Wednesday, Sept. 8th

PHOTOCOPY
PRESERVATION

INSIDE WASHINGTON

EXECUTIVE OFFICE
OF THE PRESIDENT
LIBRARIES
SEP 0 3 1993
OLD EXECUTIVE
OFFICE BUILDING

A Big Howdy From Lane

When President Clinton tapped Chicago lawyer William Daley to lead the charge for passage of the North American Free Trade Agreement, the conventional wisdom was that Daley—politically savvy son of the late Mayor Richard J., brother of Richard M., the current Mayor—would win over at least some union support. But AFL-CIO president Lane Kirkland has put the kibosh on such thinking. He told reporters that labor's opposition was based on "firmly held" principles. The only impact the appointment might have is to help Daley himself. "I'm sure it may enhance [his] capacity to attract clients in the future," Kirkland said.

Here's a New Prescription

Given the complexity of the issues—and the political stakes—President Clinton won't wait until the night of his health care reform speech to a joint session of Congress to reveal key elements of his proposal. According to a well-informed White House communications adviser, plans are in the works for interest group and press briefings that will precede the speech—expected to come on or about Sept. 22—as well as some Presidential appearances to highlight features of the plan. One possible photo op: Clinton unveiling a copy of the single form for health care claims that he has touted.

NAFTA Boosta

It may be no match for Ross Perot, but Boston-based Fidelity Investments, the nation's biggest mutual fund company, is throwing its weight behind enactment of the North American Free Trade Agreement. General counsel Robert C. Pozen has been making the rounds on Capitol Hill. Also, in a recent column in *Fidelity Focus*, a company magazine that's sent to two million households, Pozen waxed rosy on NAFTA. He said the pact would allow U.S. firms to set up subsidiaries to operate mutual funds for Mexican investors and thus would open the door to a big new market.

Wow, Is This a Plan or What?

Rube Goldberg would probably approve of the White House's strategy for steering the controversial nomination of Joycelyn Elders as Surgeon General through the Senate. The effort is being led not by aides who ordinarily handle nominations but by staff secretary John D. Podesta, who usually tends to presidential paperwork. Podesta spent several years on the staff of the Senate Judiciary Committee. The public outreach for Elders is being handled by Marilyn K. Yager, who left the office of chief of staff Thomas F. (Mack) McLarty III to join the Office of Public Liaison.

NO, IT'S NOT A FRIENDLY PLACE

The high command at the much-criticized Agency for International Development, who've been thrashing out ways of reorganizing the operation, have apparently decided to cut off AID's head to preserve its body. Pink slips are going out to about 50 senior AID officials as part of an effort to cut costs. Private development experts around Washington acknowledge the need for a shakeup but worry that dumping such a large group of experienced professionals in one swoop might only compound AID's problems.

Hiring Spree

Jittery players in the health care reform debate have signed up a multitude of lawyers, lobbyists, political consultants, pollsters and public relations experts. And the real action hasn't even started.

BY JULIE KOSTERLITZ

He isn't one of the big names in Washington lobbying. Indeed, W. Jackson Williams Jr. doesn't even live in Washington. And he has scant background on health care issues. But none of that mattered to the Federation of American Health Systems, a Washington trade group of for-profit hospitals, when it hired him earlier this year to press its case with the new White House Task Force on National Health Care Reform.

What mattered is that Williams is a longtime friend and former law partner of Bill Clinton (who practiced law during a brief hiatus in his political career). "We didn't hire him for his expertise on health care," Michael D. Bromberg, executive vice president of the federation, said of Williams, who is a partner in the Little Rock (Ark.) law firm of Williams & Anderson—and who hails from Clinton's hometown of Hope, Ark.

Ever since the Democrats regained control of the White House and talk of health care reform reached a decibel level that became impossible to ignore, interest groups have been scrambling to influence the debate. White papers must be written, intelligence gathered, images polished, doors opened.

And when the going gets tough, the tough hire "outside counsel"—lawyers, lobbyists, public relations firms and political consultants—who do everything from jawboning legislative aides and directing streams of calls to congressional switchboards, to shooting television commercials and providing what might best be termed high-priced handholding for the insecure.

They also turn to pollsters the way ancient Greeks turned to oracles. And they subscribe to a seemingly endless proliferation of newsletters and attend what has become a nearly nonstop series of health care conferences. *(For details on the boom in health care publishing, see box, p. 2124.)*

Although health care reform for the past year has been mainly sound and fury, it has already produced a thriving cottage industry. "There's been a significant increase [in business] since the election in November," said Frederick H. Graefe, a partner in the Washington office of the Cleveland-based law firm of Baker & Hostetler, which already had a sizable health practice and has snagged at least four new health care clients since the beginning of the year. "I gauge it by the fact I don't have time to turn around."

And that's before the action really gets going. Indeed, many public relations and lobbying firms report that there's been a lull in the whirlwind of new contracts that began after last year's elections. Health care reform was put on hold as Washington turned its attention to the taxation of intangible assets, medicare cuts and other issues tied up with the budget reconciliation bill.

No one doubts, however, that the debate will accelerate before the tans acquired during the August recess have faded. President Clinton made clear in his address to the National Governors' Association in mid-August that he intends to put health care front and center when Congress reconvenes this month. "We've got to provide health security to people who don't have it," he said. The Administration has repeatedly said that its key goals are to ensure that all Americans have health care coverage and to slow the rise in health care spending.

But almost everyone with a stake in the current health care system is nervous about what the details of the plan will mean for business. And that's good news on Lobbyists' Row.

Many companies that previously relied on their trade associations for lobbying and public relations help are now hiring their own counsel. The large trade groups, most of which already have fleets of lobbyists and press handlers, in turn are hiring multiple firms to assist them. Coalitions of companies and trade groups are springing up and creating even more business.

It can seem like overkill, but the players in the reform debate seem afraid not

Research assistance provided by Dante E.A. Ramos to hire scads of consultants, for much the same reason that lawsuit-shy doctors order endless batteries of tests: to cover themselves. "If you lose a big fight, you do not want to wake up the morning after and say you did not do everything you possibly could have," Bromberg said. Besides Clinton's friend Williams, Bromberg's group has hired the Washington law and lobbying firm of Patton, Boggs & Blow and has joined a coalition that has hired its own squad of lobbyists.

All of this expertise, needless to say, doesn't come cheap. There's the tale of the large insurance company that reportedly offered media consultant Frank Greer a cool $2 million, just to gain the benefit of his wisdom. Greer won't confirm the figure but says he has turned away insurance and pharmaceutical companies that were drawn to him because of his work for Democrats generally and for the Clinton campaign specifically.

Indeed, Greer said, nothing makes the case for reform more eloquently than the kind of money that health care groups are lavishing on lobbyists and consultants. "The fact that they have so much to spend on opposing reform is evidence of the profiteering that goes on now."

SHAKING UP THE SYSTEM

The very features of health care reform that make it a politician's nightmare make it a lobbyist's and PR executive's dream. The issues are enormously complicated, there's a huge amount of money—$900 billion or so per year—at stake, and it directly touches every American in a personal way. "You don't mess with 16 per cent of gross national product without people noticing," said Dale Snape, executive vice president and general manager of the Wexler Group, a Washington public affairs firm that represents several health care clients.

There's also an unusually broad and powerful set of groups with a vital stake in the outcome—doctors, hospitals, nurses, drug companies, medical equipment manufacturers, insurers, insurance agents, trial lawyers and others—whose livelihoods derive from the medical-industrial complex. Employers and labor unions are deeply interested, too—including some companies, mainly small businesses, that don't now provide health care for their workers but may soon be required to.

"This isn't your standard-issue example of the usual players doing medicare, medicaid or Food and Drug Administration issues," Snape said. "We're talking about systemic change that has kicked off a debate that reaches into every corner of the system."

The stakes are so high that many of the participants are not relying solely on their trade and professional associations to handle lobbying and public relations. Many association members are seeking out their own hired guns in Washington—sometimes to bolster the association and sometimes to bypass it.


John Eisele

Public relations executive Steve A. Rabin
For lobbyists and PR firms, "it's unmanaged competition."

In the drug industry, for example, the Pharmaceutical Manufacturers Association (PMA) last year launched a $7 million effort with the Baltimore-based public relations firm of Eisner & Associates to shine up its image outside the Washington Beltway. More recently, the association hired Ranny Cooper, a former top aide to Sen. Edward M. Kennedy, D-Mass., who's now a New York City-based principal in the PR firm of Robinson, Lake/Sawyer Miller. The PMA has also hired the small Washington-based PR firm of Hugh C. Newton and Associates to target editorial boards around the country.

But after Clinton and his wife, Hillary Rodham Clinton, who heads the White House task force, excoriated the pharmaceutical industry in speeches early this year, a half-dozen PMA member companies banded together and hired the Washington PR firm of Powell Tate to launch a $2 million counterattack. Once-secretive top brass of these companies now fly all over the country to chat with editorial board members and come to Washington regularly to meet with health reporters. The companies even sent a spokesman to Tulsa, Okla., to give reporters the industry's spin on Clinton's speech to the governors.

Individual companies also have beefed up their representation. The pharmaceutical firm Pfizer Inc., which already had a three-person Washington lobbying shop, a three-person PR operation in New York City and a number of outside lobbyists working on various issues, recently retained several more outside consultants. They include the Washington lobbying firm of Scrivner & Lent, run by ex-Rep. Norman F. Lent, R-N.Y., and his former aide Michael S. Scrivner; the Washington lobbying firm of Winburn & Jenkins Inc., run by ex-Rep. Ed Jenkins, D-Ga., and former House aide John P. Winburn; the Robinson, Lake firm; and the newly formed lobbying firm of Oldaker, Ryan & Leonard, whose principals include former top aides to the House Ways and Means Committee and to House Energy and Commerce Committee chairman John D. Dingell, D-Mich. Name partner Thomas M. Ryan had previously represented Pfizer at a different firm. *(For more on congressional aides-turned-lobbyists, see box, p. 2122.)*

Likewise, a growing number of individual Blue Cross and Blue Shield plans, already represented by the national Blue Cross and Blue Shield Association, are signing up their own lobbyists. The move, industry observers say, is designed mainly to supplement the national association's efforts by targeting various state congressional delegations. And some Blue Cross and Blue Shield plans may be trying to counter negative publicity generated by investigations of management abuses at plans in several states.

Blue Cross and Blue Shield of Texas hired the Pagonis and Donnelly Group, a Washington lobbying firm; Blue Cross and Blue Shield of Massachusetts hired Health Policy and Strategy Associates, run by insurance expert Robert L. Laszewski; and Blue Cross of California, which had already retained the Washing-

SHOPPING FOR GOOD CONNECTIONS

With so many voices clamoring to be heard on health care reform, it helps to have someone who's sure to be heard above the din. Small wonder, then, that lobbying and public relations firms and others with a stake in the issue are snatching up experienced House and Senate aides—particularly those who have health expertise or ties to lawmakers who will be critical in the debate.

A number of well-connected congressional staff members have recently traded in their Capitol Hill cubicles and Rayburn Cafeteria lunches for downtown offices and meals at Red Sage.

Ranny Cooper, longtime administrative assistant to Senate Labor and Human Resources Committee chairman Edward M. Kennedy, D-Mass., has joined the New York City office of the public affairs firm of Robinson, Lake/Sawyer Miller, where her clients include the Pharmaceutical Manufacturers Association and Pfizer Inc.

Lorraine McHugh-Wytkind, who was Kennedy's press secretary on the committee, has gone to work for the Widmeyer Group, a Washington public relations firm headed by Scott Widmeyer, himself a onetime press aide to another major player in the reform arena: Sen. John D. (Jay) Rockefeller IV, D-W.Va.

Jack DeVore Jr., a longtime press aide to Treasury Secretary and former Sen. Lloyd Bentsen, has recently joined the Austin (Texas)-based firm of Public Strategies Inc., whose principals include other former Bentsen aides and whose clients include Aetna Life & Casualty Co., one of the largest health insurers.

Another former Bentsen aide, Ronald Platt, is now a legislative consultant in the Washington office of the law firm of McDermott, Will & Emery, where his clients include Blue Cross and Blue Shield of Missouri.

Robert J. Leonard, who stepped down a few months ago as staff director of the House Ways and Means Committee—which will have jurisdiction over major portions of health care reform legislation—has joined the new law and lobbying firm of Oldaker, Ryan & Leonard. Another name partner in the firm, Thomas M. Ryan, is a onetime top aide to House Energy and Commerce Committee chairman John D. Dingell, D-Mich., who will also have a major say-so on health reform. The firm's early clients include an alliance of large health insurers.

A more recent Dingell aide, John S. Orlando, who was chief of staff of the Energy and Commerce Committee, is now a vice president at Timmons and Co. Inc., a Washington lobbying firm whose clients include drugmaker G.D. Searle Co. and the Association of Trial Lawyers of America, which is vitally interested in medical malpractice reform.

Pharmaceutical and insurance companies have been snatching up high-profile congressional aides for years. Recent drug company hires include David Keaney, a former counsel to the Energy and Commerce Committee who is now government affairs director for Bristol-Meyers Squibb Co., and Richard S. Lawson, former staff director of the Senate Republican Policy Committee, who was hired last year as legislative director for Hoffmann-LaRoche Inc. Vanda B. McMurtry, who was staff director of the Senate Finance Committee, was hired earlier this year as a senior vice president of Aetna.

Health care professional and trade groups have been on a Hill hiring spree, too. Bonnie Brown, Robert Oswald and Charles N. Kahn III, three top aides to Willis D. Gradison Jr. of Ohio, the former ranking Republican on the Ways and Means Subcommittee on Health, followed their boss to the Health Insurance Association of America when he was hired to head the group in February.

Other recent hires include:

- Tara Federici, who was chief of staff to Rep. Bill Richardson, D-N.M., and now is federal affairs director of the Health Industry Manufacturers Association.
- Julius W. Hobson Jr., who was an aide to Sen. Charles S. Robb, D-Va., and now is a lobbyist at the American Hospital Association.
- Leslie Tucker, who was a health aide to Sen. Alan K. Simpson, R-Wyo., and now lobbies for the American Academy of Family Physicians.
- Ellen Finkelstein, who was an aide to former Rep. Peter H. Kostmayer, D-Pa., and was hired by the Philadelphia-based lobbying firm of Wojdak and Associates following Kostmayer's defeat last year.

Another Washington law firm of Miller & Chevalier, recently signed up Patton, Boggs & Blow.

Last year, Pennsylvania Blue Shield hired the Washington office of the Chicago-based law firm of Seyfarth, Shaw, Fairweather & Geraldson, whose roster includes former Rep. John Erlenborn, R-Ill., who was the ranking member of the Education and Labor Committee in the mid-1980s; Blue Cross and Blue Shield of Florida signed on with the big public affairs firm of Hill and Knowlton Inc.; and Blue Cross and Blue Shield of North Dakota recently recruited Andrews Associates Inc., a Washington lobby shop that is run by former Sen. Mark Andrews, R-N.D.

Blue Cross and Blue Shield of Missouri, which already had outside counsel, switched to Ronald Platt, a former aide to ex-Senate Finance Committee chairman and now Treasury Secretary Lloyd Bentsen; Platt is now a legislative consultant in the Washington office of the law firm of McDermott, Will & Emery.

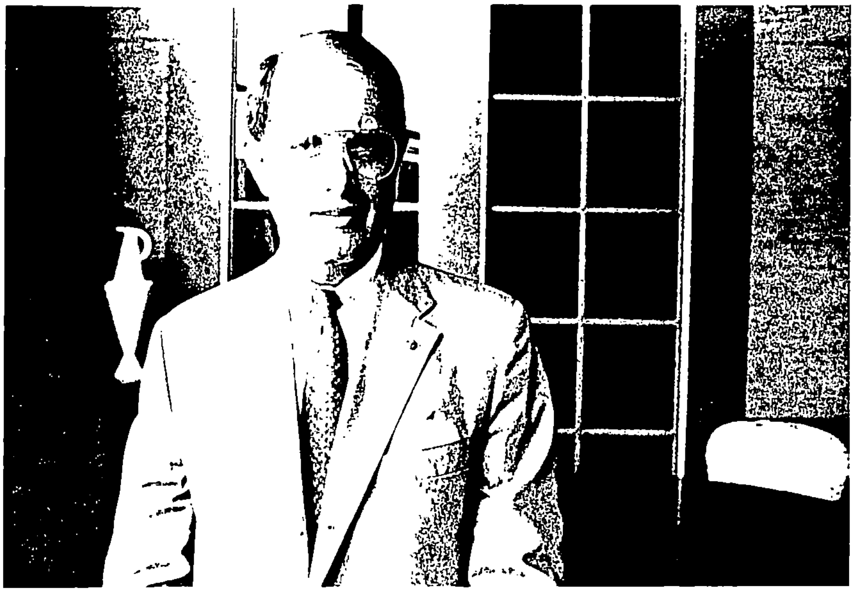
The national Blue Cross group is stocking up as well. Its Washington office recently hired Alixe Glen, who had been a deputy White House press secretary during the Bush Administration. *(See this issue, p. 2158.)*

Hospitals and regional hospital chains that might once have left their image-building and lobbying to the American Hospital Association (AHA) are also bringing aboard outside professionals to influence federal policy makers. Knowing that Clinton has vowed to give states great flexibility in running a reformed system, some are also hiring high-priced help to make their case directly to state policy makers.

Inova Health Systems, a chain of three not-for-profit hospitals in Northern Virginia, has hired the Widmeyer Group, a Washington PR firm run by Scott Widmeyer, a former press aide to then-Gov. and now Sen. John D. (Jay) Rockefeller IV, D-W.Va.—a major player on health care reform. Widmeyer has arranged a survey of public attitudes and lined up high-powered speakers for a conference on health care reform. He's also running a public relations campaign aimed at boosting Inova's image with the public, community leaders and Virginia's state government.

Large health maintenance organizations are getting in on the action, too: An industry giant, US Healthcare of Blue Bell, Pa., recently hired former Rep. Anthony Toby Moffett, D-Conn., who now is a Washington lobbyist. Minneapolis-based United HealthCare has retained the Minneapolis law firm of Dorsey & Whitney, whose Washington office boasts former aides to such prominent Minnesota politicians as former Vice President

Walter F. Mondale and Democratic Rep. Martin Olav Sabo, the Budget Committee chairman.



Baker & Hostetler partner Frederick H. Graefe
His firm already had a sizable health practice and has snagged several new clients.

Richard A. Bloom

"UNMANAGED COMPETITION"

Rifts within industries have produced new business for consultants, too. Where once there was but a single trade group for health insurers, the Health Insurance Association of America (HIAA), there are now effectively three, each with its own PR campaign.

The new Alliance for Managed Competition represents the largest five health insurers, all but one of which, Prudential Insurance Co. of America, have quit the HIAA during the past year, mainly over policy differences. The alliance recently hired the firm of Oldaker, Ryan & Leonard, as well as Timothy Ridley, who had represented several of its member companies before forming his own Washington-based political and media consulting firm, the Ridley Group. (Ridley, in turn, has stocked his firm with Gloria Cabe, who was an aide to Clinton in the Arkansas governor's office, and David Ifshin, who was a top adviser to Clinton's presidential campaign.)

And alliance member Aetna Life & Casualty Co. recently hired the Austin (Texas)-based political consulting firm of Public Strategies Inc. to coordinate a grass-roots campaign. The firm's principals include several top former aides to ex-Sen. Bentsen, D-Texas.

Smaller insurers have formed their own group, the Council for Affordable Insurance. Its staff cranks out press releases and studies, although so far it has hired no outside help. The HIAA, meanwhile, recently hired a Malibu (Calif.) political consulting firm, Goddard*Clausen/First Tuesday, to run a $4 million ad campaign under the name of the Coalition for Health Insurance Choices.

But even as the old alliances splinter, diverse groups with a common outlook on health care reform have been banding together. That means more business for consultants, too.

The Washington political consulting firm of Chlopak, Leonard, Schechter & Associates recently won a contract to run the show for one of health care's biggest and newest coalitions: provisionally called the Health Care Reform Group, it is an alliance of 15 medical and labor and elderly advocacy groups that hopes to mobilize public support for sweeping reform and universal coverage. Members of the coalition include the AFL-CIO, the American Academy of Family Physicians, the American Association of Retired Persons and the American Nurses Association.

The Washington office of Hill and Knowlton and the Duberstein Group, a lobbying firm headed by Kenneth M. Duberstein, who was Ronald Reagan's White House chief of staff, are among the firms that have been hired by the Health Care Leadership Council, a coalition of nearly 50 pharmaceutical, hospital, insurance and physician groups that was formed in 1990. The group, dedicated to keeping government interference in the health care system to a minimum, also recently hired former Sen. and Democratic presidential aspirant Paul E. Tsongas to speechify about the virtues of a laissez-faire version of managed competition. Although the Administration has embraced the notion of managed competition, which would leave most of the health care system in the private sector, Administration officials have talked of setting national spending targets and regulating the rise in insurance premiums—measures that the coalition and Tsongas oppose.

There are also a host of lesser-known coalitions. A dozen large employers, including several telecommunications and oil companies, recently hired G. Lawrence Atkins, a Washington-based benefits expert with the New York City-based law firm of Winthrop, Stimson, Putnam & Roberts. Their goal: to preserve their freedom to control their own employee health benefit plans. The Washington PR firm of Stephen K. Cook & Co. has been hired by the Coalition to

Washington lobbyist Julia J. Norrell
Her Arkansas connections are a plus for luring clients.

John Eisele

Preserve Health Benefits, an alliance of employer groups and insurers who oppose taxation of employee benefits. And the ad hoc Committee on Radioisotopes and Radiopharmaceuticals, whose members include the DuPont Merck Pharmaceutical Co. of North Billerica, Mass., and Mallinckrodt Medical Inc. of Maryland Heights, Mo., recently hired the Washington firm of R. Duffy Wall & Associates to lobby on provisions of health reform that might affect them.

Health care reform has also brought in some business from clients not typically associated with the health care field. The Washington lobbying firm of Gold & Liebengood, for instance, is doing health-reform-oriented work for Kidder Peabody & Co. Inc., a Wall Street investment house, and Nestle USA Inc. And the Washington law firm of Hogan & Hartson was hired earlier this year to handle health reform matters for Burger King Corp.

Consultants, naturally, are ecstatic over the battle for the hearts and minds of Americans and their elected representatives. "It's unmanaged competition," said Steve A. Rabin, executive vice president and general manager of the Washington office of the New York City-based PR firm of Porter Novelli.

Rabin said that health care reform has meant roughly $1.5 million in new business for his office and now accounts for roughly 25 per cent of Porter Novelli's Washington business. The firm has recently beefed up its health care staff, hiring two people from health-oriented trade groups and two others from television news programs.

What can PR firms offer customers? Rabin lists three essential services: crisis management for industries in the line of fire; preemptive strikes to help clients improve their image before they come under attack; and "making lemonade out of lemons"—helping clients to modify the fine print of legislation that affects them.

ARKANSAS TRAVELERS

Polling firms have shared in the bonanza. William D. McInturff of Public Opinion Strategies Inc., an Alexandria (Va.)-based polling firm, said that his health care business has nearly doubled over the past two years. Republican McInturff teamed up with Democrat Mark S. Mellman of the firm of Mellman • Lazarus • Lake Inc., starting two years ago, to do extensive polling for the HIAA.

When the breakaway Alliance for Managed Competition formed earlier this year, the twosome began polling for the new insurers' group until McInturff decided he was "more comfortable ideologically" with the HIAA. Now, McInturff works with Democratic pollster William R. Hamilton of Hamilton & Staff on the HIAA account. And Mellman is working on the alliance account with Republican pollster Linda A. DiVall of American Viewpoint Inc., an Alexandria (Va.) firm. The American Medical Association has used a bipartisan polling team: Democrat Celinda C. Lake, who works with Mellman, and Edward A. Goeas III of the Tarrance Group Inc., an Alexandria-based firm.

MINTING THE COIN OF THE REALM

It isn't just lawyers, lobbyists and PR firms who are cashing in on health care reform. In a town whose hard currency is up-to-the-minute information, newsletter publishers have been quick to launch new health publications or reposition old ones.

"The advent of health care reform as a real possibility has injected lots of new life into the health care policy publishing area," said Richard Hadley of the United Communications Group, a newsletter publisher in Rockville, Md.

There's no doubt about the topical nature of *Health Care Reform and the 103rd Congress*, a weekly newsletter started this year by the McLean (Va.)-based Hansan Group Inc. Editor John E. Hansan said that he doesn't think the issue or his newsletter will disappear after two years—bad news for President Clinton but good news for Hansan, even if it means updating the name. "In fact," he said, "I'm trying to think of a way to pass [the newsletter] along to my son."

Larger publishing empires have also entered the fray. The Bureau of National Affairs began putting out the weekly *Health Care Policy Report* a few months ago. Commerce Clearinghouse's *Pulse: The Health Care Reform Newsletter* began life earlier this year as a monthly but is now published every other week.

Atlantic Information Services, a Washington firm that already publishes newsletters for health policy aficionados, earlier this year began *Inside Health Care Reform* as a monthly; it is now published every other week. United Communications Group hastily renamed its seven-year-old *Health Policy Week* to *Health Reform Week* the Monday after Clinton's election last November. *Health Care Systems Reform Alert*, a monthly aimed at executives published by New Jersey-based Health Resources Publishing, has been around since 1990.

Confusion is only one by-product of the proliferation. Information overload is the other. Most Washington health reform mavens plow through at least three daily newspapers, a newsweekly or two and a host of other journals and trade publications. Sensing a niche within a niche, the American Political Network, publisher of *The Political Hotline*, last year began *Healthline*, a daily electronic digest of newspaper, magazine and television stories on health care policy, including excerpts from the latest polls on the topic. But *Healthline* itself can add to the overload: A recent edition ran 13 pages.

Even for a city full of policy wonks, it's a pretty crowded field. "We think some people are rushing into this market who will not be here 47 years from now," said Luci Koizumi, publisher of Faulkner & Gray's Healthcare Information Center, whose flagship weekly, the *Washington Report on Medicine & Health*, which covers reform and related issues, has indeed been in existence since 1946. But not even this graybeard can afford complacency: It now offers periodic special reports and supplements.

And with the explosion in health care reporting, it was probably inevitable that someone would start a newsletter about health care reporters. *Health News Reporter*, published by TJFR Publishing of Ridgewood, N.J., put out its first issue this summer. Its target audience is public relations professionals whose "success in getting favorable press and even [in getting] noticed is based on knowing how the media function. We're out there to tell them who is writing on what and why," editor Erilyn B. Riley said.

The newsletter's premier issue makes no bones about the fact that for many, health care reform is a business rather than a cause. "In the competition for public opinion and public policy, all sides of all issues will be battling in the information marketplace for strategic advantage," Riley writes. "And leading the charge will be communications professionals who stand to profit personally, even if the cause for which they toil is ultimately lost."

When surveys by other private interests and several large health care foundations and think tanks are tallied up, McInturff estimates that spending on health care polling may have run as high as $1.5 million during the past 18 months.

Sometimes the competition for clients can be fierce. The public affairs firms of Fleishman-Hillard Inc., Hill and Knowlton and Capitoline/Interscience, a Washington outfit started in 1991 by several former Hill and Knowlton executives, were among a half-dozen large firms that competed recently for a juicy $1 million lobbying and PR contract from the HIAA. The association sent the Washington clique into an uproar, though, when it awarded the contract to a pint-sized outsider—the Des Moines-based PR firm of CMF&Z.

It's hard to gauge the amount of business generated by health care reform, in part because many groups have long-standing relationships with outside lobbyists and may simply ask them to intensify or refocus their efforts. And although congressional lobbyists must register on Capitol Hill and file disclosure forms, there are numerous loopholes: Executive branch lobbying, for example, is exempt from disclosure, as are public relations work and grass-roots lobbying. A clearer picture might emerge if Congress enacts legislation overhauling the 1946 Federal Regulation of Lobbying Act. A bill to strengthen disclosure rules has cleared the Senate and awaits House action.

But lobbying registrations filed during the past year point to a few firms for whom the health reform debate has been a boon. Two Washington law firms, Dyer, Ellis, Joseph & Mills and Hogan & Hartson, have garnered at least a half-dozen new clients each from health care reform, as have two local public affairs firms, the Jefferson Group and the Wexler Group, and insurance expert Laszewski's consulting firm.

How does a firm go about luring business? Well, these days, it doesn't hurt to be from Arkansas. Former Rep. Beryl F. Anthony Jr., D-Ark., who is now a Washington partner in the Chicago-based law firm of Winston & Strawn, was hired by the AHA earlier this year because of "his knowledge of the Clinton inner circle and his long friendship with Clinton," as well as his inside knowledge of Congress, Richard Wade, a spokesman for the hospital group, said. The Anthony connection also helped the association snare an appearance by Hillary Clinton at one of its recent meetings.

Washington lobbyist Julia J. Norrell, another Arkansas native, says she's been "busier than a one-armed paperhanger" since Clinton's election. In recent months, she has signed up the HIAA, two health insurers and the National Association of Chain Drug Stores as clients. Norrell's father, William, represented Arkansas as a Democratic House Member for 23 years, starting in 1939; her mother was elected to fill his unexpired term after his death.

Lobbyist Norrell met Clinton when she was an intern in the office of former Sen. J.W. Fulbright, D-Ark., and has been a Clinton booster and financial backer for practically her entire political career.

But Norrell, who previously worked for the American Council of Life Insurance, said that her Arkansas connections weren't her only calling card. "I can't say they weren't [interested that I'm] a Democrat and from Arkansas, but I don't think anyone hired me just because of the Administration," she said, pointing out that she has close ties to Capitol Hill, considerable professional experience and a reputation as an "honest broker. . . . I don't think I've gotten any great advantages, and at times, I feel [the Administration has] excluded industry from the process," she said.

Those who can't boast connections in Arkansas have to resort to other types of marketing. Although many firms say they prefer to rely on word-of-mouth referrals, others actively trawl for clients. Two days after Clinton was elected, for example, the Jefferson Group sent a memo to reporters touting the firm's expertise in health care policy and suggesting that they interview the firm's chief executive officer, Mark D. Cowan, about health care reform. "He's quite animated and can speak fluently on most policy issues likely to be of interest to your readers," the memo said.

Giving talks at professional or trade gatherings is a somewhat more low-key way to reach potential clients: Bruce Fried, a lobbyist at the Wexler Group who was actively involved in shaping health care reform proposals during the Clinton campaign, was recently spotted giving a briefing on the Administration's health care plan at a meeting with Upjohn Co., a Michigan-based pharmaceutical firm. An Upjohn official described the meeting as an informal discussion with Fried, a longtime friend.


Richard A. Bloom

Campaign media consultant and former Clinton adviser Frank Greer
The sums being spent on lobbying are "evidence of the profiteering that goes on now."

Fried, who already represents the Catholic Hospital Association and Johnson & Johnson, a drug and medical supply company, was unavailable for comment.

Lobbyists and law firms, however, have to be careful about the clients they take on in this battle. "Conflict of interest is a big problem," Norrell said. "If you're representing some companies who are not in the HIAA, you're precluded from representing others. If you represent the doctors, you can't reconcile that with the interests of insurers or pharmaceutical companies, so most of us don't cross industry lines."

There are political risks, too. Former Clinton campaign adviser Greer, for example, could run afoul of labor unions that have been his longtime clients if he started working for insurers and pharmaceutical firms.

But Greer said that his decision to stay out of the health care fray was largely a personal one. Greer said that he rebuffed entreaties from industry groups because he supports reforms that they don't. "As a matter of conscience, we've decided not to take that side of the battle," he said. ■

9/7

THE WHITE HOUSE

WASHINGTON

September 1, 1993

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: Marilyn Yager

SUBJECT: The Business Roundtable Dinner on September 8

cc: Ira Magaziner, Melanne Verveer, Alexis Herman, Mike Lux

The Business Roundtable's Policy Committee have invited you to speak after their dinner (around 8:00 pm) on Wednesday, September 8. The policy committee consists of 88 of their 213 members is in effect the Roundtable's Board of Directors.

After some discussion with Alexis and Mike, we have come to the firm conclusion that this is the best opportunity prior to September 22 to reach the largest number of corporate CEOs who are likely to be supportive.

Although the Business Roundtable itself is not expected to endorse, their individual members include the most likely candidates for indvidual CEO endorsements. The next two weeks leave little opportunity to reach this many and from the messenger they most want to hear from -- yourself.

In addition, we are likely to see some fallout on their part if you are not able to speak. Both Alexis and I have raised the difficulty of getting this on your schedule for next week with Sam Maury, with the understanding that it was not going to happen and we would have to find an alternative. The resulting negative feedback during the past two days is something we cannot afford to have with this membership during a time we are seeking broad CEO support for health reform.

The Business Roundtable

New York
200 Park Avenue
New York, New York 10166-0097
(212) 682-6370 FAX (212) 682-0194

William L. Lurie
President

Washington
1615 L Street, N.W.
Washington, D.C. 20036-5610
(202) 872-1260 FAX (202) 466-3509

Samuel L. Maury
Executive Director

John D. Ong
Chairman

Robert E. Allen
Cochairman

H. Brewster Atwater, Jr.
Cochairman

Richard J. Mahoney
Cochairman

Robert C. Winters
Cochairman

FACSIMILE TRANSMITTAL

DATE: 9/7/93

TO: Kim Tilley
White House

FAX Number: 456-2539

FROM: Jennifer Benson

2 **Pages (Including Cover Sheet)**

COMMENTS:

If problems, please call 202/872-1260 and ask for ____________

POLICY COMMITTEE MEETING
Wednesday, September 8, 1993
Anticipated Attendance

Paul A. Allaire	Xerox Corporation
Robert E. Allen	AT&T
Edwin L. Artzt	The Procter & Gamble Company
H. Brewster Atwater, Jr.	General Mills, Inc.
Curtis H. Barnette	Bethlehem Steel Corporation
Hans W. Becherer	Deere & Company
Lawrence A. Bossidy	Allied-Signal Corporation
Edward H. Budd	The Travelers Corporation
Dean L. Buntrock	WMX Technologies, Inc.
Robert N. Burt	FMC Corporation
Robert Cizik	Cooper Industries, Inc.
John L. Clendenin	BellSouth Corporation
Charles A. Corry	USX Corporation
Thomas H. Cruikshank	Halliburton Company
Walter Y. Elisha	Springs Industries, Inc.
William T. Esrey	Sprint Corporation
George M.C. Fisher	Motorola Inc.
Donald V. Fites	Caterpillar, Inc.
H. Laurance Fuller	Amoco Corporation
John A. Georges	International Paper Company
Louis V. Gerstner, Jr.	IBM Corporation
Harvey Golub	American Express Company
Maurice R. Greenberg	American International Group
Richard H. Jenrette	The Equitable
Jerry R. Junkins	Texas Instruments Incorporated
Robert D. Kennedy	Union Carbide Corporation
Ralph S. Larsen	Johnson & Johnson
Richard J. Mahoney	Monsanto Company
Leslie G. McCraw	Fluor Corporation
Michael A. Miles	Philip Morris Companies, Inc.
Kent C. Nelson	United Parcel Service
John D. Ong	The BFGoodrich Company
Lawrence Perlman	Ceridian Corporation
Henry B. Schacht	Cummins Engine Company, Inc.
John W. Snow	CSX Corporation
Wilson H. Taylor	CIGNA Corporation
Linda J. Wachner	Warnaco, Inc.
Harold A. Wagner	Air Products and Chemicals, Inc.
Michael H. Walsh	Tenneco Inc.
Sanford I. Weill	Primerica Corporation
William L. Weiss	Ameritech Corporation
Kay R. Whitmore	Eastman Kodak Company, Inc.
Joseph H. Williams	The Williams Companies, Inc.
Robert C. Winters	The Prudential
Edgar S. Woolard, Jr.	E. I. du Pont de Nemours & Co., Inc.
Michael W. Wright	SUPERVALU Inc.

Nolan D. Archibald	The Black & Decker Corporation
Philip J. Carroll	Shell Oil Company
L. Dennis Kozlowski	Tyco Laboratories, Inc.
Charles R. Lee	GTE Corporation
Allen E. Murray	Mobil Corporation
Robert B. Palmer	Digital Equipment Corporation
Jerry K. Pearlman	Zenith Corporation
William D. Ruckelshaus	Browning-Ferris Industries, Inc.
Edward B. Rust, Jr.	State Farm Insurance Companies
[illegible]	American Home Products Corp.

(TUE)09. 07. '93 17:34/ST. 17:33/NO. 3560362165 P 2
FROM

Amy —
I'd like to include this if possible but want to get it on fewer pages. Pls locate Sarah & get the disk.

Copyright 1993 PR Newswire Association, Inc.

PR Newswire

August 30, 1993, Monday

SECTION: Washington Dateline

DISTRIBUTION: TO FEATURES AND LABOR EDITORS

LENGTH: 1672 words

HEADLINE: AS LABOR DAY 1993 APPROACHES, UNION POINTS TO SPECIFIC PROGRESS UNDER CLINTON ADMINISTRATION

DATELINE: WASHINGTON, Aug. 30

KEYWORD: bc-AFSCME-Labor-Day

BODY: As Labor Day 1993 draws near, the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, the nation's largest public employee and health care workers union, said that the Clinton administration has done more in eight months to help working people than the previous Republican administrations had done in 12 years.

"The Clinton administration deserves a great deal of credit for aggressively addressing domestic problems, particularly the issues affecting working American families," said AFSCME President Gerald W. McEntee. "While the administration has focused like a 'laser beam' on health care reform, it also has managed to pass other landmark pieces of legislation, such as the Family and Medical Leave Act and the Budget Reconciliation Act. AFSCME applauds the president for his commitment to a strengthened domestic policy, and we pledge to work with him over the next three years."

In an overview of the Clinton administration progress (see below), AFSCME pointed to a wide variety of Clinton successes, ranging from health care reform to the Motor Voter Act. Much of the legislation pursued or signed by the Clinton administration had been high on AFSCME's legislative agenda for years.

"Unions, like AFSCME, may not agree with the president 100 percent of the time," McEntee concluded. "But we do appreciate the fact that we have a seat at the table -- for the first time in 12 years, our voice is heard. We were with the president after the election when he convened his economic summit in Little Rock, and we will be there to offer our views on upcoming legislation and policy."

-- What A Difference A Year Makes --

LABOR PAINS GIVE WAY TO LABOR GAINS

Labor Pains 1992	What AFSCME Said:
Health Care Reform	"There are at least 12 million children in this society with no medical coverage ... but that hasn't stopped President Bush from doing everything he can to torpedo efforts to clean up the health care system."

Labor Gains 1993	What AFSCME Said:
Comprehensive new health care reform plan due Sept. 22.	"President Bill Clinton has committed his administration to making health security a right determined to see the best national health plan enacted, putting a stop once and for all to health insurance company rip-offs."

Labor Pains 1992 What AFSCME Said:

Balanced Budget Amendment	"... Would dramatically lower economic growth and throw millions of workers in unemployment lines."

Labor Gains 1993	What AFSCME Said:
Budget Reconciliation Act/President Clinton's Economic Plan	"The omnibus budget reconciliation bill may be our best chance for jobs creation and fair tax policies. It may also be our last chance to create the hope of an economic future for working people."

Labor Pains 1992	What AFSCME Said:
Family and Medical Leave Act	"President Bush maintains that this legislation places too great of a burden. ... Should the workers who are torn between family crisis and job responsibilities be denied 12 weeks of UNPAID leave? Anyone who believes in 'family values' must answer 'no.'"

Labor Gains 1993	What AFSCME Said:
FMLA signed into law	"With the signing of the FMLA, President Clinton has shown that he values the

American family and the struggle facing American workers today, who often have to make the intolerable choice between keeping their jobs and livelihood and taking the time for a family crisis."

Labor Pains 1992 — What AFSCME Said:

OSHA Reform — "Public employees have been treated like second-class citizens for more than 20 years, even though statistics show they have more injuries and illnesses than private sector employees."

Labor Gains 1993 — What AFSCME Said:

OSHA Reform legislation may soon pass in Congress — "This bill will save countless lives each year. For the first time, it extends OSHA protections to state and local employees. For the first time these workers will have a clear right to refuse hazardous work without fear of retaliation."

Labor Pains 1992 — What AFSCME Said:

AIDS Funding

"As long as we have an administration (the Bush administration) in Washington that is not serious about dealing with AIDS in the community and in the workplace, we will be fighting a losing battle."

Labor Gains 1993 — What AFSCME Said:

AIDS funding likely to be increased

"At the very least, people with AIDS now have a voice and President Clinton's administration has accomplished more in six months than the previous administrations had in 12 years."

Labor Pains 1992 — What AFSCME Said:

Earned Income Tax Credit

"The Earned Income Credit is needed to reward those low-income individuals who continue to struggle at their jobs, rather than collect assistance from the government."

Labor Gains 1993	What AFSCME Said:
EIC was expanded by	"No parent who works full time and has a
$21 billion in the	child at home will live in poverty with
Clinton Budget Plan	the expansion of EIC in the Clinton plan
along with other	in 1993."
programs for families, children and low- income Americans.	

Labor Pains 1992	What AFSCME Said:
Motor Voter Bill	"The Bush administration blocked passage
(National Voter	of the measure fearing administrative
Registration Act)	burdens and partisan registration."

Labor Gains 1993	What AFSCME Said:
Motor Voter bill	"Today is a great day for democracy. The
signed into law.	National Voter Registration Act, signed by
	President Clinton, opens the door for
	millions to enter the political process.

Congress and the Clinton administration understand that in the past our nation's voting requirements were far too restrictive.

Labor Pains 1992 What AFSCME Said:

Hatch Act "The Reagan/Bush administrations fear that

Hatch Act reform will politicize the work

force and ignore the need to reform this

antiguard 1930s law."

Labor Gains 1993 What AFSCME Said:
Hatch Act has passed "The measure gives federal employees the both House and Senate. opportunity to participate in the type of Slight differences in political activity that most Americans take
House and Senate for granted. For far too long, federal

versions must be employees have been denied the opportunity

resolved. to participate in the political process."
CONTACT: Janet Rivera or Sondra Dimond of AFSCME, 202-429-1130

ORGANIZATION: AFSCME

SUBJECT: Federal Executive Branch News; State Legislation

GEOGRAPHIC: District of Columbia

ORG: AMERICAN FEDERATION OF STATE COUNTY & MUNICIPAL EMPLOYEES;

AT A GLANCE

A Weekly Checklist of Major Issues

Budget

Focusing on spending cuts: Vice President Albert Gore Jr.'s National Performance Review has reportedly been shifting its focus. For a while, the review team was concentrating on streamlining, consolidations, changes in the personnel process and other reforms to make government work better. But since President Clinton's deficit reduction package passed Congress by a gnat's eyelash only after he promised moderate and conservative Democrats that he'll come back with more spending cuts in the fall, the Gore team has stepped up its examination of programs and bureaucracies that might be eliminated. The team is supposed to come out with its report in the first week of September, and Clinton has already looked at suggestions that made the next-to-final cut. A key question as the President picks and chooses among the recommendations is how far to go. If he sends some of the boldest initiatives to Congress, he might make Democratic committee chairmen go ballistic. But if he is less bold, he risks making himself and the Vice President look less than serious and prompting lots of pointed reminders about the Administration's early promises.

Communications

Bell ringer: The announcement that American Telephone & Telegraph Co. would buy McCaw Cellular Communications Co. for $12.67 billion is sure to set off a flurry of activity by the regional Bell operating companies to challenge the deal as well as to lobby for new freedoms for themselves. The RBOCs have argued relentlessly that it is unfair for AT&T and other potential competitors to be allowed to enter the local telephone service market through mergers and other alliances while the regional firms are forbidden from entering the long-distance business under the terms of the 1984 court decree that broke up AT&T. They are likely to challenge the deal at the Federal Communications Commission and to step up their lobbying effort on Capitol Hill to be given the freedom to enter the long-distance market. Because the deal could let AT&T use McCaw's cellular technology to bypass the RBOCs' local phone networks, it could strike at the heart at one of the baby Bells' profit centers: the access charge they impose for connecting cellular calls to their local networks. The baby Bells have increasingly been critical of Congress for failing to take action in this area, arguing that rapid-fire marketplace developments have made lawmakers increasingly irrelevant in shaping communications policy. *(See NJ, 3/20/93, p. 680.)*

Defense

Faking on SDI: Former Reagan Administration officials have said that a program of deception aimed at fooling the former Soviet Union about the effectiveness of the Strategic Defense Initiative ("Star Wars") ended up deceiving some Members of Congress as well. According to four former officials, the effort to deceive the Soviets about SDI was approved by then-Defense Secretary Caspar W. Weinberger. The four officials said that a 1984 test of the SDI program was rigged to confuse the Soviets. The faked test occurred after the failure of three other tests in which an interceptor missile launched from the Pacific Ocean was supposed to hit another missile launched from California. An account of the deception program, which was first published by *The New York Times*, indicated that besides misleading the Kremlin, the faked data also played a role in persuading Congress to increase spending on Star Wars. If the fourth test hadn't seemed to succeed, the program might have lost hundreds of millions in funds, according to a former military official. A military officer who spoke to *The Times* said that the program of deception went too far and "was used improperly." The program was considered to be a factor in forcing the Soviets to spend tens of billions of dollars to counter America's SDI. Weinberger declined to confirm or deny that he had approved the deception plan, but he told the newspaper that campaigns to deceive enemies of the United States are appropriate. "You always work on deception," he said. But the former Defense Secretary denied that the program deceived Congress.

Finance

BCCI acquittal: A jury in New York City has acquitted Robert A. Altman of bank-fraud charges linked to the secret takeover by the rogue Bank of Credit and Commerce International of First American Bankshares Inc., the Washington-based bank that Altman and Clark M. Clifford, his law partner, formerly ran. Clifford's trial, put off because of his ill health, may never take place. The Aug. 14 verdict was a blow for Manhattan District Attorney Robert Morgenthau, who aggressively pursued Clifford and Altman at a time when the Justice Department was being widely criticized for foot-dragging. Altman and Clifford have steadfastly maintained that they were the innocent dupes—not the aiders and abettors—of BCCI's covert designs on First American. The defense was withering in its cross-examination of prosecution witnesses but never called a witness of its own. The jury was presented with reams of arcane financial documents but didn't appear to have much trouble making up its mind. After the trial, Altman's wife, actress Lynda Carter, planted a kiss on the cheek of juror Ricardo Palacio, who declared, "This man was innocent from the start."

AN- Include in media summ.

Good

Health

Promoting reform: A coalition of 15 labor, medical and elderly advocacy groups, including the AFL-CIO, the American Association of Retired Persons and the American Academy of Family Physicians, is moving ahead with plans for a full-scale campaign to promote comprehensive health care reform. The group, whose provisional name is the Healthcare Project, appears headed toward hiring the Washington political consulting firm of Chlopak, Leonard, Schechter and Associates to coordinate the campaign and harmonize the efforts of member groups. Chlopak and his partners, who were formerly with the Sawyer/Miller Group, have specialized in running issue-oriented campaigns for coalitions, most recently on environmental and consumer matters. In addition to hiring the consulting firm, the coalition is likely to also ask participants to contribute staff employees to the effort.

Housing

Public housing 101: Housing and Urban Development Secretary Henry G. Cisneros traveled a few blocks from HUD's Washington headquarters to a public housing development on Aug. 16 to learn about life in the projects from selected residents and officials of public housing in six cities. He discovered something that seemed to shock him. One of his high priorities is preserving families in HUD-assisted housing. But the residents complained that their housing authorities don't allow their children who are 17 years and older and out of school to live with them. Cisneros turned to Joseph Shuldiner, his assistant secretary for public and Indian housing, who formerly ran the public housing authorities in New York City and Los Angeles, and asked if this was widespread. Shuldiner replied that, yes, this is a fact of life in most housing projects. Cisneros turned back to the residents and said he'd look into the problem. To be continued. *(See NJ, 7/24/93, p. 1862.)*

Labor

Clinton and the unions: As President Clinton braces for a period in which his relationship with organized labor will undoubtedly be strained, he has boosted his standing with union members by canceling President Reagan's ban on rehiring the air traffic controllers who engaged in an illegal strike in 1981. The executive order that Clinton signed on Aug. 12 was hailed by labor leaders as a positive step in ending the bitter tone of labor-management relations in the 1980s. Still, it is a largely symbolic gesture, because Reagan's ban covered more than 11,000 controllers, and the Federal Aviation Administration (FAA) has only a small number of job openings. "President Clinton has ended a sorry chapter in U.S. employment history and has charted a new path for the workplace of the future," said Lane Kirkland, president of the AFL-CIO. In a joint statement, Labor Secretary Robert B. Reich, Transportation Secretary Federico F. Peña and Office of Personnel Management director James King said, "While this Administration does not condone illegal job actions in the federal government, reasonable people would agree that after 12 years, former air traffic controllers should be able to reapply for employment with the FAA." The action comes as the Administration gears up to fight for the North American Free Trade Agreement, which labor bitterly opposes. And if the Administration tries, as it is expected to, to control federal spending through layoffs and furloughs of federal workers, it will also have to do battle with organized labor. *(See NJ, 4/24/93, p. 978.)*

National Security

Counting the damage in the Gulf: "Military intelligence simply doesn't know how to count enemy equipment damage," Norman Sisisky, D-Va., the chairman of the House Armed Services Subcommittee on Investigations, asserted as he summed up a new committee report declaring that U.S. forces "greatly overestimated" the amount of Iraqi equipment destroyed during the air phase of the early-1991 Persian Gulf war. Finding that "U.S. forces collected good tactical intelligence, but often failed to deliver it to the fighting units that needed it," the House study essentially backs up the CIA's much-debated wartime intelligence analysis, which strongly suggested that American air attacks were not knocking out as many Iraqi tanks and artillery pieces as U.S. Air Force and Army intelligence was reporting. The U.S. Central Command estimated that 388 of 846 tanks attached to three Iraqi Republican Guard divisions were destroyed, for example. The House study finds that only 166 of those tanks had been successfully attacked. Ironically, the House Armed Services Committee's scrutiny of Gulf war intelligence efforts was launched when Les Aspin chaired the panel. Today, as Defense Secretary, Aspin must respond to Sisisky's challenge that "there's no book on how to handle battlefield damage assessments; we need to write one now."

Space

Space station go-ahead: The National Aeronautics and Space Administration has given the Johnson Space Center, headquarters for the agency's manned spaceflight program, the nod to oversee construction of the slimmed-down space station *Freedom*. NASA on Aug. 17 also chose Seattle-based Boeing Co. to be the prime contractor for the redesigned space station project, which is now expected to cost about $22 billion—or about $9 billion less than originally expected—by the time it is launched into space in 2000. President Clinton ordered the redesign process in February after complaining that the space station was going to cost almost $31.3 billion, far more than the White House considered warranted. After months of nearly around-the-clock work, a team of NASA engineers presented the White House with three design options. In mid-June, Clinton chose the option that NASA had recommended; it calls for a modular version of the existing space station plan. The Johnson Center, about 30 miles south of Houston, will gain about 300 jobs as part of the consolidation, while Boeing could gain up to 200 jobs, most of them in Houston, officials said. NASA administrator Daniel S. Goldin called the decisions "a significant step forward in carrying out the President's decision to move ahead with a redesigned space station."

Trade

Another test for NAFTA: With the labor and environmental side agreements to the North American Free Trade Agreement in hand, the Clinton Administration must still deal with the question of whether the trade accord requires an environmental impact statement, as a federal district court has ruled. The question is before the U.S. Court of Appeals for the District of Columbia Circuit, and if it upholds the lower court, the Administration may well miss its goal of implementing the agreement with Mexico and Canada by Jan. 1. *(See this issue, p. 2068.)*