FOIA Number: 2017-0401-F

FOIA MARKER

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

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Intergovernmental Affairs

Series/Staff Member: John Emerson

Subseries:

OA/ID Number: 9115

FolderID:

Folder Title:
Issues and Talking Points: Fast Track

Stack:	Row:	Section:	Shelf:	Position:
S	27	4	7	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	GATT\Uruguay Round Meeting; RE: Personally Identifiable Information [partial] (1 page)	08/09/0000	b(6)

COLLECTION:

Clinton Presidential Records
Intergovernmental Affairs
John Emerson
OA/Box Number: 9115

FOLDER TITLE:

Issues and Talking Points: Fast Track

2017-0401-F
db4714

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

GATT/ Issues/ Fast Track

TALKING POINTS FOR ARCHER

Kantor believes he can get Democrats to accept a clean fast-track, with no labor/environment language that is offensive to business or Republicans.

The dealbreaker, however is to include prohibitions on use of fast-track for labor/environment trade sanctions. That forces Clinton to turn his back on the NAFTA side deals. That won't work on the Democratic side.

If we can accept a clean, neutral provision, it is a win-win for both sides.

We could also limit the duration. I suggest a 2-year fast-track with a 2-year renewal (a disapproval vote after the first two years, as in 1991).

That gives us a fast-track after the 96 election if we win the White House.

TP Fast-track

C. FAST TRACK

TALKING POINTS FOR CALL TO CEOS ON FAST TRACK

6⁹⁄₈/ Fast Track

- I know you understand the importance of the Uruguay Round better than just about anybody.
- Let us reiterate that the President is committed to passage as soon as possible with a majority in both parties. This will be a win for both parties.
- We are very close to closure on the agreement itself, as well as on funding.
- However, we need to your help on fast track.
- Matsui and Archer are trying to work something out, and the Senate is willing to follow their lead.
- We're committed to work with you and the Republicans to reach a compromise.
- We recognize that a lot of the business community has problems with linkages to labor and the environment.
- We'll work on this, but the business community needs to focus on the trade dimensions and realize that fast track is very much in their interests. (MK: Talk about Latin America and Asia.)
- Right now, the biggest stumbling block is that Archer believes the business community will settle for nothing less than language that <u>prohibits</u> agreements that link trade sanctions to labor and the environment.
- This would force us to go back on what we agreed to in the NAFTA -- and we'd lose Democratic support for the bill.
- We're willing to drop the labor and environmental negotiating objectives from the fast-track language, give further procedural safeguards to the full body, and even promise not to change our domestic labor and environmental laws on fast track. We're also willing to work with you on the duration of the authority.
- We think we can sell such a compromise to a good number of Democrats. However, to insist on language <u>against</u> labor and the environment is to put the whole deal in jeopardy.
- This is a good deal for you. Rest assured, it's not going to get any better for next year.
- If we don't get it this year, we'll be back to the gridlock that marked the 1988 Trade Act. That bill took four years to pass.
- We're close, but we need the extra push from you right now. This will be decided in the next couple of days.
- If we can work this out, it will cap-off seven years of work you've done to bring the Uruguay Round to completion.

THE WHITE HOUSE

WASHINGTON

Issues
GATT/Fast Track

August 16, 1994

MEMORANDUM FOR DISTRIBUTION

FROM: John Emerson
David Marchick

SUBJECT: Strategy on Fast Track

As you know, the next two days are critical for the Uruguay Round. Our hope is that the Ways and Means Committee will meet and approve the compromise fast track proposal and the compromise funding package today, with the Conference to follow Thursday.

Attached please find suggested calls for press, Congressional outreach, and CEO outreach for the Uruguay Round in general and the fast track in particular. We would like your principal to make as many of the attached calls/meetings today and tomorrow. If you are unable to fit these on your schedule, please let us know.

Please do not make the Congressional calls before we let you know (a few loose ends need to be tied up first).

Please find the following attached:

- Assignment sheet;
- Talking points for Editorial Meetings;
- Talking points for Congressional phone calls;
- Talking points for business phone calls.

Please have the appropriate persons report the Congressional calls to Nancy Leamond (395-6951) and the press calls to Jake Siewert (456-2100).

FAST TRACK STRATEGY

Congressional Calls

Ambassador Kantor

Moynihan
Riegle
Daschle
Conrad
Packwood
Danforth
Chafee
Grassley
Mikulski

Secretary Bentsen

Boren
Mitchell
Dole
Harkin
Gramm

Bob Rubin

Baucus
Durenburger
Dodd
Kerry
Rubin
Lugar

Chair Tyson

Rockefeller
Roth
Hatch
Wallop
Sarbanes

Mack McLarty

Breaux
Pryor

Editorial Boards (Tuesday-Wednesday)

NYT:	Secretary Bentsen
Washinton Post	Ambassador Kantor
USA Today	Secretary Brown
LA Times	Bob Rubin

Columnists

Hobart Rowan	Secretary Brown
Paul Gigot	Chair Tyson
Mort Kondrake	Secretary Brown or Bob Rubin
William Safire	Ambassador Kantor

Television

Irving R. Levine	Secretary Bentsen
CBS News	Amb. Kantor (Thurs)
Paul Salman (PBS)	Amb. Kantor
Mike Jensen	Sec. Bentsen
Steven Aug	Amb. Kantor

CEO Calls

Ambassador Kantor

George Fisher (Kodak)
Bob Shapiro (Monsanto)

Secretary Bentsen

Dwayne Andreas (ADM)
Philip Carrol (Shell)
Michael Bowlin (ARCO)

Mack McLarty

Deryck Maughan (Solomon)

Bob Rubin

Harvey Golub (AMEX)
Tom LaBrecque (Chase)

Secretary Brown

Robert Burt (FMC)
Phil Condit (Boeing)
Duane Burnham (Abbot)

Washington Rep Calls

John Emerson
Mike Froman
David Marchick
Amy Zisook

TALKING POINTS FOR EDITORIAL BOARDS

- We are at a critical juncture for the Uruguay Round implementing legislation. The fate of this very important agreement could be decided this week. **The Congress must call <u>and</u> finish a House-Senate Conference this week.**

- In the current highly partisan atmosphere (crime bill, health care), the Congress must come together to work **in a bipartisan manner on this bill.** The future of the world trading system is at stake. It is too important for political games.

- Trade policy has been bipartisan for the last sixty years--it must stay bipartisan for the next six weeks and beyond.

- We have made incredible progress on very difficult issues over the last few months.

    - We passed a funding package through the Senate Finance Committee on a bipartisan vote. Many said this couldn't be done. House approval of a funding package is imminent.

    - People said we couldn't bridge the gap between the users and critics of U.S. dumping laws--but we did. The House and the Senate have approved dumping packages that meets our international obligations while maintaining the strength of U.S. trade laws. Both sides on the issue are a little upset--which means that we've done a good job producing a balanced package. (Note that there are some technical issues to iron out in Conference).

    - We've answered critics on the sovereignty question. Just ask Judge Bork, the Consumers Union, the Heritage Foundation, the State Attorneys General, the ABA, Jack Kemp, or the National Governors Association. All have said that neither federal nor state laws are in danger of being overturned. Judge Bork called the sovereignty issue a "scarecrow."

    - Finally, we've reached an agreement with House Ways and Means leaders on the very contentious issue of labor and environment in the fast track. The compromise addresses Republicans' concerns about labor and the environment, while maintaining flexibility to deal with these issues on a bipartisan basis in the future. Fast track authority is critical to our efforts to further reduce trade barriers and to keep the growing economies of Latin America and Asia moving toward economic liberalization.

- Our ideal schedule is as follows: We hope the Ways & Means/Senate Finance Conference can finish their work this week. If they do, the Administration will finalize the very complicated task of drafting the bill over the recess, and formally introduce the bill soon after Congress returns. We will seek a vote in late September.

THE IMPORTANCE OF THE URUGUAY ROUND

- The Uruguay Round agreement is the broadest, most comprehensive trade agreement in history. It will foster global economic growth, and create jobs and economic opportunities here at home.

- It is our responsibility as the world's largest economy, and largest trading nation, to implement the Round as quickly as possible. The United States led the world last December to break gridlock and complete the seven year old GATT negotiations -- now we must lead the effort to ratify the agreement and foster global growth. Both the G-7 leaders and OECD ministers have pledged to implement the agreement by January 1, 1995.

- Our credibility in asking Japan and others to open up their markets is tied to our implementation of the Uruguay Round agreement. The Round creates the foundation for a fair global trading system.

- The Uruguay Round is not a favor we are doing for the world. It is in our economic interest. It will foster growth in this country and help us to create jobs. Economists estimate that the increased trade will pump between $100 and $200 billion into the U.S. economy every year after the Round is fully implemented.

- Increased trade is critical to create new jobs and raise our standard of living. Every The Uruguay Round is expected to create 300,000-700,000 new American jobs--jobs that pay 17% more on average than non-export related jobs.

- The Uruguay Round opens new markets and creates rules of trade that will benefit the United States. Specifically:

    - Tariff reductions average 40 percent, the largest reduction in history, and many tariffs in key sectors go to zero. The United States already has among the lowest tariffs in the world. Now we are ensuring that U.S. workers and businesses compete on a level playing field.

    - The Round ensures open foreign markets for U.S. exporters of services such as accounting, advertising, computer services, tourism, engineering and construction. The intellectual property of U.S. entrepreneurs in industries such as pharmaceuticals, entertainment and software gain new protection from piracy in world markets. These are key sectors of our economy that are growing and becoming more important for U.S. competitiveness.

- The Round reforms rules of trade in agriculture, yielding an estimated $8.6 billion increase in agricultural income by 2005.

- The Round ensures that developing countries live by the same trade rules as developed countries and that there will be no free riders.

- The Uruguay Round agreement comes at the right time for the United States -- growth is surging, interest rates are down, and our businesses are more poised to compete than ever. No other country in the world is better poised to reap the benefits of the Uruguay Round than the United States. We are the most competitive, the largest exporter, and have the most productive workers. We must move quickly to see the benefits and the boost to growth.

TALKING POINTS FOR CABINET CALLS

TO MEMBERS OF CONGRESS ON FAST TRACK

- I'm calling about something that's very important to the President -- securing fast-track authority in the context of the Uruguay Round bill.

- As you know, fast-track authority is key to further trade liberalization. We need it to complete the unfinished business of the Uruguay Round, as well as to remove remaining barriers to some of the fastest growing markets in the world.

- We expect three-quarters of all growth in trade to come from developing countries, but it is precisely those countries where significant barriers remain.

- Moreover, there is a real movement toward economic liberalization throughout Latin America and Asia. Without fast-track authority, we cannot hold out the prospects of closer trade relations with the U.S. -- one of the most powerful incentives for continued reform.

- As you may have heard, we have reached a compromise in principle with some of the House Republicans on fast-track language. While some of the details still need to be worked out, I think this should clear the way for us to move forward.

- Under the terms of the compromise language, we would drop the specific mention of labor and environment from the principal negotiating objectives in the fast-track section of the bill.

- **FOR DEMOCRATS: Instead, we would explain our position with regard to the relationship between trade and labor and the environment in Title I of the bill and in the Statement of Administration Action.**

- When it comes time to prepare for a particular negotiation, we would come back to Congress and propose specific objectives for that negotiation.

- **FOR DEMOCRATS: Those could include labor and environmental negotiating objectives.**

- Congress would then have the opportunity to vote up or down on our proposed negotiating objectives.

- We also have agreed that we would propose trade sanctions measures on the fast-track mechanism only 1) if they were supported in a bipartisan fashion, and 2) if they involved trade-related policies and practices.

- We know that we cannot move ahead with any trade agreement without bipartisan support. This compromise ensures that anything we do under fast-track procedures will have that support.

- I hope that we can count on your support of this work-out as the bill moves forward.

TALKING POINTS FOR BUSINESS CALLS

- Thank you so much for taking the time out of your busy schedule to meet with the President, the Vice President and others on fast track last week.

- Because of your involvement, we reached an agreement in principle on fast track with some of the House Republicans. While some details still need to be worked out, this should clear the way for us to move forward.

- Under the agreement, we would drop specific mention of labor and environment from the principal negotiating objectives in the fast-track section of the bill.

- However, we still have a lot of work to do.

- We need to win the support of the full House Ways and Means membership and the Senate Finance Committee for the compromise fast track proposal. The Ways and Means Committee will likely meet tomorrow afternoon. A House/Senate conference might occur Thursday.

- If we can reach agreement in these two committees by the end of the week, we will plan to formally introduce the legislation when Congress returns in mid-September and will shoot for a vote in late September.

- The clock is working against us. But with your help, we will be successful in implementing this important agreement this year.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	GATT\Uruguay Round Meeting; RE: Personally Identifiable Information [partial] (1 page)	08/09/0000	b(6)

COLLECTION:

Clinton Presidential Records
Intergovernmental Affairs
John Emerson
OA/Box Number: 9115

FOLDER TITLE:

Issues and Talking Points: Fast Track

2017-0401-F
db4714

RESTRICTION CODES

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

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

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

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

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

issues
GATT/Fast Track

GATT\URUGUAY ROUND MEETING AUGUST 9
Guest List

Dwayne Andreas	ADM	(217)424-5200	No Wash. Rep.
Micahel Bowlin	ARCO	(202)879-9253	Bob Healy 466-1410
Robert Burt	FMC	(202)956-5200	Harold Russel
Phillip Carroll	Shell	(713)241-6161	Steve Ward JS.
Phillip Condit	Boeing	(703)558-9605	Meggan Abboud
George Fisher	Eastman Kodak	(202)857-3463	Sandy Masur
Richard Goldstein	Unilever	(202)828-1010	Bob Weinberger JS.
Harvey Golub	AMEX	(202)822-6688	Tim Davis
Mel Goodes	Warner Lambert	(202)862-3840	Laura Peralta
Jerry Junkins	Texas Inst.	(202)628-~~2000~~ 3133	John Boidock
Thomas LeBrecque	Chase Manhttn.	(212)552-5040	Chuck Muckfos
Deryck Maughan	Salomon Bros.	(202)879-4146	Mike Andrews JS
Robert Shapiro	Monsanto	~~(314)694-1000~~ 383-2854	Steve Engleberg JS
Walter Shipley	Chemical Bank	(212)270-1382	No Wash. Rep.
Fred Smith	FEDEX	(202)546-1631	George Tass

Kathie
WA

Meggan Abboud
703
558-9673

Cal Cohen

Duane Burnham - Abbott Laborteries
Chicago

Jean Hall 6549
5147

(b)(6)

[001]

CALLS
-> touch base,
-> H[illegible] / Junkins
[illegible] satisfied, + rules calls.
-> Tim [illegible]

Donald Fites
CateRpillar
Bill Lane
D.C Rep 879-3050

[illegible]
Labor

GATT MEETING WITH ASSOCIATIONS
WEDNESDAY, AUGUST 10
2:00 PM

American Business Conference
John Endean

American Farm Bureau Federation
Richard Newpher

American Forest & Paper Association
Steven Lovett
Maureen Smith

Business Roundtable
Paula Collins

Chemical Manufacturers
Tim Burns

Consumer's Union
Mark Silbergerld

Emergency Committee for American Trade
Calman Cohen
Robert McNeill

National Association of Manufacturers
Jerry Jasinowski

National Foreign Trade Council
Frank Kittredge

Pharmaceutical Manufacturers Association
Gerald Mossinghoft

Texas Instruments
Elizabeth Wright

U.S. Chamber of Commerce
Willard Workman

Wilmer Cutler & Pickering
Chuck Levy

GATT/Fast Track

COMPARISON OF FAST TRACK PROPOSALS

1. **The Administration's initial proposal.**

The Administration's original proposal for fast track negotiating authority, presented to Congress on June 15, was a request for broad authority to pursue bilateral, regional and multilateral trade agreements, which contained the following elements:

o a seven year grant of negotiating authority;

o negotiating objectives which included labor and the environment;

o the requirement that the Administration would have to give Congress 60 days notice of its intent to proceed with a particular negotiation, and spell out the negotiating objectives. The negotiation could be disapproved by either the House Ways and Means or Senate Finance Committee;

o fast track procedures could be taken away if both Houses passed procedural disapproval resolutions. (This is known as "reverse fast track.")

2. **The Administration's Revised Proposal**

In response to concerns expressed by members of Congress and the private sector, the Administration has prepared a revised proposal, which contains significant changes from its initial proposal:

o the negotiating authority requested is for two and one half years. The President could obtain an additional two years, unless one House of Congress disapproved;

o labor and environment are not included among the principal trade negotiating objectives for which fast track can be utilized. Instead, international objectives for labor and environment are included in Title I of the legislation;

o fast track could be used only for implementing legislation whose provisions were "reasonably related" to the trade negotiating objectives;

o for the first time, a proposal for a specific negotiation would be voted on by the full House or Senate, and the negotiation would not go forward if disapproved by either House;

o fast track could not be used implementing legislation containing provisions which changed U.S. labor or environment laws;

o the Administration commits not to use fast track to gain new authority to impose trade sanctions to respond to environmental or labor practices of our trading partners, without explicit Congressional support (SAA language); and

o the U.S. would not seek guidelines on minimum wage levels, or health and safety standards that are not appropriate for other nations' level of development. (SAA language)

REVISED ADMINISTRATION PROPOSAL FOR FAST TRACK AUTHORITY
August 8, 1994

I. TRADE AGREEMENT AUTHORITIES

A. Tariff Proclamation Authority Regarding Tariff Barriers

Provides authority to the President until June 15, 1997 (unless extended to June 15, 1999) to proclaim tariff modifications in order to implement a trade agreement that reduces or eliminates tariffs that burden U.S. foreign trade and that promotes the objectives of the title.

B. Tariff and Nontariff Agreements Eligible for Fast Track Procedures

Provides that the President may until June 15, 1997 (unless extended to June 15, 1999) enter into bilateral, regional or multilateral trade agreements providing for the reduction or elimination of tariff and non-tariff barriers and may submit implementing legislation for such agreements under the fast track procedures if the below conditions are satisfied.

(1) Prenegotiation Notice and Consultations -- At least sixty-calendar days prior to starting formal negotiations, the President will have to provide written notice to the Congress of his intent to enter into negotiations on an agreement and consult with the relevant committees regarding the negotiations. The notice should set forth the specific U.S. objectives for the negotiations.

Prior to submission of the notice to Congress, the President will be required to seek the advice of and consult fully with the relevant private sector advisory committees established pursuant to section 135 of the Trade Act of 1974 regarding the proposed negotiations and the negotiating objectives he proposes to establish for them.

During the 60-calendar days following the notice or the first 15 legislative days following the notice, whichever is longer, either House may disapprove the application of fast track procedures for the particular agreement by passing a procedural disapproval resolution.

Certain negotiations which have already been notified or which are close to conclusion will be exempt from this requirement.

(2) Objectives and Prenegotiation Procedures -- The agreement must make substantial progress toward meeting the negotiating objectives of this title. In addition, the traditional pre-negotiation procedural requirements (public hearings, USITC and other agency advice) under sections 131-134, the reservation requirements under section 127, and the private sector advisory committee requirements under section 135 of the 1974 Trade Act of 1974 would continue to apply.

(3) Post-negotiation Consultations -- Before signing an agreement, the President must give Congress advance notice of his intention to enter into the agreement and consult with the House and Senate committees of jurisdiction. The consultations should cover the provisions of the agreement, how and to what extent it will achieve the negotiating objectives, and all matters relating to implementation. The President will be required to give 120 day advance notice in order to permit the private sector advisory committees 45 days to submit their reports evaluating the agreement and the Congress time to consider the reports and the agreements before they are signed.

II. FAST TRACK PROCEDURES

A. Documentation

After the President enters into an agreement, he must submit certain documentation, including a copy of the final legal text of the agreement together with a draft implementing bill, a statement of administrative action and certain specified supporting information, including a statement which:

(a) asserts that the agreement makes progress in achieving the applicable objectives in this title;
(b) sets forth the President's reasons as to, among other things, how the implementing bill relates to the negotiating objectives in this title, and
(c) describes any environmental and conservation issues for the United States associated with the agreement.

B. Fast Track Procedures

Formal fast track procedures of sections 151 of the 1974 Act (19 U.S.C. 2191) would apply with the following amendments:

Extension Request -- The fast track procedures will be extended until June 15, 1999 only if the President requests an extension before March 15, 1997 and neither House of Congress adopts an extension disapproval resolution before June 15, 1997.
The extension request will have to be accompanied by a report describing any agreements which are expected to be negotiated during the extension period, the progress that has been made in agreements for which negotiations have already started and the reasons why the extension is needed. The Advisory Committee for Trade Policy and Negotiations will have to submit a report at the time the extensions request is made. The mid-term extension procedures provided for in the 1988 Trade Act will apply to Congressional consideration of extension disapproval resolutions.

Additional Limitations--
(a) The fast track procedures will not be available if both Houses of Congress pass procedural disapproval resolutions during any 60 legislative day period before June 15, 1999. These procedures are similar to the "reverse fast track" procedures in the 1988 Act.

(b) In addition to the notification and consultation requirements before and after negotiation of the agreement and the pre-negotiation disapproval process, the fast track procedures will only be available for a bill implementing a particular agreement, if:

(i) the agreement makes substantial progress in meeting the trade negotiating objectives set forth in this title,

(ii) the provisions of the implementing bill are reasonably related to the negotiating objectives set forth in this title, and

(iii) the implementing bill does not contain provisions changing U.S. labor or environmental laws.

The time-periods in section 151(e)regarding committee and floor consideration will remain unchanged.

III. NEGOTIATING OBJECTIVES

The proposal sets forth both overall and principal negotiating objectives for agreements which will be subject to the "fast track procedures." The overall objectives are to obtain more open, equitable, and reciprocal market access; to obtain the reduction or elimination of barriers and other trade distorting policies and practices; to further strengthen the system of international trading disciplines and procedures to foster economic growth and full employment in the United States and the global economy, and to develop, strengthen and clarify rules and disciplines on restrictive or trade-distorting import and export practices.

Principal negotiating objectives are set forth for specific barriers to international trade and for trade in services, financial services, telecommunication services, foreign direct investment, intellectual property, civil aircraft and transparency. They provide for more open and fair overall conditions for international trade, the elimination and reduction of barriers in the areas of trade in services, trade in financial services and foreign direct investment. The objectives also provide for furthering the promotion of adequate and effective protection of intellectual property and improving market access opportunities for persons relying on such protection. With respect to trade in civil aircraft, the objectives provide for the obtaining of competitive opportunities for U.S. exports, reducing barriers and maintaining disciplines on subsidies.

Proposed SAA Language on Labor, Environment and Fast Track

The Administration recognizes that the relationships between trade and the environment, and trade and internationally recognized workers rights, are controversial subjects. The Administration believes that these are important issues, and worked hard to insure that they would be part of the agenda of the WTO in the coming years. However, the Administration recognized there is not yet a consensus, either internationally or within the U.S., about how best to address these important linkages. We believe that it is important to begin the multilateral dialogue which can build the consensus in the coming years, which is so lacking at the present time.

We believe that our multilateral objectives are worthy of broadbased support. In the area of workers rights, the Administration will seek to develop an international consensus regarding certain core issues: (1) freedom of association; (2) right to organize and bargain collectively; (3) freedom from forced or compulsory labor; (4) a minimum age for the employment of children and (5) measures setting forth minimum standards with respect to conditions of work.

Our goal is neither to erect barriers against exports from developing countries nor in any way deprive low-wage developing countries of their comparative advantage. The Administration is not seeing guidelines of the level of minimum wages, nor health and safety standards that are not appropriate to a country's level of development. At the same time, no country should seek to gain or maintain a comparative advantage or otherwise disort competitive conditions by maintaining artificially low labor standards.

Similarly, with respect to the environment, the Administration's overriding objective in the WTO Committee on Trade and Environment (CTE) is to work toward a multilateral consensus where one is presently lacking. In consultation with environment, business and consumer organizations, we seek to develop appropriate recommendations to ensure a balanced and open trading system which preserves the ability of countries to effectively protect the environment and the health of their citizens without creating disguised restrictions to trade.

The Administration will work to preserve the rights of parties to multilateral, regional or bilateral trade or investment agreements to set environmental standards at the level they deem appropriate. We also seek ensure ongoing integration of health and environment considerations in interpreting the rules of the WTO agreements, to prevent the relaxation of environmental protection laws and regulations as an incentive to attract investment, and to promote transparency and public participation in the development of environmental laws affecting trade, and trade laws affecting the environment. We will oppose strongly the use of environmental laws and standards as a form of "green protectionism."

The Administration is aware that in both the labor and environmental areas, multilateral progress will come slowly. But ultimately, multilateral consensus holds out the greatest promise for lasting progress in these contentious areas.

The Administration recognizes that there is debate about how environment and labor issues should be addressed in connection with future bilateral and regional trade agreements. The Administration believes that these issues are appropriate to be included as part of future negotiations with prospective trading partners, but believes that an approach should be worked out with Congress and the representatives of the private sector on a case by case basis, in the context of formulating objectives and getting broadbased support for a particular negotiation.

The Administration recognizes the depth of concern about the use of trade sanctions in the areas of environment and labor. In the absence of clearcut Congressional support, demonstrated at the time that Congress accepts the negotiating objectives for a particular negotiation, the Administration does not intend to use the fast track to bring back agreements which authorize resort to trade sanctions as a way of responding to environmental or labor practices by our trading partners that we find deficient. It should be noted, however, that in cases where Congress has already enacted legislation, such as the Marine Mammel Protection Act or the Pelly Amendment, or Section 301 or GSP, the Administration currently has authority, in consultation with the appropriate committees of Congress, to resort to trade sanctions in situations contemplated by the statute.

Amendment to Title I Relating to Trade and the Environment and Worker Rights

Sec XX - Trade and Environment

With respect to trade and the environment, the United States should seek in the WTO, and in other fora where appropriate, to promote compatibility between the rules of the international trading system and measures to further environmental protection, conservation, and sustainable development so as to achieve a mutually supportive relationship and attain the objectives of both trade and emvironmental policies.

Sec xxx - Worker Rights

The United States shall seek, through the WTO and other appropriate international fora, to develop better multilateral understandings regarding internationally recognized worker rights in order to promote respect for such rights, ensure that the benefits of the trading system are availabale to all workers, and discourage the denial of worker rights.

ARCHER

(4) If the President determines that such action will simplify the computation of reductions under paragraph (2)(A) or (B), the President may round an annual reduction by the lesser of---

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or
(B) one-half of 1 percent ad valorem.

(5) A rate of duty reduction or increase that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section xx3 of this Act and that bill is enacted into law.

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.---

(1) Whenever the President determines that any duty or other import restriction imposed by any foreign country or the United States or any other barrier to, or other distortion of, international trade---

(A) unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy; or
(B) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect;

and that the purposes, policies, and objectives of this title will be promoted thereby, the President may, on or before December 15, ~~2001~~, (1997 (?)) enter into a regional, bilateral or multilateral trade agreement with foreign countries providing for---

(i) the reduction or elimination of such duty, restriction, barrier or other distortion; or
(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(2) A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section XX1 and the President satisfies the conditions set forth in section xx3.

(3) The provisions of section 151 of the Trade Act of 1974 (hereinafter referred to as "fast track procedures") apply to implementing bills consisting only of provisions directly related to principal trade negotiating objectives set forth in section xx1 achieved in trade agreements entered into under this subsection.

ADMINISTRATION PROPOSAL (2)

Proposed statutory language limiting use of fast track

The provisions of Section 151 of the Trade Act of 1974, relating to fast track procedures, shall apply only to implementing bills for the purpose of approving trade agreements the provisions of which make substantial progress in meeting the principal trade negotiating objectives set forth in section xxi(b). The provisions of Section 151 shall not apply to any implementing bill which contains a provision changing any U.S. labor or environmental law.

• POTUS BRIEFING MEMO

THE WHITE HOUSE

WASHINGTON

GATT CEO MEETING

GATT/Fast Track

DATE: TUESDAY, AUGUST 9
TIME: 3:00
LOCATION: Roosevelt Room
PRESS: CLOSED
FROM: Bob Rubin
Tony Lake
Pat Griffin
Alexis Herman
John Emerson

I. PURPOSE

To seek business community support for future fast track negotiating authority.

II. BACKGROUND

As you know, the Administration's ability to enter into trade agreements, including a free trade agreement with Chile, is largely dependent upon the existence of fast track negotiating authority. However, our proposal to extend fast track negotiating authority as part of the Uruguay Round implementing legislation has engendered considerable controversy. Fast Track authority is <u>essential</u> for any future trade negotiations. Without this authority, your agenda on trade--one of the strengths of your Presidency--would be severely compromised.

In a Senate Finance Committee Mark-up on August 2, Senator Moynihan announced that his Committee would not include the Administration's fast track proposal in the Senate bill. Our strategy therefore turns to the House, where negotiations are at an impasse.

Fast track is controversial for several reasons. First, many in Congress have traditionally granted fast track only reluctantly because they feel that it encroaches on Congressional authority. Moreover, our current request for fast track authority will be attached to legislation already on the fast track--thereby considerably reducing Congressional debate over trade objectives. However, the primary cause of the current controversy is the environment and labor issue.

The Administration and some Congressional Democrats have sought to link trade with environmental and labor standards. Indeed, our original proposal for fast track authority included a modest labor/environmental link. While Republicans and the business community normally would support new negotiating authority, they vigorously oppose linkage to the environment and labor, and therefore oppose our original proposal.

We have tried to be responsive to Republican and business community concerns. The Administration and Congressional Democrats--including Gephardt--are willing to support a clean fast track bill which will drop explicit language linking trade with environmental and labor standards.

In addition to agreeing to a clean fast track bill, we also are willing to: grant further procedural safeguards to ensure Congressional oversight of future negotiations; commit not to change domestic labor and environmental laws through fast track; and, compromise on the duration of negotiating authority from 7 to 4 1/2 years. Notwithstanding these concessions, Republicans (Archer, with Gingrich's support) and the business community insist on express language would preclude any linkage of trade to environmental or labor standards. Inclusion of either of these clauses would also be a political renunciation of the NAFTA side agreements--something we and Congressional Democrats can not accept.

The Republicans and the business community have been working hand-in-glove to fight the labor/environmental linkage. **This meeting provides you the opportunity to split the business community and the Republicans--thereby changing the political dynamic and breaking the impasse.** These business leaders represent a cross section of the business community; all have been engaged in the Uruguay Round legislative process. Your message should be:

- My administration has made great progress--at significant political risk--to expand trade (NAFTA, China, Export Controls, APEC, GATT, etc.);

- Our ability--working with you--to expand trade opportunities for U.S. businesses will be severely constrained without fast track authority;

- If we don't get fast track this year, we'll seek it for next year. Yet next year the bill will be loaded up with many provisions you oppose;

- We have a reasonable proposal for fast track and are willing to be flexible on labor and the environment;

- We are committed to formally consulting with you to create consensus on the future of U.S. trade policy, and particularly on the appropriate approach to labor and the environment;

- We've worked with you--now we need you to work with us.

- We need you to contact key Members on the Hill and let them know you support our proposal for fast track authority. Time is of the essence.

The only other serious issue in the debate is the impact of the World Trade Organization on U.S. sovereignty. This issue pits Pat Buchanan, Ralph Nader and textile magnate Roger Milliken on one side versus the Administration, the Consumers Union, the Heritage Foundation, the ABA, Jack Kemp, and Judge Bork on the other. While groups of state officials, led by the State AGs, had expressed concern about the impact of the WTO on state sovereignty, we have reached agreement with them on changes in the implementing legislation which satisfy their concerns--and they have said so. The National Governors Association, the State AGs, and the state Tax Commissioners have each expressed satisfaction on the issue of sovereignty. The business community has not expressed concern about sovereignty. Overall, we have been fairly successful in dampening concerns about sovereignty (although there is some rumbling among conservative Senate Republicans); however, delay would give opponents the opportunity to organize around the sovereignty issue.

Attached are talking points on the importance of fast track for the United States and for the business community.

III. STATUS OF LEGISLATION

As you recall, under the fast track mechanism, the Administration informally submits a draft bill which goes through a "non-markup" by the relevant committees prior to the formal submission of the implementing legislation. Once the administration formally submits the bill, there is an up-or-down vote on the floors without amendment.

Both of the principal committees of jurisdiction (Ways & Means and Finance) have finished consideration of the trade portions of the legislation. As you know, under PAYGO rules, we must find offsets for approximately $12 billion in revenue losses from reduced tariffs. The Administration opposes a budget waiver and seeks bipartisan support to pay for the legislation.

The Senate Finance Committee, on an 11-9 vote, recently approved our $12 billion funding package. On that vote, three Republicans voted with the majority. However, most agricultural state Senators opposed the package. Ways and Means will consider the financing proposal today or tomorrow. Secretary Bentsen and Leon Panetta are working hard to develop a funding package with bipartisan support.

If we are successful in resolving funding in the House and Fast Track in both Committees, Ways and Means and Finance could finish their informal conference by late this week or early next week. Under this scenario, we could formally introduce the legislation just prior to August recess (August 18 or 19) and seek a vote quickly after the Congress returns in September. Rep. Archer told Ambassador Kantor last week that the Republicans would cooperate in getting a vote soon after Congress returns in September--but that depends on our reaching an agreement in conference now.

IV. PARTICIPANTS

POTUS (15 Minutes)
VPOTUS
Leon Panetta
Bob Rubin
Lloyd Bentsen
Mickey Kantor
Laura Tyson
Tony Lake
Mack McLarty
Alexis Herman
16 CEOS (List Attached)

V. SEQUENCE OF EVENTS

- o You will be briefed in the Oval Office by Mickey Kantor and John Emerson
- o You, the Vice President and Mickey Kantor enter the the Roosevelt Room and greet participants.
- o You take a seat at the table.
- o You are introduced by the Vice President.
- o You make brief remarks.
- o You depart.

NOTE: After you depart, the V.P. will chair the meeting.

TALKING POINTS FOR MEETING WITH CEOS ON FAST TRACK

- I'm glad we could meet on such short notice. I wanted to talk face-to-face about something that is important to me -- and which should be import to you: getting fast-track authority on the Uruguay Round bill.

- We've done a lot on trade to clear away barriers to your firms' exports (e.g., NAFTA, the Uruguay Round, APEC, the Japan Framework, export control reform, the Hemispheric Summit, and the China MFN determination).

- When we came into office, NAFTA didn't have a chance in the Congress, but we took a politically difficult stand and got it through.

- We know how important Latin America and Asia are to your companies. We've engaged the countries of APEC and throughout the Western Hemisphere in a process of expanding trade. Our ability to negotiate trade agreements is key to these countries, especially in Latin America.

- Let me make clear, however: Our ability to follow up these initiatives will be severely constrained without fast-track authority.

- We expect three-quarters of all growth in trade to come from developing countries, especially in Latin America and Asia. These are the same countries where there remain high tariffs and other trade barriers.

- We can't allow our differences over fast track to deal us totally out of the game. If we're not out there taking full advantage of these export opportunities, other countries will be and it will be the U.S. business community that will lose out.

- But there's another part of this equation that is equally important. If we don't get fast-track this year, we'll have to seek it next year or the year after on a free-standing bill, which will attract many provisions you oppose.

- The 1988 Trade Act was such a bill. It took four years to pass.

- If we manage to get a bill, it is likely to be burdened with a number of provisions that the business community would not like, including "blue" and "green" Section 301s -- provisions which would require trade sanctions based on labor and environmental concerns.

- Now, I know you have had concerns about the Administration's initial fast-track proposal -- particularly the provisions on labor and the environment. Let me make three points: First, we're willing to be reasonable in our approach. Second, we've already shown a great deal of flexibility. Third, you're not going to get a better fast track next year.

- We want a "clean" fast-track authority -- one which strikes a neutral stance between those who would require us to link trade and labor and the environment and those who would prohibit such linkage.

- We're willing to go with a proposal that does not include labor and the environment among the fast-track negotiating objectives.

- We're willing to commit not to use the fast-track mechanism to change U.S. labor or environmental laws.

- We're willing to give the full House and Senate an expanded role in the fast-track process.

- Most importantly, we recognize that any future trade agreement will need the support of the business community and a bipartisan coalition in Congress.

- I know that some in the business community believe that their interests on labor and the environment have not been taken sufficiently into account. We are committed to consulting closely with you in advance of any specific negotiation. I have asked my team to work out a process through which we can work with you to develop a consensus on how to proceed on labor and the environment.

- My entire Administration has worked closely with you for the past year-and-a-half. Mickey took the lead in bringing the seven year Uruguay Round to conclusion and, together with Lloyd, worked hard to get NAFTA through. Ron Brown has been out there advocating on behalf of your companies. Bill Perry and Warren Christopher have made it possible to liberalize export controls on billions of dollars of high-tech products.

- We've been there when you needed our support on things you cared about. Now, we need your support. If we can't work together on this one, we'll have to take a serious look at how we cooperate as we look ahead.

- We're at a critical time in the process right now. We need you to contact key members on the Hill and make it clear that you want a "clean" fast track on this bill.

QUESTIONS AND ANSWERS
ON
FAST TRACK AUTHORITY

Q: What exactly do you intend to do on labor and the environment? Are there any conditions under which you would seek trade sanctions to enforce labor and environmental standards?

A: Let me make two points at the outset: We seek fast-track authority to expand trade, and we know that we need bipartisan support to pass any trade agreement.

We seek a "clean" fast-track authority that takes a neutral position between those in Congress who would force us to link trade and labor and environment and those who would prohibit such linkage.

We recognize that there is not now a consensus on how to approach labor and the environment and, therefore, we are committed to consulting fully with the business community and the Republicans before we enter into any negotiations.

No one believes that other countries must be exactly like us on labor and the environment. No one wants to use labor and the environment as a hidden form of protectionism. Still, we don't think it would be appropriate to tie our hands completely.

In our discussions thus far, we have been quite flexible. We are willing to go with a proposal that does not list labor and the environment among fast-track negotiating objectives; we are willing to commit not to use the fast-track mechanism to change U.S. labor or environmental laws; we are willing to give the full House and Senate an expanded role in the fast-track process; and we're willing to shorten the duration of our fast-track request.

Q: There's been a lot of loose rhetoric by Administration officials regarding labor and the environment. Now you're asking us to trust you. Why should we?

A: I think our record speaks for itself. This Administration's commitment to trade is unassailable.

We pushed NAFTA through Congress at a high political cost. We completed the Uruguay Round and started the Japan Framework negotiations. We've engaged APEC and the Western Hemispheric countries in a dialogue on trade. We've reformed the export control system. We've been sensitive to the economics of our relationship with China.

At every step, we've understood the needs of the business community. That will remain the case with fast track.

Mr. Dwayne Andreas
Archer Daniels Midland
Company
Decatur, IL

Mr. Duane Burnham
Abbott Laboratories
North Chicago, IL

Mr. Philip Carroll, Jr.
Shell Oil Company
Houston, TX

Mr. George Fisher
Eastman Kodak Company
Rochester, NY

Mr. Harvey Golub
American Express
New York, NY

Mr. Jerry Junkins
Texas Instruments
Dallas, TX

r. Deryck Maughan
alomon Brothers
ew York, NY

r. Walter Shipley
hemical Banking Corporation
ew York, NY

Don Fites
Caterpiller

Mr. Michael Bowlin
ARCO
Los Angeles, CA

Mr. Robert N. Burt
FMC Corporation
Chicago, IL

Mr. Philip Condit
Boeing Company
,

Mr. Richard Goldstein
Unilever United States, Inc.
New York, NY

Mr. Melvin Goodes
Warner-Lambert Company
Morris Plains, NJ

Mr. Thomas Labrecque
Chase Manhattan Corporation
New York, NY

Mr. Robert Shapiro
Monsanto Company
St. Louis, MO

Mr. Frederick Smith
Federal Express
Memphis, TN

TALKING POINTS FOR THE VICE PRESIDENT
FOR CEO MEETING ON FAST TRACK

- As we look to the future, we see tremendous opportunities for U.S. exporters.
- With 96% of the world's population outside the U.S. and three-quarters of all growth in trade likely to come from developing countries, we must continue to engage in trade liberalization.
- U.S. firms are poised to compete, but there remain a number of barriers -- particularly to some of the fastest growing markets in Latin America and Asia.
- I know there has been some controversy over labor and the environment. Let me just say that the stakes are too high to let our debate over these issues stand in the way of getting fast track.
- As you know, nobody cares more about the environment in this Administration than I do.
- That's why I think it is critically important that we pursue this issue on the basis of a multilateral consensus that does not threaten free trade.
- We are strongly committed to working with the business community and with Republicans on the Hill to ensure that whatever we do can be supported in a bipartisan fashion.
- Let me make clear: I am opposed to labor and environmental measures that are a back-door form of protectionism.
-
- Let's not lose the forest for the trees, however. Right now, we are at real risk of losing fast track altogether. That means no more trade liberalization for U.S. exporters. It also means a serious blow to economic reformers in Latin America and elsewhere.
- As you know, many of these countries have embarked upon a difficult road of economic reform. They've done exactly what we've asked them to do -- and now they're waiting for expanded trade with the U.S.
- If fast track is defeated, it will be a terribly sign that the U.S. is not serious about integrating the reformed economies into the world trading system. It will set back the cause of liberalization throughout the region and potentially lead to greater instability.
- In the context of a particular negotiation, I am confident that we can work together to formulate an approach that we can all support. We won't have a chance, however, if we don't get over this hump and get fast-track authority through Congress.

- As you know, we are at a critical time in the fast-track debate. Mickey Kantor is not allowed to say this, but we need you to contact key members of Congress and tell them that you too want a "clean" fast track on the Uruguay Round bill. The key members at this point are Representatives Gingrich, Archer, Kolbe and Dreier, and Senators Packwood, Dole and Danforth. They must hear from you now and from the grass roots during the August recess.

GATT/Fast Track

<u>TALKING POINTS FOR THE VICE PRESIDENT</u>
<u>FOR CEO MEETING ON FAST TRACK</u>

- <u>As you know, nobody cares more about the environment in this Administration than I do.</u>

- It's because I care so much about the environment that I think it is critically important that we pursue this issue on the basis of a multilateral consensus that does not threaten free trade.

- Let me underscore two points:

- <u>First, I am opposed to labor and environmental measures that are a back-door form of protectionism.</u>

- <u>Second, I have serious reservations about expanding the use of trade sanctions to achieve labor and environmental objectives.</u>

- Frankly, I'm not too worried about expanding trade sanctions, because anything we seek will necessarily require the approval of foreign governments -- and they certainly are reluctant to agree to such measures.

- Even under NAFTA it is extremely difficult to resort to trade sanctions and the likelihood of doing so are minimal -- and that deals with environmental problems right at the border.

- <u>I recognize that there is no consensus -- and home or abroad -- on the use of trade sanctions to fulfill environmental objectives. We are strongly committed to working with the business community and with Republicans on the Hill to ensure that whatever we do can be supported in a bipartisan fashion.</u>

- <u>In the short run, however, I am concerned about the impact of this debate on Latin America. I am personally committed to strengthening our ties and freeing up trade throughout the Western Hemisphere.</u>

- As you know, many of these countries have embarked upon a difficult road of economic reform. They've done exactly what we've asked them to do -- and now they're waiting for expanded trade with the U.S.

- If fast track is defeated, it will be a terribly sign that the U.S. is not serious about integrating the reformed economies into the world trading system. It will set back the cause of liberalization throughout the region and potentially lead to greater instability.

- <u>In the context of a particular negotiation, I am confident that we can work together to formulate an approach that we can all support. We won't have a chance, however, if we don't get over this hump and get fast-track authority through Congress.</u>