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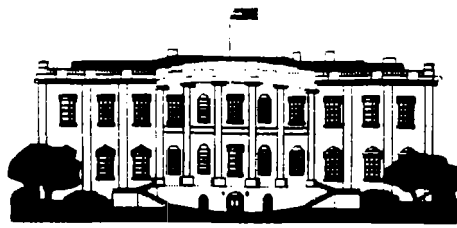
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Pls File - FAST TRACK

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THE WHITE HOUSE
OFFICE OF CABINET AFFAIRS

Date: 9/5/97

To: FAST TRACK GROUP

From: DAVID BEAUBAIRE

Facsimile: _____

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Subject: FYI

Pages: 4 (Including this cover sheet)

Comments:

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THE WHITE HOUSE

WASHINGTON

September 4, 1997

Dear Joe:

Thank you for sharing with me your observations regarding implementation of the North American Free Trade Agreement (NAFTA):

The expansion of trade associated with NAFTA and other agreements has contributed significantly to the dynamism of our economy over the past several years. Your support for fast track trade negotiating authority will be critical in maintaining that dynamism by tearing down foreign barriers and helping American workers compete abroad.

At the same time, you and I recognize that increased international competition brings challenges for some workers, especially those in the low-wage industries already vulnerable because of technological and other economic changes. That is precisely the reason we worked hard together to ensure NAFTA includes special provisions to protect the most vulnerable. In assessing the first three years of NAFTA's implementation, I believe these provisions have proven their value. However, as you point out, many challenges remain. I am committed to ensuring NAFTA fulfills its promise for all Americans.

NAFTA is building a solid record on addressing environmental challenges which are unique to the U.S.-Mexico border. Of course, many of the border environmental problems were decades in the making and will take many years to resolve. As you suggest, there are significant obstacles to financing environmental infrastructure, which the North American Development Bank (NADBank) is working to overcome. NADBank is now working closely with the Border Environment Cooperation Commission and federal and state officials on both sides of the border to identify and develop projects in the border region. NADBank is also establishing co-financing mechanisms with the Environmental Protection Agency and other grant programs to

provide affordable financing for poor border communities. In addition, the NAFTA process for citizen submissions on environmental enforcement appears to be working effectively. The Commission for Environmental Cooperation has evaluated all submissions and pursued their resolution in accordance with the North American Agreement on Environmental Cooperation.

NAFTA is helping to protect the rights of trade-affected workers. The North American Agreement on Labor Cooperation breaks new ground in providing for oversight of national labor law enforcement. We have achieved a high measure of success in the review of the complaints that have been submitted. In one case, a Mexican labor tribunal granted recognition to the petitioning union, reversing an earlier decision, and afforded a new hearing for workers dismissed for union activity. In other cases, workers were permitted secret ballot elections, a practice not common in Mexico. Mexico has also made important legal advances on labor rights since NAFTA was signed.

Recognizing that some workers require assistance in adjusting to new patterns of trade and production, the NAFTA Transitional Adjustment Assistance (NAFTA-TAA) program provides expanded retraining and income support benefits. Overall, the program is proving its worth. However, concerns have been raised regarding the disproportionate impact on some communities. My Administration is committed to addressing these concerns. Secretary Herman recently travelled to El Paso, Texas to assess the economic impact on this border community. She conveyed to me her assessment that El Paso has strong economic prospects, but needs specialized job retraining for displaced workers.

Both the Transitional Adjustment Assistance (TAA) and NAFTA-TAA programs must be reauthorized before they expire on September 30, 1998. Secretary Herman will work closely with you and other members of the Hispanic Caucus and relevant committees to make both programs more effective for Latino trade-affected workers. In addition, it is essential that we intensify outreach to trade-affected workers, as well as affected secondary workers, to help them take advantage of existing services.

NAFTA breaks new ground in including financing through NADBank's Domestic Window for communities adversely affected by trade, reflecting concerns raised by the Hispanic Caucus. Although it has taken time to create a viable financial framework for the first U.S.-supported development bank within U.S. borders,

NADBank's Domestic Window has been operating in Los Angeles since early 1996 and is now fully operational. Last month, the Department of Treasury announced the designation of 35 sites around the country as eligible for financing, and additional sites should be identified within the next month. In these areas, the NADBank, the Departments of Treasury and Agriculture, and the Small Business Administration are engaged in extensive outreach and marketing to help communities take advantage of loan guarantees, and the Los Angeles Office is working with borrowers interested in direct lending. Treasury plans to convene a public meeting of the Presidential Advisory Committee for Community Adjustment and Investment in El Paso in November to gain greater knowledge of the problems confronting trade-affected communities.

I firmly believe the institutions created by NAFTA are strengthening labor and environmental protections in North America -- and I hope you agree. However, this is a long-term process, requiring perseverance and continual improvement. It will be useful for Secretary Rubin and Secretary Herman to hear your concerns first-hand when you meet next week. I have asked my National Economic Adviser, Gene Sperling, to take the lead from the White House in coordinating Administration-wide efforts and to work closely with you and other members of the Hispanic Caucus to address your concerns.

I hope you will work with me in support of future trade agreements that help America compete in the global economy and contribute to improved living standards and environmental protection.

Sincerely,

Rubin

The Honorable José E. Serrano
House of Representatives
Washington, D.C. 20515-3216

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Pls file -
FAST TRACK

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QUESTIONS AND ANSWERS
"DIRECTLY RELATED TO TRADE"
(For Cabinet meetings with Democratic Members)

Q: What will the Administration's fast track legislation propose regarding labor and the environment?

A: As the President has said repeatedly, and most recently in his radio address two weeks ago, he has three primary objectives that fast track authority must allow him to pursue: 1) to negotiate new trade agreements to break down foreign barriers, expand exports, and continue an unprecedented economic expansion; 2) to promote worker rights and; 3) to promote responsible environmental development. Our proposal will permit the President to continue to pursue all three objectives.

One possible formulation we are considering is a concept we advanced in 1995, namely that fast track procedures would apply to labor and environmental issues directly related to trade. This formulation would allow the President to use fast track authority in the same manner as past Democratic and Republican Presidents, and to address the full range of labor and environmental issues using his executive authority. This approach emerges out of significant consultations between the Administration and members of both House and both parties; the labor and environmental communities, and the business community, including agriculture. We believe it fulfills the President's key objectives, which are to ensure he has the necessary flexibility to address trade, labor and environmental issues in an effective manner.

Q: What does "directly related to trade" mean? What provisions could be included in a trade agreement under that definition?

A: We are still discussing the precise formulation of the term and its meaning. It would cover types of labor/environmental provisions that have been included in past trade agreements. Regardless how it is defined, we want to emphasize that trade agreements are only one way to promote labor and environmental progress in other countries. The Administration will use a variety of tools to advance its labor/environment agenda. In addition to trade agreements, these will include:

Side Agreements: When appropriate, the Administration would negotiate labor/environment side agreements under which countries would make commitments relating to labor/environment standards and enforcement. For example, Chile has already committed to negotiate such agreements in the context of free trade negotiations with the U.S.

Other Initiatives: The Administration has been aggressively promoting core labor standards and environmental protection abroad through initiatives not necessarily related to trade negotiations. Examples include:

- The Administration's Sweatshop Eradication initiative brings together labor unions, businesses and others to end exploitable labor practices and improve working conditions, both here and abroad. Companies have already pledged to accept external monitoring of their labor practices.
- The Administration has led the world in promoting adherence to core labor standards in the ILO, the WTO and other fora.
- The Administration established the Committee on Trade and Environment in the WTO, for the first time ensuring a permanent forum for addressing these issues.
- In the President's first term, Secretary of State Warren Christopher directed the entire State Department to incorporate environmental concerns into its diplomacy. He took the unprecedented step of establishing State Department environmental offices in targeted regions having special environmental problems.

We are confident that the combination of these tools will permit us to effectively advance our labor/environment agenda

Q: Can you give me an example of a labor/environmental provision that is "directly related to trade"?

A: This formulation would allow us to incorporate in future trade agreements the principle that countries should not lower their environmental standards to attract foreign investment.

Q: Cong. Gephardt would insist that the Administration include all labor or environmental provisions in future free trade agreements? Would you have preferred to include a broader range of these provisions in trade agreements?

A: We would have preferred to have more flexibility regarding the breadth of the term "directly related to trade", but that is not achievable. Nevertheless, our proposed approach will permit us to achieve all of the President's three objectives.

Q: Will the Administration insist that any labor/environmental side agreements be enforceable through trade sanctions?

A: We are in the process of reaching bipartisan agreement with Congressional leaders over the approach that should be taken in the labor/environmental area. That approach will consist of a package of steps we would take to promote labor rights and the environment. Whether sanctions are envisioned will depend on the content of the entire package. In any case, we will insist that the President be able to pursue his three objectives effectively.

**NON-LABOR/ENVIRONMENT
TERMS OF THE FAST TRACK LEGISLATION
QUESTIONS & ANSWERS
(For Cabinet meetings with Democratic Members)**

Duration

Q: What is the duration of the fast track authority the Administration is seeking?

A: The Administration is likely to seek fast track authority lasting until October 1, 2005. This duration is consistent with some past grants of authority by Congress. This duration gives our trading partners confidence that the U.S. will be able to continue market opening initiatives that may take years to complete (e.g., FTAA, APEC). Without longer-term authority, countries may not be willing to start a longer-term process, crippling our ability to reduce foreign trade barriers.

Background: This duration corresponds to the deadline set for the completion date of the Free Trade Area of the Americas process in 2005. Although it extends beyond President Clinton's tenure (through the next President's first term), this is necessary to give us credibility in long-term negotiations. The October 1, 2005 date puts the President newly elected in 2004 in the strongest position to secure an extension of authority in 2005.

Scope of Provisions in Implementing Bill

Q: I understand some want to limit the provisions of any trade agreement implementing bill only to those provisions absolutely necessary to implement the agreement. What will the Administration's legislation provide?

A: We favor retaining the authority given to past Administrations to include in such legislation provisions that are "necessary or appropriate" to implement the trade agreement. This would permit provisions that are not absolutely necessary to implement the agreement, but are ancillary to implementation (e.g., authority to monitor the results of the agreement) or necessary to secure the required votes for passage. We believe the Administration needs that flexibility. Negotiations on this matter continue.

Background: This issue relates to what provisions may be included in future legislation implementing free trade agreements (not in the fast track legislation currently being considered). Some Republicans objected that the NAFTA and Uruguay Round implementing bills included too many extraneous provisions (e.g., North American Development Bank) that were not necessary to implement these agreements and they seek to limit the ability to include such provisions in future implementing bills. However, limiting future bills only to "necessary" provisions would straightjacket efforts by the Administration and its Congressional supporters to secure the votes for passage and to add other appropriate provisions. Other Congressional Members also favor broad flexibility to incorporate provisions they favor (e.g., dumping law amendments) in future implementing legislation. Discussions continue with Congressional leaders as to the extent of flexibility to be provided.

Other Free Trade Agreements

Q: What other bilateral free trade agreements do you envision negotiating?

A: The Administration would use this authority to break down foreign barriers in a number of ways, not just through free trade agreements. These include:

- **Multilateral:** Negotiations are scheduled in the WTO to break down global barriers in key areas, like agriculture and services, in which the U.S. has substantial trade surpluses already.
- **Sectoral:** We would pursue negotiations to open markets in sectors in which the U.S. is highly competitive, such as information technology products, medical equipment and environmental technology.
- **Regional:** We would also continue our efforts to open the markets of Latin America and Asia, the two fastest growing regions of the world. We need fast track authority to continue these broad and long-term processes. At this point, the only bilateral free trade agreement we envision completing is with Chile, but we would welcome your views on what other countries we might consider.

Fast Track Generally

Q: Doesn't the fast track process deprive Congress its rightful role in trade matters?

A: The fast track process actually ensure Congress a central role in trade negotiations. For over twenty years, Congress has used fast track to set negotiating objectives, to oversee the conduct of negotiations, to establish by statute procedures for advising the President, and to ensure Congress is apprised of how the agreements will be implemented. Fast track implementing bills are written jointly with each Congressional committee of jurisdiction. All five of the fast track trade agreements submitted to the Congress since 1979 have been approved, most by overwhelming majorities. This would not have happened if those procedures did not produce agreements in America's interests and if they did not respect Congressional prerogatives and democratic traditions.

Congressional Consultations

Q: The Administration has not consulted adequately with Congress on these trade agreements. What will your proposal provide to remedy that?

A: We take the need to consult with Congress very seriously. In the President's first term, USTR officials alone consulted with members of Congress and their staffs literally thousands of times.

The legislation we will submit envisions substantial consultations with Congress at every step along the way - before, during and after trade agreement negotiations. In fact, there will even be a provision permitting Congress to withdraw fast track authority from the Administration if it

fails or refuses to consult. We take consultations seriously. If at any time you feel we are not doing enough, please tell us.

Background: The Administration's bill will contain various provisions regarding consultation. These include notice and consultations with the Ways & Means and Finance Committees and other appropriate committees to the start of negotiations; notification to Congress before to signing an agreement, plus Federal Register notice and consultations with all committees of jurisdiction; and a provision permitting Congress to repeal fast track authority if the Administration fails to consult adequately prior to signing agreements.

NORTH AMERICAN AGREEMENT ON ENVIRONMENTAL COOPERATION: A PRIMER

HISTORICAL UNDERTAKING: The North American Agreement on Environmental Cooperation (NAAEC) is the first environmental agreement specifically associated with a trade agreement. It is designed to ensure that expanded trade contributes to strong environmental protection in North America.

SCOPE: Any environmental or natural resource issue may be addressed through a work program under the Agreement, and any environmental concern or obligation of the agreement may be the subject of consultations between parties.

ENVIRONMENTAL OBLIGATIONS: The NAAEC requires NAFTA partners to undertake specific obligations regarding the development, implementation, and enforcement of their environmental laws:

- Guarantee citizens access to national courts to petition governments to undertake enforcement actions and to seek redress of harm.
- Ensure the openness of judicial and administrative proceedings and transparent procedures for the creation of environmental laws and regulations.
- Pledge that national laws and standards will continue to provide high levels of environmental protection and to work cooperatively in enhancing protections.
- Effectively enforce national environmental laws and submit this commitment to a dispute settlement process.
- Commit to report on the state of the domestic environment and to promote environmental education, scientific research, and technological development.
- Work toward limiting trade in toxic substances that they have banned domestically.

The Agreement does not affect the rights of states and provinces under the NAFTA to maintain standards at levels higher than the Federal Governments.

COOPERATION AGENDA: A major goal of the Agreement is to broaden cooperative activities among the NAFTA partners designed to:

- Consider the environmental implications of process and production methods.
- Promote greater public access to information about hazardous substances ("community right-to-know").
- Consider ways to promote the assessment and mitigation of transboundary environmental

problems.

INDEPENDENT ORGANIZATION: The Agreement is administered by the Commission on Environmental Cooperation (CEC), which was created specifically for that purpose.

- The top environmental official in each country (the EPA Administrator for the United States) comprises the Commission's Council.
- The heart of the Commission is the Secretariat. The Executive Director of the Secretariat takes broad direction from the Council, but maintain a high degree of independence.
- A Joint Advisory Committee made up of nongovernmental organizations from all three countries advises the Council in its deliberations.
- The Commission will serve as a point of enquiry for public concerns about NAFTA's effect on the environment, and be an avenue for NAFTA dispute settlement panels to obtain environmental expertise when faced with environmental issues.

OVERSIGHT OF NATIONAL ENFORCEMENT: Transparency is the hallmark of the agreement. Citizens of member countries are entitled to make submissions related to the full range of environmental issues.

- The Commission's Secretariat must act on submissions appropriately to develop fact-finding reports. The reports must be made public if any two of the three NAFTA countries concur.
- The agreement creates a consultative process for the Council to discuss issues, including those brought to light through the public submission process and the Secretariat's fact-finding activities.
- In the event that one Party considers that another Party has persistently failed to effectively enforce its environmental laws (affecting a sector involving traded goods or services), the matter may be referred to a dispute settlement panel when consultations fail to resolve the matter.
- The dispute settlement process provides for sanctions in the form of monetary compensation or withdrawal of trade privileges if members fail to correct problems of nonenforcement.

NORTH AMERICAN AGREEMENT ON LABOR COOPERATION: A PRIMER

HISTORIC UNDERTAKING: The North American Agreement on Labor Cooperation (NAALC) is the first labor agreement specifically associated with a trade agreement. It is designed to promote improved labor conditions and enforcement of national labor laws throughout North America.

OBJECTIVES: The Agreement provides for promotion of improved labor laws and standards, effective enforcement of these laws, and the promotion of key labor protections, including:

- Freedom of association and protection of the right to organize
- Right to bargain collectively
- Right to strike
- Prohibition of forced labor
- Labor protections for children
- Minimum employment standards, such as minimum wages and overtime
- Elimination of employment discrimination
- Equal pay for men and women
- Promotion of occupational health and safety
- Compensation for occupational illnesses and injuries
- Protection of migrant workers.

INDEPENDENT ORGANIZATION: The Agreement is administered by the Commission on Labor Cooperation, which was created specifically for that purpose.

- The top labor official in each country (the Secretary of Labor for the United States) comprises the Commission's Council, which has a mandate to work cooperatively on a broad range of labor issues.
- An independent International Coordinating Secretariat provides technical support to the Council, and reports periodically to the Council on labor issues, including labor laws and their enforcement, labor market conditions, and training and adjustment programs in the three countries. The Secretariat is headed by an Executive Director appointed by consensus for a fixed term.
- Each national government appoints a National Administrative Office (NAO) as the point of contact between itself and Commission entities.

LABOR OBLIGATIONS: The NAALC requires NAFTA partners to undertake specific obligations regarding the development, administration, enforcement, and review of their labor laws, including to:

- Publish laws, regulations and procedures and promote public awareness of these laws and regulations, so that workers and employers will know their rights and responsibilities;
- Promote compliance with laws and enforcement through appropriate tools, including:

- appointment and training of inspectors,
 - monitoring and on-site inspections,
 - encouragement of voluntary compliance,
 - Mandatory reporting; and
 - enforcement actions.
- Provide effective means for binding domestic enforcement of rights granted under its labor laws (including collective bargaining rights) for all groups with a legally recognized interest under that country's laws;
 - Maintain domestic administrative and judicial processes that are independent and impartial, comply with due process, allow parties to be heard and present evidence, and normally are open to the public.
 - Provide for a right to independent review of administrative determinations, as appropriate.
 - Provide for a right for parties to a proceeding to seek remedies for failure to enforce labor rights, including, as appropriate, compliance agreements, penalties, fines or injunctions.

OVERSIGHT OF NATIONAL ENFORCEMENT: The Agreement has several avenues to encourage effective national enforcement of labor laws:

- The Secretariat reports periodically on labor laws and their enforcement in each country;
- The NAO's consult and exchange information on enforcement, and provide information to the Council and the ICS;
- The Council can consult on any labor matter, including enforcement questions on any labor law;
- An Evaluation Committee of Experts (ECE), composed of independent experts, may be convened at the request of any party to examine and make recommendations on matters involving a pattern of practice.
- Dispute Settlement Panels can be invoked if a party believes that another is demonstrating a persistent pattern of failure to effectively enforce labor laws (affecting a sector involving traded goods or services), when consultations fail to resolve the matter.
- The dispute settlement process provides for sanctions in the form of monetary compensation or withdrawal of trade privileges if members fail to correct problems of nonenforcement of certain labor principles. (Specifically, damages can be imposed for violations of occupational safety and health, child labor or minimum wage technical labor standards).

Programs for Dislocated and Low Wage Workers -- The Facts

Working for Dislocated and Other Workers in Transition

- ✓ **Dislocated Worker Training.** In 1993, the Dislocated Worker assistance program received \$651 million and served 306,000 dislocated workers. By 1997, funding had grown to \$1.29 billion, an increase of 98 percent, to serve 580,000 laid-off workers. For next year, the President has proposed \$1.35 billion for Dislocated Worker assistance, or \$64 million (5 percent) above 1997, to serve 605,200 laid-off workers. To ensure an overall investment increase in training, Administration negotiators secured bipartisan agreement to include training on the list of protected Presidential priorities.
- ✓ **NAFTA Transitional Adjustment Assistance (NAFTA TAA).** Recognizing that some workers require assistance in adjusting to new patterns of trade and production, NAFTA-TAA contains several innovative features to provide expanded retraining and income support benefits. For the first time, NAFTA-TAA provides retraining and reemployment assistance and income support to workers displaced by production shifts as well as trade, and provides income support for "secondary" workers.
- ✓ **A \$1,500 HOPE Scholarship and a 20% Tuition Tax Credit for working Americans pursuing lifelong learning to upgrade their skills.** Because of the President's insistence, the balanced budget includes both a \$1,500 two-year HOPE Scholarship and a 20% tuition tax credit that workers can use to help pay for training to upgrade their skills. The President has long understood that the economy is changing and that people need the opportunity to enhance their skills throughout their working lives.
- ✓ **More Secure Health Benefits** - the 1996 "Kassebaum-Kennedy" law means that as many as 25 million Americans have health benefit portability they did not have before. No longer will people who have been sick have to fear that they will lose their access to health insurance if they lose their job or change jobs. Nor can they be denied coverage because they have a preexisting medical condition.
- ✓ **Improved Pension Portability** - the minimum wage law included provisions to improve pension portability and coverage. The vesting period for multi-employer plans was reduced from 10 years to five years, meaning that more people will be covered more quickly. Additionally, the law encourages employers to allow employees to start saving for retirement from the first day on the job by changing the law that encouraged waiting periods. Moreover, through administrative action taken by the Treasury Department, employers that make a broad range of investment choices available to active employees may not limit former employees to investment in a money market fund.
- ✓ **One-Stop Career Centers** - this Administration initiative is designed to transform a fragmented array of employment and training programs into a coordinated information and delivery system for job-seekers and employers. To date, 24 states have received grants to implement One-Stop systems and nine more will receive grants in 1997. The President's FY 98 budget proposed \$150 million in funding to expand One-Stop Career Centers to all states in 1998.

Working for Low-Wage Workers

- ✓ **A higher minimum wage** -- On Labor Day, 10 million workers received a raise with the increase in the minimum wage the President fought so hard to deliver. In two steps of 45 cents each, one last October and the one on Labor Day of this year, the hourly minimum wage was increased 90 cents or 21 percent from \$4.25 to \$5.15. For an average full-time minimum wage worker this amounts to a raise of \$1,800.
- ✓ **President Clinton insisted child tax credit include low wage workers** -- the balanced budget includes a \$500 per-child tax credit for approximately 27 million working families with 45 million children. A typical family with two children will see their after tax paychecks rise \$1,000 annually. The President insisted that the final child tax credit include hard working families making less than \$30,000 -- 13 million children from families with incomes below \$30,000 will receive the child tax credit.
- ✓ **EITC Expansion** - the new child tax credit builds on the President's major expansion of the Earned Income Tax Credit in 1993 that delivered a raise to 15 million hard working families.

NAFTA ENVIRONMENTAL AGREEMENT: THE FACTS

NAFTA is the first trade agreement to include mechanisms to address the unique environmental problems that have long challenged communities along the 2000-mile shared border with Mexico. The North American Agreement on Environmental Cooperation (NAAEC) has led to unprecedented regional environmental cooperation and improved enforcement of Mexico's environmental laws.

CLAIM: IMPLEMENTATION OF NAFTA'S ENVIRONMENTAL OPERATIONS HAS BEEN FLAWED, AND PROMISED IMPROVEMENTS TO THE HEALTH AND SAFETY OF WORKING FAMILIES ALONG THE BORDER HAVE NOT MATERIALIZED.

The Facts: NAFTA's environmental activities, combined with extensive U.S.-Mexico environmental cooperation, are making concrete progress. For instance, we can already point to a border community in Texas that has indoor plumbing and clean drinking water for the first time.

- **NAFTA's environmental institutions are addressing critical environmental infrastructure needs.** To date, 16 projects have been certified with a combined cost of nearly \$230 million, and construction has already begun on seven projects. Over time, the North American Development Bank (NADBank) will be able to leverage its capital into \$2 to \$3 billion in lending.
- **30 Environmental Projects Along the Border.** The NADBank, together with the NAFTA Border Environment Cooperation Commission (BECC) and federal and state officials on both sides of the border, have identified more than 30 environmental projects along the border with a total cost of about \$500 million for their 1997-99 work plan.
- **NADBank is establishing co-financing mechanisms with U.S. and Mexican grant programs to provide affordable financing for poor border communities.** A recent agreement will enable NADBank to combine its loans with up to \$170 million in grants from the Environmental Protection Agency for border water and wastewater projects.
- **The United States and Mexico have launched a Border XXI program establishing five-year objectives for achieving a clean border environment and a blueprint for meeting them.** U.S. and Mexican officials are now working to abate emissions from vehicles at border crossings, tracking transboundary shipments of hazardous wastes, and operating a U.S.-Mexico Joint Response Team to minimize the risk of chemical accidents, to name just a few activities.

NAFTA LABOR AGREEMENT: THE FACTS

NAFTA is the first trade agreement to include protections for workers. The North American Agreement on Labor Cooperation (NAALC) established by the NAFTA has enhanced oversight and enforcement of national labor laws and created North American cooperation on fundamental labor issues. Since the NAALC has been in effect, there is evidence that Mexico has strengthened enforcement of its labor laws.

CLAIM: THE LABOR SIDE AGREEMENT HAS NO TEETH BECAUSE IT IS NOT A CORE PART OF THE NAFTA. THE SUBMISSION PROCESS HAS NOT RESULTED IN A SINGLE CASE OF ENFORCEMENT ACTIONS OR SANCTIONS.

THE FACTS: The international public scrutiny associated with the NAFTA submission process has been an important impetus for change in Mexico.

- **Legal and Economic Sanctions.** The NAALC submission process subjects member governments to public and international scrutiny for alleged violations of labor laws; it can also lead to economic sanctions for violations of certain types of labor rights.
- To date, the United States has received seven submissions against Mexico, while Mexico has reviewed one submission against the United States. We have achieved a high measure of success in the review of these submissions, both in affording remedies to affected workers and in influencing policy changes. In one case, a Mexican labor tribunal granted recognition to the petitioning union, reversing an earlier decision, and afforded a new hearing for workers dismissed for union activity. In other cases, workers were permitted secret ballot elections, a practice not common in Mexico. In addition, there are indications that a number of Mexican labor disputes have been settled by companies wishing to avoid the negative publicity associated with the NAFTA review process.
- Important legal advancements on labor rights have taken place in Mexico since NAFTA was signed. In 1996, the Supreme Court of Mexico issued two decisions finding state statutes restricting freedom of association unconstitutional. Mexico's Department of Labor has issued recommendations providing for greater autonomy and professionalism of tripartite labor tribunals and making the union registration process a purely administrative decision.
- Under the NAALC, the Canadian, Mexican, and U.S. governments have initiated cooperative efforts on a variety of labor issues, including occupational safety and health, employment and training, industrial relations, worker rights and child labor and gender issues.
- Mexican enforcement of labor laws has improved since NAFTA was signed. Mexico's Secretariat of Labor and Social Welfare reports a nearly 250 percent increase in funding for enforcement and a 30 percent reduction in the number of workplace injuries and illnesses.

THE WHITE HOUSE

WASHINGTON
August 21, 1997

MEMORANDUM FOR VICKI RADD

FROM: DAVID BEAUBAIRE 
BIBB HUBBARD 

Re: Cabinet Participation in Fast Track

CABINET ROLLOUT

Attached is the list of what the Cabinet have currently planned for the days immediately following the President's September 10th Fast Track event. As we receive further direction as to additional travel, events, and media that we want the Cabinet and Sub-Cabinet to do on these days, we will work with the agencies to make this happen.

CONFERENCE CALLS

On September 2nd we will coordinate a conference call with the members of the Fast Track Team to brief them prior to them going to the Hill. Next week, Ambassador Barshefsky will place calls to certain members of the team to ensure that they are fully engaged, and we will schedule a conference call for the Chiefs of Staff, Legislative staff, and the schedulers of the Cabinet to brief them and review how we envision this process to work.

OUTREACH

The memorandum from Jay Berman, along with Congressional assignments, went out to the Fast Track team. Working with Legislative Affairs, we will follow up to ensure that these meetings occur by September 9th. In addition, we are also moving forward with Public Liaison in scheduling strong Cabinet participation in the series of briefings they are conducting during the month of September.

We hope this is helpful for your planning and please let us know if you have questions.

Attachments

cc: T. Marshall
S. Silverman

Cabinet Fast Track Rollout

<i>Cabinet Member</i>	<i>September 11</i>	<i>September 12</i>
Secretary Albright	TBD	TBD
Secretary Rubin	<i>Washington, DC</i> NAFTA Hearing; CEO Lunch	<i>Washington, DC</i> Bankers Roundtable Lunch
Secretary Glickman	<i>FAST TRACK TRAVEL</i> <i>TBD</i>	<i>Washington, DC</i> Congressional Black Caucus Meeting
Secretary Daley	<i>Washington, DC</i> TPPC Rump Group; NAFTA Hearing	<i>FAST TRACK TRAVEL</i> <i>TBD</i>
Secretary Herman	<i>Washington, DC</i> OFCCP Eve Awards	<i>Washington, DC</i> CBC Events
Secretary Slater		<i>Washington, DC</i> Congressional Black Caucus
Secretary Secretary Peña	<i>San Francisco, California</i> Technology Development; Science Education	<i>Los Angeles, California</i> Back to School Event
Administrator Browner	<i>Washington, DC</i> Final day of "Right to Know Conference" (T)	
Ambassador Richardson	<i>New York, New York</i>	<i>New York, New York</i>
Ambassador Barshefsky	<i>Washington, DC</i> NAFTA Hearing	
Administrator Alvarez	<i>Washington, DC</i> Address Hispanic Business Magazine CEO Roundtable; Address Congressional Hispanic Caucus	<i>Chicago, Illinois</i> Women's Business Development Center, 11th Annual Entrepreneurial Women's Conference (T)
Mack McLarty	<i>Sao Paulo, Brazil</i> Speech to Mercosur Summit Meeting	<i>Miami, Florida</i> Speech at Miami Herald Conference on Latin America

August 21, 1997 (6:38pm)

Other Cabinet

<i>Cabinet Member</i>	<i>September 11</i>	<i>September 12</i>
Attorney General Reno	<i>Washington, DC</i> Bankers Roundtable Meeting; Collaboration Meeting	<i>Tampa, Florida</i> Back to School Event <i>Miami, Florida</i> Asset Forfeiture Conference
Secretary Babbitt	<i>Washington, DC</i> Meeting with Congressman Saxton re: ESA	
Secretary Shalala		
Secretary Cuomo		<i>Washington, DC</i> DOE/HUD Physical Inspection (T); EZ Satellite
Secretary Riley	<i>Aspen, Colorado</i>	<i>Aspen, Colorado</i> Forstmann Little Education Roundtable
Secretary-Designate Gober	<i>Topeka, Kansas</i> Forstmann Little Education Roundtable	
Chair Janet Yellen		
Director Raines		

THE WHITE HOUSE
WASHINGTON

August 21, 1997

MEMORANDUM FOR FAST TRACK WORKING GROUP

FROM: Jay Berman
RE: Legislative Meetings

Throughout the spring and summer, Administration officials have been meeting with members of the House and Senate and their staffs to discuss Fast Track in general terms and the President's decision to send up legislation shortly after they return from the recess. In addition, the President held two meetings with a number of undecided Members just prior to the recess, asking that they not make any commitments to oppose the legislation until the Administration has had an opportunity to finalize our bill and present the case for it.

Based on all of these meetings, follow-up phone calls and past voting histories on trade bills, we have compiled a list of Members who could be supportive of Fast Track. In advance of actually producing the final version of the bill, which is scheduled to be rolled out at a White House event on Wednesday, September 10, we are asking all of the principals to visit Members for individual consultations to determine what type of bill, on introduction, will get the legislative process started toward enactment before adjournment.

It is essential that your appointments be scheduled for the week of September 1, as that only leaves the 3rd-9th for decision-making on the final version. We will also need to be doing a parallel effort with outside support groups, so time is short.

We will have talking points for your use and Ambassador Barshefsky and Jay Berman will participate in a conference call on Tuesday morning, September 2, to address all of the issues in greater detail.

Please contact David Beaubaire in the Office of Cabinet Affairs at 456-2572 when you have scheduled your appointments. Also, please contact Michael Williams in the Office of Legislative Affairs at 456-6493 upon completion of your meetings to offer feedback.

We appreciate your help. If you have any logistical questions please call Michael Williams. Thank you.

cc: John Hilley
Thurgood Marshall

Berman

Member of Congress	Scheduled
Kennelly	
Cardin	
Harman	
Berman	
Sherman	
Schumer	
Beccerra	
Bono	
Wyden	
Lieberman	
Levin	
Feinstein	
Lautenberg	
Bingaman	

Please contact these offices directly to schedule your appointments. Once these meetings have been scheduled please fax back this completed form to David Beaubaire at (202) 456-6704. Thank you.

THE WHITE HOUSE

WASHINGTON

August 26, 1997

MEMORANDUM FOR FAST TRACK WORKING GROUP

FROM: Maria Echaveste 

RE: White House Briefings

cc: T. Marshall

Throughout the Fall, Administration officials will be asked to participate in several briefings for outside groups and opinion leaders to explain the President's position on Fast Track. Our outreach strategy focuses on two principal groups: industry representatives and regional opinion leaders. What follows is a series of briefings that we have scheduled.

Many of you have already been contacted about the dates we have scheduled and have confirmed these dates, while others are still pending. Please review this brief description of the schedule and contact David Beaubaire of Cabinet Affairs at 456-2572 to confirm your participation. If you have any other questions regarding the audience or logistics, please feel free to contact me or Peter O'Keefe on my staff at 456-2930.

Industry Representatives:

In advance of the President's roll-out of the bill on September 10th, we want to make sure that key industry leaders are well-briefed on its likely content. We have prepared briefings for three industries: agriculture, high technology and manufacturing. The following schedule identifies the Administration officials we are requesting for each briefing:

Thursday September 4th:

Agri-Business Briefing

The Indian Treaty Room, 1:00pm-2:00pm

Description: Briefing for 60 representatives from the agri-business community.

Requested speakers: Secretary Glickman, Ambassador Barshefsky and Jay Berman.

Friday September 5th:

High Tech Briefing

The Roosevelt Room, 11:00am-12:00pm

Description: Briefing for 40 representatives from the high tech community.

Requested Speakers: Secretary Daley, Secretary Rubin and Jay Berman.

Tuesday September 9th:

Manufacturing Briefing

Indian Treaty Room, 9:00am-10:00am

Description: Briefing for 75 representatives from manufacturing community.

Requested speakers: Secretary Daley, Ambassador Barshefsky, Jay Berman and Vicki Radd.

Regional Opinion Leaders:

In order to compliment our efforts inside the beltway, we want to provide an opportunity to hear from key regional opinion leaders from across the nation. Our objective is to assemble several prominent groups of community leaders here at the White House and clearly convey the President's reasons for supporting this legislation. Public Liaison, Intergovernmental Affairs, Cabinet Affairs and Legislative Affairs will all be working closely to compile the list of invitees for these briefings. The schedule, as well as the Administration officials requested for each, is as follows:

Friday September 26th:

First Briefing for Regional Opinion Leaders

Indian Treaty Room

Description: Briefing for 50 regional opinion leaders.

Requested speakers: Secretary Daley and Ambassador Barshefsky (additional speakers to be added as regions are identified).

Tuesday September 30th:

Second Briefing for Regional Opinion Leaders

Indian Treaty Room

Description: Briefing for 50 regional opinion leaders.

Requested speakers: Secretary Rubin and Secretary Glickman (additional speakers to be added as regions are identified).

Thursday October 2nd:

Third Briefing for Regional Opinion Leaders

Indian Treaty Room

Description: Briefing for 50 regional opinion leaders.

Requested speakers: Secretary Herman and Secretary Daley (additional speakers to be added as regions are identified)

FAST TRACK BRIEFING

September 2, 1997
Roosevelt Room 11:00

As of August 29, 5:00 p.m.

DEPARTMENT	RESPONSE
<u>STATE</u>	
Stuart Eizenstat	YES
<u>TREASURY</u>	
Secretary Rubin	YES
Larry Summers	YES
<u>USDA</u>	
Secretary Glickman	YES
Richard Rominger	YES
Gus Schumacher	YES
<u>COMMERCE</u>	
Secretary Daley	YES
Kariohn	
<u>LABOR</u>	
Secretary Herman	YES
Kitty Higgins	YES
<u>EPA</u>	
Administrator Browner	YES
<u>UN</u>	
Victoria Rivas-Vazquez	YES
<u>USTR</u>	
Amb Barshefsky	YES
Peter Scher	YES
Jeff Lang	YES
Bob Novick	YES
Sue Esserman	YES
Nancy Leamond	YES

SBA

Adm Alvarez	YES
Paul Weech	YES

White House

Paul Begala	YES
Sandy Berger	YES
Jay Berman	YES
Sidney Blumenthal	YES
Erskine Bowles	YES
Susan Brophy	YES
Rahm Emanuel	Possible
Jeff Forbes	Possible
John Hilley	YES
David Johnson	YES
Ron Klain	YES
Bob Kyle	YES
Katie McGinty	YES
Mack McLarty	YES
Al Maldon	Possible
Thurgood Marshall, Jr.	YES
Sylvia Mathews	Possible
John Podesta	Possible
Vicki Radd	YES
Franklin Raines	YES
Gene Sperling	YES
James Steinberg	YES
Dan Tarullo	YES
Michael Waldman	YES
Janet Yellen	YES

LETTERS TO THE EDITOR

Herblock is on vacation.

Trade Should Be Put on the Fast Track

The Trendlines column by Paul Blustein ["Son of NAFTA: Soon to Be Playing to ... Yawns," *Business*, Aug. 14] conveys a misleading perception that the coming debate over fast-track legislation is only about U.S. trade relations with Latin America. In fact, as President Clinton has stated clearly on a number of occasions, fast track is about advancing a broad trade agenda to ensure that U.S. workers and companies have the opportunity to compete on a level playing field in the world economy. Opening markets in Latin America is only one part of the president's overall strategy.

The president's trade agenda is focused on seizing opportunities in which our workers and companies are the most competitive in the world. This agenda is reflected in our most recent trade agreements—the Information Technology Agreement (ITA) and the global telecommunications agreement. As the result of American

leadership, these two trade pacts together opened world markets in a trillion-dollar sector of global trade. For U.S. workers and companies, these agreements were critical to the future of our high-tech industries, as we lead the world in technology exports, and more than 3 million well-paying U.S. jobs depend on high-tech manufacturing and services.

In addition, the president has said that we need to complete the built-in agenda of the World Trade Organization—including government procurement, intellectual property, agriculture and trade in services. All four are areas in which the United States is the most competitive economy in the world. Last year, for example, our services exports totaled \$225 billion, and our surplus exceeded \$73 billion even though our trading partners have higher trade barriers to services than we

do. Negotiations to further reduce barriers to trade in agriculture are critical to our long-term interests as the world's leading agricultural exporter. The same is true of government procurement and intellectual property, sectors in which the United States more than any other party stands to benefit from reducing trade barriers.

The president has spoken also of the need to use APEC, the Asian-Pacific Economic Cooperation Forum, to continue trade liberalization in sectors of great importance to the U.S. economy. These include a second ITA, with broader product coverage and attention to nontariff barriers, energy technology, environmental technology, medical equipment, wood and paper, and automotive parts.

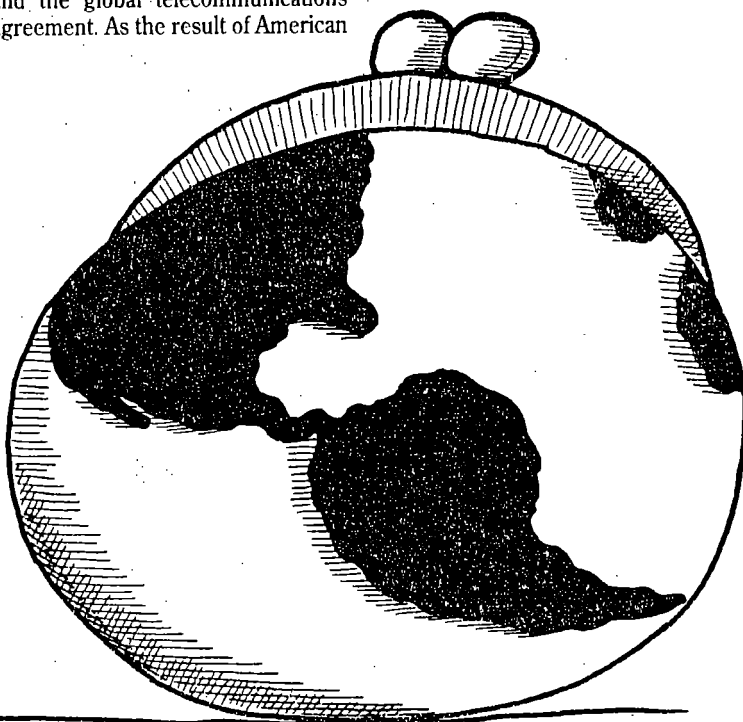
This is an ambitious trade agenda, going well beyond what Mr. Blustein has described, and its focus is on advancing U.S. economic interests in areas in which we are the most competitive nation in the world. We have the most compelling interest of any nation in shaping the rules of trade in these areas. We should not waste this opportunity to advance our interests—and in order to do so, the president needs fast-track negotiating authority.

We have an ambitious trade agenda because expanding trade is critical to our economic future. Since 1993, our exports have accounted for one-third of our overall economic growth. We currently are positioned as the most competitive economy in the world. To give the president the authority to continue to tear down foreign trade barriers and open foreign markets is in our national interest, and fast track is the most important tool he has for negotiating these agreements.

We cannot afford to sit on the sidelines because that means falling behind. We need fast track to advance our own global trade agenda.

JASON BERMAN
Washington

The writer is special counselor to the president for fast track.



BY MARGARET SCOTT

PHOTOCOPY
PRESERVATION

The Administration's international trade agenda is on track and moving forward at full speed. In APEC, the Free Trade Area of the Americas, and in the WTO, the United States and the Clinton Administration are setting the agenda to open markets, expand trade, and increase domestic prosperity. More than 25% of our economic growth in the past four years has been driven by export growth.

- In the last six months, the U.S. led the world to conclude trade agreements in information technology and telecommunications which covered more than \$1 trillion in global trade. We just led the developed countries of the world to conclude an historic anti-corruption agreement among the 29 developed nations in the OECD. We are moving forward in financial services talks at the WTO.
- The President was personally involved in securing the ITA agreement, working with APEC leaders last Fall to build support for this agreement. APEC has already embarked on "ITA II" to expand the reach of this agreement and will consider other sectoral trade agreements this year.

The President and the Administration are actively engaged with the Congress on the trade agenda.

- We are now working in Congress to preserve MFN trade status with China -- normal trade relations -- a critical measure to protect the economic health of Hong Kong because half of U.S.-China trade goes through Hong Kong.
- We have secured commitments from the congressional leadership to address "fast track" on an expedited basis this Fall and conclude this year. This effort will involve the President, the Vice President, and the resources of the White House.

We would like to see Congress approve "fast track" in the Fall to ensure that we can gain the best possible trade terms on a reciprocal basis for U.S. companies and workers. The trade agenda has not been held back by the absence of "fast track" negotiating authority. We are moving forward in the FTAA, within APEC, and in the WTO on a wide range of negotiations including financial services.

- Fast track is important because trade barriers in the fastest growing markets in the world are much higher than ours, and fast track will increase our leverage to bring those barriers down and open markets.
- We will work with the Congress this summer to build consensus on the scope of fast track and how to address labor and environmental issues.

7/31

REYES

- High negative impact w/ border countries eg, El Paso - Displacement, etc.
- Compare \$50 m. for Toluca vs Rio Grande
- P: Believer border areas were hardest hit by NAFTA
 - Can push envl investments
 - The other countries are not Mexico w/ shared border

VP: Peso crash also

HARVEY

- Cold shoulder w/ Labor - Make/Break w/te
- # of CMC, incl Torres disappointed w/ Nader
- Maguillador, etc.

P: Heavily helped w/ budget; strong record - Harder w/ P than P's predecessor
Boeing/MCD - saved 15K union jobs

MINGE

- Not nearly going to win over - Need subst re labor - end by Sept

P: Chileans, willing to negotiate

TAUSCHER

- Mktg problem - Ann sq'ly w/ facts and dispute myth w/ fact / rebut & sole arguments

DEUTSCH

- Resp to orgnl labor, esp UAW
- USTR - Avg inward invest = \$2.8B - Now \$3.1B
- No drug into Mex but Mex into US \$3B
- US can ↑ 100K jobs b/c ↑ security
- Affected: 100,000 (Car/Mex) // 20K (R in Mex)

P: El Paso is best eg; Bet 30% of total

Mex = 74K jobs ↑ vs 50K lost

HAMILTON

- Strong Support

1 - Can't win if NAFTA referendum

- Frame instead an agreement that will come after get F-Tr

2) Huge for pol. issue - severe disarray in trade and w/ global leadership

3) NAFTA losers - Inpt to be sympathetic to them

P: How close
drtgth for public?

H: NAFTA talk is defense

Eg, Boeing recog
inpt; Execs vs
Machinists

Summary - w/ or w/o Gule

- 1) financial crisis '82/'84
- US expat, 30% more to Mex than in '94 - where worse w/o NAFTA

STENHOLM

- Support; No Brainer; Gave abt all side letters to
- Wd like to see labor rep in for Blue Dog FACE-OFF

SMITH

- Not that labor just don't get it
- Scared abt how they fit in car - Losers are low skilled labor → How compete w/ those jobs as they go around world - Not enough to say due yourself
- "NAFTA" disc'd way too often

THE WHITE HOUSE
WASHINGTON

MATSU

- USTR spk'g in global terms makes sense
 - Eg Global Telecom
 - Want labor/emp but it is a Pp6 controlled Congress
 - More D votes = More leverage
- Only 4% of ~~the~~ labor union = NOW - Federal

VP: Sweeney/Kirkland alternative and harder like alliance over trade - One pc of a much larger econ pic.
WM not "D" but my tone dan vehemence.

EB: 25 items D's elim

Balance Budget
Invest
Trade

DEUTSCH

- How WM affect FDR
- Give them more comfort w/ world moving away from them.

P: Want relat combo of dynamism/security
Problems - Driftly transition

- Race
- Disease
- Wpr

Most not dig deeply but not specially

PRICE

THE WHITE HOUSE
WASHINGTON

- P: Save w/ skill but w'd happen anyway
Q: Is whether w'd be better off w/ more trade / less trade and WASH has high trade surplus
- Now only after training

MINGE

- Unlike NAFTA/GATT; P defines debate and can raise the bar

LOFGREN

- Have political problem - eg her truck driver dad thinks trade is anti-worker - End of world - Even w/ only 2.8% investment
P: Need to cut to sell its products
KH: Dislocated workers = 75% reemployment rate

FAZIO

- MCs have got fix - 194 unhelpful b/c suppressed turnout - Can win BUT at what cost? Struck by labor going this way Labor thinks its troops are leading the charge
- "New jobs are not our jobs" - Not negotiable

Matsui/Hamilton don't agree

REYES

- Winable but in the dramatic steps
 - (1) Neutralize their weapons, eg border areas - impact programs
 - (2) Carpent issue - Willing but gotta be watergate

FAST
TRACK

FILE
FAST-TRACK

NAFTA AFTER THREE YEARS

NAFTA is an integral part of a broader growth strategy that has produced the strongest U.S. economy in a generation, including sustained investment, low unemployment, healthy job creation, and subdued inflation.

- Since 1993, exports have contributed nearly one third of our economic growth — and have grown three times faster than overall income.
- Under NAFTA, exports to Mexico have grown 36.5 percent and exports to Canada have grown 33.6 percent to record levels. Jobs supported by exports to Canada have gone up by 189,000 and jobs supported by exports to Mexico by 122,000. Export jobs generally pay 13 to 16 percent more than the national average.

Several studies conclude that NAFTA has contributed to America's economic expansion, boosting net exports with Mexico and U.S. income, investment and jobs.

- A new study by DRI estimates that NAFTA boosted real exports to Mexico by \$12 billion in 1996, compared to a smaller increase in imports of \$5 billion, controlling for Mexico's financial crisis. According to this study, NAFTA contributed \$13 billion to U.S. real income and \$5 billion to business investment in 1996.

Before NAFTA was signed, Mexico had one-way free trade into the United States, benefitting from duty-free access on over half of its exports to the United States. Under NAFTA, Mexico's tariff cuts have been 5 times greater than ours, leveling the playing field.

- Before NAFTA, U.S. barriers to Mexico were already low at 2.07 percent. Mexican barriers were much higher, averaging 10 percent.
- Since NAFTA was signed, Mexico has reduced its average applied tariffs on U.S. imports by 7.1 percentage points, compared with U.S. reductions of 1.4 percentage points.

NAFTA has given Americans a competitive edge over European and Japanese rivals, helping American suppliers capture share in Mexico's import market.

- Increases in the U.S. share of Mexico's import market are indicative of NAFTA's effects, since they control for factors affecting foreign suppliers similarly, such as Mexico's recession.
- Since NAFTA went into effect, U.S. suppliers have seen their share of Mexico's import market grow from 69.3 percent to 75.5 percent, reflecting a 10 percentage point tariff advantage over foreign suppliers. Mexico's share of American imports has risen from 6.8 percent to 9.3 percent.

By helping to lock in economic reforms, NAFTA contributed to a rapid recovery in Mexico following the most severe economic recession in decades, and protected American exports and jobs.

- Following Mexico's 1982 financial crisis, Mexican output did not recover to pre-crisis levels for five years. In 1995, Mexican economic output rebounded to pre-crisis peaks by the end of 1996.
- Following Mexico's 1982 financial crisis, Mexico raised tariffs by 100 percent, and American exports to Mexico fell by half and did not recover for seven years. In 1995, Mexico continued to implement its NAFTA obligations even as it raised tariffs on imports from other countries. As a result, American exports recovered in 18 months and were up 37 percent by the end of 1996 relative to pre-NAFTA levels, even though Mexican consumption was down 3.3 percent.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508

July 24, 1997

TO: Interested Parties
FROM: USTR Press Office
SUBJECT: Q&A on POTUS Meeting with Members on Fast Track

Q: What is the purpose of today's meeting?

A: The President will express the need for fast track to ensure U.S. competitiveness in the global economy. Fast track is about expanding opportunities for U.S. exports and making sure the U.S. sets the rules and conditions for trade that are advantageous to U.S. workers and businesses. The Administration's trade agenda is focussed on exactly those areas where the U.S. is most competitive — telecommunications, technology, professional services, agriculture, biotechnology, and critical manufacturing sectors.

Q: Why does the Administration keep meeting with Members without presenting a proposal?

A: The only way to succeed in securing fast track authority is to build the broadest consensus possible before we head into the fall. It is important for Congress to have a clear understanding of why we need fast track, and the President will use today's meeting as an opportunity to do that.

Q: Why did the President meet with these particular Members?

A: Amb. Barshefsky and other members of the Administration have met with over 170 members over the last few months. The President's meeting today is part of an effort to personally address questions from those Members about trade and the need for fast track. This meeting is one of a number of meetings the President will have with Members in the coming months.

Q: What are the chances of the Administration securing renewed fast track authority?

A: We realize this will be a divisive battle, but the more Congress understands that fast track is necessary for U.S. competitiveness in the global economy, we believe they will support renewed fast track authority for the President. We can not afford to have the rest of the world march on by while we pass up opportunities for U.S. workers and companies.

PRESIDENT CLINTON MEETS WITH TOP SCIENTISTS TO DISCUSS CLIMATE CHANGE July 24, 1997

"The science is clear and compelling: We humans are changing the global climate...No nation can escape this danger. None can evade its responsibility to confront it."

*— President Clinton, Address to UN General Assembly
Special Session on the Environment, June 26, 1997*

Following up on their remarks to the United Nations General Assembly Special Session on the Environment, today President Clinton and Vice President Gore will hold a round table discussion with eminent scientists, including three Nobel laureates, to discuss the science of climate change and the widespread conviction that action to mitigate this problem is warranted. Today's discussion begins a series of Administration efforts and events to increase public awareness of the problems that could result due to climate change. The United States has led the world in the support of environmental science, including climate change research, and in the application of the results of that research to environmental management and protection.

As a party to the Framework Convention on Climate Change, the United States is engaged in long-term negotiations on the mitigation of climate change. The United States hopes to conclude the next phase of negotiations in December 1997 by agreeing to a legally binding target and timetable for the reduction of greenhouse gas emissions. Today's meeting demonstrates the President's strong commitment to take action on climate change and to lay the scientific facts before the American people prior to the Kyoto Conference in December.

Why Climate Change is a Problem:

* Human activities are adding to the Earth's natural greenhouse effect by steadily increasing the atmospheric concentrations of greenhouse gases. Carbon dioxide (CO₂) is the largest part of this problem, accounting for about 85% of U.S. greenhouse gas emissions. Since about 1860, the atmospheric concentration of CO₂ has increased by about 30%. Other greenhouse gases, such as methane and nitrous oxide, amplify this problem. **Without intervention, emissions and concentrations of CO₂ will continue to increase, reaching the highest level in the last 50 million years by 2100 (over 700 parts per million by volume).**

* A variety of global-scale changes are expected, with significant regional variations. Average temperature will rise another 2-6°F and sea level will rise another 6 to 37 inches. The Earth's water cycle will intensify, with increases in rainfall and snowfall. More precipitation will occur in "extreme" downpours, where large amounts of rain fall in a short period. Some areas will be threatened by increased flooding, while others will suffer through an increased incidence of drought as the interior of continents warms and dries.

The United States is vulnerable to such changes, with likely effects including stress on western water resources, soil moisture limitations in the Midwest, loss of coastal wetlands in the Southeast, and significant changes in forest ecosystems in many regions.

Joining the President and Vice President today in the audience will be cabinet members and Administration representatives including Secretary Pena, Department of Energy; Secretary Shalala, Health and Human Services; Secretary Herman, Department of Labor; Secretary Daley, Department of Commerce; Carol Browner, Environmental Protection Agency; James Lee Witt, Director of the Federal Emergency Management Agency and others whose agencies could play a role in dealing with the impacts of climate change.

The following scientists will participate in today's round table discussion with the President and Vice President:

*** Dr. F. Sherwood Rowland, University of California at Irvine.** Dr. Rowland won the Nobel Prize in Chemistry in 1995 for his pioneering research in atmospheric chemistry of the destruction of the ozone layer. He currently serves as the Foreign Secretary of the National Academy of Sciences and is a former President and Chairman of the Board of the American Association for the Advancement of Science. Rowland received his Ph.D. from the University of Chicago in 1952 and is currently the Donald Bren Research Professor of Chemistry and Earth System Science at UC Irvine.

*** Dr. Mario Molina, Massachusetts Institute of Technology.** Dr. Molina was awarded the Nobel Prize along with Dr. Rowland for their research on the thinning of the ozone layer. Molina and his colleagues demonstrated experimentally how ozone-destroying chlorine functioned in the atmosphere. He is currently the Lee and Geraldine Martin Professor of Environmental Science at MIT. Dr. Molina serves on the President's Committee of Advisors on Science and Technology and has also served as an advisor to NASA, the National Science Foundation and the National Institutes of Health.

*** Dr. Jane Lubchenco, Oregon State University.** Dr. Lubchenco is currently the Wayne and Gladys Valley Professor of Marine Biology and a Distinguished Professor of Zoology at Oregon State University. She has received numerous teaching awards and is also an American Academy of Arts and Sciences Fellow and a Fellow to the American Association for the Advancement of Science. She received her Ph.D. from Harvard University in 1975.

*** Dr. Stephen Schneider, Stanford University.** As a postdoctoral researcher at NASA's Goddard Institute for Space Studies and later at the National Center for Atmospheric Research, Dr. Schneider's work focused on the influence of greenhouse gases and suspended particles on the earth's climate. In 1992, he was awarded a MacArthur Fellowship for his ability to integrate and interpret the results of global climate research to the public. Dr. Schneider is currently a professor in the Department of Biological Science and a Science Fellow at the Institute for International Studies at Stanford University.

*** Dr. Bob Shope, University of Texas.** Dr. Shope has devoted his career to the study of viruses carried by mosquitoes, ticks and other biting insects. Since receiving his medical degree from Cornell University in 1954, Dr. Shope has spent time in Malaysia, Brazil and other tropical sites studying insect-borne diseases. He was a Professor of Epidemiology at Yale University's School of Medicine from 1975-1995 and served as the Director of the Yale Arbovirus Research Unit for 24 years. Dr. Shope is presently a Professor in the Departments of Pathology and Microbiology and Immunology at the University of Texas Medical Branch.

*** Dr. Henry Kendall, Massachusetts Institute of Technology.** Dr. Kendall won a Nobel Prize in 1990 for his work in particle physics. Throughout his career, Dr. Kendall's work has focused on U.S. energy and defense issues including the nuclear arms race, nuclear power and renewable energy sources. Dr. Kendall is a founding member of the Union of Concerned Scientists and has been elected to the National Academy of Sciences. He is currently the J.A. Stratton Professor of Physics at the Massachusetts Institute for Technology.

*** Dr. John Holdren, Harvard University.** Dr. Holdren is an expert on energy and environmental science. He is currently chairing the Presidential Committee of Advisors on Science and Technology Study of the entire U.S. energy research and development portfolio in relation to the economic, environmental and security challenges of the next century. He is presently the Teresa and John Heinz Professor of Environmental Policy and Director of the Program on Science, Technology and Public Policy in the John F. Kennedy School of Government and Professor of Environmental Science and Public Policy in the Department of Earth and Planetary Sciences at Harvard.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 24, 1997

STATEMENT BY THE PRESIDENT

I am pleased to announce the appointment of Jason S. Berman to serve as Special Counselor to the President and coordinate the Administration's effort to pass fast track legislation.

During his tenure at the White House, Mr. Berman will take a leave of absence from his current position as Chairman of the Recording Industry Association of America. I am grateful to him for setting aside this work to join our team. Mr. Berman's extensive knowledge of trade policy and unparalleled experience on the Hill will be invaluable to our effort.

I am also pleased to announce that I have asked Victoria L. Radd, an outstanding member of my staff, to join Mr. Berman in coordinating this effort. Ms. Radd is an Assistant to the President and Chief of Staff to Erskine Bowles. During the past four years, she has also served as Associate Counsel to the President and as Deputy Director of Communications. Prior to joining the White House, she was a partner in the law firm of Williams & Connolly.

The economic strategy of my administration, based on reducing the deficit, investing in the education and skills of our people and opening markets, has helped produce the strongest economy in the world. I am calling on the Congress to enact fast track legislation so we can continue our aggressive drive to open markets to our goods and services and create more high skilled jobs for the American people. Every President, Republican and Democrat, in the past two decades has had this vital tool to maintain effective American leadership in the global economy. Fast track authority is in the national interest of the United States, and my appointment of Jay Berman makes clear my determination to fight for passage of this important legislation.

-30-30-30-

Fast or Fatal Track for Democrats?

The Irishman, as William Butler Yeats wrote, has "an abiding sense of tragedy which sustains him through temporary periods of joy." If political parties were nationalities, the Democrats would be Irish.

For Democrats, joyful over the schisms plaguing Republicans, there is a looming calamity: the fast-track initiative President Clinton will propose in September to give him authority to negotiate free-trade agreements.

There are two realities here: One, fast-track is essential if the U.S. is to continue to play a leading role in the global economy; but two, it will seriously exacerbate fault lines within the Democratic Party. It is a foregone conclusion that a decisive majority of congressional Democrats will vote against the president; the ensuing tensions will make it considerably harder for them to win back control of Congress in 1998.



Politics & People

By Albert R. Hunt

The fast-track legislation would simply give the president the authority to negotiate trade agreements, whether bilateral deals with Chile and South Africa or sectoral pacts in areas like agriculture and financial services. These treaties then would be brought back to Congress for up-or-down approval but couldn't be amended or changed.

Without fast-track, any trade pact would become a special-interest bazaar in the legislative branch. When Congress started to reject portions of trade agreements a quarter-century ago, this procedure was necessitated. Such authority expired several years ago, and without it, any major trade deals are impossible.

As right as it is on the merits, the politics of fast-track are dicey. The opposition will include labor; many environmental-

ists, the Pat Buchanan-led economic nationalists and Ross Perot.

Despite the strong economy, the public is skeptical of unfettered free trade. In this week's Wall Street Journal/NBC News poll, respondents by a stunning 2-to-1 margin opposed giving the president fast-track authority.

Some of this is a residual effect of the 1993 North America Free Trade Agreement. U.S. Trade Representative Charlene Barshefsky, in laying the groundwork for fast-track legislation, has talked to more than 175 members of Congress, and practically every one offers a Nafta horror story of some plant that moved or jobs that were lost. Actually, much of this is exaggerated; Nafta hasn't yet produced some of the benefits proponents promised, but neither has it caused the ills critics claim.

But the White House will try strenuously to divorce fast-track from these Nafta perceptions. "We won't fight this on the Nafta battleground," says Victoria Radd, a top White House aide who has been detailed to the fast-track fight. "We will fight it on the future battleground." Similarly, Ambassador Barshefsky says: "To say that fast track is Nafta ignores the necessity for U.S. leadership in the global economy."

But no matter how the argument is framed, it splits the Democratic party. It's a little bit of the New Democrat vs. Old Democrat schism. But more than that, it reflects different constituencies—the more traditional and usually industrial districts vs. higher-tech, cutting-edge sectors of the economy.

These splits will be symbolized today. The president will meet with several dozen House Democrats at the White House to pitch fast track. At about the same time, a few hundred yards away in the AFL-CIO building, the top labor chieftain, John Sweeney, will convene a meeting of leading legislative, political and media officials from major unions to map an anti-fast-track strategy.

It also goes to the politics of 2000. Leading the fight against fast track will be House Minority Leader Dick Gephardt (I., Mo.). Within the administration sits an uncomfortable Vice President Albert Gore, who knows the issue is going to cause him grief with core constituencies.

Mr. Gephardt has tried to persuade the administration to water down any request for fast-track authority, in order to limit the political fallout; even free-trade Democrats like California's Vic Fazio have voiced concern to both Mr. Gephardt and the White House over the likely political damage. But Clinton operatives are con-

Uphill Track

President Clinton will ask Congress to give him "fast-track" authority to negotiate more free trade agreements. This would mean that once the negotiations are completed, Congress would take an up-or-down vote, but not make any amendments or changes. Do you favor or oppose this?

FAVOR 32%

OPPOSE 61%

Poll taken July 26-28, 1997.

THE WALL STREET JOURNAL/NBC NEWS POLL

temptuous of Mr. Gephardt's motives, charging he only advances thinly disguised protectionist pitches that the president finds unacceptable.

The administration plans an all-out push. It has hired an outside lobbyist to direct the campaign; the top cabinet officials will be actively engaged this fall; and it has enlisted two highly resourceful former members of congress, Republican Vin Weber and Democrat Tom Downey, a close confidant of Mr. Gore.

The battle will be waged first in the House, where Republicans publicly insist the White House must deliver 90 Democ-

rats—privately, that number is more like 70—out of the 206 total House Democrats. But according to a reliable Democratic strategist, there are currently fewer than 60 Democratic votes for fast-track. At a White House meeting last week, Rep. Charles Rangel of New York, the ranking Democrat on the Ways and Means committee, pointedly warned the president he has to do more for workers displaced by trade pacts.

Other concessions may prove very elusive. The Nafta side agreement on labor and environment has proven toothless. Leading congressional Republicans now insist on going the other way, telling the White House there must be language that makes it clear that any trade negotiations involving labor and environmental matters will be very limited.

"If the president tries to cater to Dick Gephardt and John Sweeney, he's not going to get fast-track," bluntly warns Rep. David Dreier (R., Calif.), a key GOP trade strategist.

In the end, the president will probably succeed. Despite public opinion and formidable opposition, presidents almost invariably win major foreign policy and trade initiatives. Moreover, for all the rhetoric of labor, the pro-trade business community has more resources. And there would be consequences if fast-track fails. Trade negotiations would continue without the U.S.; only recently Canada cut a deal with Chile.

Moreover, as the president showed in the recently completed budget deal, when he needlessly caved in on some tax provisions in order to get a quick deal—to clear the decks for fast-track this fall—he often prefers dealing with Republicans. Thus, the likely final resolution—another second-term victory for the White House that virtually assures continued GOP control of the House in 1998—is a bargain to which Bill Clinton and congressional Republicans are growing accustomed.

Something's Out There, Somewhere

When I was young my cousin explained to me that the Dow had just gone above 600 for the first time in history, and that we were lucky to see it. He speculated that it might even go above 1000 in our lifetimes. That it would be closing near \$000 was quite out of anyone's experience, and hence was not considered possible. I am struck, then, by the timing of the July 16 editorial-page piece by Guillermo Gonzalez, "Nobody Here but Us Earthlings." Mr. Gonzalez joins a long line of experts who have stated that nothing can exist that they, personally, can't imagine, based on their own experience. I am not convinced.

When I worked at NASA in the 1980s I was convinced that a fair number of astrophysicists and astronomers would have been willing to prove that life on Earth was so improbable that it, too, couldn't exist. Thankfully, this group has had to consider the data, in addition to their own prejudice. In fact, the history of modern astronomy has repeatedly demonstrated that Earth is not all that special, our own egos aside. There are probably millions of Earth-like planets in this galaxy alone. Because we Earthlings are here, it is much more likely that we aren't alone.

Mr. Gonzalez claimed to "consider the necessary conditions for both the origin of life" and its maintenance. This is remarkable, since the conditions for the origin of life are quite unknown. His list of conditions is thus somewhat laughable: only by finding life elsewhere will we ever be able to consider the common conditions that allow life, and throw out those that are merely "the way it was" on Earth. Far from weakening the case for extraterrestrial life, recent discoveries in astronomy (gamma-ray bursts, black holes, and asteroid impacts, etc.) only serve to tell us that we grew up in a tough neighborhood. Juxtaposed is the current understanding that life was widespread on Earth as much as 3.8 billion years ago (about one-third the age of the universe). Life here must have formed at a time when the bombardment of Earth by asteroids and comets was many times greater in both frequency and intensity, and at a time when Earth probably didn't even have an ozone layer to protect the surface from solar ultraviolet radiation.

I do agree with Mr. Gonzalez that "Why are we here?" is a perfectly reasonable question. Nonetheless, "Are we alone?" remains one of the most fascinating questions in science today.

JOHN D. REMMEL, PH.D.
Marine Biological Laboratory
Woods Hole, Mass.

It amazes me that a professional astronomer should have such a stunningly inflexible mind as Mr. Gonzalez. Mr. Gonzalez argues that extraterrestrial life does not exist because it is statistically unlikely to occur elsewhere precisely the same way it occurred on Earth. Can he not imagine any possible scenario other than exactly what occurred here on Earth? He states that, if one "looks at the astronomical data with an open mind" it becomes obvious that "early estimates [of habitable worlds in the universe] were wildly optimistic." Mr. Gonzalez leaps from stating "Given that the laws of chemistry and physics are universal" to the hypothesis that life is only possible if an environment has "liquid water, a long-term stable energy source and" 17 particular elements. He also states that such an environment must also enjoy another 31 astronomical conditions for life to occur, leading to a "small window of opportunity."

Mr. Gonzalez apparently knows every possible way that life can develop, perhaps after a brief consultation with God.

This kind of narrow thinking is deplorable in a scientist, trying to state that because certain conditions occurred in test case A (Earth) they must be present in test case B (elsewhere) for life to exist. For example, I concede that the presence of a

NOW's Opposition To Promise Keepers

The Rev. Ann K. Larson, in her July 22 Letter to the Editor, writes that I misrepresented her in my July 11 editorial-page piece "NOW's Time Is Past," by implying that she was a supporter of the Promise Keepers. For the record, the Rev. Larson made it clear to me when I interviewed her for the piece that she opposed the group. Her opposition should be evident from the fact that she sought to amend, rather than reject, NOW's virulently anti-Promise Keeper resolution. Nonetheless, I appreciated the fact that she was open-minded enough to grant in her amendment language that men have needs, too—something many of her colleagues at NOW cannot bring themselves to acknowledge.

SALLY L. SATEL

Washington

nearby gas giant like Jupiter would greatly ease the process of life developing on a planet, but it would be unprofessional to state categorically that a gas giant is necessary for the development of life. Further, the vast majority of Mr. Gonzalez's conditions have less merit than the gas giant hypothesis. The evidence does not support his conclusions.

JOHN HAUGH

Atlanta

Clearly, the parameters within which life (as we know it) can emerge, are narrow (i.e.: liquid water, moderate temperature range, etc.). Likewise, as our knowledge increases we find additional constraints which further define these boundaries. However, Mr. Gonzalez fails to mention that simultaneous with our discovery of narrowing pre-conditions for life, we're also finding a universe that is vastly larger, with millions of galaxies, "each" containing "billions" of stars. Obviously, while life will emerge only in special environments, the statistical probability of more and more such opportunities existing increases exponentially the further we look out toward the expanding edge of the universe.

Life indeed is a delicate achievement of nature. However, it is a fragility with broad dimensions. There are sponges and crabs thriving on this planet in total darkness next to undersea volcanic vents that spew toxic minerals and where the water would boil but for the intense pressure. There are fish in Antarctica who exist in subfreezing temperatures with blood chemically analogous to antifreeze. There are microbes that exist and propagate in pools of minerals and acids. Clearly, the size of the "window" for life is not as diminutive, nor as rare, as Mr. Gonzalez would have us believe.

The universe admittedly is a hostile place, as Mr. Gonzalez asserts. Galaxies do appear to harbor, at their center, massive black holes that spew dangerous radiation. Such a massive black hole, in fact, is most likely what lies at the center of our own Milky Way galaxy. Yet we and the dinosaurs before us managed to evolve into existence from one-celled life forms and collectively survived a couple of mass extinctions to ensure a couple of hundred million years of continuing life on this fragile sphere.

Yes, life is fragile and unique, but those are relative terms at best. The fragility is one honed in the raging furnaces of stars and therefore resilient and enduring. The uniqueness is one that is intrinsic, like a snowflake; each one different, but with infinite variations. While the creation of life surely requires nature to "follow the directions carefully when baking," per Mr. Gonzalez, we need to realize that our universe is comprised of nothing but trillions of "ovens" all cooking at once. Whether we choose to call the baker God or Nature, the sheer volume of implements at His disposal prove He has a fairly boundless margin of error in His recipes, and life is most likely His "soup du jour." Life is not a question. It is an imperative from the chef.

ANTONIO GONZALEZ

Pembroke Pines, Fla.

A Misunderstanding, Not Act of Bad Faith

In regard to your article about the breakup of Conrail, I would like to clarify several points regarding our relationship with the Norfolk Southern Railroad. During the winter and early spring we had several discussions with NS representatives on their proposed acquisition of Conrail and how it would affect our railroads. NS did make certain commitments to us at that time. Subsequent discussions with NS revealed that there was a misunderstanding between the parties as to the exact details of those commitments.

The tone of your article was that NS, having won the battle for acquisition of Conrail, was now renegeing on promises made. I want to stress that, based on our subsequent conversations with NS, we believe this was an honest misunderstanding between the parties. We do not believe that NS acted in bad faith in dealing with us.

Our subsequent conversations with NS officials also resulted in their furnishing us with the details of what operating, commercial and service arrangements they will put in place when they take over Conrail. These arrangements are a distinct improvement over what we now have with Conrail, and we believe they are a strong foundation for further good faith discussions that we hope will result in the best commercial and industrial development environment in the North Central Pennsylvania region that we serve.

RICHARD D. ROBEY
President

North Shore Railroad Co.
Northumberland, Pa.

Fast Track Scheduling

ADMINISTRATION	MEMBER	TIME
Barshefsky	Rangel	Request Pending
Barshefsky	Breaux	9/2 4:45 pm
Barshefsky	English	9/3 2:00 pm
Barshefsky	Hooley	9/3 1:00 pm
Barshefsky	Moynihan/Breaux/Kerrey/ Graham/Baucus	Request Pending
Barshefsky	House Rep. Leadership	Request Pending
Berger	Hamilton	Phone Call
Berger	Gejdenson	Phone Call
Berman	Kennelly	9/4 11:30 am
Berman	Cardin	9/4 3:30 pm
Berman	Harman	
Berman	Berman	9/4 12:00 pm
Berman	Sherman	9/5 1:30 pm
Berman	Schumer	Request Pending
Berman	Becerra	Done 8/19
Berman	Bono	9/4 3:00 pm
Berman	Wyden	Request Pending
Berman	Lieberman	Request Pending
Berman	Levin	Request Pending
Berman	Feinstein	9/4 4:00 pm
Berman	Lautenberg	Request Pending
Berman	Hoyer	9/2 2:30 pm

August 29, 1997 (5:59pm)

Berman	Fazio	9/3 11:30 am
Berman	Breaux	9/4 4:30 pm
Berman	Pelosi	9/5 9:30 am
Berman	Bingaman	9/5 11:30 am
Berman	Clement	9/3 3:30 pm
Berman	Tauscher	9/3 1:00 pm
Berman	Rockefeller	Request Pending
Berman	Baucus	9/3 4:30 pm
Berman	Kerrey	9/4 1:30 pm
Brophy	Tauscher	Hold (Whip)
Brophy	Matsui	Hold (Whip)
Brophy	(Kennelly)	9/4 11:30 am
Brophy	Hoyer	9/2 2:30 pm
Brophy	Pelosi	9/5 9:30 am
Brophy	Edwards	9/4 4:30 pm
Brophy	Dicks	Hold (Whip)
Brophy	DeLauro	9/4 1:30 pm
Brophy	Luther	Hold (Whip)
Brophy	Weygand	9/4 2:00 pm
Brophy	Blumenauer	Hold (Whip)
Brophy	J. Kennedy	Request Pending
Brophy	Fazio	9/3 11:30 am
Brophy	Meehan	9/3 2:00 pm
Brophy	Neal	9/4 1:00 pm
Brophy	Bentsen	9/3 10:00 am
Browner	Deutsch	9/4 4:30 pm

August 29, 1997 (5:59pm)

Browner	Breaux	9/2 4:45 pm
Browner	Wexler	9/5 9:30 am
Browner	Capps	9/5 10:30 am
Browner	English	9/3 2:00 pm
Browner	Daschle	9/5 2:30 pm
Daley	Towns	Request Pending
Daley	G. Green	Request Pending
Daley	McCarthy	9/3 4:15 pm (Tentative)
Daley	Markey	Request Pending
Daley	Boxer	9/4 11:00 am
Daley	T. Kennedy	9/4 3:30 pm (Tentative)
Daley	Kerrey	9/4 1:30 pm
Daley	Durbin	9/4 4:30 pm
Daley	Moseley-Braun	Request Pending
Daley	Dodd	9/4 5:30 pm
Daley	Glenn	9/2 2:30 pm
Esserman	J. Maloney	9/3 1:00 pm
Esserman	Wise	Request Pending
Esserman	Klecza	Request Pending
Forbes	(DeGette)	Request Pending
Forbes	Moran	9/2 4:00 pm
Forbes	Dooley	9/3 2:00 pm
Forbes	Snyder	Request Pending
Forbes	Berry	Request Pending
Forbes	J. Davis	Request Pending
Glickman	G. Brown	Request Pending

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Glickman	Clayton	8/26
Glickman	Cramer	9/4 3:00 pm
Glickman	Stenholm	9/4 2:30 pm
Glickman	Hefner	9/4 3:30 pm
Glickman	Harkin	9/4 11:30 am
Glickman	T. Johnson	Request Pending
Higgins	Visclosky	9/4 (Tentative)
Higgins	Levin	9/4 4:30 pm
Higgins	S. Brown	9/4 2:00 pm
Higgins	Rothman	9/4 3:15 pm
Higgins	Owens	Request Pending
Higgins	Barrett	Request Pending
Higgins	Kanjorski	Request Pending
Hilley	(Rangel),	Request Pending
Hilley	Dingell	Request Pending
Hilley	Eshoo	Request Pending
Hilley	Sawyer	Request Pending
Hilley	Spratt	9/4 2:15 pm
Hilley	Menendez	Request Pending
Hilley	Murtha	Request Pending
Hilley	Frost	9/4 3:45 pm
Hilley	Roemer	9/4 3:00 pm
Hilley	Torres	Request Pending
Hilley	Daschle	9/5 2:30 pm
Kyle	Borski	Request Pending
Kyle	McDermott	Request Pending

August 29, 1997 (5:59pm)

Kyle	Pallone	Request Pending
Kyle	Engel	Request Pending
Kyle	(Clayton)	9/3 2:30 pm
Kyle	(Dixon)	Request Pending
Kyle	Fattah	Request Pending
Kyle	Foglietta	Request Pending
Kyle	Lampson	Request Pending
Kyle	Berry	Request Pending
Lang	Farr	Request Pending
Lang	Thurman	Request Pending
Lang	Strickland	Request Pending
Lang	A. Smith	Request Pending
Lang	LaFalce	Request Pending
Lang	Lofgren	Request Pending
Leamond	Ackerman	Request Pending
Leamond	Woolsey	9/4 3:00 pm
Leamond	Slaughter	Request Pending
Leamond	Lowey	Request Pending
Leamond	C. McCarthy	Request Pending
Maldon	C. Brown	9/3 2:30 pm
Maldon	Clyburn	9/3 3:00 pm
Maldon	E.B Johnson	9/4 11:00 am
Maldon	Jefferson	9/4 12:00 pm
Maldon	Clayton	9/4 2:30 pm
Maldon	Skelton	9/5 9:00 am
Maldon	Dixon	9/5 11:00 am

August 29, 1997 (5:59pm)

Maldon	Flake	Request Pending
McLarty	Sandlin	9/3
McLarty	Doggett	9/3
McLarty	Bumpers	Phone Calls
McLarty	Graham	Phone Calls
Novick	Millender-McDonald	9/3 3:30 pm
Novick	Turner	Request Pending
Novick	Andrews	Request Pending
Novick	Ford	Request Pending
Radd	Skaggs	9/3 12:00 pm
Radd	Kohl	9/4 3:00 pm
Radd	Landrieu	9/5 12:30 pm
Radd	Reed	9/9 10:30
Radd	Leahy	9/8
Radd	Mikulski	Request Pending
Richardson	Pastor	Phone Calls
Richardson	Reyes	Phone Calls
Richardson	Rodriguez	Phone Calls
Richardson	Ortiz	Phone Calls
Richardson	Hinojosa	Phone Calls
Richardson	Sanchez	Phone Calls
Richardson	(Torres)	Phone Calls
Richardson	Serrano	Phone Calls
Scher	McIntyre	9/5 11:00 am
Scher	Etheridge	9/3 4:30 pm
Scher	J. Johnson	9/3 1:45 pm

August 29, 1997 (5:59pm)

Scher	Boswell	9/3 5:15 pm
Scher	Boyd	9/3 3:00 pm
Scher	Kind	9/3 6:00 pm
Scher	Farr	9/5 9:00 am
Schumacher	Baldacci	9/4 2:30 pm
Schumacher	Baesler	9/5 9:15 am
Schumacher	John	9/4 2:00 pm
Schumacher	Goode	9/3 2:00 pm
Schumacher	Minge	9/3 1:30 pm
Schumacher	Pomeroy	Request Pending
Schumacher	Price	9/4 1:00 pm
Schumacher	Conrad	Request Pending
Sperling	Royball-Allard	Request Pending
Sperling	Gejdenson	9/4 11:30 am
Sperling	Fattah	Request Pending
Steinberg	Doyle	Request Pending
Steinberg	T. Hall	Request Pending
Steinberg	Hamilton	Request Pending
Steinberg	Lantos	Request Pending
Tarullo	Mascara	9/4 2:00 pm
Tarullo	B. Scott	Request pending
Tarullo	J. Maloney	Request pending

August 29, 1997 (5:59pm)

CLOSE HOLD
WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/15/97 ACTION/CONCURRENCE/COMMENT DUE BY: 9/15/97 3:00 PM

SUBJECT: FAST TRACK DRAFT LEGISLATION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	McCURRY	☐	☒
BOWLES	☒	☐	McGINTY	☒	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☒	☐	RADD	☒	☐
MATHEWS	☒	☐	REED	☒	☐
RAINES	☐	☐	RUFF	☒	☐
BLUMENTHAL	☒	☐	SMITH	☐	☐
BERGER	☒	☐	SOSNIK	☒	☐
ECHAVESTE	☒	☐	SPERLING	☒	☐
EMANUEL	☒	☐	STREETT	☐	☐
GIBBONS	☐	☐	TARULLO	☒	☐
HILLEY	☒	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☒	☐	BEGALA	☒	☐
LINDSEY	☒	☐	<u>Jay Berman</u>	☒	☐
MARSHALL →	☒	☐	<u>Susan Brophy</u>	☒	☐
			<u>Tony Blinker</u>	☒	☐

REMARKS:

COMMENTS TO KEN FREIBERG AT USTR

RESPONSE:

395-9631

CLOSE HOLD

Staff Secretary
Ext. 6-2702

DB has a copy. 9/15/97

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit a legislative proposal entitled the "Export Expansion and Reciprocal Trade Agreements Act of 1997." Also transmitted is a section-by-section analysis.

This proposal would renew over 60 years of cooperation between the Congress and the Executive Branch in the negotiation and implementation of market-opening trade agreements for the benefit of American workers and companies.

The sustained, robust performance of our economy over the past five years is powerful proof that Congressional-Executive cooperation works. We have made great strides together. We have invested in education and in health care for the American people. We have achieved an historic balanced budget agreement. At the same time, we have put in place trade agreements that have lowered barriers to American products and services around the world.

Our companies, farms, and working people have responded. Our economy has produced more jobs, more growth, and greater economic stability than at any time in decades. It has also generated more exports than ever before. Indeed, America's remarkable economic performance over the past five years has been fueled in significant part by the strength of our dynamic export

sector. Fully 96 percent of the world's consumers live outside the United States. Many of our greatest sales opportunities today lie outside our borders. The future promises still greater opportunities.

Many foreign markets, especially in the developing world, are growing at tremendous rates. Latin American and Asian economies, for example, are expected to expand at three times the rate of the U.S. economy over the coming years. Consumers and industries in these countries prize American goods, farm products, and services, and the many expressions of American ingenuity and culture. While America is the world's greatest exporting nation, we need to do more if we want to continue to expand our own economy and produce good, high-wage jobs for our children.

We have made real progress in breaking down barriers to American products around the world, particularly in developed countries like those in Europe. But many of the nations with the highest growth rates are in the developing world, and they almost invariably impose far higher trade barriers than we do. We need to level the trade playing field with those countries. They are the nations whose markets hold the greatest potential for American workers and firms.

Today, the United States is the world's strongest competitor. The strength of the U.S. economy over the past several years is testimony to the creativity, productivity, and ingenuity of American firms and workers. We cannot afford to squander our great advantages by retreating to the sidelines and watching other countries conclude preferential trade deals that shut out our goods and services. Over twenty such agreements have been concluded in Latin America and Asia since 1992. The United States must continue to shape and direct world trade to our advantage, and to foster democracy and stability around the world.

I have pledged my Administration to this task, but I cannot fully succeed without the Congress at my side. We must work in partnership, together with the American people, in securing our country's future. The United States must be united when we sit down at the negotiating table. Our trading partners will only negotiate with one America -- not first with an American President and next with an American Congress.

The proposal I am sending you today ensures that the Congress will be a full partner in setting negotiating objectives, establishing trade priorities, and in gaining the greatest possible benefits through our trade agreements. The

proposal goes well beyond any previous fast-track legislation in ensuring that the Congress is fully apprised and actively consulted throughout the negotiating process. I am convinced that this collaboration will strengthen both America's effectiveness and leverage at the bargaining table.

Widening the scope of consultations will also help ensure that we will take all of America's vital interests into account. That is particularly important because today our trade agreements address a wider range of activities than they one did. As we move forward with our trade agenda, we must continue to honor and reinforce the other values that make America an example for the world. I count chief among these values America's long-standing concern for the rights of workers and for the environment. The proposal I am transmitting to you recognizes the importance of those concerns. It makes clear that the trade agreements we conclude will complement and reinforce those values.

Ever since President Roosevelt proposed and the Congress enacted America's first reciprocal trade act in the heart of the Great Depression, the Congress and the President have been united, on a bipartisan basis, in supporting a fair and open trading system. Our predecessors learned from direct experience the path to America's prosperity. We owe much of our own

prosperity to their wisdom. I urge the Congress to renew our long-standing partnership by approving the proposal I have transmitted today.

Section-by-Section Analysis

Section 1. Short Title.

Section 2. Negotiating Objectives.

Section 2 of the proposal sets out the "overall" and "principal" objectives that will guide the President in negotiating future trade agreements covered by the proposal. This format parallels that of section 1101 of the Omnibus Trade and Competitiveness Act of 1988, which in turn was based on a similar structure in the Trade Act of 1974.

In order for a trade agreement to qualify for fast-track treatment, it must make progress toward one or more of the principal objectives set out in section 2(b). These objectives address, among other subjects, agricultural exports, intellectual property, the protection of worker rights and the environment under the World Trade Organization, trade in services, U.S. foreign investment, and specific barriers to trade, including foreign government policies and practices directly related to trade.

Section 2(c) calls on U.S. negotiators to take important domestic policy objectives, such as the protection of human health and the environment and national security, into account when negotiating fast track trade agreements. Negotiators are also instructed to ensure that the United States will retain the ability to vigorously enforce U.S. trade laws and that official Congressional advisors are kept fully informed during the course of trade negotiations.

Section 3. Proclamation Authority and Fast-Track Implementing Proposals.

Section 3(a) provides the President with authority to reduce U.S. tariff rates -- without seeking further approval from the Congress -- in return for concessions from U.S. trading partners. Much of the language on this subject is derived from earlier versions of tariff proclamation authority, with antecedents dating back to the mid-1930s. The proposal adds a provision that will allow the President to implement new sectoral tariff harmonization or elimination agreements under the World Trade Organization, subject to a Congressional notice and layover

requirement. The proposal also permits the President to carry out tariff elimination and harmonization agreements, subject to notice and layover, concluded as an interim step towards a regional free-trade arrangement.

Section 3(b) provides that the President may negotiate and bring back to the Congress for approval and implementation under the fast track procedures set out in section 151 of the Trade Act of 1974 certain trade agreements addressing non-tariff barriers or both non-tariff and tariff barriers. Those procedures call for the Congress to vote on agreements and their implementing legislation without amendment and within a fixed period. Changes in U.S. law required to carry out a trade agreement may be included in fast track implementing legislation only if the changes are both necessary or appropriate to implement the agreement and are trade-related. For an implementing bill to be subject to fast-track Congressional review, the President must adhere to numerous notice and consultation requirements included in the proposal.

Under the proposal, the President's tariff proclamation authority, as well as fast track procedures for implementing legislation, will be in effect until October 1, 2001. On request from the President, proclamation authority and fast track procedures may be extended until October 1, 2005, subject to disapproval by either House of Congress.

Sections 4 and 5. Notice, Consultations, and Implementation.

Sections 4 and 5 contain a number of provisions requiring the President to notify and consult with the Congress before and during trade negotiations. These provisions ensure that the Congress is fully integrated into the formulation of U.S. goals, strategies, and decision-making for each trade negotiation. Section 5 establishes an expedited procedure for Congress to withdraw fast track if it finds that the Administration is not adequately consulting the Congress on trade negotiations.

A number of the notice and consultation requirements included in sections 4 and 5 are drawn from equivalent provisions in the Omnibus Trade and Competitiveness Act of 1988. For example, the President must provide advance notice to the Congress before initiating a negotiation and must consult with the Congress

before an agreement is concluded. The President must also describe in detail at the time he submits implementing legislation to the Congress how he intends to use existing regulatory and administrative authority to carry out the agreement.

The proposal also provides for Congress and the President to receive advice from the relevant private sector advisory committees concerning any agreement that the President has negotiated -- before it is signed. The advisory committees cover a broad range of sectors and policy matters, including manufactured goods, agricultural commodities, services, intellectual property, labor, and the environment. Under existing law, the President must also consult with these committees regarding his objectives and bargaining positions in the negotiations. In addition, in advance of the negotiations, the President must solicit advice from the United States International Trade Commission, as well as views from the public, concerning any U.S. tariff reductions contemplated in the negotiations.

The proposal adds new consultation requirements to further enhance Congressional oversight of the negotiation process. For example, the President must spell out for the Congress before negotiations begin his principal negotiating objectives and is required to consult with the Congress over the course of the negotiations. In addition, the President must inform the Congress of any other agreements he intends to conclude and must state whether the trade agreement will require implementing legislation in addition to that subject to fast-track procedures.

Section 6. On-going Negotiations.

The proposal waives the requirement for the President to provide advance notification to the Congress of certain negotiations initiated prior to enactment of the proposal. These include negotiations commenced in 1995 with the Government of Chile on a comprehensive trade agreement and certain negotiations currently in progress under the auspices of the World Trade Organization.

Section 7. Conforming Amendments.

The proposal makes changes to other statutes necessary to ensure that provisions of law applicable to fast track trade agreements continue to apply. For example, these amendments ensure that the public and private sector views are solicited regarding any trade negotiations initiated under the proposal.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

The Export Expansion and Reciprocal Trade Agreements Act of 1997

Today, President Clinton transmitted to the Congress the "Export Expansion and Reciprocal Trade Agreements Act of 1997." This proposal is designed to renew "fast track" procedures for trade agreements requiring Congressional approval and implementation as well as to renew the President's authority to proclaim tariff reductions pursuant to reciprocal commitments by U.S. trading partners.

The proposal reactivates a partnership between the President and the Congress that dates back over six decades. Recognizing that the high protective U.S. tariff walls it established in 1930 had only served to deepen the Depression, Congress four years later enacted the first reciprocal trade agreements act. In that act, Congress gave the President authority to negotiate mutual tariff reductions with our trading partners. Congress renewed that authority repeatedly over the years, and successive Presidents used the authority to dramatically reduce tariff barriers around the world.

"Fast track," first put in place under the Ford Administration, is further expression of partnership between the President and the Congress in bringing down barriers to U.S. exports. Fast track is a procedure under which the Congress and the President work together to ensure that the United States can effectively negotiate away non-tariff barriers -- such as quotas, protectionist product standards, and subsidies -- that foreign governments have increasingly substituted for tariffs to exclude U.S. products.

Fast track has been used to negotiate five major trade agreements, beginning with the Tokyo Round of GATT negotiations, signed in 1979. Fast track lapsed along with most of the President's tariff reduction authority three years ago.

The President's proposed legislation serves to reunite the Congress and the President in trade negotiations. The President's proposal, ensures that the Congress is fully integrated into the formulation of U.S. goals, strategies, and decision-making for each trade negotiation subject to fast track procedures. Because the Congress and the President are united under the proposal, it tells U.S. trading partners that they can trust the United States not to reopen trade deals after they are struck.

The proposal also renews the President's long-standing tariff authority. The proposal adds provisions specifically directed at eliminating tariffs in sectors of greatest economic interest to U.S. exporters. It also provides the President authority to carry out reciprocal tariff elimination agreements on a regional basis as a first step towards a regional free-trade arrangement.

The proposal calls for the President's renewed tariff authority and for the new fast track procedures to remain in effect until October 1, 2001. The President may request an extension of the proclamation authority and "fast track" procedures through September 30, 2005. The extension will take effect unless disapproved by either House of the Congress.

Key provisions of the proposal are as follows:

- The proposal sets out "overall" and "principal" trade negotiating objectives for the President. The objectives call on U.S. negotiators to seek, for example:
 - to reduce foreign government barriers that discriminate or impose unreasonable regulatory barriers on services providers.
 - to obtain adequate and effective protection for U.S. intellectual property rights and increased access to foreign markets for U.S. businesses that rely on intellectual property.
 - To secure fairer and more open conditions of trade for U.S. food products.

- To make the proceedings of international trade bodies more open to public view.
 - To promote through the World Trade Organization internationally recognized worker rights and sustainable development so that trade reinforces and complements labor rights and environmental protection.
 - To reduce specific foreign trade barriers that reduce market opportunities for U.S. exports or that distort U.S. trade.
- The President may negotiate and bring back to the Congress for fast track Congressional approval and implementation trade agreements addressing non-tariff barriers or both tariff and non-tariff barriers.
 - Thus, fast track could be used to carry out agreements concluded as part of the trade negotiating agenda set out in the Congressionally-approved agreements administered by the World Trade Organization -- for example, further reductions in tariff and non-tariff barriers to agricultural trade.
 - The President could use the renewed "proclamation authority" to carry out an agreement like the recent "Information Technology Agreement," which is reducing tariffs that foreign governments impose on billions of dollars of U.S. computer, electronic, and semiconductor products sold around the world.
 - Finally, fast track could be used for bilateral or regional free-trade arrangements.
 - In order for an implementing bill to qualify for fast-track procedures, the President must comply with numerous notice and consultation provisions designed to ensure that the Congress is a full partner with the President in critical trade negotiations. These provisions enable the Congress to set priorities, provide advice, and exercise oversight at all stages of the negotiations, and after the agreement is concluded. That means Congressional views will be fully reflected both in the final agreement and in the manner in

which the agreement is to be carried out. Moreover, if the Congress concludes that the President has not adequately consulted the Congress regarding a proposed agreement, the proposal creates an expedited procedure for the Congress to refuse to apply fast-track procedures.

- The proposal adds to existing law in ensuring that the public is fully informed of the negotiations and that the President receives advice from both the private sector and the public concerning the negotiations.
- Among the requirements that the President must carry out in connection with fast-track negotiations are the following:
 - The President must provide written notice to the Congress before initiating negotiations and must spell out in writing his principal objectives for the negotiations.
 - The President must solicit views from the public, and the United States International Trade Commission, before making an offer in a trade negotiation to reduce U.S. tariffs. Under the proposal, the President must in addition issue a public notice of any agreement in advance of signing it.
 - The President must consult with the Congress as negotiations progress and again before an agreement is concluded. The proposal calls on U.S. negotiators to keep official Congressional advisors fully informed regarding the negotiations.
 - Before signing an agreement, the President must inform the Congress of any other agreements he intends to conclude with the countries concerned. He must also state his plans for implementing the trade agreement and whether the agreement will require additional legislation beyond that subject to fast-track procedures.
 - Any fast-track agreement that the President concludes must make progress towards one or more of the principal trade negotiating objectives set out in the proposal.

- The proposal adds to the existing requirement that the President must seek the views of Congressionally-authorized private sector advisory committees during the course of the negotiations. These groups include advisory committees on goods, services, agriculture, intellectual property, labor, intergovernmental affairs, and the environment, among others. The proposal ensures that these committees also examine and provide their views to the Congress and the President on any proposed agreement -- before it is signed.
- The proposal requires the President to describe at the time he submits implementing legislation to the Congress how he intends to use existing regulatory and administrative authority to carry out the agreement. He must also explain in writing how the agreement meets Congressionally-mandated negotiating objectives and serves U.S. economic interests.
- Under well-established practice, the President collaborates with the Congress in drafting the implementing legislation and the legislation is subject to informal public hearings and "mark-ups" by all Congressional committees of jurisdiction before its introduction.
- Agreements for which the President has observed each of the proposal's notice, consultation, and other procedures are subject to fast-track consideration in the Congress. Fast track rules call for the Congress to vote on qualifying trade agreements and implementing legislation without amendment within 60 "legislative days" -- typically a period in excess of several months.
- Under the President's proposal, new statutory provisions or other changes in U.S. law required to carry out a trade agreement may be included in fast-track implementing legislation only if the changes are both: (1) necessary or appropriate to implement the agreement; and (2) related to trade. This requirement prevents fast-track bills from being used to enact non-trade provisions.

- Under the renewed "proclamation authority" the President would be authorized to carry out agreements that reduce by up to 50 percent U.S. tariffs that currently exceed 5 percent *ad valorem*. The President could eliminate duties of 5 percent or less. The proposal also allows the President to eliminate tariffs in connection with new multilateral reciprocal tariff agreements in particular sectors, as well as to carry out reciprocal tariff elimination agreements as a step towards regional free-trade areas.

#

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: Renewal of Traditional Trading Authority

September 1997

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FAST TRACK FACT SHEET

BASIC FACTS ABOUT FAST TRACK NEGOTIATING AUTHORITY

What is Fast Track?

- Expedited Procedure: Fast track is an expedited procedure for Congressional consideration of trade agreements. The three essential features of any fast track authority are: (1) extensive consultations and coordination with Congress throughout the process; (2) a vote on implementing legislation within a fixed period of time, and (2) an up or down vote, with no amendments. Congress is ensured a central role before, during and after negotiations.
- Credibility to Negotiate Tough Trade Deals: Fast Track gives the President credibility to negotiate tough trade deals. Congress is required to vote on an agreement without reopening any of its provisions, while retaining the ultimate power of voting it up or down. Fast Track puts America in a strong position to negotiate major trade agreements while maintaining a partnership between the President and Congress that has worked for over 20 years.

How will the President Use Fast Track?

The President has identified three main areas in which new trade agreements would greatly benefit the United States.

- The WTO Agenda: The “built-in” agenda of the World Trade Organization calls for negotiations on government procurement in 1997; intellectual property in 1998; agriculture in 1999; and trade in services in 2000. In each of these areas, the United States is the most competitive nation in the world and stands to benefit the most from writing the rules of trade.
- Key Sectors of the Future: The President also wants to build on the success of the Information Technology Agreement (ITA). This \$5 billion tariff cut on products for which the United States is the world's leading producer was achieved by the use of residual tariff cutting authority. The Administration has identified 8 additional sectors for future negotiations: ITA II, chemicals, automotive, oilseeds, energy equipment and services, environmental technology and services, medical equipment and services, and wood and paper products. Other APEC members have submitted their “wish lists” and there is overlapping support for many of the US suggestions. Without fast track, it is very unlikely that this process will go forward.
- Emerging Economies: The President hopes to move forward in the Asia Pacific Economic Cooperation Forum (APEC) toward the goal of open trade by the year 2010 and with a Free Trade Agreement for the Americas (FTAA) by the year 2005. In both regions, economic growth rates are among the highest in the world and barriers to US exports remain high. Tariff reductions and greater market access will have a very positive effect on our exports. Without the active participation of the United States, both of these processes will slow considerably.

**COSTS OF INACTION: WHY AMERICA WILL NOT GET
A FAIR SHARE OF JOBS WITHOUT FAST TRACK?**

IF CONGRESS FAILS TO GIVE THE PRESIDENT FAST-TRACK AUTHORITY -- THE SAME POWER EVERY PRESIDENT HAS HAD FOR 20 YEARS -- AMERICA WILL NOT GET HER FAIR SHARE OF JOBS. Congress' failure to grant fast-track authority will leave America sitting on the sidelines as trade agreements are negotiated without our participation. This will cost America high-paying jobs, while blocking American workers from competing against the world on a level playing field.

- **Lost Jobs in Telecommunications Industry.** In November 1996, Canada and Chile reached a comprehensive trade agreement that eliminated Chile's 11 percent across-the-board tariff starting this year. As a result, American telecommunications companies competing for contracts in Chile will do so at a significant competitive disadvantage.

Lost Jobs In Fresh Fruit Industry. Chilean fresh fruit pays a 2-percent duty when entering Venezuela (due to the Chile-Venezuela FTA), whereas American producers pay a 15-percent tariff. The U.S. Embassy estimates that the U.S. market share would grow from its current 39 percent to 67 percent if US producers had equivalent access to the Venezuelan market.

- **Lost Job Opportunities In South Asia Without Fast Track.** The South Asian countries -- India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka, and the Maldives -- are creating a free trade zone. Without fast-track authority, America will not be able to make fair trade agreements with this region and will American workers will not have a fair chance to sell their goods to roughly 20 percent of the world's population.
- **Lost Job Opportunities In Textile Industry Without Fast-Track Authority.** Venezuela, Colombia, Ecuador, Peru, and Bolivia comprise a market of 100 million people and a GDP of over \$260 billion. As part of the effort to develop a common external tariff, the import tariff on textile goods, for example, was raised from 5 to 15 percent. Without fast track authority, America will be unable to knock down this barrier to goods made by American workers -- thus costing the United States jobs.
- **Lost Job Opportunities In Latin America Without Fast Track.** Brazil, Argentina, Paraguay, and Uruguay comprise the largest market in Latin America: 200 million people and a GDP of nearly \$1 trillion. These four countries have entered into free trade agreements raising tariffs on most items imported from outside their boundaries. Thus, American firms *not located and producing within* these countries face a competitive disadvantage; this disadvantage will only grow as these countries expand the free-trade zone. Fast-track authority will give the President the chance to pry open this market and allow America to have her fair share of the jobs.

**EXAMPLE: 1.8 MILLION REASONS WHY THE PRESIDENT
SHOULD HAVE FAST-TRACK TRADE AUTHORITY**

- **Quaker Fabric Company Lost Bid For A \$1.8 Million Contract Because They Had To Pay High Tariffs.** Quaker Fabric Company -- located in Fall River, Massachusetts -- is a \$200 million a year corporation with 1,750 employees. Recently, Quaker was informed by its Sales Representative in Chile that it had lost a bid for a \$1.8 million a year account to a competitor from Mexico, solely because of the 11-percent tariff that Quaker must pay, while its competitors can import tariff free.

PRESIDENT CLINTON'S TRADE POLICY: A RECORD OF ACHIEVEMENT

Employment growth is strong. Unemployment is low. Inflation is stable. And incomes for American families are rising again. Part of the reason the American economy has enjoyed such remarkable success is because we are opening foreign markets to American goods and increasing the amount of American-made goods sold abroad.

- **13 Million New Jobs.** Since January 1993, the economy has created nearly 13 million new jobs, including more than 1.5 million new jobs in basic industries (1.1 million in construction and 445,000 in manufacturing). [Source: Bureau of Labor Statistics, Current Employment Statistics survey.]
- **Unemployment Rate Down To 24-Year Low.** In 1992, the unemployment rate was 7.5 percent. Today, it is under 5 percent -- as low as it's been at any time in the last 24 years. [Source: Bureau of Labor Statistics, Current Population Survey.]
- **Exports Are Up More Than \$300 Billion.** Since the beginning of 1993, exports from the United States have grown by nearly 50 percent -- up \$318 billion, after adjusting for inflation. Exports have accounted for 38 percent of the overall growth in the economy since 1993. [Source: Department of Commerce, Bureau of Economic Analysis]
- **1.7 Million New Export-Related Jobs -- Paying On Average 15 Percent Higher Wages.** Since President Clinton took office, the number of export-related jobs has increased by 1.7 million. These jobs pay an average of 15 percent more than non-trade related jobs. [Source: Department of Commerce.]
- **Smallest Deficit Among Major Economies.** After climbing to \$290 billion in 1992, the deficit declined to \$107 billion last year and is expected to fall to \$37 billion this year -- down more than 80 percent from 1992. [Source: CBO] As a share of GDP, the general government deficit is smaller than in any major economy. [Source: OECD Economic Outlook, 6/97]
- **Family Income Up \$1,600.** After stagnating for 20 years, family incomes are rising again. Since 1993, the income of the typical American family increased by \$1,631, after adjusting for inflation. [Source: Bureau of the Census.]
- **High-Tech Exports Are Soaring.** Exports of semiconductors have grown 139 percent under the Clinton Administration; telecommunications exports have grown 113 percent; and exports of computers and computer-related goods have grown 54 percent. [Source: Council of Economic Advisers/Department of Treasury, April 10, 1996]
- **The World's Most Competitive Economy.** The United States has now been ranked Number One on competitiveness for five years in a row -- and up from Number Five in 1992. [Source: World Economic Forum and IMD.]
- **The World's Automobile Leader Once Again.** The United States is the world's Number One producer of automobiles for the first time since the 1970's -- overtaking Japan. [Source: American Automobile Manufacturers Association.]
- **The World's Semiconductor Leader Once Again.** The United States has regained its position as the world's Number One producer of semiconductors -- surpassing Japan. [Source: Dataquest.]

THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

Several outside studies conclude that NAFTA has contributed to America's economic expansion. DRI estimates that NAFTA boosted real exports to Mexico by \$12 billion in 1996, compared to a smaller increase in imports of \$5 billion, and contributed \$13 billion to U.S. real income and \$5 billion to business investment, controlling for Mexico's financial crisis. Since NAFTA was signed, exports have grown 37 percent to Mexico and 34 percent to Canada, reaching record levels. Before NAFTA, Mexico had virtually one-way free trade into the United States. Under NAFTA, Mexico's tariff cuts have been 5 times greater than ours, leveling the playing field.

ANYWAY YOU LOOK AT IT, NAFTA HAS BEEN A JOB CREATOR FOR AMERICA'S WORKERS.

- **Jobs Supported by Exports to Mexico and Canada Have Increased More Than 300,000.** Under NAFTA, jobs supported by exports to Canada have gone up by 189,000 and jobs supported by exports to Mexico by 122,000. Export jobs are good jobs -- paying 13 to 16 percent more than the national average. [Study on the Operation and Effects of the NAFTA, 1997; Department of Commerce]
- **NAFTA Increased Net Exports to Mexico.** It is wrong to assume imports displace U.S. jobs: history shows that the U.S. trade deficit increases most when our job growth is highest. But even if you adopt the critics' methodology and look at net exports, NAFTA was a job creator. Outside studies conclude that -- isolating for the effects of the peso crisis and America's strong economy -- NAFTA caused an increase in net exports of roughly \$7 billion in 1996. [DRI, 1997]

EXPERTS AGREE: IF ANYTHING, NAFTA PROTECTED THE MEXICAN ECONOMY -- AND AMERICAN EXPORTS -- FROM THE FINANCIAL CRISIS BY LOCKING IN MEXICO'S ECONOMIC REFORMS AND PROVIDING SAFEGUARDS FOR FOREIGN INVESTORS.

- **NAFTA Helped Mexico Recover Faster:** Following Mexico's 1982 financial crisis, it took Mexico 7 years to return to international capital markets, while in 1995, it took 7 months. Following the 1982 crisis, Mexican output did not recover to pre-crisis levels for five years, while following the 1995 crisis, Mexican output rebounded to pre-crisis peaks in less than 2 years. [Study on the Operation and Effects of the NAFTA, 1997]
- **NAFTA Protected American Jobs and Exports by Locking in Preferential Access:** Following its 1982 crisis, Mexico raised tariffs by 100 percent, and American exports to Mexico fell by half and did not recover for seven years. In 1995, Mexico continued to implement its NAFTA obligations even as it raised tariffs on imports from other countries. As a result, American exports recovered in 18 months and were up 37 percent by the end of 1996 relative to pre-NAFTA levels.

SINCE NAFTA WENT INTO EFFECT, MEXICO HAS CUT TARIFFS ON U.S. EXPORTS FIVE TIMES MORE THAN THE U.S.

- **Taking Share from Foreign Competitors:** U.S. suppliers have increased their share of Mexico's import market from 69.3 percent to 75.5 percent, reflecting a 10 percentage point tariff advantage over foreign suppliers.

TRADE AND LABOR PROTECTIONS UNDER PRESIDENT CLINTON

President Clinton is committed to ensuring that trade expansion benefits all American workers and international competition is consistent with internationally accepted labor standards. Internationally, he has done more than any other President -- advancing core labor standards through the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO), the International Labor Organization (ILO), and the Organization of American States (OAS), and encouraging the voluntary adoption of codes of conduct through Model Business Principles and the Apparel Industry Partnership. At home, he has fought to expand opportunities for dislocated and low wage workers through increases in training, the security of pension and health benefits, the minimum wage and the Earned Income Tax Credit (EITC).

PRESIDENT CLINTON HAS DONE MORE TO PROMOTE LABOR STANDARDS IN INTERNATIONAL TRADE THAN ANY OTHER PRESIDENT. GAINING INTERNATIONAL RECOGNITION OF THE LINK BETWEEN TRADE AND LABOR ISSUES WILL BE A GRADUAL PROCESS, REQUIRING PERSEVERANCE AND COMMITMENT. DESPITE SIGNIFICANT OBSTACLES, THE CLINTON ADMINISTRATION HAS MADE SIGNIFICANT PROGRESS ON LEVELLING THE PLAYING FIELD FOR AMERICAN WORKERS, OBTAINING COMMITMENTS ON CORE LABOR STANDARDS IN INTERNATIONAL TRADE ORGANIZATIONS, AND IMPROVING THE STANDARD OF LIVING FOR WORKERS EVERYWHERE.

- **Winning International Recognition of Core Labor Standards:** At the UN Summit for Social Development in 1995, the Administration succeeded in obtaining a commitment by over one hundred heads of State and government -- for the first time in history -- to recognition of those "core" worker rights that the Administration believes should be protected in every country, regardless of the level of economic development.
- **Protecting Labor Rights in the Hemisphere:** At the OAS Labor Ministerial in 1995, the Administration obtained a commitment from all countries in our hemisphere recognizing the importance of protecting worker rights as we negotiate the Free Trade Area of the Americas.
- **Advancing Labor Standards in the WTO:** At the Singapore Ministerial Meeting of the WTO in 1996, the Administration fought for and won -- for the first time in the GATT/WTO's existence -- a formal commitment by 128 nations to the observance of core labor standards. The WTO also endorsed collaboration with the ILO to advance this agenda.
- **Encouraging Private Sector Codes of Conduct:** In 1994, the Administration developed and disseminated Model Business Principles protecting core worker rights and encouraged private sector adoption through conferences and a best practices award. In 1996, President Clinton helped launch the Apparel Industry Partnership: a collaboration between labor, business and nongovernmental organizations to encourage adoption of a code of conduct prohibiting exploitative child labor and encouraging humane working conditions through external monitoring and consumer awareness.
- **Suspension of Trade Benefits:** The Administration suspended full trade preferences for Burma, Sudan, Mauritania, and Syria and partial preferences for Pakistan for inadequate observance of basic worker rights.
- **International Monitoring of Labor Standards:** In 1997, Administration support was decisive in the adoption of an ILO proposal to establish a mechanism to monitor countries' implementation of core labor standards. The Administration has supported examination of labor standards implementation through the Organization for Economic Cooperation and Development (OECD), conferences on core labor standards in developing economies in Asia and Latin America, and ILO Programs to combat child labor in Pakistan, Bangladesh, Thailand, and Brazil.

NAFTA IS THE FIRST TRADE AGREEMENT TO INCLUDE PROTECTIONS FOR WORKERS. THE NORTH AMERICAN AGREEMENT ON LABOR COOPERATION (NAALC) HAS ENHANCED OVERSIGHT AND ENFORCEMENT OF NATIONAL LABOR LAWS AND CREATED NORTH AMERICAN COOPERATION ON FUNDAMENTAL LABOR ISSUES -- FOR THE FIRST TIME. THE INTERNATIONAL PUBLIC SCRUTINY ASSOCIATED WITH THE NAFTA SUBMISSION PROCESS HAS BEEN AN IMPORTANT IMPETUS FOR CHANGE IN MEXICO.

- **Union Recognition and Secret Ballots:** The NAALC submission process subjects member governments to public and international scrutiny for alleged violations of labor laws; it can also lead to economic sanctions. To date, the United States has received seven submissions against Mexico, and Mexico has reviewed one submission against the United States. The review of these submissions has yielded concrete remedies. In one case, a Mexican labor tribunal granted recognition to the petitioning union, reversing an earlier decision, and afforded a new hearing for workers dismissed for union activity. In other cases, workers were permitted secret ballot elections, a practice not common in Mexico. In addition, a number of Mexican labor disputes have been settled by companies wishing to avoid the negative publicity associated with the NAFTA review process.
- **Legal Advances:** Important legal advances on labor rights have taken place in Mexico since NAFTA was signed. In 1996, the Supreme Court of Mexico issued two decisions finding state statutes restricting freedom of association unconstitutional. Mexico's Department of Labor has issued recommendations providing for greater autonomy and professionalism of tripartite labor tribunals and making the union registration process a purely administrative decision.
- **Stronger Mexican Enforcement:** Since NAFTA was signed, Mexico's Secretariat of Labor and Social Welfare reports a nearly 250 percent increase in funding for enforcement and a 30 percent reduction in the number of workplace injuries and illnesses.

PRESIDENT CLINTON HAS CONSISTENTLY FOUGHT TO ENSURE THAT THE NEW ECONOMY BENEFITS ALL WORKERS. INDEED, NO PRESIDENT CARES MORE ABOUT THE CONCERNS OF LOW-WAGE AND DISLOCATED WORKERS.

- **NAFTA Transitional Adjustment Assistance (NAFTA TAA).** The President fought for and won a special NAFTA-TAA program that for the first time provides retraining and reemployment assistance and income support to workers displaced by production shifts as well as trade, and provides income support for "secondary" workers.
- **Dislocated Worker Training.** President Clinton has doubled funding for the Dislocated Worker assistance program helping an additional 300,000 workers get training and job search assistance.
- **HOPE Scholarships and Tuition Tax Credits.** To help workers enhance their skills throughout their working lifetimes, the President fought for and won both a \$1,500 two-year HOPE Scholarship and a 20% tuition tax credit.
- **Health Benefits for Job Changers.** The 1996 "Kassebaum-Kennedy" law ensures that as many as 25 million more Americans will no longer have to fear that they will lose their access to health insurance if they lose their job or change jobs.
- **One-Stop Career Centers.** To help workers make a rapid transition between jobs, the Administration is transforming a fragmented array of employment and training programs into a "One-Stop" coordinated information and delivery system. The President's budget proposed \$150 million in funding to expand One-Stop Career Centers to all states in 1998.

TRADE AND THE ENVIRONMENT UNDER PRESIDENT CLINTON

President Clinton is committed to ensuring that trade expansion and increased international competition contribute to environmental protections at home and abroad. The President negotiated the first trade agreement to include explicit environmental provisions and fought to ensure that NAFTA contained mechanisms to address the unique environmental problems that have long challenged communities along the 2000-mile shared border with Mexico. President Clinton fought for and won important advances on the environment in the WTO Agreement, including a permanent forum to address the link between trade and the environment in the World Trade Organization (WTO). He has strongly and effectively implemented U.S. environmental laws to obtain improvements in other countries' environmental practices, including using, where called for, the threat of trade sanctions.

PRESIDENT CLINTON HAS DONE MORE TO ADVANCE ENVIRONMENTAL INTERESTS IN INTERNATIONAL TRADE FORA THAN ANY OTHER U.S. PRESIDENT.

- **Advancing Environmental Protections in the WTO:** The Administration fought for and won important environmental advances in the Uruguay Round of trade negotiations, including recognition in the Preamble of the WTO Agreement of sustainable development as a key objective of the WTO; strengthened agreements on Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade to protect legitimate environmental measures from challenge under the Agreements; improvements to the Dispute Settlement Understanding to provide for the use of environmental experts in disputes and to make the process more transparent by allowing disputing parties to make their submissions public and requiring that a public version be provided of all panel submissions; and securing the creation of a Committee on Trade and Environment in the WTO, for the first time creating a permanent forum for addressing the linkage between trade and the environment.
- **Improved Environmental Practices Worldwide:** The Administration has aggressively implemented U.S. environmental laws, using the threat of trade sanctions where appropriate to obtain improvements in other countries' environmental practices. For example, President Clinton imposed trade sanctions on Taiwan for its failure to curb illegal trade in rhino horn and tiger bone. These sanctions were lifted when Taiwan made demonstrable progress in halting this trade.
- **Proposed an APEC Environmental Technologies and Services Sector Liberalization Initiative:** The Administration is working to advance APEC-wide sector liberalization in an industry ignored by previous administrations. High tariffs and disguised barriers to trade have limited the ability of developing countries to use the most advanced and useful technologies and services to address environmental problems from basic water and wastewater treatment needs to the need for the most advanced bioremediation technologies.
- **Forged Agreement For A Global Phaseout of Persistent Pollutants:** The Clinton Administration led the way on an agreement to phase out the use of 12 dangerous, persistent organic pollutants worldwide, such as PCBs and DDT.

THE NORTH AMERICAN AGREEMENT ON ENVIRONMENTAL COOPERATION (NAAEC) HAS LED TO UNPRECEDENTED REGIONAL ENVIRONMENTAL COOPERATION AND IMPROVED ENFORCEMENT OF MEXICO'S ENVIRONMENTAL LAWS. THE INTERNATIONAL PUBLIC SCRUTINY ASSOCIATED WITH THE NAFTA SUBMISSION PROCESS HAS BEEN AN IMPORTANT IMPETUS FOR CHANGE IN MEXICO.

- **Cleaning Up the U.S.-Mexico Border:** NAFTA's environmental institutions are addressing critical environmental infrastructure needs.
 - **\$2-3 Billion in Lending:** Over time, the North American Development Bank (NADBank) will be able to leverage its capital into \$2 to \$3 billion in lending. To date, 16 projects have been certified with a combined cost of nearly \$230 million, and construction has already begun on seven projects.
 - **Border Cleanup Projects:** The NADBank, together with the NAFTA Border Environment Cooperation Commission (BECC) and federal and state officials on both sides of the border, have identified more than 30 environmental projects along the border with a total cost of about \$500 million for their 1997-99 work plan.

- **Affordable Water Cleanup for Poor Border Communities.** NADBank is establishing co-financing mechanisms with U.S. and Mexican grant programs to provide affordable financing for poor border communities. A recent agreement will enable NADBank to combine its loans with up to \$170 million in grants from the Environmental Protection Agency for border water and wastewater projects.
- **Border XXI:** The United States and Mexico have established a five-year blueprint for achieving a clean border environment. We are already cooperating to abate emissions from vehicles at border crossings, tracking transboundary shipments of hazardous wastes, and operating a U.S.-Mexico Joint Response Team to minimize the risk of chemical accidents, to name just a few activities.
- **Submission Process on Environmental Enforcement:** The NAAEC submission process -- which subjects member governments to public and international scrutiny for alleged violations of environmental laws, and can also lead to economic sanctions -- is working as intended. Under NAFTA, Mexico's enforcement of its environmental laws has improved and there has been an unprecedented amount of cooperation between the United States and Mexico on environmental enforcement.
- **Oversight of Enforcement:** The NAFTA Commission for Environmental Cooperation's (CEC) review of citizen submissions alleging nonenforcement of environmental laws has led to an investigation of the adequacy of environmental reviews of a cruise ship pier in Cozumel, Mexico and a report on water use in the Fort Huachuca, Arizona area.
- **Banning Pesticides.** Through the CEC, Mexico has agreed to join the United States and Canada in banning the pesticides DDT and chlordane, ensuring that these long-lived, toxic substances no longer cross our border.
- **Improved Mexican Enforcement.** Mexico has increased the number of environmental enforcement actions from roughly 3,100 in 1991 to between 12,000 and 13,000 annually since NAFTA was signed. Mexico reports a 72% reduction in serious environmental violations in the maquiladora industry and a 43% increase in the number of maquiladora facilities in complete compliance.

TRADE AGREEMENTS AND FOOD SAFETY

America applies the same food safety standards to imports as we do to domestic products.

- **Safety of Imported Foods.** The Food and Drug Administration (FDA) figures show that, in general, agricultural imports are no more likely to present health risks from microbial pathogens than domestic agricultural products.
- **Funding Up For Inspections For Imported Pests and Diseases.** In order to protect U.S. animal and plant health from imported pests and disease, the Agricultural and Plant Health Inspection Services has increased funding for inspections 78 percent and added 44 percent more personnel since 1990.
- **Drop In Tainted Food Entering the United States.** The FDA reports that detentions of Canadian origin food products dropped 12 percent and detentions of Mexican origin products declined 30 percent in 1996.
- **NAFTA and Food-Borne Illnesses.** Recent data from investigation of food-borne illness outbreaks by the American government do not substantiate the charge that food-borne illness has increased because of expanded trade through NAFTA.
- **This Year, Vice-President Gore Announced Plan To Modernize and Increase U.S. Food Safety.** In May, Vice-President Gore announced initiative, "Food Safety from Farm to Table", to modernize and increase the safety of the nation's supply. The plan would, among other things:
 - Enhance coverage of imported foods and evaluate new methods for testing imports.
 - The Hazard Analysis and Critical Control Points regulations include specific provisions related to food imports to prevent food safety hazards before the product enters the marketplace. USDA, FDA, and EPA are also researching more efficient ways of testing for food-borne hazards.
 - Federal, state, and local governments will build a new early warning system to help detect outbreaks of food-borne illness earlier, so the food safety regulatory network can quickly respond to contain any future problems, including stopping shipments at the border and increasing testing.

ADMINISTRATION OFFICIALS ON FAST TRACK

President Clinton Said Fast Track Is Needed To Keep Economy Growing

President Clinton: "To keep our economy growing and to create these good jobs we must keep tearing down foreign barriers to American goods and services. That's why, next month, I will ask Congress to renew presidential fast track authority to negotiate tough new trade agreements. This is authority that every President from both parties has had since 1974. I will use it to negotiate trade agreements that will keep us competitive, boost our exports, create more good jobs and raise our standard of living." [Radio Address, 8/24/97]

Vice President Gore Said Fast Track Is About Our Future As A Nation

Vice President Al Gore: "America is now enjoying the longest sustained period of growth in a generation -- with a quarter of that coming from overseas trade. We need to stay on the fast track of global prosperity. We have come too far to turn back now. Free trade is working -- and as a result, unprecedented numbers of Americans are working. We need to stay the course. You see, Fast Track is about something more than a handful of trade treaties. It's about our future as a nation at the dawn of a new century." [Remarks by Vice President Al Gore, Software Publishers Association, 9/9/97]

Trade Rep. Barshefsky Called Fast Track Key Component In Our Trade Arsenal

Trade Representative Charlene Barshefsky: "We can pursue portions of our trade agenda with our existing tools. But, to seize the opportunities in the global economy and to fully meet the competition, the President needs a new grant of trade agreements implementing authority, or fast track. Fast track is a key component of our trade arsenal." [Testimony of Ambassador Charlene Barshefsky United States Trade Representative Before the Senate Agriculture, Nutrition and Forestry Committee Federal News Service, 6/18/97]

Secretary Rubin Called For Fast Track; Prosperity At Home Depends on Global Leadership

Treasury Secretary Robert Rubin in calling on Congress to grant the President fast track authority: "The effect of trade permeates itself throughout our economy. U.S. leadership in the global economy is thus critical to building prosperity at home and creating jobs...The world is liberalizing trade, and it's going to do it with us or it's going to do it without us." [Columbus Dispatch, 4/30/97]

Secretary Daley Said Fast Track Is Important For The U.S. Economy

Commerce Secretary William Daley: "[T]he need for fast track authority comes at a time that, in my opinion, is extremely important, and not only for the president and this administration, but more importantly, for the U.S. economy as we get to the end of this century, because there will be growing opportunities as some of these regions improve their economies, and growing opportunities for U.S. exports." [Commerce Secretary Daley briefing, (as transcribed by Federal News Service), 8/20/97]

Glickman Said Fast Track Was Essential For U.S. To Maintain Leadership Role

Secretary of Agriculture Daniel Glickman: "[I]t is essential that Congress ultimately renew the President's fast-track negotiating authority if the United States is to maintain a leadership role in efforts such as APEC [Asian Pacific Economic Cooperation]. Lack of fast-track authority ties the President's hands in trade negotiations." [Prepared Statement by Daniel Glickman Secretary U.S. Department of Agriculture before the House Committee on Agriculture (Federal News Service), 6/5/96]

Nat'l Security Adviser Berger Said Fast Track Necessary To Build Competitive World Economy

National Security Adviser Sandy Berger: "[W]e, I think, have benefited enormously as a country by the trade expansion enterprises that have been undertaken...But that agenda is not complete. We must have the authority from Congress that previous presidents have had so that we can negotiate agreements with countries who don't fear that they will be renegotiated once they're submitted to the Congress...[W]e are committed to seek the authority that we need to finish the job of building a competitive world economy." [National Security Adviser Berger Foreign Policy Speech (as transcribed by Federal Document Clearing House), 3/27/97]

PAPERS, EXPERTS & OPINION LEADERS ON FAST TRACK

NATIONAL NEWSPAPERS ENDORSE FAST TRACK

***New York Times* said President Clinton Deserves Fast Track**

"Every President for over the past 20 years has used [Fast Track] to open up foreign markets... The Administration needs Fast Track to complete negotiations... on opening markets to foreign-provided services, tightening copyright protections and prying open government contracts to bids by foreign companies. Fast Track is also needed to negotiate trade agreements with Chile and other South American countries. They are already negotiating deals with Europe, Mexico and Canada that would give exports from those countries favored access." [NYT, 9/8/97]

***Washington Post* Said Much Is To Be Gained By Giving The President Fast Track**

Washington Post editorial: "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. [Washington Post, 4/27/97]

***Los Angeles Times* Supported Fast Track Authority For The President**

Los Angeles Times editorial: "Clinton needs so-called fast-track authorization to move on this opportunity to expand hemispheric trade, a goal we support. The time seems right...Congress should grant the president the fast-track authorization he needs to shape a package for Chile and bring it to a vote." [Los Angeles Times, 2/28/97]

***Chicago Tribune* Called For Granting Fast Track Fast**

Chicago Tribune editorial entitled "Grant Fast-track Authority Fast": "Congress should move on the president's request [for fast track] at once...Free trade means jobs and opportunity. Why is Congress standing in the way?" [Chicago Tribune, 8/26/97]

***Business Week* Said Fast Track Was Vitrally Important**

Business Week editorial entitled "Put Fast-track in the Fast Lane": "There will doubtless be grandstanding about trade with China in coming weeks, and bellyaching about Japan's recent trade gains -- but that will pass. Fast-track authority transcends this political brouhaha, and is vitally important as an instrument to help break down global trade barriers. [Business Week, 5/19/97]

***Newsday* Said Fast Track Promises Americans New Jobs and Higher Incomes**

"In the long run, the issue of expanding trade in the Americas is compelling because it promises Americans new jobs and higher incomes - which is why Congress should grant President Bill Clinton "fast-track" negotiating authority so both Chile and the United States could share the benefits of increased imports and exports as soon as possible." [*Newsday* editorial, 3/6/97]

***Houston Chronicle* Said It Was "Vital" For Congress To Grant President Fast Track**

Houston Chronicle editorial: "Failure to be a major player when these trade agreements are being negotiated and hammered out among countries in regions like Latin America and Asia reduces this nation's ability to expand its exports and increase jobs at home. That is why it is vital for Congress to grant President Clinton fresh fast-track negotiating authority to develop new trade agreements in Latin America and Asia." [*Houston Chronicle*, 3/17/97]

***Boston Globe* In 1994 Said Fast Track Had Worked For Nearly Half A Century**

1994 *Boston Globe* editorial: "The so called 'fast track' method of negotiating international agreements with Congress has worked well for nearly half a century." [*Boston Globe*, 9/16/94]

***Sun-Sentinel* Said Fast Track Would Give The President Essential Flexibility**

"Fast-track...would give the administration essential flexibility in negotiating trade pacts with Chile and other Latin American nations, and with the World Trade Organization as broader accords are discussed...It's critical for Congress to be wise and think ahead...in moving swiftly but thoughtfully to provide a fast track." [*Sun-Sentinel* editorial (Ft. Lauderdale, FL), 7/15/97]

***Fresno Bee* and *Sacramento Bee* Said President Clinton Was Right To Seek Fast Track**

Editorial in both the *Sacramento Bee* and *Fresno Bee*: "Clinton is right to seek such [fast track] authority, given the advantages new trade pacts could bring to U.S. firms facing growing competition abroad." [*Sacramento Bee*, 4/27/97; *Fresno Bee*, 4/29/97]

***Washington Times* Called Fast Track an Important Initiative to Expand Free Trade**

Washington Times editorial: "This deal should be a no-brainer... To the extent that government restricts worldwide competition among producers through tariffs or other trade barriers, it taxes, in effect, consumers everywhere, including in the United States. This is Big Government in an age when Mr. Clinton said its day has passed." [*Washington Times*, 9/9/97]

***Rocky Mountain News* Said American Workers Will Be Hurt Without Fast Track**

Rocky Mountain News editorial: "NAFTA gives Congress ample precedent to approve fast-track legislation. Should Congress tarry, other fast-moving nations will leave their tracks all over American workers' opportunities" [*Rocky Mountain News*, 5/21/97]

***Arizona Republic*: President Clinton Needs Fast Track, Without It US Has No Credibility**

"Before [the reconvening of the Summit of the Americas in March], Clinton needs fast-track authority from Congress...Without fast track, the United States will not have the credibility it needs to negotiate a delicate agreement involving 34 countries." [*Arizona Republic*, 7/10/97]

EXPERTS & OPINION LEADERS ARGUE FOR FAST TRACK

Glassman Said Fast-Track Is "Vital"

American Enterprise Institute fellow James Glassman: "In order to win agreements with those countries, Clinton needs 'fast-track' negotiating authority, so Congress can't delay the deals or add crippling amendments. Fast track is vital..." [Washington Post, 7/1/97]

Dr. Tyson Said Fast Track Would Enable the President to Break Down Trade Barriers

Former economic adviser to President Clinton and current University of California at Berkeley economics and business administration professor Laura D'Andrea Tyson: "With 95 percent of the world's consumers outside our borders, we must focus on breaking down barriers to trade abroad, not building them up at home. This requires that Congress grant President Clinton and his able trade representatives fast-track authority to negotiate tough, enforceable trade agreements." [Washington Post, 7/9/97]

Hughes CEO Armstrong Said President Clinton Has Strong Pro-export Record

Hughes Electronics CEO C. Michael Armstrong: "To its credit, the Clinton administration has compiled a strong pro-export policy record..." [Arizona Republic, 8/24/97]

***Boston Globe's* Oliphant Offered Two "Huge" Reasons for Fast Track**

Boston Globe's Tom Oliphant: "Africa is now the second huge reason (the more advanced countries of South America are the first) for Congress to grant Clinton so-called 'fast-track' authority this fall to negotiate free trade agreements -- so-called because they must be approved or rejected as negotiated, with no room for congressional tinkering." [Boston Globe, 6/24/97]

Brookings' Lustig Said We Risk Falling Off Proverbial Bicycle Without Fast Track

Brookings Institution senior fellow Nora Claudia Lustig: "Now that the rest of the region is ready to move forward with economic integration, it is ironic that the United States, after decades of promoting the principle of free trade, appears hesitant. This image can only be removed if the Clinton administration moves forward with a request for fast-track negotiating authority... Going with free trade could well be like learning to ride the proverbial bicycle: Either we keep moving forward or we risk falling off." [Brookings Policy Brief No. 20, "NAFTA: Setting the Record Straight," 6/97]

Trade Expert Baer Said U.S. Would Lose Leverage Without Fast Track

Delal Baer, a trade expert with experience in South America: "Without fast-track you have no leverage...The balance of power in terms of negotiating leverage is shifting from the United States to the southern cone because we don't bring anything to the table." [Copley News Service, 5/21/97]

Denying President Fast Track Would Be No Small International Embarrassment

Journal of Commerce senior correspondent Richard Lawrence: "But there's hope. Congress may actually do something exciting in 1997. After years of hesitation, it may enact 'fast-track' legislation, giving the president broad trade negotiating authority for which he has long longed...[T]he president must have broad new negotiating authority. For Congress to give less would be no small international embarrassment -- to both Democrats and Republicans." [*Journal of Commerce*, 8/15/97]

KC Starr's McClanahan: Without Fast Track, Other Countries Will Steal Our Markets

In his Op-Ed piece entitled "Fast-track follies: U.S. will lose lucrative markets if it doesn't move quickly," *Kansas City Starr* editorial staff member E. Thomas McClanahan wrote, "If the free-trade agenda stalls, we're going to wake up some day and discover that other countries have quietly stolen our markets -- not because of better products or more productive workers, but because too many people in our national capital couldn't be bothered. Make no mistake. If that happens, the cost will be both economic -- and political." [*Kansas City Star*, 7/29/97]

de Tocqueville Institution's Sobel Said Fast Track Necessary; Gives President Credibility

Alexis de Tocqueville Institution's Chairman Clifford Sobel: "...[T]he most important reason why fast track is necessary is that it gives the President of the U.S. the credibility to negotiate with foreign countries in good faith. Without fast track, it would be far more difficult for the President to conclude additional trade agreements..." [Sobel's testimony before Joint Hearings on Fast Track Negotiating Authority (as transcribed by the Federal News Service), 5/17/95]

THE WHITE HOUSE

Office of the Press Secretary
(Martha's Vineyard, Massachusetts)

Saturday, August 23, 1997

RADIO ADDRESS OF THE PRESIDENT
TO THE NATION

Martha's Vineyard, Massachusetts

THE PRESIDENT: Good morning. Today I want to talk about the tools we need to keep our economy growing in a way that helps all our people to prosper and advances America's leadership in the world as we move into the 21st century.

For nearly five years now, we have pursued a new economic course for America, with three parts: eliminate the deficit, invest in education and training, and open new markets abroad for America's products and services. It is working. The American people are enjoying the longest period of sustained economic growth in a generation -- with 12 million new jobs, unemployment below five percent, core inflation at a 30-year low. Once again, America is the world's number one exporter, the world's largest producer of semiconductors, the world's largest producer of automobiles. Our nation has been ranked the world's most competitive economy for the last five years.

With a strong and prosperous America moving into the 21st century, we must continue our successful economic strategy. In 1993, we passed an economic plan that cut the deficit 75 percent in four years. And now we have a balanced budget with an historic focus on education and incentives to bring jobs to people and places that still don't have them.

But to keep America growing, to keep America leading, we have to continue to create high-wage jobs, and to do that, we must continue to expand American exports. After all, 95 percent of the world's consumers live beyond our borders. Already, over the last four years, more than 25 percent of our economic growth has come from overseas trade. Now, that's a big reason more than half our new jobs in the last two years have paid above average wages, because export-related jobs pay, on average, about 15 percent more than non-export jobs. And today, our exports support more than 11 million good, high-paying American jobs, including one in five of our manufacturing jobs.

To keep our economy growing and to create these good jobs we must keep tearing down foreign barriers to American goods and services. That's why, next month, I will ask Congress to renew presidential fast track authority to negotiate tough new trade agreements. This is authority that every President from both parties has had since 1974. I will use it to negotiate trade agreements that will keep us competitive, boost our exports, create more good jobs and raise our standard of living.

This fast track authority will do three things. First, it gives the President the flexibility I need to forge strong agreements in sectors where our nation is most competitive -- such as agriculture, information technology, medical equipment and environmental technology. Second, it will strengthen my ability to get worldwide agreements, especially for our nation's farmers, tearing down barriers in the world agricultural market. It will also help to ensure that American companies and workers compete in the global economy in a contest that is open, with a level playing field, with rules that are fair and enforced.

Third, it will help me to negotiate more open markets with specific countries, especially in Latin America and Asia. In the coming century, these emerging markets in Latin America and Asia are expected to grow three times as fast as our own -- and their demand for United States goods and services is already taking off. If we don't seize these new opportunities, our competitors surely will. Already, since 1992, in Latin America and Asia alone, our competitors have negotiated 20 trade agreements that do not include the United States.

To make sure all our people share the fruits of increased prosperity and commerce, I also will continue to promote worker rights and responsible environmental policies with our trading partners. And I'll keep working to strengthen retraining and educational opportunities for workers here. We have to pull together, not apart, to compete and win in the global economy.

For more than two decades now, on a bipartisan basis, Congress has consistently supported initiatives to open markets and create jobs -- including the President's authority to break down trade barriers around the world. Our workers and our businesses are the best in the world, but they can't compete in the slow lane. I look forward to working closely with Congress to keep American prosperity on the fast track.

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FAST TRACK FACT SHEET

BACKGROUND ON FAST TRACK

Who Has Trade Negotiating Authority?

- A Balance Between the President and Congress: The Constitution gives Congress exclusive authority to set tariffs and enact other legislation governing international trade. The President has the Constitutional authority to negotiate international agreements. If the President negotiates a trade agreement that requires changes in U.S. tariffs or in other domestic laws, that trade agreement's implementing legislation must be submitted to Congress--or the President must have Congress' advance approval of such changes.

How does Fast Track Work?

- A Strong Role for Congress: In exchange for the expedited considerations of implementing legislation, Congress retains a central role before and during the negotiating process and, equally important in determining how to implement trade agreements. Requests for fast track have always included extensive notification and consultation requirements for the President with Congress itself and with private sector advisory committees. In every trade agreement negotiated under fast track, Congress has been an active participant in identifying negotiating objectives, monitoring the actual negotiations, and drafting implementing legislation.
 - To apply fast track to a trade agreement, whether sectoral, bilateral or multilateral, the President must notify Congress in advance of his intention to sign such an agreement. For most previous grants, the advance notice requirement was 90 days; for the Uruguay Round, the notice requirement was set at 120 days. Even before the President signals his intention to enter into an agreement, the private sector advisory committees are required to report to both Congress and the President on their views as to whether the agreement meets U.S. negotiating objectives. For bilateral trade agreements, the Congress must be given advance notice of the President's intent to begin negotiations. During the next 60 legislative days, either the House Ways and Means Committee or the Senate Finance Committee can vote to deny fast track for the proposed agreement.
 - Once the negotiations have been concluded and the President has signed it, the Congress and the Administration begin a period of extensive discussions on drafting legislation. This process, reflecting the growing complexity of trade agreements, has involved an increasing number of committees of jurisdiction and interested Congressional Members. The President is required to spell out precisely how he intends to use his existing regulatory authority in implementing the agreement. Congress retains the right to vote down an agreement if, after consultation, it still finds the package unacceptable.
 - Additional Congressional prerogatives include special procedures for revoking fast track if the President fails to meet the consultation requirements. Where fast track authority has been granted with the possibility of an extension, either House retains the right to

disapprove an extension provided either the House Ways and Means Committee or the Senate Finance Committee have reported out an "extension disapproval resolution."

- 60 Years of Cooperation between the President and Congress: For over 60 years, the Congress and the President have recognized that the negotiation and implementation of trade agreements require special cooperation. In the aftermath of the Smoot-Hawley Tariff Act of 1930 and the Depression, both the Congress and the President recognized that only by working closely together could trade barriers be torn down and markets opened to US goods. This new attitude was first reflected in the Reciprocal Trade Agreements Act of 1934, and has remained part of U.S. trade law ever since.
- Fast Track has Worked for Over 20 Years: In recent years, as tariffs became less of an obstacle to trade and many of our trading partners sought to protect their domestic markets by erecting non-tariff barriers, the scope of trade negotiations broadened and by agreement between the Ford Administration and the Congress, fast track was created to accommodate this broader trade agenda. It was first embodied in the Trade Act of 1974 to deal with the Tokyo Round negotiations called for in the GATT. Fast track procedures for approving trade agreements have been renewed by Congress in 1979, 1984, 1988, 1991 and most recently in 1993. As a result, Presidents have had fast track negotiating authority continuously from January 1975 until April 1994, with a brief hiatus for eight months in 1988.

FAST TRACK: WHY CONTINUING TO GIVE AMERICA THE ABILITY TO OPEN FOREIGN MARKETS IS IMPORTANT TO AMERICAN WORKERS AND THEIR FAMILIES

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

All over America, jobs have been created in small, medium and large companies that would not be here today if we did not have the ability to negotiate fair trade agreements.

AUTOMOTIVE INDUSTRY

- **Over 2.3 million workers are directly employed in the automotive industry.** U.S. vehicle exports totaled over \$24 billion in 1996 and should grow 5% *per year* through 2002. U.S. automotive parts exports totaled \$41 billion in 1996 and are expected to grow 9% *per year* through 2002.
- **Auto sales in Asia (excluding Japan) grew 65% between 1990-1995** and may grow another 60% by 2005. Vehicle sales to Japan grew 207% between 1992 and 1996.
- **Sales in Brazil are expected to grow 55% in the next five years.**
- **From 1990-1996, U.S. auto exports to the biggest emerging markets (excluding Mexico) rose \$500 million and are estimated to reach \$6.1 billion by 2010.** U.S. parts exports to these emerging markets are expected to more than triple from the current \$3 billion to \$10 billion in 2010.

MANUFACTURING

- **18.5 million American workers -- over 15% of total workforce -- are employed in manufacturing.** Exports of goods and services have risen from about 4% of GDP in the early 1960's to over 13% today.
- **U.S. exports have grown three times faster than Japan's, five times more than Germany's since the mid-1980's.**
- **13 of the 20 largest medical technology companies in the world are U.S. owned.** The U.S. medical device industry is expected to grow 6% *per year* over the next 5 years.

INFORMATION TECHNOLOGY

- **The information technology industry generates 3.5 million domestic jobs directly and indirectly.** America is number one in the world in semiconductors, computers and software. Over the last four years, U.S. semiconductor exports have grown 139%, its telecommunications exports have grown 113% and U.S. computer and parts exports have grown 54%.
- **Nine of the world's top ten software companies are based in the U.S.**
- **U.S. software exports to the Asia-Pacific expanded 57% last year alone,** and over one-third of U.S. computer equipment exports now go to the Asia-Pacific region.

SERVICES

- **Exports of services by U.S. firms supported 3.5 million U.S. jobs in 1994.** U.S. service exports have more than doubled over the last ten years, increasing \$135 billion since 1987, and \$84 billion since 1990.
- **U.S. exports to emerging markets have grown at impressive rates:** nearly 30% to China, Taiwan and Korea; and over 20% to Hong Kong and Argentina.

AGRICULTURE

- **U.S. agricultural exports support nearly a million jobs -- more than 60 percent of those jobs off the farm in processing, transportation, and trade.**
- **The U.S. is once again the world's largest exporter of food and farm products,** commanding around a 22% share of global agricultural trade. Last year, our agricultural exports were twice the level of our agricultural imports -- a claim no other industry sector can make.

AGRICULTURE

- *Agriculture's future is tied to trade.* U.S. agricultural exports climbed to \$60 billion in 1996, the highest ever. Since 1990, the value of U.S. agricultural exports has increased by \$20 billion, or nearly 50 percent. Each week last year, on average, American producers and processors shipped out more than \$1.1 billion in farm and food products to foreign markets.
- *American agriculture is more than twice as reliant on foreign trade as the U.S. economy as a whole,* with exports currently accounting for an estimated 30 percent of agriculture's cash receipts. Production from up to a third of U.S. cropland is exported.
- *Exports are agriculture's source of future growth in sales and income.* The domestic U.S. market is relatively mature and slow growing. American farmers and ranchers already produce an abundance far in excess of domestic needs, and their productivity continues to increase. Meanwhile, global food demand is expanding rapidly, and more than 95 percent of the world's consumers live outside U.S. borders. U.S. exports are growing more than three times as fast as domestic demand for foods.
- *The share of U.S. production exported averages:* 26 percent for coarse grains; 27 percent for oranges; 28 percent for grapes, broccoli, and pears; 36 percent for soybeans; 40 percent for grapefruit; 45 percent for cotton; 49 percent for rice; 54 percent for wheat; 57 percent for hides and skins; and 70 percent for almonds.
- *Total agricultural exports in fiscal 1996 included:* \$9.3 billion worth of coarse grains; a record \$8.1 billion in meat and livestock products; \$7.9 billion in soybeans and products; \$7.0 billion in wheat and flour; a record \$5.7 billion in fruits, vegetables, and preparations; \$3.0 billion in cotton; and a record \$2.4 billion in poultry meat.

Agricultural Trade Contributes to a Strong U.S. Economy

- *Agricultural trade is important to the overall U.S. economy.* U.S. agricultural exports support nearly a million jobs -- more than 60 percent of those jobs off the farm in processing, transportation, and trade. Export-related jobs pay higher than average wages, providing good-paying jobs for American workers in rural and urban areas throughout the nation.
- *The total contribution to U.S. economic activity from 1996's agricultural exports is estimated at around \$140 billion.* Each dollar in agricultural exports multiplies throughout the economy, generating farm purchases of inputs and spurring additional economic activity in manufacturing and other sectors.

- Agriculture is one of the few U.S. industry sectors that consistently runs a trade surplus, posting a surplus every year since 1960. In fact, among industry sectors, agriculture was the leading positive contributor to the U.S. trade balance in 1996 -- not chemicals, industrial machinery, or computers, but agriculture. Our agricultural trade surplus in fiscal 1996 topped \$27 billion, the largest farm trade surplus in history. The surplus in agricultural trade was enough to pay for virtually all the cars imported last year from Japan and Germany combined.
- *The United States is once again the world's largest exporter of food and farm products*, commanding around a 22-percent share of global agricultural trade. Last year, our agricultural exports were twice the level of our agricultural imports -- a claim no other industry sector can make. Dollar for dollar, we export more corn than coal, more wheat than steel, more meat than aluminum, and more fruits and vegetables than CD's, records, and tapes.

Trade Agreements Help U.S. Agriculture

- *Agriculture remains one of the most protected and subsidized sectors of the world economy.* Because U.S. agriculture is among the most competitive in the world, the trade distortions in agriculture are a particular problem for the United States.
- *U.S. agriculture increasingly turns to world markets to increase sales;* trade agreements that open markets and reduce unfair competition are critical for protecting and improving the health of the U.S. agricultural sector. Free and fair trade allows one of our nation's greatest assets--the competitive strength of American agriculture--to work to full advantage.

Fast Track Is Needed for Further Trade Negotiations

- *Despite progress in the WTO and other free trade agreements, we still have a lot of work to do* in removing barriers to U.S. agricultural exports and addressing unfair competition from other countries. The only way we can make substantial progress is through broad negotiations where the United States has the ability to request concessions from other countries, and induce commitments by making some of our own.
- *To have credibility at the negotiating table, the President must be backed up by fast track authority.* Otherwise, other countries will not make the concessions we need because of fear that Congress will demand the President pull U.S. commitments off the table at the last second.

Fast Track Will Be Used to Create New Trade Opportunities

- *The Administration is seeking broad fast track authority --* the ability to negotiate trade agreements in the WTO and in specific regions as appropriate under the changing circumstances facing our exporters.
- *Further work in the WTO is a priority for the Administration.* The WTO is the only way for us to comprehensively address the countries around the world that maintain high tariffs or

trade-distorting subsidy policies. U.S. participation there will determine whether world agricultural trade liberalization continues or regresses to protectionism.

- *NAFTA has been a big success for U.S. agriculture, and broadening NAFTA membership will open up new markets for our exports.* Other regional trade arrangements, such as APEC (Asia-Pacific Economic Cooperation), the FTAA (Free Trade Area of the Americas), or new agreements in areas such as Africa are promising areas for the United States to open export markets and ensure growing opportunities for years ahead.

U.S. Agriculture Will Pay a Price If Fast Track Is Not Granted

- *Most U.S. trading partners in this hemisphere have been active in forging closer ties with neighboring countries* in an effort to provide for economic growth and export opportunities for their agricultural producers.
- *For example, Argentina, Brazil, Paraguay, and Uruguay have formed a common market, MERCOSUR,* that provides significant trade preferences to each other in this rapidly expanding region. Chile, one of the best economic performers in Latin America, has been particularly aggressive, signing trade agreements with Bolivia, Colombia, Ecuador, Mexico, Venezuela, MERCOSUR, and most recently Canada. More than 30 bilateral and regional trade agreements are already operating here in the Western Hemisphere, and the United States is party to only one – NAFTA. While these preferential trade agreements multiply, the U.S. share of the region's total agricultural imports is declining.
- *The EU is already the world's largest trading bloc and is poised for major expansion in the next few years.* Through its "association agreements," the EU has already secured for its exporters a significant advantage in the emerging markets of Central and Eastern Europe. The only way to limit the effects of these agreements and of EU expansion, particularly in agriculture, is by negotiating further multilateral liberalization in the next round of WTO talks.
- *As a low-cost supplier of high-quality foods, the United States is well positioned to benefit substantially from trade liberalization among the 18-member APEC group.* Reducing tariffs in the fast-growing countries of the Pacific Rim could provide a dramatic boost to U.S. exports of consumer-oriented products. Without fast track, the U.S. commitment to economic development and future trade growth in the region will not be taken seriously.
- *As long as the United States lacks fast track authority, we won't be able to make any progress in the WTO.* Without a negotiating mandate, the U.S. will lack credibility to push for a fast start on WTO agriculture negotiations scheduled to start at the end of 1999. Further multilateral trade negotiations in the WTO are the most effective way to open a range of markets of interest to U.S. producers and exporters. In contrast to a web of bilateral and regional arrangements, WTO negotiations can ensure that U.S. exporters have the same chance to compete in foreign markets and allow U.S. negotiators to push for concessions that benefit all U.S. industries.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

AUTOMOTIVE INDUSTRY

Fast Track means expanding trade, creating more higher paying jobs, improving our standard of living and maintaining America's global leadership. With Fast Track, the President will keep breaking down barriers to our products and services. He has outlined his broad trade objectives for opening markets in Asia, Latin America, Africa and elsewhere.

Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, telecommunications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to the U.S. automotive industry and its workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about the U.S. automotive industry and some of the difficulties our companies face around the world.

The automotive industry is one of the United States largest manufacturing industry

- The industry and its suppliers generates 5.4 percent of GDP.
- Over 1.2 million workers are directly employed in the automotive industry.

Exports have become increasingly important to this industry

- U.S. automotive parts exports, which supply the majority of industry exports, totaled \$40.8 billion in 1996 and are expected to grow 9 percent annually through 2002.
- Automotive parts exports represent more than one quarter of total parts production.
- U.S. vehicle exports totaled \$24.4 billion in 1996 and should grow 5 percent annually through 2002. Vehicle exports are a significant share (almost 3%) of total U.S. exports.
- U.S. exports of motor vehicles account for 7.6 percent of worldwide vehicle exports while U.S. parts exports represent 17.5 percent of the worldwide export market.

FTAA and Asian countries are the some of the greatest potential growth markets

- Vehicle unit sales in Asia (excluding Japan) grew 65 percent between 1990 and 1995 and may grow another 60 percent by 2005. Vehicle sales to Japan grew 207% between 1992 and 1996. FTAA markets also are exploding. Sales in Brazil may grow 55 percent in the next five years.
- U.S. parts exports to the big emerging markets (excluding Mexico) are expected to more than triple from the current \$3 billion to \$10 billion in 2010. Exports to FTAA markets will grow from \$1.7 billion to \$5.6 billion. Exports to ASEAN nations are also expected to triple from \$600 million to \$2.1 billion during this period.
- Between 1990 and 1996, U.S. vehicle exports to the big emerging markets (excluding Mexico) rose from almost \$1 billion to \$1.5 billion and are estimated to reach \$6.1 billion by 2010. Export growth to FTAA nations will be stronger and could more than double from \$1.3 billion to \$3 billion.

The automotive industry is one of the world's most highly protected

- By the turn of the century, the total ASEAN market is expected to exceed 2 million units, and Thailand's production capacity alone will exceed 1.3 million. However, major barriers to entry exist, including local content requirements and tariffs ranging from 35-200 percent with an average of 100 percent.
- China, Indonesia, and Malaysia have national car programs that discriminate against foreign vehicles and parts, and the Philippines and Vietnam are considering similar regimes.
- South African tariffs range from 43 percent to 57.5 percent. It also maintains significant non-tariff barriers like local content and export requirements.
- The MERCOSUR countries anticipate a doubling of demand for automobiles by the year 2000. Brazil maintains a highly restrictive import regime for those companies not invested in Brazil while Argentina provides tariff preferences to encourage local vehicle production.
- Left intact, these barriers will exacerbate economic distortions in global automotive markets and limit the ability of U.S. producers to achieve the most competitive level of production in the United States.

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

- To combat these problems, U.S. government and industry are attempting to pursue these issues in existing multilateral and regional fora, including the WTO, APEC, ASEAN Dialogue, and by enforcing U.S. trade laws.

- The United States has made an APEC proposal that would examine both “cooperative” elements such as standards issues as well as identify and address other trade barriers in the sector.

Competition doesn't wait for U.S. leadership

- Poland is the fastest growing market in Europe and new passenger car sales could be on the order of 400-500 thousand vehicles per year. Duty rates range to 35 percent, but a larger concern are preferences granted to the E.U. under the E.U. Association agreements.
- Intra-FTAA country agreements now completed or contemplated also could limit U.S. market access. Chile's trade agreements with Mexico and Canada providing for duty free entry of automotive goods from those countries provides an 11 percent price advantage over U.S. products.

CIVIL AIRCRAFT

Fast Track means expanding trade, creating more higher paying jobs, improving our standard of living and maintaining America's global leadership. With Fast Track, the President will keep breaking down barriers to our products and services. He has outlined his broad trade objectives for opening markets in Asia, Latin America, Africa and elsewhere.

Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, tele-communications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to the civil aircraft industry and its workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about the U.S. civil aircraft industry and some of the difficulties our companies face around the world.

Civil aircraft is a vital national industry

- The U.S. civil aircraft industry supports over 450,000 high-wage, highly-skilled jobs.
- Aerospace workers earn an average of 45 percent more than other manufacturing workers.

Export markets are essential to the civil aircraft industry

- One out of every two civil aircraft manufactured in the U.S. is exported.
- U.S. exports grew 18 percent between 1995 to 1996, from \$25 billion to \$29 billion.
- The industry generated a trade surplus in civil aircraft, engines, and parts of \$18 billion in 1996.
- The U.S. share of worldwide orders (excluding the newly independent states of the former Soviet Union) for large, civil aircraft is about 70 percent. Airbus Industrie (European consortium) accounts for about 30 percent.

Low and middle income country markets are the fastest growing markets for U.S. producers.

- Asia has become the fastest growing foreign market for U.S. civil aircraft, accounting for about 45 percent of U.S. civil aircraft exports in 1996.
- U.S. civil aircraft sales to India have more than quadrupled in the last five years.

- Within ASEAN, there is a large and growing demand for airport and ground support equipment. Almost all of Thailand's demand must be met by imports. The Philippines has initiated a \$3 billion fleet and modernization program. Singapore is a major purchaser of Boeing aircraft, and nine out of every ten dollars of civil aerospace industry output in Singapore is in aircraft repair and overhaul operations.
- Korea is in the midst of a major civil aviation expansion; a ten year procurement program envisions the purchase of some 230 aircraft worth about \$20 billion.
- Currently, Poland has one of the youngest fleets in the world -- largely through purchases and leases with Boeing.

High tariffs and government subsidization are major barriers.

- Most U.S. competitors are heavily subsidized.
- Many foreign airlines are government-owned or controlled. These airlines are subject to political pressures from governments which support foreign competitors (such as Airbus Industrie) over U.S. manufacturers.
- Low and middle income country tariffs range from 3 to 40 percent while the U.S. has no tariffs.
- The use of offset requirements in markets such as South Africa can distort economic efficiencies. Aircraft and parts are our fourth and third largest exports to South Africa.

Fast track will help strengthen U.S. efforts to reduce trade barriers and expand international markets which will be key to maintain U.S. competitiveness and innovation.

- Like the ITA, the U.S. is pursuing in APEC further sectoral liberalization on civil aircraft.
- A Free Trade Area of the Americas would eliminate barriers to U.S. sales, and provide a powerful incentive to purchase U.S. civil aircraft rather than those of Airbus Industrie.
- Current WTO negotiations on establishing elements of a transparency agreement to offer the opportunity to secure more transparency in foreign government bids, to the benefit of U.S. firms and workers.

Competition doesn't wait for U.S. leadership

- Canada is competitive in Latin America, especially in the business and regional jet aircraft sectors. Canada already has an FTA with Chile which will provide a three percentage point tariff advantage over U.S. suppliers by 1997. This tariff differential, which will increase to 11 percentage points when the FTA is fully implemented, provides the Canadian industry a significant advantage in certain segments of the market.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

ENERGY EQUIPMENT

Fast Track means expanding trade, creating more higher paying jobs, improving our standard of living and maintaining America's global leadership. With Fast Track, the President will keep breaking down barriers to our products and services. He has outlined his broad trade objectives for opening markets in Asia, Latin America, Africa and elsewhere.

Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, tele-communications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to the U.S. energy equipment industry and its workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about the U.S. energy equipment industry and some of the difficulties our companies face around the world.

The energy equipment industry has growing employment totaling about 350,000 U.S. workers.

- Shipments in 1995 were \$51.6 billion.

The export market is vital to sustained growth in the industry

- Since 1990, U.S. exports of energy equipment have doubled reaching \$15.5 billion in 1996 with a trade surplus of \$6.5 billion.
- U.S. exports to the big emerging markets, China and FTAA countries more than doubled since 1990.
- As demand in the U.S. has leveled-off, manufacturers are increasingly looking to export markets. Exports account for an estimated 34 percent of the U.S. industry's product shipments. By 2005, energy equipment exports are expected to exceed domestic shipments.
- The estimated annual future growth rate of shipments for the industry as a whole over the next decade is expected to average 5 percent while the estimated growth rate for energy sector exports is expected to average 12 percent.

The demand for energy in low and middle income countries is expected to grow at more than twice the rate of industrialized countries

- Low and middle income countries are implementing policies designed to encourage private investment in resource development, such as removing bans on foreign investment. This should translate into more opportunities for U.S. companies in oil and gas exploration, as well as other aspects of energy services.
- Growing at 4.2 percent per year, Asian energy consumption spurred by strong economic growth will reach 60 percent of that of the industrialized world by 2015.
- Thailand is expected to invest about \$22 billion in new power plants; Indonesia is spending \$40 billion developing a natural gas field; China and India represent even larger potential markets as each country attempts to meet increasing demand.
- U.S. companies currently supply 66 percent of Indonesia's demand for oil exploration and production equipment.
- Venezuela may become an increasingly important market as it is opening up its petroleum sector to foreign participation in exploration and production. The sector accounts for 25 percent of GDP and nearly three-quarters of the country's export earnings.
- The electric power systems market in Korea will continue to grow through economic development and increased consumer demand. The market this year amounts to nearly \$12 billion and is likely to grow 10-20 percent next year.

Non-tariff measures are principal barriers to increased exports

- Non-transparent and/or discriminatory procurement procedures inhibit U.S. exports.
- Inadequate regulatory and investment frameworks hinder U.S. firms doing business in many low and middle income countries.

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

- To combat these problems, U.S. government and industry are attempting to pursue these issues in existing multilateral and regional fora, including the WTO, APEC, ASEAN Dialogue, and by enforcing U.S. trade laws.
- Current WTO negotiations on establishing elements of a transparent agreement offer the opportunity to secure more transparency in foreign government bids, to the benefit of U.S. firms and workers.

Competition doesn't wait for U.S. leadership

- Mercosur countries are in the process of privatizing the electricity sector and expect increased demand for generation and distribution equipment. Imports supply approximately one-fifth of the equipment demand, and the United States supplies one-third of that. Tariffs range to 24 percent.
- With U.S., German and Japanese companies providing almost equal shares of energy equipment in world markets (14 percent, 17 percent and 18 percent respectively), any preferential access to low and middle income countries markets achieved by the U.S. competitors could be seriously detrimental to U.S. exports.
- The United States is the second largest supplier of electrical power systems to Thailand (behind Japan) and has only about one-sixth of the Philippines imports of electric power system equipment.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

ENVIRONMENTAL TECHNOLOGIES AND SERVICES

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Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, tele-communications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to the U.S. environmental technologies and services industries and their workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about the U.S. environmental technologies and services industries and some of the difficulties our companies face around the world.

Environmental technologies equipment and services (ETE) is one of the fastest growing industry sectors worldwide

- This document includes products and services in the following areas: air pollution and treatment; water and wastewater; hazardous and solid waste; noise abatement; energy conservation; instrumentation and monitoring; and related services. All statistics in the document were compiled by the California Environmental Business International.
- The U.S. environmental technologies (ET) industry employed about 1.3 million Americans in 1995.
- More than 25,000 new jobs were created in this sector in the U.S. in 1995.
- The U.S. environmental technologies industry reached \$180 billion in revenues in 1995, a 4.3 percent increase over 1994.

International markets are increasingly important to the ET industry

- Revenue generated outside the U.S. accounted for 8.1 percent of the U.S. industry's 1995 total earnings, compared to only 6.7 percent in 1994.

- U.S. ET exports increased 26 percent from \$11.5 billion in 1994 to \$14.5 billion making the U.S. the world's largest supplier.
- Growth in exports was responsible for 40 percent of the \$7.5 billion in 1995 ET industry growth.

Access to overseas markets, especially low and middle income countries, are essential to U.S. firms

- The global market is projected to grow from about \$440 billion in 1995 to approximately \$600 billion by the year 2010.
- A 17 percent growth rate is expected in Asia (exclusive of Japan), and the South American market is expected to grow by 12 percent. By contrast, the Japanese market is expected to grow only 2 percent and Western Europe by 4 percent.

Opportunities abound for U.S. environmental technology

- While the U.S. enjoys over \$14 billion in environmental exports only 8 percent of the U.S. environmental industry's revenue comes from exports. Major competitors, such as Germany and Japan, export in excess of 20 percent of production.
- Venezuela expects to spend more than \$1 billion between now and 2001 for water treatment alone. Currently, there are no major import barriers but trade is small. U.S. firms hold about a three-fifths share.
- Asian countries represent a significant growth potential for U.S. exporters of environmental technology. The market in Indonesia exceeds \$1.3 billion (of which \$300 million is from the United States). Thailand's market exceeds \$1 billion (U.S. exports account for two-fifths of that) and could double over the next five years. Malaysia's market is around \$700 million and is expected to grow at 15-20 percent per year through 2000.
- In Korea, a major portion of the rapidly growing environmental technology market (\$1.4 billion in 1996) is supplied by local manufacturers; U.S. exports amounted to less than 10 percent of the market. The market is expected to grow substantially through at least 1998. The tariff rate is 8 percent.

Fast Track will strengthen U.S. efforts to reduce trade barriers and expand international markets which will be key to maintain U.S. competitiveness and innovation

- Many of the ET opportunities in overseas markets are in public works contracts by foreign governments. However, the vast majority of low and middle income countries have not signed the WTO Government Procurement Code.
- The USG can negotiate government procurement obligations in plurilateral negotiations.

- Like the ITA, the U.S. is pursuing in APEC further sectoral liberalization on products in this sector.

Competition doesn't wait for U.S. leadership

- Brazilian experts expect \$10 billion in new investment through the year 2000 as Brazil addresses significant environmental concerns. U.S. exports last year amounted to about \$100 million. Tariffs range to 18 percent, although Mercosur partners receive duty free treatment, and other members of ALADI (Latin American Integration Association) receive a 60 percent duty reduction. In some cases, local participation is required for foreign investors.
- Poland has made a significant commitment to environmental clean-up and investments in the sector now account for over one percent of GDP. The pollution control equipment market exceeded \$400 million in 1996, and imports amounted to over three-quarters of that. The most promising areas for U.S. firms include: air pollution control, wastewater treatment, and waste disposal. Duties are in the 9-11 percent range, but European competitors receive significant preferences.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

INFORMATION TECHNOLOGY INDUSTRIES

Fast Track means expanding trade, creating more higher paying jobs, improving our standard of living and maintaining America's global leadership. With Fast Track, the President will keep breaking down barriers to our products and services. He has outlined his broad trade objectives for opening markets in Asia, Latin America, Africa and elsewhere.

Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, tele-communications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to U.S. information technology industries and their workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about U.S. information technology industries and some of the difficulties our companies face around the world.

The information technology industries are vital to the U.S. economy

- U.S. information technology companies have operations in all 50 states and generate over 3.5 million domestic jobs directly and indirectly; this sector provides predominantly high-wage employment.
- Information technology industries have become the back-bone of the U.S. and global economy. Information technology has become integrated into all modern business transactions and is an engine of growth in global trade.
- In 1996, U.S. shipments for computer hardware, telecom equipment and electronic components was \$166.4 billion.

U.S. manufacturers are global leaders

- Through diligent efforts to improve competitiveness, U.S. industry has taken back leadership in global market share, including: semiconductors, semiconductor manufacturing equipment, and printed circuit board production.
- Computer software alone, is the third largest manufacturing industry in the U.S. economy in terms of value-added and was estimated to be worth approximately \$66.8 billion in 1996.

- In 1996, U.S. telecom equipment shipments were valued at \$56 billion, accounting for one-third of world-wide shipments. One reason that U.S. telecommunications technology is so competitive is that the United States was the first country to open its market to competition in 1984.

Exports are an essential component of info-tech companies market strategy

- U.S. computer hardware, telecom equipment and electronic component companies exported an estimated \$90.9 billion in 1996. Info-tech companies as a whole export over one third of their production.
- Due to dramatic growth in technology markets world-wide, U.S. IT companies are becoming export dependent; thus, exports are vital to U.S. competitiveness.

Access to low and middle income countries is critical to this strategy

- Emerging markets are the engine for future growth. Asia and Latin America technology markets, in particular, will continue to experience double digit growth rates, at least double the rate of U.S. and European markets.
- Brazil has the largest telecom sector in Latin America with a market worth nearly \$ 8 billion in 1996, however, tariff rates are up to 32 percent.

Tariffs and non-tariff measures block access to emerging markets

- Export growth would be greatly enhanced for all information technology products if tariff and non-tariff measures were reduced among U.S. trading partners through the broadening of agreements such as the recent Information Technology Agreement.
- Non-tariff measures (NTMs) are the most significant barriers to export growth of U.S. information technology products.

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

- To combat these problems, U.S. government and industry are attempting to pursue these issues in existing multilateral and regional fora, including the WTO, APEC, ASEAN Dialogue, and by enforcing U.S. trade laws.
- U.S. info-tech companies place high priority on the implementation of tariff elimination under ITA-I. Additionally, they strongly support new and expanded coverage under ITA -II, such as expansion of product coverage and country signatories, and addressing the removal of NTMs.

Competition doesn't wait for U.S. leadership

- Since the Mercosur countries chose not to join the Information Technology Agreement, the FTAA is very important to U.S. IT companies. U.S. competitors are targeting Latin America as a market priority. Already, the European Union has signed a framework agreement with the Mercosur partners, which could give advantages to European products in the key emerging markets of Latin America.
- Preferences granted in Central Europe to the European Union under its association agreements to members like Hungary who have not yet joined the ITA may hinder U.S. exports. These preferences arise in several countries and the situation could worsen once they are fully phased in. This can be particularly difficult in the technology sector, where for example, tariff preferences can be as high as 15 percent.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

MEDICAL EQUIPMENT

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Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, tele-communications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to the U.S. medical equipment industry and its workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about the U.S. medical equipment industry and some of the difficulties our companies face around the world.

The medical device industry is one of the fastest growing U.S. industries and employs 261,000 high-wage, highly-skilled U.S. workers

- The industry is a top high-tech innovator and serves as an engine of growth for other high-tech sectors such as semiconductors.
- 13 of the 20 largest medical technology companies in the world are U.S. owned.
- The U.S. medical device industry is expected to grow 6 percent annually over the next 5 years. Key to this growth will be our ability to supply the increasing demand in Asia and South America for these products.

Medical device export markets are crucial to the industry

- Total medical device exports reached \$11 billion in 1996, a 14 percent rise from 1995. The sector has a record-high trade surplus of \$5 billion.
- Exports as a share of industry shipments were 20 percent in 1990 but were 25 percent in 1996. By 2005, 30 percent of industry shipments could be bound for export.
- The U.S. has 28 percent of the worldwide market but faces stiff competition from Japan and the EU which together account for 50 percent of the worldwide market.

Access to low and middle income countries are central to increased U.S. exports

- Since 1990, U.S. medical devices exports to China, ASEAN and the other big emerging markets (excluding Mexico) doubled, reaching \$2 billion in 1996, while U.S. exports to the world increased by only 12 percent at an average annual rate of about 12 percent.
- Health care reform and hospital privatization in many emerging markets will spiral demand for U.S. products.
- Thailand's medical device market exceeds \$600 million, and Indonesia's market has been growing by over 10 percent annually. Malaysia has budgeted \$1.4 billion this year to upgrade health care quality, and Singapore has over \$500 million earmarked for redevelopment projects.
- Brazil's large market for medical equipment and supplies (estimated to be \$1.2 billion in 1996) is expected to continue strong growth as IFI loans (\$715 million) continue to upgrade the sector. Total U.S. exports amounted to over \$250 million in 1996, which accounted for about half of all imports. Tariffs range up to 20 percent while imports from Argentina and Chile are duty free.

The industry faces tough barriers in low and middle income countries

- Barriers include approval procedures for imported devices; government health care reimbursement policies which discriminate against U.S. products; and non-transparent government procurement policies.
- MERCOSUR countries are developing import and standards regulations which will negatively impact U.S. medical device manufacturers.

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

- Like the ITA, the U.S. is pursuing in APEC further sectoral liberalization on medical equipment.
- Many opportunities in overseas markets are in contracts by foreign governments. However, the vast majority of low and middle income countries have not signed the WTO Government Procurement Code.
- The USG can negotiate government procurement obligations in plurilateral negotiations.

Competition doesn't wait for U.S. leadership

- Global demand for U.S. medical products may shift to European and Japanese suppliers if the U.S. fails to negotiate critical trade agreements, such as the APEC sectoral initiative, which will completely eliminate tariffs and reduce regulatory and standards barriers.
- U.S. competitors are already negotiating trade agreements with low and middle income countries. For example, the EU has signed a framework agreement with the Mecosur partners, which potentially will give European medical device firms an advantage over the United States.
- Poland's medical budget is 4.6 percent of GDP. Imports accounted for over \$300 million in 1996 – less than 10 percent of which come from the United States. European competitors receive duty-free treatment while U.S. exports face a 10 percent price disadvantage.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

PHARMACEUTICALS

Fast Track means expanding trade, creating more higher paying jobs, improving our standard of living and maintaining America's global leadership. With Fast Track, the President will keep breaking down barriers to our products and services. He has outlined his broad trade objectives for opening markets in Asia, Latin America, Africa and elsewhere.

Flexibility is needed to negotiate agreements and increase exports in sectors where the United States is most competitive, such as agriculture, medical equipment, tele-communications and environmental equipment. Exports support an estimated 11.5 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.

We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to the pharmaceuticals industry and its workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Pharmaceutical manufacturing and research is a key U.S. industry

- The Pharmaceuticals industry and its suppliers employ over 218,000 workers, and represents about 1 percent of U.S. GDP with total sales of \$80 billion in 1995.
- The U.S. is the world leader in discovering and developing new medicines. Of the 265 major new drugs developed between 1970 and 1992, almost half originated from U.S. firms.
- The U.S. pharmaceutical industry is the world center for R&D in pharmaceuticals. In 1996, R&D expenditures represented 16 percent of total industry sales.

Exports are vital to pharmaceutical manufacturers

- Total U.S. pharmaceutical exports reached \$8.9 billion in 1996, an 11 percent rise from 1995.
- Exports are expected to increase as demand for better health care accompanies rising living standards throughout the world.
- Exports are expected to grow between 7 and 9 percent through 2000.
- Exports as a percentage of shipments has been steadily rising since 1990 and was 11.2 percent in 1995.

Low and middle income countries offer significant growth potential for U.S. pharmaceutical exports

- U.S. pharmaceutical exports to ASEAN countries (Singapore, Indonesia, Thailand, Malaysia, Philippines, Brunei and Vietnam) increased about 50 per cent since 1993.
- Korea imports U.S. pharmaceuticals at twice the rate of total imports.
- Exports to Latin America grew 43 percent.

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

- Adequate patent, trademark, and trade secret protection for pharmaceutical products is essential for the development of new products and is critical for stimulating U.S. pharmaceutical trade and investment in growing markets in Asia, Latin America, Russia and other countries in the Newly Independent States.
- Additional barriers which need to be removed include discriminatory registration requirements, illicit business and pharmaceutical marketing practices and discriminatory government procurement rules. All of these severely limit US companies ability to compete on a level playing field.
- Korea does not provide national treatment with respect to reimbursement under its national health insurance system, discouraging end-users from buying imported pharmaceuticals.
- To maintain competitiveness, the U.S. industry must overcome international obstacles such as the lack of intellectual property protection; international regulatory approval; and lack of legal predictability. For pharmaceutical trade and investment to flourish it must have a business environment that offers a transparent and consistent legal framework.
- U.S. industry estimates that if trade barriers in the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela) were removed, U.S. sales could increase in the range of \$100 - \$500 million. This is also true with respect to removal of trade barriers in the Korean market.
- According to U.S. industry, removal of trade barriers in Argentina could increase U.S. pharmaceutical sales by \$500 million.

Competition doesn't wait for U.S. leadership

- Brazil is the fourth largest market for pharmaceutical products in the world and is growing at 17 percent per year. Tariffs range from 0 to 14 percent, yet are not applied to Mercosur partner Argentina which has a major drug manufacturing industry.
- Japan is developing new markets in Europe and Asia and is investing heavily in R&D in a bid to catch up with its foreign competitors.
- Given the steady increase in R&D costs, the ability to develop new drugs and new global markets is expected to play an even greater role in determining the long-term growth of the U.S. pharmaceutical industry.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

SERVICES

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We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to U.S. service industries and their workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about the U.S. service industries and some of the difficulties our companies face around the world.

The services sector is by far the largest component of the U.S. economy

- Four out of five private sector non-farm jobs are in the U.S. economy's service sector - 81 million in 1996.

Exports of services by U.S. firms supported and estimated 3.9 million U.S. jobs in 1996

- U.S. service exports have more than doubled over the last ten years, increasing \$135 billion since 1987, and \$84 billion just since 1990.
- In 1995, U.S. services exports accounted for 16 percent of global services exports; our closest competitors that year were France (8 percent), and Germany, Italy, Japan and the U.K. (between 5 and 6 percent)
- With services exports estimated to reach \$300 billion by 2005 and \$350 billion by 2010, the future growth in services exports is tremendous. With the expanding electronic commerce market, the growth trend in the service sector may easily surpass these estimates.
- Take for example the healthcare services industry. In 1994, exports reached \$812 million, the industry is estimated to grow to \$1.03 billion by 1998 and continue its growth to \$1.4 billion by 2002.

Emerging markets are the fastest growing export markets

- U.S. exports to emerging markets have grown at impressive rates: nearly 30 percent to China, Taiwan and Korea; and over 20 percent to Hong Kong and Argentina.
- United States also exported over \$1 billion in 1995 to the emerging markets of Argentina, Brazil, China, Hong Kong, the Philippines, India, Indonesia, Korea, Malaysia, Singapore, and Thailand.
- In Korea, transportation services account for over 6 percent of GDP, with growth of over 15 percent annually during this decade.
- Korea's construction and engineering markets could reach over \$22 billion per year.

Unless negotiated away, barriers can inhibit increased U.S. exports

- Brazil has restrictive investment laws, lack of transparency in administrative procedures, and limits on foreign capital participation. The Brazilian Constitution prohibits new foreign entries into the financial sector; the government reserves the right to refuse entry to managers or executives associated with providing a service if they do not provide new technology, increase productivity in Brazil, or attract new investment.
- In Korea, a number of service sectors remain restrictive for foreign investment, including audio-visual services, insurance, telecommunications, and advertising.
- Distribution in the domestic market is restricted in Indonesia. Under Thai law, foreigners are prohibited from working in certain professions; and Malaysia maintains restrictions on advertising and radio/tv content.
- India maintains a variety of restrictions on services operations: investments in insurance are prohibited (except in narrowly defined segments); in banking, they are severely regulated although U.S. firms are active in financial services with domestic firms.
- South Africa fails to provide adequate intellectual property rights with respect to franchising. The estimated market size of fast food franchising in South Africa is \$300 million.

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

- To combat these problems, U.S. government and industry are attempting to pursue these issues in existing multilateral and regional fora, including the WTO, APEC, ASEAN Dialogue, and by enforcing U.S. trade laws.

THE PRESIDENT'S TRADE AGENDA AND FAST TRACK

FOREST PRODUCTS

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We face a critical choice: shape the global economy to America's advantage, or turn back and fail to compete for new business, new contracts and new jobs. It is particularly important to U.S. forest product industries and their workers that we negotiate from a position of strength. Fast Track will give us that advantage.

Below are useful facts about U.S. forest product industries and some of the difficulties our companies face around the world.

America's forest products industry, with annual sales of \$199 billion, employs more than 1.3 million workers

- The U.S. forest products industry is one of the top ten U.S. manufacturing industries and is among the top ten manufacturing industries in 46 states.

Export markets are increasingly vital to U.S. forest products companies

- More than 60 percent of the industry's increased output is directly tied to increased exports.
- From 1986 to 1996, exports grew annually 11.5 percent to \$17.5 billion in 1996. Yet, domestic sales increased less than 2 percent annually.
- Exports accounted for an estimated 9 percent of the U.S. industry's product shipments in 1996 compared to only 5 percent in 1986.
- Future growth for the industry over the next five years is expected to be 2 percent in the United States, but 4 percent in U.S. exports of forest products.

Low and middle income countries, particularly the Big Emerging Markets, hold the greatest promise for future economic growth

- U.S. exports of forest products to the big emerging markets in 1996 were \$3.7 billion, growing more than twice as fast as exports to the rest of the world.
- In the ASEAN countries, demand for imports is strong, especially in Indonesia which relies heavily upon paper pulp and waste paper imports (60 percent of which comes from the United States). Yet, Indonesia's wood product sector is heavily protected.
- South Africa imports about \$125 million per year in wood/paper products. Although the U.S. share is currently small but is expected to increase as the government moves to allow private sector equity participation in the state-owned forestry and forest products company. Tariffs range up to 30 percent. The EU is currently negotiating a preferential trade agreement with South Africa that could further disadvantage these exports.

The future growth in U.S. exports will depend on the further opening of key international markets, including Asian and Latin American countries

- U.S. producers face considerably higher market access barriers (both tariff and nontariff) in a number of key foreign markets.
- U.S. exports to India are minuscule (\$2 million), and tariffs are as high as 43 percent on paper/paper products.
- Low and middle income countries have much higher tariffs than the U.S. average rate of less than 2 percent. For example, the import duty for ASEAN countries and South America averages 12 percent and 15 percent respectively.
- Prescriptive product standards, especially in low and middle income countries, further inhibit expansion of forest products exports, especially for lumber and solid wood products.

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

- To combat these problems, U.S. government and industry are attempting to pursue these issues in existing multilateral and regional fora, including the WTO, APEC, ASEAN Dialogue, and by enforcing U.S. trade laws.
- Like the ITA, the U.S. is pursuing in APEC further sectoral liberalization on wood and paper products.

Competition doesn't wait for U.S. leadership

- The 13 percent U.S. share of the worldwide export market for forest products could be threatened if major European competitors (Finland and Sweden have 8 percent each of the world market) gain a competitive advantage through negotiation by the EU of preferential trade agreements with low and middle income countries.
- Brazil is a major producer/exporter of products in this sector, including to the United States. Import tariffs range up to 2-16 percent while imports from Mercosur partners are zero.

TRADE

Cabinet Officials 'Debate' Fast Track With Dem Leaders

The Clinton administration may not have helped its fast track cause very much at a meeting of the House Democratic Caucus Wednesday, according to a source who attended the session. The administration officials who were tapped to state the president's case - Agriculture Secretary Glickman and Labor Secretary Herman - "debated" the issue with House Minority Leader Gephardt and Minority Whip Bonior, the source said. Each of the Cabinet officers was about a half hour late, ceding the floor to Gephardt and Bonior and ruffling more than a few congressional feathers, the source said. Things did not get much better once the administration officials arrived, according to the source. "Gephardt did a great job," the source said. "He knows his audience and he knows what to say to them." Herman and Glickman came under attack from Rep. Patrick Kennedy, D-R.I., who complained about the living conditions of Mexican workers in the wake of the North American Free Trade Agreement. Rep. Marion Berry, D-Ark., came to Herman's defense, arguing that living conditions were bad in Mexico both before and after NAFTA. Rep. Frank Pallone, D-N.J., noted job losses in his district. Herman

Press RETURN to continue, GOLD MENU for options or EXIT to cancel

debate. U.S and Brazilian officials have informally differed over the framework and schedule for further inter-American trade integration. It is widely believed in foreign policy circles that Brazil, the largest partner in Mercosur, the South American trade union, seeks greater influence among other South American countries and favors a go-slow approach so that its booming economy will gather more strength before any serious negotiations with the United States begin.

Neither Flecha de Lima nor Hakim would speculate directly on the impact of the president's trip, but Flecha de Lima called fast track "an American problem" and said that "fast track is not one of our priorities" for Clinton's visit. Flecha de Lima noted that "in some quarters" in Brazil there is a fear that the United States is suspicious of Mercosur and may want to undermine it. Hakim acknowledged that there are tensions over trade in both countries among mid-level bureaucrats, but said he believes that those are not shared at the highest level of the Clinton administration, and that the attitude Clinton shows toward Mercosur during the trip will be very important to future inter-American trade relations.

The Congress Daily --- Thursday --- October 2, 1997

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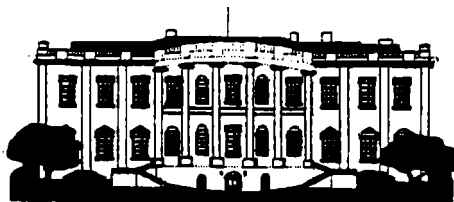
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~~Frank Pallone, D N.J., noted job losses in his district. Herman~~
acknowledged that more needs to be done to protect jobs in Mexico
and offset job losses in the United States.

Meanwhile, House Ways and Means Committee sources said today
that the trade bill being developed by that panel will strongly
resemble the measure reported out by the Senate Finance Committee
this week. Although the wording of Ways and Means Chairman
Archer's bill will be a bit different than that of the Finance
Committee package, an aide conceded that the Finance approach is
consistent with Archer's goal of a bill that limits fast track
authority to items that are directly related to trade. Archer's
mark will reflect the feedback of members of his panel and not be
written as a pre-conference bill, the aide said.

Also on the trade front, President Clinton's upcoming trip to
South America may be providing the newest wrinkle in the ongoing
debate over fast track. At a Wednesday briefing on U.S.-Brazilian
relations by the Inter-American Dialogue, a Washington think
tank, reporters repeatedly pressed Brazilian Ambassador Paulo
Tarso de Lima and Inter-American Dialogue President Peter Hakim
on what impact Clinton's visit might have on the fast track
debate. U.S and Brazilian officials have informally differed over
the framework and schedule for further inter-American trade

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THE WHITE HOUSE
OFFICE OF CABINET AFFAIRS

Date: 9/5/97

To: FAST TRACK GROUP

From: DAVID BEAUBAIRE

Facsimile: _____

Telephone: _____

Subject: FYI

Pages: 4 (Including this cover sheet)

Comments:

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

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THE WHITE HOUSE

WASHINGTON

September 4, 1997

Dear Joe:

Thank you for sharing with me your observations regarding implementation of the North American Free Trade Agreement (NAFTA).

The expansion of trade associated with NAFTA and other agreements has contributed significantly to the dynamism of our economy over the past several years. Your support for fast track trade negotiating authority will be critical in maintaining that dynamism by tearing down foreign barriers and helping American workers compete abroad.

At the same time, you and I recognize that increased international competition brings challenges for some workers, especially those in the low-wage industries already vulnerable because of technological and other economic changes. That is precisely the reason we worked hard together to ensure NAFTA includes special provisions to protect the most vulnerable. In assessing the first three years of NAFTA's implementation, I believe these provisions have proven their value. However, as you point out, many challenges remain. I am committed to ensuring NAFTA fulfills its promise for all Americans.

NAFTA is building a solid record on addressing environmental challenges which are unique to the U.S.-Mexico border. Of course, many of the border environmental problems were decades in the making and will take many years to resolve. As you suggest, there are significant obstacles to financing environmental infrastructure, which the North American Development Bank (NADBank) is working to overcome. NADBank is now working closely with the Border Environment Cooperation Commission and federal and state officials on both sides of the border to identify and develop projects in the border region. NADBank is also establishing co-financing mechanisms with the Environmental Protection Agency and other grant programs to

provide affordable financing for poor border communities. In addition, the NAFTA process for citizen submissions on environmental enforcement appears to be working effectively. The Commission for Environmental Cooperation has evaluated all submissions and pursued their resolution in accordance with the North American Agreement on Environmental Cooperation.

NAFTA is helping to protect the rights of trade-affected workers. The North American Agreement on Labor Cooperation breaks new ground in providing for oversight of national labor law enforcement. We have achieved a high measure of success in the review of the complaints that have been submitted. In one case, a Mexican labor tribunal granted recognition to the petitioning union, reversing an earlier decision, and afforded a new hearing for workers dismissed for union activity. In other cases, workers were permitted secret ballot elections, a practice not common in Mexico. Mexico has also made important legal advances on labor rights since NAFTA was signed.

Recognizing that some workers require assistance in adjusting to new patterns of trade and production, the NAFTA Transitional Adjustment Assistance (NAFTA-TAA) program provides expanded retraining and income support benefits. Overall, the program is proving its worth. However, concerns have been raised regarding the disproportionate impact on some communities. My Administration is committed to addressing these concerns. Secretary Herman recently travelled to El Paso, Texas to assess the economic impact on this border community. She conveyed to me her assessment that El Paso has strong economic prospects, but needs specialized job retraining for displaced workers.

Both the Transitional Adjustment Assistance (TAA) and NAFTA-TAA programs must be reauthorized before they expire on September 30, 1998. Secretary Herman will work closely with you and other members of the Hispanic Caucus and relevant committees to make both programs more effective for Latino trade-affected workers. In addition, it is essential that we intensify outreach to trade-affected workers, as well as affected secondary workers, to help them take advantage of existing services.

NAFTA breaks new ground in including financing through NADBank's Domestic Window for communities adversely affected by trade, reflecting concerns raised by the Hispanic Caucus. Although it has taken time to create a viable financial framework for the first U.S.-supported development bank within U.S. borders,

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NADBank's Domestic Window has been operating in Los Angeles since early 1996 and is now fully operational. Last month, the Department of Treasury announced the designation of 35 sites around the country as eligible for financing, and additional sites should be identified within the next month. In these areas, the NADBank, the Departments of Treasury and Agriculture, and the Small Business Administration are engaged in extensive outreach and marketing to help communities take advantage of loan guarantees, and the Los Angeles Office is working with borrowers interested in direct lending. Treasury plans to convene a public meeting of the Presidential Advisory Committee for Community Adjustment and Investment in El Paso in November to gain greater knowledge of the problems confronting trade-affected communities.

I firmly believe the institutions created by NAFTA are strengthening labor and environmental protections in North America -- and I hope you agree. However, this is a long-term process, requiring perseverance and continual improvement. It will be useful for Secretary Rubin and Secretary Herman to hear your concerns first-hand when you meet next week. I have asked my National Economic Adviser, Gene Sperling, to take the lead from the White House in coordinating Administration-wide efforts and to work closely with you and other members of the Hispanic Caucus to address your concerns.

I hope you will work with me in support of future trade agreements that help America compete in the global economy and contribute to improved living standards and environmental protection.

Sincerely,

Bill

The Honorable José E. Serrano
House of Representatives
Washington, D.C. 20515-3216

