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NAFTA

Feinstein -

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FOR APPROPRIATE ACTION: ✓

FOR YOUR INFORMATION: ✓

File

Fast Track

FROM: LINDA MOORE, SPECIAL ASSISTANT TO THE PRESIDENT and DEPUTY DIRECTOR FOR POLITICAL AFFAIRS ROOM 111, EXT. 6-5247

SUBJECT: NAD BANK LOANS - eligible communities

COMMENTS: ______

Jim Dorskind	94 OEOB	Craig Smith	115 OEOB
Don Baer	GFL WW	Cynthia Jasso-Rotunno ✓	115 OEOB
Bruce Reed	2 FL WW	Kim Tilley	285 OEOB
Thurgood Marshall	S-212 Capitol	Ann Lewis	G FL WW
Cheri Carter	118 OEOB	Peter O'Keefe	117 OEOB
Lorrie McHugh	1 FL WW	Linda Lance	722 Jackson Pl.
Kris Balderson	160 OEOB	Karen Skelton ✓	115 OEOB
David Beaubaire	160 OEOB	Minyon Moore ✓	115 OEOB
Emily Bromberg	106 OEOB	Nick Baldick ✓	115 OEOB
Phil Caplan	GFL WW	Mona Pasquil ✓	115 OEOB
Dawn Chirwa	130 OEOB	Chris Lavery ✓	115 OEOB
Nancy Hernreich	1 FL WW	Angelique Pirozzi	115 OEOB
Anne McGuire	160 OEOB	Mickey Ibarra	2 FL WW
Jennifer Palmieri	184 OEOB	Lynn Cutler	106 OEOB
Vicki Radd	1 FL WW	Steve Silverman	160 OEOB
Todd Stern	GFL WW	Mike Cohen	218R OEOB
Stephanie Streett	GFL WW	Jose Cerda	224R OEOB
Dan Wexler	117 OEOB	Andrew Friendly	176 OEOB
Aviva Steinberg	184 OEOB	Patti Solis Doyle	185.5 OEOB
Karen Finney	100 OEOB	Evan Ryan	185.5 OEOB
Laura Graham	184 OEOB	Peter Selfridge	185.5 OEOB
John Murchinson	170 OEOB	Dan Rosenthal	185.5 OEOB
Jeff Forbes	107 EW	Peggy Cusack	287 OEOB
Mike Burton	282 OEOB	Maurice Daniel	273.5 OEOB
Mike Feldman	282 OEOB	Ansley Jones	281 OEOB
Wendy Hartman	283 OEOB	Stephen Goodin	1 FL WW
Moe Vela	276 OEOB	Elizabeth Harrington	276 OEOB
Eric Schnure	267 OEOB	Dan Pink	267 OEOB
Julia Payne	170 OEOB	Ginny Terzano	272 OEOB

DEPARTMENT OF THE TREASURY
WASHINGTON

July 30, 1997

MEMORANDUM FOR JAY BERMAN
VICKI RADD
NANCY LEAMOND
BOB KYLE
✓LAEL BRAINARD

FROM: Michael Froman MF

SUBJECT: North American Development Bank

On Friday, August 1st, Treasury will announce the 35 initial communities across the nation where businesses seeking to create jobs may be eligible for loans or loan guarantees through the United States Community Adjustment and Investment Program (CAIP), a program that works through the U.S. government and the North American Development Bank. As you know, this program was established to help communities that have experienced job losses related to NAFTA.

This program has already received press attention in recent weeks, and the announcement of these 35 communities will no doubt focus additional attention on NAFTA and the fast-track debate.

Attached is a packet containing:

- press release
- list of the 35 sites
- list of the relevant members of Congress
- questions and answers
- fact sheet

Please give me a call if you have any questions.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

FOR IMMEDIATE RELEASE
August 1, 1997

Contact: Kelly Crawford
202-622-2960

STAGE I SITES FOR THE UNITED STATES
COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

The Department of the Treasury today announced that businesses in 35 communities are eligible for loans or loan guarantees through the United States Community Adjustment and Investment Program (CAIP) to help these businesses create new job opportunities.

In (STATE), businesses in the (CITY, CITY, CITY) are eligible for these loans or loan guarantees.

The CAIP was established to encourage and foster economic opportunities within communities that have experienced job losses related to implementation of the North American Free Trade Agreement (NAFTA). The CAIP works through the coordinated efforts of the United States Government and the North American Development Bank (NADBank) to provide business financing in areas with job displacement and few existing job opportunities.

"We are committed to helping those communities which may have been affected by NAFTA. While NAFTA has benefited the U.S. economy as a whole, we are committed to ensuring that capital is available to create new job opportunities where they are most needed," Treasury Secretary Robert E. Rubin said.

The NADBank is an international financial institution jointly capitalized and governed by the United States and Mexico to finance environmental infrastructure projects along the U.S./Mexico border and provide financial assistance for domestic community adjustment and investment in both countries. Approximately ten percent of the United States' contributions to the NADBank (approximately $20 million) is earmarked for CAIP.

The thirty-five areas eligible for CAIP loans or loan guarantees were identified based on statistics provided over the past two years by the Department of Labor NAFTA-Transitional Adjustment Assistance (NAFTA-TAA) program and the 1996 unemployment data, as estimated by the Bureau of Labor Statistics. Businesses in these communities may be eligible to borrow directly from the NADBank or other federal loan guarantee programs operated by the United States Department of Agriculture and the Small Business Administration.

Businesses in other communities will be eligible for future CAIP financing. The criteria includes: (1) evidence of a significant job loss connected to the passage of NAFTA and a substantial continued need for transition assistance; (2) the project for which the funding is being sought will create new private sector jobs; and (3) the business lacks access to private sector lending at reasonable terms and conditions.

Communities, businesses or financial institutions that are interested in the CAIP should contact the NADBank Los Angeles Office, Tel: (562) 908-2100, Fax: (562) 908-2110 or write to NADBank, 13191 Crossroads Parkway North, Suite 275, City of Industry, CA 91746.

Stage I of the U.S. Community Adjustment and Investment Program

Alaska
Ketchikan, Ketchikan Gateway Borough

Arkansas
Blytheville, Mississippi County
Des Arc, Prairie County
Pocahontas, Randolph County

California
Pacoima, Los Angeles County
Santa Ana, Orange County
Watsonville, Santa Cruz County

Connecticut
Dayville, Windham County

Georgia
Dawson, Terrel County
Vidalia, Toombs County

Idaho
Hayden Lake, Kootenai County

Indiana
Monon, White County

Louisiana
Coushatta, Red River Parish

Michigan
White Pine, Ontonagon County

Missouri
St. Joseph, Buchanan County

New Jersey
Elizabeth, Union County

New York
Fulton, Oswego County
Syracuse, Onondaga County

North Carolina
Chocowinity, Beaufort County
Laurinburg, Scotland County
Lumberton, Robeson County
Rocky Mount, Edgecombe & Nash Counties
Tarboro, Edgecombe County
Washington, Beaufort County

Ohio
Greenfield, Highland County

Pennsylvania
Erie, Erie County
Lewistown, Mifflin County

Tennessee
Celina, Clay County

Texas
Brownsville, Cameron County
El Paso, El Paso County
Robstown, Nueces County

Washington
Centralia, Lewis County
Richland, Benton County

Wisconsin
Hawkins, Rusk County
Racine, Racine County

Stage 1 Sites

STATE	CITY/(COUNTY)	REP(S)/DISTRICT	SENATOR(S)
Alaska	Ketchikan (Ketchikan Gateway)	Don Young (R) At-Large	Ted Stevens (R) Frank H. Murkowski (R)
Arkansas	Blytheville (Mississippi)	Marion Berry (D)(1st Dist.)	Dale L. Bumpers (D) Y. Tim Hutchinson (R)
	Des Arc (Prairie)		
	Pocahontas (Randolph)		
California	Arletta/Pacoima (Los Angeles)	Howard P. McKeon (R) (25th Dist.) & Howard Berman (D) (26 th Dist.)	Dianne Feinstein (D) Barbara Boxer (D)
	Santa Ana (Orange)	Rohrabacher (R) (45 Dist.) L. Sanchez (D) (46 Dist.) Chris Cox (R) (47 Dist.)	
	Watsonville (Santa Cruz)	Tom Campbell (R) (15 Dist.) Sam Farr (D) (17 Dist.)	
Connecticut	Dayville (Windham)	Sam Gejdenson (D) (2nd Dist.)	Christopher Dodd (D) Joseph Lieberman (D)
Georgia	Vidalia (Toombs)	Bob Barr (R) (7th Dist.)	
	Dawson (Terrell)	Sanford Bishop (D) (2nd Dist.)	
Idaho	Hayden Lake (Kootenai)	Helen Chenoweth (R) (1st Dist.)	Larry E. Craig (R) Dirk Kempthorne (R)
Indiana	Monon (White)	Stephen E. Byer (R) (5th Dist.)	Richard G. Lugar (R) Dan Coats (R)
Louisiana	Coushatta (Red River)	Jim McCrery (R) (4th Dist.)	John B. Breaux (D) Mary L. Landrieu (D)
Michigan	White Pine (Ontonagon)	Bart Stupak (D) (1st Dist.)	Carl Levin (D) Spencer Abraham (R)

Missouri	St. Joseph (Buchanan)	Pat Danner (D) (6th Dist.)	Christopher S. Bond (R) John Ashcroft (R)
New Jersey	Elizabeth (Elizabeth)	Donald M. Payne (D) (10 Dist.) & Robert Menendez (D) (13th Dist.)	Frank R. Lautenberg (D) Robert G. Torricelli (D)
New York	Fulton (Oswego)	John M. McHugh (R) (24th Dist.)	D. Patrick Moynihan (D) Alfonse M. D'Amato (R)
	Syracuse (Onondaga)	James T. Walsh (R) (25th Dist.)	
North Carolina	Chocowinity (Beaufort)	Eva M. Clayton (R) (1st Dist.) & Walter B. Jones (R) (3rd Dist.)	Jesse A. Helms (R) Lauch Faircloth (R)
	Laurinburg (Scotland)	W.G. (Bill)Hefner (D) (8th Dist.)	
	Lumberton (Robeson)	Mike McIntyre (D) (7th Dist.) & W.G. (Bill) Hefner (8th Dist.)	
	Rocky Mount (Edgecombe/Nash)	Eya M. Clayton (D) (1st. Dist.) & Bobby Etheridge (D) (2nd Dist.)	
	Tarboro (Edgecombe)	Same as Above (Dist. 1 and 2)	
	Washington (Beaufort)	Eva M. Clayton (D) (1st. Dist.) & Walter B. Jones (R) (3rd Dist.)	
Ohio	Greenfield (Highland)	Ted Strickland (D) (6th Dist.) & David L. Hobson (R) (7th Dist.)	John Glenn (D) Mike DeWine (R)
Pennsylvania	Erie (Erie)	Phil English (R) (21 Dist.)	Arlen Spector (R) Rick Santorum (R)
	Lewistown (Mifflin)	Bud Shuster (R) (9th Dist.)	

Tennessee	Celina (Clay)	Bart Gordon (D) (6th Dist.)	Fred Thompson (R) Bill Frist (R)
Texas	Brownsville (Cameron)	Solomon P. Ortiz (D) (27th Dist.)	Phil Gram (R) K. Bailey Hutchison (R)
	Robstown (Nueces)	Same as Above	
	El Paso (El Paso)	Silvestre Reyes (D) (16th Dist.)	
Washington	Centralia (Lewis)	Linda Smith (R) (3rd Dist.)	Slade Gorton (R) Patty Murray (D)
	Richland (Benton)	Richard Doc Hastings (R) (4th Dist.)	
Wisconsin	Hawkins (Rusk)	David Obey (D) (7th Dist.)	Russell Feingold (D) Herb Kohl (D)
	Racine (Racine)	Mark W. Neuman (R) (1st Dist.)	

Questions & Answers

Question: What is the Community Adjustment and Investment Program?

Answer: The Community Adjustment and Investment Program was created during the passage of NAFTA to encourage and foster economic opportunities within communities that are impacted with job losses related to NAFTA, to provide assistance for the area to adjust to the changing trade patterns. The program works through the coordinated efforts of the United States Government and the North American Development Bank (NADBank) and provides business financing in areas with high job losses connected to NAFTA and few existing job opportunities (as measured by high unemployment rates).

NADBank is an international financial institution capitalized and governed by the United States and Mexico primarily to finance environmental infrastructure projects along the U.S./Mexico border. In addition, ten percent of the United States' contributions to the NADBank is earmarked for domestic community adjustment and investment (approximately $20 million).

In February 1996, NADBank established an office dedicated to the U.S. Community Adjustment and Investment Program (located in Los Angeles, CA). The director and staff of the office have substantial economic development and financing experience. They will be working with the United States Government and the local communities in identifying projects and providing information on the program.

Question: What does it mean to be designated as a "Stage I" area?

Answer: Stage I of the program identifies 35 areas in which businesses may be eligible for financing projects, provided that they will create new private sector jobs and that they are creditworthy applicants. Financing through the CAIP requires that an applicant be located in a community that evidences job losses connected to NAFTA and a continued need for transition assistance (evidenced by a high level of unemployment). Using currently available data, thirty-five sites were identified with high numbers of worker certifications from the Department of Labor (through the NAFTA-TAA program) and high levels of unemployment in 1996. Stage I designation will allow the NADBank, and the Departments of Treasury and Agriculture and the Small Business Administration to concentrate marketing of the CAIP in these areas.

Question: How can other areas be designated?

Answer: Businesses in other communities may also be eligible for CAIP financing if (1) the area evidences a significant loss in jobs connected with the passage of NAFTA

(January 1994) as well as a substantial continued need for transition assistance; (2) the project for which the funding is being sought will create new private sector jobs; and (3) the applicant lacks access to private sector lending at reasonable terms and conditions.

Question: How will the program work?

Answer: Federal agencies and NADBank will conduct extensive marketing of the CAIP in the identified communities, providing lenders, chambers of commerce and community development organizations with material on the CAIP.

Question: Who should borrowers contact for the program?

Answer: Businesses that are located in identified communities should contact their local lenders, the local offices of either SBA or USDA or the Los Angeles Office of the NADBank.

Question: What is the role of the Federal government in the community adjustment program?

Answer: NADBank may only finance community adjustment projects within the United States if the projects are first endorsed by the United States Government. A Presidential Advisory Committee was established by Congress to provide technical assistance in establishing the program. Through an Executive Order, an interagency committee was established to develop and implement the program. Treasury serves as chair of the committee, with USDA, SBA and HUD as other federal members.

Businesses that are located in identified communities may be eligible for loans or loan guarantees through participating federal agencies. The Executive Order authorized Treasury to work with interested federal agencies to provide financing in connection with the CAIP. Treasury has entered into agreements with USDA and SBA for their loan guarantee programs.

Question: Why has it taken so long to develop the program?

Answer: The program was developed as a public process, with the lengthy input of public sessions, discussions among various agencies and non-government organizations. Since the establishment of the Presidential Advisory Committee in June 1995, a significant amount of necessary work has been completed.

- In February 1996, the NADBank established an office in Los Angeles, California for the purpose of assisting the United States Government with the development and implementation of the CAIP. Over the last year, the office has been conducting outreach and visiting impacted communities to meet with local economic development experts.

- In December 1996, guidelines for borrowing eligibility for the CAIP were announced by the federal government, with the assistance of a Presidential Advisory Committee.

- In June 1997, agreements were completed with the participating agencies (USDA and SBA) to provide financing through the federal programs in areas of impact and adjustment needs.

- The Presidential Advisory Committee has held six meetings, and continues to meet publicly at least twice a year to review the operations of the CAIP.

THE U.S. COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

The United States Community Adjustment and Investment Program was created in connection with the passage of the North American Free Trade Agreement (NAFTA) to provide credit to new or expanded businesses in communities with significant job losses due to changes in trade patterns with Canada and Mexico. Congress initiated the program to help those communities in need of adjustment assistance. U.S. Funding through the program will be made available for commercial projects that create new private sector jobs.

The program involves the coordinated efforts of the United States Government and the North American Development Bank (NADBank), an international public financial institution. NADBank established an office in Los Angeles, California for the purpose of assisting the United States Government with the development and implementation of the program.

The program will operate as a "development catalyst" -- assisting where shortfalls exist in capital availability in commercial lending markets for start-up or expansion efforts within communities that have experienced significant job losses. The program will combine the efforts of the NADBank with certain Federal agencies, local financial institutions and financial intermediaries to meet financing needs for business opportunities.

Communities, businesses or financial institutions that are interested in the program should contact the NADBank Los Angeles Office, Tel: (562) 908-2100, Fax: (562) 908-2110 or write to NADBank, 13191 Crossroads Parkway North, Suite 275, City of Industry, CA 91746.

Guidelines for eligibility for the program have been established by the United States Government, with the assistance of a presidential advisory committee. The committee meets publicly at least twice a year to review the operations of the program. If you are interested in attending future public meetings, please contact the NADBank Los Angeles Office.

OVERVIEW OF PROGRAM GUIDELINES

This discussion of the guidelines for the U.S. Community Adjustment and Investment Program provides an overview of the eligibility criteria and project selection. Application forms are available from the NADBank Los Angeles Office.

I. ELIGIBILITY FOR THE PROGRAM

The program was established to encourage and foster economic opportunities within communities that have been impacted with job losses that are connected with the implementation of the North American Free Trade Agreement. Thus, before the program is able to provide capital, applicants must provide information that demonstrates significant economic impacts within the community.

A. Community -- *A community is defined as a discrete geographical area*

Community boundaries determine where NADBank will provide credit assistance. The intent of the program is to provide assistance to communities that require transition assistance. There is a strong presumption that community boundaries are based on political jurisdictions, such as county, town or city lines. However, applicants may seek a designation of a subsection of the county, town or city, or, in the case of rural areas, as a multi-town or multi-county area. Applicants seeking designation of areas that are not based on political jurisdictions will be asked to provide a significant amount of support to justify the exception.

B. Necessity of Adjustment and Investment -- *A community must be in need of adjustment or investment assistance.*

The program requires evidence of two factors: (1) evidence of significant job losses associated with the passage of NAFTA (since January 1994), and (2) evidence that the area has not adjusted to the job losses through the existence of other employment opportunities. The program is intended to provide assistance during a transition period to those communities that lack other engines of economic growth.

1. **Job losses** may be demonstrated by one of the following --

a. Within the community boundaries, a significant number of recent certifications by the U.S. Department of Labor for the NAFTA Transitional Adjustment Assistance program (see page 6);

b. Within the community boundaries, a significant number of jobs were lost due to the relocation of a business establishment to either Mexico or Canada; or

c. A significant "import surge" from Mexico or Canada within a defined industrial sector that exists within the community boundaries, along with a significant decline within the community boundaries in employment within the industrial sector. (Both "import surge" and "defined industrial sector" are defined terms. Additional information on this classification is available from the NADBank Los Angeles Office.)

2. **Adjustment difficulty** may be demonstrated by --

The absence of economic growth within the community boundaries based on state or federal unemployment data that indicates a significantly higher unemployment rate than the federal rate.

C. Duration -- *In the absence of significant economic transition, designation as a community will continue for a two-year period, allowing for greater ease to access to the program.*

Once the community boundaries have been defined, and the level of need has been demonstrated, the designation as a community eligible for funding under the Community Adjustment and Investment Program continues for a two-year period. This period of designation is intended to provide greater ease of access by other borrowers within the community boundaries. The purpose of the program, however, is to provide assistance with a transition to new economic opportunities. If the job opportunities within the community have significantly increased, the period of designation may be shortened.

II. ELIGIBLE PROJECTS

The program seeks to encourage the creation of private sector employment opportunities within communities that have experienced job losses that are associated with the passage of NAFTA.

A. While most job losses associated with changes in trade patterns after the passage of NAFTA have been in manufacturing, the program will be available to finance a range of business opportunities for the purpose of encouraging new private sector jobs.

B. The program may provide some financing through the use of intermediaries, nonprofits and municipalities for specific projects with job growth in the private sector. While the program may provide financing to such entities, the program's objective will continue to be the creation of private sector jobs.

III. FINANCING

The program is intended to operate as a community development bank. Borrowers must be able to repay the financial assistance provided by the program, and must evidence an inability to obtain such financing from other sources on reasonable and timely terms and conditions.

A. The program seeks to provide financing in conjunction with other sources, with the maximum of no greater than 50% of program financing for any transaction.

B. NADBank financing is limited to loans, guarantees or loss reserve funds. Grants or equity positions are not provided through this program. Communities that believe they are in need of grant funds are encouraged to contact their state governments, or local or regional offices of the Federal Departments of Housing and Urban Development, Commerce, or Agriculture.

C. Borrowers must have an expected revenue stream that will permit the repayment of the financial obligations on reasonable and timely terms and conditions.

D. Borrowers must evidence sufficient management and business experience to operate successfully the intended business endeavor.

E. Borrowers must evidence that the desired credit is unavailable on reasonable terms and conditions from other sources without assistance from the program, taking into consideration the prevailing rates and terms in the community in or near where the borrower conducts business.

IV. APPLICATIONS AND UNDERWRITING

Applicants must be prepared to provide the following items:

A. The type of financing that is being sought and the requested terms. (Financing is limited to loans, guarantees or loss reserve funds.)
B. The strategic plan of the project for which financing is being sought, including information on the management team.
C. Complete financial information on the project, including projections and assumptions.
D. An indication of the jobs opportunities expected to be created.
E. Identification of participating lenders and the terms of their participation.

V. NEXT STEPS

If you are interested in the program, please contact the NADBank Los Angeles Office, Tel: (562) 908-2100, Fax: (562) 908-2110 or write to North American Development Bank, 13191 Crossroads Parkway North, Suite 275, City of Industry, CA 91746.

There are other resources available for employees, businesses and communities that have experienced adjustment difficulties that are associated with the passage of NAFTA. In addition to the resources suggested below, you should contact your state and local governments.

Other Resources –

1. U.S. Department of Labor's NAFTA Transitional Adjustment Assistance Program. ***Employees*** who lose their jobs due to NAFTA may be covered by several programs that target dislocated workers and provide them with the opportunity to engage in long-term training while receiving income support. Individuals, unions, company officials, or duly authorized representatives should obtain petitions from the local office of the state employment security agency. Information is also available from the U.S. Department of Labor, Office of Trade Adjustment Assistance, Room C-4318, 200 Constitution Avenue, N.W., Washington, D.C. 20210. Telephone: (202) 219-5555. (See page 6 for a review of the eligibility criteria.)

2. U.S. Department of Commerce's Office of the North American Free Trade Agreement (NAFTA). ***Businesses*** may be covered by a program that provides technical assistance and information on doing business with Mexico and Canada, including guidance on trade policy issue and business practices, and in more detail, NAFTA and other trade-related issues outside the framework of the Agreement. Federal employees may be available to speak to business audiences on such topics such as NAFTA overview, NAFTA and its benefits for specific industries, industry-specific information, trade-related contacts, marketing information, etc. The Office has also established "NAFTA Facts", an automated information system which can send a wide variety of information to fax machines (1-800-USA-TRAD). The Office of NAFTA is located at the U.S. Department of Commerce, 14th & Constitution Avenue, N.W., Washington D.C. 20230. Telephone: (202) 482-0305. Fax: (202) 482-5865.

3. U.S. Department of Commerce's Economic Development Administration (EDA). ***Communities***, both rural and urban, experiencing high unemployment, low income levels, or sudden and severe economic distress may be covered by several programs that provide technical assistance and funding for economic development. Based on locally- and regionally-developed priorities, the EDA works in partnership with state and local governments, regional economic development districts, public and private nonprofit organizations and Indian tribes. EDA is located at the U.S. Department of Commerce, 14th & Constitution Avenue, N.W., Washington D.C. 20230. Telephone: (202) 482-5081.

U.S. Department of Labor's NAFTA Transitional Adjustment Assistance Program

After more than three years (since January 1, 1994) of the NAFTA-TAA program, 1,904 petitions have been received for workers in firms located in 48 states. As of June 2, 1997, the Department of Labor had made decisions on 1,843 petitions, with 59 percent (1090 cases) being certified and 41 percent (753 cases) being denied or terminated.

- 545 of the certifications were based on a shift in production from the U.S. to Mexico or Canada.
- 365 were based on increased customer imports.
- 157 were based on increased subject firm imports from Mexico or Canada.
- 29 were based on high and aggregate imports from Mexico or Canada.
- These certifications cover 128,253 employees.

Eligibility for NAFTA-TAA Certification.

For a product line to be certified as eligible for the NAFTA-TAA program, the Department of Labor must certify that both:

(A) a significant number or proportion of workers within a discrete product line at an affected firm are totally or partially separated from their jobs or threatened with job loss, and

(B) either:

(1)(a) the sales or production of the product line at the firm decreased absolutely, and (b) increases of imports from Canada or Mexico of articles that are like or directly competitive with articles produced by the firm have contributed importantly to job losses and to decreases in company sales or production;

or,

(2) there has been a shift in production by the firm or subdivision to Mexico or Canada of articles that are like or directly competitive with the product line produced by the firm.

September 3, 1997

FAST TRACK AND CALIFORNIA

Why is Fast Track so important to California? The areas where California leads the nation in exports are precisely the areas where U.S. exports have posted the most important gains in the last five years: agriculture, high technology, and entertainment. Fast Track will have a direct positive effect in California, in particular, by further opening foreign markets.

Between 1993 and 1996, California exports increased an outstanding 48%, from $67 billion to $99.4 billion. Nearly 1.3 million jobs in California depend on exports, with 220,000 new jobs related to exports since 1992.

Fast Track focuses on three objectives, all of which affect California's economy. First, in the World Trade Organization, we need Fast Track to complete negotiations in agriculture and services that reduce foreign trade barriers. In Agriculture, California is the nation's largest and most diverse exporter. In 1996, California shipped $7.3 billion in agricultural exports, from wine to vegetables to rice. The export of services, such as insurance, telecommunications, and engineering, represents one of the fastest growing areas of global and California trade.

Second, California is increasingly dependent on Asian markets for export growth. For example, in 1996, Japan was California's largest export market. The Administration's trade agenda in APEC, ranging from expansion of the ITA to energy development and environmental services, is critical for the continued growth of California companies in the Pacific Rim.

Third, California manufactures more technology and value-added products, such as computers, than any other State. With regard to the "free trade agenda," Fast Track is critical to prevent countries such as Japan, Korea, Canada, and the European Union from undercutting California's natural competitiveness in these areas.

No State in the country has benefited more from the Administration's trade agenda than California. The Information Technology Agreement (ITA) and the global telecommunications services agreements will have substantial market-opening impact for California companies. Additionally, the Administration has led an unprecedented effort to protect the rights of US copyright industries overseas, bringing some 25 trade enforcement actions against foreign countries since 1993 to ensure the development of legitimate foreign markets for U.S. goods. These industries (film, movies, and computer software) now exceed $50 billion in exports annually.

These facts makes California an appropriate forum to talk about trade issues on a national scale as well. While California is unquestionably the leader in technology exports, nationally, technology exports are up almost 100% since 1990, from $77 billion to $150 billion in 1996.

These arguments should be used in discussions with individual members of Congress to persuade them of the importance of Fast Track to jobs in their Districts.

Draft 9/02

FAST TRACK AND INFORMATION TECHNOLOGY INDUSTRIES

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 developing 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.

- The fastest growing markets for U.S. information technology products include China, ASEAN, India, Brazil, South Korea, and Mexico.

- 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 and/or regional agreements under APEC or the FTAA.

- Non-tariff measures (NTMs) are the most significant barriers to export growth of U.S. information technology products. The NTMs of principal concern to U.S. industry are:
    - Forced technology transfer requirements;
    - Intellectual property rights protection;
    - Local content requirements;
    - Import licensing quotas;
    - Value-added taxes;
    - Burdensome equipment certification requirements;
    - All discriminatory procurement practices by foreign governments, especially, practices by state-owned enterprises and/or formerly state-owned enterprises which remain subject to de facto state control

- Tariff levels globally for information technology products range from 4-10 percent--with the exception of tariffs of up to 50 percent on imports of satellites and large satellite components for assembly in Ukraine and Russia. Removal of tariffs represents significant savings to all info-tech producers, since margins between production costs and market prices are notoriously slim in most product segments.

Fast track will reduce trade barriers to expanding international markets which is 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. Additonally, 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.

- U.S. firms are reporting difficulties in overcoming preferences granted in Central Europe to the European Union under its association agreements. 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.

DOC/ITA

OFFICE OF THE SECRETARY
OFFICE OF POLICY AND STRATEGIC PLANNING
THE DEPARTMENT OF COMMERCE

14th and Constitution Avenue, N.W., Room 5835
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(202) 482-4127
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TO: Karen

FAX: 456 7929

FROM: Kari Dohn

DATE:

NUMBER OF PAGES INCLUDING COVER: 5

MESSAGE:

These are drafts. Let us know if you have any suggested thoughts or changes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

###

STATEMENT OF EXECUTIVE INITIATIVES

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

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

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

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

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

I. Environmental Issues

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

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

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

- Advocating consideration by WTO panels and the Appellate Body of *amicus curiae* submissions from non-governmental interested parties in dispute settlement proceedings that involve environmental and conservation issues.

- Seeking to open WTO dispute settlement panel and Appellate Body proceedings to observance by the public.

- Providing for more timely public access to dispute settlement documents, including through electronic means, to enhance the ability of non-governmental representatives to provide their input and expertise.

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

B. WTO: Eminent Persons Group

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

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

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

C. International Financial Institutions (IFIs)

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

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

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

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

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

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

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

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

II. Labor Issues

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

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

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

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

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

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

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

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

C. International Financial Institutions (IFIs)

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

Ensuring International Focus on Worker Rights Issues

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

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

Enhanced Focus Within the Administration

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

Heightening the Priority given by the IFIs to Worker Rights Issues

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

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

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

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

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

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

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

D. Export Processing Zones

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

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

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

E. Child Labor

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

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

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

THE WHITE HOUSE

WASHINGTON

November 3, 1997

Dear Mr. Leader:

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

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

Sincerely,

Bill

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

ADMINISTRATION SUPPORT FOR U.S. AGRICULTURE

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

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

Support for Agricultural Exports

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

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

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

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

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

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

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

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

Improved Availability of Basic Data on Canada's Cattle Sector

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

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

Voluntary Labeling of Meat of U.S. Origin

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

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

Congress of the United States
House of Representatives
Washington, DC 20515-0534

ESTEBAN E. TORRES
34TH DISTRICT, CALIFORNIA

July 21, 1997

Broken Promises

Are We Ready For Fast Track?

Dear Colleague:

This past Wednesday, 15 colleagues and I sent a letter to President Clinton urging support for future trade agreements that protect the environment, promote improved living standards and protect human rights. In light of the President's imminent request for fast track negotiating authority, we want to ensure that the benefits of expanded hemispheric trade are maximized and the harmful effects are minimized. We believe a number of changes must be made to the structure and implementation of NAFTA before moving quickly toward expanded trade in the Americas.

This past week, the National Council of La Raza, the Willie C. Velasquez Institute, and Professor Raul Hinojosa-Ojeda, Ph.D., UCLA North American Development and Integration Center released a study, A Latino Review of President Clinton's NAFTA Package. The study found that programs designed to address the negative effects of trade have failed to accomplish their intended goals. I have included their recommendations for improving NAFTA and fulfilling our mission of improving border environmental conditions and worker dislocation and retraining.

Please take a moment to review the organization's recommendations and the attached Washington Post article. If you would like a copy of the letter to the President or a copy of the study, please contact Albert Jacquez or Roddy Young, ext. 5-5256.

Sincerely,

Esteban

ESTEBAN E. TORRES
Member of Congress

General Labor Findings

- Latino, Black and women workers are over-represented in post NAFTA negative employment impacts compared to their share of the labor force.
- Latino, Black and women workers are under-represented with respect to their share of employment in NAFTA-TAA certified sectors, indicating that they are underserved by retraining programs.
- Latinos are highly over-represented in industries experiencing the highest levels of employment loss as measured by NAFTA-TAA, such as garments, textiles, electronic and transportation parts.
- Secondary workers are absent from USDOL regulations for NAFTA-TAA program. As a result, an entire class of eligible workers are left unserved.
- Latino, Black and women worker's job losses are much more linked to Mexico than are Anglo workers, while White job losses are much more linked to Canadian trade and investment flows than are Latinos, Blacks and women.

Recommendations

- Design and aggressively implement new outreach and certification methods focused on highly impacted industries and secondary workers, to increase participation of NAFTA-dislocated workers in NAFTA-TAA program.
- Provide for longer transition period in the areas of textiles, garments, electronics and transportation parts, where Latinos, Blacks and women are hardest hit.

Domestic Job Loss

- The Community Adjustment and Investment Program (CAIP), is a "window" of the NADBank, based in Los Angeles County. Capitalized at $22 million, the CAIP is intended to loan and leverage funds for job-creating projects in communities that have experienced NAFTA-related job loss. Yet, more than three years after its creation, not one loan has closed.

— more —

Recommendation

- Reassign the CAIP from Treasury to a different agency, perhaps HUD, to ensure proper implementation.

Environment

- Out of 80 environmental project applications to the BECC to date, only 16 have been certified for funding by the NADBank. Moreover, the NADBank has only approved one project, with only three more expected to close in 1997.

Recommendation

- Mexico and the U.S. should institute a two-year moratorium on new border region maquiladoras to the NAFTA text.

Study Conclusions

- While trade between North American countries has grown significantly and continues to hold promise, NAFTA has not created the windfall of jobs that the Clinton Administration predicted. In fact, in employment terms, the impact has been modestly negative overall, with more pronounced impacts on Latino, Black and women workers.

Wednesday, July 16, 199[illegible]

Hispanic Lawmakers Fault NAFTA's Effects

Pact Hurts U.S. Minorities, Group to Tell Clinton

By Paul Blustein
Washington Post Staff Writer

In a blow to President Clinton's trade agenda, a group of mostly Hispanic members of Congress plan to publicly warn today that they cannot support extending the North American Free Trade Agreement to other Latin American countries unless major improvements are made in federal programs designed to help U.S. workers adversely affected by the pact.

The group, led by Rep. Esteban Edward Torres (D-Calif.), includes 14 lawmakers, 13 of them Hispanic, some of whom voted for NAFTA and others who voted against. The members plan to release a letter to Clinton and a study showing that NAFTA's burdens have fallen disproportionately on Latino and other minority workers.

The group's chief complaint is not that NAFTA has created enormous job losses of the sort predicted by some of its critics during the 1993 debate over the pact. Rather, it is that the administration has failed to provide enough training and other adjustment assistance to help low-skill workers whose jobs were shipped over the border after trade barriers were lowered.

This echoes an increasingly common refrain among mainstream economists, who argue that free trade creates more winners than losers but that the government must do more to help the losers.

The stance by the Hispanic lawmakers is a setback for the administration's hopes to win "fast track" authority from Congress this fall for the negotiation of a hemisphere-wide agreement to eliminate trade barriers. Such authority is necessary because it allows the president to submit trade pacts to Congress for an up-or-down vote without crippling amendments.

"This would be a turnaround—and not a positive one," said a House Democratic aide active in the effort to round up support for fast-track legislation.

The study to be released by the group, authored by Raul Hinojosa Ojeda of the University of California at Los Angeles and two colleagues, comes on the heels of an administration study contending that NAFTA has generated a "modestly positive" impact on jobs and exports. Hinojosa has gained a reputation as one of the foremost academic experts on NAFTA's impact, so the fact that his study takes a more critical view may weaken the credibility of the administration's report.

Ojeda's study concludes that "over 315,000 jobs have been lost or threatened compared to 225,000 jobs gained or supported, for a net labor market impact of 90,000 under NAFTA," according to the letter being sent to Clinton.

While those numbers are relatively minor in an economy that often creates 200,000 jobs a month, job losses have been particularly severe in regions and industries where Latinos, African Americans and women

> *"This would be a turnaround—and not a positive one."*
>
> — a House aide working to muster support for "fast track" trade legislation

are employed because their jobs are particularly vulnerable to imports or factory moves abroad, according to the study. For example, El Paso has lost 6,000 apparel jobs "as a result of NAFTA ... contributing to an increase in its unemployment rate from 9 to almost 12 percent."

"The job impact is manageable, but what we haven't seen is the follow-through by the administration on the commitment to manage the impact," Hinojosa said in an interview. He and Torres said that Latinos displaced by NAFTA are underserved by the trade adjustment assistance program designed to help such workers. They also accused the administration of failing to deliver on promises to create an effective North American Development Bank to help promote business, especially in border regions.

Besides Torres, signers of the letter who voted for NAFTA are Reps. Ed Pastor (D-Ariz.), Solomon P. Ortiz (D-Tex.) and Xavier Becerra (D-Calif.).

Asked for comment, Jay Ziegler, a spokesman for the U.S. Trade Representative's Office, said: "More opportunities have been created for all demographic groups between 1993 and 1996. And while it's difficult to separate out the NAFTA factors, it's quite clear that NAFTA has had a decidedly positive impact on the economy."

Congress of the United States
Washington, DC 20515

September 30, 1997

Dear Colleague:

Last week, President Clinton sent "fast-track" legislation to Congress. If passed, this bill would give the Administration the authority to extend the North American Free Trade Agreement (NAFTA)---which we supported---to Chile and other countries in Latin America, and perhaps the rest of the world. Under "fast-track" procedures, implementing legislation would move through the House and Senate on an expedited schedule and come to the floor on an up-or-down vote, no amendments allowed. The President's bill strictly limits the extent to which labor and environmental standards can be addressed during fast-track negotiations.

In theory, free trade raises the economic welfare of both trading countries. But it does not increase welfare, in fact, if production migrates to the country whose laws protect workers and the environment the least. Robert Reich authored an op-ed piece in *The New York Times* on Labor Day, calling for "Trade Accords that Spread the Wealth." Reich argued that "too often" as a result of liberalized trade "the gaps between rich and poor have widened, and middle classes have shrunk." In some Latin America countries, he says, "the wages of unskilled workers have dropped by 20 to 30 percent." Here is Reich's prescription:

> "Fast-track legislation should commit the United States to negotiate trade accords requiring developing nations to spread the benefits of economic growth. At the very least, we should insist that as their economies grow, their minimum wages should rise in tandem, workplace health and safety standards should become stricter, and the minimum age for child labor should increase."

Proposing standards in concept is easier than producing standards that work, but if working models are ever to be developed, the prototypes have to come from trade agreements among a few parties, such as NAFTA. If we can negotiate trade agreements which show that labor and environmental standards work in North America, the United States and Canada can push for their adoption on a broader scale.

Rather than rush NAFTA expansion through Congress on the premise that open trade will optimize the outcome, we should slow down and ask what the real outcome has been under the side agreements made with Mexico when NAFTA was signed. We should ask whether standards like those proposed by the former Secretary of Labor can be implemented in NAFTA. And while we are at it, we should take a close look at our own standards for low-wage, less skilled American workers who bear the brunt of import competition. Are the few programs that help them equal to the task? Frankly, we think they are not.

Until steps such as these are taken, we cannot vote for "fast-track" legislation. We urge you to consider these concerns as you decide how you will vote.

Respectfully,

John Spratt
Rep. John M. Spratt, Jr.

Martin Frost
Rep. Martin Frost

George E. Brown Jr.
Rep. George Brown

Scotty Baesler
Rep. Scotty Baesler

Carrie P. Meek
Rep. Carrie Meek

Alcee L. Hastings
Rep. Alcee Hastings

From the Office of

CONGRESSMAN

CAL DOOLEY

1201 Longworth HOB, Washington, DC 20515 (202)225-3341 Fax: (202)225-93

DATE: Oct. 3

TO: Karen Skelton

FAX#: 456-7929

FROM: Emily Bezer

MESSAGE: Let us know if you need anything else.

4 PAGES PLUS COVER

If there's a problem in transmittal, please call (202) 225-3341

Support	Lean Support	Undecided	Lean Oppose	Oppose
42	66	138	93	95
Berman	**Bentsen**	**Boswell***	**Abercrombie**	**Barrett**
Berry*	**Eshoo**	Baldacci	Ackerman	Bishop
Blumenauer	Flake	**Cardin**	**Allen***	**Blagojevich***
Davis, J.*	Ford*	Clayton	Andrews	Bonior
Dicks	Hoyer	**Clement**	Baesler	Brown, C.
Dooley	**Sawyer**	**Deutsch**	Barcia	**Brown, G.**
Fazio	**Stenholm**	**Doggett**	**Becerra**	**Brown, S.**
Foglietta		**Edwards**	Borski	**Capps***
Hamilton	Archer	**Fattah**	**Boucher**	Carson*
Harman	Armey	Filner	**Boyd***	Condit
Matsui	Ballenger	Hall, R.	Clay	Conyers
Moran	Bateman	Hall, T.	Clyburn	Costello
Skaggs	Bliley	Hastings	**Cramer**	**Coyne**
Tanner	Brady*	**Hooley***	Davis, D.*	Cummings
Tauscher*	Calvert	**John***	**Dingell**	Danner
	Camp	**Johnson, E.B.**	Doyle	DeFazio
Bachus	Castle	Kilpatrick*	Engel	**DeGette***
Baker	Chabot	Kind*	**Etheridge***	**Delahunt***
Barrett	Collins	Lofgren	**Evans**	**Delauro**
Bereuter	Combest	Lowey	**Gejdenson**	**Dellums**
Boehner	Crane	**Luther**	**Gonzalez**	**Dixon**
Bonilla	Davis, T.	Markey	**Green, G.**	**Farr**
Campbell	Dickey	McCarthy, K.	Hefner	Frank
Christensen	Dunn	**McDermott**	**Hinojosa***	**Frost**
Dreier	Ehrlich	McNulty	Jackson Lee	Furse
Ewing	Emerson*	Millender-McDonald	**Jefferson**	**Gephardt**
Gilchrest	Fawell	Payne	Johnson, J.*	**Goode***
Goodlatte	Foley	Pomeroy	Kanjorski	**Gordon**
Herger	Gallegly	Price*	Kildee	Gutierrez
Houghton	Gekas	**Rangel**	Kleczka	Hilliard
Kelly	Gilman	Skelton	Kucinich*	Hinchey
King	Gingrich	**Snyder***	**LaFalce**	Holden
Latham	Granger*		**Levin**	Jackson
Livingston	Greenwood	Aderholt*	**Manton**	Kaptur
Manzullo	Hastert	Barr	Mascara	**Kennedy, J.**
Miller	Hastings	Bartlett	McCarthy, C.*	**Kennedy, P.**
Packard	Horn	Barton	**McIntyre***	**Kennelly**
Parker	Hyde	Bass	**Meehan**	Klink
Portman	Johnson, S.	Bilbray	Meek	Lampson*
Ramstad	Kim	Bilirakis	**Menendez**	Lantos
Shays	Kolbe	Blunt*	**Minge**	**Lewis**
Stump	Lazio	Boehlert	Mink	Lipinski
Young	Leach	Bryant	Mollohan	**Maloney, C.**
	Linder	Burr	Oberstar	**Maloney**
	McCollum	Buyer	Olver	**Martinez**
	McCrery	Callahan	**Ortiz**	McGovern*
	McDade	Cannon*	Owens	McHale
	McIntosh	Chabot	Pallone	**McKinney**
	McKeon	Chambliss	**Pastor**	Miller
	Moran	Coble	**Pelosi**	Moakley
	Myrick	Coburn	**Pickett**	**Murtha**
	Nethercutt	Cook*	**Reyes***	Nadler
	Petri	Cooksey*	**Rodriguez***	**Neal**
	Pryce	Cox	**Rothman***	Obey
	Roukema	Crapo	Sabo	Pascrell*
	Salmon	Cubin	**Schumer**	**Peterson, C.**
	Sanford	Cunningham	**Scott**	Poshard
	Schaefer	Deal	**Sherman***	Rahall
	Sensenbrenner	Delay	Smith, A.*	**Rivers**
	Shaw	Diaz-Balart	Spratt	**Roemer**
	Smith, Lamar	Ehlers	**Stokes**	**Roybal-Allard**
	Thornberry	English	Strickland*	Rush
	Watkins*	Everett	**Thurman**	**Sanchez***
	Watts	Fowler	**Torres**	Sanders
	Weller	Fox	Towns	**Sandlin***
	White	Franks	Vento	**Serrano**

leave alone

> Fisher - Gap

> Venture Capitalists

Becerra
Filner

Michael
Williams — Brophy guy

(7) Waxman -

Tauscher
- ★ Will help w/ Freshman
- feel like them on the hour station
- formed first nat'l child care registry in the nation.

Katie Merrill - 225-1880

(1) Becerra - leaning no. Moving in right direction
- renegging on Nad Bank.
- TAA beef-up?
- Commitment to Nad Bank?

Bill Jefferson - yes if beef-up on dislocated workers.

★(3) Anna Eshoo

(3.5) Dooley

(4) Zoe Lofgren

looking @ politics
hi-tech industry
< labor

thinks we'll lose. Why risk labor
Senate Finance vote so strong
this will pass.
POTUS / VPOTUS call.

★(5) M-M - gettable.
Texaco / PETROLEUM Relations
POTUS call will probably get her.
Seen as a big VOTE.

? Sherman - politically risky. Labor will abandon.

★(2) Harman - political issue

(6) Filner - political issue
Another tough primary.
Commitments to help in the next primary.

PELOSI - buy time.
business community
> HP
> Arco
Sierra Club
Bill Hambrecht - call her.

follows George, Nancy

	Wicker	Frelinghuysen	Watt	Sisisky
		Ganske	**Waxman**	**Slaughter**
		Gibbons*	**Wexler***	Stabenow*
		Gillmor	**Weygand***	Stark
		Goodling	Woolsey	Stupak
		Goss		Taylor
		Graham	Burton	**Thompson**
		Gutknecht	Ensign	**Tierney***
		Hansen	Forbes	**Traficant**
		Hayworth	Inglis	**Turner***
		Hefley	LaTourette	Velazquez
		Hill*	Lewis, R.	**Visclosky**
		Hobson	Mica	Waters
		Hoekstra	Neumann	**Wise**
		Hulshof*	Paul*	**Wynn**
		Hutchinson*	Quinn	Yates
		Istook	Riggs	
		Jenkins*	Riley*	Bono
		Johnson	Rogers	Bunning
		Jones	Rohrabacher	Canady
		Kasich	Ros-Lehtinen	Chenoweth
		Kingston	Scarborough	Doolittle
		Klug	Smith, Linda	Duncan
		Knollenberg	Solomon	Hilleary
		LaHood	Tiahrt	Hostettler
		Largent	Walsh	Hunter
		Lewis	Wamp	Lucas
		LoBiondo	Young, D.	Metcalf
		McHugh		Royce
		McInnis		Stearns
		Morella		
		Ney		
		Northup*		
		Norwood		
		Nussle		
		Oxley		
		Pappas*		
		Paxon		
		Pease*		
		Peterson*		
		Pickering*		
		Pitts*		
		Pombo		
		Porter		
		Radanovich		
		Redmond*		
		Regula		
		Rogan*		
		Ryun*		
		Saxton		
		Schaffer*		
		Schiff		
		Sessions*		
		Shadegg		
		Shimkus*		
		Shuster		
		Skeen		
		Smith, C.		
		Smith, N.		
		Smith, R.		
		Snowbarger*		
		Souder		
		Spence		
		Sununu*		
		Talent		
		Tauzin		
		Taylor		
		Thomas		

Politics

- It's dollars. What does it mean in terms of labor money being cut off

> They won't abandon you entirely
> Labor not monolithic
> Business will fill the gap.
> This vote may drive a wedge btwn. mfg. + service-based unions

		Thune*		
		Upton		
		Weldon		
		Weldon		
		Whitfield		
		Wolf		

Karen E. Skelton
10/03/97 01:48:26 PM

Record Type: Record

To: Michael W. Williams/WHO/EOP

cc: See the distribution list at the bottom of this message
Subject: California delegation and Fast Track

Per yesterday's meeting, I talked to Cal Dooley, Ellen Tauscher, and Vic Fazio about how to tackle the leaning and undecided California Democratic Congressional members. Much of what they suggested you are already doing. Here are my recommendations following those conversations:

In priority order:

1. **Becerra**. He is now leaning no, as opposed to strongly opposed. His two big issues remain 1)beefing up the TAA and 2)a renewed commitment to the NAG Bank. His third issue is addressing dislocated workers. If we can make clear progress on these issues, he is likely to keep moving in the correct direction.

2. **Pelosi**. Pelosi is very important because as goes Pelosi, so too may go Eshoo and Lofgren. There is a fear that if Pelosi opposes us publicly now, Eshoo and Lofgren also will oppose Fast Track. Pelosi left the White House meeting "unimpressed." There are two approaches to Pelosi: 1)***Someone needs to get to Pelosi to buy some time, at a minimum; 2) California's global business community, HP, ARCO, etc. should focus their persuasion efforts on her.***

3. **Eshoo / Lofgren**. They are inclined to vote together, and to base their decision on the politics in their district. If we can hold Pelosi, then we can make the following political arguments to Eshoo and Lofgren: 1) Labor will not abandon you entirely because labor depends on your vote, 2) Labor will not react monolithically: this vote is driving a wedge between mfg. and service-based unions, and you are likely to retain the support of SEIU, Teachers, Communications, etc.;, and 3) New Cal. money from hi-tech and other businesses will compensate for money lost from labor.

4. **Harman**. They consider Harmon a Lean Support (Cf. our list). She is making a decision based on the political model, like Eshoo and Lofgren. Same arguments would apply to her as to them. I recommend a call relatively soon by a senior White House or Administration official.

5. **Millander-McDonald**. She is probably a Lean Supporter. She has close ties to the petroleum industry, like Texaco. The angle on her is through the petroleum-based industries in her district.

Please advise.

Message Copied To:

Susan A. Brophy/WHO/EOP
Victoria Radd/WHO/EOP
Craig T. Smith/WHO/EOP
Minyon Moore/WHO/EOP
Kay Casstevens/OVP @ OVP

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

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

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

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

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

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

- Trade Agreements. This bill permits labor/environmental provisions "directly related to trade" to be brought back to Congress under fast track authority.

- Side Agreements. The President has extensive executive authority to reach labor/environmental agreements with countries. We have already committed to conclude companion labor/environment agreements in future trade agreements where appropriate, and Chile has already agreed to enter such agreements.

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

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

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

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

Specific Provisions of the Bill Include:

- Authority to Open Markets: The bill gives the President authority to negotiate global, regional, sectoral and/or bilateral trade agreements, which would be brought back for Congressional approval under "fast track" procedures (extensive consultations, limited debate, no amendments). This authority is critical to give our negotiators the credibility they need to secure good agreements.

- Reaffirms Commitment to Labor/Environment: The bill includes a specific negotiating instruction to improve labor rights and environmental protection abroad (a first-ever reference to the environment in fast track legislation). Provisions in bilateral free trade agreements must be "directly related to trade," but the Administration may also seek side agreements, where appropriate.

- Pursues Trade Priorities: The bill contains negotiating objectives emphasizing key U.S. trading interests, such as agriculture, services, investment, intellectual property, and the need for the U.S. to preserve its health and safety laws and to vigorously enforce U.S. trade laws.

- Enhanced Congressional Consultations: We have added strong language to ensure Congress is a full partner in setting objectives and establishing trade priorities for American negotiators, including some provisions that have never before been included in fast track bills: (1) a requirement that the Administration inform Congress of its negotiating objectives for a specific agreement before negotiations begin; (2) a requirement that the Administration consult before signing a trade agreement about any parallel agreements, such as labor and environmental side agreements.

- Duration. Authority granted until 2001, with extension until 2005 only after a congressional vote.

Karen –
This is what
one participant at
our meeting yesterday
is circulating. Might
want to talk to
John O'Keefe – V.

September__, 1997

President William J. Clinton
The White House
Washington, DC 20500

Dear Mr. President:

We, the following representatives of the high-tech industry, are writing to indicate our support for renewing fast-track negotiating authority this year. We appreciate your Administration's positive statements and actions in recent weeks and we are hopeful that, working with Congress, a reasonable proposal can be enacted in short order.

Renewing fast track quickly is absolutely vital if the United States is not to be left behind as other countries reach preferential trade agreements with each other. Moving ahead with efforts to open up the economies of Latin America and the Pacific Rim, as well as follow up on the Information Technology Agreement and other initiatives, requires that you and future presidents have this negotiating authority.

Fast track is especially important to the high-tech industry, which has benefited so much from past efforts to reduce barriers to trade. The high-tech sector in the United States is the most competitive in the world, and open trade policies have been a major reason for the dynamic growth our industry is now experiencing. Furthermore, the new jobs created by increased high-tech exports require highly skilled labor, meaning more well-paid jobs for U.S. workers.

Once again, we appreciate your Administration's efforts to negotiate trade agreements and to explain the benefits of free trade. We look forward to working closely with you to ensure that the United States regains the initiative as a powerful force in the global economy.

Sincerely,

Computer & Communications Industry Association

666 Eleventh Street, N.W., Sixth Floor
Washington, D.C. 20001
202.783.0070 Fax 202.783.0534
e-mail: ccia@aol.com
homepage: http://www.ccianet.org

FAX

Date Sept 5 Pages: 2 (including cover page)

To Peter O'Keefe

At Public Citizen

Fax # 466-6218 Phone # ____________

From

- ☐ Josh Arinze
- ☑ Ed Black
- ☐ Glenn Davidson
- ☐ Dina El-Gebaly
- ☑ Mike Jaffe
- ☐ Mark Lewis
- ☐ Wendy Margolis
- ☐ Daisy Njoku
- ☐ Paul Sanford
- ☐ John Scheibel
- ☐ Faith Silvers
- ☐ ____________

Priority

- ☐ Urgent
- ☐ FYI
- ☐ Reply requested
- ☐ Please call with comments
- ☐ As requested/discussed

Special instructions/notes

Please provide a list of the people attending today's meeting on fast track. We would like to send this letter to them to sign on to.

TABLE OF CONTENTS

FAST TRACK FACT SHEET

FAST TRACK: IN AMERICA'S NATIONAL INTEREST

FAST TRACK MEANS: IMPROVING OUR STANDARD OF LIVING

- Keeping the Economy on the Fast Track. The President will use Fast Track authority to continue breaking down trade barriers and creating new jobs -- keeping America's economic expansion on the global fast track.
- The Economy Is Strong. The President's 3-part economic strategy of cutting the deficit, investing in education and training, and opening markets abroad is working. America has enjoyed the longest period of sustained growth in a generation— one-third from overseas trade. The result: Nearly 13 million new jobs, unemployment below 5%, inflation the lowest in a generation.
- Our Future Prosperity Depends on Trade. More than 95% of the world's consumers live outside the US. Many emerging economies in Asia and Latin America will grow at three times the rate of the US economy. America needs fast track to negotiate fair new trade agreements that will keep us competitive, expand our exports, create more jobs, and raise our standard of living.

FAST TRACK MEANS: CREATING MORE JOBS

- Breaking Down Barriers. The President, in consultation with Congress, will keep breaking down barriers to our products and services. That strategy is paying off for companies and workers. America is once again the world's largest total exporter, the largest producer of semiconductors, the largest producer of automobiles. Exports support over 11 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.7 million new jobs.
- Sectoral Agreements. The President needs the flexibility to negotiate agreements and increase exports in sectors where the United States is most competitive: such as agriculture, medical equipment, telecommunications, and environmental technology.
- Regional Free Trade Agreements. America will also benefit from opening markets in Asia, Latin America, and Africa to US goods and services.
- Free and Fair Trade. The President supports raising labor standards, protecting the environment and expanding worker retraining and educational opportunities to ensure that no American is left out of the global economy.

FAST TRACK MEANS: MAINTAINING AMERICA'S GLOBAL LEADERSHIP

- Compete or Retreat. As the American people prepare to meet the challenges of the 21st century, 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.
- Credibility. Fast track gives the US credibility to negotiate tough trade deals. It preserves for Congress the ultimate decision to vote an agreement up or down, but without reopening it provision-by-provision and causing gridlock. That puts America in a strong position to negotiate trade agreements and maintains a partnership between the President and Congress that has worked for over 20 years.
- Continued Bipartisanship. Every President since 1974--Republican and Democratic--has had fast track authority. Congress has consistently recognized that the President must have the authority to break down foreign trade barriers, and a bipartisan majority of the United States Congress has consistently supported American leadership in opening markets and creating jobs.

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 (3) 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.

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.

310 - 393-7012

September 3, 1997

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N Filner (Yes Gatt, No NAFTA)
? Martinez " "
N WATERS " "
Y Harmen target "
Billbrey " "
? Pelosi target "

Tier 3 - Swing

New Members

Y Sherman (D-24) - replaces Beilenson (NAFTA - Y) - target
N ~~Capps~~ (D-22) - defeated Seastrand (NO NAFTA VOTE) ~~Tw~~
LY ? ~~Sanchez~~ (D-46th) - defeated Dornan (NAFTA - Y). - target
James Rogan (R - 27th) - replaces Moorhead (NAFTA - Y)
Y Ellen Tauscher (D - 10) - defeated Bill Baker (NAFTA - Y)
Zoe Lofgren - target

Tier 1 - "Supporters" (Voted Yes on Both Nafta + Gatt)

Becerra
Berman - will work the CA. del.
Dooley - " "
Eshoo - target
Farr
Fazio
Lehman (Radanovich)
Matsui
Mineta
Torres

Tier 2 - "Opponents" (Voted No on Both NAFTA + GATT)

Condit
Dellums
Edwards (Lofgren)
Hamburg (Riggs)
Lantos
Miller
Stark
Tucker
Waxman
Woolsey

Russell W. Horwitz
09/04/97 10:54:33 AM

Record Type: Record

To: Karen E. Skelton/WHO/EOP

cc: Lael Brainard/CEA/EOP, jziegler @ ustr.gov @ INET @ LNGTWY
Subject: facts for the high tech letter

-- The ITA will eliminate tariffs around the world on products from semiconductors to software; from fax machines to modems, from computers to telecommunications equipment.

-- The ITA amounts to a targeted tax cut in the dynamic $1 trillion information technology sector. The ITA will boost competiveness and cuts costs in key export sectors.

--By eliminating high foreign barriers, the ITA will create high wage jobs and new export markets for America's competitive information technology industry.

-- According to industry sources, global trade in information technology products grew from $349 billion in 1990 to $516 billion last year, and will grow by nearly 50% again to reach $743 billion by the end of the decade.

-- American exports of information technology are already more than double our exports of autos and auto parts and nearly quadruple our exports of aircraft. This sector is projected to grow by 250% worldwide over the next decade.

--- There are already 1.8 million American workers with production jobs in the information technology sector -- more than are employed in our automotive and aircraft industries combined. These jobs are high wage jobs, paying 16% more than the average wage.

MEMORADNUM

TO:	~~Bob~~ Rob Weiner - for approval — 6-6297 Rm 128 Bob Kyle - for sign-off ✓Russell Horowitz - for fact checking ✓Dan Tarullo - for comment ✓Gene Sperling - for comment Don Gips - for comment
CC:	Victoria Radd
FROM:	Karen Skelton
SUBJECT:	Attached draft endorsement letter of FAST TRACK by U.S. Information Technology Commuity

Please review the attached letter drafted by the Department of Commerce and return to my office, room 115, OEOB by Thursday, September 4, 1997.

Thank you.

too technical — use more concrete example.

DRAFT

Mr. President:

We, the members of the U.S. information technology community in America, write to express our strong support for swift passage of fast track trade negotiating authority. This Administration has stood shoulder to shoulder with us over the past five years working to tear down barriers and negotiate agreements to expand opportunities for America's high tech firms and their workers. Our industry is crucial to our nation's competitiveness and the economic health of our communities, and expanded exports are the key to a strong economic future.

We applaud your Administration's strong support of our high tech industries and your successful negotiation of the WTO Basic Agreement on Telecommunications Services, the Information Technology Agreement, the WTO TRIPs agreement, and the U.S.-China intellectual property agreement. Your efforts to open further the vast and growing global markets for our cutting edge technologies, including in Europe, Asia and Latin America have produced dramatic results. Through exports, our semiconductor, telecommunications and software industries are leading the world again in both market share and technological development.

Even so, much more needs to be done. Extensive trade barriers still exist in most of the fastest growing markets for U.S. high tech products. These include local content requirements, inadequate intellectual property protection, import licensing quotas, burdensome equipment certification requirements, forced technology transfer requirements, and discriminatory procurement practices. For most of our companies, exports are key to our survival. In fact, one-third of our info tech products and services are exported -- nearly $91 billion in 1996. of what?

a Calif example

We need fast track, Mr. President, for your Administration to forge ahead and continue reducing these barriers. We need fast track to negotiate a second round of the Information Technology Agreement; to move forward on WTO negotiations on government procurement and intellectual property; and to negotiate important sectoral agreements under the APEC in the areas of telecom and information equipment, medical equipment and devices, and environmental technology.

Time is of the essence. Competition is fierce around the world. We cannot stand by the sidelines as our competitors continue to forge ahead in negotiating preferential trade agreements, even as they maintain barriers that deny fair access for America's most competitive products and industries. We thank you for your leadership on expanding trade opportunities, and look forward to working with you in the weeks ahead.

That will further reduce tariffs

FAST TRACK NEWS NOTES

Edition I, August 25, 1997

President Clinton Underscores Economic Performance

In his radio address to the nation on Saturday, August 23, President Clinton outlined the Administration's global trade agenda and the importance of securing fast track trade negotiating authority to ensure U.S. workers and companies can compete on equal terms in the U.S. economy.

Following are highlights from the President's radio address on the importance of fast track authority:

- 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.

- 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 demands 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, out competitors have negotiated 20 trade agreements that do not include the United States.

- 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 businesses are the best in the world, but they can't compete in the slow lane.

- 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.

The Administration's Trade Agenda at Work for America

The Administration's trade agenda is focused on seizing opportunities where our workers and companies are the most competitive in the world. For example, two of our most recent trade agreements, the Information Technology Agreement (ITA) which took effect on July 1 of this year and the global telecommunications agreement together offer markets for U.S. workers and companies as never before in a trillion dollar area of global trade. For U.S. workers these agreements were critical in leveling the international playing field in technology trade and well over three million U.S. jobs depend on high technology manufacturing and services.

- The Information Technology Agreement (ITA) will eliminate tariffs across hundreds of high technology products by the year 2000 and amounts to a global tax cut of $5 billion for U.S. technology manufacturers. The agreement includes forty-two countries which produce 94% of the world's high technology products and is significant because it opens markets for U.S. companies which lead the world in exports of technology products.

- Today, telecommunications is a $750 billion global industry -- under the Basic Telecommunications Services (BTS) Agreement telecommunications trade will double or even triple over the next ten years. Analysts estimate that the agreement will lead to the creation of approximately a million U.S. jobs in the next ten years --not only in communications and high technology companies but across the economy in areas where communication services are a major component in the development of competitive products and services. Under this agreement, our long distance industry will gain access to well over fifty markets in Europe, Asia, Latin America and Africa. For consumers, the benefits of this agreement are substantial as the FCC has already taken steps to reduce the cost of international phone calls, and we estimate that the average cost of international calls will drop by 80% --from $1 per minute on average to 20 cents per minute over the next several years.

Victoria Radd
09/02/97 09:04:12 PM

Record Type: Record

To: Karen E. Skelton/WHO/EOP

cc:
Subject: Re: Hi tech letter of endorsement

Thanks for getting this.

Make sure circulates to Bob Kyle for sign-off; Dan Tarullo and Gene Sperling for comment; USTR (Bob Novick) and Russell Horwitz for fact checking. Has Tim Newell seen?

One last check: please call Rob Weiner in Counsel's Office to make sure that this can be done. . . . This is very important -- we won't proceed without his okay.

Thanks,
V.

1. Broad, Comprehensive Approach -
Shows breadth.

Letter from Industry sector.
Kerry Dohn 482-6062

get it to Wade

2. CEO event here in DC?
If so, what CEOs.
John Chambers @ CISCO
HP
Intel

3. CA 1 pgr.

AUGUST 20, 1997

MEMORANDUM FOR VICTORIA RADD

FROM: EMILY BROMBERG
SKY GALLEGOS

SUBJECT: Proposed Fast Track Roll-out with Elected Officials

WHITE HOUSE EVENT, SEPTEMBER 10th
The following is the proposed invitation list of elected officials for the White House event. Each of these officials have been very interested in promoting fast track.

Governors:	Leavitt (R-UT)	**Mayors:**	Archer (D-Detroit)
	Chiles (D-FL)		Hammer (D-San Jose)
	Patton (D-KY)		Ray (R-Des Moines)
	Schafer (R-ND)		Pulido (D-Santa Ana)
	Locke (D-WA)		Norquist (D-Milwaukee)
	Branstad (R-IA)		Clancey (D-Cedar Rapids)
			Cleaver (D-Kansas City, MO)
			Rendell (D-Philadelphia)
County:	Penelas (D- Dade/Miami)		

IGA is working with the Press Office and Media Affairs (John Murchinson) to coordinate regional media for the elected officials following the event.

REGIONAL EVENTS/REGIONAL PRESS, SEPTEMBER 10th
IGA will distribute state-by-state analysis to Governors, State Legislative Leaders, Big City Mayors and Large County Executives and Commissioners for release in their states and cities at press conferences and events.

CABINET TRAVEL, WEEK OF SEPTEMBER 8th
IGA will ensure that elected officials participate in the Cabinet events and amplify our Fast Track message.

- o Secretary Glickman in Chicago: Mayor Daley and County Executive Stroger will participate in the event.
- o Secretary Rubin in Seattle: Governor Locke, Mayor Rice and County Commissioner Hague will participate in the event.
- o Mack McLarty in Miami: Governor Chiles, Lieutenant Governor McKay and Mayor Penelas will participate in the event.

- o Secretaries Daley, Slater and Albright and Administrators Browner and Alvarez may also be traveling.

We are working closely with Cabinet Affairs as travel plans are confirmed.

CABINET CONFERENCE CALLS, WEEK OF SEPTEMBER 8th

IGA has proposed three separate conference calls led by Rubin, Barshefsky and Daley with Mayors on September 11, 1997. Mayors would invite their city hall press corps to listen to the call; Cabinet Members would invite national press to listen to the call.

The following is the combined, proposed list of participants from key states:
Rice (D-Seattle)
Katz (D-Portland)
Brown (D-San Francisco)
Harris (D-Oakland)
Hammer (D-San Jose)
O'Neil (D-Long Beach)
Pulido (D-Santa Anna)
Chavez (D-Albuquerque)
Miller (D-Tucson)
Webb (D-Denver)
Archer (D-Detroit)
Sales-Belton (D-Minneapolis)
Helmke (R-Ft. Wayne, IN)
Cleaver (D-Kansas City, MO)
Clancey (D-Cedar Rapids, IA)
Ray (R-Des Moines)
Marinovich (D-Kansas City, KS)
Knight (R-Wichita)
Savage (D-Tulsa)
Norick (R-Oklahoma City)
Kirk (D-Dallas)
Lanier (D-Houston)
Morial (D-New Orleans)
Bredesen (D-Nashville)
Penelas (D-Miami)
Greco (D-Tampa)
Oberndorf (D-Virginia Beach)
Rendell (D-Philadelphia)
Menino (D-Boston)
Albano (D-Springfield)

ONGOING ACTIVITY

- o IGA will be working closely with state and local elected officials in key states as the House and Senate votes are nearer to further amplify the President's message.

OTHER EVENTS

- o Jay Berman and Vicki Radd will brief the National Governors Association and the Governors' Washington Representatives on the Administration's Fast Track proposal Monday, September 8, 1997.

- o Mayor Cleaver will host the Second Summit of Mayors to Promote the International Trade Corridor Partnership, September 26, 1997. The partnership is the result of an agreement forged at the first summit that was signed by 90 Mayors. The partnership focuses on enhanced economic development and trade opportunities within the North American communities. Over 350 Mayors from Canada, the United States and Mexico have been invited to attend the two-day conference and working session. The Summit has also invited President Clinton, Secretary Slater and Secretary Daley. IGA has recommended that both Secretary Daley and Mack McLarty attend.

- o The National Conference of State Legislatures will hold the Assembly on Federal Issues, November 5-7, 1997, in D.C. This is an annual membership conference that will provide a forum for addressing State Legislators from around the country on the Administration's Fast Track position.

FAX TRANSMISSION

USTR
600 17TH STREET, NW
WASHINGTON, DC 20508
(202) 395-3230
FAX: (202) 395-7226

To: Karen Skelton
~~6-7910~~
6-7929

Date: August 15, 1997

Pages: 6, including this cover sheet.

From: Jay Ziegler

Subject: NAFTA articles (New Republic and L.A. Times) and California trade info. I will fax you the NAFTA and GATT congressional vote count on Monday -- the keepers of these files are out until next week.

Sunday, August 3, 1997

PERSPECTIVE ON LABOR

Support for NAFTA Is Unraveling

■ The adverse impact on Latino and black Americans' jobs is turning some in Congress cool to extending the deal.

By FRANK DEL OLMO

PREV STORY

NEXT STORY

President Clinton showed leadership and political courage in pushing the North American Free Trade Agreement through a reluctant Congress four years ago. Even as he looked ahead to a tough reelection fight, Clinton ran the risk of alienating such key Democratic constituencies as organized labor and environmental groups to enact the trade pact initiated by his Republican predecessor.

But he wasn't the only politician who showed vision and guts on NAFTA. While the groundbreaking trade pact had solid support in the Senate, NAFTA might never have gotten to Clinton's desk if 68 Democrats in the House had not voted in favor of it. And among that cadre of pro-NAFTA Democrats, no one stuck his political neck out further than Esteban Torres of Pico Rivera.

Torres has represented several bustling blue-collar cities of southeast Los Angeles County in Congress for 15 years. But his roots as a traditional pro-labor liberal run far deeper than that. He once worked on an auto assembly line and even was a shop steward for the United Auto Workers.

But Torres also worked as a UAW representative in Latin America, which helped him establish pretty solid credentials as an internationalist. During the Carter presidency, he served for a time as ambassador to UNESCO.

So it was pretty hard, in 1993, to find a Democrat who was more conflicted about NAFTA, or who ran a bigger political risk if he voted for it. Thus, when Torres announced that he would support NAFTA, his decision swayed several other members of Congress' Hispanic Caucus to join him.

That is why the White House would be well advised to pay attention now that key members of the Hispanic Caucus, once again influenced by Torres, are backing away from NAFTA. This trend could delay or even derail Clinton's plan to expand NAFTA to include Chile and eventually other Latin American countries. A key vote on that proposal is expected in the fall, when the administration will ask Congress to approve "fast track" authorization to negotiate NAFTA's extension.

Torres and his supporters do not dispute the conclusion of a recent administration report that found NAFTA's performance over the last three years mixed but still "modestly positive" for U.S. jobs and exports. But they argue that more needs to be done to mitigate the impact of free trade on U.S. workers.

Torres and other members of Congress asked a leading expert on NAFTA, Raul Hinojosa of UCLA, to revisit some of the studies he conducted in the early 1990s on NAFTA's possible impact. (These studies were used to help promote NAFTA in 1993.) Hinojosa crunched the numbers he got from Clinton's Treasury and Labor departments more precisely than the administration's NAFTA report did and came away with the worrisome conclusion that African Americans, women and Latinos suffered disproportionate job losses because of NAFTA, especially in California and the other states bordering Mexico.

The biggest impact Hinojosa found was in the Texas border city of El Paso, where roughly 6,000 jobs in the apparel industry moved south across the Rio Grande. Hinojosa estimates that this raised El Paso's unemployment rate from 9% to 12%.

NAFTA's impact on El Paso is the reason that one of the first Latinos in Congress to join Torres' effort to mitigate NAFTA's impact was Rep. Silvestre Reyes, the former Border Patrol chief elected to Congress last year.

Another Latino freshman who has signed up with Torres is Orange County's Loretta Sanchez, who is concerned about Mitsubishi's decision to close an electronic components plant in Santa Ana and move 450 jobs to Mexico.

Neither Sanchez nor Reyes was around to take the risk that Torres did in voting for NAFTA in 1993. That these rising Democratic stars in Congress are willing to break with the White House over NAFTA now is another warning sign that Clinton's free-trade policies may be in trouble.

"I still believe free trade is the future of the U.S. economy, but I may have been wrong in supporting NAFTA," Torres says. "I won't make the same mistake twice, and plan to vote against fast track unless I get assurances that a lot more will be done to mitigate NAFTA's impact on American workers."

It is a rare politician who will publicly admit a mistake. Maybe even a courageous one. One wonders if Clinton will have the guts it takes to revisit NAFTA and fix what apparently needs fixing.

- - -

Frank Del Olmo Is Assistant to the Editor of The Times and a Regular Columnist that still, unfortunately, predominates in the "reform community." Reformers believe, wrongly, that with enough legal ingenuity you can squeeze private money out of politics.

So they limit direct contributions to parties and candidates. The people and groups that have stakes in politics, however, don't disappear, nor should they. They just spend on "educational" campaigns, as Americans for Limited Terms and the Wisconsin manufacturers and the Sierra Club and big labor and a thousand other groups do. Advocates of the regulatory approach are infuriated that this "issue advocacy," which they view as money rather than speech, is protected by *Buckley*'s "express advocacy" clause, which they regard as a loophole rather than a protection. So now they are trying to disembowel *Buckley*.

That is why Wisconsin is claiming that ALT's ads were in fact not constitutionally protected: the ads, the state argues in a minor masterpiece of gobbledygook, may not have expressly advocated Travis's defeat, but they "had the political purpose of expressly advocating" his defeat. (Got that?) It's also why the McCain-Feingold campaign-reform plan would broaden the definition of regulable "express advocacy" to include just about anything said about a candidate before an election (i.e., anything that a "reasonable person," meaning a bunch of lawyers, would understand as advocating any candidate's election or defeat).

And it's why two reform advocates—former Senator Nancy Kassebaum Baker and former Vice President Walter F. Mondale—can write with apparently straight faces that "the election law should be tightened to distinguish clearly between media advertisements that are campaign endorsements or attacks and those that genuinely debate issues," which is like saying that the law should be tightened to distinguish clearly between sex for love and sex for pleasure.

Making it possible for candidates to run for office without selling themselves to moneyed interests is a worthy goal for campaign law; but the way to do that is with generous public financing for candidates who agree not to accept or raise private donations (an approach that Maine is now trying). The whole effort to micromanage private political speech, by contrast, is exactly the opposite of what campaign-finance law should be doing.

Certainly one sympathizes with politicians like Travis who are frustrated when narrow groups with opaque names parachute into campaigns with hostile ads. But the fact is that ads about term limits and tort lawyers and toxic mining tell the public something worth knowing. The law should see such ads as an asset, not a liability, and the voters should be trusted to sort through the cacophony. Travis's own term, after all, was not limited. He was re-elected with 60 percent of the vote—after eighteen years, one of his strongest showings.

JONATHAN RAUCH is the author of *Demosclerosis: The Silent Killer of American Government* (Times Books).

Hispanic discontent and free trade.

9/1 New Republic

BEFORE AND NAFTA

By John Maggs

Four years ago, Congressman Esteban Torres helped put Bill Clinton over the top on NAFTA. Torres, a California Democrat, announced his support for the North American Free Trade Agreement one month before the congressional vote—and then only after the administration assured him that it would establish job-training programs and a North American Development Bank to assist workers who lost their jobs because their firms had moved to Mexico. Torres's support proved critical: he is a former United Auto Workers official, so his decision gave cover to other House Democrats—particularly fellow Hispanics—nervous about angering labor unions. Exultant White House officials staged an extraordinary press conference in the Treasury Department's ornate Cash Room, where the California congressman was the guest of honor.

Today Torres says he regrets backing NAFTA—and he has company. Last month Torres and several other Hispanic House members sent a letter to the president, complaining that NAFTA had harmed their constituents. Since six of the signatories had voted for NAFTA in 1993, the letter came as an unpleasant surprise to the White House, which this fall will ask Congress to renew its fast-track negotiating authority so it can expand NAFTA to Chile and other Latin American countries.

The fast-track question is shaping up as a referendum on NAFTA and what it has (or hasn't) done to the U.S. economy. The administration knows it will be a tough fight: organized labor has already declared its opposition, and a recently released, congressionally mandated report showed that Clinton exaggerated in predicting big job gains from NAFTA. That is why the White House had been counting on the support of legislators like Torres. Hispanics, it was hoped, would see an expanded NAFTA as a way to create an economic community of 250 million Spanish-speakers.

Was the administration simply wrong about the affinity of Hispanics for expanding trade with Latin America? Not really. It turns out the defection of Torres and his allies has more to do with constituency politics than economics: they are abandoning NAFTA primarily because the administration never delivered on the promises of job training and federal grants.

Even now, Hispanic rights groups such as the National Council of La Raza can find good things to say about the treaty—in principle. In 1993, says Raul Yzaguirre, La Raza's president, "we determined that NAFTA would be a net plus for the economy, and for our members. And we still think that it will be." Torres offers a similar verdict: "NAFTA has done a lot of good. I think it is working, in the sense that trade is creating opportunity. And clearly our future depends on increasing these opportunities."

Yet while Hispanic lawmakers acknowledge that NAFTA has probably helped the economy in the aggregate, they are still subject to pressure from voters in their districts who see only the immediate impact of even a few lost jobs. "Hispanic Americans are most at risk from free trade," says Yzaguirre. "The jobs they hold—textiles and other [light] manufacturing, are the very jobs that are impacted." And workers don't necessarily have to lose their jobs to feel the pressure of NAFTA: in a global economy, employers can use the threat of relocation as a way to resist demands for higher wages, better benefits or recognition of unions.

But, however real the sentiments are, they don't add up to a compelling case against NAFTA. For starters, the Labor Department says that fewer than 6,000 workers have lost their jobs because of NAFTA; with unemployment at a twenty-four-year low, workers displaced by import competition are landing new jobs before they have time to file for unemployment. In addition, there's scant evidence that Mexico's tiny economy—4 percent the size of the United States'—has appreciably lowered wages.

Consider one of Torres's favorite examples, the case of a shuttered California fruit and vegetable processing plant, where 1,000 unionized workers lost their jobs. "The exact same operation was set up over the border in Mexico," he says. In reality, NAFTA didn't change processed fruit tariffs—it couldn't have triggered the move. The company relocated because employees had organized a union, and this kind of thing was happening long before NAFTA.

Nevertheless, such closings have put congressmen like Torres in a bind. "I've taken a lot of heat," Torres says. "Certain promises were made about helping make the adjustment to free trade, and they were not kept." He is talking about, among other things, the North American Development Bank. The idea was to have the federal government fund an independent bank that would lend money for environmental, infrastructure and community development projects in areas hurt by NAFTA. For an administration desperate for congressional support, the $3 billion NADBank was worth the price. "The joke about Torres was, one man, one bank," said a former trade official. The bank was eventually set up in Los Angeles, near Torres's district.

But the administration endorsed NADBank without a very clear idea of what the bank was supposed to be. "I think it is fair to say that there were some unrealistic expectations about how this money would be used," said an official involved with cutting the deal. "I don't think anyone at Treasury knew what this bank was supposed to do." As a result, bureaucrats were in no rush to get the NADBank up and running, and they argued endlessly about what its lending criteria should be. Ideas for projects were floated from California, but they didn't meet the bank's lending terms. "We heard about a lot of projects that really had nothing to do with NAFTA and a lot that were not viable commercially," said one official. "They wanted to borrow the money, but could not begin to explain how it would ever be paid back." So far, no money has been loaned for projects in the United States.

Torres blames the administration for not educating local officials about getting access to NADBank funds. Two weeks after Torres sent his letter, the White House made a conspicuous response. Treasury Secretary Robert Rubin announced that the NADBank had certified thirty-five communities in nineteen states as eligible for economic development loans. The money will be handed out through the Los Angeles office of the NADBank, and through the Small Business Administration and the Agriculture Department.

But this may turn out to be just another case of pumping money into districts of swing lawmakers, with little regard for whether the recipients actually suffered from NAFTA. For example, Congress also approved extra unemployment benefits for workers displaced by NAFTA, but now the Labor Department admits that most of the plant closings certified under the program had nothing to do with the trade agreement. Northwest electric utility Pacificorp, for example, says that foreign competition was not related to a layoff of 250 workers that was "certified" under the NAFTA program.

There's no reason to think that NADBank money is going to be handed out with more discretion. White Pine, Michigan, made Treasury's list, due to the 1996 shutdown of a copper mine that employed 1,100. But mine manager Eric Dutson blamed a cyclical turndown in copper prices, not competition from Canada or Mexico. White Pine, it turns out, is a double-dipper—it also qualified for the NAFTA unemployment program. Just like the misdirected NAFTA unemployment funds, NADBank money is likely to fill the general purpose political needs of the administration and its allies in Congress.

In any event, Torres isn't satisfied with Treasury's announcement, because it promises to release money in dribs and drabs to small businesses and farms. He believes NADBank money should be used to fund the kind of big infrastructure projects that put people directly to work. He and the other Hispanic lawmakers also wonder what happened to the other big NAFTA promise—a massive job-training program. "That was the deal: we do NAFTA, and then we do worker training, but it didn't happen," says former Labor Secretary Robert Reich.

Reich thinks this broken promise dooms Clinton's hopes for fast track, and he may be right. Without the support of Hispanics, a congressional majority may be even harder to craft than it was last time. To win, not only will Clinton need to make more promises, but he'll also have to back them with more money—all to make more palatable a measure that is perfectly worthy on its own merits.

JOHN MAGGS writes on international business and economics for *The Journal of Commerce.*

CALIFORNIA CONGRESSIONAL DELEGATION

NAFTA YES VOTES

Democrats

Becerra
Beilensen (replaced by Sherman)
Berman
Brown
XXXXX
Dooley
Eshoo
Farr
Fazio
Lehman (replaced by Radanovich)
Matsui
Mineta
Pelosi
Roybal-Allard
Torres

Republicans

Baker (Replaced by Tauscher)
Calvert
Cox
Cunningham
Dornan (Replaced by Sanchez)
Dreier
Horn
Huffington
Kim
Lewis
McCandless
McKeon
Moorehead (Replaced by James Rogan)
Packard
Rohrabacher
Thomas

NAFTA NO VOTES

Democrats

Feinstein
Boxer
Condit
Dellums
Dixon
Edwards (replaced by Lofgren)
Filner
Hamburg (replaced by Riggs)
Harmen
Lantos
Martinez
Miller
Schenk (replaced by Bilbray)
Stark
Tucker
Waters
Waxman
Woolsey

Republicans

Doolittle
Gallegly
Hunter
Pombo
Royoe

CQ's WASHINGTON ALERT 07/24/97

** 1993 CQ HOUSE VOTE 575 ** HR3450. NAFTA Implementation - Passage. Passage of the bill to approve the North American Free Trade Agreement and make the necessary changes to U.S. statutory law to implement it. Passed 234-200: R 132-43; D 102-156 (ND 49-124, SD 53-32); I 0-1, Nov. 17, 1993. A "yea" was a vote in support of the president's position. (Story, 1993 Weekly Report p. 3171)
Item Key: 8945

*** YEAS(234) ***
DEMOCRATS (102)

Andrews M (TX)
Bacchus J (FL)
Baesler S (KY)
Becerra X (CA)
Beilenson A (CA)
Berman H (CA)
Brewster B (OK)
Brown G (CA)
Bryant J (TX)
Cantwell M (WA)
Cardin B (MD)
Chapman J (TX)
Clement B (TN)
Coleman R (TX)
Cooper J (TN)
Coppersmith S (AZ)
Darden G (GA)
de la Garza E (TX)
Deal N (CA)
Dicks N (WA)
Dooley C (CA)
Durbin R (IL)
Edwards C (TX)
English G (OK)
English K (AZ)
Eshoo A (CA)
Glickman D (KS)
Gordon B (TN)
Hamilton L (IN)
Hastings A (FL)
Hayes J (LA)
Hefner W (NC)
Hoagland P (NE)
Hoyer S (MD)
Hutto E (FL)
Inslee J (WA)
Jefferson W (LA)
Johnson D (GA)
Johnson E (TX)
Johnston H (FL)
Kennedy J (MA)
Kopetski M (OR)
Kreidler M (WA)
Lambert B (AR)
Laughlin G (TX)
Lehman R (CA)
Lloyd M (TN)
Lowey N (NY)
Mann D (OH)
Markey E (MA)
Matsui R (CA)
Mazzoli R (KY)
Ortiz S (TX)
Parker M (MS)
Pastor E (AZ)
Payne L (VA)
Pelosi N (CA)
Penny T (MN)
Pickett O (VA)
Pickle J (TX)
Price D (NC)
Reynolds M (IL)
Richardson B (NM)
Rose C (NC)
Rostenkowski D (IL)
Rowland J (GA)
Roybal-Allard L (CA)
Sarpalius B (TX)
Sawyer T (OH)
Schroeder P (CO)
Shepherd K (UT)
Skaggs D (CO)
Skelton I (MO)
Spratt J (SC)
Stenholm C (TX)
Studds G (MA)
Swift A (WA)

McCurdy D (OK)
Synar M (OK)
Farr S (CA)

Fazio V (CA)
Flake F (NY)
Foley T (WA)
Ford H (TN)
Frost M (TX)
Geren P (TX)
McDermott J (WA)
Meehan M (MA)
Meek C (FL)
Mineta N (CA)
Montgomery G (MS)
Moran J (VA)
Tanner J (TN)
Tejeda F (TX)
Thornton R (AR)
Torres E (CA)
Valentine T (NC)
Whitten J (MS)

Gibbons S (FL)
Neal R (NC)
Wyden R (OR)

INDEPENDENTS (0)

REPUBLICANS (132)

Allard W (CO)
Archer B (TX)
Armey D (TX)
Bachus S (AL)
Baker B (CA)
Baker R (LA)
Ballenger C (NC)
Barrett B (NE)
Barton J (TX)
Bateman H (VA)
Bereuter D (NE)
Bliley T (VA)
Boehlert S (NY)
Boehner J (OH)
Bonilla H (TX)
Buyer S (IN)
Callahan S (AL)
Calvert K (CA)
Camp D (MI)
Castle M (DE)
Clinger W (PA)
Coble H (NC)
Combest L (TX)
Cox C (CA)
Crane P (IL)
Cunningham R (CA)
DeLay T (TX)
Dickey J (AR)
Dornan R (CA)
Dreier D (CA)
Duncan J (TN)
Dunn J (WA)
Emerson B (MO)
Ewing T (IL)
Fawell H (IL)
Fields J (TX)
Fish H (NY)
Fowler T (FL)
Franks B (NJ)
Franks G (CT)
Gallo D (NJ)
Gekas G (PA)
Gilchrest W (MD)
Gillmor P (OH)

Gingrich N (GA)
Goodlatte R (VA)
Goodling B (PA)
Goss P (FL)
Grams R (MN)
Grandy F (IA)
Greenwood J (PA)
Gunderson S (WI)
Hancock M (MO)
Hansen J (UT)
Hastert D (IL)
Hefley J (CO)
Herger W (CA)
Hobson D (OH)
Hoekstra P (MI)
Horn S (CA)
Houghton Aryce D (OH)
Huffington M (CA)
Hutchinson T (AR)
Hyde H (IL)
Istook E (OK)
Johnson N (CT)
Johnson S (TX)
Kasich J (OH)
Kim J (CA)
King P (NY)
Klug S (WI)
Knollenberg J (MI)
Kolbe J (AZ)
Kyl J (AZ)
Lazio R (NY)
Leach J (IA)
Levy D (NY)
Lewis J (CA)
Lewis T (FL)
Lightfoot J (IA)
Linder J (GA)
Livingston R (LA)
Machtley R (RI)
Manzullo D (IL)
McCandless A (CA)
McCollum B (FL)
McCrery J (LA)
McDade J (PA)

McInnis S (CO)
McKeon H (CA)
McMillan A (NC)
Meyers J (KS)
Michel R (IL)
Miller D (FL)
Molinari S (NY)
Moorhead C (CA)
Morella C (MD)
Nussle J (IA)
Oxley M (OH)
Packard R (CA)
Paxon B (NY)
Petri T (WI)
Porter J (IL)
Portman R (OH)

Quillen J (TN)
Ramstad J (MN)
Ridge T (PA)
Roberts P (KS)
Rohrabacher D (CA)
Roth T (WI)
Roukema M (NJ)
Schaefer D (CO)
Schiff S (NM)
Sensenbrenner F (WI)
Shaw E (FL)
Shays C (CT)
Skeen J (NM)
Smith B (OR)
Smith L (TX)
Smith N (MI)
ump B (AZ)
Sundquist D (TN)
Thomas B (CA)
Thomas C (WY)
Torkildsen P (MA)
Upton F (MI)
Walker R (PA)
Wolf F (VA)
Young C (FL)
Zeliff B (NH)
Zimmer D (NJ)

*** NAYS (200) **

DEMOCRATS (156)

Abercrombie N (HI)
Ackerman G (NY)
Andrews R (NJ)
Andrews T (ME)
Applegate D (OH)
Barca P (WI)
Barcia J (MI)
Barlow T (KY)
Barrett T (WI)
Bevill T (AL)
Bilbray J (NV)
Bishop S (GA)
Blackwell L (PA)
Bonior D (MI)
Borski R (PA)
Boucher R (VA)
Brooks J (TX)
Browder G (AL)
Brown C (FL)
Brown S (OH)
Byrne L (VA)
Carr B (MI)
Clay W (MO)
Clayton E (NC)
Clyburn J (SC)
Collins B (MI)
Collins C (IL)
Condit G (CA)
Conyers J (MI)
Costello J (IL)
Coyne W (PA)
Cramer R (AL)
Danner P (MO)
DeFazio P (OR)
DeLauro R (CT)
Dellums R (CA)
Derrick B (SC)
Deutsch P (FL)
Dingell J (MI)
Dixon J (CA)
Edwards D (CA)
Engel E (NY)
Evans L (IL)
Fields C (LA)
Filner B (CA)
Fingerhut E (OH)
Foglietta T (PA)
Ford W (MI)
Frank B (MA)
Furse E (OR)
Gejdenson S (CT)
Gonzalez H (TX)
Green G (TX)
Gutierrez L (IL)
Hall R (TX)
Hall T (OH)
Hamburg D (CA)
Harman J (CA)
Hilliard E (AL)
Hinchey M (NY)
Hochbrueckner G (NY)
Holden T (PA)
Hughes W (NJ)
Jacobs A (IN)
Johnson T (SD)
Kanjorski P (PA)
Kaptur M (OH)
Kennelly B (CT)
ildee D (MI)
Kleczka G (WI)
Klein H (NJ)
Klink R (PA)
LaFalce J (NY)
Lancaster H (NC)
Lantos T (CA)
LaRocco L (ID)
Levin S (MI)
Lewis J (GA)
Lipinski W (IL)
Long J (IN)
Maloney C (NY)
Manton T (NY)
Margolies-Mezv M (PA)
Martinez M (CA)
McCloskey F Towns E (NY)
McHale P (PA)
McKinney C (GA)
McNulty M (NY)
Menendez R (NJ)
Mfume K (MD)
Miller G (CA)
Minge D (MN)
Mink P (HI)
Moakley J (MA)
Mollohan A (WV)
Murphy A (PA)
Murtha J (PA)
Nadler J (NY)
Natcher W (KY)
Neal R (MA)
Oberstar J (MN)
Obey D (WI)
Orton B (UT)
Owens M (NY)
Pallone F (NJ)
Payne D (NJ)
Peterson C (MN)
Peterson P (FL)
Pomeroy E (ND)
Poshard G (IL)
Rahall N (WV)
Rangel C (NY)
Reed J (RI)
Roemer T (IN)
Rush B (IL)
Sabo M (MN)
Sangmeister G (IL)
Schenk L (CA)
Schumer C (NY)
Scott R (VA)
Serrano J (NY)
Sharp P (IN)
Sisisky N (VA)
Slattery J (KS)
Slaughter L (NY)
Stark P (CA)
Stokes L (OH)
Strickland T (OH)
Stupak B (MI)
Swett D (NH)
Tauzin W (LA)
Taylor G (MS)
Thompson B (MS)
Thurman K (FL)
Torricelli R (NJ)
Traficant J (OH)
Tucker W (CA)
Unsoeld J (WA)
Velazquez N (NY)
Vento B (MN)
Visclosky P (IN)
Volkmer H (MO)
Washington C (TX)
Waters M (CA)
Watt M (NC)
Waxman H (CA)
Wheat A (MO)
Williams P (MT)
Wilson C (TX)
Wise B (WV)
Woolsey L (CA)
Wynn A (MD)

Gephardt R (MO) Olver J (MA) Yates S (IL)

INDEPENDENTS (1)
Sanders B (VT)

REPUBLICANS (43)

Bartlett R (MD)
Bentley H (MD)
Bilirakis M (FL)
Blute P (MA)
Bunning J (KY)
Burton D (IN)
Canady C (FL)
Collins M (GA)
Crapo M (ID)
Diaz-Balart L (FL)
Doolittle J (CA)
Everett T (AL)
Gallegly E (CA)
Gilman B (NY)
Hoke M (OH)
Hunter D (CA)
Inglis B (SC)
Inhofe J (OK)
Kingston J (GA)
McHugh J (NY)
Mica J (FL)
Myers J (IN)
Pombo R (CA)
Quinn J (NY)
Ravenel A (SC)
Regula R (OH)
Rogers H (KY)
Ros-Lehtinen I (FL)
Royce E (CA)
Santorum R (PA)
Saxton H (NJ)
Shuster B (PA)
Smith C (NJ)
Snowe O (ME)
Solomon G (NY)
Spence F (SC)
Stearns C (FL)
Talent J (MO)
Taylor C (NC)
Vucanovich B (NV)
Walsh J (NY)
Weldon C (PA)
Young D (AK)

*--- NOT VOTING (0) **

KEY -- Special Categories of Not Voting

#	Paired For	X	Paired Against
+	Announced For	-	Announced Against
P	Voted Present	C	Voted Present to avoid possibleof interest.
S	Speaker exercised discretion not to vote		
?	Did not vote or make position known		

Press return to display next item or enter GO, BACK, HELP or STOP
>

** 1993 CQ SENATE VOTE 395 ** HR3450. NAFTA Implementation - Passage. Passage of the bill to approve the North American Free Trade Agreement and make the necessary changes to U.S. statutory law to implement the trade agreement. Passed 61-38: R 34-10; D 27-28 (ND 18-23, SD 9-5), Nov. 20, 1993. A "yea" was a vote in support of the president's position. (Story, 1993 Weekly Report p. 3257)
Item Key: 8973

*** YEAS (61) ***
DEMOCRATS (27)

Baucus M (MT)	Dodd C (CT)	Mathews H (TN)
Biden J (DE)	Graham B (FL)	Mitchell G (ME)
Bingaman J (NM)	Harkin T (IA)	Moseley-Braun C (IL)
Boren D (OK)	Johnston J (LA)	Murray P (WA)
Bradley B (NJ)	Kennedy E (MA)	Nunn S (GA)
Breaux J (LA)	Kerrey B (NE)	Pell C (RI)
Bumpers D (AR)	Kerry J (MA)	Pryor D (AR)
Daschle T (SD)	Leahy P (VT)	Robb C (VA)
DeConcini D (AZ)	Lieberman J (CT)	Simon P (IL)

INDEPENDENTS (0)

REPUBLICANS (34)

Bennett R (UT)	Gramm P (TX)	McCain J (AZ)
Bond C (MO)	Grassley C (IA)	McConnell M (KY)
Brown H (CO)	Gregg J (NH)	Murkowski F (AK)
Chafee J (RI)	Hatch O (UT)	Nickles D (OK)
Coats D (IN)	Hatfield M (OR)	Packwood B (OR)
Cochran T (MS)	Hutchison K (TX)	Pressler L (SD)
Coverdell P (GA)	Jeffords J (VT)	Roth W (DE)
Danforth J (MO)	Kassebaum N (KS)	Simpson A (WY)
Dole B (KS)	Lott T (MS)	Specter A (PA)
Domenici P (NM)	Lugar R (IN)	Wallop M (WY)
Durenberger D (MN)	Mack C (FL)	Warner J (VA)
Gorton S (WA)		

*** NAYS (38) ***
DEMOCRATS (27)

Akaka D (HI)	Ford W (KY)	Mikulski B (MD)

Boxer B (CA)
Bryan R (NV)
Byrd R (WV)
Campbell B (CO)
Conrad K (ND)
Exon J (NE)
Feingold R (WI)
Feinstein D (CA)
Glenn J (OH)
Heflin H (AL)
Hollings E (SC)
Inouye D (HI)
Kohl H (WI)
Lautenberg F (NJ)
Levin C (MI)
Metzenbaum H (OH)
Moynihan D (NY)
Reid H (NV)
Riegle D (MI)
Rockefeller J (WV)
Sarbanes P (MD)
Sasser J (TN)
Wellstone P (MN)
Wofford H (PA)

INDEPENDENTS (0)

(11)
Burns C (MT)
Cohen W (ME)
Craig L (ID)
D'Amato A (NY)
Faircloth L (NC)
Helms J (NC)
Kempthorne D (ID)
Shelby R (AL)
Smith R (NH)
T (AK)
Thurmond S (SC)

*** NOT VOTING (1) **
DEMOCRATS (1)
Dorgan B (ND) ?

INDEPENDENTS (0)

REPUBLICANS (0)

KEY -- Special Categories of Not Voting

#	Paired For	X	Paired Against
+	Announced For	-	Announced Against
P	Voted Present	C	Voted Present to avoid possible conflict of interest.

S Speaker exercised discretion not to vote
? Did not vote or make position known

Press return to display next item or enter GO, BACK, HELP or STOP
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