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Fast Track

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GUIDANCE ON FAST TRACK
JANUARY 14, 1997 (no changes since 1/14 per Siewert)

* The President believes that fast track negotiating authority is critical to America's leadership in the global economy and to our ability to continue to expand economic opportunity in our own country by expanding markets abroad.

* The Administration has been consulting closely with both Republicans and Democrats on the Hill in an effort to determine the best avenue for obtaining fast-track authority.

* We fully intend to submit legislation for obtaining fast-track authority and the primary purpose of our consultations on the Hill is to determine what form that legislation should take to address the concerns that have been raised on both sides of the aisle, particularly in the House.

  As you'll remember, we had an overwhelming majority in support of fast track in the Senate, and we came very close to having a majority in the House. We think it's entirely realistic if we can do the hard work that's necessary.

TOIV
Emanuel, Hilley

BT, JL — pls hold

For Internal Use *DRAFT*

ADMINISTRATION EFFORTS TO SECURE FAST TRACK

November 3, 1997

The President has led the fight to open markets to American goods and to restore traditional trading authority so that we can continue to lower unfair foreign trade barriers to our exports:

- **Taking the Case to the Public.** The President has given several major public addresses highlighting the importance of restoring traditional trading authority:
  - The American Society of Newspaper Editors (April);
  - East Room event unveiling legislation (September);
  - Took the case for fast track directly to some of its fiercest opponents in his party: at the AFL-CIO convention last week in Pittsburgh and has made fast track one of the major themes of his trip to South America. (October)
  - Last Friday, the President traveled to Florida to highlight a local company that has benefitted due to increased exports.

The Vice President made a strong pitch to the DNC Annual Meeting for fast track, has also spoken to software groups, the Democratic Leadership Council, and trade groups recently in support of fast track and delivered last Saturday's radio address on fast track. Both the President and the Vice President went up to the Hill to the House Democratic caucus to make the case for fast track.

- **Heavy Private One-to-One Effort.** Led administration-wide effort to garner Democratic support for the bill: President and the Vice President went to the House Democratic caucus to make the case for fast track; **the President and the Vice President have had countless one-on-one and small meetings with more than 130 undecided House and Senate members at the White House and while on the road, including four separate meetings in one day with undecided Ways and Means members.**

- **Administration Wide Effort.** Full court press by Cabinet and senior White House staff. Bowles, Barshefsky, Daley, Rubin, Herman, Sperling, Hilley and others have worked the various Democratic caucuses and undecided members non-stop through the last two months. The Chief of Staff has had a series of private lunches with Democratic Members. The Cabinet has fanned out across the Hill, meeting with dozens of Democratic Members.

In the end, the President and his entire economic team are fully committed to making the case for renewal of fast track. We cannot let this debate degenerate into finger-pointing and a blame game. Continuing to tear down foreign trade barriers is much too important to our country and to our future prosperity.

The President and the Chief of Staff have held several meetings with various Democratic Members of Congress to discuss Fast Track. A list of these meetings follows:

PRESIDENT (17 Meetings)

Tuesday, July 24 -- Meeting with Members of Congress
Thursday, July 31 -- Meeting with Members of Congress
Thursday, September 10 -- Fast Track Roll Out Event
Friday, September 12 -- Meeting with Democratic Freshman and Sophomores
Tuesday, September 16 -- Meeting with the House Democratic Caucus
Tuesday, September 30 -- Meeting with Members of Congress
Tuesday, October 7 -- The President met individually with Representatives Rangel, Becerra and Jefferson. He also met with undecided Members of the House Ways and Means Committee
Thursday, October 9 -- Meeting with Undecided Members of Congress
Wednesday, October 22 -- Meeting with bi-partisan group of Undecided Senators
Thursday, October 23 -- Meeting with bi-partisan group of Undecided Senators
Tuesday, October 28 -- Meeting with bi-partisan group of Senators
Monday, November 3 -- Meeting with Undecided Democratic Senators
-- Meeting with Undecided Democratic Senators
Tuesday, November 4 -- Meeting with Undecided Members of Congress

VICE-PRESIDENT

Member Meetings -- The VP has attended most of the meetings the President has had with Members and has made a large number of calls to members.

CHIEF OF STAFF (13 Meetings)

Tuesday, September 16 -- Hill meeting with Members of Congress
Thursday, September 18 -- Meeting with Ways and Means members
Tuesday, September 23 -- Lunch with Members of Congress

Wednesday, September 24 -- Lunch with Members of Congress
Thursday, September 25 -- Lunch with Members of Congress
Friday, September 26 -- Lunch with Members of Congress
Tuesday, September 30 -- Lunch with Members of Congress
Wednesday. October 1 -- Breakfast with Members of Congress
Monday, October 6 -- Meeting with Members of Congress
Tuesday, October 7 -- Meeting with House Ways and Means Democrats
Thursday, October 23 -- Meeting with Members of Congress
Friday, October 24 -- Meeting with Speaker of the House
Monday, November 3 -- Meeting with Member of Congress

CABINET

USTR

Ambassador Barshefsky has met one-on-one or in small groups with approximately **250 Members of Congress**.

Department of Labor:

- Over the Labor Day weekend, the Secretary traveled to El Paso with Rep. Reyes and met affected workers and community groups. The visit sparked an ongoing policy discussion with Hispanic Caucus members improving trade adjustment assistance.

Caucus Meetings:

- The Secretary met with the Congressional Hispanic Caucus on September 9th.
- The Secretary met with the Democratic Caucus with Secretary Glickman in September.

Individual Meetings:

- The Secretary met with Rep. Charles Rangel on September 12th.
- The Deputy Secretary met with Reps. Levin, Sherrod Brown, Steve Rothman on September 4th and Rep. Kanjorski on September 16th.

One-on-One Phone Calls (29 calls) (Secretary):

- House: Jefferson, Johnson, Kilpatrick, Millender-McDonald, Scott, Stokes, Bentsen, Ford, John, Synder, Jackson-Lee, Reyes, Edwards, Lofgren, Luther, Sawyer, Towns, Ackerman, Green, Dicks, Clyburn, and Watt

- Senate: Cochran, Glenn, Sessions, Thurmond, Landrieu, Collins and Harkin

Department of the Treasury

- Secretary Rubin has conducted 7 interviews with national media regarding fast track.

- Deputy Secretary Summers has conducted 6 interviews with national media regarding fast track.

- *[Treasury is compiling meeting and call information.]*

-

National Economic Council (9 Meetings)

- Mr. Sperling has attended **9 meetings** on Capitol Hill with 11 Members since September. He also attended a briefing for the Congressional Hispanic Caucus.

- Mr. Sperling has spoken to **24 Members** by phone in the last two weeks.

Department of Commerce

- Over the past couple of months, the Secretary has **met individually with over 20 Members of Congress**. He has additionally **called over 25 Members,** and has met with numerous others Members in group meetings including the Senate Democratic Caucus Luncheon and the House Democratic Caucus.

- Secretary Daley has spoken to over **20 different organizations and groups** over the past few weeks in support of fast track and has met with nearly **2,000 key business leaders** around the country -- large and small -- since July.

- The Secretary has made calls with over **20 editorial boards across the country.** He has appeared on Face the Nation, Fox Sunday Morning, Evans and Novak, CNBC and CNN to talk about fast track. Op-eds from Secretary Daley have appeared in **30 media markets** across the country and he has held over **20 one-on-one interviews** and/or briefings with Commerce with news organizations on fast track.

Department of State

The Department of State has actively engaged in fast track outreach, including a major speech by the Secretary on September 18th at the Institute for International Economics and a joint speech with Secretary Rubin on October 22 at the U.S. Chamber of Commerce. During the past two months, Department officials participated in over 50 radio and editorial board interviews a well as close to three dozen speaking engagements. The Secretary hosted two breakfasts on

October 23rd and October 28th with members of Congress.

Department of Agriculture

Since August, Secretary Glickman has met with **29 members** of Congress including:

Reps:	**Senators**	
Boswell	Harkin	Coats
Clayton	Lugar	Bond
Cramer	Kerrey	
Eshoo	Leahy	
Stenholm	Kempthorne	
Hefner	Burns	
Tim Johnson	Craig	
George Brown	Bennett	
Skelton	Grams	
Price	Hagel	
McIntyre	Roberts	
Pomeroy	Johnson	
Smith	Enzi	
Kind		

Additional senior officials from USDA have spoken to 25 members of Congress.

Environmental Protection Agency:

Administrator Browner has made phone calls to the following members:

Walter Capps Robert Wexler
Peter Deutsch Sam Farr
Silvestre Reyes

OUTREACH

- The Administration has released a state-by-state analysis of export data to members of the media and to Capitol Hill. The report, among other findings, found that since 1993, 49 states experienced increases in exports.

- We also released an exports statistics release on over 200 metropolitan areas that showed significant increases in exports across small, medium and large cities.

- The Administration has disseminated two fact books (September and November) on fast track to members of the media and Capitol Hill.

- The White House has hosted briefings for the agricultural community, high-tech community, business executives and manufacturing executives.

LEGISLATIVE ACTIVITY

There have been numerous staff and Member briefings on the Fast Track proposal. Prior to the release of the Administration's bill, the nature of these briefings were consultative. However, after the bill was released the emphasis shifted to explaining the bill in general and specific provisions in particular.

These briefings were as follows:

Thursday, September 04, 1997 2:00 PM - 3:00 PM and Wednesday, September 24, 1997 2:30 PM - 3:30 PM - New Democrat Coalition--Barshefsky, Berman

Thursday, September 04, 1997 3:00 PM - 4:00 PM - House Banking and Small Business Democratic Briefing--Barshefsky

Friday, September 05, 1997 11:00 AM - 12:00 PM and Tuesday, September 30, 1997 3:00
PM - 4:00 PM - House Commerce Briefing-Kyle, Radd

Friday, September 05, 1997 2:30 PM - 3:30 PM - Senate Commerce Staff Briefing--Bob
Kyle

Monday, September 08, 1997 5:00 PM - 6:00 PM - Senate Finance Committee Democrats--
Barshefsky, Berman, Brophy

Tuesday, September 09, 1997 2:00 PM - 3:00 PM - Hispanic Caucus Briefing--Rubin,
Herman, Berman, Radd, Brophy, Murguia

Friday, September 12, 1997 11:00 AM - 12:00 PM - House Democrat FastTrack Meeting--
President, Vice President

Tuesday, September 16, 1997 1:00 PM - 2:00 PM - Senate Democratic Caucus--Rubin,
Barshefsky, Glickman

Tuesday, September 16, 1997 4:00 PM - 5:00 PM - House Democratic
Caucus-President,
Vice President

Thursday, September 18, 1997 2:00 PM - 3:00 PM - House Ways and Means
Democrats--
Bowles, Hilley

Wednesday, September 24, 1997 8:00 AM - 9:00 AM - Democratic Budget Group
Briefing--
Barshefsky, Hilley

Wednesday, September 24, 1997 2:30 PM - 3:30 PM - New Democrat
Coalition--Barshefsky,
Berman

Thursday, September 25, 1997 4:00 PM - 5:00 PM - Senate Commerce Staff
Briefing--
Hauser, Esserman, Novick

Tuesday, September 30, 1997 3:00 PM - 4:00 PM - House Commerce
Briefing-Kyle, Hauser

Wednesday, October 01, 199712:00 PM - 1:30 PM - House Democratic Caucus
Party
Effectiveness Luncheon Briefing--Secretary Herman, Secretary Glickman

Tuesday, October 07, 1997 8:30 AM - 9:30 AM - Secretary Rubin Breakfast--Host
Secretary
Rubin

Wednesday, October 22, 1997 10:00 AM - 11:00AM - Democratic Briefing on
Trade Adjustment Assistance (TAA) -- Department of Labor
Wednesday, October 22, 1997 11:30AM - 12:30PM - California House Democratic
Delegation--Jay Berman, Sue Esserman

Wednesday, October 22, 1997 1:15PM - 2:00PM - Senate Democratic Leaders
Luncheon--Secretary Albright

Thursday, October 23, 1997 8:00AM - 9:00AM - Secretary Albright
Breakfast--Host Secretary Albright

Friday, October 24, 1997 11:45AM - 12:45PM - House Democratic
Briefing--Secretary Albright

Thursday, October 30, 1997 8:30AM - 9:30AM - Secretary Rubin Breakfast--Host Secretary Rubin

Updated

FAST TRACK
October 27, 1997

Q: What's the status of the President's Fast Track Legislation? Anything happen recently? Will you get a vote before the year's out? Will you allow a vote to take place next year? Did you wait too late? Did you kill it by making the wrong call on labor and the environment? What about Archer's letter requiring 70 Democratic votes to bring bill to the floor?

A: **President made clear at today's DLC speech how strongly he feels about the Fast Track vote. Also addressed need to ensure that all Americans enjoy the benefits of expanding global opportunities.**

House Ways and Means reported out a bill October 8 that the Administration strongly supports. Now both the House and Senate committees responsible for Fast Track have sent bills to the floor with bipartisan support. Time now for friends of open trade to work together to secure votes needed for passage; not helpful to raise artificial hurdles to success, like "requiring" specific numbers of votes. Often Congress doesn't make tough voting decisions like until floor vote scheduled. **Working with Congress now to get votes scheduled.**

No illusions. POTUS, cabinet ready to put in time, effort to pass this critical legislation. President's calls from AF-1 en route home from Latin America; Cabinet met October 22 to review next steps to secure needed votes for passage. Cabinet meetings with key Senators, Congressmen will accelerate as we move toward a vote.

POTUS met separately October 21 with Daschle, Lott to review Fast Track and other Congressional issues. Productive discussions. Lott afterward told press he thought there were sufficient votes in the Senate to end debate and to pass fast track. No pre-conceived notions of which house should vote first; do know that success on Senate floor will help build momentum for vote in the House. Agree with Rep. Armey on importance of Fast Track; up to all who understand how crucial this vote is to America's future to help ensure we're successful.

POTUS met twice last week with bipartisan groups of Senators to review where we stand, stakes involved in this debate. About a dozen Senators met with POTUS at each event.

SecState Albright, NSA Berger met last Thursday, will meet again this week with groups of House Democrats to review the crucial role Fast Track plays in sustaining American leadership. **Expect UN Ambassador Richardson to devote intense effort to this when he returns from Africa later this week.**

Albright and SecTreas Rubin spoke at US Chamber of Commerce on Fast Track October 23.

Fast Track is about opening markets for American workers, businesses. It's about American leadership. President needs Fast Track to ensure the framework for global trade in the 21st Century is crafted by Americans to protect American interests. If we leave this to other countries, it's American workers who will suffer. And as former NSA Scowcroft pointed out in the *Washington Post* October 19, leadership isn't an *a la carte* issue; if we don't lead on trade, we can't lead effectively on the security and political issues that affect our vital interests. Failure is not an option.

Need to keep in mind clearly that stopping Fast Track won't clean up one toxic waste site, won't raise labor standards in a single country. But giving POTUS this authority will allow him to negotiate agreements that open markets as well as advance environmental protection and labor standards.

We share goal expressed by Senator Lott, House Leadership to have floor votes in both houses before Congress adjourns this fall; believe they're committed to that goal. Leadership will set schedule of when those votes take place. This will get harder, not easier the longer we wait; if we don't get a vote this year, there won't be a vote.

Q: **Do you expect a vote on fast track legislation in the Senate this week?**

A: **We continue to work with the leadership in the House and Senate to schedule votes on fast track. We are currently discussing the timing of the vote.**

Q: **The Times article refers to Senator Daschle as a fast track opponent. Is this characterization accurate?**

A: **You need to ask Senator Daschle what is his position on fast track. It is my understanding that he has neither come out in favor of the legislation nor in opposition to it.**

FOR IMMEDIATE RELEASE
WEDNESDAY 22 OCTOBER 1997

CONTACT: STATE PRESS OFFICE 202.647.24
KELLY CRAWFORD: TREASURY 202.622.2960
FRANK COLEMAN AT U.S. CHAMBER OF COMMERCE

FAST TRACK: A KEY TO AMERICAN LEADERSHIP
SECRETARIES ALBRIGHT AND RUBIN TO DELIVER JOINT ADDRESS

WASHINGTON -- U.S. Secretary of State Madeleine K. Albright and U.S. Treasury Secretary Robert Rubin will deliver a joint address tomorrow, Thursday 23 October 1997 at 1:45 pm at the U.S. Chamber of Commerce.

Secretaries Albright and Rubin speech, entitled "Fast Track: A Key to American Leadership", will address the overall international and economic significance of the Fast Track trade negotiating authority now pending before Congress.

WHO: U.S.SECRETARY OF STATE MADELEINE K. ALBRIGHT
U.S. SECRETARY OF TREASURY ROBERT RUBIN

WHAT: JOINT ADDRESS:
"FAST TRACK A KEY TO AMERICAN LEADERSHIP"

WHEN: THURSDAY, 23 OCTOBER AT 1:45 PM

WHERE: U.S. CHAMBER OF COMMERCE
1615 H STREET N.W.
WASHINGTON D.C.

NOTE: PRESS CALL TIME IS 1:15 PM.

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10/21/97

TALKING POINTS ON FAST TRACK AND FOREIGN POLICY

Fast Track and American Leadership – Overview

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

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

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

Exports and U.S. Growth

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

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

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

Fast Track and American Foreign Policy

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

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

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

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

Conclusion

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

10-21-97

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

- But we cannot afford to take our economic leadership for granted. Throughout the world, other countries are moving to reach trade deals opening their markets. We can either lead this process – or watch it proceed without us:
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KEEPING AMERICA & ITS WORKERS THE MOST COMPETITIVE IN THE

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

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

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

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

American Workers Still Face a Disadvantage. Even with the recent progress in GATT, American exports still face higher tariff rates than our own. For instance, U.S. agricultural exports average 38%, while our own rates average 11%. U.S. electric machinery exports average 5%, while our rates average under 2%. Without Fast track authority, these conditions will only persist when more and more countries negotiate their own preferential trade deals to the detriment of America's workers. American workers deserve better.

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

- Over the last four years, American manufacturing exports rose 42%, high technology exports jumped 46%, service exports climbed 33% and farm exports rose 41%.
- From 1990-1996, U.S. auto exports to the biggest emerging markets (excluding Mexico) rose $500 million and are estimated to reach $6.1 billion by 2010. U.S. parts exports to these emerging markets are expected to more than triple from the current

$3 billion to $10 billion in 2010.

- The U.S. dominates 75% of the global software market. More than one-half million workers are employed in the industry -- double the level a decade ago. This industry is expected to grow 9% *per year* worldwide over the next decade.
- The U.S. once again dominates the world's semiconductor industry -- after trailing Japan for years. More than one-quarter million American are employed in the semiconductor industry -- up 13% over the last three years. The global semiconductor market nearly tripled in size between 1990 and 1995
-- and sales are expected to reach $200 billion by the year 2000 -- a fourfold increase over a decade.
- Exports of goods and services have risen from about 4% of GDP in the early 1960's to over 13% today. Over 15% of the total American workforce is employed in the manufacturing sector. U.S. exports have grown 3 times faster than Japan's, 5 times faster than Germany's since the mid 1980's.

II. TO ENSURE THAT ALL AMERICAN WORKERS BENEFIT FROM EXPANDE THE CLINTON ADMINISTRATION HAS FOUGHT FOR INCREASED TRAIN EDUCATION OPPORTUNITIES.

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

- **The Administration is developing a comprehensive plan to help communities and workers who have been affected by trade.** President Clinton is building on his strong record of helping workers and families secure more opportunities to improve their educations and obtain higher paying jobs. The President will announce his plan ~~during a speech to the Democratic Leadership Conference on Monday, October 27th.~~ early next week.

A Record of Strong Action to Help Families and Workers

- **Fought To Ensure Low-Income Families Benefitted from Child Tax Credit.** Because of the President's efforts, 13 million children from families with incomes below $30,000 will receive the tax credit -- up to 7.5 million more than under the House plans. Families making under $30,000 -- such as young teachers, police officers, farmers, nurses and others who work hard and play by the rules -- will now receive the child credit.
- **20% Tuition Tax Credit.** The balanced budget deals provides for a 20% tuition tax credit applied to the first $5,000 of qualified education expenses and to the first $10,000 thereafter for college juniors, seniors, graduate students, and working Americans pursuing lifelong learning.
- **$1,500 Hope Scholarship Tax Credit.** The balanced budget deal also includes a $1,500 Hope Scholarship to make the first two years of college universally

available. For a student attending the average four-year college, the Tuition Tax and HOPE Scholarship tax credits will provide tax savings of up to $5,000.

- **Doubled Dislocated Worker Funding.** The funding for dislocated workers has been doubled, from $651 million in FY93 to $1,286 million in FY97. This year, the dislocated worker program will assist 580,000 workers, up about 300,000 since President Clinton took office.
- **Largest Pell Grant Increase in Two Decades.** The Balanced Budget agreement boosts the maximum 1998 Pell grant from $2,700 to $3,000, and expands the program to more poor independent students -- that's the largest increase in two decades.

III. IF THE PRESIDENT DOES NOT HAVE THE SAME AUTHORITY THAT EVE PRESIDENT HAS HAD SINCE 1974, OUR COMPETITORS, NOT AMERICAN WILL REALIZE THE BENEFITS OF THE NEW ECONOMY.

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

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

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

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

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

FAST TRACK GUIDANCE
OCTOBER 20, 1997

* The President this week will continue his efforts to gain enactment of traditional trade negotiating authority.

* He plans additional meetings this week (possibly beginning tomorrow) with members of Congress. This week, at least some meetings will for the first time be bipartisan and include members of the United States Senate.

* We expect the President also to continue making calls as needed.

* While the Senate Finance Committee and House Ways and Means Committee have both approved bipartisan legislation, we do not expect floor votes in either body this week.

TOIV
Radd

GUIDANCE ON FAST TRACK
OCTOBER 9, 1997

* The process is moving forward, and we will continue to work on a bipartisan basis to secure fast-track this year.

* In the last two weeks, the Senate Finance Committee has approved a bill with overwhelming bipartisan support and the House Ways and Means Committee has voted the bill out 24-14, also with bipartisan support.

Q: Isn't the Administration disappointed in the lack of support among Democrats?

A: We had a solid vote from the Committee. We will continue working to build support among Democrats and Republicans. Indeed, the President is meeting today with several House Democrats on this issue. And if you look at the Committee action we have seen in the last two weeks, it is clear we've made substantial progress in advancing prospects for fast track approval this year. (Reminder: Among Democrats on Ways and Means only six members voted for NAFTA, even at a time when the Democrats controlled the Committee.)

Q: Don't Democrats on the Committee have a point that the President will be unable to make progress on labor and environmental issues?

A: No. We will apply fast track consistent with prior fast track authority and this Administration has made it clear that we will continue to address labor and environmental issues as part of the trade agenda. We have made unprecedented progress on environmental and labor issues (NAFTA, Uruguay Round, WTO agreement on core labor standards).

ZIEGLER/NEC/TOIV

9-30-97

TALKING POINTS ON WSJ FAST-TRACK ARTICLE:

1. First, as a threshold matter, no "deal" has been reached with the Senate Finance Committee. We are consulting with them and working with them on legislative language that could come to a vote in Committee as early as tomorrow.

2. Second, the current Committee draft preserves everything we want to achieve in our fast-track legislation -- it maintains the complete range of options that the President put forward in his bill: a) The draft bill explicitly recognizes that certain labor, environmental and health and safety practices are the proper subject of a trade agreement negotiation subject to fast track; b) The draft in no way limits the Executive Authority of the President to reach separate agreements on a range of issues, including labor and the environment; and c) The draft recognizes that the President will also pursue labor and environmental issues in the multilateral fora.

3. Third, and more specifically, the article is clearly wrong in stating that "labor and environmental issues won't be main objectives of trade deals in a compromise. . . ." The draft language for negotiating objective 15 (attached) deals expressly and directly with foreign governments' "lowering of, or failing to enforce, existing labor (including child labor), health and safety, or environmental standards, as a means of attracting investment or otherwise diminishing or distorting market access opportunities available to United States goods, services, or investment." (This is a direct quote from the legislative language.)

4. These labor and environmental issues addressed in negotiating objective 15 as drafted are plainly eligible for fast track consideration.

(NOTE: One word of caution from Charlene [who reviewed these talking points] -- You can safely quote the current draft language of negotiating objective 15; but we expect a fight over keeping in the phrase "failing to enforce" . . . .)

Per Vicki Radd

FAST TRACK
September 10, 1997

Q: Where's the bill?

A: The Administration is continuing its consultations with members of the House and Senate. We will continue these consultations with the objective of delivering a bill that attracts broad bi-partisan support, and plan to introduce legislation within a few days.

Q: Isn't it a setback to fast track proponents that you don't have a bill in place now?

A: The President has just outlined how important fast track is to strengthen America's economic future. Again, the sensible goal at the start of this process is to put legislation in front of Congress that has broad support. The best way to do that is to ensure that we have far-ranging discussions on the Hill, and that's what we are doing. We will have legislation within a few days

Q: Given the delay in developing legislation, do you still expect to get a bill by the end of the year?

A: We have not lost time on the congressional calendar. Obviously, we hope to see hearings scheduled soon, and our goal is to see fast track legislation enacted this year.

Q: Senator Daschle has indicated that he personally sought a delay in introduction of the legislation to address labor and environmental concerns. How do you address labor and environmental issues and sustain support for fast track among Republicans?

A: Democrats and Republicans would agree that international environmental and labor issues are important. We are going to continue to work in a bi-partisan manner to define terms that advance the trade agenda and other objectives. Consistent with Senator Daschle's views, we expect that the in-depth consultations that we are conducting with House and Senate members will expand support for fast track.

Q: What are the substantive issues that have delayed introduction of legislation?

A: We believe that it is critically important for members of Congress to have a clear understanding of trade objectives immediately in front of us and how this legislation will accomplish those goals. Fast track defines a partnership between the Executive Branch and Congress which has worked effectively to promote American interests for every President since Gerald Ford. Obviously, each member of Congress has different interests, but we have tried to demonstrate how our legislation will be responsive to their concerns.

Q: **Are you using these additional consultations to move your bill closer to Democratic concerns on labor and environment?**

A: **Our approach is to ensure that this President has the same negotiating flexibility as his predecessors under fast track. When it comes to labor and environmental issues in the trade agenda, the Administration's record is clear: We have made important gains in these areas and we will continue to press ahead wherever possible whether that is in bi-lateral negotiations or in a wide number of international institutions from the WTO to the U.N.**

Q: **Doesn't Rep. Gephardt have a point in saying that if we don't deal with labor issues in trade agreements there is no other place to do it?**

A: **Fast track is about opening markets to ensure that U.S. workers can compete on equal terms. The first issue we are concerned about is improving the competitive prospects for U.S. workers. If we don't set the agenda for trade negotiations, the rest of the world will go ahead without us, and the losers will be our workers and companies. We have worked to address labor conditions in a number of international arenas, and will continue to do so.**

Q: **What about calling for wage level increases in trade agreements as prosperity increases in developing countries?**

A: **Trade is increasing prosperity at home and abroad. We know that 95% of the world's consumers live outside the United States. Each year, among 30 million annual additions to the "middle class," three-fourths live in emerging markets, low and mid-income countries, so trade is clearly a force in improving wages internationally.**

Q: **Environmental advocates point to the Nafta as a reason "side agreements" won't work and are calling for explicit trade sanctions related to environmental issues. How do you address their concerns?**

A: **We are working to ensure that we can make progress on both fronts -- trade and global environmental conditions -- and it is important to recognize that not having fast track will do nothing to advance global environmental objectives. The key is how do we advance the interests of trade and preserve the ability to negotiate global environmental accords. We are looking at a range of options. Also, Nafta is the first trade agreement that addressed environmental concerns. After just three years we are seeing some major water treatment, sewage plants, and pollution control projects installed along the border, and the Border Environmental Commission and the NAD Bank are making a difference. Without the Nafta and its side agreements, there would be no basis for further environmental progress along the U.S.-Mexico border.**

Q: **Critics contend that trade expansion might be good for American agriculture but consumers are paying a price in reduced food safety?**

A: **The United States has the world's safest food supply. Trade agreements apply the same food safety standards and conditions to imports as we apply to domestic agricultural products. Additionally, the Vice President's five point plan to improve food safety includes new testing procedures and will expand food testing. FDA tests have consistently shown that there is virtually no difference in health risks between domestic and imported foods. [If asked specifically about Mexican strawberries... The source of contamination for the frozen strawberries originally imported from Mexico is unknown. The Center for Disease Control and Prevention, and the U.S. Food and Drug Administration, the California Department of Health and the California Department of Food and Agriculture are still conducting an investigation to determine whether the strawberries were contaminated in Mexico, the U.S. processing plant, or some other location.**

* * *

- Today, the President will officially kick-off his formal effort to renew his authority to negotiate trade agreements. This is an authority that every President since President Ford has had.

- It's an authority that's needed to continue to open markets and provide job opportunities for American workers.

- The President intends to use this authority to:

  --follow through in the WTO to negotiate greater market access in agriculture and services, two sectors where U.S. workers and companies enjoy significant comparative advantages.

  --pursue additional sectoral agreements -- ones like the Information Technology Agreement that cut tariffs on American exports by five billion dollars.

  --and to negotiate free trade arrangements with additional countries. The only country the administration intends to identify for negotiations is Chile; additional negotiating partners will be subject to further Congressional consultations.

- We will transmit legislation after some additional consultation.

- Our goal is to make this a bipartisan initiative and we will continue to consult with key members until the legislation is finalized.

- We are optimistic that both the House and Senate will act swiftly upon our proposal. It is up to the leadership as to when they would like to schedule floor action.

6069

THE WHITE HOUSE

'97 SEP 9 PM 8:48

WASHINGTON

September 9, 1997

FAST TRACK KICKOFF PRESENTATION

DATE: Wednesday, September 10, 1997
TIME: 1:30-2:00 p.m.
LOCATION: East Room
FROM: Sandy Berger
Victoria Radd
Jay Berman
Gene Sperling
Dan Tarullo

I. PURPOSE

To formally begin the process of winning congressional approval of fast track trade negotiating authority this fall.

II. BACKGROUND

Tomorrow's event will focus on explaining: (1) fast track in the context of your three-part economic strategy of eliminating the deficit, investing in education and training, and opening markets abroad; (2) the importance of trade to American economic growth and job creation; (3) the need to renew fast track authority to build on the Administration's trade accomplishments (the theme of "compete or retreat"); (4) the consequences if fast track authority is not renewed (the "costs of inaction"); and (5) the importance of addressing labor and environmental concerns.

The fast track legislation itself will not be transmitted in conjunction with this kickoff event. Over the past ten days, senior Administration officials have held a series of meetings with Members of Congress and key congressional staff to consult on the legislation. We anticipate that the legislation will be ready for introduction early next week, following additional consultations with Members of Congress and prior to the first hearings on fast track authority, now scheduled to be held by the Senate Finance Committee on Wednesday, September 17th.

Our consultations have had two key objectives. First, we have been working to reassure congressional Republicans about the nature of fast track trade agreements and the non-inclusion of labor or environmental provisions in those agreements unless those provisions are directly trade-related. Republican leaders have made clear that they would oppose anything more, which would stall the process.

Second, we have sought to address the concerns of key Democrats, including Minority Leader Daschle, by discussing potential labor and environmental initiatives that we would be able to undertake outside the scope of fast track trade agreements -- including through side agreements modeled on the NAFTA labor and environmental agreements, separate measures that address particular labor or environmental concerns, and improvements to domestic programs that assist those American workers adversely affected by trade.

We hope that a bipartisan approach can be fashioned by early next week, when we hope to introduce the legislation. We have avoided setting a deadline, but early introduction is necessary to have any hope of enacting legislation this year. We plan to continue the congressional consultations for the remainder of this week -- including the possibility of your meeting with several groups of Members.

III. PARTICIPANTS

Pre-brief participants:

Sandy Berger
Jay Berman
Victoria Radd
Gene Sperling
Dan Tarullo
John Hilley
Secretary Rubin
Secretary Daley
Ambassador Barshefsky
Secretary Herman
Mack McLarty

Event participants:
Vice President Gore

Gene Lang - Mr. Lang and his sons operate a 1,300 acre farm, growing corn and soybean from hybrid seeds that are genetically engineered to help produce greater yields. Lang estimates that 20% of his corn sales and 30-35% of his soybean sales are derived from exports.

Susan Corrales-Diaz - Systems Integrated, a $50 million company, provides intelligent data acquisition systems and products to improve the efficiency and control of hydroelectric power generation, distribution automation, substation automation and automated meter monitoring in its predominant East-Asian market. Corrales-Diaz expects that the 30% share of total revenues due to exports will increase to 50% over the next two years.

The audience for the event will be comprised of many executives from small- and medium-sized businesses and agricultural firms.

IV. PRESS PLAN

The event is OPEN PRESS. Following the event, Secretary Rubin, Secretary Daley, Ambassador Barshefsky, Dan Tarullo and Gene Sperling will join Mike McCurry's daily briefing to help answer questions and highlight the Administration's commitment to winning fast track authority. We also have an aggressive media outreach effort to highlight small business success stories. In addition, Cabinet and White House officials will be briefing columnists as well as doing print and radio interviews into targeted media markets. This will precede a fanning out of the Cabinet to cities across the country for the remainder of the week, including Secretary Glickman in Kansas City, Missouri, Secretary Daley in Minneapolis, Minnesota, and Mack McLarty in Miami, Florida.

V. SEQUENCE OF EVENTS

- **You** and the Vice President arrive to Blue Room to greet: Mr. Eugene "Gene" Lang and Ms. Susan Corrales-Diaz
- **You** proceed to the East Room. The Vice President gives welcoming remarks and introduces Mr. Lang.
- Mr. Lang gives brief remarks and introduces Ms. Corrales-Diaz.
- Ms. Corrales-Diaz gives brief remarks and introduces **You**.
- You gives brief remarks and proceed to Blue Room for receiving line then depart.

VI. REMARKS

To be provided by speech writers

VII. ATTACHMENTS

List of Members of Congress attending event

'97 SEP 9 PM9:19

Draft 9/8/97 8:30pm

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR "FAST TRACK" SPEECH
THE EAST ROOM
SEPTEMBER 10, 1997

Acknowledgments: VP Gore; Cabinet Members; Members of Congress; Eugene Lang and Susan Corrales-Diaz'[kor-AL-ess DEE-ahz].

The stories we have just heard make it clearer than ever that as we approach the new century and the new millennium, we are living in an incredible time of profound change and unparalleled possibility. New technologies, new ways of working, and a dynamic and highly competitive global economy are opening new vistas of opportunity and posing new challenges. We Americans have faced such moments of change before --,we have always been a confident, energetic nation of pathfinders. And as we have done throughout our history, we have taken our nation and led the world to the edge of a new era and a new economy. We are building on a comprehensive strategy of eliminating the deficit, investing in our people, and expanding exports.

In this new era, a strong American economy demands that we put our fiscal house in order, to create the conditions for private sector growth. We have done so, dramatically cutting the deficit. And now -- with the first balanced budget in a generation -- we are moving forward.

In this new era, a strong American economy demands that we invest in our people, so they can reap the rewards of that growth. We have done so -- with education improving at every level and the doors of college open wider than ever before. And now -- with the best education budget in a generation -- we are moving forward.

And just as important, in this new era, a strong American economy demands that we master the forces of the global marketplace. More than ever before, we know that this is the way we will create more jobs, offer more opportunity, and help more of our people to prosper. So today, I come before you and the American people, to say: we must move forward. I am asking the Congress to renew the President's traditional authority to negotiate the tough trade deals that will open more markets to American goods and services -- the same authority that every President has had since 1974.

Expanding exports and mastering the challenges of trade are more important than ever before. Consider: America has only 4% of the world's consumers, and 20%of the world's wealth. 96% of the world's consumers live outside our borders. The only way an economy like ours can continue to grow -- and one of the best ways we can continue to create high wage jobs, jobs with a future -- is to export. And that is what we are doing.

For four-and-a-half years, America has aggressively worked to open new markets -- negotiating over 200 trade agreements, including NAFTA, the GATT, and most recently the Information Technology Agreement. And every one of those agreements has helped to create more jobs and more prosperity, and helped our economy to grow.

Exports are a powerful engine driving our economic success. In the past four-and-a-half years, exports have accounted for more than one third of our economic growth. Exports support more than 11 million jobs nationwide-- including 1 in 5 of our manufacturing jobs. And exports have helped to create 1.7 million high paying jobs -- jobs that on average pay 15% more than other American jobs.

Once again, we are the world's number one exporter, the world's largest producer of automobiles, and the world's largest producer of semiconductors. From the farms of our heartland to the high-tech firms of the future, American business is booming. From specialty steel to telecommunications, America leads the world.

But to keep America growing, to continue creating jobs and opportunities, we must continue to expand exports. We must use every tool we have to pry open foreign markets to American-made products. We must act now, to continue our progress so our new economy works for all Americans. America must continue to fight for open trade around the world -- and that means Congress must renew the President's traditional authority to negotiate trade agreements.

First, this authority strengthens our ability to break down trade barriers and unfair trade restrictions in sectors where America already leads, and where our future lies, such as telecommunications, medical equipment, agriculture, and environmental technology.

We know what a strong trade agreement in a key sector can do for our people and our businesses. The Information Technology Agreement that we reached with 37 other nations last December will unshackle trade on $500 billion in computers, semiconductors, and telecommunications. This amounts to a $5 billion cut in tariffs on American products exported to other nations -- and it can lead to hundreds of thousands of high-wage jobs for Americans.

Second, renewing fast track authority will help us open markets in the fastest growing countries in the world -- Latin America and Asia -- economies that are expected to grow three times faster than our own in the next decade.

Third, without fast track authority, we will leave the field to our competitors to break down trade barriers for their own products -- and to reap the benefits of the world marketplace without us. Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 new trade agreements that don't include the United States. For example, now that Canada has negotiated a trade agreement with Chile, every major economy in this hemisphere has duty-free access to Chile's markets . . . every economy but one: the United States -- and that is unacceptable.

Those of us who support open trade have to acknowledge that the benefits and burdens of the global economy do not automatically fall equally on everyone. We must acknowledge the possible effects of global trade on our communities, our businesses, and our workers. That is why since I took office we have doubled funding for the dislocated workers program; and that is why I fought for and won both the $1,500 HOPE Scholarship and a 20% tuition tax credit to help workers enhance their skills throughout their working lifetimes.

And let me make one further point. As we continue to expand our economy here at home by expanding our leadership in the global economy, I believe that we have an obligation to support and encourage core labor standards and environmental protections abroad.

America's high standards for worker rights and environmental protection are a reflection of our fundamental values, a benefit to our economy, and the envy of the world. We will continue to set the highest possible standards for workers' rights and for environmental protection -- as we have for decades. And we cannot and will not allow free trade to lower our standards to meet those of other countries.

Our goal must be to persuade other countries to build on the prosperity that comes from trade to lift their standards up. I will not negotiate trade agreements that provide unfair advantages to countries that abuse their workers or their environment. Trade cannot pull standards down -- it must lift them up -- and with the right kind of trade agreements, I know we can do that.

For more than 50 years, we have had a national consensus on the importance of trade. Now, it is more important than ever that we come to a new consensus on the new global economy of the 21st Century. We must make sure that any agreement we come to addresses our concerns, reflects our values -- and helps us to achieve our greatest potential as a nation. I am committed to consulting with the Congress to make sure that this legislation will receive the full bipartisan support that it deserves -- and that the American people expect.

If the historic budget agreement we reached this July has taught us anything, it is that we can -- we must -- and we will pull together for the good of the American people and for the future of America. Our trade policy should not be about politics -- it should be about prosperity, and building a new economy for the new millennium. American workers are the most productive in the world; they can outcompete anyone in the world; and we must give them that opportunity.

This, then is the challenge we face: will we rest on our record and live with the consequences of complacency, or will we act now to prepare America for the 21st Century? Today, America stands at the pinnacle of its influence; our economy is the strongest in the world. Will we shrink from the future, or will we embrace it?

History has already shown us where those two very different paths can lead. Once in this century, in the aftermath of World War I, we chose to turn inward -- and built walls around our economy that ultimately led to the Great Depression. Then, after World War II, we chose the path of progress, rebuilding the shattered economies of Europe, uniting former foes in new partnerships of prosperity . . . and creating the great American middle class.

At the dawn of the 21st Century, America must choose again. The future will not wait for us -- but it is ours to shape. And I say to you today that we cannot not sit on the sidelines while other nations move forward to forge the bonds of trade. We dare not turn inward while the world is turning outward. And we must not let this rare opportunity to be pathfinders in the new global economy pass us by.

I say to you today that we will keep America on the path of progress -- the path of more jobs, more prosperity, more opportunity for every American.

Thank you.

6/6/97

FAST TRACK

- Committed to getting fast track through the Congress.
- Will continue to work with Congress to pass fast track authority.
- High level Administration officials have been meeting with key members on both sides of the aisle to push this legislation forward.
- Hopeful that we will succeed.

Q: It has been reported that the President is planning to delay his request for fast track authority to accommodate the budget process. Is that true? Does this signal Administration retreat on fast track? Has Gephardt scared the President off?

A: Not at all. The President is still firmly committed to seeking fast track authority to open foreign markets. It is critical if we want to continue creating good jobs for American workers.

Every President since Ford has had fast track authority for key periods, and the reasons for it now are more compelling than ever. Over 11 million U.S. jobs now depend on exports, and these jobs pay 13-16 percent more than the average U.S. job. Today, 95 percent of the world's consumers live outside the U.S., and the vast majority of those consumers live in the emerging and fastest growing markets of Latin America and Asia. We simply must continue to open these markets for U.S. exports if we are to succeed in the global economy.

We cannot afford inaction. If we are not seizing opportunities to break down trade barriers and open foreign markets, we can be sure other countries will act -- to the benefit of their companies and their workers.

The United States has nothing to fear. We are the most competitive large economy in the world as judged by independent experts. But our ability to define the nature of our trade relationships will in significant measure determine our leadership role in the next century. Fast track authority is the most important factor determining these relationships.

As you know, we have been consulting with Congress to develop bipartisan support for this legislation. We think that is the best way to build a strong foundation for this effort. We will continue to consult with Congress as to the substance, tactics and timing of the fast track initiative.

Q: <u>It has been reported that the Administration is weighing the dropping of labor and environmental goals from fast track trade authority legislation, a move certain to infuriate labor unions. Is this true?</u>

A: As we have stated before, our goal is to build the broadest possible support for the fast track legislation. To that end, Ambassador Barshefsky and others have been consulting actively with members of Congress representing all points of view on this subject, and with all interested parties, including organized labor. We will continue to do so with the goal of enacting legislation that receives broad support.

6/10/97

FAST TRACK

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

- In the last six months, the U.S. led the world to conclude trade agreements in information technology and telecommunications which covered more than $1 trillion in global trade. We just led the developed countries of the world to conclude an historic anti-corruption agreement among the 29 developed nations in the OECD. We are moving forward in financial services talks at the WTO.

- The President was personally involved in securing the ITA agreement, working with APEC leaders last Fall to build support for this agreement. APEC has already embarked on "ITA II" to expand the reach of this agreement and will consider other sectoral trade agreements this year.

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

- We are now working in Congress to preserve MFN trade status with China -- normal trade relations -- a critical measure to protect the economic health of Hong Kong because half of U.S.-China trade goes through Hong Kong.

- We have secured commitments from the congressional leadership to address "fast track" on an expedited basis this Fall and conclude this year. This effort will involve the President, the Vice President, and the resources of the White House.

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

- Fast track is important because trade barriers in the fastest growing markets in the world are much higher than ours, and fast track will increase our leverage to bring those barriers down and open markets.

- We will work with the Congress this summer to build consensus on the scope of fast track and how to address labor and environmental issues.

LORI L. ANDERSON
09/03/97 02:59:20 PM

Record Type: Record

To: Michael D. McCurry/WHO/EOP

cc:
Subject: Fast Track Roll Out

FYI from Estela
--------------------- Forwarded by Lori L. Anderson/WHO/EOP on 09/03/97 02:59 PM ---------------------------

Estela Mendoza
09/03/97 02:57:54 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: Fast Track Roll Out

We are going to need everyone's help with press around Fast Track. Here is the latest on what NSC want to do:

Pre 9/10	Background and record interviews please refer to David Johnson	
9/8 or 9/9	*Columnists Roundtable*	*NSC/Cabinet Affairs will handle*
9/10	Press Briefing	Barshevsky/Daley/Rubin
	Event in East Room	
	Stakeout	Alvarez, 5 business leaders
	T.V.	Barshevsky/Daley/Rubin/Glickman
	Inside Politics	"
	Lehrer Show	"
	Cross-Fire	"
	CNN/Fox/MSNBC	"
	NPR	"/David Johnson
	Congressional Papers	
	REGIONAL	

~~MM~~ ✓
BJ—
We are countering Weld + other subjects with this roll out. Let me check this out who do I call?
—Mc

		Mayors and Governors (about 4)
	Small Business Success (50 invited)	
		Cabinet/Sub-Cabinet
		Agro-Business
		Congressional Members
		White House (Berman, Johnson)
		Surrogates (Kanter, Weber, Hills)
9/11	Network A.M. Shows	Barshevsky/Daley/Rubin/
	Glickman/Johnson	
	Editorial Board Visits	
	Op-ed	*Barshevsky*
9/15	Sunday Shows	Barshevsky/Daley/Rubin/
	Glickman/Johnson	

Mailing to editors in key districts identified by Leg. Affairs is also possible.
**Italics denotes activity we are not handling.*

Message Sent To:

Julia R. Green/WHO/EOP
Julia M. Payne/WHO/EOP
Megan C. Moloney/WHO/EOP
Jamie B. Schwartz/WHO/EOP
Jonathan Murchinson/WHO/EOP
Lori L. Anderson/WHO/EOP
Elizabeth R. Newman/WHO/EOP

FAST TRACK
September 16, 1997

- **The Administration went the extra mile to consult with Democrats on the Hill and we believe we have a bill that reflects the proper balance to address workers (including child labor standards) and environmental protection while expanding exports and creating high-paying jobs.**

- **He will tell Democrats that enactment of this legislation will help continue an economic expansion that has created 13 million jobs since he took office, brought unemployment below 5 percent and brought the core inflation rate to the lowest level in a generation.**

- **The bill also reflects the President's ongoing commitment to Democratic values: 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. Throughout this process, our goal has been to ensure the President has the capacity to pursue all three objectives.**

- **<u>Trade Agreements</u>: This bill permits labor/environment provisions "directly related to trade" to be brought back to Congress.**

- **<u>Side Agreements</u>: The President has extensive executive authority to reach labor/environment agreements with countries. These agreements do not require congressional approval**

- **<u>Other Agreements</u>: The Clinton Administration has done more than any other to press countries to improve labor and environmental protection--and will continue to do so, whether through the ILO, the WTO, the UN or international financial institutions.**

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

FACT SHEET

The Export Expansion and Reciprocal Trade Agreements Act of 1997

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

Background

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

"Fast track", first put in place under the Ford Administration, is a further expression of the partnership between the President and the Congress in bringing down barriers to U.S. exports. Under fast track the Congress and the President work together, ensuring that the United States can effectively negotiate away foreign tariff barriers to U.S. products as well as non-tariff barriers -- such as quotas, protectionist product standards, and subsidies -- which foreign governments have increasingly substituted for tariffs to exclude U.S. products. Fast track lapsed along with most of the President's tariff reduction authority three years ago.

The President's Proposal

The President's proposed legislation serves to reunite the Congress and the President in trade negotiations. The President's proposal ensures that the Congress is fully integrated into the formulation of U.S. goals, strategies, and decision-making for each trade negotiation subject to fast-track procedures. Because the Congress and the President are united under the proposal, it tells U.S. trading partners that the United States speaks at the bargaining table with one voice and that the Congress will not seek to reopen trade agreements after they are negotiated.

The proposal also renews the President's long-standing tariff cutting authority. The proposal adds a provision that will allow the President to implement new tariff harmonization or elimination agreements on a sectoral or regional basis, consistent with World Trade Organization rules.

The proposal calls for the President's tariff reduction authority and the new fast-track procedures to remain in effect until October 1, 2001. The President may request an extension of his tariff cutting authority and "fast-track" procedures through September 30, 2005, subject to disapproval by either House of the Congress.

A summary of the key provisions of the proposal follows.

Negotiating Objectives

•The proposal sets out "overall" and "principal" trade negotiating objectives for the President. The objectives call on U.S. negotiators to seek, for example:

- To reduce trade barriers and trade distortions that limit market opportunities for U.S. exports, including those aspects of foreign government policies and practices directly related to trade.

- To reduce foreign government barriers that discriminate or impose unreasonable regulatory barriers on U.S. service providers.

- To reduce artificial or trade-distorting barriers to U.S. foreign investment.

- To obtain adequate and effective protection for U.S. intellectual property rights and increased access to foreign markets for U.S. businesses that rely on intellectual property.

-- To make the proceedings of international trade bodies more open to public view.

-- To secure fairer and more open trading conditions for U.S. agricultural products.

-- To promote through the World Trade Organization internationally-recognized worker rights and sustainable development.

Trade Agreements Covered by the President's Proposal

•The President may negotiate and bring back to the Congress for fast-track Congressional approval and implementation trade agreements addressing tariff barriers, non-tariff barriers, or both.

-- Thus, fast track could be used to carry out agreements concluded under the trade negotiating agenda set out in the Congressionally-approved agreements administered by the World Trade Organization -- for example, to further reduce tariff and non-tariff barriers to agricultural trade.

-- The President could use his renewed "proclamation authority" to carry out a sectoral agreement, similar to the recent "Information Technology Agreement", which is reducing tariffs that foreign governments impose on billions of dollars of U.S. computer, electronic, and semiconductor products sold around the world.

-- Finally, fast track could be used for bilateral or regional free-trade arrangements.

Making the Congress a Partner in Trade Negotiations

•In order for an implementing bill to qualify for fast-track procedures, the President must comply with numerous notice and consultation provisions designed to ensure that the Congress is a full partner with the President in critical trade negotiations. These provisions enable the Congress to set priorities, provide advice, and exercise oversight at all stages of the negotiations and after the agreement is concluded. That ensures that Congressional views will be fully reflected both in the final agreement and in the manner in which the agreement is carried out. Moreover, if the Congress concludes that the President has not adequately consulted the Congress regarding a proposed agreement, the proposal creates an expedited procedure for the Congress to refuse to apply fast-track procedures.

-- The President must provide written notice to the Congress before initiating negotiations and must spell out in writing his principal objectives for the negotiations.

-- The President must consult with the Congress as negotiations progress and again before an agreement is concluded. To enhance these consultations, the proposal calls on U.S. negotiators to keep official Congressional advisors fully informed regarding the negotiations.

-- Before signing an agreement, the President must inform the Congress of any other agreements he has concluded or intends to conclude with the country or countries concerned. He must also state his plans for implementing the trade agreement and whether the agreement will require additional legislation beyond that subject to fast-track procedures.

-- The proposal requires the President to describe at the time he submits implementing legislation to the Congress how he intends to use existing regulatory and administrative authority to carry out the agreement. He must also explain in writing how the agreement meets Congressionally-mandated negotiating objectives and serves U.S. economic interests.

-- Under well-established practice, the President collaborates with the Congress in drafting the implementing legislation and the legislation is subject to informal public hearings and "mark-ups" by all Congressional committees of jurisdiction before its introduction.

Enhancing the Role of the Public and the Private Sector

•The proposal adds to existing law by ensuring that the public is fully informed of the negotiations and that the President receives advice from both the private sector and the public concerning the negotiations.

-- The President must solicit views from the public, and the United States International Trade Commission, regarding any proposal to change U.S. tariffs. In addition, under the proposal, the President must notify the public of any agreement in advance of signing it.

-- The proposal adds to the existing requirement that the President must seek the views of Congressionally-authorized private sector advisory committees during the course of the negotiations. These groups include advisory committees on goods, services, agriculture, intellectual property, labor, U.S. foreign investment, intergovernmental affairs, and the environment. The proposal ensures that these committees will also examine and provide their views to the Congress and the President on any proposed agreement -- before it is signed.

Fast Track Procedures

•Provided the President observes each of the proposal's notice, consultation, and other procedures in connection with the negotiation of a trade agreement, the agreement and its implementing legislation are subject to fast-track consideration in the Congress. Fast-track rules call for the Congress to vote on qualifying trade agreements and implementing legislation without amendment within 60 "legislative days" -- typically a period of several months or more.

•Under the President's proposal, new statutory provisions or other changes in U.S. law required to carry out a trade agreement may be included in fast-track implementing legislation only if the changes are both: (1) necessary or appropriate to implement the agreement; and (2) related to trade. These requirements prevent fast-track bills from being used to enact non-trade provisions.

Tariff Cutting Authority

•Under the renewed "proclamation authority," the President would be authorized to carry out agreements that reduce by up to 50 percent U.S. tariffs that currently exceed 5 percent *ad valorem*. The President would be able to eliminate duties of 5 percent or less. The proposal adds a provision that will allow the President to implement new tariff harmonization or elimination agreements on a sectoral or regional basis, consistent with World Trade Organization rules.

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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.

Free 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 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.

REVISED

Traditional Trading Authority
Discussion Points for Calls to Republicans

Shared Objective. We both want to ensure that fast track authority is renewed. We believe in open trade, and we know that our future prosperity depends on it. We can get this done. Our team is fully committed to doing whatever it takes to get it done, and we hope we can work in the same spirit of trust and cooperation that allowed us to get the budget done.

Delayed Bill to Gain Bipartisan Support. We delayed introducing the bill for a couple of days to address the concerns of moderate Democrats whose votes are absolutely essential for passage. We listened to them and made some changes, but we fully expect criticism from the rest of the Democratic caucus and from labor. We believe we now have strong legislation that deserves support from both sides of the aisle.

Accepted Your Proposal on "Directly Related to Trade." Most importantly, we have accepted the Archer language on "directly related to trade." The President is firmly committed to ensuring that, in our push for free trade, we do not undermine labor and environmental standards. And we are prepared to pursue side agreements with Chile and other nations to promote stronger labor and environmental standards. Even so, we have adopted the Archer-Dreier language on "directly related," and we recognize its importance to the Republican caucus.

More Detailed Review of Provisions. Key provisions of the bill include:

- **Provision on Worker Rights and the Environment**. The principal negotiating objective on worker rights included in this legislation is symmetrical to that granted to President Bush, but does specifically mention the environment and child labor standards as well. It is limited to making progress in the World Trade Organization ("WTO") and the International Labor Organization ("ILO").

- **Necessary or Appropriate**. The bill would permit the Administration to include in future implementing bills those provisions that are "necessary or appropriate" to implement the relevant trade agreement, but only if those provisions are also "trade-related." As we have discussed, we need to strike a balance. We need flexibility to include provisions that, while not absolutely required to implement a particular trade agreement, nevertheless address trade policy issues raised by that agreement. But we also don't want to allow extraneous provisions in the fast track bill. We think this strikes the right balance.

- **Duration**. The duration of the trading authority extends to 2001, with extension until 2005 subject to a congressional vote.

- **Consultations with Congress.** We have added strong language to ensure Congress is a full partner in setting objectives and establishing trade priorities for American negotiators. Provisions never before included in fast track bills include: (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 an agreement about parallel agreements, such as labor and environmental side agreements.

- **Negotiating Instructions.** We added a section on negotiating instructions that will ensure negotiators do nothing that would lower U.S. public health and safety standards, and insist upon strict enforcement of our trade laws.

- **Specific Agriculture Objective.** The legislation responds to congressional concerns by providing a series of measures designed to achieve fairer and more open conditions of agricultural trade, including: reducing or eliminating tariffs and subsidies that hurt U.S. agricultural exports and market opportunities; addressing other unjustified barriers to such exports; and strengthening the international rules covering unfair foreign practices that distort world agricultural markets. We think this principal negotiating objective will appeal to Members of both parties.

- **Chile.** We have specifically designated Chile as the next country with which we would negotiate a bilateral free trade agreement.

Would Like to Proceed in a Bipartisan Spirit. We have made a genuine attempt to write a bill Republicans can support, while attracting moderate Democrats as well. We think it is a good bipartisan bill, and we would like your support. At the very least, we would like generally positive statements (e.g. "Good start," "We can work with this"). We pledge to work closely with you as the bill is considered.

REVISED

Traditional Trading Authority
Discussion Points for Calls to Democrats

Held Bill Back to Listen to and Address Democratic Concerns. We held the bill back several days to hear the concerns of Democrats. We listened, and we believe we now have a bill that reflects the proper balance to address worker rights (including child labor standards) and environmental protection. Key provisions include:

- Worker Rights. Bill includes a negotiating objective on worker rights symmetrical to that granted President Bush by a Democratic Congress, with a specific reference to child labor. Also includes direction to seek stronger worker rights through the ILO, an idea proposed by Senator Moynihan and other Democrats.

- Environment. The negotiating objective also adds a specific provision on the environment, the first time ever this has been referenced in a fast track bill.

- Agriculture. Bill contains specific negotiating objective on agriculture, requested by Democrats.

- Better Consultations. Entirely new provisions requiring greater consultations, as to both the trade agreement and any labor/environmental side agreements.

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

Bill Reflects Ongoing Commitment to Democratic Values. Overall, 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. Throughout this process on fast track, our goal has been to ensure the President has the capacity to pursue all three objectives effectively.

- Trade Agreements. This bill permits labor/environmental provisions "directly related to trade" to be brought back to Congress under fast track authority. This is but one of many tools the President can use to advance his goals.

- Side Agreements. The President has extensive executive authority to reach labor/environmental agreements with countries. These agreements do not require congressional approval. 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. The Clinton 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.

More Detailed Review of Provisions. Key provisions include:

- **Necessary and Appropriate.** We have added language that will allow us to include in future implementing bills those provisions that are "necessary or appropriate" to implement the relevant trade agreement, but only if those provisions are also "trade-related." The Administration and the Congress need flexibility to include in such bills provisions that, while not absolutely required to implement a particular trade agreement, nevertheless address trade policy issues raised by that agreement. These might include, for example, the agreement's relationship to existing U.S. trade laws, authority to monitor the results of the agreement, or <u>extending Trade Adjustment Assistance to help those American workers who do not share the benefits from expanded trade</u>. Restricting future bills only to those provisions deemed "necessary" would prevent inclusion of these and other critically important provisions.

- **Duration.** The duration of the trading authority extends to 2001, with extension until 2005 only after a congressional vote.

- **Consultations with Congress.** We have added strong language to ensure Congress is a full partner in setting objectives and establishing trade priorities for American negotiators. Provisions never before included in fast track bills include: (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.

- **Negotiating Instructions.** We added a section on negotiating instructions that will ensure negotiators do nothing that would lower U.S. public health and safety standards, and insist upon strict enforcement of our trade laws.

- **Specific Agriculture Objective.** The legislation responds to congressional concerns by providing a series of measures designed to achieve fairer and more open conditions of agricultural trade, including: reducing or eliminating tariffs and subsidies that hurt U.S. agricultural exports and market opportunities; addressing other unjustified barriers to such exports; and strengthening the international rules covering unfair foreign practices that distort world agricultural markets.

- **Chile.** We have specifically designated Chile as the next country with which we would negotiate a bilateral free trade agreement. Chile made a firm commitment to enter into side agreements on labor and the environment.

Q&A's ON FAST TRACK
SENATE FINANCE COMMITTEE MARKUP

Q: What is the Administration's reaction to the fast track bill marked up in the Senate Finance Committee today?

A: The Administration applauds the Senate Finance Committee for successfully reporting out this legislation, which received strong bipartisan support. We particularly want to thank Chairman Roth, Ranking Member Moynihan and the other members of the Committee for working constructively, on a bipartisan basis, in shaping a bill.

This legislation gives the President the same kind of negotiating authority every President has had since 1974. It would permit the President to continue opening foreign markets to the products of U.S. workers and companies, which is critical to continuing the economic expansion the United States is now experiencing.

We look forward to working with the Senate leadership to secure Senate passage of this legislation. We also look forward to working with the Ways & Means committee and the House leadership in fashioning bipartisan legislation that can be enacted this year.

Q: What do you think of the labor/environmental provisions contained in the bill?

A: We support the provisions as a bipartisan compromise that helps move this legislation forward. This legislation gives the President what he has always wanted: the authority both to pursue his trade agenda and to encourage other countries to protect the environment and promote worker rights. [Regarding a response to specific language, we recommend you refer press inquiries to USTR.]

Background: FYI, the legislation contains a principal negotiating objective to seek agreements "to prevent the use of foreign government regulation and other government practices, including the lowering of, or derogation from, existing labor (including child labor), health and safety, or environmental standards, for the purpose of attracting investment or inhibiting U.S. exports."

Addendum on Fast Track
October 1, 1997

- We have just received very encouraging news from the Hill on the President's push for renewal of traditional trading authority.

- With overwhelming bipartisan support, the Senate Finance Committee voted out "fast track" legislation that embodies the President's objectives.

- Since that vote, Ambassador Barshefsky has been in direct communication with the House Ways and Means committee to build on the bipartisan support in the Senate for restoring the President's power to tear down unfair trade barriers.

Guidance on Fast Track
October 1, 1997

Q: **Speaker Gingrich and Minority Leader Armey have criticized the White House for not being "engaged" in the fight for fast track authority. Is the President pulling out all the stops to gain Democratic support?**

A: First of all, Congress today is moving forward in a constructive way to craft legislation that would give the President traditional trading authority. The Senate Finance Committee is expected to vote out this morning a bill today with strong bipartisan support that will restore the President's power to tear down unfair foreign trade barriers.

The President has led the fight to open markets to American goods and to restore traditional trading authority so that we can continue to lower unfair foreign trade barriers to our exports:

- **Taken the Case to the Public**. Given several major public addresses highlighting the importance of restoring traditional trading authority: to the American Society of Newspaper Editors (July), a radio address (August), and at an East Room event unveiling legislation (September) and most recently, took the case for fast track directly to some of its fiercest opponents in his party: at the AFL-CIO convention last week in Pittsburgh. The Vice President made a strong pitch to the DNC Annual Meeting for fast track last weekend and has also spoken to software and other groups recently in support of fast track.

- **Heavy Private One-to-One Effort.** Led administration-wide effort to garner Democratic support for the bill: President and the Vice President went to the House Democratic caucus to make the case for fast track; the President and the Vice President have had numerous one-on-one and small meetings with more than 60 undecided House members at the White House and while on the road, including one just last night.

- **Administration Wide Effort**. Full court press by Cabinet and senior White House staff. Bowles, Barshefsky, Daley, Rubin, Sperling, Hilley and others have worked the various Democratic caucuses and undecided members non-stop through the last five weeks. The Chief of Staff has had a series of private lunches with Democratic Members. The Cabinet has fanned out across the Hill, meeting with dozens of Democratic Members.

In the end, the President and his entire economic team are fully committed to making the case for renewal of fast track. We cannot let this debate degenerate into finger-pointing and a blame game. Continuing to tear down foreign trade barriers is much too important to our country and to our future prosperity.

[**Background**: Might hint at lack of similar effort from the Republican side. GOP leaders have yet to confront the new isolationist, protectionist wing in his own party as the President did in Pittsburgh. There has always been a strong Republican majority for open trade, but GOP leadership has allowed that to fracture.]

Q: Given the comments by the Speaker and the Minority Leader, is fast track in serious trouble?

A: Today, the Senate Finance Committee is marking up fast track legislation that reflects our goals and preserves the full range of options the President put forward in our bill:

- It explicitly recognizes that certain labor, environmental, and health and safety standards are the proper subject of trade agreements that are subject to fast track.
- It does not limit the Executive Authority of the President to reach separate agreements on a range of issues, including labor and the environment.
- It recognizes that the President will also pursue labor and environmental protections in international fora.

We certainly hope that today's Senate action clears the way for the House to move forward on this critical piece of legislation.

Q: Do you have the votes to pass fast track?

A: We expect strong bi-partisan support in Senate Finance Committee today. That is the first vote yet on fast track. Until the Committees move, there is no record out there on the level of support. We are optimistic that we are building the bi-partisan support necessary to get fast track approved in Congress.

GUIDANCE ON FAST TRACK
NOVEMBER 3, 1997

* We expect the President to have at least a couple meetings tonight with Members. The Members are just returning to town today, so they're not firmed up, but it's likely to be more Senate than House because they're back in town and because of the cloture vote Tuesday. There will undoubtedly be more meetings tomorrow.

Q: What are you releasing today in connection with Senator Daschle's press conference on the Hill?

A: I'd prefer to let Senator Daschle announce that. He'll have Secretary Rubin and other Administration representatives there on the Hill with him, and they will probably speak to that as well. Basically, we're talking about some executive initiatives we can take in the areas of environment, labor, and agriculture, and I hope we'll have more on that later.

(documents attached)

Q: We hear there's a fast-track event here tomorrow? What is it?

A: As of now, there is no event involving the President tomorrow, other than his meetings with Members.

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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.**

SUMMARY OF EXECUTIVE INITIATIVES ON ENVIRONMENTAL ISSUES

Transparency and Openness in the World Trade Organization (WTO)

- The Administration supports efforts to seek greater transparency in WTO proceedings. Accordingly, we will present our specific objectives for greater WTO transparency at a meeting of the WTO's governing body later this year, and will adopt increased transparency, openness, and public participation as priorities for next year's scheduled review of WTO dispute settlement procedures.

- Our specific objectives for more openness in WTO dispute settlement include advocating consideration of *amicus curiae* submissions by non-governmental parties where environmental or conservation issues are being considered; seeking to open dispute settlement proceedings to the public; and providing for more timely access to documents to increase public input into the dispute settlement process.

Eminent Persons Group

- We will seek to have the WTO establish an "eminent persons group" to examine the relationship between trade and the environment. We will ask the WTO Director General to convene such a group -- to include independent experts on trade, the environment, and development issues.

- The group should examine issues and formulate options for WTO consideration, including the relationships between GATT Articles III and XX and environmental measures affecting trade, trade measures in international environmental agreements and WTO rules, and trade disciplines and "ecolabeling" initiatives.

International Financial Institutions (IFIs)

- Consistent with existing statutory mandates, we will propose a series of specific steps to strengthen the IFIs' incorporation of environmental issues into their operations and to promote increased resources for environmental projects.

- Among the specific proposed measures are increased direct lending for environmental projects and a new fund to provide below market rate loans, greater scrutiny of environmental issues arising from prospective operations, and careful evaluation of the effectiveness of public disclosure of environmentally-sensitive projects.

SUMMARY OF EXECUTIVE INITIATIVES ON LABOR ISSUES

Review of Future Free Trade Agreement (FTA) Partners

- To help ensure that Congress and the public can evaluate future free trade agreements thoroughly, we will submit to Congress a review of the broader relevant conditions in FTA partner countries when an agreement is brought back for approval.

- This review will address the country's relevant labor and environmental laws (including their enforcement), the integrity and effectiveness of its legal system, its macroeconomic policies and practices (including its exchange rate system), and the structures and policies for addressing each of these areas.

Labor Department Report on Conditions under the North American Agreement on Labor Cooperation (NAALC)

- We believe that greater understanding of the labor conditions in our NAFTA partners will build on the work already being done under the NAALC and strengthen its effectiveness in addressing relevant labor issues.

- To accomplish this, the Labor Department will report annually on each NAFTA partner's labor laws, practices, and conditions covered by the NAALC, the relevant proceedings in the NAALC, and the steps the countries are taking to conform to the findings in any NAALC cases.

International Financial Institutions

- We will undertake a series of specific measures to increase the focus on and priority given to worker rights issues in the IFIs.

- These include calling for a new World Bank office dedicated to analyzing labor issues and with direct input into program and lending activities, pressing for a screening mechanism to ensure these issues are taken into account systematically in planning and programming, urging more direct lending and technical assistance to improve adherence to core labor standards, and working to convene a World Bank-IMF conference to advance progress on core labor standards as well as a summit meeting of the presidents of the IFIs and ILO Director General to strengthen cooperation here.

Export Processing Zones

- We remain concerned about special tariff-free export processing zones in certain countries where there are lower labor standards and less adequate worker protections than exist in the rest of the country.

- To explore how best to address this issue, the Labor Department will update its earlier study on different rules in such zones, and we will also encourage further work in the ILO on the extent of these practices and means for addressing them with member states.

Child Labor

- Addressing exploitative child labor practices has been a longstanding priority; our initiatives here have included cooperative efforts with the private sector, technical assistance to developing countries, use of U.S. laws in response to persistent child labor practices, and reports and workshops to increase attention to this issue.

- Building on these efforts, the Labor Department will be issuing a report on actions being taken internationally to combat exploitative child labor. We will also establish an Administration task force, chaired by the Treasury Department, to implement a recent change to U.S. trade law that permits the exclusion from the United States of products made with forced or bonded child labor.

Asian Mkts. / Fast Track

The following Q&A was prepared by Treasury for use in today's briefing, if necessary.

Q: Critics of fast track claim that the collapse of the many Asian currencies and the effect on the U.S. stock market shows the volatility and vulnerability of the global economy. Is this a good time to be negotiating additional free trade agreements?

A: Financial stability and growth throughout the world are fundamentally based upon the adoption and implementation of sound economic policies. Day-to-day financial market fluctuations do not change the need for the United States to provide leadership in the global economy, and fast track authority is essential to our ability to lead. U.S. leadership in the global economy is essential to our prosperity, and now is not the time to question U.S. leadership.

D. Johnson per Treasury

GUIDANCE ON FAST TRACK VOTE
NOVEMBER 7, 1997

Q: How did this delay come about?

A: Our people met with the Republican leadership late into the night last night and discussed our mutual desire to pass fast track.

It became apparent that our mutual desire to allow amendments to the fast track bill as part of our strategy to pass it had been mistakenly foreclosed under the rule adopted by the House Rules Committee.

Based on that conversation and our mutual desire to amend the bill, the White House today suggested that the leadership ask the rules committee to adopt a new rule allowing amendments. That in effect delays the vote until the weekend.

Q: Aren't you delaying just because you don't have the votes?

A: Well, I won't dispute the fact that we don't have our 218 yet, and it doesn't hurt to get the additional time, but the basic reason for this is the need to revise the rule, a process that effectively takes at least a day.

Q: Do you think the Republicans are encouraging a delay just because they want to use the time to extract more concessions on appropriations bills?

A: As far as we're concerned, there's no direct connection between anything happening on appropriations and the fast track bill. Obviously with the CR running out today we are going to continue working hard with the Congress to resolve the outstanding appropriations issues.

TOIV
Hilley

GUIDANCE ON WHAT THE ADMINISTRATION IS DOING TODAY ON FAST TRACK
NOVEMBER 7, 1997

* The Administration is making an all-out effort, starting at the top with the President. You saw the President make a passionate statement today on why this legislation is necessary for maintaining this nation's leadership role in the world.

  The President is also doing a series of one-on-one meetings with Members --- probably a total of at least a half dozen before the work day ends.

  The Vice President is also making a series of calls.

  The primary focus of the work being done by the President and the Vice President is on Democrats.

  Also, senior staff and cabinet members are calling and/or circulating on the Hill -- including Rubin, Barshevsky, Daley, Glickman, Albright, Herman.

  Erskine Bowles is making a lot of calls, and other staff are making calls and visiting on the Hill.

TOIV
Radd

Fast Track Talking Points, November 8

FR: **USTR**

The challenge is to elevate the debate in the face of news interest focusing on "horse-trading."

Q: Will the White House sell-off anything, do anything to get a vote on fast track?
A: We are at the end of the legislative session this year, and we are certainly working to secure passage of fast track and address the remaining business of the Congress. Where there are legitimate issues we can address we're going to do that. A lot of the opposition has really tried to dismiss the importance of the fast track vote. It is a vote about America's future: Will we continue to lead the world or will we cede leadership to others?

Q: Will you and others in the Administration do fundraising events for those in your Party that vote with you on fast track?
A: Political candidates of both parties should be able to compete on a level playing-field. A vote on fast track or other issues should be decided on the merits and the importance of this vote. We will do what we can to ensure there is a level playing-field for Members to make a choice on the merits.

Q: Do you regret your comment that a "secret ballot" would win handily? It seems to have provided an element of solidarity among those siding with organized labor.
A: No. My comment was intended to say this issue should simply be decided on the merits. The opponents of fast track are offering America a false choice. Defeating fast track only lets the rest of the world go ahead with trade relationships that are in their interest and against ours. In a global economy, defeating fast track leaves our workers and companies at greater risk and undermines their ability to compete on even terms. Our market has been one of the most open in the world for thirty years. The question is how do we gain greater access to foreign markets? The answer is fast track.

Q: What is really at stake if you lose this vote? A recent Washington Post story said business will just move ahead anyway.
A: In the post Cold War era trade is increasingly important in defining our strategic relationships. Many people, including much of the Congress has not focused on the trade agenda. Fast track is not new -- every President since Gerald Ford has had fast track -- but we have not had fast track for three years. As a result we have a pent-up demand for trade agreements that require fast track. The trade agenda immediately in front of us requires fast track. We go to APEC in two weeks to expand the Information Technology Agreement we negotiated last year that saves U.S. technology companies $5 billion a year and we will launch negotiations in other areas where the U.S. leads the world. We need fast track to move ahead in all of them. At the WTO, we have negotiations ahead in services and agriculture that require fast track. Together, these areas represent $1.8 trillion in trade each year.

This is a vote about America's national interest and our role in the world. A "no" vote does not protect one job and does nothing to protect the environment or raise labor standards.

Comments that summarize the debate...

The debate has skewed what fast track is really about: In the real world, this is about whether America sets the rules for trade [on terms favorable to U.S. workers and companies], or goes to the sidelines. It is that simple.

This is a debate between those that see a strong America, [an economy as strong as it's been in more than twenty years, low unemployment, and high growth], and those who see an America in decline in spite of all the evidence. It is a battle of hope and drive, versus fear and retreat.

Critics of this legislation are more than willing to make "the perfect" labor and environmental goals the enemy of progress on trade, labor, and environmental concerns. Opponents would hold America's trade agenda hostage to environmental and labor objectives that are unattainable. The end result of their strategy is oh-for-three: No progress in opening foreign markets, losing our leverage to improve labor standards, and allowing others to set trade rules that ignore the need to protect the environment.

About the trade agenda...

We have sought broad, future-oriented goals in legislation [consistent with prior fast track mandates]. The reason is simple: We have an entrepreneurial trade agenda that is focused on those areas where we are the most competitive economy in the world.

Fast track is a make it here, sell it there strategy. Our market is already open. Without fast track, we are telling the rest of the world to go ahead without us. It makes no sense. Defeating fast track is unilateral economic disarmament.

Gephardt comments and responses...

G: "Trade has benefitted the fortunate few..."
A: Reality: Trade is lower prices, more choices, and more opportunity for consumers and workers. America is just 4% of the world's population, the only way we lose is if we are not in the game. We're not talking about trade terms here, because the opponents would do nothing to restrict access to the United States. Fast track is about exports. The record shows that trade has improved living standards at home and abroad. [His reference to a UN report reflects the disparity between industrialized and developing world.]

G: "Republicans rejected a Democratic amendment that would have simply allowed the President to negotiate on labor and environmental issues..."
A: The fast track proposal in Congress gives the President every tool he needs [to continue to make progress on labor and environmental issues]. Our opponents never give us credit for this but this Administration is the one that put labor and environmental issues together with the trade agenda. We have made unprecedented progress in these areas. The opponents' prescription is unworkable and unrealistic. It is a poison pill in trade negotiations that would only steer our trading partners to Japan, Europe, and even Canada. We lose the business and we lose any chance of progress on other issues.

G: "These fast track proposals won't ensure that trade will build a bridge to the future..."
A: The opponents are seeking a tunnel to another time. The technology age and telecommunications have made the world a smaller place. The global economy is here: The questions is how do we compete on fair and equal terms? We are the most competitive economy in the world. We can neither run nor hide from the global economy. Fast track is a tool to compete. All the opponents offer is retreat.

G: "We will come back next year and pass a bill that has labor and environmental guarantees..."
A: Trade has always been a bi-partisan issue. We have always had to find a balance between Democrats and Republicans, even more important today with Republicans in charge of Congress. We have found a way to ensure that we can make progress on labor and environmental issues in every way possible with the proposal that is on the table. Whatever the opponents's ideas are, we need to recognize that Republicans and Democrats do have different views on these issues. We have a solid proposal today that prohibits foreign countries from avoiding their environmental and labor laws with enforceable measures. This is what opponents' say is their goal and we have met that goal.

G: "The benefits of more open trade have not trickled down to middle class citizens and workers struggling to get into the middle class..."
A: Trade brings growth and economic expansion. At home, history shows us that whenever we turn away from the world -- from Smoot-Hawley in the '30s to the recession of '91 -- our workers and families suffer most. Abroad, the most dramatic expansion of the middle class is occurring in countries that are opening their markets and committing to American-style deregulation. Why would we turn back now?

G: "A central component of our trade policy must be the enforcement of workers rights/environmental laws..."
A: The bills in Congress meet this goal with clearly enforceable measures. We have specifically targeted child labor practices. If the goal is really to elevate workplace conditions and living standards, disengaging on trade is the worst possible solution. Who takes the place of the United States? [We have done more to advance this agenda in five years than ever before.]

G: "Let's understand that as the Administration has touted the morc than 200 separate trade agreements that have been signed, only 2 were reached with thc benefit of fast track authority."

A: The trade agenda ahead of us is an entrepreneurial agenda to make new markets for American goods and services. The trade agenda immediately ahead of us requires fast track authority. We cannot stand still or the rest of the world will pass by. There is almost no product in the world today made in only one place. Moving ahead without fast track is "an America last" strategy.

G: "NAFTA, NAFTA, NAFTA..."

A: Not one of the issues from the trade gap to the border environment to immigration would be better today without NAFTA. There is not one issue where we would be better off today without NAFTA. NAFTA is a foundation for progress on a range of concerns with Mexico. NAFTA broad trade barriers in Mexico down four times the level that we reduced ours. Do we have issues we have to address with Mexico on trade and other matters absolutely. But the only way we make any progress is to figure out ways to work with Mexico.

TALKING POINTS ON FAST TRACK

November, 10, 1997

OPENING FOREIGN MARKETS TO AMERICAN GOODS HAS BEEN A KEY COMPONENT OF THE PRESIDENT'S THREE-PART ECONOMIC STRATEGY. The key elements of President Clinton's economic strategy have been to reduce the deficit, invest in the training and education of our people and open foreign markets to Americans goods made by American workers. The President believed in the importance of tearing down trade barriers and that is why he fought hard for fast track even though we knew it was going to be a tough fight from the start.

THE PRESIDENT ENTERED THIS BATTLE FIGHTING FOR A PRINCIPLE, HE FOUGHT ON PRINCIPLE AND WE HAVE TEMPORARILY SET ASIDE THIS FIGHT BECAUSE HE WAS UNWILLING TO COMPROMISE ON PRINCIPLE. We were pleased with the strong bipartisan majority achieved in the Senate. In the House, because we couldn't get as many Democratic votes as we would have obviously liked, we did rely on many Republicans. We want to make it clear that Speaker Gingrich fought admirably and in good faith, but there was a block of Republicans necessary for passage who were intent on linking the policy on international family planning to the fast track legislation and the President was not willing to compromise our clear principles on that issue.

WE WILL CONTINUE TO PRESS FORWARD ON GETTING THE PRESIDENT THE TRADE AUTHORITY HE NEEDS TO CONTINUE BREAKING DOWN TRADE BARRIERS. We now need to work on the completion of the remaining appropriations bills and ensure that these bills are not held hostage to the same issues. We are consulting with both sides of the aisle on the best way to proceed to get the trade authority the President needs to continue our strong economic performance.

Q: ARE YOU STILL PLANNING ON BRINGING THIS TO A VOTE THIS YEAR? WILL YOU PUSH FOR ANY CHANGES TO THE LEGISLATION? WHAT ABOUT THE POSSIBILITY OF MOVING FORWARD ON CHILE ONLY?

A: As to the timing and form, we are consulting with both Democrats and Republicans on the best way to proceed in order to secure trade authority so we can continue to help keep our economy strong.

Q: SEEING THAT YOU DIDN'T HAVE ENOUGH VOTES NOW FOR PASSAGE WHAT MAKES YOU THINK YOU CAN PASS THIS LATER IN THE YEAR OR EVEN NEXT YEAR?

A: Tearing down trade barriers to create more American jobs has and always will be a priority for this Administration. The President entered this battle on principle and he fought it on principle. That will not change later this year or next year. We will continue to work as hard as we can on securing trade authority, and we are confident that we can secure passage without compromising on our principles.