade impacted workers who enter qualified training programs are eligible to receive income support at their unemployment insurance level for up to 52 weeks after their unemployment insurance is exhausted and up 104 weeks of training. In addition, trade impacted workers may also receive job search and relocation assistance. Certified workers may receive services from both TAA or NAFTA-TAA and Title III. This "Dual Enrollment" allows NAFTA-TAA eligible workers to receive services such as job counseling, skills assessment and job referral.

FAX TRANSMITTAL SHEET**RECEIVER TELECOPIER NUMBER:** _____**TO:** Bibb Hubbard**FROM:** Lee Satterfield**DATE:** _____**TIME:** _____**PAGE NUMBER ONE OF** _____ **PAGES****TRANSMITTER TELECOPIER:****ADDITIONAL COMMENTS:****IF YOU HAVE QUESTIONS REGARDING THIS FAX CALL:** _____

DEPARTMENT OF THE TREASURY

TREASURY



NEWS

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Fast Track

FOR IMMEDIATE RELEASE
Text as Prepared for Delivery
September 18, 1997

Post-It® Fax Note	7671	Date	9/18/97	# of pages	▶
To	Steve Silverman	From	Hayson		
Co./Dept.	WHL, CAB Affs	Cy	Treasury		
Phone #	456-2572	Phone #			
Fax #	456-6704	Fax #			

**Secretary Robert Rubin Remarks to the
National Center for APEC
Seattle, Washington
September 18, 1997**

It is a great pleasure to be in Seattle and I appreciate this opportunity to speak to you. You have a beautiful city, but, unfortunately, I am here only briefly. Later today I will fly to Hong Kong and then go on to Beijing.

The international financial community gathers in Hong Kong this weekend for meetings of the Group of Seven industrialized nations and of the governing bodies of the International Monetary Fund and the World Bank. After those meetings, as I said a moment ago, I will travel to Beijing where I will meet with the Chinese leadership just named at the Party Congress, to work to strengthen our economic relationship with this most important nation.

It used to be that when Treasury Secretaries traveled abroad, they visited London, Paris, Bonn, or perhaps Tokyo. In my tenure as Treasury Secretary, my travels have included India, Brazil, the Philippines, Indonesia, Argentina, Vietnam, Ukraine and now, China, reflecting the dramatic change of the past couple of decades; today, our economic health is substantially and increasingly a function of that of the rest of the world and the developing economies are enormously important to our own economy. Twenty years ago, the developing economies were viewed almost entirely as recipients of foreign aid; now, they purchase more than 40 per cent of our exports of goods and services.

In Seattle, you have lived this new reality on a daily basis, as a city that is thriving on the increased commerce between the United States and the rest of the world, and a city focused on the dynamic Pacific Rim.

RR -- 1937

For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040



Today, the importance of U.S. leadership in fostering a stronger, more prosperous global economy is greater than ever. That is why President Clinton has pursued a vigorous international economic strategy to advance U.S. national interests by promoting global economic growth in developed and developing nations, strengthening international financial stability, and fostering economic integration and open markets. The nations of the Asia Pacific region have been central to this strategy, as evidenced by President Clinton's re-energizing of APEC at Blake Island in 1993.

For a variety of reasons, including the international economic strategy, the powerful deficit reduction progress of 1993, and the increased competitiveness of our private sector, the United States has had the strongest economy among the industrialized nations for the past five years. And I believe that by continuing to pursue the policies of deficit reduction, investing in our people, and promoting open markets and global economic growth, we have a very good opportunity to sustain these strong conditions. However, we can not allow our current prosperity to create even a moment of complacency in the highly competitive and rapidly changing global economy, that would lull us into failing to meet our many challenges. One of the most important steps we can take now is for Congress to grant the President the authority, known as fast track, to negotiate new trade agreements with other countries under a procedure which provides for an expedited Congressional approval process. Countries will not negotiate agreements with us if those agreements are subsequently subject to the usual Congressional processes of change and amendments, as opposed to the simple up or down vote under the Fast Track process.

Since entering office in 1993, the Clinton Administration's efforts to open foreign markets to U.S. goods and services have played a major role in our current favorable economic conditions. The next steps are to expand trade further through strong multilateral agreements in the World Trade Organization and with regional partners in Latin America and Asia.

Already, countries around the world are moving to expand trade with each other. There is no question this is going to continue. The only question is will we part of the process of market opening, or on the outside looking in. We must make sure US companies have a level playing field as markets around the world continue to open their doors to trade.

Moreover, our effort to renew the President's traditional negotiating authority is about more than one trade agreement or set of trade agreements. It is about U.S. leadership in the growing global economy. Congressional enactment of fast track authority is, as you know, the subject of intense debate in the other Washington, but a favorable outcome is of the greatest importance to the people of your state, which is home to companies like Boeing and Microsoft, and to our country's long term economic well being.

But our future prosperity depends not only on opening markets, but also on global growth, and this will be a key focus of my meetings in Hong Kong with our G-7 partners, as well as the IMF

meetings and the many bilateral meetings that I will have with leaders from Southeast Asia, Africa and other regions.

The G-7 alone account for roughly 50 percent of the world's GDP, and growth in the G-7 has a great impact on the prospects for economic prosperity around the world. Looking at the G7, we have a strong interest in seeing Europe establish a stronger recovery and effectively reduce unemployment -- and structural reform will play a vital role in that. Obviously it takes much more than words from finance ministers for economic growth to occur, but these meetings are important for encouraging policies for each of our governments that will foster growth.

In Japan, which chairs this G-7 meeting, Prime Minister Hashimoto established an objective early this year, which we welcomed, of encouraging a strong domestic demand led recovery, and avoiding a significant and sustained rise in the external surplus. It is important to Japan and the United States that Japan succeed in these objectives. Recent developments have reinforced concern in financial markets about the strength of domestic demand growth and the risks of significant sustained rise in Japan's trade surplus.

Our meetings with the International Monetary Fund and the World Bank will focus on how best to strengthen international financial stability. As we have seen in recent months, the global economy, and the massive daily international flows of capital offer both opportunities and challenges. To make the most of these opportunities and manage the risks requires efforts on two fronts. First, the international community must continue to improve safeguards against crises that are as modern as the markets. Second, and most important, all nations must maintain strong macroeconomic policies and develop and sustain a strong and open legal and financial infrastructure.

Thailand experienced a serious currency crisis this summer, and the effects reverberated through financial markets around the Southeast Asian region. The international community has played an important role helping to move toward restoring stability, by making substantial medium-term financing available to the government conditioned on a strong policy program. We strongly supported the IMF's program; as in the Mexico peso crisis of 1994, significant financial support, combined with an IMF-supported program of comprehensive reform, offered a step toward restoring confidence -- and limiting contagion effects in other markets. Let me absolutely clear: the U.S. has a profound interest in the restoration of financial stability in Asia. Developing Asia accounted for more than one fifth of U.S. exports last year, and we now export more to Asia than Europe.

As we step in to counter financial crises, international action must not be seen as an attempt to insulate countries from the consequences of bad policy decisions. In fact, countries that have experienced these crises have paid a heavy economic price even as they have recovered with the aid of good policy and international financial support. Investors, too, should be subject to the discipline of risk and that is an issue not yet fully solved in these support programs.

Global capital flows have been an enormous boon to growth in countries around the world, lifting millions of people out of poverty-- and this is especially true in the dynamic, rapidly industrializing countries of East Asia. The turbulence which can occur during a crisis should not cause us to seek to reverse the trend toward closer integration and greater openness in global financial markets, which is benefiting so many people around the globe. Instead, it should lead all of us to re-commit to the sound policies that create confidence and encourage steady flow of capital. The path to recovery lies in their continuing with the formula of sound macroeconomic policies and open markets that has been so central to that region's success.

This is only one example of the international consensus that has emerged in the past fifteen years over the best ingredients of macroeconomic policies needed for sustained economic growth. I can remember a time when in large parts of the world governments were committed to protectionism, state enterprise, and closed markets. Today, there is broad-based agreement on strong free market fundamentals such as open markets, privatization, reduced deficits, and rule of law. Part of what we are going to do in Hong Kong is to reinforce with our trading partners the importance of that approach.

Strong disclosure rules are also critical to confidence. In our meetings in Hong Kong with the IMF and the World Bank, the United States will propose a new initiative to strengthen disclosure requirements to achieve greater transparency in central banks balance sheets and transactions and in the underlying conditions of the banking system, building on the US-led initiatives which was started in response to the Mexican crisis. Making these disclosures is often difficult in the short run, but it builds credibility in a nation's financial system and avoids much more difficult problems in the long run.

Crises such as this one have underscored the need of national authorities to get ahead of the curve quickly in strengthening domestic financial systems. The international community can help reinforce efforts by these countries to strengthen their supervisory and regulatory systems, and we're involved in a major international effort now to help them achieve this. As we've learned from our own experience, this is not easy. But it is necessary.

Our final objective on this trip is to strengthen ties with the most populous nation on earth, China. My visit will be the first by an Administration official to China after the conclusion of the 15th Party Congress which is now under way and is an important step before President Clinton's meeting with President Jiang Zemin in October. We have a broad range of issues to discuss with the Chinese, and we hope to make progress toward solving economic problems of joint interest as part of our maturing relationship.

We believe that a strong and steady relationship between the world's biggest developed economy and largest emerging one is vital for the new global economy of the 21st century, and in the interests of both the United States and China.

To promote both countries' interests, our economic agenda with China includes two important issues.

We have a strong stake in seeing China succeed in its economic reform process and its move to a more market oriented economy. This transition poses strong challenges to the Chinese leadership, challenges which they recognize. These include: restructuring and privatizing state-owned enterprises, where very important announcements were made at the Party Congress a few days ago; reforming and strengthening China's financial system through stronger regulations and more competition so that financial institutions operate on commercial principles; and creating a full set of institutions for a modern economy, including a sound legal framework which promotes the rule of law, and the free flow of information. Preserving and strengthening the conditions that made Hong Kong the engine of China's economic growth is also vital, and we will be discussing this with Hong Kong officials.

Our second interest is to help speed the integration of the Chinese economy into the world economy. A major aspect of this is China's opening its market to foreign goods and services, an opening that is a necessary element for China's admission into the WTO. A further aspect is the implementation and enforcement of existing agreements, such as the intellectual property rights agreement, which is so critical to industries such as the computer industry and companies such as Microsoft. China would also benefit by opening itself more widely to foreign investment, allowing foreign firms to bring their expertise and capital to the Chinese market. Let me add that China has made significant strides in integration into the global economy; for example, by eliminating restrictions on current account transactions. We look forward to further progress, including through the liberalization of capital transactions.

Make no mistake: we have serious disagreements with China on human rights, religious freedom, security issues, as well as economic issues, and we will discuss all of these when I meet with the Chinese leadership. The question is what is the best way to advance our interests and beliefs. We believe that the process of engagement is the most likely means to make progress on all of the issues we have with China.

Let me conclude with a final point. Perhaps the most important purpose of this trip is to increase understanding between the United States and the representatives of the nations with which I will be meeting. I have found in my experience as Treasury Secretary that these types of meetings -- the G-7, the World Bank and IMF governing board, and bilateral meetings -- are extremely important as opportunities to build personal relationships, exchange points of view and better understand the views of others. That, in turn, is enormously valuable for dealing with issues as they arise. This is time consuming, but in my view it is indispensably important in the new global economy.

As I said earlier, our economic health is increasingly a function of that of the rest of the world. That is why U.S. leadership, and building common ground with our trading partners is so important to our prosperity. This must be combined with sound policies at home -- fiscal



discipline, investing in people and open markets -- and efforts to strengthen the global economy -- the strategy that has put us on the right track. Now is the time to move forward with this effort, both by what we do at home, and by our leadership in the global economy. Thank you very much.

-30-

9/1/8

31-

MEMBER	EVENTS	COMMENTS
Support		
Bentsen	1 (0)	TAA, needs deal. Not sure what with
Clement	2(0)	Need pick me up - VP
Edwards	1(0)	Square undecided, focus going - labor environment
Harman	1(1)	Berman - ~~OK~~ 4/26
Lean Support		
Boswell*	2(1)	very close to yes, needs of event; <u>cap deal</u>
Cardin	1(1)	end of upus, Pres call late
Doggett	1(1)	
Flake	3(1)	OK
Ford*	3(0)	
Hooley*	3(1)	"worse than I imagined", Whoolley (Daley)
Hoyer	2(1)	Jay Berman -
Jefferson	2(1)	Port of New Orleans - Breauv
John*	2(1)	mini step back: front of house closed, TAA, talk to Breauv
Johnson, E.B.	1(0)	Steve Chapman - great guy. pretty positive
Johnson, J.*	1(1)	Pete Scher - maybe milk will be happy. Orchar hated: Dairy will hopefully be on board

During

5:11
11:12 am
1:36 5
1460
182
164

Charles

Alvin

Charles

Devin

Luther	3(0)	undecided, leans no "difficult" scenario for ads; wholly wants to be with us, w/ this stbo.
McDermott	1(0)	
Meehan	1(0)	Bohly - will be a no, sub-idea VP call. extremely dissimulate
Sherman*	2(1)	yes, free, bags, st ^(reese) (Chapman)
Skaggs	2(1)	yes tomorrow - w/ it, no release
Snyder*	2(0)	want to be for, read bill, good guy <u>marks</u> ^{Skaggs} ^{Olden}
Stenholm	3(2)	with us, forgive him, ETC
Undecided		
Baldacci		Craig Smith
Barrett	1(0)	Janet
Clayton		"Why do we need this"; (Black Futures issues - 7/5/42)
DeGette*	1(1)	No
Deutsch	2(1)	leans no, tells bus undecided. hear for people undecided. worth to. leave for (Chapman)
Eshoo	2(1)	leans yes - Jay Berman
Etheridge*	2(1)	Glickman - happy re: tobacco
Fattah		Sperling ^{Geo. Finkler} ; Andri - finally undecided stuba issue map;
Filner	1(1)	no report; no char
Hall, R.		No Charles; Filippino leans a/50 Sylm

→ undecided, v. NAFTA, later concern Business

	Hall, T.		inlet, current; not sure what I get out of it, squeezed hard. unconfident, some changes
	Hastings, A.		man about business
	Holden		
Mark	Jackson-Lee		Some champion; Race. Inhibit
	Kennelly	1(1)	Potus, insurance group
AKNO	Kilpatrick*	1(1)	TAT
	Kind*	1(1)	Dary Boy, wants to be w/ps
Puber	LaFalce		former
Salvy	Lofgren	2(1)	copula
	Lowey	3(0)	Podesta / VP
	Markey	1(1)	hanging in there; for free, commerce-trade
	McCarthy, K.	2(1)	we paper shop in process; undecided, business
Glenn	McIntyre*	2(1)	
Chandler	McNulty	1(0)	USTR - VP
Alex	Millender-McD	1(0)	
Glenn	Minge	2(1)	all about wheel ~~XXXXXXXXXX~~ Peter
	Payne	2(0)	~~Miller~~ ; ~~Podesta~~ Potus-arm
	Pelosi		Brophy, hard, subscriber 1800
Glenn	Pomeroy	2(1)	Grid

Chandler-who

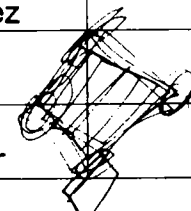
Price*	3(2)	Beaver
Rangel	2(1)	
Sawyer	2(1)	need bus. help: bus guys really hell out of h- a guarantee
Scott	1(1)	
Skelton	1(0)	gettable. Ag business. A1
Stokes		even tho not w/you"
Thompson	1(0)	
Thurman	2(2)	
Towns		
Turner*	1(1)	gone
Wexler*	1(1)	
Lean No		
Boyd	1(1)	Ag business; Dan - ^{rep's the loss} wins chooses her, 'tomato', but it a shot
Farr	1(0)	Brophy
Hinojosa	1(0)	and → generic L
Lampson	2(1)	Wants row Beaumont Tx
Mendez	3(1)	just distal iss
Ortiz	1(0)	just ~~kind~~ lies

Akris

Cruden

Reyes	2(1)	gettable; work a Lake Tahoe project; UP spoke w/him; Alexis
Sanchez	1(0)	come
Torres	2(0)	
Becerra	1(1)	Janet; line down for specific plan to job retraining - TAA, pissed w/him -
A. Smith	1(1)	
Foglietta		Marsha Scott
Weygand		almost gone; UP
Rodriguez		\$ really, really, really high; no thought - late issue by
Pastor		fuel
Schumer		

• Irving in
 on NAD/BA
 • having issue
 but 1/28/84



Allon
 Maloney

Clinton -
 (Time war)

MEMBER	EVENTS	COMMENTS
Support		
Bentsen	1 (0)	
Clement	2(0)	
Edwards	1(0)	
Harman	1(1)	
Lean Support		
Boswell*	2(1)	
Cardin	1(1)	
Doggett	1(1)	
Flake	3(1)	
Ford*	3(0)	
Hooley*	3(1)	
Hoyer	2(1)	
Jefferson	2(1)	
John*	2(1)	
Johnson, E.B.	1(0)	
Johnson, J.*	1(1)	

Luther	3(0)	
McDermott	1(0)	Seattle Trade Deal
Meehan	1(0)	VP
Sherman*	2(1)	
Skaggs	2(1)	
Snyder*	2(0)	
Stenholm	3(2)	No Problem with Corp. issue is resolved
Undecided		
Baldacci		
Barrett	1(0)	
Clayton		
Deutsch	2(1)	
Eshoo	2(1)	
Etheridge*	2(1)	
Fattah		
Filner	1(1)	
Hall, R.		
Hall, T.		

Hastings, A.		
Jackson-Lee		
Kennelly	1(1)	
Kilpatrick*	1(1)	
Kind*	1(1)	
LaFalce		
Lofgren	2(1)	
Lowey	3(0)	
Markey	1(1)	
McCarthy, K.	2(1)	
McIntyre*	2(1)	
McNulty	1(0)	
Millender-McD	1(0)	
Minge	2(1)	<i>LABOR & Environment Can No Has not cos the Bill But cos it this weekend (Avery)</i>
Payne	2(0)	
Pelosi		
Pomeroy	2(1)	
Price*	3(2)	
Rangel	2(1)	

Sawyer	2(1)	
Scott	1(1)	
Skelton	1(0)	
Stokes		
Thompson	1(0)	
Thurman	2(2)	
Towns		
Wexler*	1(1)	
Lean No		
Boyd	1(1)	
Farr	1(0)	
Hinojosa	1(0)	
Lampson	2(1)	
Mendez	3(1)	
Ortiz	1(0)	
Reyes	2(1)	
Sanchez	1(0)	

Torres	2(0)	
Becerra	1(1)	
A. Smith	1(1)	
Foglietta		
Rodriguez		
Pastor		
Schumer		

9/18

3h

MEMBER	EVENTS	COMMENTS
Support		
Bentsen	1 (0)	TAA, work deal. Not sure what costs
Clement	2(0)	Need pick re up - VP
Edwards	1(0)	Squire undecided, focus going - labor environment
Harman	1(1)	Berman - By 9/26
Lean Support		
Boswell*	2(1)	very close to yes, needs 3 event; coop deal
Cardin	1(1)	end of upus, Pres call late
Doggett	1(1)	
Flake	3(1)	OK
Ford*	3(0)	
Hooley*	3(1)	"worse than I imagined"; Whelan (Daley)
Hoyer	2(1)	Jay Berman -
Jefferson	2(1)	Port of New Orleans -
John*	2(1)	mini step back: Fring. loan closed, TAA, talk to Brooks
Johnson, E.B.	1(0)	Steve Chapman - credit reqs
Johnson, J.*	1(1)	Pete Scher - maybe milk will be happy. Grichner hated: Dany with hopefully on on board

Alex

Berna

Glick

Herna

Daley

Berna

Alexis

Alexis

Alexis

5:11
4:12pm
am
1305
1460
182
1642

	Hall, T.		later, current; not sure what I got out of it, squeezed hard. in confident; some changes
	Hastings, A.		not a man - about business
	Holden		
Mark	Jackson-Lee		Some champion; Race Initiative
	Kennelly	1(1)	Potus, insurance group
Alex	Kilpatrick*	1(1)	TAT
	Kind*	1(1)	Dary Boy; wants to be w/ps
Robert	LaFalce		former
Deputy	Lofgren	2(1)	computer
	Lowey	3(0)	Podesta / VP
	Markey	1(1)	hanging in there; for free, commere-trade
	McCarthy, K.	2(1)	we paper story in press; undecided; business
Onchman	McIntyre*	2(1)	
Chandler	McNulty	1(0)	USTR - VP
Alex	Millender-McD	1(0)	
Onchman	Minge	2(1)	all about wheel ~~XXXXXXXXXX~~ Peter
	Payne	2(0)	~~Holder~~ ; ~~Podesta~~ Potus arm
	Pelosi		Brophy, hard, subscriber 1812
Onchman	Pomeroy	2(1)	Onch

Chandler who

Price*	3(2)	Bernier
Rangel	2(1)	
Sawyer	2(1)	need his help: but guys don't tell him of his a guarantee
Scott	1(1)	
Skelton	1(0)	gettable. Ag business. A1
Stokes		even the not w/you"
Thompson	1(0)	
Thurman	2(2)	
Towns		
Turner*	1(1)	gone
Wexler*	1(1)	
Lean No		
Boyd	1(1)	Ag business; Dan - ^{rep the loss} wins the case, 'make it', but it a shot
Farr	1(0)	Brophy
Hinojosa	1(0)	gone → generic
Lampson	2(1)	Wants row Beaumont TX
Mendez	3(1)	gone district
Ortiz	1(0)	gone ~~license~~ license

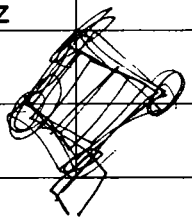
Alas

Under

Reyes	2(1)	gettable; wants a Lake Tahoe project; (UP) spoke w/him; Alexis
Sanchez	1(0)	come
Torres	2(0)	
Becerra	1(1)	Janet; line clear for specific plan to go through TAA, pissed w/huber
A. Smith	1(1)	
Foglietta		Masha Scott
Weygand		almost gone; UP
Rodriguez		\$ really, really, really high; No Budget - late issue by
Pastor		fuel
Schumer		

Tracy inched on NAD Bank - having issue - but 12/28/80

more



Allon
Maloney

Clinton -
(Time work)

Puli - Soru - Cheru

Paley

Pera

Shakale

Calchor

Boru

A/Vag

Muroz

Fast Track

FAST TRACK AUTHORITY COMMUNICATIONS CALENDAR

As of 8/1/97

DATE	EVENT	STATUS/FOLLOW UP
<u>AUGUST</u>	<u>AUGUST</u>	<u>AUGUST</u>
Wk. 8/4	Berman press outreach w/WH reporters.	
8/17/97	Radio Address (T). Make pivot from budget to Fast Track.	Radd to work with Rahm, Lewis etc...
8/10	Chamber of Commerce – Briefing by Berman and Radd.	
Tbd.	WH Briefing for Manufacturing Companies. Bowles- ~~Rubin~~ - ~~Barshefsky~~ - ~~McLarty~~ -Berman	OPL lead
Tbd.	WH Briefing for High Technology Companies. VPOTUS- ~~Barshefsky~~ - ~~McLarty~~ -Gipps-Berman	OPL lead
Tbd.	WH Briefing for AgriBusiness Companies. ~~Glickman~~ - ~~Barshefsky~~ - ~~McLarty~~ -Berman	OPL lead
<u>SEPTEMBER</u>	<u>SEPTEMBER</u>	<u>SEPTEMBER</u>
9/8	Fall Agenda Speech (T).	
9/10	Kick-Off Event at White House. POTUS submits legislation. <i>invite cabinet / cabinet family</i>	- Shape event - Event media plan (NSC; NEC; USTR)
9/10	VPOTUS speaks to Business Roundtable.	
9/12	<u>Albright speech in Miami (T).</u>	
9/13	CBC Dinner. Emphasize in remarks?	
9/16	Congressional Hispanic Caucus Dinner. Emphasize in remarks?	
9/16	American Business Conference (T)	Admin. speaker?

DATE	EVENT	STATUS/FOLLOW UP
9/20	Los Angeles Message Event (T)	
9/22	UNGA Speech. Section on open trading system?	
9/24	AFL-CIO Convention. Emphasize in remarks?	
<u>OCTOBER</u>	<u>OCTOBER</u>	<u>OCTOBER</u>
10/2	Meeting with Automobile Executives. Emphasize in talking points.	
10/4	Radio Address (T).	
10/7	Message Event with Leading Validators. Former POTI; Sectys of State... if vote 10/9.	• SP (NSC)
10/9	POSSIBLE HOUSE VOTE	
10/12	Dow Jones Global Leadership Conference.	• Seeking Admin. speaker.
10/12-20	Latin America Trip	
<u>NOVEMBER</u>	<u>NOVEMBER</u>	<u>NOVEMBER</u>
11/14	Zedillo Visit & NAFTA anniversary	
11/22-26	APEC Meeting (Vancouver)	

ACTION ITEMS

ISSUE/IDEA/EVENT	STATUS/FOLLOW-UP
1. Update schedule of relevant speeches by principals, sub-principals; planned briefings for Congress; relevant media interviews etc...	• All agencies to submit to NSC Planning
2. Create weekly blast fax & data base.	• USTR lead • All agencies to feed in names, numbers
3. Create fact book.	• Radd lead
4. Set up home page/web site	• WH Communications lead
5. Create surrogate speaker tracking/scheduling system	• Cabinet affairs/Scheduling
6. Editorial Board call list	• Media Affairs/Leg Affairs
7. Create list of desired endorsements	• Radd
8. Organize SBA Regional Admin. Events	• Siewart/NEC
9. Organize Commerce District Export Council Events.	• Radd
10. Organize Leadership Days – WH briefings for community influentials recommended by MOCs.	• O’Keefe/OPL
11. Assign MOCs to Cabinet for personal calls	• LegAffairs/Cabinet Affairs
12. Organize events for Agriculture Department Regional Administrators	
13. Dole-Bentsen op/ed	• In works for September.
14. Bowles op/ed Columbia B-School Journal	• In works.

10-12 -
key card

THE WHITE HOUSE
WASHINGTON

August 6, 1997

MEMORANDUM FOR VICKI RADD

FROM: Thurgood Marshall, Jr. *TM*
Assistant to the President and Secretary to the Cabinet

David S. Beaubaire *D. Beaubaire*
Special Assistant to the Cabinet Secretary and
Director of the Surrogate Scheduling

SUBJECT: SURROGATE SCHEDULING

We have successfully implemented a structure and a system to pro-actively coordinate the Cabinet's attendance at important events, track all travel by the Cabinet and Sub-Cabinet, regularly distribute Administration talking points, and ensure that the White House is speaking with one voice to the agencies. David manages this process serving as a funnel and honest broker for the agencies in prioritizing White House scheduling requests for Cabinet participation.

What follows is a quick synopsis highlighting the main facets of our Surrogate operation and a proposal of what staffing is needed to effectively support the Fast Track effort. We hope that this is helpful in making you aware of the resources we have and how we try to operate in ensuring that the President's appointees are well informed and that they are actively communicating the President's message to the American public.

We appreciate your interest and look forward to answering any questions you might have.

cc: S. Silverman
B. Hubbard

ABBREVIATED SYNOPSIS OF CABINET AFFAIRS SURROGATE SCHEDULING OPERATION

Surrogate Request Tracking: Cabinet Affairs regularly works with the outreach offices of the White House and the President's scheduling offices in trying to arrange surrogates for the President at events where his participation is not possible. As these requests come to our attention, we record them in our database and then work with the agencies and the staff at the White House in finding an appropriate speaker.

As the Cabinet Members have very pressing schedules and are not always able to accommodate our requests, we work with the appropriate White House Staff to prioritize these requests and ensure that these events are of extreme importance to the White House for the Cabinet to do. In addition, we have worked with Presidential Scheduling and the agencies to track all notable events for the upcoming year and we are pro-actively working to ensure that members of the Administration are visible throughout the country and amplifying the President's message.

Cabinet Affairs Event Scheduling: Every week we distribute a Composite Schedule of Cabinet and Sub-Cabinet travel. The agencies are responsible for inputting the schedules for their departments and every week our office reviews the agencies weekly report and add any events not already entered that are worthwhile to note. This is a useful tool in monitoring the activity of the Cabinet and successfully marry them up with events where we are looking to have an Administration presence.

Amplification of the President's Message: Cabinet Affairs regularly distributes talking points, transcripts, and briefing materials as appropriate throughout the agencies both via e-mail and facsimile. In addition, we conduct a daily conference call with the Chiefs of Staff from the agencies and a weekly call every Monday at 11:00 am with the Communications and press staff to discuss upcoming Presidential announcements and how the agencies can play a role in helping move the President's agenda forward.

STAFFING PROPOSAL

Cabinet Affairs will continue to operate as we do in facilitating Administration participation and will help oversee the effort to pro-actively utilize surrogates in delivering the Fast track message. However, the assistance of two additional people is needed to fulfill this mission. One, to assist in managing the requests for members of the Administration, and the other, to coordinate the outreach to the outside validators of the President's position.

ADMINISTRATION SURROGATES

We recommend that a detailee, agency representative, or new hire be assigned to work as member of Cabinet Affairs and your team focusing on maximizing the involvement of other members of the Administration in the Fast Track effort. Their responsibilities would include:

- 1) Maintaining a tracking calendar of all relevant events
- 2) Producing regular reports of scheduled events
- 3) Identify and develop database of Administration speakers
- 4) Serve as a point of entry for requests for Administration participation
- 5) Work with Cabinet Affairs to arrange for an appropriate surrogate
- 6) Work with Cabinet Affairs to systematically distribute talking points and briefing materials to Administration speakers
- 7) Work with appropriate staff to prioritize surrogate requests

OUTSIDE VALIDATORS

Another detailee, agency representative, new hire, or individual from the White House outreach offices should be assigned responsibility to coordinate the efforts of our outside supporters. This person's responsibilities would include:

- 1) Identify and develop database of outside validators
- 2) Coordinate efforts of WH Outreach offices (IGA, OPL, Leg Affairs, Political)
- 3) Systematically distribute talking points and briefing materials
- 4) Work to arrange speaking opportunities for these outside surrogates
- 5) Track efforts by outside groups and individuals on Fast Track

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Abercrombie, Neil (D)	1						1
Ackerman, Gary (D)						1	1
Aderholt, Robert (R)	1						1
Allen, Thomas (D)	1						1
Andrews, Robert (D)	1						1
Archer, Bill (R)			1				1
Armey, Richard (R)			1				1
Bachus, Spencer (R)					1		1
Baesler, Scotty (D)		1					1
Baker, Richard (R)	1						1
Baldacci, John (D)						1	1
Ballenger, Cass (R)	1						1
Barcia, James (D)	1						1
Barr, Bob (R)	1						1
Barrett, Bill (R)					1		1
Barrett, Thomas (D)						1	1
Bartlett, Roscoe (R)	1						1
Barton, Joe (R)						1	1
Bass, Charles (R)						1	1
Bateman, Herbert (R)	1						1
Becerra, Xavier (D)						1	1
Bentsen, Kenneth (D)					1		1
Bereuter, Douglas (R)						1	1
Berman, Howard (D)						1	1
Berry, Marion (D)					1		1
Bilbray, Brian (R)						1	1
Bilirakis, Michael (R)						1	1
Bishop, Sanford (D)				1			1
Blagojevich, Rod (D)	1						1
Bliley, Thomas (R)			1				1
Blumenauer, Earl (D)	1						1
Blunt, Roy (R)	1						1
Boehlert, Sherwood (R)	1						1
Boehner, John (R)					1		1
Bonilla, Henry (R)	1						1
Bonior, David (D)				1			1
Bono, Sonny (R)	1						1
Borski, Robert (D)	1						1
Boswell, Leonard (D)			1				1
Boucher, Frederick (D)						1	1
Boyd, F. Allen (D)	1						1
Brady, Kevin (R)						1	1
Brown, Corinne (D)	1						1
Brown, George (D)	1						1
Brown, Sherrod (D)		1					1
Bryant, Ed (R)						1	1
Bunning, Jim (R)				1			1
Burr, Richard (R)						1	1
Burton, Dan (R)		1					1
Buyer, Steve (R)	1						1
Callahan, Sonny (R)	1						1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Calvert, Kenneth (R)	1						1
Camp, Dave (R)			1				1
Campbell, Tom (R)					1		1
Canady, Charles (R)				1			1
Cannon, Chris (R)	1						1
Capps, Walter (D)						1	1
Cardin, Benjamin (D)			1				1
Carson, Julia (D)				1			1
Castle, Michael (R)	1						1
Chabot, Steve (R)			1				1
Chambliss, Saxby (R)						1	1
Chenoweth, Helen (R)				1			1
Christensen, Jon (R)					1		1
Clay, William (D)	1						1
Clayton, Eva (D)	1						1
Clement, Bob (D)					1		1
Clyburn, James (D)	1						1
Coble, Howard (R)	1						1
Coburn, Tom (R)						1	1
Collins, Mac (R)			1				1
Combest, Larry (R)	1						1
Condit, Gary (D)				1			1
Conyers, John (D)	1						1
Cook, Merrill (R)	1						1
Cooksey, John (R)	1						1
Costello, Jerry (D)				1			1
Cox, Christophe (R)						1	1
Coyne, William (D)						1	1
Cramer, Robert (D)	1						1
Crane, Philip (R)			1				1
Crapo, Michael (R)						1	1
Cubin, Barbara (R)						1	1
Cummings, Elijah (D)	1						1
Cunningham, Randy (R)	1						1
Danner, Pat (D)				1			1
Davis, Danny (D)	1						1
Davis, James (D)						1	1
Davis, Thomas (R)	1						1
Deal, Nathan (R)						1	1
DeFazio, Peter (D)	1						1
DeGette, Diana (D)						1	1
Delahunt, William (D)	1						1
Delauro, Rosa (D)		1					1
Delay, Thomas (R)						1	1
Dellums, Ronald (D)	1						1
Deutsch, Peter (D)						1	1
Diaz-Balart, Lincoln (R)	1						1
Dickey, Jay (R)	1						1
Dicks, Norman (D)	1						1
Dingell, John (D)		1					1
Dixon, Julian (D)	1						1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Doggett, Lloyd (D)			1				1
Dooley, Calvin (D)					1		1
Doolittle, John (R)				1			1
Doyle, Michael (D)	1						1
Dreier, David (R)					1		1
Duncan, John (R)	1						1
Dunn, Jennifer (R)			1				1
Edwards, Chet (D)			1				1
Ehlers, Vernon (R)	1						1
Emerson, Jo Ann (R)			1				1
Engel, Eliot (D)		1					1
English, Philip (R)						1	1
Ensign, John Eric (R)		1					1
Erhlich, Robert (R)	1						1
Eshoo, Anna (D)						1	1
Etheridge, Bob (D)			1				1
Evans, Lane (D)	1						1
Everett, Terry (R)	1						1
Ewing, Thomas (R)					1		1
Farr, Sam (D)			1				1
Fattah, Chaka (D)	1						1
Fawell, Harris (R)	1						1
Fazio, Vic (D)	1						1
Filner, Bob (D)	1						1
Flake, Floyd (D)			1				1
Foglietta, Thomas (D)					1		1
Foley, Mark Adam (R)	1						1
Forbes, Michael (R)	1						1
Ford, Harold (D)	1						1
Fowler, Tilie (R)	1						1
Fox, Jon (R)						1	1
Frank, Barney (D)	1						1
Franks, Robert (R)	1						1
Frelinghuysen, Rodney (R)	1						1
Frost, Martin (D)	1						1
Furse, Elizabeth (D)				1			1
Gallegly, Elton (R)			1				1
Ganske, Greg (R)						1	1
Gejdenson, Sam (D)						1	1
Gekas, George (R)	1						1
Gephardt, Richard (D)						1	1
Gibbons, James (R)	1						1
Gilchrest, Wayne (R)	1						1
Gillmor, Paul (R)						1	1
Gilman, Benjamin (R)			1				1
Gingrich, Newt (R)			1				1
Gonzalez, Henry (D)	1						1
Goode, Virgil (D)	1						1
Goodlatte, Robert (R)					1		1
Goodling, William (R)	1						1
Gordon, Bart (D)						1	1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Goss, Porter (R)	1						1
Graham, Lindsey (R)	1						1
Granger, Kay (R)			1				1
Green, Gene (D)						1	1
Greenwood, James (R)			1				1
Gutierrez, Luis (D)				1			1
Gutknecht, Gilbert (R)						1	1
Hall, Ralph (D)						1	1
Hall, Tony (D)	1						1
Hamilton, Lee (D)					1		1
Hansen, James (R)						1	1
Harman, Jane (D)	1						1
Hastert, J. Dennis (R)	1						1
Hastings, Alcee (D)						1	1
Hastings, Richard (R)	1						1
Hayworth, J.D. (R)						1	1
Hefley, Joel (R)	1						1
Hefner, W.G. (D)	1						1
Herger, Wally (R)					1		1
Hill, Rick Aaron (R)						1	1
Hilleary, W. Van (R)	1						1
Hilliard, Earl (D)	1						1
Hinchey, Maurice (D)	1						1
Hinojosa, Ruben (D)	1						1
Hobson, David (R)	1						1
Hoekstra, Peter (R)	1						1
Holden, Tim (D)						1	1
Hooley, Darlene (D)			1				1
Horn, Stephen (R)	1						1
Hostettler, John (R)	1						1
Houghton, Amo (R)					1		1
Hoyer, Steny (D)	1						1
Hulshof, Kenny (R)						1	1
Hunter, Duncan (R)				1			1
Hutchinson, Asa (R)	1						1
Hyde, Henry (R)			1				1
Inglis, Bob (R)	1						1
Istook, Ernest (R)	1						1
Jackson Lee, Sheila (D)	1						1
Jackson, Jesse (D)				1			1
Jefferson, William (D)	1						1
Jenkins, William (R)	1						1
John, Chris (D)			1				1
Johnson, Eddie B. (D)	1						1
Johnson, Jay (D)			1				1
Johnson, Nancy (R)						1	1
Johnson, Sam (R)			1				1
Jones, Walter (R)	1						1
Kanjorski, Paul (D)		1					1
Kaptur, Marcy (D)				1			1
Kasich, John (R)	1						1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Kelly, Sue (R)	1						1
Kennedy, Joseph (D)						1	1
Kennedy, Patrick (D)	1						1
Kennelly, Barbara (D)						1	1
Kildee, Dale (D)	1						1
Kilpatrick, Carolyn (D)	1						1
Kim, Jay (R)	1						1
Kind, Ron (D)	1						1
King, Peter (R)					1		1
Kingston, Jack (R)						1	1
Klecza, Gerald (D)		1					1
Klink, Ron (D)				1			1
Klug, Scott (R)						1	1
Knollenberg, Joseph (R)	1						1
Kolbe, Jim (R)			1				1
Kucinich, Dennis (D)	1						1
LaFalce, John (D)						1	1
LaHood, Ray (R)	1						1
Lampson, Nick (D)	1						1
Lantos, Nick (D)						1	1
Largent, Steve (R)						1	1
Latham, Tom (R)					1		1
LaTourette, Steve (R)	1						1
Lazio, Rick (R)			1				1
Leach, Jim (R)			1				1
Levin, Sander (D)						1	1
Lewis, Jerry (R)	1						1
Lewis, John (D)		1					1
Lewis, Ron (R)	1						1
Linder, John (R)	1						1
Lipinski, William (D)	1						1
Livingston, Ron (R)					1		1
LoBiondo, Frank (R)	1						1
Lofgren, Zoe (D)	1						1
Lowey, Nita (D)	1						1
Lucas, Frank (R)				1			1
Luther, William (D)					1		1
Maloney, Carolyn (D)	1						1
Maloney, James (D)		1					1
Manton, Thomas (D)						1	1
Manzullo, Thomas (R)			1				1
Markey, Edward (D)						1	1
Martinez, Matthew (D)	1						1
Mascara, Frank (D)	1						1
Matsui, Robert (D)					1		1
McCarthy, Carolyn (D)		1					1
McCarthy, Karen (D)	1						1
McCollum, Bill (R)			1				1
McCrery, James (R)			1				1
McDade, Joseph (R)	1						1
McDermott, Jim (D)			1				1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
McGovern, James (D)				1			1
McHale, Paul (D)	1						1
McHugh, John (R)						1	1
McInnis, Scott (R)	1						1
McIntosh, David (R)	1						1
McIntyre, Mike (D)	1						1
McKeon, Howard (R)	1						1
McKinney, Cynthia (D)						1	1
McNulty, Michael (D)						1	1
Meehan, Martin (D)	1						1
Meek, Carrie (D)		1					1
Menendez, Robert (D)						1	1
Metcalf, Jack (R)	1						1
Mica, John (R)	1						1
Millender-, Juanita (D)	1						1
Miller, Dan (R)	1						1
Miller, George (D)	1						1
Minge, David (D)						1	1
Mink, Patsy (D)	1						1
Moakley, Joe (D)				1			1
Molinari, Susan (R)	1						1
Mollohan, Alan (D)	1						1
Moran, James (D)			1				1
Moran, Jerry (R)	1						1
Morella, Constance (R)	1						1
Murtha, John (D)	1						1
Myrick, Sue (R)			1				1
Nadler, Jerrold (D)	1						1
Neal, Richard (D)						1	1
Nethercutt, George (R)	1						1
Neumann, Mark (R)		1					1
Ney, Robert (R)	1						1
Northrup, Anne (R)	1						1
Norwood, Charlie (R)						1	1
Nussle, Jim (R)						1	1
Oberstar, James (D)	1						1
Obey, David (D)	1						1
Olver, John (D)	1						1
Ortiz, Solomon (D)	1						1
Owens, Major (D)	1						1
Oxley, Michael (R)						1	1
Packard, Ron (R)					1		1
Pallone, Frank (D)		1					1
Pappas, Michael (R)	1						1
Parker, Mike (R)	1						1
Pascrell, William (D)	1						1
Pastor, Ed (D)	1						1
Paul, Ron (R)	1						1
Paxon, Bill (R)						1	1
Payne, Donald (D)	1						1
Pease, Edward (R)	1						1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Pelosi, Nancy (D)	1						1
Peterson, Collin (D)		1					1
Peterson, John (R)	1						1
Petri, Thomas (R)	1						1
Pickering, Charles (R)						1	1
Pickett, Owen (D)	1						1
Pitts, Joseph (R)	1						1
Pombo, Richard (R)						1	1
Pomeroy, Earl (D)						1	1
Porter, John (R)	1						1
Portman, Rob (R)			1				1
Poshard, Glenn (D)	1						1
Price, David (D)	1						1
Pryce, Deborah (R)			1				1
Quinn, Jack (R)	1						1
Rahall, Nick (D)	1						1
Ramstad, Jim (R)					1		1
Randanovich, George (R)	1						1
Rangel, Charles (D)			1				1
Redmond, Bill (R)	1						1
Regula, Ralph (R)	1						1
Reyes, Silvestre (D)	1						1
Riggs, Frank (R)	1						1
Riley, Bob (R)	1						1
Rivers, Lynn (D)	1						1
Rodriguez, Ciro (D)	1						1
Roemer, Tim (D)	1						1
Rogan, James (R)						1	1
Rogers, Harold (R)	1						1
Rohrabacher, Dana (R)						1	1
Ros-Lehtinen, Ileana (R)		1					1
Rothman, Steven (D)						1	1
Roukema, Marge (R)	1						1
Roybal-Allard, Lucille (D)	1						1
Royce, Edward (R)				1			1
Rush, Bobby (D)						1	1
Ryun, Jim (R)						1	1
Sabo, Martin (D)	1						1
Salmon, Matt (R)						1	1
Sanchez, Loretta (D)	1						1
Sanders, Bernard (I)	1						1
Sandlin, Max (D)	1						1
Sanford, Marshall (R)			1				1
Sawyer, Thomas (D)						1	1
Saxton, Jim (R)	1						1
Scarborough, Joe (R)	1						1
Schaefer, Dan (R)			1				1
Schaffer, Bob (R)	1						1
Schiff, Steven (R)	1						1
Schumer, Charles (D)			1				1
Scott, Robert (D)	1						1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	TOTA COU
Sensenbrenner, F. James (R)	1						1
Serrano, Jose (D)	1						1
Sessions, Pete (R)						1	1
Shadegg, John (R)	1						1
Shaw, E. Clay (R)			1				1
Shays, Christophe (R)	1						1
Sherman, Brad (D)			1				1
Shimkus, John (R)						1	1
Shuster, Bud (R)	1						1
Sisisky, Norman (D)	1						1
Skaggs, David (D)	1						1
Skeen, Joe (R)	1						1
Skelton, Ike (D)						1	1
Slaughter, Louise (D)		1					1
Smith, Adam (D)	1						1
Smith, Christophe (R)	1						1
Smith, Lamar (R)	1						1
Smith, Linda (R)	1						1
Smith, Nick (R)						1	1
Smith, Robert (R)	1						1
Snowbarger, Vincent (R)	1						1
Snyder, Vic (D)	1						1
Solomon, Gerald (R)	1						1
Souder, Mark (R)	1						1
Spence, Floyd (R)						1	1
Spratt, John (D)		1					1
Stabenow, Debbie (D)				1			1
Stark, Fortney (D)				1			1
Stearns, Clifford (R)				1			1
Stenholm, Charles (D)					1		1
Stokes, Louis (D)	1						1
Strickland, Ted (D)		1					1
Stump, Bob (R)	1						1
Stupak, Bart (D)				1			1
Sununu, John (R)	1						1
Talent, James (R)	1						1
Tanner, John (D)					1		1
Tauscher, Ellen (D)	1						1
Tauzin, W.J. (R)						1	1
Taylor, Charles (R)	1						1
Taylor, Gene (D)	1						1
Thomas, William (R)						1	1
Thompson, Bennie (D)						1	1
Thornberry, William (R)	1						1
Thune, John (R)	1						1
Thurman, Karen (D)						1	1
Tiahrt, Todd (R)		1					1
Tierney, John (D)				1			1
Torres, Esteban (D)						1	1
Towns, Edolphus (D)						1	1
Traficant, James (D)	1						1

FAST TRACK

		Lean Oppos	Lean Suppo	Oppos	Suppo	Undec	<i>TOTAL</i> <i>COU</i>
Turner, Jim (D)	1						1
Upton, Frederick (R)						1	1
Velazquez, Nydia (D)				1			1
Vento, Bruce (D)		1					1
Visclosky, Peter (D)	1						1
Walsh, James (R)	1						1
Wamp, Zach (R)	1						1
Waters, Maxine (D)	1						1
Watkins, Wes (R)			1				1
Watt, Melvin (D)		1					1
Watts, J.C. (R)	1						1
Waxman, Henry (D)						1	1
Weldon, Curt (R)	1						1
Weldon, David (R)	1						1
Weller, Gerald (R)			1				1
Wexler, Robert (D)						1	1
Weygand, Robert (D)	1						1
White, Richard (R)			1				1
Whitfield, Ed (R)						1	1
Wicker, Roger (R)	1						1
Wise, Robert (D)	1						1
Wolf, Frank (R)	1						1
Woolsey, Lynn (D)	1						1
Wynn, Albert (D)						1	1
Yates, Sidney (D)	1						1
Young, C.W. (R)	1						1
Young, Don (R)	1						1
<i>TOTAL MEMBERS</i>	225	23	46	26	25	90	435

FAST TRACK

NOW, MORE THAN EVER, THE U.S. NEEDS AUTHORITY TO OPEN NEW MARKETS AND BREAK DOWN BARRIERS TO U.S. EXPORTS.

- o Trade negotiating authority is essential.** Every President since Ford has had fast track authority for key periods with bipartisan support. That is because Congress has consistently recognized the President must have the authority to break down foreign trade barriers and create good jobs.
- o Fast Track authority is even more essential today.** The rapidly expanding global economy presents enormous opportunities for our companies and workers. In a world where over 95 percent of the world's consumers live outside the United States, we must export to sustain economic growth at home.
- o Commercial competitiveness is critical to our global leadership.** Europe, China, Japan and others are forging preferential commercial alliances with emerging markets, which put American exports at a disadvantage. Those trade alliances also play a vital role in defining strategic relationships between countries and regions. Our commercial competitiveness is at stake, but so is our leadership role in the world.
- o Exports create American jobs.** Today, more than 11 million American jobs are supported by exports, including one in five manufacturing jobs – good jobs, paying 13-16 percent more than non-trade-related jobs. Over the last four years, one-quarter of our economic growth came from trade -- and exports created 1.4 million new jobs. If we are to raise our standard of living, we must continue creating jobs through exports.
- o The United States is the world's strongest competitor.** We have enjoyed the longest period of sustained growth of all of our G-7 partners. Over the last four years, we have created 12 million new jobs, more than all of the other G-7 countries combined.
- o Our market is already open. Others are not.** The United States is the most open, major market in the world. When we reach trade agreements, we give up very little, while other countries give up far more.

THE POTENTIAL GAINS ARE GREAT, IF WE SEIZE THEM.

- o Multilateral WTO "built-in agenda"** presents the opportunity to reduce trade barriers further in key sectors, such as:
 - Agriculture:** Negotiations to cut barriers in the \$526 billion global agriculture market will attack such practices export subsidies and domestic support programs.
 - Services:** A \$1.2 trillion global market - where U.S. firms exported more than \$220 billion in 1996 with a surplus of \$74 billion. Talks will address a wide range

of service sectors, including health care, education, entertainment, tourism and business consulting and advertising.

Global negotiations will address other key areas like intellectual property, customs and government procurement rules.

- o **Sectoral Agreements.** We would also use fast track to negotiate agreements in sectors where the U.S. is most competitive. The recent Information Technology Agreement, for example, eliminated tariffs and unshackled \$500 billion of trade in semiconductors, computers, telecommunications equipment and software, amounting to a \$5 billion tax cut in tariffs on American exports. With fast track authority, we can tear down more barriers in areas like medical equipment, environmental technology, and computer software, areas where America leads the world.
- o **Regional Free Trade Agreements.** Continuing regional initiatives present vast opportunities, although this is only one part of the trade agenda.
 - **Latin America and the Caribbean.** This area was the fastest growing market for U.S. exports in 1996. If trends continue, Latin America and the Caribbean will exceed the EU as a destination for U.S. exports by 2000 and exceed Japan and the EU combined by 2010.
 - **Asia.** Contains the fastest growing economies in the world, with nearly 3 billion people. Independent forecasters put 1996 GDP for the region at \$2.8 trillion and expect real growth of 6% to 7% annually for the next 15 years.

We will also continue efforts with Europe, Africa and other regions.

IF WE DON'T ACT, OUR COMPETITORS WILL.

- o **Other countries are breaking down barriers for their companies and workers.** We talk a lot about leveling the playing field, but our competitors are winning, while we sit on the sidelines. Since 1992, our competitors have negotiated 20 free trade pacts without us. In every region of the world, this process will continue. MERCOSUR is a developing customs union with ambitions to expand to all of South America; the EU has begun a process to reach free trade with MERCOSUR; China's "strategic priorities" include Mexico, Argentina, Brazil, Chile and Venezuela; Japan has undertaken high-level efforts in Asia and Latin America.
- o **The costs of inaction are high.** For example, Canada has reached a free trade agreement with Chile that will eliminate Canada's across-the-board 11 percent tariff for Canadian products. Every time an American company competes to sell to Chile, it will face an immediate 11 percent cost disadvantage vis-a-vis its Canadian competitors.

AS WE DEVELOP A FAST TRACK BILL, WE MUST DEVELOP A BIPARTISAN APPROACH TO THE ISSUES OF LABOR AND THE ENVIRONMENT.

- o The Clinton Administration has achieved more progress in advancing trade-related objectives concerning labor right and environmental goals than any of its predecessors.** We cannot sustain support among American people for market opening policies without also addressing concerns about the effects of these agreements on labor and the environment. Labor and environmental issues are of critical importance.
- o Sitting on the sidelines does not help workers or promote a cleaner environment.** Opening foreign markets does not mean retreating from our commitment to labor and the environment. In fact, it makes it easier to engage these countries on these issues. Denying the President authority to negotiate trade agreements with them will not help advance their labor or environmental protections. It will simply make it more likely that these countries will remain relatively poor (keeping wages low and discouraging better environmental practices), while crippling our export performance and denying job growth here at home.

Basic Fast Track Questions & Answers

Q: Isn't "fast track" just about expanding NAFTA to include Chile?

A: No, fast track is about ensuring that America speaks with a united voice as we pursue our trade agenda. The immediate agenda extends well beyond a comprehensive agreement with Chile. It includes multilateral negotiations growing out of the WTO built-in agenda, which will include, for example, negotiations to reduce barriers to agricultural trade and services, in which the U.S. is the most competitive. It also includes sectoral negotiations, like those that led to the recently-concluded ITA agreement.

More fundamentally, it is about maintaining the competitive position we have regained over the last 4 years. If we do not participate effectively in reducing trade barriers, we will relinquish opportunities for American business and workers to our competitors. Indeed, since 1992, more than 20 regional trade agreements have been negotiated which do not include the United States. Everyday strategic and preferential alliances are being forged without us. Most recently, Canada indicated an intention to form a trade alliance with the Mercosur countries.

We have no credibility with our trading partners if they do not believe we can implement the deals we negotiate. Fast track authority is essential for that reason alone.

Q: I would like to support you on fast track, but in my district fast track is about NAFTA. They say NAFTA has not been good for America, and it has done nothing to further the labor and environmental concerns that it was supposed to address. How do I respond to that criticism?

A: First, fast track is not about NAFTA. Fast track is about giving America the ability to pursue a global market opening trade agenda.

Second, NAFTA has provided many benefits, including expanded exports, creation of high wage jobs, and protection of those exports and jobs during Mexico's recession and peso crisis. (See included "Economic Benefits of NAFTA" for details.)

Third, with respect to labor and environmental, the NAFTA side agreements are working to make a bad situation better. The labor and environmental problems in Mexico are decades in the making; it is unrealistic to expect NAFTA to have remedied them in three years. There are continuing problems and they need to be addressed. The NAFTA agreements provide the vehicle for doing so, and have resulted in progress on both fronts.

On the environmental front progress is being made to identify and fund new environmental projects and in Mexico's enforcement of its environmental laws. (See included "NAFTA Environmental Concerns" for details.)

On the labor front, there is an unprecedented degree of cooperation to address the difficult labor issues and the formal process allowing the submission of complaints about continuing problems has led to solutions, change, and increased attention to these issues. (See included "NAFTA and Worker Rights" for details.)

More needs to be done and it will be. But, withholding support for fast track authority will not help workers or the environment. To the contrary, it will hurt America's competitiveness and leadership role. We will lose the ability to create new export opportunities and attendant high-wage jobs, like those resulting from increased trade over the past 4 years. If we are not involved, we cannot continue to push for progress on the important issues of labor and the environment.

Q: The NAFTA helped induce the collapse of the peso in 1995 and the decline of the Mexican economy?

A: The sharp decline in the Mexican economy in 1995 and the peso crash had its roots in Mexico's exchange rate policy in the 1980s, long before the NAFTA was envisioned. The rise in interest rates, collapse of the Mexican financial markets and the 7% decline in production and employment, undermined the Mexican economy, and these events had little to do with the NAFTA.

The NAFTA did force Mexico to meet market-opening obligations, and in spite of a recession three times worse than the U.S. recession of 1991, our exports to Mexico recovered in just 18 months. By contrast, after the peso crash of 1982, Mexico erected across-the-board trade barriers and U.S. exports took seven years to recover. U.S. exports to Mexico today stand at record levels.

From the Mexican perspective, NAFTA can, in part, be credited with helping Mexico recover more quickly from this recession than the recession in the 1980's. It took the Mexican economy 4 years to recover from its early 1980s recession. In contrast, in 1996, just one year after the recession, the Mexican economy grew by better than 5% and recovered two-thirds of its production. Mexican growth is expected to exceed 5% again in 1997. In that event, Mexico will have recovered from a worse recession twice as fast as it did from recession in the 1980s.

Q: NAFTA has not really solved the most pressing trade issues between U.S. and Mexico. Why go forward with new agreements if we are not solving existing problems?

A: While there remain trade issues to resolve with Mexico, no trading relationship is without such ongoing issues. Neither NAFTA nor any other trade agreement is a panacea; it provides increased opportunities and a process to address outstanding and emerging issues. Pursuant to the NAFTA, we are working to solve our trade issues with Mexico and with Canada.

For example, we have made it clear that trucks entering the U.S. must comply with strict safety and environmental standards. With regard to food safety, the NAFTA imposes among the highest phytosanitary requirements of any trade agreement in the world, which must be complied with before food enters our market. With respect to labor and environment issues, progress is continuing. In fact, Presidents Clinton and Zedillo agreed to redouble their efforts in this regard and have asked their labor and environment ministers to identify specific issues requiring more focused attention, particularly along the border.

Again, withholding fast track authority will not improve these problems. Issues like this arise with all trading partners, whether we have special trade relations or not. Fast track is important so that we can create economic opportunity, exercise leadership to impose disciplines that minimize the kinds of problems to which you allude and establish processes to resolve problems when they arise.

Q: You talk about creating high wage jobs. It is my impression that trading with low wage countries actually depresses wages.

A: The fact is that wages for export-related jobs pay 13-16% more than the national average. Thus, creating additional export opportunities is clearly in America's interest. Our workers are able to compete with workers in low wage countries because they are the most productive in the world. They spend far less time to produce most anything than is required of workers in low wage countries. As a result, in many areas the United States has both higher wages and lower unit labor costs than our low wage trade partners.

Even state of the art facilities in developing countries are in fact far from operating as efficiently as in countries like the United States because of low productivity and frequent quality and availability problems in the domestic goods and service supplying sectors upon which the manufacturing facility depends.

Of course, competitive pressure from low wage countries may be felt greatest in U.S. industries where labor skills and productivity are lower than average. But most such jobs are not in industries that compete with imports. Indeed, imports from non-oil developing countries account for only 4% of U.S. spending and has grown only 1.5% during past decade.

We should be concerned when any part of our labor force lacks skills necessary for well-paying jobs. It is important, therefore, to maintain our commitment to education and worker retraining so that our workers can enjoy the benefits of America's increasing demand for a higher-skilled workforce.

Q: The Administration keeps talking about its success opening foreign markets, yet our trade deficit keeps going up. How is this good for the U.S. economy as it must cost U.S. jobs?

A: There is no doubt that exports have created new, high-paying jobs. Today, more than 11 million American jobs are supported by exports, including one in five manufacturing jobs. These are good jobs; jobs supported by merchandise exports pay 13-16 percent more than the U.S. national average wage. Over the last four years, more than one-quarter of our economic growth came from exports -- and export growth has resulted in an additional 1.4 million export-supported jobs.

Trade deficits, by themselves, do not necessarily cost U.S. jobs. Trade deficits and employment both tend to rise when the economy is growing rapidly and consumers and businesses increase their spending. For example, the U.S. current account (the broadest measure of trade) was nearly in balance in 1991, during the last major U.S. recession, yet the unemployment rate peaked at well over 7% in that year. Since 1992, the U.S. economy recovered earlier and has grown faster than those of many of our major trade partners. The relative strength of U.S. growth contributed to the current account deficit expanding to \$165.1 billion in 1996; however, by the end of 1996, the unemployment rate was down to 5.4% and over 11 million net jobs had been created in the U.S. economy in just four years. Today unemployment is at its lowest level in a quarter century.

That said, the President and Congress working together over the last four years have reduced the federal budget deficit and strengthened the national saving rate. As a result, although the trade deficit has increased in dollar terms during this recovery, substantial progress has been made in that the trade deficit has been brought down substantially relative to the size of the overall economy (for goods and services, down from 3.3% of GDP at its peak in 1987 to 1.5% in 1996). In light of the budget agreement between the President and Congress, this trend should continue as we reduce the budget deficit.

ECONOMIC BENEFITS OF THE NAFTA

- **Export Expansion:** NAFTA is playing a vital role expanding markets for U.S. products in our first and third largest trade partners, Canada and Mexico. NAFTA also acts as a buffer against reduced access to these markets of 120 million consumers.
 - With the phasing in of NAFTA, U.S. goods exports have risen to historic records in the last 3 years (1993 to 1996): up 33% to Canada, reaching \$134 billion and up 37% to Mexico, reaching \$57 billion.
 - **Sectoral growth:** The strength of U.S. exports to Mexico under NAFTA, even in the face of the peso crisis, is vivid in particular product areas. For example, U.S. agricultural exports to Mexico are up by 52% in 3 years, from \$3.5 billion in 1993 to \$5.4 billion in 1996. Exports of cereal, led by corn, are up 174% to \$1.8 billion. Exports of electrical machinery are up by nearly 60% to \$11 billion, and exports of paper are by one-third to \$1.5 billion. Even the consumer goods category has shown strong growth, with exports up 34% to \$6.5 billion.
 - A recent article in the Wall Street Journal (4/21/97), in fact, cites strong growth in U.S. manufactured exports to Mexico due to NAFTA as a principal reason behind the current economic boom in the Midwest.
- **High Wage Job Creation:** NAFTA has also supported the expansion of high wage jobs in the United States. Goods exports to Mexico and Canada supported 2.3 million U.S. jobs last year. Such U.S. jobs supported by exports pay 13% to 16% more than the U.S. national average. These jobs have also increased since NAFTA began taking effect, up 122,000 for exports to Mexico (to an estimated 750,000 in 1996) and up 189,000 for exports to Canada.
- **Benefits During Mexican Recession:** NAFTA proved to be extremely important to the protection of U.S. jobs and interests in light of Mexico's international payments difficulties and peso crisis beginning in late 1994. In 1995, a year in which Mexico experienced its worst recession in the 20th century (production and employment down 7%), that country continued to lower its trade barriers to U.S. and Canadian products (in line with its NAFTA obligations), while raising them in certain areas against products from the E.U. and Japan. Our share of Mexico's imports actually rose from 71% in 1994 to 76% in 1996.
 - In Mexico's previous international payments and peso crisis in 1981-82, U.S. exports were cut in half and took 7 years to recover. In contrast, in 1995 U.S. exports fell by 9% and had fully recovered in 18 months, helping to protect more than 700,000 good paying U.S. jobs supported by exports to Mexico.
 - NAFTA can also be credited with helping the Mexico recover more quickly from this recession than the recession in the 1980's. It took the Mexican economy 4

years to recover from its early 1980s recession. In contrast, in 1996, just one year after the recession, the Mexican economy grew by better than 5% and recovered two-thirds of its production. Mexican growth is expected to exceed 5% again in 1997. In that event, Mexico will have recovered from a worse recession twice as fast as it did from recession in the 1980s.

- **U.S. Trade Balance with Mexico:** The peso crisis and severe Mexican recession, not NAFTA, were responsible for the widely noted shift in the U.S. trade balance with Mexico -- from a surplus of \$1.7 billion in 1993 to a deficit of \$16.2 billion in 1996. In fact, NAFTA itself, probably helped limit to some extent the size of the bilateral deficit growth.
 - A recent study published by the Federal Reserve Bank of Dallas estimated that U.S. export growth to Mexico has been 7 percent higher than it otherwise would have been due to NAFTA, while U.S. import growth from Mexico was only 2 percent higher per year due to NAFTA.
 - During the Mexican recession and peso crisis, U.S. net employment rose by 4.8 million, the unemployment rate fell from 6.1% to 5.4% and U.S. industrial production rose by over 6% in real terms.

NAFTA ENVIRONMENTAL CONCERNS

- Q:** Even though the NAFTA has been in effect for three years, the environmental situation -- particularly in the U.S.-Mexico border region -- has not improved, and may even have deteriorated. Why has the NAFTA not been more effective in addressing these problems?
- **The NAFTA environmental side agreements** (the North American Agreement on Environmental Cooperation and the U.S.-Mexico Border Environment Cooperation Agreement) have led to new environmental initiatives along the border and increased enforcement by Mexico of relatively good environmental laws. The environmental problems that exist in the U.S.-Mexico border region precede the NAFTA and were decades in the making. To expect that after three years the environmental problems in that region would be resolved is simply unrealistic. The question is whether progress is evident; the answer to that question is yes.
 - **Environmental Initiatives:** The three environmental institutions created by NAFTA are already taking concrete steps to address the region's environmental problems. (These institutions include The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADBank), as well as the Commission for Environmental Cooperation (CEC).)
 - **Certifying and arranging financing for numerous infrastructure projects** designed to reduce pollution and improve the environment in the U.S.-Mexico border region.
 - **The BECC Board has certified twelve projects** in just two years of existence (six U.S. and six Mexican). Of these, the NADBank has approved financing for four water treatment and wastewater projects, with more in the pipeline for approval. The first project to break ground, in Brawley, California, will provide much needed clean drinking water.
 - The President during his May 5-7 visit to Mexico made effective border projects that address environmental concerns a high priority. During the visit, a grant of \$170 million was confirmed from the U.S. Environmental Protection Agency to the NADBank for projects to clean and preserve water along the border.
 - **The CEC has also begun work on an unprecedented list of environmental projects** in which the three NAFTA governments are cooperating to achieve such diverse objectives as protecting migratory birds, tracking hazardous wastes to ensure they are disposed of properly, and identifying sources of pollution. This work has already begun to create an entirely new and more cooperative framework to address transnational environmental questions.

- **Improved Enforcement:** Mexico has generally good environmental legislation. The NAFTA side agreement is resulting in improved enforcement of those laws.
 - **Increased the number of enforcement actions nationwide.** Enforcement actions increased from 3,119 in 1991 to between 12,000 and 13,000 annually during 1993-96; 3500 per year alone occur along the border. As a result of its inspections, in 1996, Mexico ordered 18 total facility closures, 59 partial closures, and fined 2,622 facilities.
 - **Increased the number and sophistication of its environmental inspectors.** More than 600 inspectors were trained by USG authorities in such critical areas as safeguarding against illegal CFC shipments and compliance with regulations regarding the transboundary shipment of hazardous wastes.
 - **Established environmental auditing program:** To encourage voluntary compliance by plants/factories, a new auditing program was put in place. Between 1992 and 1996, 700 companies participated in the program.
 - **Created environmental crimes unit:** The crime unit is part of the Attorney General's office and has the power to impose criminal sanctions.
 - **Results:** As a result of improved enforcement, Mexico reports the number of serious violations dropping. Mexico estimates that maquiladora industry compliance with Mexican hazardous waste laws has climbed from 25% to over 90% from 1992 to 1996. EPA data supports Mexico's estimates. The amount of maquiladora-generated hazardous waste entering the U.S. for proper disposal (as opposed to illegal disposal in Mexico or the United States) has risen from an average of 6,000 tons in 1991-1992 to 12,288 tons, reflecting maquiladora compliance with applicable laws.
- **Commitment to further progress:** Presidents Clinton and Zedillo committed to redouble efforts regarding environmental cooperation, particularly as it relates to the border, during President Clinton's May 5-7 visit to Mexico. They instructed their environment (and labor) Ministers to identify within 90 days issues requiring further attention.

NAFTA AND WORKER RIGHTS

- Q. We hear concerns about the Mexican worker rights situation, and that the NAFTA labor cooperation agreement is of no value. How do you respond?
- The NAFTA labor cooperation agreement is contributing to the progress Mexico has made in enforcing its labor laws, which are as good and comparable to labor legislation in the United States and other industrialized countries. The commitment to further progress was evident during the President's recent visit to Mexico, where Presidents Clinton and Zedillo committed to redouble efforts in this regard (and with respect to the environment, particularly along the border).
 - It is unrealistic to expect that after three years of operation, the NAFTA labor cooperation agreement would correct the historic problems associated with this emerging economy's labor practices. Progress in reversing that history, however, is evident. That progress has come notwithstanding the worst economic downturn in Mexico's modern history.
 - Progress has already occurred in the form of increased cooperation to address transnational labor issues and a submission process so that citizens are able to seek enforcement of the worker rights provisions in the agreement.
 - **Cooperation:** The North American Agreement on Labor Cooperation (NAALC) (the NAFTA side agreement) is the cornerstone of the most cooperative, institutionally-based relationship on worker rights issues that we have with any developing country in the world.
 - **The NAALC's specific objectives include:** improving working conditions and living standards in each party's territory; promoting basic labor law principles; encouraging cooperation to promote innovation and rising levels of productivity and quality; pursuing cooperative labor-related activities; and promoting compliance with, and effective enforcement by each party of, its "labor law" and fostering transparency in the administration of labor laws.
 - **The NAALC's new institutions are functioning effectively:** To achieve these goals, several new institutions were created. They include: a Ministerial Council and a supporting technical secretariat. They are supported by National Administrative Offices (NAO) in each party to assist, in particular, with the enforcement element of the agreement. Each party also has a National Advisory Committee made up of public, labor and business representatives.
 - **Significant Initiatives:** Initiatives are underway in educating and upgrading skills and policy implementation across North America, including in Mexico.

- **Trinational study tours to evaluate practices to improve working conditions.** The U.S. Occupational Safety and Health Administration (OSHA), in cooperation with the National Safety Congress, have conducted tours in the construction and the petrochemical industries to evaluate and make recommendations on improving conditions in order to reduce worker fatalities.
- **Sponsorship of labor law, worker rights, and industrial relations conferences and seminars.** These programs address best practices and discuss and seek to resolve issues raised in the submission process to avoid formal dispute resolution.
- **Addressing child labor issues:** The NAALC countries are hosting a conference on "Child and Youth Labor in North America" focused on eliminating inappropriate participation of children in the workplace and improving the conditions for children legally in the workplace by reducing risks to health and safety and by safeguarding educational opportunities.

● **Submission Process:** The submission process is playing a catalytic role in "spotlighting" important worker rights issues and bringing them to the attention of the public and before decision makers in Mexico (and the U.S. and Canada). This formal process has led to concrete results:

- **Registration of Union:** The NAFTA submission process recently resulted in the registration in Mexico of a newly-formed independent union in a Maxi-Switch production facility. This significant development grew out of the Communications Workers of America (CWA) complaint about Mexico's failure to enforce its obligations allowing the freedom of association and the right to organize and bargain collectively. As a result of the complaint, the registration of the Union was accepted as well as the regularization of the procedure in the request for the reinstatement of the workers. The complaint was withdrawn because the union's objectives had been achieved, which the CWA credited to the operation of the NAFTA procedures.
- **Commitment to address concerns about union registration and internal union democracy:** Six of the submissions reviewed by the U.S. NAO concerned these issues. As a result of these complaints, in August 1996, the Mexican Secretary of Labor, together with the major labor and business organizations, signed a document in front of President Zedillo committing their respective organizations to address these matters.
- **Restrictions of union organization as unconstitutional:** The Mexican Supreme Court has found that state laws that restrict union organization in the state governments are unconstitutional. The types of restrictions addressed in the decision had been reviewed and publicly reported on by the U.S. NAO in the

submission process.

- **Legislative reform:** Many of the government and party controls on unions in the private sector are now subjects for reform in a bill submitted to the Mexican Senate. These controls and restrictions have been the subject of submissions filed with the U.S. NAO.
- **Regulatory Reform – Mexican Department of Labor Guidelines:** The Mexican Department of Labor in December, 1996 issued policy guidelines addressing a number of laws and practices restricting union registration and organization. Many of the areas targeted for reform were reported by the U.S. NAO.
 - An internal review of certain labor laws and practices, commissioned by the Mexican Department of Labor, acknowledged that some practices restrict registration of independent unions in Mexico. The review was conducted pursuant to Ministerial consultations resulting from the submission process.
- **“Phantom” unions and “phantom” collective bargaining agreements:** Mainstream Mexican labor organizations and the Secretariat of Labor are considering remedies regarding the registration of “phantom” unions and “phantom” collective bargaining agreements, essentially unions and agreements organized and negotiated without the consent, and sometimes the knowledge, of membership. These practices are the subject of a submission currently under review by the U.S. NAO and have been a significant component of previous submissions.
- **Commitment to further progress:** Presidents Clinton and Zedillo committed to redouble efforts regarding labor (and environmental) cooperation during President Clinton’s May 5-7 visit to Mexico. The Presidents instructed their labor (and environment) Ministers to identify within 90 days issues requiring further attention.

The Washington Post

AN INDEPENDENT NEWSPAPER

4/27/9

... Now on to Trade

NOW THAT Congress has ratified the treaty banning chemical weapons, it's time for President Clinton to move on to the next big foreign policy battle: trade. To maintain the momentum he established during his first term toward breaking down global trade barriers, he must seek congressional authorization for further trade talks, and soon. As in the chemical weapons fight, he will need bipartisan support. But the politics in this case are, if anything, more complex, because the Democrats are as divided as the Republicans on the issue.

Free trade is good for the U.S. economy. It helps create jobs that tend to be higher-paying than average. Exports have helped revive the U.S. manufacturing sector, which not so many years ago was widely portrayed as terminally rusting. New agreements, if achieved, will increasingly play to U.S. strengths in agriculture, high-technology products and services ranging from insurance to telecommunications. Pursuing such agreements particularly makes sense because the American economy already is so open; little is to be lost, and much is to be gained, from pressuring other countries to approach the U.S. level of openness.

That can't happen unless Congress gives Mr. Clinton what's known as "fast-track" negotiating authority. This would allow his representatives to negotiate treaties—with congressionally approved nations and on congressionally approved subjects—and then submit those agreements to Congress for a yes-or-no vote. Otherwise—if Congress could reject some provisions, accept others and seek to amend still more—no other country would ever make concessions in trade talks, because none could be

sure the U.S. administration could deliver on its side of the bargain. Congress has given such authority to every president since Gerald Ford.

This Congress, though, is leery. Some of the more nationalist Republicans are suspicious of any international deal. But the greater problem may lie with Democrats, who want to mandate strict labor standards—with punitive sanctions for any breaches—as part of any trade agreement.

Jobs migrating overseas is a real issue. The U.S. economy as a whole gains from globalization, but many individual workers lose out. The main response to that problem has to be domestic: retraining to prepare workers for better-paying jobs, and improved education to create the kind of labor force that will attract long-term investment. At the same time, the United States should work to ensure that other countries fulfill their pledges to enforce decent working conditions, outlaw forced and child labor and permit unions and collective bargaining.

But the kind of labor-standard mandates some Democrats are seeking will simply kill any trade deal, because no developing country will accept them. Then everyone loses. American workers lose out on high-paying, export-related jobs. Companies likely to migrate overseas will probably go anyway, and any leverage the U.S. government might achieve through trade deals that include less stringent labor provisions would be lost.

To some extent, all of this may come down to whether Vice President Gore has the moxie to stand up for free trade against House Majority Leader Dick Gephardt in their presidential election battle already underway. It will be an interesting test of leadership.

COMMENTARY

By Paul Magnusson

BEYOND NAFTA: WHY WASHINGTON MUSTN'T STOP NOW

Caterpillar Inc. sells nearly \$100 million worth of its distinctive yellow bulldozers, excavators, and off-road trucks each year to Chile's mining industry. Most of the heavy machinery is made in the U.S. But because of a growing free-trade movement within Latin America, Caterpillar may shift production—and thousands of jobs—to a plant in Brazil. The reason: Brazil's open-market agreement with Chile means that a Cat tractor built in Brazil comes into Chile duty-free. One from the U.S. is subject to a 11% tariff. And Cat isn't the only U.S. outfit in this situation. General Electric, Coca-Cola, and Eastman Kodak are just a few of the companies that also are being forced to choose between exporting jobs or losing markets.

The blame lies squarely with Washington, which has yet to produce legislation that would authorize new "fast-track" trade talks. The U.S. shepherded the world through the Uruguay Round of trade liberalizations, signed a free-trade pact with Mexico, and promised in 1994 to turn the Western Hemisphere into a tariff-free zone by 2005. But lately, the Clinton Administration and Congress have taken a breather, mainly because of domestic political considerations.

LOST SALES. Meanwhile, Asian, European, and Latin American nations have moved ahead, fashioning free-trade zones among themselves. Chile, for example, has reached zero-tariff deals with Canada, Mexico, and the Mercosur trade bloc that includes Brazil, Argentina, Paraguay, and Uruguay. One result: A Chilean telephone company recently passed over three U.S.-based manufacturers rather than pay an 11% tariff on U.S. telecom goods. Overall, says the U.S.

Chamber of Commerce, the loss of U.S. exports to Chile is \$480 million a year and growing.

The White House is belatedly acknowledging that U.S. exporters are missing out. On Apr. 7, Commerce Secretary William M. Daley announced that his first trade mission will take him to Brazil, Argentina, and Chile. It's a good start, but Daley will be flying in the jet exhaust of delegations from Canada, France, Germany, Britain, Japan, and South Korea. Meanwhile, the European Union has broached the idea of an EU-Mercosur free-trade zone.

Why has the Administration been so slow to move? It can't decide how to handle issues of labor rights and the environment in fast-track trade legislation—longtime Democratic concerns. Well, it should simply negotiate side deals on such issues. That's the method Clinton used in negotiat-

ing the 1993 North American Free Trade Agreement.

There's also pressure from critics who point out that trade deficits with Mexico and Canada have ballooned since NAFTA. But multilateral agreements with Latin American nations are not likely to produce such a surge.

U.S. tariffs now average around 3%, while South American tariffs are still about 12%. The U.S. can't lose by equalizing those rates. **NO CONTEST.** Meanwhile, U.S. exporters are losing sales because of tariffs on U.S. goods. Take Quaker Fabric in Fall

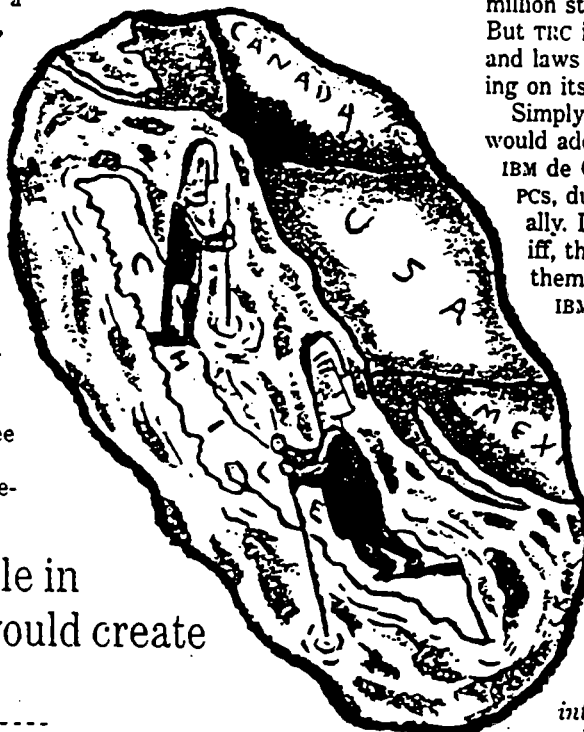
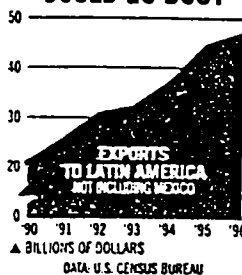
River, Mass. Its exports of textiles to Canada and Mexico have taken off since NAFTA passed. But Quaker can't compete with Brazilian manufacturers selling duty-free to Chile and Argentina. Then there's TRC Cos. in Windsor, Conn., which sees a huge market in Chile for its environmental technology. It has engineered a \$25 million state-of-the-art landfill there. But TRC is hobbled by Chilean tariffs and laws that require 20% withholding on its fees.

Simply extending NAFTA to Chile would add U.S. jobs. For example, IBM de Chile imports \$35 million in PCs, duty-free, from Mexico annually. If it weren't for the 11% tariff, the company would bring them in from the U.S., says an IBM de Chile official.

As the world's largest exporter, the U.S. can't afford to sit on the sidelines in the free-trade game. And if Washington can't pass trade legislation in the sixth year of a recovery with low unemployment, when can it? The Clinton Administration should wait no longer to introduce a fast-track bill.

Paul Magnusson covers international trade and economics in Washington.

THE BOOM THAT COULD GO BUST



Simply including Chile in the free-trade pact would create new jobs in the U.S.

Today's debate: FREE TRADE

Foot-dragging on trade hurts U.S. workers

OUR VIEW The president's trip this week gives him an opportunity to pursue an overdue hemispheric trade pact.

As President Clinton parades through summits with Mexican, Central American and Caribbean leaders this week, he comes face to face with a major unredeemed promise: tearing down trade barriers between the United States and the rest of the hemisphere. Inaction on trade is causing U.S. business and workers to lose out.

Quaker Fabric of Fall River, Mass., has seen its textile exports to Canada and Mexico take off since the North American Free Trade Agreement took effect. But Quaker can't compete in Chile and Argentina, where Brazilian manufacturers now sell duty-free while Quaker pays a stiff tariff.

TRC Cos. of Windsor, Conn., sees a huge market in Chile, the fastest-growing country of the hemisphere, for its environmental technology. But it faces 20% withholding on its fees due to Chilean laws.

Caterpillar Inc. is thinking of shifting some of its heavy equipment manufacturing — and jobs — to Brazil in order to escape an 11% tariff and get inside the growing duty-free market that now covers more than half of South America.

When trade barriers among the U.S., Canada and Mexico were slashed in 1994, similar deals, first with Chile and then with others, were to follow. The benefits of a hemisphere-wide free trade area by 2005

were proclaimed. Central American and Caribbean nations are clamoring for a broader agreement. But nothing happened.

The authority required to effectively negotiate trade agreements expired and has not been renewed. That victory for industries and unions that fear foreign competition carries a steep price.

Chile, for example, has cut free-trade deals with nearly all its major trading partners except the United States. Jobs filling Chile's booming demand for imports are going to workers in other countries.

Leaders from Germany and Japan, France and Spain, even South Africa and Hungary have been hopscotching Latin capitals, building trade ties while the United States dawdles. The free-trade group of Brazil, Argentina, Paraguay, Uruguay and Chile now does more business with Europe than with the United States.

U.S. workers pay for the foot-dragging in opportunities lost. The 11.3 million existing export-related jobs pay 13% to 16% more than U.S. jobs overall. And exports accounted for one of every eight net jobs created between 1992 and 1996.

Yes, NAFTA has cost some jobs. Experts disagree on the number, but even the 250,000 claimed by its severest critics are scarcely more than one month's new jobs created by today's robust economy.

Clinton waited until his fifth year in office to finally visit any part of the natural U.S. market south of the border. Now that he's there, trade-expansion legislation appears glaringly overdue. Running scared is no way to run a trade policy.

USA
5/6/97

Catch-up time for the US

418-

BY DAN PEARSON

The arguing over the North American Free Trade Agreement that characterized its inception has continued largely unabated in the three years since. This backward-looking bickering should cease.

Nafta has proved itself. The various disputes that have arisen are normal tests of a new agreement that requires its participants to make economic changes. Painful as these changes are to a few, they are temporary and will be beneficial to most over time.

Attention should turn instead to the next frontiers for expansion of Nafta, starting this year with Chile. Then should come steady progress toward another expansion that would embrace other countries in the region in a Free Trade Area of the Americas by 2005.

Nafta is good because trade is good. It's that simple.

Nafta has boosted trade among its three member countries — the United States, Canada and Mexico — and their combined 391 million people.

It has locked in progressive reductions in trade barriers and other economic reforms in Mexico, a troubled but growing country that could have slipped back into isolationism when the peso crashed. Instead, Mexico stuck to its reforms and is now climbing out of its worst recession in years.

True, Nafta may have been oversold during the U.S. congressional debate that preceded its approval in November 1993, just as its critics magnified its dangers. And the peso crisis that occurred so early in its tenure has made quantification of the agreement's effects even harder.

But no trade agreement proves its true mettle overnight. It takes time to gradually erase barriers and to let domestic economies adjust. Nafta allows up to 15 years for some of its market-opening reforms to take hold.

Trade rewards all countries for playing to their strengths, or

what economists call their comparative advantage. The world as a whole benefits because resources are put to their best uses.

Look at the United States. Back in the formative years, the original 13 states decided not to impose discriminatory measures against products originating in other states, including new territories west of the Appalachians.

That decision ensured a ready market in cities of the East for the low-cost agricultural surpluses of the developing Midwest. It also created a growing market in newly settled areas for the manufactured goods produced in Eastern cities or imported from other countries.

Today, the United States has the world's largest economy. The products of 50 states move freely across internal borders to meet the needs of 265 million people.

Nafta is good because trade is good. It's that simple.

The same principle works between countries. Free-trade agreements are the thread that stitches together a larger quilt of economic specializations.

For the United States, comparative advantage means it should — as it does — sell Mexican corn and other grains that its productive farmers harvest year after year. It also means taking the fresh produce that Mexico, with its warmer climate and longer growing season, ships north.

When comparative advantage is allowed to operate, consumers benefit from their links to the world's lowest-cost producers and efficient producers benefit from their links to a larger demand base.

While studies prove that trade liberalization generates more and better jobs, trade lib-

eralization also can be downright painful for high-cost industries. But sheltering such industries from change only postpones the day of reckoning.

The better approach is to help people who lose their jobs to retrain and find new ones. According to the U.S. Labor Department, more than 90,000 workers have taken advantage of a retraining program put in place to soften Nafta's impact.

The "America First" argument, espoused by those on the far left and right, insists that trade is bad. Its proponents have little faith in the U.S. ability to adapt, to compete successfully and to thrive in a growing global economy.

But with the unemployment rate at around 5%, one of the lowest levels in seven years, the naysayers lack a cause on which to base their case. The United States should press forward with further reform.

First, Congress and the Clinton administration should enact fast-track authority broad enough to accommodate several years of trade negotiations.

Next, they should admit Chile into Nafta. It's time to catch up: Mexico and Canada are about to sign trade agreements with Chile.

Then, the United States should engage actively with other countries in the hemisphere to negotiate the Free Trade Area of the Americas by 2005. That will help set the stage for the World Trade Organization's negotiations on agriculture and services, set to start in 1999.

By working toward a future of freer trade throughout the world, the United States can help make all countries — and their residents — better off. It, too, will become stronger in the process.

Trade is good medicine.

Dan Pearson is a public affairs analyst for Cargill Inc., an agribusiness company. This article was adapted for Bridge News from a longer version in the Cargill Bulletin.

LENGTH: 760 words

HEADLINE: NAFTA a remarkable success - now let's expand it

BYLINE: JOHN P. SWEENEY

BODY:

PRESIDENT Clinton's trip to Mexico and other Latin American nations this week makes this a perfect time to think about the North American Free Trade Agreement. Remember NAFTA? It was the trade pact H. Ross Perot and other critics said would cause U.S. manufacturing plants and jobs to flee America in droves for regions south of the border.

But they were wrong. The data covering the first three years of NAFTA are now in.

And they confirm what free-trade advocates said all along: The trade pact among the United States, Mexico and Canada has been a remarkable success. None of the doomsday warnings about NAFTA has come true. Hundreds of thousands of U.S. jobs did not disappear, the U.S. manufacturing base did not crumble and American sovereignty has not been undermined.

What did happen? For starters, total North American trade has increased by nearly half. Trade in the Western Hemisphere has gone from \$ 293 billion in 1993 to \$ 420 billion in 1996, a gain of \$ 127 billion, or 43 percent, in NAFTA's first three years.

In 1996, U.S. exports to Canada and Mexico totaled \$ 190 billion: a figure that surpasses American exports to any other area of the world - and that includes the entire Pacific Rim, or all of Europe. In other words, Mexico and Canada purchased \$ 3 out of every \$ 10 worth of U.S. exports in 1996, and supplied \$ 3 out of every \$ 10 worth of U.S. imports.

Thanks to NAFTA, Mexican tariffs, which had averaged 10 percent before it was implemented, now average less than 6 percent, while average U.S. tariffs have fallen from 4 percent to about 2.5 percent. As a result, U.S. exports to Mexico grew by 37 percent from 1993 to 1996, reaching a record \$ 57 billion last year. During this same period, exports to Canada increased by 33 percent, to \$ 134 billion in 1996. Total two-way trade between the United States and Canada was \$ 290 billion last year, while total two-way U.S.- Mexico trade was nearly \$ 130 billion. U.S. market share in Mexico increased from 69 percent of total Mexican imports in 1993 to 76 percent in 1996.

According to the Department of Commerce, U.S. exports to Mexico in the fourth quarter of 1996 were growing at a rate of \$ 64 billion per year. Moreover, 44 states reported growth in exports to Mexico in 1996, according to the Massachusetts Institute for Social and Economic Research.

Employment is up. NAFTA has shattered the myth that U.S. trade deficits destroy American jobs. The combined U.S. trade deficit with Canada and Mexico rose during the first three years of NAFTA implementation from \$ 9 billion in 1992 to \$ 39.9 billion in 1996; however, since 1992, the U.S. economy has created 12 million net new jobs.

Moreover, manufacturing employment grew from 16.9 million jobs in 1992 to 18.3 million in 1993, an increase of 1.4 million net new jobs. The general unemployment rate declined from 7.5 percent in 1992 to 5.3 percent in 1996. U.S. exports to NAFTA countries currently support 2.3 million U.S. jobs.

Manufacturing output grew. The largest post-NAFTA gains in U.S. exports to Mexico have been in high-tech manufacturing such as transportation and electronic equipment, industrial machinery, plastics and rubber, fabricated metal products and chemicals. NAFTA has also been a boon for agriculture states such as Montana, Nebraska and North Dakota, and for Southern textile states like North Carolina and Alabama.

Remember the warnings about factories moving out of the United States and into Mexico? Instead, NAFTA has encouraged U.S. and foreign investors who already own apparel and footwear factories in Asia to relocate to Mexico. When they did this, they switched suppliers. Now they're buying from U.S. and not Asian textile manufacturers.

Neither has NAFTA put a dent in U.S. living standards as predicted by doomsayers. Gross domestic product, personal income and consumption have all grown. Of course NAFTA can't claim sole credit for this growth. But at the very least, the data quantify objectively and empirically that NAFTA is not hurting us - and at most it is achieving tangible benefits.

President Clinton should take full advantage of this news and ask Congress for new "fast-track" negotiating authority that could bring Chile and other Latin American nations in as new members of NAFTA. He has dallied on this promise ever since making it in his February State of the Union address.

His Latin America trip and the news about NAFTA make this the perfect time.

Put trade on a fast track

BY R. SEAN RANDOLPH

As the new Congress and the executive branch get down to business, the time has come to restore momentum to the free-trade process. Significant advances have been made in recent months in areas such as information technology and telecommunications, but, to fully assert American leadership, major partisan divisions must be overcome.

This won't be easy. Some legislators of both parties are deeply opposed to the new global economy and its institutions. Some of them stress loss of sovereignty, others loss of jobs. Both share a nostalgic desire to maintain a status quo and to erect economic walls around America.

The first question to be resolved in the new trade consensus is the relationship of labor and the environment to trade. Despite the Clinton administration's urge to include these issues in all post-Nafta trade agreements, most of the world rejects the notion that they are closely linked to trade.

Both issues have an important place in the global policy dialogue, but rigidly insisting on a forced marriage to trade will impede the process of global liberalization from which most of the world — including the United States — has benefited.

The resolution of the labor/environment debate holds the key, in turn, to the other major trade challenge facing Washington — to restore fast-track negotiating authority for new trade agreements. Unfortunately, for the United States, the rest of the world isn't waiting.

Chile, which was repeatedly promised Nafta membership by both the Bush and Clinton administrations, is still waiting. In the meantime, it has associated itself with Mercosur — the emerging South American group composed of Brazil, Argentina, Paraguay and Uruguay — which is positioning itself as the core of a new Hemisphere trade bloc.

A related challenge facing trade policy is more subtle — to build the credibility of the World Trade Organization. Much politi-

cal blood and sweat went into the passage of the Uruguay Round agreements and the establishment of the WTO as the heart of the new global trading system. Now that we have a strong institution, it is important to use it, including its new dispute settlement panels.

To strengthen the WTO's credibility, the United States must respect its decisions, even in politically sensitive cases. Washington brings far more complaints be-

ple. Last year California exported over \$100 billion in manufactured goods, plus \$40 billion more in services. The state's major markets — including Mexico's — all saw double-digit growth. California's \$26 billion increase in exports in the last two years alone has created almost 300,000 new jobs — most of them high quality. International trade is now widely recognized as a major factor in the state's economic revival and a key to its economic future.

The best strategy is to influence the global economy from the front, through positive leadership, rather than fight rear-guard actions to protect declining jobs or aspects of sovereignty whose relevance has long since diminished.

The Clinton administration drifted away from its early commitment to multilateralism by subordinating trade policy to domestic political agendas. Congressional Democrats already have suggested they will block any expansion of Nafta or other free-trade agreements unless their demands on labor and the environment are met and "congression-

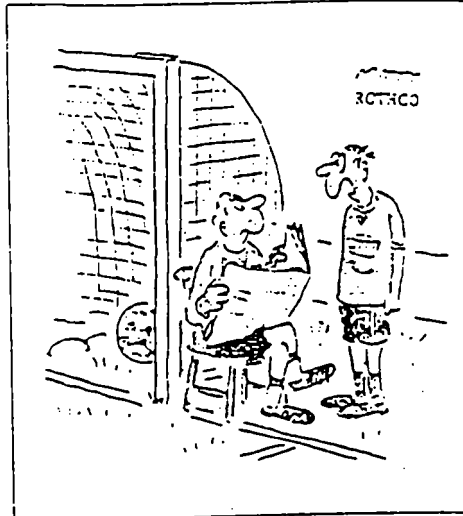
al authority" to dissect trade agreements is affirmed.

Supporters of free trade in Congress should not be deterred. It is critical to U.S. leadership that fast-track negotiating authority be restored, unburdened by rigid labor and environmental restrictions. Fast-track authority should embrace both Latin America and the Pacific. Negotiations with Chile for accession to Nafta should get under way.

There is a long list of other trade issues before the Congress this year, and each is an important part of the picture. Congress and the administration should move forward on the international treaty, long stalled by the United States, to ban shipbuilding subsidies.

As the world's largest exporter and importer, the United States benefits hugely from trade. Americans need a bipartisan trade policy based on aggressive U.S. leadership.

R. Sean Randolph is director of trade for the state of California.



"Some of the lads are suggesting you've been paid to lose this match."

fore the WTO dispute panels than any other nation, and has a good track record of success. When the arrow does move against the United States we can't just pick up our chips, ignoring the WTO or resorting to unilateral measures.

Why is trade so important? In 1960 international trade accounted for a mere 9% of GDP. Today, it accounts for 23%, employing over 12 million Americans. As other nations have liberalized their trade regimes, lowering barriers to imports and foreign investment, U.S. exports have risen. Despite continued harping from its opponents, Nafta is stimulating strong two-way trade, new jobs and increased consumer choice on both sides of the border.

Globally, the stimulative effects of the Uruguay Round are just starting to be felt. New global agreements on trade in telecommunication and information technology, where the United States dominates, promise to bring more benefits for consumers worldwide and profits at home.

California offers a good exam-

Midwest Boom Fueled by Mexico Trade

Exports Rise Due to Nafta, Demand for Construction Gear

By CARL QUINTANILLA

Staff Reporter of THE WALL STREET JOURNAL

The Midwest economy is booming, and a big reason why is just south of the border.

Mexico, whose economy is starting to recover from the 1994 peso devaluation, is quickly becoming a major export market for Midwestern manufacturers. The country is spending billions of dollars to modernize its infrastructure, creating strong demand for heavy-construction equipment such as bulldozers and cranes — primary products of the Midwest.

Exports of other Midwestern staples, such as autos and agriculture, also are surging because of looser trade barriers under the North American Free Trade Agreement. In addition, Nafta has encouraged many Midwestern companies to set up shop or expand operations in Mexico, giving them a base to boost sales throughout Latin America.

No. 2 Spot

The growth in exports has helped Mexico replace Japan as the U.S.'s second-largest trading partner behind Canada. Midwestern states are among the biggest beneficiaries of the trend. Exports to Mexico by 10 Midwestern states jumped

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16% last year from two years earlier, according to the U.S. Census Bureau. That compares with an 11.7% increase in total U.S. exports to Mexico during the same period.

Growing Market

The Midwest is finding increased demand for its exports in Mexico.

	1996 EXPORTS (in millions)	CHANGE FROM 1995
Michigan	\$3,184.3	+ 2.7%
Illinois	1,232.4	+ 21.5
Ohio	757.1	+ 12.7
Missouri	512.5	+ 20.3
Kansas	477.5	+ 51.1
Wisconsin	382.5	+ 21.8
Indiana	340.6	+ 21.2
Iowa	257.1	+ 22.9
Nebraska	264.3	+122.1
Minnesota	244.1	+ 30.3
U.S. average	\$56,760.8	+ 22.6

Sources: U.S. Census Bureau, Massachusetts Institute for Social and Economic Research

Case Corp., a Racine, Wis., equipment maker, says sales to Mexico surged 30% last year, more than the 47% sales increase to Latin America overall. "We're seeing a rebound," says Mick Stahl, Case's director of business development in Latin America. "It's eye-opening what's going on."

Caterpillar Inc., the Peoria, Ill.-based construction-equipment giant, estimates Mexico will spend \$35 billion to \$50 billion through the year 2010 on projects such as

new highways and waste-water treatment plants. The company says it is expanding its facility in Monterrey, Mexico, to meet "increased customer demand" for some of its machine components.

Auto makers, meanwhile, saw exports of light vehicles to Mexico soar 30% last year, while agricultural exports jumped 34.4%. Shipments of wheat, rice, soybeans and cotton reached their highest levels since 1970.

Missing Middle Class

Of course, not all Midwestern industries are benefiting. Some retailers are still feeling the negative effects of the late-1994 peso devaluation, which sent Mexico's economy into a tailspin. Earlier this month, Chicago-based Sears Roebuck & Co. sold its 60% stake in Sears Roebuck de Mexico SA to a Mexican industrial conglomerate. Sears had been losing money in Mexico because it targeted the middle class, which practically vanished during the economic slump.

Still, economists say the overall growth in Midwestern exports has helped fuel the region's already-strong economy and could help sustain the boom if the U.S. economy starts slowing. One advantage is that Nafta, which was designed to help U.S. companies ship goods to Mexico, and vice versa, aids the Midwest more than other regions. Not only are Midwestern products in strong demand, but the timing of some of the treaty's tariff reductions favors certain Midwest companies—such as auto makers, which were heavily involved in the Nafta negotiations.

"No producers in the world have more-privileged trade status in Mexico than the producers of the Midwest," says Diane Swonk, chief economist for First Chicago NBD Corp. In other industries, like telecommunications and retail, she adds, "it's much more slow."

Offsetting the Dollar

The growth in trade with Mexico also could offset the negative effects of a strong dollar, which is hurting some companies' exports. Caterpillar's sales in Europe fell 12% last year, in part because the dollar made its goods more expensive than those of foreign rivals. Latin American sales helped offset that, the company says.

Mexico isn't risk-free, of course. Many Midwestern companies still recall that the peso devaluation pushed the inflation rate up to 52% and caused thousands of Mexican businesses to fail. In the 12 months following the devaluation, Cummins Engine Co. of Columbus, Ind., sold the same number of engines that it would have sold in only four days before.

"It pretty much closed business down," says Mr. Stahl, the Case executive.

Handicaps also remain. Mexico has poor transportation systems, and fewer miles of paved road than Texas. In July, the country also faces a round of political

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WST
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Midwest Gets Boost From Mexico

Continued From Page A2

elections, many of which don't have a clear frontrunner.

Still, many Midwestern companies seem ready to brave the risks.

The Midwest is "at the forefront" of Mexican trade, says Christopher Felts, deputy director of international trade at the Indiana department of commerce. "But you have to be very patient. These are volatile markets."

Many companies already are using Mexico as a springboard for sales of products to South America. Navistar International Corp., a Chicago-based maker of trucks and school buses, is building a \$167 million plant in Mexico—its first new facility in 16 years — to assemble trucks for delivery in both Mexico and Brazil.

This month, Deere & Co., Moline, Ill., is breaking ground on a 500,000-square-foot plant in Monterrey to build diesel engines for its John Deere products world-wide. The Mexican plants make it easy to ship goods to Brazil, where the market for high-tech tractors is booming. About 15,000 Brazilian farms are bigger than 1,000 acres, which require high-horsepower farm equipment.

U.S. business people say cooperation between their companies and Mexican offi-

cials is also improving. Navistar and Cummins negotiated with officials in Mexico City recently to gain permission for their low-emission engines to run five days a week — despite the highly polluted city's ordinance that heavy-duty trucks run only four days a week.

WST
4/21/97

Fast Track File

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SUBJECT:

NAFTA Study Q&A

COMMENTS:

Per a request of Liz Arky

NAFTA Study Related Questions and Answers

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General Issues

Q: Why was the Study late?

A: Study is a serious effort to respond to Congressional request. Took longer to prepare given complexities, and Congress was on recess last week when due.

Q: What are the conclusions of the President's NAFTA Study?

A: NAFTA has made a modest positive contribution to economic expansion.

DRI estimates exports increased by \$12 billion, imports increased by \$5 billion, and GDP increased by \$13 billion in 1996 (real terms).

NAFTA generating exports, trade and higher paying U.S. jobs; NAFTA specifically generated 90,000 to 160,000 (est) export supported jobs re Mexico; better positioned competitively; protected exports from 80s peso crisis scenario.

U.S. exports 1997 near equal exports to Japan even though Mexico's economy is 1/12th size.

U.S. gained market share in Mexico at over twice the rate Mexican gained share in U.S.

Labor and environmental agreements set in motion cooperative activities; encouraged effective labor/environmental enforcement- both starting to produce.

Q: What about the problems the NAFTA has caused that are addressed in the Study?

A: Cannot attribute any significant problems to NAFTA; provides a venue for U.S. to build on its competitive strength; NAFTA may lead to some shifts in productive resources.

Q: The NAFTA critics claim the President's Study is a whitewash and overlooks the problems. How do you respond?

A: Study is considered view of the Administration, drawing on the expertise that resides in Executive Branch, and spectrum of views outside the government.

Q: The legislation includes a provision requesting "any appropriate" recommendations by the President with respect to the operation and effects of the NAFTA. Does the report contain any recommendations? If not, why not?

A: No need for recommendations. NAFTA is working.

Q: Given that the Study concludes the NAFTA is a good agreement for the United States, does the Administration still plan to negotiate Chile's accession to the NAFTA?

A: President committed to comprehensive FTA with Chile; NAFTA is a good FTA; however key issue is obtaining enactment of fast track legislation; Administration focused on that; consider exact form of the agreement with Chile once fast track is in place.

Q: Do you think this Study will give a boost to fast track prospects in the fall?

A: If Study persuades Members to think favorably about trade agreements, or maintain an open mind, that is helpful; however, fast track is about the global trade agenda, not Mexico.

Q: The North American Free Trade Agreement is an agreement between Canada, Mexico, and the United States. Why does the report focus primarily on Mexico and less on Canada?

A: Congressional reporting requirement geared towards Mexico.

Q: How will Mexico and Canada react to this Study?

A: Ask the governments of Canada and Mexico, but expect to be fine.

KEY ECONOMIC ISSUES

Q: What were the results of the economic analysis in the NAFTA Report?

A: Studies found modest positive effect on economy.

Direct effects:

- DRI/McGraw Hill showed 96 exports to Mexico \$12 billion higher/imports \$5 billion higher than without NAFTA; NAFTA added \$13 billion to GDP in 1996.
- Federal Reserve Bank of Dallas, NAFTA increased U.S. exports by \$7 billion in 1994-95, added \$3 billion to imports.
- \$7-12 billion in additional exports due to NAFTA (Dallas Fed and DRI results) supports 90,000-160,000 U.S. jobs; wages 13-16% above the average wage.

Indirect effects:

- Indirect impact may have been even more important: Mexico respected NAFTA obligations; helped solidify support for reform; restore confidence; contributed to Mexico's rapid recovery, and recovery of U.S. exports.

Direct and indirect effects boosted U.S. exports to Mexico to record in 1996; and to increase in U.S. market share of Mexico's imports - 69 percent 1993 to 75.5 percent 1996.

Q: What does the NAFTA Study conclude regarding the effects of NAFTA on U.S. jobs?

A: Increased exports to Mexico in 1996 were \$7-12 billion higher due to NAFTA; exports supported 90,000-160,000 jobs, at wages higher than average.

Difficult to say how much NAFTA increased overall U.S. employment; can say that NAFTA led to an increase in higher-paying jobs.

Q: What about earlier Administration estimates of 310,000 jobs supported by exports to Canada and Mexico?

A: Still accurate. That is estimate based on total exports to Canada and Mexico. It is consistent with 90,000 to 160,000 estimate which is isolating the NAFTA effect with Mexico only.

Q: How do you respond to the critics charge that the NAFTA has caused over 400,000 jobs to be lost?

A: It is not based on the facts.

U.S. net employment increased by 8.6 million jobs from 1993 to 1996. Unemployment rate dropped from 6.9 percent in 1993 to 5 percent in June 1997. The U.S. economy cannot be losing jobs overall as the unemployment rate has declined to this degree.

President's Study estimates that the NAFTA has contributed to an increase in jobs supported by exports to Mexico alone of between 90,000 to 160,000.

Based on Department of Commerce, the Administration estimates total exports to Canada and Mexico support 2.3 million jobs.

The 400,000 job loss figure is premised on the view that trade deficits automatically result in job losses. Last 40 years proves this assertion incorrect: U.S. employment generally grew more and the unemployment rate was lower when the U.S. trade balance was worsening.

Wrong to assume imports displace jobs, for instance many imports provide critical inputs that are in short supply (i.e., petroleum, etc) or

Q: What does the NAFTA Study conclude regarding the causes of the U.S. trade deficits with Mexico and Canada since NAFTA was implemented?

A: Outside studies show that deterioration of our trade imbalance with Mexico/Canada not attributable to NAFTA, but function of exchange rate values and other macroeconomic forces, notably the 1995 economic contraction in Mexico and contrasting strong U.S. economy.

Study notes that some analysis concludes our bilateral trade deficit with Mexico was \$4-7 billion lower in 1996 than it would have been without NAFTA.

Q: We understand the ITC's analysis presents a mildly positive outcome, but there are elements you find problematic. What does the ITC analysis indicate and what are your views on their study?

A: Commission study represents an exceptional effort to come to grips with difficult economic question.

Commission recognized many of the NAFTA's important effects not easily quantified or observed, and the full effects of the Agreement will take years to be known.

They were trying to sort out NAFTA from other effects on trade and investment during extreme volatility in Mexico among numerous factors.

ITC concluded NAFTA "has had, on balance, positive, although modest, effects on the U.S. economy and individual industry sectors."

ITC considered both quantitative and qualitative work with respect to aggregate and sectoral trade.

Certain aspects of the ITC analysis suffered from some data insufficiencies:

- ITC was only able to use data back to 1989, because at disaggregated sectoral level, whereas other existing studies, DRI and the Dallas Fed, were able to use earlier data, permitting them to capture, the historical experience of the previous peso crisis in Mexico in 1982.

Q: Why don't you rely on the ITC's finding that in the aggregate the NAFTA had positive effect in 1994, but negative effect in 1995 and 1996?

A: ITC recognized the difficulty in trying to isolate the effects of NAFTA.

Commission refers to difficulties in questions by twice alluding to results of the formal quantitative analysis and the effects of NAFTA on aggregate trade flows in 1995 and 1996 as being "confounded" by the peso crisis

Actually, ITC concludes that 1994 was the only year in which the results were not confounded by the peso crisis.

They used too short a time series, 89-96, which does not allow them to adequately isolate NAFTA, which took place from 94-96, from peso crisis 95-96.

Q: Critics say the NAFTA is driving down American wages. Does the Study address that?

A: No reason to believe NAFTA is depressing wages.

- America has a \$7 trillion economy, and imports from Mexico amount to just 1% of that figure.
- Half of Mexican imports entered the U.S. duty free before NAFTA, NAFTA lowered U.S. tariffs on Mexican goods less than two percentage points, which would not be expected to have any discernible impact on wages.
- DRI estimated NAFTA contributed \$13 billion in real GDP in 96. Hard to believe this would depress wages.

Q: Did the NAFTA Study find that NAFTA diverted investment from the United States to Mexico?

A: No. U.S. foreign direct investment (FDI) in Mexico averaged \$3.1 billion in 1994-96, little changed from the \$2.5 billion in the year before NAFTA took effect.

The magnitude of U.S. FDI in Mexico is tiny when compared to overall U.S. investment:

- \$3.1 billion average annual U.S. FDI in Mexico during the NAFTA period less than 0.3% of gross private fixed investment in the United States in 1996.
- DRI estimated NAFTA contributed \$5 billion to U.S. business investment in 96.

Q: I gather the Study concludes that the NAFTA has helped generate higher wage jobs in the U.S. and Mexico, but it also says the peso crisis forced a decline in real wages in Mexico. Explain the contradiction?

- A: No contradiction. Although peso devaluation and contraction brought decline in real wages of 23 percent (1994 - early 1997), export supported jobs in Mexico pay more than other jobs in Mexico.

Manufacturing firms in Mexico with 40 percent or more of their total sales going to exports paid wages at minimum 11 percent more than non-export oriented firms.

- Q: The critics say that Maquiladora operations are synonymous with wage repression for the purpose of attracting investment, making victims of workers in Mexico and in the U.S. How does the Study address this?**

- A: We do not condone practices designed to repress wages.

Re maquiladora industry wages, the average monthly real wage in 1993 was lower than the non-Maquiladora manufacturing wage.

However, during 93-96, maquiladora average monthly real wages surpassed non-export oriented manufacturing real wages by as much as 17 percent by 1996

- Q: Many said that the NAFTA would scale back Maquiladoras, yet they still exist. How do you respond?**

- A: Lets get facts straight; NAFTA requires that the trade distorting elements of Mexico's Maquiladora policy be eliminated, and that is occurring. Specifically, by January 1, 2001.

- Q: Why are there more Maquiladora operations now than before the NAFTA, particularly when the NAFTA is dismantling the trade distorting elements of Mexico's Maquiladora policy?**

- A: Major reason is export orientation and exports have driven the growth of Mexico's economy (i.e., logical since domestic consumption fell by 17 percent in 1995).

- Q: While total U.S. exports to Mexico might be at an all-time high of \$57 billion in 1996, aren't we just re-importing those products from Maquiladoras?**

- A: No. Maquiladoras providing a decreasing share of U.S. imports from Mexico, down from 49% in 1993 to 38% in 1996; amount of U.S. goods returned from Maquiladoras also decreasing in total U.S. imports, accounting for 25% in 1993 and 20% in 1996.

INDUSTRIAL AND AGRICULTURAL SECTOR ISSUES

Q: Why did you chose these sectors to analyze in detail?

A: Sectors represent about half of two way merchandise trade; almost two thirds of manufactured trade - agriculture, automobiles and parts, chemicals, computers and software, electronic components, selected consumer goods, printed products, processed foods, telecommunications equipment and textiles and apparel.

Sectors also witnessed major increases in one way or two-way trade 1994-96 and were subject of appreciable Mexican or U.S. tariff reductions on average.

Q: Are there any general conclusions that can be drawn regarding the sector analysis?

A: NAFTA's market opening requirements generating new gains for U.S. industry and agriculture; building powerful North American synergies translates into global competitiveness.

U.S. share of the import market in Mexico is expanding at more than double the rate of the Mexican share of U.S. imports.

Synergies are not contributing to overall increase in imports in the U.S., but Mexico taking greater share of global U.S. imports, and Mexican imports have higher U.S. content.

Q: Does the Study indicate which sectors are the winners and which are the losers as a result of the NAFTA? If so, what are they?

A: No sector harmed by NAFTA. Re winners - U.S. production up virtually across the board in the sectors we examined; even with productivity gains, employment is generally steady or up, and where it has declined consistent with a decades old trend (i.e., apparel).

NAFTA serving to protect and build jobs.

AUTOMOTIVES

Q: The U.S. trade deficit with Mexico in the Auto sector has grown by 305 percent. Hasn't this had a huge negative impact on the United States?

A: No. Look at industry indicators:

- Employment up 141,000 jobs; Mexican employment down 8.3 percent.

- The Big 3 invested \$39 billion in the U.S. since NAFTA and \$3 billion in Mexico.
- Big 3 production capacity up 490,000 units in U.S. and 241,000 in Mexico; and
- U.S. retail sales are up 8.9 percent; Mexican sales declined 70 percent 1995 and not recovered.

U.S. exports of autos up five fold to Mexico 1993-96, and overall automotive sector exports up 11 percent. Previous to NAFTA could not export to Mexico due to the auto decree, except under specified circumstances.

TEXTILES AND APPAREL

Q: Does the Study indicate that the NAFTA has led to decreased employment in the U.S. textile and apparel sector?

A: Employment in the U.S. industry been on long-term downtrend for three decades. The NAFTA has protected certain textile and apparel jobs in the United States through co-production arrangements with Mexico.

Q: Isn't it true that the elimination of import quotas and tariff reductions for textiles and apparel has resulted in huge growth in imports of these products from Mexico?

A: In 1996 imports of textiles and apparel from Canada and Mexico increased 137 percent over their 1993 level. However, this reflects a shift in the growth in imports away from the Far East (China, Hong Kong, Taiwan and Korea), whose exports to the United States in 1996 were 6 percent below their 1993 level.

Rather than importing Asian garments, firms are now assembling garments in Mexico with U.S.-cut fabric.

U.S. exports of textiles rose 79 percent 1993-96.

TELECOMMUNICATIONS

Q: The United States has experienced a trade deficit in the telecom sector with Mexico in 1995 and 1996. Given this trade deficit is in a sector that has had a surplus globally, can NAFTA be termed a success for the telecom sector?

A: Telecom trade deficit with Mexico suffered 1995 and 1996 due to factors external to the NAFTA, primarily Mexico's peso devaluation and economic downturn.

Yet, U.S. telecom companies saw their share of the Mexican import market rise while other countries fell, such as Japan.

Q: Since NAFTA there has been a rise in production of telecom equipment in Maquiladoras in Mexico. Has NAFTA contributed to the "export" of U.S. jobs and production?

A: Telecom employment levels have remained at very stable levels throughout the 1990s.

Increase in Maquiladora production of telecom equipment reflects increased production of "low-end" telecom equipment. U.S. telecom industry has virtually stopped making these products over the past two decades

COMPUTERS

Q: Why did the United States develop a trade deficit in computer equipment with Mexico after NAFTA was signed?

A: U.S. did record \$1.1 billion trade deficit with Mexico 1996. Due to economic conditions in Mexico in 1994-95.

Clear that NAFTA had virtually no impact on imports because U.S. tariffs were extremely low, or were zero. In fact, almost two-thirds of imports entered duty-free prior to the NAFTA.

AGRICULTURAL ISSUES

Q: Does the Study conclude that the NAFTA helps or hinders agricultural exports to Mexico?

A: Clearly helped U.S. exports and two-way trade. U.S. exports to Mexico since the NAFTA increased faster than imports from Mexico, and up 51 percent.

U.S. agricultural trade surplus with Mexico was \$1.3 billion in FY 1996, 37% higher than the FY 1993 surplus.

U.S. exports of corn, soybeans, wheat, cotton, and rice all set new records.

Prior to the NAFTA, the U.S. losing export market share in Mexico; NAFTA reversed trend - U.S. supplies about 75 percent of Mexico's agricultural imports.

Q: Does the Study address the issue of tomato imports from Mexico and their impact on the Florida growers?

A: NAFTA tariff cuts have been minor factor with respect to Mexico; far bigger factor is the peso devaluation, the contraction in Mexico's economy and other factors.

In any case, Commerce negotiated a price floor agreement in response to the Florida grower concerns - agreement remains in force.

Q: What are you doing to protect against health hazards such as the hepatitis outbreak in Michigan resulting from fresh strawberries, imported from Mexico, and processed in California. Does the Study address this issue?

A: Study does not address this issue. U.S. Government has not identified source of the Hepatitis A outbreak. Furthermore, the FDA found no evidence of contamination in Mexico after visiting the fields.

Q: When is USDA going to issue its Congressionally required report on the NAFTA and agricultural trade? It was due in March.

A: Expect the USDA report to be out within the next few weeks. The President's report took precedence over the USDA report.

MEXICO SPECIFIC ISSUES

Q: The NAFTA has opened our borders and invited a flood of illegal drugs. How can we square free trade with our security interests? Does the Study offer any recommendations on this front?

A: The Study does not address the drugs issue. NAFTA has not "opened our borders." We have stepped up border enforcement and bilateral cooperation with respect to illegal drugs.

Q: Isn't this election a referendum on the NAFTA and the harsh economic realities in Mexico?

A: NAFTA was not a major issue in Mexico's mid-term elections.

Q: There are about 5 million illegal immigrants in the United States, most of whom are from Mexico. What is the government doing about securing our borders. Doesn't the NAFTA make this more difficult?

A: NAFTA not weakened our ability to enforce our immigration policies. On the contrary, last year the President signed into law the "Illegal Immigration Reform and Immigrant Responsibility Act of 1996."

Q: The United states unilaterally refused to implement its NAFTA obligations on cross-border trucking more than 18 months ago. With no resolution in sight, doesn't this show that the NAFTA has not been effective in resolving disputes?

A: No. We have resolved a number of differences with Mexico and Canada. In this instance, the United States delayed implementation of the cross-border trucking provisions because of our concerns over truck and driver safety.

Have made substantial progress with the Government of Mexico since then. Remain committed to the implementation of the cross border transportation provisions, and expect Mexico to address our specific and related concerns in this regard.

LABOR RIGHTS AND LABOR TRANSITION ISSUES

Q: Isn't the NAALC really just an agreement to talk that has had no impact?

A: No. NAALC is having an impact, unprecedented trilateral program of cooperation.

The bottom line - the NAALC obligates each Party to provide for high labor standards, to strive to improve those standards, and governments effectively enforce labor laws.

There have been important developments on the enforcement of labor laws in Mexico from 1994 to early 1997. For example:

- From 1993 to 1996, Mexico's Secretariat of Labor and Social Welfare (STPS) enforcement budget increased by nearly 250 percent (in real terms), from 4.7 million pesos to 16.2 million pesos.
- STPS reports inspectors conducted over 48,000 inspections in 1996, of which 9,609 were conducted to verify compliance with child labor laws.
- The overall rate of occupational injuries and illnesses fell from 47.0 per 1000 workers in 1994 to 39.9 in 1995 and to an estimated 32.6 in 1996.

The NAALC public submission process has resulted in recognition of a union previously denied recognition and has led to secret union ballots where union votes had previously been monitored.

Q: The critics charge that the NAALC has no specific enforcement value, or teeth, with respect to the right to organize and bargain collectively, or to strike, and the agreement is a sham. How do you respond?

A: First, the NAALC obligates the governments to provide for high labor standards and to strive to improve those standards.

Second, critics ignore the value of unprecedented public scrutiny and high level government to government consultations.

Q: NAFTA Transition Adjustment Assistance (TAA): This program proves the NAFTA has caused at least 100,000 jobs have been lost due to the NAFTA. How do you respond?

A: NAFTA-TAA is not a valid measure of the job displacement impact of the NAFTA.

First, NAFTA TAA certification does not require that a worker has lost his or her job. The Department of Labor indicates that many of those certified under NAFTA TAA are either not laid off, or may remain certified even though they are recalled back to work.

This helps explain to a significant degree why only a small portion of those certified under the NAFTA TAA (12,193 of the 99,497) have actually applied for benefits.

Second, certification under NAFTA-TAA does not require any connection to NAFTA per se. Could be associated with non-NAFTA trends involving Mexico or Canada.

ENVIRONMENT ISSUES

Q: What are the Study's findings/conclusions regarding NAFTA's effect on the environment?

A: NAFTA a positive force for environmental protection; improving enforcement and cleaning up the border.

NAFTA institutions financing infrastructure projects to clean up border. To date, 16 projects certified -- including infrastructure projects costing nearly \$230 million.

Mexico increasing enforcement actions nationwide.

- 1992 through 1996, Mexico conducted 12,347 inspection and compliance verification visits in border, partially or totally closing 548 facilities, fining 9,844 facilities.
- 1992 through 1996, 712 companies signed up to participate in Mexico's Environmental Audit Program. Of those, 404 companies have completed the audit and developed implementation Action Plans, committing at least \$800 million to environmental improvements.

As a result of these and other efforts, Mexico says number of serious violations dropping; e.g.:

- a 72 percent reduction in serious violations in the maquiladora industry from 1993 to 1996, and
- a 43 percent increase in the number of maquiladora facilities in complete compliance.

Mexico has agreed to join the U.S. and Canada in banning the pesticides DDT and chlordane, ensuring these long lived toxic substances will no longer cross borders.

Q: What has been done to address the water and wastewater treatment problems of the border region?

A: Since NAFTA, significant progress in addressing the water and wastewater treatment problems. For example:

- new large wastewater plants completed to service Tijuana and Nuevo Laredo; Nuevo Laredo plant is effectively removing 18 million gallons per day of raw sewage which went into Rio Grande;
- by 1999, full operation of partly-operational international treatment plant between San Diego and Tijuana will protect city beaches from raw sewage - for the first time in decades.

The BECC and the NADBank already having concrete impact on the border region, with seven projects under construction and additional priority projects (with an estimated cost of \$500 million) targeted for the next two years.

Q: Critics argue that the investment chapter under NAFTA undermines our sovereignty, allowing the weakening of a country's environmental laws, as demonstrated by the Ethyl Corporation's investment dispute with Canada. Is that true?

A: NAFTA investment chapter does not overrule or weaken individual countries' national, state or local laws, environmental or otherwise.

NAFTA does seek to eliminate discrimination based on an investor's nationality. Thus, NAFTA does not prohibit governments from regulating foreign investors as they do domestic investors in order to protect consumers or the environment.

The fact NAFTA has provided system for resolving disputes does not guarantee that all claims filed will have equal merit. NAFTA's dispute mechanism should be judged according to how cases are decided, not by what gets filed, just as the United States' domestic legal system isn't judged by whether every complaint filed is meritorious.

As for the Ethyl Corporation's Chapter 11 dispute with Canada, this case has only recently been initiated by Ethyl, and the arbitrators have not yet met with the parties nor made any decision. The USG is not a party to the case and thus is not in a position to comment on it in detail, nor has the U.S. endorsed the arguments that have been made.