RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:17-JUL-1997 10:04:00.00

SUBJECT: ASSOCIATION LETTER

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
AMERICAN COUNCIL ON EDUCATION

July 15, 1997

Dear Senator Lott

United States Senate

487 Russell Senate Office Building

Washington, DC 20510

Dear Senator Lott:

I write on behalf of the higher education associations listed below to express our views on the education tax provisions under consideration in the Revenue Reconciliation Act of 1997 (H.R. 2014).

We are grateful for the agreement by the congressional leadership and the administration that a comprehensive set of proposals to help families save and pay for higher education should be a central feature of any tax relief legislation. This decision recognizes that widespread access to higher education will generate substantial benefits for the nation as a whole in the forms of long-term economic growth and social progress.

We believe that any comprehensive higher education tax package should include six elements:

A Hope Scholarship tax credit available to needy as well as middle income students for the first two years of college. Such a credit would help guarantee students access to two years of postsecondary education or training and should be the central feature of any plan. We note that neither the House nor Senate bills would allow all students to claim 100 percent of their allowable tuition and fees up to $1,500. We urge the conferees to structure the credit so that it is not reduced to the detriment of students attending low-cost institutions.

A provision to encourage students to pursue postsecondary education after their eligibility for the Hope tax credit has expired, including features that promote lifelong learning, such as those proposed by President Clinton.

Effective incentives to help families with young children save for college expenses-- e.g., allowing the use of Individual Retirement Accounts for higher education expenses without penalty and authorizing the creation of "educational IRAs."

Permanent extension of Section 127 of the tax code for employer-provided educational assistance for both undergraduate and graduate education, to ensure that working adults can participate in higher education without adverse tax consequences.

Reinstatement of the student loan interest deduction to help student borrowers repay their loans after graduation. The deduction should be "above the line," as in the Senate bill, to ensure that all borrowers benefit. In addition, we strongly endorse the provisions in the House and Senate bills that would exclude from federal taxation loans that are canceled by a college, university or other nonprofit organization when college graduates pursue community service and other low-paying careers. Finally, we support the provision in both bills that would exclude from federal taxation the income contingent repayment plan. This plan, established in 1992 to help individuals whose income remains low throughout their working lives, cancels any remaining federal student loan debt after 25 years of repayment. Borrowers who have worked to repay their debt and receive federal loan "forgiveness" benefit from this provision only because they have low income. They should not be expected to pay federal income tax on the amount forgiven.

Elimination of the tax-exempt bond cap for all colleges and universities so that they can maintain their campus facilities, keep up with the rapid growth of technology, and offer their students and faculty state-of-the-art classroom and research facilities.

The House and Senate bills and the administration proposals can be combined to include these six elements. Such a package would provide a much needed and extraordinarily valuable set of tax cuts to help middle income families invest in education. Taken together, the six elements listed above would represent landmark legislation in the tradition of the

GI Bill and the Higher Education Act.

We also strongly encourage you to drop two provisions included in the House version of the bill.

The first would impose new taxes on college employees and students by phasing out Section 117(d) of the tax code. Under this provision, tuition reimbursements or waivers received by students, staff, and faculty are excluded from income. More than 50 percent of the faculty and staff members who benefit form this provision have adjusted gross incomes of less than $30,000. Removing this provision would increase the cost of education for these individuals sharply and dramatically. In addition, phasing out Section 117(d) would impose a substantial new tax burden on graduate teaching assistants, most of whom currently pay little or no tax on their small stipends.

The second provision would eliminate the long-standing tax-exempt status of TIAA-CREF. Such a change could reduce earnings that otherwise would be credited as dividends to the two million participants in this retirement plan.

Again, we thank you for your bipartisan support of higher education, and your willingness to make higher education a priority in this important legislation. We look forward to working with you as the tax bill conference moves forward.

Sincerely,

Stanley O. Ikenberry

On behalf of the following associations:

American Council on Education

American Association of Community Colleges

American Association of Dental Schools

American Association of State Colleges and Universities

Association of American Universities

Association of Catholic Colleges and Universities

Association of Jesuit Colleges and Universities

Council of Independent Colleges

Council of Graduate Schools

Hispanic Association of Colleges and Universities

National Association of College and University Business Officers

National Association of State Universities and Land-Grant Colleges

National Association of Student Financial Aid Administrators

cc: President William J. Clinton

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
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 id <01ILCAG0I9MO000EGT@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Thu,

 17 Jul 1997 11:05:31 -0500 (EST)
Received: from storm.eop.gov (storm.eop.gov)
 by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILCAFYPFJ4000ISL@PMDF.EOP.GOV> for
 Robert_M._Shireman@oa.eop.gov; Thu, 17 Jul 1997 11:05:28 -0500 (EST)
Received: from mothra.rs.itd.umich.edu ([141.211.83.20])
 by STORM.EOP.GOV (PMDF V5.1-7 #6879)
 with ESMTP id <01ILCAF86BS8002QXS@STORM.EOP.GOV> for
 Robert_M._Shireman@oa.eop.gov; Thu, 17 Jul 1997 11:04:54 -0400 (EDT)
Received: from [192.195.231.219] by mothra.rs.itd.umich.edu (8.8.5/2.2)

id LAA25738; Thu, 17 Jul 1997 11:04:44 -0400 (EDT)
X-Sender: tombutts@t.imap.itd.umich.edu
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:17-JUL-1997 10:03:00.00

SUBJECT: - no subject (01ILCAG5O7BC000KXG) -

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
July 8, 1997

Dear Chairman Archer:

We greatly appreciate your efforts in the tax package to promote savings on the part of families who are planning for the college education of their children. We strongly support these initiatives and commend your Committee for adopting tax policies which provide families with incentives for saving for college expenses. As we have heard from students and parents around the country, paying for college is one of the most important goals of American families.

As you prepare to reconcile the House bill with the Senate bill, we would like to share with you our thoughts with respect to the education tax
provisions from an education policy perspective. Your Committee and the Senate Finance Committee recognized the importance of saving for college. The provisions in both bills which promote education investment programs, penalty-free IRA withdrawals expanded to include grandparents, and favorable tax treatment of tuition prepay programs will be of great benefit to families who save for college. In particular, the favorable

tax treatment of tuition prepay programs should encourage more States to establish such programs. Families who invest in these programs lock in future tuition at today's rates and have the benefit of knowing that the amount they are saving will in fact pay for the education of their children in the future.

Although we continue to have concerns with the inflationary aspect of the tax credit, your provision which bases the credit on a percentage of tuition, fees and books is a good approach. The Senate was slightly more generous to students attending community colleges which charge low tuition and fees. Because many of these students tend to be from lower income families, the Senate approach of providing a slightly higher tax credit in the case of community college students appears to be a reasonable means to providing increased assistance to students who attend low cost institutions. In addition, the Senate bill expands and extends the employer-provided education assistance provision in the tax code which we think is important to the future of this country. We should be encouraging employers and employees to continually expand their education and training opportunities in order for this country to have both a well educated and well trained workforce.

We also support the Senate provision on the deductibility of student loan interest. Many will argue that such a provision will simply encourage students to incur more debt rather than save for their college education. In fact, borrowing to pay for college is the reality for many students and their families. We are aggressively looking into college costs and the reasons underlying the huge increases, with the hope that we will find solutions to rising costs. However, even if costs stabilize and families begin to save for college, many students will find themselves needing to borrow to finance their education. The provision in the Senate bill limits the deduction to the first sixty months of repayment. The limit accomplishes two worthwhile purposes. First, it assists students when they are starting their careers and most in need of assistance. Second, it encourages recent grates to establish good repayment records since they know they will receive a small tax break at the end of the year.

Finally, we have concerns with a provision adopted in the Ways and Means Committee which adds an exclusion from income tax for loan debt forgiven after 25 years for student loan borrowers opting for income contingent repayment. It is our understanding that in adopting this provision, the Committee was under the impression that this tax treatment of forgiven income contingent loans was to apply to students working for a certain period of time in certain professions which satisfy a community service benefit requirement. However, as adopted, this provision will in fact accord special tax treatment for any amounts forgiven under income contingent repayment after 25 years, without any community service requirement. We are concerned that this may entice borrowers into a repayment plan which may prove disadvantageous to them over time.

To the extent possible, it is generally advantageous for borrowers to repay a loan as quickly as possible to avoid additional interest payments. This holds true for Federal student loans, as well as for mortgage loans, car loans, or credit card debt. For the student borrowers who truly cannot afford the monthly payments to amortize their loans on a standard

10 year repayment schedule, the Higher Education Act provides alternative repayment plans, such as extended or graduated repayment. There are also deferment and forbearance provision for those with temporarily low incomes. For example, assuming an interest rate of 8.25 percent, a student who borrows $15,000 and repays that money over 10 years will pay just over $7,000 in interest. That same student, using a graduated repayment plan (15 years) will pay just over $13,600 in interest, and will probably never have a payment in excess of 10 percent of his or her income. However, the same student choosing income contingent repayment will pay more that $21,000 in interest over 25 years (154 percent of what would have been paid under graduates repayment) and will still have $3,140 forgiven. Clearly, encouraging students to chose this option is not in the best interest of the student or the taxpayer and may prove to be enormously expensive over time. To the extent that borrowers are enticed into income contingent repayment, the 25 year term of this debt may also effect other life choices such as the purchase of a home or helping their own children pay for college. As you begin to conference this legislation with the Senate, we ask that you carefully consider the Committee's intent in adopting this measure, and the wisdom of providing this further incentive to students who may be considering an income contingent plan simply to lower their monthly repayment amount.

In closing, we want to commend you and the Members of the Ways and Means Committee for putting forward tax provision which encourage families to save for the college education of their children. Thank you for considering our views on this important issue.

Sincerely,

Bill Goodling

Howard McKeon

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
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 id <01ILCAG2JY0W000FCV@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Thu,

 17 Jul 1997 11:05:33 -0500 (EST)
Received: from storm.eop.gov (storm.eop.gov)
 by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILCAFYPFJ4000ISL@PMDF.EOP.GOV> for
 Robert_M._Shireman@oa.eop.gov; Thu, 17 Jul 1997 11:05:30 -0500 (EST)
Received: from mothra.rs.itd.umich.edu ([141.211.83.20])
 by STORM.EOP.GOV (PMDF V5.1-7 #6879)
 with ESMTP id <01ILCAFR06R2002QXS@STORM.EOP.GOV> for
 Robert_M._Shireman@oa.eop.gov; Thu, 17 Jul 1997 11:05:20 -0400 (EDT)
Received: from [192.195.231.219] by mothra.rs.itd.umich.edu (8.8.5/2.2)
 id LAA25803; Thu, 17 Jul 1997 11:05:02 -0400 (EDT)
X-Sender: tombutts@t.imap.itd.umich.edu
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:18-JUL-1997 09:27:00.00

SUBJECT: Conference on Tax Bill

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
>X-Priority: 3

>Date: Thu, 17 Jul 1997 10:00:01 -0400

>Reply-To: NASULGC Council on Governmental Affairs <CGA-NEWS@UMDD.UMD.EDU>

>Sender: NASULGC Council on Governmental Affairs <CGA-NEWS@UMDD.UMD.EDU>

>From: "Briscoe, Katrina" <BriscoeK@NASULGC.NCHE.EDU>

>Subject: Conference on Tax Bill

>To: CGA-NEWS@UMDD.UMD.EDU

>

> M E M O R A N D

>U M

>

>

>TO: CGA

>

>FROM: Jerry Roschwalb

>

>DATE: July 17 1997

>

>SUBJECT: Conference on Tax Bill

>

>

>The word around the Capitol is that by the end of this week or early
>next week the conferees will complete their work on this extremely
>complex piece of legislation that affects higher education in many ways.
>
>Below is the text of a letter that a number of the associations have
>sent to the conferees, and separetely delivered to a number of members
>of the House hoping they will intervene with the conferees.
>
>We recognize that each insitution may have its own concerns, but we
>believe that the package as a whole should be the concern of all
>institutions. Of special interest to us has been the negative impact on
>graduate students and the university community that would result from a
>removal of 117(d). A permanent extension of Section 127 would end our
>annual battle to extend that provision that permits educational
>assistance for working adults without tax consequences. And that too
>has been a matter of great concern.
>
>Certainly, the Hope scholarship tax credit worth tens of millions to
>families in this country must be given essential attention. Much
>concern has centered on some of the imperfections in the plans as
>introduced by the President and proposed by both Houses. Nevertheless,
>we hope the credit can be modified to keep students at low cost
>instutions in mind and be valuable new assistance for families of
>students attending college.
>
>As you all know, the fate of these programs depends primarily on
>politics and politics is a participation game and not an observation

>one. Certainly at this time with so much hanging in the balance and so
>many of our students and our institutions to be affected by what happens
>in this tax bill, it is proper for everyone to be in touch with the
>state's delegation to inform them of their views.
>
>
>
>
>
>
>July 15, 1997
>
>
>The Honorable William V. Roth
>United States Senate
>219 Dirksen Senate Office Building
>Washington, DC 20510
>
>
>Dear Senator Roth:
>
>I write on behalf of the higher education associations listed below to
>express our views on the education tax provisions under consideration in
>the Revenue Reconciliation Act of 1997 (H.R. 2014).
>We are grateful for the agreement by the congressional leadership and
>the administration that a comprehensive set of proposals to help
>families save and pay for higher education should be a central feature

>of any tax relief legislation. This decision recognizes that widespread
>access to higher education will generate substantial benefits for the
>nation as a whole in the forms of long-term economic growth and social
>progress.
>We believe that any comprehensive higher education tax package should
>include six elements:
>* A Hope Scholarship tax credit available to needy as well as
>middle income students for the first two years of college. Such a
>credit would help guarantee students access to two years of
>postsecondary education or training and should be the central feature of
>any plan. We note that neither the House nor Senate bills would allow
>all students to claim 100 percent of their allowable tuition and fees up
>to $1,500. We urge the conferees to structure the credit so that it is
>not reduced to the detriment of students attending low-cost
>institutions.
>* A provision to encourage students to pursue postsecondary
>education after their eligibility for the Hope tax credit has expired,
>including features that promote lifelong learning, such as those
>proposed by President Clinton.
>* Effective incentives to help families with young children save
>for college expensesUe.g., allowing the use of Individual Retirement
>Accounts for higher education expenses without penalty and authorizing
>the creation of "educational IRAs."
> July 15, 1997
> Page 2
>* Permanent extension of Section 127 of the tax code for
>employer-provided educational assistance for both undergraduate and

>graduate education, to ensure that working adults can participate in
>higher education without adverse tax consequences.
>*   Reinstatement of the student loan interest deduction to help
>student borrowers repay their loans after graduation. The deduction
>should be "above the line," as in the Senate bill, to ensure that all
>borrowers benefit. In addition, we strongly endorse the provisions in
>the House and Senate bills that would exclude from federal taxation
>loans that are canceled by a college, university, or other nonprofit
>organization when college graduates pursue community service and other
>low-paying careers. Finally, we support the provision in both bills
>that would exclude from federal taxation any portion of student loans
>forgiven after 25 years under the federal income contingent repayment
>plan. This plan, established in 1992 to help individuals whose income
>remains low throughout their working lives, cancels any remaining
>federal student loan debt after 25 years of repayment. Borrowers who
>have worked to repay their debt and receive federal loan "forgiveness"
>benefit from this provision only because they have low income. They
>should not be expected to pay federal income tax on the amount forgiven.
>*   Elimination of the tax-exempt bond cap for all colleges and
>universities so that they can maintain their campus facilities, keep up
>with the rapid growth of technology, and offer their students and
>faculty state-of-the-art classroom and research facilities.
>
>   The House and Senate bills and the administration proposals can
>be combined to include these six elements. Such a package would provide
>a much needed and extraordinarily valuable set of tax cuts to help
>middle income families invest in education. Taken together, the six

>elements listed above would represent landmark legislation in the
>tradition of the GI Bill and the Higher Education Act.

> We also strongly encourage you to drop two provisions included
>in the House version of the bill.

>* The first would impose new taxes on college employees and
>students by phasing out Section 117(d) of the tax code. Under this
>provision, tuition reimbursements or waivers received by students,
>staff, and faculty are excluded from income. More than 50 percent of
>the faculty and staff members who benefit from this provision have
>adjusted gross incomes of less than $30,000. Removing this provision
>would increase the cost of education for these individuals sharply and
>dramatically. In addition, phasing out Section

> 117(d) would impose a substantial new tax burden on graduate
>teaching assistants, most of whom currently pay little or no tax on
>their small stipends.

>* The second provision would eliminate the long-standing
>tax-exempt status of TIAA-CREF. Such a change could reduce earnings
>that otherwise would be credited as dividends to the two million
>participants in this retirement plan.

>

>Again, we thank you for your bipartisan support of higher education, and
>your willingness to make higher education a priority in this important
>legislation. We look forward to working with you as the tax bill
>conference moves forward.

> Sincerely,

>

>

>

> Stanley O.

>Ikenberry

>

>

>On behalf of the following associations:

>American Council on Education

>American Association of Community Colleges

>American Association of Dental Schools

>American Association of State Colleges and Universities

>Association of American Universities

>Association of Catholic Colleges and Universities

>Association of Jesuit Colleges and Universities

>Council of Independent Colleges

>Council of Graduate Schools

>Hispanic Association of Colleges and Universities

>National Association of College and University Business Officers

>National Association of State Universities and Land-Grant Colleges

>National Association of Student Financial Aid Administrators

>

>

>cc: President W=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ILDNBE60WG000UIE@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Fri,

18 Jul 1997 10:25:13 -0500 (EST)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILDNBBGI3K000T15@PMDF.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Fri, 18 Jul 1997 10:25:09 -0500 (EST)
Received: from mothra.rs.itd.umich.edu ([141.211.83.20])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01ILDNB3XQQG0032H6@STORM.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Fri, 18 Jul 1997 10:24:58 -0400 (EDT)
Received: from [141.211.178.146] by mothra.rs.itd.umich.edu (8.8.5/2.2)
id KAA27834; Fri, 18 Jul 1997 10:25:02 -0400 (EDT)
X-Sender: tombutts@t.imap.itd.umich.edu
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:29-JUL-1997 19:20:00.00

SUBJECT: TAX SUMMARY

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
Following is the White House summary of the education tax provisions

contained in the budget agreement announced today: It is estimated that

this package would provide about $40 billion in education tax assistance to

students and families over the next five years.

"THE HOPE SCHOLARSHIP AND TUITION TAX CREDIT

"From the beginning, promoting expanded educational opportunity has been

the

centerpiece of President Clinton !,s budget and his middle class tax cut

proposal. Promoting education is the centerpiece of this final tax cut

bill:

"$1,500 HOPE Scholarship to make the first two years of college

universally

available. The final agreement includes the President !,s program to advance

the

goal of making the 13th and 14th grades as universally available as a high

school diploma is today. Students will receive a scholarship of 100% on

the

first $1,000 of tuition and fees and 50% on the second $1,000. The credit will be available for college enrollment after January 1, 1998. The credit is phased out for joint filers between $80,000 and $100,000 of income, and for single filers between $40,000 and $50,000.

"20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. The 20% credit will be applied to the first $5,000 of tuition and fees through 2002, and to the first $10,000 thereafter.. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and is a major improvement over the Congressionally-passed bills. The credit is available for college enrollment after July 1, 1998. The credit is phased out at the same income levels as the HOPE Scholarship.

"A SUMMARY OF ADDITIONAL EDUCATION TAX CUTS

"Education and Retirement Savings Accounts. Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers are given the opportunity to deposit $500 into an education IRA. Earnings would accumulate tax-free and no
taxes will be due upon withdrawal for an approved purpose. The Education IRA
is phased out for families with incomes between $150,000 and $160,000.

"Employer-Provided Education Benefits. Extends Section 127 of the tax code for
undergraduates for three years. This provision allows workers to exclude $5,250 of employer-provided education benefits from their taxable income.

"Student Loan Interest Deduction. Allows a deduction for up to $2,500 per year
of interest on education loans for expenses of students enrolled at an institution of higher education. The maximum deduction is $1,000 in the first
year, increasing in $500 increments each year until reaching $2,500. This deduction will be available even if the taxpayer does not itemize deductions.
It is available to joint filers with income between $60,000 and $75,000, and to
single filers with income between $40,000 and $55,000.

"Community Service Loan Forgiveness. Excludes from taxable income loan

amounts
forgiven for borrowers who take community-service jobs addressing unmet
needs.
(Loan forgiveness programs run by government agencies are already exempt;
this
provision would extend that to nonprofit tax-exempt charitable or
educational
institutions.

"Expand benefits for pre-paid tuition plans. Exempts from taxation some earnings on pre-paid tuition plans, and extends some benefits to private college programs."

The House proposal to delete Section 117 (d) which would have taxed tuition benefits for teaching and research assistants as well as other employees at some institutions was NOT included. However, the provision that would have made loan cancelation under the 25 year income contingent loan repayment plan tax free was also not included. Some have noted that the unfortunate loss of graduate students in Section 127 would be offset, in part, by the 20% tax credit that takes effect July 1, 1998.

TIAA pension reserves will be subject to tax. It's not clear if a phase out was provided. Reports vary on the impact this will have.

Finally, the bill removes the cap on tax-exempt capital bonds issued by private colleges and universities.

Thomas A. Butts

Associate Vice President for University Relations

University of Michigan

202-554-0578, FAX 202-554-0582, tombutts@umich.edu

==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
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id <01ILTJ53F3CW001IKT@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Tue,

29 Jul 1997 19:18:18 -0400 (EDT)
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by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILTJ50N4SG0039F2@PMDF.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Tue, 29 Jul 1997 19:18:12 -0400 (EDT)
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Robert_M._Shireman@oa.eop.gov; Tue, 29 Jul 1997 19:17:39 -0400 (EDT)
Received: from [192.195.231.207] by mothra.rs.itd.umich.edu (8.8.5/2.2)
id TAA01825; Tue, 29 Jul 1997 19:17:36 -0400 (EDT)
X-Sender: tombutts@t.imap.itd.umich.edu
================== END ATTACHMENT 1 ==================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 1-AUG-1997 14:24:00.00

SUBJECT: Re: Details on education tax items - in message and attached

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

The document says $5.8 million when you mean 5.8 million people.

______________________________ Reply Separator

____

Subject: Details on education tax items - in message and attached

Author: Robert_M._Shireman@oa.eop.gov at Internet

Date: 8/1/97 1:58 PM

Message Creation Date was at 1-AUG-1997 13:58:00

DETAILS ON THE EDUCATION ITEMS IN THE TAX BILL

THE HOPE SCHOLARSHIP AND LIFETIME LEARNING CREDIT

From the beginning, promoting expanded educational opportunity has been

the

centerpiece of President Clinton !,s budget and his middle class tax cut proposal. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted that, in addition to the HOPE Scholarship for the first two years of college, the tax bill must include a tax cut for lifetime learning. The final tax cut bill enacts the President !,s proposals:. When fully phased in, 12.9 million students are expected to benefit -- $5.8 million claiming the HOPE Scholarship, and 7.1 million claiming the Lifetime Learning Credit.

U $1,500 HOPE Scholarship to make the first two years of college universally available. For students in the first two years of college (or other eligible post-secondary training), taxpayers will be eligible for a tax credit equal to 100% on the first $1,000 of tuition and fees and 50% on the second $1,000 (the amounts are indexed for inflation after 2001). The credit will be available on a per-student basis for net tuition and fees (less grant aid) paid for college enrollment after December 31, 1997. The credit is phased out for joint filers between $80,000 and $100,000 of income, and for single filers between $40,000 and $50,000 (indexed after 2001). The credit can be claimed in two taxable years (but not beyond the year when the student completes the first two years of college) with respect to any individual enrolled on at least a half-time basis for any portion of the year.

U Lifetime Learning Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. For those beyond the first two years of college, or taking classes part-time to improve or upgrade their job skills, the family will receive a 20% tax credit for first $5,000 of tuition and fees through 2002, and for the first $10,000 thereafter. The credit is available for net tuition and fees (less grant aid) paid for post-secondary enrollment after June 30, 1998. The credit is available on a per-taxpayer (family) basis, and is phased out at the same income levels as the HOPE Scholarship.

OTHER TAX CUTS FOR HIGHER EDUCATION

! ' Education Savings Accounts. For each child under age 18, families may deposit $500 per year into an Education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for net post-secondary expenses for tuition, fees, books, equipment, and room and board (generally limited to the posted room and board charges of the institution). The Education IRA is phased out for families with incomes between $150,000 and $160,000, and for single filers between $95,000 and $110,000. A taxpayer who uses tax-free distributions from an Education IRA may not, in the same year, benefit from the HOPE Scholarship or Lifetime Learning Credit.

! ' Student Loan Interest Deduction. Allows an above-the-line deduction (the taxpayer does not need to itemize in order to benefit) for interest paid in the first 60 months of repayment on private or government-backed loans post-secondary education and training expenses. The maximum deduction is $1,000 in 1998, $1,500 in 1999, $2,000 in 2000, and $2,500 in 2001 and beyond.
It is available to joint filers with income between $60,000 and $75,000, and to

single filers with income between $40,000 and $55,000 (indexed after 2002).

The deduction is available for loans made before or after enactment of this provision, but only to the extent that the loan is within the first 60 months of repayment. The loan amount eligible for the deduction is limited to net pos t-secondary expenses for tuition, fees, books, equipment, room, and board (limited to the !&cost of attendance !8 currently used for Federal student aid programs).

! ' IRA Withdrawals. Taxpayers may withdraw funds from an IRA, without penalty, for the higher education expenses of the taxpayer, spouse, child, or grandchild. The amount that can be withdrawn without penalty is limited to net post-secondary expenses for tuition, fees, books, equipment, and room and board (generally limited to the posted room and board charges of the institution).

! ' Employer-Provided Education Benefits. Extends Section 127 of the tax code for undergraduates for three years (for courses beginning prior to June 1, 2000). This provision allows workers to exclude $5,250 of employer-provided

education benefits from their taxable income.

! ' Community Service Loan Forgiveness. Excludes from taxable income loan

amounts forgiven for borrowers who take community-service jobs addressing

unmet

needs. (Community service loan forgiveness programs run by government

agencies

are already exempt; this provision would extend that to nonprofit

tax-exempt

charitable or educational institutions.)

! ' Expand benefits for pre-paid tuition plans. Allows State-sponsored

pre-paid

tuition plans -- the earnings from which not taxed until the time of

withdrawal

as a result of last year !,s tax bill -- to include room and board expenses

for

students who attend on at least a half-time basis. Withdrawals are

eligible

for the HOPE Scholarship and Lifetime Learning tax credits.

! ' Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.

Repeals the $150 million bond cap that affects private higher education

institutions and certain other charitable institutions. The repeal

applies to

tax-exempt bonds issued by these institutions to finance new capital expenditures.

TAX PROVISIONS BENEFITING ELEMENTARY AND SECONDARY EDUCATION

! ' Encourage Computer Donations to Schools. Allows corporations an enhanced
charitable contribution deduction for the donation of up-to-date computer hardware or software to public and private K-12 schools. The equipment or programs cannot be more than two years old. The deduction is allowed in tax
years 1998 and 1999.

! ' Bonds for Public School-Business Partnerships. Allows states to use Federal tax credits as payments in lieu of interest on bonds for certain expenses -- including facilities renovation -- for school !&academies !8 expected to serve low-income students in empowerment zones and empowerment communities. The academies must have a high-skills curriculum developed in
consultation with businesses that have committed assistance (in cash or in kind, on a present value basis) equal to at least 10% of the bond proceeds.
The bonds are limited to $400 million in 1998 and $400 million in 1999. They
are allocated to States on the basis of population in poverty.

! ' Reduce Costs of School Construction Bonds. School districts invest the proceeds from school construction bonds until the funds are needed to pay construction and renovation expenses. When tax-exempt bonds are used,

there

are strict limits on the amount of interest that the district can earn,

requiring them to pay back certain amounts to the IRS. The tax bill would

relax those restrictions, allowing school districts to keep more of the

interest income and thereby reducing their cost of borrowing.

The following attachments were included with this message:

TYPE : FILE

NAME : edutax.wpd

MIME-version: 1.0

Content-type: MESSAGE/=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ILXG2DBN6O003ZCV@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Fri,

01 Aug 1997 14:32:58 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILXG29GV1S0031A0@PMDF.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Fri, 01 Aug 1997 14:32:54 -0400 (EDT)
Received: from vader.ed.gov ([165.224.217.43])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01ILXG22ECUO000QV7@STORM.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Fri, 01 Aug 1997 14:32:42 -0400 (EDT)
Received: from smtpgwy.ed.gov (smtpgwy.ed.gov [165.224.217.36])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id OAA07769 for
<Robert_M._Shireman@oa.eop.gov>; Fri, 01 Aug 1997 14:30:46 -0400 (EDT)
Received: from ccMail by smtpgwy.ed.gov (IMA Internet Exchange 2.1 Enterprise)

id 00003722; Fri, 01 Aug 1997 14:32:36 -0400

================== END ATTACHMENT 1 ==================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 1-AUG-1997 08:22:00.00

SUBJECT: Re: More detailed education tax fact sheet

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

I thought this looked great! My only question is does indexing HOPE

begin in 2001 or 2002? THe JTC tables are unclear on this point.

______________________________ Reply Separator

____

Subject: More detailed education tax fact sheet

Author: Robert_M._Shireman@oa.eop.gov at Internet

Date: 7/31/97 11:19 AM

Message Creation Date was at 31-JUL-1997 11:19:00

Please review for accuracy and let me know if something doesn't make sense

or

leaves important questions unanswered.

THE HOPE SCHOLARSHIP AND LIFETIME LEARNING CREDIT

From the beginning, promoting expanded educational opportunity has been

the

centerpiece of President Clinton !,s budget and his middle class tax cut

proposal. The President has long understood that the economy is changing

and

that people must have the opportunity to enhance their skills throughout

their

working lives. This is why the President insisted that, in addition to

the

HOPE Scholarship for the first two years of college, the tax bill must

include

a tax cut for lifetime learning. The final tax cut bill enacts the

President !,s proposals:

$1,500 HOPE Scholarship to make the first two years of college

universally

available. For students in the first two years of college (or other

eligible

post-secondary training), taxpayers will be eligible for a tax credit

equal to

100% on the first $1,000 of tuition and fees and 50% on the second $1,000

(the

amounts are indexed for inflation after 2001). The credit will be

available on

a per-student basis for net tuition and fees (less grant aid) paid for

college

enrollment after December 31, 1997. The credit is phased out for joint

filers

between $80,000 and $100,000 of income, and for single filers between $40,000 and $50,000 (indexed after 2001). The credit can be claimed twice (but not beyond the year when the student completes the first two years of college) with respect to any individual enrolled and making satisfactory progress on at least a half-time basis for any portion of the year.

Lifetime Learning Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. For those beyond the first two years of college, or taking classes part-time to improve or upgrade their job skills, the family will receive a 20% tax credit for first $5,000 of tuition and fees through 2002, and to the first $10,000 thereafter. The credit is available for net tuition and fees (less grant aid) paid for college enrollment after June 30, 1998. The credit is available on a per-taxpayer (family) basis, and is phased out at the same income levels as the HOPE Scholarship.

OTHER TAX CUTS FOR HIGHER EDUCATION

Education Savings Accounts. For each child under age 18, families may deposit $500 per year into an education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for net post-secondary expenses for tuition, fees, books, equipment, room, and board (limited to the !&cost of attendance !8 currently used for Federal student aid programs). The Education IRA is phased out for families with incomes between $150,000 and $160,000, and for single filers between $95,000 and $110,000. A taxpayer who uses tax-free distributions from an Education IRA may not, in the same year, benefit from the HOPE Scholarship or Lifetime Learning Credit.

IRA Withdrawals. Taxpayers may withdraw funds from an IRA, without penalty, for the higher education expenses of the taxpayer, spouse, child, or grandchild. The amount that can be withdrawn without penalty is limited to net post-secondary expenses for tuition, fees, books, equipment, room, and board (limited to the !&cost of attendance !8 currently used for Federal student aid

programs).

Employer-Provided Education Benefits. Extends Section 127 of the tax code for undergraduates for three years (for courses beginning prior to June 1, 2000). This provision allows workers to exclude $5,250 of employer-provided education benefits from their taxable income.

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(limited to the !&cost of attendance !8 currently used for Federal student

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Community Service Loan Forgiveness. Excludes from taxable income loan

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(Community service loan forgiveness programs run by government agencies

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already exempt; this provision would extend that to nonprofit tax-exempt

charitable or educational institutions.)

Expand benefits for pre-paid tuition plans. Allows State-sponsored

pre-paid

tuition plans -- the earnings from which are exempt from taxation as a

result

of last year !,s tax bill -- to include room and board expenses in the case

of

defined-benefit plans for students who attend on at least a half-time

basis.

The total costs that are covered cannot exceed the !&cost of attendance !8

currently used for Federal student aid programs minus grant aid that the

student receives.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

TAX PROVISIONS BENEFITING ELEMENTARY AND SECONDARY EDUCATION

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limited to $400 million in 1998 and $400 million in 1999. They are

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iring them to pay back certain amounts to the IRS. The tax bill would

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those res==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ILX3IOAXG0004C8J@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Fri,

01 Aug 1997 08:34:15 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILX3IN54TC001D2T@PMDF.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Fri, 01 Aug 1997 08:34:13 -0400 (EDT)
Received: from vader.ed.gov ([165.224.217.43])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01ILX3HYWDOS000QJF@STORM.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Fri, 01 Aug 1997 08:33:41 -0400 (EDT)
Received: from smtpgwy.ed.gov (smtpgwy.ed.gov [165.224.217.36])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id IAA00985 for
<Robert_M._Shireman@oa.eop.gov>; Fri, 01 Aug 1997 08:31:43 -0400 (EDT)
Received: from ccMail by smtpgwy.ed.gov (IMA Internet Exchange 2.1 Enterprise)

id 00002ADF; Fri, 01 Aug 1997 08:33:42 -0400
================== END ATTACHMENT 1 ==================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Joshua Silverman (Joshua Silverman@EOP@LNGTWY@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 5-AUG-1997 19:03:00.00

SUBJECT: POTUS Stm on Taxpayer Relief Act 1997

TO: Christa T. Robinson (Christa T. Robinson@eop [UNKNOWN])
READ:UNKNOWN

TO: Lorraine L. Wytkind (Lorraine L. Wytkind@eop [UNKNOWN])
READ:UNKNOWN

TO: Michael J. Sullivan (Michael J. Sullivan@EOP [UNKNOWN])
READ:UNKNOWN

TO: Steven J. Naplan (steven j. naplan@eop [UNKNOWN])
READ:UNKNOWN

TEXT:
Message Creation Date was at 5-AUG-1997 19:03:00

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 5, 1997

STATEMENT BY THE PRESIDENT

I have today approved H.R. 2014, the "Taxpayer Relief Act of 1997."

Together
with the Balanced Budget Act of 1997, this legislation implements the bipartisan budget agreement.

I have long considered tax cuts for middle-income Americans and small businesses a top priority. In 1993, I worked with the Congress to cut taxes
for 15 million working families by expanding the Earned Income Tax Credit, and
by providing investment incentives for small businesses. A year later, I proposed my Middle Class Bill of Rights, including child tax credits, deductions for higher education, and expanded Individual Retirement Accounts.
Then, in 1996, I signed into law a number of other tax benefits for small businesses and their employees -- including greater expensing for small-business investments, greater deductibility of health insurance premiums
for small businesses and their employees, and expanded and simplified opportunities for retirement savings. Also in 1996, I signed into law a $5,000
tax credit for adoption expenses ($6,000 for adopting children with special
needs) and higher limits for tax-deductible contributions by spouses to Individual Retirement Accounts.

This year, I once again proposed my Middle Class Bill of Rights. On May 2, 1997, the congressional leadership and I reached a historic bipartisan budget agreement that included the broad outlines of key elements of my tax-cut plan.

As my Administration has worked with the Congress over the last few months to develop the details of the balanced budget agreement, I have insisted that the tax-cut package meet four basic tests. First, the tax cuts must be fiscally responsible by avoiding an explosion in revenue costs in years outside the budget windows. Second, the tax cuts must provide a fair balance of benefits for working Americans. Third, the tax cuts must encourage economic growth. Fourth, the tax package must reflect the terms of the bipartisan budget agreement, including a significant expansion of opportunities for higher education for Americans of all ages.

I believe that H.R. 2014 meets these tests. It will provide an estimated $95 billion in net tax cuts over the next 5 years. It is a fair plan that places a priority on education tax cuts and provides a child tax credit to families who work hard and pay taxes. It also incorporates Republican priorities in a good-faith effort to honor the budget accord and to reach final agreement

on a

tax cut the American people deserve. This legislation will not only

provide

needed tax relief for middle-class Americans, but will also encourage

economic

growth. It is also fiscally responsible: the costs of these tax cuts are

fully offset in accordance with the balanced budget agreement.

I am especially pleased that the legislation includes, with certain

modifications, the key features of my Middle Class Bill of Rights designed

to

give middle-income families the tax relief they need to help them raise

their

children, save for the future, and pay for postsecondary education.

more

(OVER)

Education

I have long believed that the tax system should better encourage

investment in

college education and job training. This legislation incorporates the key aspects of my proposals for a $1,500 HOPE Scholarship to make 2 years of college universally available and a 20 percent tuition credit to make the third and fourth years of college more affordable and to promote lifelong learning.

The legislation also contains a number of other education initiatives that my Administration has strongly supported. These include tax incentives for public school repair, renovation, and educational enhancement in poor neighborhoods through Education Zone Academy Bonds; student-loan forgiveness exemptions similar to those that I have previously proposed; tax incentives to help public elementary and secondary schools obtain up-to-date computer technology; increased availability of tax-exempt financing for new capital expenditures by private colleges and universities; and a special tax-favored savings vehicle to help families save for higher education.

The bill also includes a 3-year extension of the exclusion of employer-provided educational assistance from taxable income. While I am disappointed that the Congress did not adopt my proposal to extend this exclusion permanently or to include graduate education, I intend to

continue to
work with the Congress to achieve these important goals.

Child Credit

I have long advocated a child tax credit for tax-paying working families.
Consistent with my proposal, H.R. 2014 will provide $500 per child tax credits ($400 in 1998) for families with children under 17. In working with the Congress to develop this legislation, I have insisted that the group that can benefit from the child credit include working families with incomes between $15,000 and $30,000. I am pleased that the child credit as contained in H.R. 2014 meets this requirement so that these families receive relief from both income and payroll taxes.

IRAs and Other Savings Incentives

Since 1994, my budget has contained proposals to provide greater tax incentives for long-term savings for retirement and other important purposes.
I am pleased that, consistent with my budget proposals, H.R. 2014 permits penalty-free withdrawals from existing IRAs to finance higher education

expenses and for first-time home purchases, makes deductible IRAs more widely
available, and gives taxpayers the choice of a new backloaded IRA. I am pleased that the Congress moved from its original position so that the IRAs
contained in H.R. 2014 are more targeted to lower- and middle-income families.

I am concerned, however, that the Congress did not move far enough, and that
the bill contains other features that will provide a windfall to high-income
individuals who will merely shift savings from taxable vehicles into IRAs, rather than create new savings.

Distressed Areas and Urban Tax Initiatives

Revitalizing distressed urban and rural areas throughout the country is a high
priority of my Administration. I have proposed a number of initiatives to increase investment in disadvantaged areas. I am pleased that H.R. 2014 includes versions of most of these initiatives. As I have earlier proposed,
the bill would encourage the cleanup of polluted urban and rural areas, known
as brownfields, by allowing a current deduction for certain costs incurred by
businesses to

remediate environmentally contaminated land in certain areas. I am disappointed, however, that this provision is scheduled to sunset after 3 years.

My 1993 tax plan included certain tax incentives for nine empowerment zones and 95 enterprise communities. Over 500 communities submitted applications for these 104 designations. The final designations were announced in December 1994. To build upon the success of this program, and to mobilize more communities to promote business development and to create jobs, I proposed two additional urban empowerment zones as defined by the 1993 legislation, and proposed a second round of competition to designate 20 additional empowerment zones, with a different mix of tax incentives, and 80 additional enterprise communities. I am pleased that H.R. 2014 provides for the designation of the additional empowerment zones, but disappointed that it does not make provision for the new enterprise communities.

It has been an important goal of my Administration to encourage employment of disadvantaged residents of the District of Columbia and to revitalize those areas of the District where development has lagged. I am pleased that H.R. 2014 includes tax incentives for the District of Columbia. I am disappointed, however, that it does not include my proposals to create an Economic Development Corporation for the District, stimulate investments in Community Development Financial Institutions, or facilitate the restructuring of our Nation's affordable housing portfolio.

Welfare-to-Work

I am pleased that H.R. 2014 includes a modified version of my welfare-to-work tax credit proposal, which is designed to generate new job opportunities for long-term welfare recipients. I am also pleased that the bill extends the Work Opportunity Tax Credit (WOTC), but I am disappointed that it modifies the structure to allow employers to claim the WOTC for hiring workers for a very short period of time and does not expand the program to cover childless,

able-bodied adults ages 18-50 who are subject to the Food Stamp time limit
and
work requirements.

Small Business Tax Cuts

I am pleased that H.R. 2014 enacts many of the recommendations of the
1995
White House Conference on Small Business. For example, it includes my
proposal
to exempt from the alternative minimum tax (AMT) corporations with gross
receipts of less than $5 million. Under this proposal, roughly 95 percent
of
all corporations (more than two million) would be spared the complication
of
calculating the AMT.

Earlier this year, my Administration announced its support for expansion
of
the home office deduction and the small business capital gains incentive.
These proposals were intended to help high-tech and bio-tech
entrepreneurs,
start-up companies, parents who work out of their homes, and other
Americans
who are seizing the opportunities of the new economy. I am pleased that
H.R.
2014 expands the home office deduction, but disappointed that it contains

only

limited modification of the small business capital gains incentive.

Capital Gains Relief

I am pleased that H.R. 2014 includes my proposal to exempt up to $500,000

in

capital gains on the sale of a home from all capital gains taxes. This

encompasses over 99 percent of homes sold in the U.S. and will

dramatically

simplify taxes and record keeping for over 60 million homeowners.

more

(OVER)

I had also proposed a 30 percent exclusion for capital gains. I continue

to

have concerns that the across-the-board capital gains relief in H.R. 2014

is

too complex and will disproportionately benefit the wealthy over lower-

and

middle-income wage earners. I am pleased, however, that H.R. 2014 does

not

contain the House provision to index capital gains, which would have

caused
even greater complexity and would have contributed to an explosive revenue
cost
after 2007.

Estate Tax Relief

I am pleased that, consistent with my proposal, H.R. 2014 contains a
special
exemption for interests in qualified farms or small businesses that, when
combined with the unified credit, will exempt up to $1.3 million in
value. I
am also pleased that the bill includes a version of my proposal to provide
liquidity relief for estates containing small businesses and farms. The
bill
also increases the unified estate and gift tax credit on a phased-in basis
to
reach $1 million in 2006. I continue to have concerns that this provision
is
too expensive and will be of no benefit to the vast majority of American
families.

Tobacco Taxes

Earlier this year I proposed an increase in tobacco taxes that would be
separated into a trust fund and dedicated entirely to expanding health
coverage

for children, addressing other children's development issues, and improving the overall public health. I am pleased that such a provision has been included in H.R. 2015. I am seriously concerned, however, that H.R. 2014 provides that the increase in tobacco taxes collected is to be credited against the total payments made by parties pursuant to the tobacco industry settlement agreement of June 20, 1997.

Simplification

I am pleased that H.R. 2014 includes many of the items previously contained in my April package of some 60 measures designed to simplify the tax laws and enhance taxpayers' rights. I am concerned, however, that the sheer multitude of miscellaneous tax code amendments contained in H.R. 2014, will contribute significantly to complexity for taxpayers and tax planners. I am also concerned that some of the provisions that will affect many taxpayers, such as the capital gains provision, are unduly complex. I continue to support revenue-neutral initiatives to simplify the tax laws and to promote sensible and equitable administration of the tax laws. I urge the Congress to continue

to work with me to achieve these goals. In addition to supporting

legislative

initiatives, my Administration is committed to taking appropriate

administrative action to implement this tax legislation in a manner that

minimizes taxpayer burdens, and further, that simplifies the tax laws and

enhances procedural safeguards for taxpayers.

Other Presidential Initiatives

My tax plan included extensions of the research tax credit, the orphan

drug

credit, and the tax incentive for contributions of appreciated stock to

private

foundations. I am pleased that H.R. 2014 includes such extensions. I am

also

pleased that H.R. 2014 includes my proposal to extend the foreign sales

corporation benefit, which exempts a portion of income for tax purposes,

to

include computer software licensed for reproduction abroad.

I am disappointed, however, that H.R. 2014 omits a number of my important

initiatives, including my proposal to protect the rights of disabled

persons by

extending the time such people are allowed to claim a tax refund to

include the

period during which they are mentally or physically impaired.

more

5

The bill also omits my proposal to restore the wage-based tax incentive for new investments in Puerto Rico. While I agreed last year to ending the credit not directly based on economic activity, I opposed phasing out the wage-based incentive. It is a mistake not to continue this credit and open it to new investments in Puerto Rico, which has a jobless rate three times the national rate.

I am also very disappointed that the tax incentives for renewable fuels were not extended in this budget. Earlier this year, I proposed extension of the excise tax exemption for ethanol in our surface transportation reauthorization proposal. I urge the Congress to extend the ethanol subsidy when it considers the reauthorization bill later this year.

Other Issues of Concern

The bill extends the Airport and Airways Trust Fund taxes and sets new fee structures without the benefit of the pending study by the National Civil Aviation Review Commission. The Administration may propose changes to these provisions after it reviews the Commission's recommendations.

The bill also transfers the 4.3 cents per gallon in fuel taxes currently dedicated to deficit reduction from the General Fund to transportation trust funds. While the transfer provision itself has no revenue or spending effect, I am concerned that transferring the revenue may spur efforts to move the trust funds off-budget and create pressure to increase ground transportation spending to levels significantly higher than contemplated by the bipartisan budget agreement.

Finally, H.R. 2014 contains a provision that is intended to address the capital needs of Amtrak. The provision is contingent on the enactment of subsequent Amtrak reform legislation. Although the provision is highly problematic in terms of tax policy, my Administration looks forward to working with the Congress to secure the enactment of Amtrak reform legislation that is fair to all parties.

Conclusion

Despite my reservations, H.R. 2014 meets the basic tests established by my Administration and provides needed tax relief for working Americans. I am grateful for the bipartisan support that this measure received in the Congress, and I am pleased to have signed it into law.

WILLIAM J. CLINTON

THE WHITE HOUSE,

August 5, 1997.

# # #

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: ElmendorfE (ElmendorfE@aascu.nche.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 5-AUG-1997 15:12:00.00

SUBJECT: FW:

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])
READ:UNKNOWN

TEXT:
Jim:

Thought you might like to see this. There is much more information

listed on our web site. www.aascu.nche.edu

Thanks for having lunch with Travis. I need to talk with you about the

meeting and an issue on faculty policy review. Can you give me a call

when you are free?

ed

> -----Original Message-----

> From: Elmendorf, Edward

> Sent: Monday, August 04, 1997 4:10 PM

> To: Elmendorf, Edward

> Subject:

>

>

> AASCU ALERT -- INFORMATION -- TAX BILL SUMMARY

>

> TO: AASCU STATE REPRESENTAIIVES

>

> FROM: ED ELMENDORF
> VICE PRESIDENT FOR GOVERNMENT RELATIONS
> AND POLICY ANALYSIS
>
> SUBJ: TAX BILL SUMMARY
>
> DATE: AUGUST 3, 1997
> --
> AASCU's Role in the Tax Bill:
>
> Why we did it:
>
> AASCU's public policy is centered primarily on two underlying themes:
> (1) to support policies that are in the best interest of students and
> (2) to promote access to higher education especially for qualified
> students who--because of economic, racial or other factors--might
> previously have been excluded from participation in higher education.
>
> What we did:
>
> AASCU's advocacy throughout the debate on legislative tax proposals
> from the Administration and the Congress was driven by a commitment to
> our policy priorities. We achieved very positive results in our
> advocacy for making changes to regressive and mistargeted provisions
> included in several of the tax proposals. In some ways, our advocacy
> resulted in changing the discussion focus among the policy makers. For
> example, refundability or reimbursement of tax credits to those who

> pay no federal income tax became a central issue in the debate that
> divided the political factions; AASCU was a strong and vocal advocate
> for a refundabilty provision that would make tax benefits more
> equitable and targeted to those who could most benefit.
>
> How we did it:
>
> AASCU's nonpartisan "issue" analysis strategy steadfastly maintained
> throughout the tax policy debate was challenged by colleagues and
> policymakers but the commitment to follow this strategy contributed to
> substantial improvements in the end product. For example, AASCU's
> longstanding opposition to a regressive $10,000 tax "deduction" helped
> the Administration forge an alternative tax "credit" proposal that
> would assist upper-class and graduate students. Our strong unwavering
> advocacy for the "above the line" deductibility of student loan
> interest was supported by the Congress and ultimately by the
> Administration
>
> Thank you:
>
> None of our achievements would have been possible had it not been for
> your support at critical times during the debate. AASCU is known for
> having a strong and effective grassroots constituency. Your
> contributions to the tax bill validate the perception of AASCU's
> effectiveness in policy and legislative matters.
>
> Thank you for your active support. I am providing you with a brief

> description of the tax plan that will be signed by the president this
> week. Please let me you if you have any questions that require
> clarification. You will find more about the tax bill on the AASCU
> Web: http://www.aascu.nche.edu/news/releases/statefis.htm
> --
>
> AASCU Summary of the Tax Cut Package:
>
> Congress and the Clinton Administration negotiated a compromise
> tax-cut package that includes significant new tax benefits related to
> higher education.
>
> The Administration was particularly pleased with the outcome on its
> two highest priorities: Hope Scholarships of up to $1,500 for the
> first two years of college, and 20 percent tax credits for subsequent
> postsecondary study.
>
> The following is a brief summary of the higher education-related tax
> benefits:
>
> Hope scholarships. Non-refundable Hope tax credits will be available
> in dollar-for-dollar fashion for the first $1,000 of "out-of-pocket"
> direct educational expenses, and at the rate of 50 cents on the dollar
> for the next $1,000. "Out-of-pocket direct educational expenses" are
> defined as tuition, mandatory fees, and books and supplies minus all
> grant aid.
>

> The configuration of Hope Scholarships as non-refundable tax credits
> targets the bulk of these tax benefits away from the neediest
> families, who pay little or no federal income taxes. Hope Scholarships
> were initially proposed by the Administration as refundable tax
> credits, and were later turned into non-refundable tax credits. AASCU
> was particularly interested in rendering Hope tax credits refundable,
> so as to make them available to needy as well as middle-income
> students. Despite the failure of the effort on that front, however,
> two clear improvements were, in fact, made to the final version of
> Hope: the elimination of the federal grant aid offset, and the
> dropping of the Grade Point Average Requirement.
>
> "Life-long learning" tax credits for years past the first two. This
> recently added provision will allow families to obtain tax credits
> equal to 20 percent of up to $5,000 of out-of-pocket direct
> educational expenses for fiscal years 1998-2000. The amount of
> eligible expenses will increase to $10,000 as of FY 2001.
>
> This provision is an improvement over the original Administration
> proposal of allowing for tax deductibility of $5,000-and eventually
> $10,000-of direct educational expenses. A flat 20 percent tax credit,
> despite the fact that it is non-refundable, corrects the problem of
> additional regressivity due to different marginal tax rates.
>
> Student loan interest deduction. Though not initially included in the
> President's proposal, the Administration endorsed this provision after
> the Senate passed it as part of its tax bill. Up to $2,500 of student

> loan interest payments will be tax deductible for five tax years.
> Because this will be an "above-the-line" deduction, all eligible
> filers, including non-itemizers, can take advantage of it.
>
> This provision has been a major AASCU priority since the 1986 Tax
> Reform Act. The particular configuration of this variant of
> deductibility will make this provision especially beneficial to recent
> graduates.
>
> Savings incentives. The compromise agreement includes a number of
> savings incentives, ranging from penalty-free withdrawals from
> Individual Retirement Accounts (IRAs) for payment of higher education
> expenses, new educational IRAs, and favorable treatment of certain
> pre-paid tuition plans.
>
> All four provisions listed above are subject to income caps The Hope
> scholarship and lifelong learning tax credit use identical income caps
> but the savings incentive and student loan interest deduction income
> caps vary.
>
> Employer-provided educational benefits. This expiring provision-which
> excludes up to $5,250 per year of employer-provided benefits from
> taxation-is extended for three years, and only for undergraduate
> study. This represents a step back from the Senate bill, which made
> this a permanent part of the tax code, and included graduate study.
>
> AASCU has been a supporter of this important policy, and worked to

> ensure its inclusion in the tax bill.

>

> Non-taxability of loan forgiveness for public service. Loan balances

> forgiven by non-profit institutions in exchange for public service

> will be excluded from income for purposes of taxation. Unfortunately,

> the Administration did not succeed in fulfilling its longstanding

> promise of extending this treatment to amounts forgiven by the federal

> government under the Income Contingent Repayment option.

>

> AASCU strongly supported non-taxability of both types of loan

> forgiveness, and was disappointed in the Administration's failure to

> press for the inclusion of ICR loan forgiveness.

>

> The agreement also removes the tax-exempt bond cap, and dropped the

> House bill's unpopular effort to tax tuition waivers. The House did,

> however, succeed in eliminating TIAA-CREF's tax-exempt status.

>

> =================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IM32QNOI800049FL@PMDF.EOP.GOV> for shireman_r@a1.eop.gov; Tue,
05 Aug 1997 15:16:27 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IM32QMBQTC004OKM@PMDF.EOP.GOV> for
shireman_r@a1.eop.gov; Tue, 05 Aug 1997 15:16:24 -0400 (EDT)
Received: from ptah.aascu.nche.edu ([205.128.140.10])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IM32PZLZAK00166Y@STORM.EOP.GOV> for shireman_r@a1.eop.gov;
Tue, 05 Aug 1997 15:15:53 -0400 (EDT)
Received: by PTAH with Internet Mail Service (5.0.1458.49) id <QKSXMNTQ>; Tue,

05 Aug 1997 15:13:03 -0400
X-Mailer: Internet Mail Service (5.0.1458.49)
X-Priority: 3

================== END ATTACHMENT 1 ==================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Jill_Riemer (Jill_Riemer@ed.gov [UNKNOWN])

CREATION DATE/TIME:13-AUG-1997 14:08:55.00

SUBJECT: radio address

TO: weiss_l (weiss_l@a1.eop.gov [UNKNOWN])
READ:UNKNOWN

TO: wkincaid (wkincaid [UNKNOWN])
READ:UNKNOWN

CC: Kim_Ross (Kim_Ross@ed.gov [UNKNOWN])
READ:UNKNOWN

CC: Pauline_Abernathy (Pauline_Abernathy@ed.gov [UNKNOWN])
READ:UNKNOWN

CC: Terry_Peterson (Terry_Peterson@ed.gov [UNKNOWN])
READ:UNKNOWN

TEXT:
Bill & Lowell,

I will be sending you a copy of the handbook through interoffice delivery this afternoon. Can I get a room number there at OEOB?

Also, I will be sending you a draft copy of our "Families guide" by e-mail in the next hour or two. I need to make some finishing touches, but understand that getting you a draft (at least something to work from) is more important than a final copy.

Additionally, we are going with the 1-800-USA-LEARN number because it is sufficiently geared up for this address. At this time, we are planning on getting a prompt message on our phone line by noon on Friday. Also, if you see that this number will not be announced in the radio address for any reason, please notify me of this ASAP. I ask this because there are numerous decisions being made based on using this number in the address alone (i.e. staffing the phone line over the weekend, comp time issues, volume considerations, and believe it or not getting the air conditioner turned off for staff working this weekend shift). Obviously, you don't need to be bogged down with these issues but I felt it was important that you were made aware that whether the POTUS chooses to announce this number -- which we hope he does -- then there is more than meets the eye to this. Need anything else, call me at 401-3598 --- Jill

______________________________ Reply Separator
____

Subject: description of the tax cuts

Author: Pauline Abernathy at WDCB01

Date: 8/13/97 12:53 PM

The two-page description of the tax cuts is both attached and in the text of the message below.

Jill will be getting you the other items you requested.

Pauline

DETAILS ON THE EDUCATION ITEMS IN THE TAX BILL

THE HOPE SCHOLARSHIP AND LIFETIME LEARNING CREDIT: From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton's budget and his middle class tax cut proposal. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted that, in addition to the HOPE Scholarship for the first two years of college, the tax bill must include a tax cut for lifetime learning. The final tax cut bill enacts the President's proposals. When fully phased in, 12.9 million students are expected to benefit -- 5.8 million claiming the HOPE Scholarship, and 7.1 million claiming the Lifetime Learning Credit.

$1,500 HOPE Scholarship to make the first two years of college universally available. For students in the first two years of college (or other eligible post-secondary training), taxpayers will be eligible for a tax credit equal to 100% on the first $1,000 of tuition and fees and 50% on the second $1,000 (the amounts are indexed for inflation after 2001). The credit will be available on a per-student basis for net tuition and fees (less grant aid) paid for college enrollment after December 31, 1997. The credit is phased out for joint filers between $80,000 and $100,000 of income, and for single filers between $40,000 and $50,000 (indexed after 2001). The credit can be claimed in two taxable years (but not beyond the year when the student completes the first two years of college) with respect to any individual enrolled on at least a half-time basis for any portion of the year.

Lifetime Learning Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. For those beyond the first two years of college, or taking classes part-time to improve or upgrade their job skills, the family will receive a 20% tax credit for first $5,000 of tuition and fees through 2002, and for the first $10,000 thereafter. The credit is available for net tuition and fees (less grant aid) paid for post-secondary enrollment after June 30, 1998. The credit is available on a per-taxpayer (family) basis, and is phased out at the same income levels as the HOPE Scholarship.

OTHER TAX CUTS FOR HIGHER EDUCATION

Education Savings Accounts. For each child under age 18, families may deposit $500 per year into an Education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for net post-secondary expenses for tuition, fees, books, equipment, and room and board (generally limited to the posted room and board charges of the institution). The Education IRA is phased out for families with incomes between $150,000 and $160,000, and for single filers between $95,000 and $110,000. A taxpayer who uses tax-free distributions from an Education IRA may not, in the same year, benefit from the HOPE Scholarship or Lifetime Learning Credit.

Student Loan Interest Deduction. Allows an above-the-line deduction (the taxpayer does not need to itemize in order to benefit) for interest paid in the first 60 months of repayment on private or government-backed loans post-secondary education and training expenses. The maximum deduction is

$1,000 in 1998, $1,500 in 1999, $2,000 in 2000, and $2,500 in 2001 and beyond. The deduction is phased out for joint filers with income between $60,000 and $75,000, and single filers with income between $40,000 and $55,000 (indexed after 2002). The deduction is available for loans made before or after enactment of this provision, but only to the extent that the loan is within the first 60 months of repayment. The loan amount eligible for the deduction is limited to net pos t-secondary expenses for tuition, fees, books, equipment, room, and board (limited to the "cost of attendance" currently used for Federal student aid programs).

IRA Withdrawals. Taxpayers may withdraw funds from an IRA, without penalty, for the higher education expenses of the taxpayer, spouse, child, or grandchild. The amount that can be withdrawn without penalty is limited to net post-secondary expenses for tuition, fees, books, equipment, and room and board (generally limited to the posted room and board charges of the institution).

Employer-Provided Education Benefits. Extends Section 127 of the tax code for under-graduates for three years (for courses beginning prior to June 1, 2000). This provision allows workers to exclude $5,250 of employer-provided education benefits from their taxable income.

Community Service Loan Forgiveness. Excludes from taxable income loan amounts forgiven for borrowers who take community-service jobs addressing unmet needs. (Community service loan forgiveness programs run by government agencies are already exempt; this provision would extend that to nonprofit tax-exempt charitable or educational institutions.)

Expand benefits for pre-paid tuition plans. Allows State-sponsored pre-paid tuition plans -- the earnings from which not taxed until the time of withdrawal as a result of last year's tax bill -- to include room and board expenses for students who attend on at least a half-time basis. Withdrawals are eligible for the HOPE Scholarship and Lifetime Learning tax credits.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

TAX PROVISIONS BENEFITING ELEMENTARY AND SECONDARY EDUCATION

Encourage Computer Donations to Schools. Allows corporations an enhanced charitable contribution deduction for the donation of up-to-date computer hardware or software to public and private K-12 schools. The equipment or programs cannot be more than two years old. The deduction is allowed in tax years 1998 and 1999.

Bonds for Public School-Business Partnerships. Allows states to use Federal tax credits as payments in lieu of interest on bonds for certain expenses -- including facilities renovation -- for school "academies" expected to serve low-income students in empowerment zones and empowerment communities. The academies must have a high-skills curriculum developed in consultation with businesses that have committed assistance (in cash or in kind, on a present value basis) equal to at least 10% of the bond proceeds. The bonds are limited to $400 million in 1998 and $400 million in 1999. They are allocated to States on the basis of population in poverty.

Reduce Costs of School Construction Bonds. School districts invest the proceeds from school construction bonds until the funds are needed to pay construction and renovation expenses. When tax-exempt bonds are used, there are strict limits on the amount of interest that the district can earn, requiring them to pay back certain amounts to the IRS. The tax bill would relax those restrictions, allowing school districts to keep more of the interest income and thereby reducing their cost of borrowing.

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Jill_Riemer (Jill_Riemer@ed.gov [UNKNOWN])

CREATION DATE/TIME:13-AUG-1997 16:01:08.00

SUBJECT: Re[2]: radio address

CC: Kim_Ross (Kim_Ross@ed.gov [UNKNOWN])
READ:UNKNOWN

CC: Pauline_Abernathy (Pauline_Abernathy@ed.gov [UNKNOWN])
READ:UNKNOWN

CC: Terry_Peterson (Terry_Peterson@ed.gov [UNKNOWN])
READ:UNKNOWN

CC: weiss_l (weiss_l@a1.eop.gov [UNKNOWN])
READ:UNKNOWN

CC: wkincaid (wkincaid [UNKNOWN])
READ:UNKNOWN

TEXT:
Yes, the "Families Guide" was formally called the "Parents Guide". Kevin first drafted this before going on vacation. I have attached a copy of the latest version for your review.

I would like to put this question before Terry again about the 1-800 number. I believe he still would like to see this announced. However, is there something you are weighing over there that I should share with him while I pick his brain on this. -- Jill

______________________________ Reply Separator

____

Subject: Re: radio address

Author: wkincaid@ostp.eop.gov at Internet

Date: 8/13/97 03:26 PM

William R. Kincaid

08/13/97 03:26:20 PM

Record Type: Record

To: Jill_Riemer @ ed.gov

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

bcc: Records Management

Subject: Re: radio address

Jill--

I have a couple of copies of "Getting Ready for College Early", one of which I have given to Lowell.

Lowell and I should try to get a sense from Ann Lewis and others whether they think we should do the 1-800 number. I do appreciate the implications. The good news is that currently this is slated to be taped Friday at 6 so decisions won't be made at 8 a.m. on Saturday!

The "families guide" the thing that Kevin first drafted on a parents guide to the tax cuts, right?

Thanks.

(Embedded

image moved Jill_Riemer @ ed.gov

to file: 08/13/97 02:08:55 PM

PIC03981.PCX)

Record Type: Record

To: weiss_l @ a1.eop.gov, wkincaid

cc: Pauline_Abernathy @ ed.gov, Kim_Ross @ ed.gov, Terry_

Peterson @ ed.gov

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Message Copied To:____

____

weiss_l @ a1.eop.gov

William R. Kincaid/OPD/EOP

pauline_abernathy @ ed.gov

kim_ross @ ed.gov

terry_peterson @ ed.gov

begin 666 familygd.wpd

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M8!.U$O%7,*?0=$%)'J^)]#)ZE7J)0$O(COLZ&,`P#ITS,;)FMHC,>V<^3WM%
M'"6_A7GF(R_\3227[U>)'$W!4<*<`K?<=.'([FX--$$SP^JSV^'$?I1WD<MT
M<`/&B:*EOFD4G6OTC*M^$GEDD(VHP(IN>>4HZ^#W>6B*AB/%)X-P$FC\@=9J
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M22IJ45I$POH(&I%V.I-IF`P"``P````````````````@C`0```L!``"H`@``
M`%5&``$`3@```+,#```))0$````&`````00```LP`@```"@````!````"`4!
M````"`````"\$````59<``0`\````-P0```!5#@```#`````!S!````%4*````
M,@```*,$```(=P$```!`````U00```@T`0```!0````5!0``"`(!````#P``
M`"D%````F$@`4``@`$P`80!S`%P`80!S`&4`<@!*`&4`=```@`#0`4P!I`"(\`-`!3`&D`
M(`!-`%@``2%!00TPU10``
M`````@!"`$L`2P!+`$L`0@!"`$P`````````````````````````````````
M``
M``
M``L!
M```H`,@9:!!(#0``$0D```!:``L!`(L4-@!4`&D`;0!E`',`(`!.`&4`=P`@
M`%(`;P!M`&$`;@`@`%(`90!G`'4`;`!A`'(````````````!``(`6`(!````
M!``H``````````````````````````$2`@`D`*$```"A`````0`$``(````;

M`/0:7!(:"0`````````!@`!@1```0)`!4`&D`;0!E`",`(`!.`&4`=P```%(`
M;P!M`&$`;@`````````"7`%89>Q%R"```%D$```!@`!00```0&`!7`%``(`!-
M`&$`=`!H`$$````````````;`/0:7!(:"0``$0D```!@`!@1```0&@!4`&D`
M;0!E`",`(`!.`&4`=P````````````H```"X``$`50"Y``$``@"Z``(`>P.[
M``$``@"\``$`10"]``0``@"^``,`>P._``$``@#```$``@#!``0`50!9H`PC
M`````````````````````@S?`!X```"``#!`````]T*$`"#`00``P`"`"$0
M`-W="PL``P``!`L`W9O4&A\`AP$&``@`6`+.@@``6`(``%@"`@!8`@``P#4
M@)SQ`+H`\?$"N0#Q9/$#N0#Q\0&Z`/'Q`+P`\?$"N@#Q1/$#N@#Q\0*[`/%R
M869T\0.[`/'Q`;P`\?$"O0#Q9')A9G2`\0.]`/'Q`+X`\?$"O0#Q5V5D;F5S
M9&%Y\0.]`/'Q`;X`\?$"O0#Q\0.]`/'Q`KX`\?$#O@#Q\0+``/$H."\Q,RR`
M\0/``/'Q`KX`\5=E9&YE<V1A>?$#O@#Q\0*]`/$L@/$#O0#Q\0*_`/$T.C`P
M@'!M*?$#OP#QFYSQ`L$`\=`$%0```"P`)``&P!```````!(!4`T/$#P0#QFYSQ
M`L$`\<SQ`\$`\9O3!0P```$``@`,`-/3!%0``$````=P%%``T"`",`"@#D#``\
M#P"4$0#L$P!$%@"<&`#T&@!,'0"D'P#\(0!4)`"L)@`$*0!<*P"T+0`,,`!D
M,@"\-`&P!`(````"<6`)4`-/R#/+4&Q\`AP$&``@`Z`-5@@(`Z`,``%@"!@!8
M`LZ"'P#4U!HC`(8!`@`(`.@#58("`.@#`@#H`P8`Z`-5@AP`````C`-34&A\`
MAP$&``@`Z`-5@@(`Z`,"`.@#`@#H`U6"'P#408!&04U)3$E%4_`<!/"`1U5)
M1$6`5$^`5$A%@#$Y.3>`5$%8@$-55%.`T`05````+``D``9`&X`$"``$@%0#0
MTP4,```!``$"#`#3\PSSU!LC`(8!!@`(`%@"SH(``%@"`@#H`P8`Z`-5@HH!
M````C`-34&Q\`AP$&``@`[@)(+00`[@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(
M`.X"2"T$`.X"!`#N`@8`[@)(+<P!````C`-34&A\`AP$&``@`[@)(+00`[@($
M`.X"`@#N`D@M'P#4@(#0!!4````L`"0`!'@AN`P,``2`5`-!4:&6`8F%L86YC
M962`8G5D9V5T@&%G<F5E;65N=(!S:6=N962`:6YT;X!L87>`:6Z`075G=7-T
M@#$Y.3>`:6YC;'5D97.`;6%N><]N97>`=&%X@&)E;F5F:71S@&9O<H!A9'5L
M='.`=VAO@'=A;G2`=&^`<F5T=7)N@'1O@&-O;&QE9V4L@'!A<F5N='.`=VAO
M@&AA=F7/8VAI;&1R96Z`:6Z`<V-H;V]L@&]R@'=H;X!A<F6`86QR96%D>8!S
M879I;F>`=&^`<V5N9(!T:&5I<H!C:&EL9')E;H!T;X!C;VQL96=E+H#/5&AI

```
M<X!G=6ED98!H:6=H;&EG:'1S@'-O;66`;V:`=&AE@'-I9VYI9FEC86YT@&9E
M871U<F5S@&]F@'1H98!T87B`8W5T@&EN8VQU9&EN9X!T:&7/)#4P,(!P97*`
M8VAI;&2`=&%X@&-R961I=(!A;F2`=&AE@&QA<F=E<W2`:6YV97-T;65N=(!I
M;H!H:6=H97*`961U8V%T:6]N@'-I;F-E@'1H9<]P87-S86=E@&]F@'1H98!'
M+DDN@$)I;&R`:6Z`,3DT-2Z`@(#,S%1H97-E@'1A>(!C=71S@&5S<V5N=&EA
M;&QY@&UA:V5S@'1H98!F:7)S=(!T=V^`>65A<G.`;V:`8V]L;&5G98!U;FEV
M97)S86QL><]A=F%I;&%B;&6`=&^`86QL@$%M97)I8V%N<X!A;F2`=&AE>8!W
M:6QL@&=I=F6`;6%N>8!M;W)E@'=O<FMI;F>`06UE<FEC86YS@'1H9<]F:6YA
M;F-I86R`;65A;G.`=&^`9V^`8F%C:X!T;X!S8VAO;VR`:6:`=&AE>8!W86YT
M@'1O@&-H;V]S98!A@&YE=X!C87)E97*`;W+`=7!G<F%D98!T:&5I<H!S:VEL
M;',N@(!7:&5N@&9U;&QY@'!H87-E9(!I;BR`,3(N.8!M:6QL:6]N@'-T=61E
M;G1S@&%R98!E>'!E8W1E9"]T;X!B96YE9FET@(2$@#4N.(!M:6QL:6]N@'5N
M9&5R@'1H98!(3U!%@%-C:&]L87)S:&EP@'1A>(!C<F5D:70L@&%N9(`W+C&`
M;6EL;&EO;L]C;&%I;6EN9X!T:&6`3&EF971I;66`3&5A<FYI;F>`0W)E9&ET
M+LR`@("'@,S2``X```(`W`6P!`X`TM,,#@```@!8`@``#@#3T@$.````"`-P%
ML`0.`-+3!%<``$,``=P%%0#<!0`T``",@#D#``\#P"4$0#L$P!$P!$%@"<&`#T
M&@!,'0"D'P#\(0!4)`"L)@$*0!<*P"T+0`,,`!D,@"\-`<!0(`-`B36`)7
M`-/3"PX```(`J/T```X`T_(,\O`#!/#@$0P`````-`@,`.!!@"0U,#"`<&5R
M@&&-H:6QD@'1A>(!C<F5D:72`9F]R@#0U@&%UI;&&QI;VZ`8VAI;&1R96Z`:6Z`
M06UE<FEC83J`T`05```+``D``;(9`A42``$@%0#0TPL.````"`````J/T.`-/3
M#`X```(```!8`@X`T\SS#//4&R,`A@$&``@`6`+.@@``6`($`.X"!@#N`D@M
M7`(``",`U-0:(P"&`0(`"0(```"!8`LZ"```!8`@``6`(&`(&`%@"SH*>`@``(P#4U!H?
M`(<!!@`(`%@"SH(``%@"``!8`@`(`6`+.@A\`U(#4&R,`A@$&``@`6`*.@B`8`
MB@(``%@"!@!8`LZ"P#4U!H?`(<!!@`(`%@"SH(``%@"``!8`@`(`B@**D)H'
M```C`-34&A\`AP$&``@`B@**D`8`B@(``(H"`@"*`HJ0'P#45&AI<X!T87B`
M8W)E9&ET@'=I;&R`8F5N969I=(!A<'!R;WAI;6%T96QY@#(W@&UI;&QI;VZ`
```

M8VAI;&1R96Z`=6YD97*`=&AE@&%G98!O9H`Q-RZ`@$9A;6EL:65S@'=I;&R`

M8F6`86)L98!T;X!D961U8W2`)#0P,(!P97*`8VAI;&2`=VAE;L]T:&5Y@&9I

M;&6`=&AE:7*`,3DY.(!I;F-O;66`=&%X@&9O<FV`86YD@"0U,#"`=&AE<F5A

M9G1E<BZ`5&AI<X!C:&EL9(!T87B`8W)E9&ET@&)E9VEN<\]T;X!P:&%S98!O

M=72`9F]R@&-O=7!L97.`=VET:(!I;F-O;65S@&%B;W9E@"0Q,3`L,#`P@&%N

M9(!F;W*`<VEN9VQE@&9I;&5R<X!W:71HSVEN8V]M97.`;W9E<H`D-S4L,#`P

M+H#,\@SR@-`$%0``"P`)``$>(6X<&0`!(!4`T-,,#@```@!8`@``#@#3TPL.

M````"*C]```.`-/4&R,`A@$&``@`6`+.@@``6`(&`(H"!@"*`HJ0N@<``",`

MU-0;'P""08`""#T`2"\"`#T`0``6`(&`%@"SH(?`-34&B,`A@$"``@`]`$@

MO`@`]`$(`/0!!@#T`2"\_`<``",`U-0:'P""0<`"`#T`7WW"@#T`0@`]`$"

M`/0!(+P?`-0\U!LC`(8!!P`(`%@"E;@,`%@""@#T`0<`]`%]]^<)```C`-34

M&Q\`AP$"``@`]`%]]PH`]`$,`%@"!P!8`I6X'P#4U!HC`(8!`@`(8!`@`(`/0!(+P(

M`/0!"@#T`0<`]`%]]RD*```C`-34&A\`AP$&``@`]`$@O`@`]`$(`/0!`@#T

M`2"\'P#4X!$,`````#0(#`#@U!LC`(8!!@`(`%@"SH(``%@""@#T`08`]`$@

MO&P*```C`-34&Q\`AP$&``@`[@)(+00`[@(``%@"!@#T`8`LZ"'P#4U!HC`(8!

M`@`(.X"2"T$`.X"!`#N`@8`[@)(+:X*```C`-34&A\`AP$&``@`[@)(+00`

M[@($`.X"@#N`D@M'P#4457"`=&^`88`D,,2PU,#"`=&%X@&-R96!I=(!F;W*`

M<W1U9&5N=').`<W1A<G1I;F>`8V]L;&5G9=`$%0``"P`)``$B(G(=&@`!(!4`

MT-,+#@```@```*C]#@@#3TPP.````"````6`(.`-/,\PSSSSU!LC`(8!!@`(`%@"

MSH(``%@"!P!8`?P*`@`?%@"!@"*`@8`BB`**0!<``",`U-0;'P""0<`"`#T`B@!@"

M!@"*`B@"J0@#T`I`<`(@!@"*`@!@"*`I`@`B@@*+0P"@#P`@8`_@!<``",`U-0;'P""0<`"`#T`B@"

M&A\`AP$&``@`B@"*`@8`B@"*`@&@"`B@"*`@8`B@*8"0`<``","`@`B@@*+0P"@#P`@8`_@!<``",`

M<G-H:7"`=&%X@&-R961I=(!M86ME<X!T:&6`9FER<W2`=='O@'EE87)S@&]F

M@&-O;&QE9V6`=6YI=F5R<V%L;'G0`14```L`"0`!>B3*'QP``2`5`-!A=F%I

M;&%B;&4N@%-T=61E;G1S@'=I;&R`<F5C96EV98!A@'1A>(!C<F5D:72`;V:`

M,3`P)8!O;H!T:&6`9FER<W2`)#$L,#`P@&]F@'1U:71I;VZ`86YDSV9E97.`

M86YD@#4P)8!O;H!T:&6`<V5C;VYD@"0Q+#`P,"Z`@%1H:7.`=&%X@&-R961I

M=(!W:6QL@&)E@&%V86EL86)L98!F;W*`8V]L;&5G9<]E;G)O;&QM96YT@&%F
M=&5R@$IA;G5A<GF`,2PQ.3DX+H"`08!H:6=H@'-C:&]O;(!S96YI;W*`9V]I
M;F>`:6YT;X!H:7.`;W*`:&5R@&9R97-H;6%NSWEE87*`;V:`8V]L;&5G98!I
M;H!397!T96UB97*`;V:`,3DY."R`9F]R@&5X86UP;&4L@'=I;&R`8F6`96QI
M9VEB;&6`9F]R@'1H98`D,2PU,#"`=&%XSV-R961I="Z`S,SR"/+4&R,`A@$&
M``@`6`+.@@``6`(&`(H"!@"*`HJ0[`L``",`U-0;'P""08`""*`HJ0!@"*
M`@``6`(&`%@"SH(?`-34&B,`A@$"``@`B@**D`8`B@(&`(H"!@"*`HJ0+@P`
M`",`U-0:'P""0@`"""*`FSK$`"*`@8`B@("`(H"BI`?`-2`@("`@("`@(!!
M@&UA<G)I962`8V]U<&QE@'=I=&B`88!J;VEN=(!I;F-O;66`;V:`)#8P+#`P
M,(!A;F2`='=O@&-H:6QD<F5N@&EN@&-O;&QE9V4LT`$5```+``D``98KYB8C
M``$@%0#0;VYE@&%T@&&`8V]M;75N:71Y@&-O;&QE9V6`=VET:(!A@'1U:71I
M;VZ`;V:`)#(L,`P\PCS@/((\F%N9(!T:&6`;W1H97*`88!S;W!H;VUO<F6`
M8730`14```L`"0`!FBSJ)R0``2`5`-!A@'!R:79A=&6`8V]L;&5G98!W:71H
M@"0Q,2PP,#"`='5I=&EO;BR`=V]U;&2`:&%V98!T:&5I<H!T87AE<X!C=72`
M8GF`)#,L,#`P+M`&%0``"P`)``&@+?`H)0`!(!4`T(?S"//4&R,`A@$(``@`
M6`(\UA0`6`(0`(H"""`"*`FSK.@X``",`U-0;'P""0@`"""*`FSK$`"*`A0`
M6`((`%@"/-8?`-34&B,`A@$"``@`B@**D`8`B@(&`(H""`"*`FSK?`X``",`
MU-0;'P""08`""*`HJ0!@"*`@8`B@("`(H"BI`?`-14:&ES@&-R9611I=(!I
M<X!P:&%S962`;W5T@&9O<H!J;VEN=(!F:6QE<G.`8F5T=V5E;H`D.#`L,#`P
M@&%N9(`D,3`P+#`P,(!O9H!I;F-O;64L@&%N9-`!%0``"P`)``&P!``````!
M(!4`T&9O<H!S:6YG;&6`9FEL97)S@&)E='=E96Z`)#0P+#`P,(!A;F2`U!LC
M`(8!!@(`%@"SH(``%@"!@"*`@8`B@**D/D/```C`-34&B,`A@$"``@`6`+.
M@@``6`(&`(``%@"!@8`LZ".Q```",`U-0:'P""08`"!@"LZ"``!8`@``6`(("
M`%@"SH(?`-0D-3`L,#`P+M0;'P""08`""*`HJ0!@"*`@8`B@("`(&`%@"SH(?
M`-34&B,`A@$"``@`B@**D`8`B@(&`(H"!@"*`HJ0,1$``",`U-0:'P""08`
M"""*`HJ0!@"*`@8`B@("`(H"BI`?`-2`5&AE@&-R9611I=(!C86Z`8F6`8VQA
M:6UE9(!I;H!T=V_0`14```L`"0`!M`4$`0$``2`5`-!T87AA8FQE@'EE87)S

M@&9O<H!C;VQL96=E@&9R97-H;6%N@&%N9(!S;W!H;VUO<F5S@'=H;X!A<F6`
M96YR;VQL962`;VZ`872`;&5A<W2`8<]H86QFA'1I;66`8F%S:7.`9F]R@&%N
M>8!P;W)T:6]N@&]F@'1H98!Y96%R+LS,TPP.```"`%@"```.`-/3"PX```(`
MJ/T```X`T]0;(P"&`08`"`!8`LZ"``!8`@8`B@(&`(H"BI!8$0``(P#4U!HC
M`(8!`@`(`%@"SH(``%@"```!8`@8`6`+.@IH1```C`-34&A\`AP$&``@`6`+.
M@@``6`(``%@"`@!8`LZ"'P#4\`,$\.`1#``````T"`P`X/(,\M0;'P"'`08`
M"`#N`D@M!`#N`@``6`(&`%@"SH(?`-34&B,`A@$"``@`[@)(+00`[@($`.X"
M!@#N`D@MT!(``",`U-0:'P"'`08`"`#N`D@M!`#N`@0`[@("`.X"2"T?`-1,
M96%R;FEN9X!F;W*`88!,:69E=&EM93J`88!T87B`8W)E9&ET@'=O<G1H@&%T
M@&QE87-T@"0Q+#`P,-`$%0``"P`)``$"10%!0`!(!4`T-,+#@```@```*C]
M#@#3TPP.```"````6`(.`-/,\PSSU!LC`(8!!@`(`%@"SH(``%@"!`#N`@8`
M[@)(+0(3```C`-34&Q\`AP$&``@`B@**D`8`B@(``%@"!@!8`LZ"'P#4U!HC
M`(8!`@`(`(H"BI`&`(H"!@"*`@8`B@**D$03```C`-34&A\`AP$&``@`B@**
MD`8`B@(&`(H"`@"*`HJ0'P#45&AI<X!T87B`<')O=FES:6]N@&ES@'1A<F=E
M=&5D@&9O<H!C;VQL96=E@&IU;FEO<G,L@'-E;FEO<G,L@&=R861U871E@&%N
M9(!P<F]F97-S:6]N86S0`14```L`"0`!"QL!P<``2`5`-!S='5D96YT<RR`
M;6ED+6-A<F5E<H!C:&%N9V5R<X!A;F2`;W1H97*`861U;'1S@'=H;X!W86YT
M@'1O@&=O@&)A8VN`=&^`<V-H;V]L+H#4&R,`A@$&``@`6`+.@@``6`(&`(H"
M!@"*`HJ0]A,``",`U-0:(P"&`0(`"`!8`LZ"```!8`@``6`(&`%@"SH(X%```
M(P#4U!H?`(<!!@`(`%@"SH(``%@"``!8`@(`6`+.@A\`U$'0`14```L`"0`!
M(`UP"`@``2`5`-!F86UI;'F`=VEL;;(!R96-E:79E@&&`,C`E@'1A>(!C<F5D
M:72`9F]R@'1H98!F:7)S=(`D-2PP,#"`;V:`@'1U:71I;VZ`86YD@&9E97.`
M=&AR;W5G:(!T:&6`>65A<L\R,#`R+(!A;F2`9F]R@'1H98!F:7)S=(`D,3`L
M,#`P@'1H97)E869T97(N@%1H98!C<F5D:72`:7.`879A:6QA8FQE@&9O<H!N
M972`='5I=&EO;H!A;F2`9F5E<X`H;&5S<\]G<F%N=(!A:60I@'1O@'!A>8!F
M;W*`<&]S=(1S96-O;F1A<GF`96YR;VQL;65N=(!B96=I;FYI;F>`2G5L>8`Q
M+(`Q.3DX+H"`5&AE@&-R96111=(!I<\]A=F%I;&%B;&6`;VZ`88!P97*$=&%X

M<&%Y97*`*&9A;6EL>2F`8F%S:7,L@&%N9(!I<X!P:&%S962`;W5T@&%T@'1H
M98!S86UE@&&EN8V]M98!L979E;'.`87.`=&AESTA/4$6`<V-H;VQA<G-H:7`N
MS("`@("`@(#,\@CRU!HC`(8!`@`(`%@"SH(``%@"``!8`@8`6`+.@E85```C
M`-34&A\`AP$(``@`6`(\UA0`6`(``%@"`@!8`LZ"'P#4\@SR4F5T=7)N:6YG
M@'1O@'-C:&]O;(!F=6QQL+71I;66`=&^`8F5C;VUE@&&`=&5A8VAE<O,,_,(
M\SJ`2&]M96UA:V5R+(!F86UI;'F`:6YC;VUE@&]F@("`@("`@(#0`14```L`
M"0`!Q!,4#P\``2`5`-D-S`L,#`P+(!W:&^`=V%N='.`=&^`871T96YD@&=R
M861U871E@'1E86-H97*`=')A:6YI;F>`<')O9W)A;8!A=(!P=6)L:6.`=6YI
M=F5R<VET>8"`@("`@,^`869T97*`8F5I;F>`;W5T@&]F@&-O;&QE9V6`9F]R
M@#(P@'EE87)S@"@D,RPU,#"`='5I=&EO;;BDN@(#R#/)405B`0D5.149)5#J`
M@"0W,##S#/.`T`05```+``D``:85]A`1``$@%0#0S/((\O(,\D=R861U871E
M@'-T=61E;G3S#//S"/,Z@%-I;F=L98!G<F%D=6%T98!S='5D96YT@'=I=&B`
M)#$U+#`P,(!I;F-O;66`86YD@'1U:71I;VZ`;V:`)#$U+#`P,"Z`T`$5```+
M``D``8H7VA(3``$@%0#0\@SR5$%%8@$)%3D5&250Z@(`D,2PP,#"`T`05```+
M``D``7P8S!,4``$@%0#0S-,,#@```@!8`@``#@@#3TPL.```"``*C]```.`-/4
M&B,`A@$"``@`6`+.@@``6`(4`%@"""!8`CS61!<``",`U-0:'P""`0<`""!8
M`I6X#`!8`@``6`("`%@"SH(?`-0\U!HC`(8!`@`(`%@"SH(``%@"#`!8`@<`
M6`*5N(`9```C`-34&A\`AP$&``@`6`+.@@``6`(``%@"`@!8`LZ"'P#4X!$,
M`````#0(#`#@U!L?`(<!!@`(`.X"2"T$`.X"``!8`@8`6`+.@A\`U-0:(P"&
M`0(`""#N`D@M!`#N`@0`[@(&`.X"2"W#&0`(P#4U!H?`(<!!@`(`.X"2"T$
M`.X"!`#N`@0`[@)(+1\`U<F5N=&'.`86YD@&=R86YD<&%R96YT<X!C86Z`
M8W)E871E@&%N@$5D=6-A=&EO;H!)4D'0%Q4```L`"0`!7!JL%18``2`5`-#3
M""PX```(```H_0X`T`]],,#@```@!8`@``#@@#3X!$,`````#0(#`#@86YD@%!E
M;F%L='D@'F8$1G)E98!7=71H9')A=V%L<X!F<F]M@&&]T:&5R@%)@$E207/,S/,\]0;
M(P"&`08`""!8`LZ"``!8`@``6`@0`[@)(+1\`U-0:(P"&`08`""!8`LZ"(`(H"
MBI`&`(H"``!8`@8`6`+.@A\`U-0:(P"&`08`""!8`LZ"*`(HJ!@"*`@8`B@)(
M+1\`U-0:(P"&`08`""!8`LZ"``!8`@8`B@(&`(H"2"W#&0`(P#4U!H?`(<!E9VEN

```
M;FEN9X!*86YU87)Y@#$L@#$Y.3@L@'1A>'!A>65R<X!M87F`=VET:&1R87>`
M9G5N9'.`9G)O;8!A;H!)4D$L@'=I=&AO=730`14```L`"0`!X!TP&1D``2`5
M`-!P96YA;'1Y+(!F;W*`=&AE@&AI9VAE<H!E9'5C871I;VZ`97AP96YS97.`
M;V:`=&AE@'1A>'!A>65R+(!A@'-P;W5S92R`88!C:&EL9"R`86YD@&5V96[/
M88!G<F%N9&-H:6QD+H!&;W*`96%C:(!C:&EL9(!U;F1E<H!A9V6`,3@L@&9A
M;6EL:65S@&UA>8!A;'-O@&1E<&]S:72`)#4P,(!P97*`>65A<L]I;G1O@&%N
M@$5D=6-A=&EO;H!)4D$N@$5A<FYI;F=S@'=I;&R`86-C=6UU;&%T98!T87B$
M9G)E98!A;F2`;F^`=&%X97.`=VEL;(!B98!D=67/=7!O;H!W:71H9')A=V%L
M@&9O<H!N972`<&]S=(1S96-O;F1A<GF`97AP96YS97.`9F]R@'1U:71I;VXL
M@&9E97,L@&)O;VMS+(!E<751<&UE;G0L98!F;W*`<F]O<F5N@,S,5&AE@$5D=6-A=&EO;H!)4D&`:7.`<&AA<V5D@&]U
M=(!F;W*`9F%M:6QI97.`=VET:("`:6YC;VUE<X!B971W965N@"0Q-3`L#`P
M@&%N9,\D,38P+#`P,"R`86YD@&9O<H!S:6YG;&6`9FEL97)S@&)E='=E96Z`
M)#DU+#`P,(!A;F2`)#$Q,"PP,#`N@(!4:&5R98!A<F6`88!F97?/<F5S=')I
M8W1I;VYS+H!!@'1A>'!A>65R+(!F;W*`97AA;7!L92R`=VAO@'5S97.`=&AE
M@'1A>(1F<F5E@&1I<W1R:6)U=&EO;G.`9G)O;8!A;L]%9'5C871I;VZ`25)!
M@&UA>8!N;W0L@&EN@'1H98!S86UE@'EE87(L@&)E;F5F:72`9G)O;8!T:&6`
M2$]018!38VAO;&%R<VAI<(!O<L]L:69E=&EM98!,96%R;FEN9X!#<F5D:70N
M5S)S,\0#!'/&;\0'!'/,\0#!'/&;\0'!'/,F]`&%0``"P`)``$<+6PH*``!
M(!4`T-,,#@```@!8`@``#@@#3TPL.```"``*C]```.`-/P`P3PX!$,`````#0(
M#`#@\@SRU!LC`(8!!@`(`%@"SH(``%@"!@"*`@8`B@**D!0;```C`-34&Q\`
MAP$&``@`[@)(+00`[@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(`.X"2"T$`.X"
M!`#N`@8`[@)(+58;```C`-34&A\`AP$&``@`[@)(+00`[@($`.X"`@#N`D@M
M'P#417AP86YD962`8F5N969I=',`9F]R]R@!R981P86ED@'1U:71I;VZ`<&QA
M;;G/S#/.`@-`$%0``"P`)``&P!``````!(!4`T-,,+#@```@```*C]#@#3TPP.
M````"````6`(.`-/,U!LC`(8!!@`(`%@"SH(+2<?```C
M`-34&Q\`AP$&``@`B@**D`8`B@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(`((H"
```

MBI`&`(H"!@"*`@8`B@**D&D?```C`-34&A\`AP$&``@`B@**D`8`B@(&`(H"
M`@"*`HJ0'P#45&AI<X!P<F]V:7-I;VZ`86QL;W=S@%-T871EA'-P;VYS;W)E
M9(!P<F6$<&%I9(!T=6ET:6]N@'!L86YS@(2$@'1H98!E87)N:6YG<X!F<F]M
MT`$5```+``D``0@'6`("``$@%0#0=VAI8VB`;F]T@'1A>&5D@'5N=&EL@'1H
M98!T:6UE@&]F@'=I=&AD<F%W86R`87.`88!R97-U;'2`;V:`;&%S=(!Y96%R
M\!P$\'.`=&%X@&)I;&R`A(2`=&_/:6YC;'5D98"`@')O;VV`86YD@&)O87)D
M@&5X<&5N<V5S@&9O<H!S='5D96YT<X!W:&^`871T96YD@&]N@&%T@&QE87-T
M@&&`:&%L9H1T:6UESV)A<VES+H"`5VET:&1R87=A;'.`87)E@&5L:6=I8FQE
M@&9O<H!T:&6`2$]018!38VAO;&%R<VAI<(!A;F2`3&EF9711;66`3&5A<FYI
M;F>`=&%XSV-R9611=',NS("`@("S-,,#@```@!8`@``#@#3TPL.````"`*C]
M```.`-/P`P3PX!$,`````#0(#`#@\@SRU!LC`(8!!@`(`%@"SH(``%@"!@"*
M`@8`B@**D`X@```C`-34&Q\`AP$&``@`[@)(+00`[@(``%@"!@!8`LZ"'P#4
MU!HC`(8!`@`(`.X"2"T$`.X"!`#N`@8`[@)(+5`@```C`-34&A\`AP$&``@`
M[@)(+00`[@($`.X"`@#N`D@M'P#44&%Y:6YG@&)A8VN`4W1U9&5N=(!,;V%N
M<X!A=(!,97-S@$-O<W0ZT`05```+``D``2`-<`@(``$@%0#0TPL.`````
MJ/T.`-/3#`X```(```!8`@X`TX"`@("`@("`@,SS#//4&R,`A@$&``@`
M6`+.@@``6`($`.X"!@#N`D@M-B(``",`U-0;'P""08"`"""*`HJ0!@"*`@``
M6`(&`%@"SH(?`-34&B,`A@$"``@`B@**D`8`B@(&`(H"!@"*`HJ0>"(``",`
MU-0:'P""08"`"""*`HJ0!@"*`@8`B@("(H"BI`?-34&B;W*`;6%N>8!C;VQL
M96=E@&=R861U871E<X!O;F6`;V:`=&AE:7*`9FER<W2`9FEN86YC:6%L@&&]B
M;&EG8711;VYS@&ES@'1O@'!A>8!O9F:`@'1H96ERT`$5```+``D``7@/R`H*
M@``$@%0#0<W1U9&5N=(!L;V%N+(!O;H!A=F5R86=E@&&%B;W5T@"0Q,RPPU`#N
M@(!4:&ES@'1R;W9I<VEO;H!W;W5L9(!A;&QO=R!T:&5S92!S='5D96YT<X!F<F]R
M<F]W97*`=&^`9V5T@&]N@'!A>6EN9Y!C3P9G)E9?`?!/!M;VYT:&QY@'!A>6UE;G2`
M8GF`86QL;W=I;F>`=&%X+6ER964@=&%X@&%V;VED86YC92`@;&^`=&AE;7,@;W(@
M9F]R@&&EN=&5R97-T@'1A:62`:6Z`=&AE@&&9I<G-T@'!A>6UE;G2`;V:`=&AE:7*`
M97!A>6UE;G2`;VZ`<W1U9&5N=(!L;V%N<X!O<L]T<F%I;FEN9X!E>'!E;G-E

```
M<RZ`S,R`@("`@("\@CR08!C;VQL96=E@'-E;FEO<H!G<F%D=6%T97.`9G)O
M;8!C;VQL96=E@&%N9(!F:6YD<X!A@&IO8H!P87EI;F>`)#(U+#`P,(!A@'EE
M87(NT`05```+``D``9`5X!`0``$@%0#05&AE@'-T=61E;G2`:&%S@&&`=&]T
M86R`<W1U9&5N=(!D96)T@&]F@"0Q,RPU,#`N@(!4:&6`;F5W@&IO8H!H;VQD
M97*`8F5C875S98!O9H"`:&ES@,QO<H!H97*`:6YC;VUE@&ES@&EN@'1H98`Q
M-26`9F5D97)A;(!I;F-O;66`=&%X@&)R86-K970N@(!4:&6`;6]N=&AL>8!P
M87EM96YT@&9O<H#,=&AI<X!S='5D96YT@&QO86Z`:7.`)#$V-BZ`5&AE@'1O
M=&%L@'!A>6UE;G1S@&9O<H!T:&6`>65A<H!I<X`D,2PY.3*`86YD@&]V97*`
M:&%L9H!O9L]T:&6`=&]T86R`<&%Y;65N=(!I<X!I;G1E<F5S=(`M+20Q,#@P
M@"TM=VAI8VB`8V%N@&)E@&1E9'5C=&5D+H"`5&AE@'-T=61E;G1E;G3P"3P<X!T
M87C/8F5N969I=(!I<X!C86QC=6QA=&5D@&%T@#$U)8!X@"0Q+#`X,(!F;W*`
M88!S879I;F=S@&]F@"0Q-C(N@(!);H!S=6)S97%U96YT@'EE87)S@'1H9<]I
M;G1E<F5S=(!P;W)T:6]N@&]F@'1H98!T;W1A;(!S='5D96YT@&1E8G2`9&5C
M;&EN97.`8G5T@'5S:6YG@'1H:7.`=&%X@'!R;W9I<VEO;H!S=&EL;;,]R96UA
M:6YS@&&`;6]N97F`<V%V97(N@("`@(`N@(#,S/,(\U1H98!M87AI;75M@&1E
M9'5C=&EO;H!I<X`D,2PP,#,":`:6Z`,3DY."R`)#$L-3`P@&EN@#$S3DL@"0R
M+#`P,(!I;H!A;F0`14```L``D``2`5`-`D,BPU,#`N@"0`
M:6Z`,C`P,8!A;F2`8F5Y;VYD+H(`272`:7.`879A:6QA8FQE@'1O@'1H;W-E
M@&9I;;&5R<X!W:71H@&EN8V]M97.`8F5L;W>`B971W965N@"0T,"PP,#`@"0V
M,"PP,#`L@&%N9(!T;X!S:6YG;&5S@'=I=&B`:6YC;VUE<X!B971W965N
M@"0T,"PP,#`@"0U-2PP,#`N@(!.;W1E+@@"`5&AE@'1A>&5S@'=I=&B`:6YC;VUE
M=F%I;;&%B;&6`9F]R@&%L;;(!L;V%N<R`<W5C::(!A<X!S='5D96YT+(!P87)E
M;G0`;&%N9(!B86ED9&6`86YD@&AO;65@&5Q=6ET>8!L;V%N9&6`8F5F;W)E
M=(!O9H`Q.3DW@'=H96Z`=&AE@'1A>(!P<F]V:7-I;VZ`8F5C86UE@&5F9F5C
M;;'F`=&&^`=&AE<V5X=&5N=(!T:&%T@'1H98!L;V%N@&ES@&%I;;5D@'1O@'1H96
M9FER<W2`-C"`;6]N=&AS(&]F@&EN=&5R97-T@'!A>6UE;G1S+B`@("`@("`X`
MT],+#@@```@"H_0``#@@#3\@SRU!LC`(8!!@`(`%@"SH(``%@"!@"*`@8`B@**
```

```
MD"(C```C`-34&Q\`AP$&``@`]`$@O`@`]`$``%@"!@!8`LZ"'P#4U!HC`(8!
M`@`(`/0!(+P(`/0!"`#T`08`]`$@O&0C```C`-34&A\`AP$"``@`]`%]]PH`
M]`$(`/0!`@#T`2"\P#4/-0;(P"&`0<`"`!8`I6X#`!8`@H`]`$"/0!??>_
M*0``(P#4U!L?`(<!!P`(`/0!??<*`/0!#`!8`@<`6`*5N!\`U-0:(P"&`0(`
M"'#T`2"\"#T`0H`]`$"/0!??<!*@``(P#4U!H?`(<!!@`(`/0!(+P(`/0!
M"'#T`0(`]`$@O!\`U.`1#``````T"'P`X-0;(P"&`08`"`!8`LZ"``!8`@@`
M]`$&`/0!(+Q$*@``(P#4U!L?`(<!!@`(`.X"2"T$`.X"``!8`@8`6`+.@A\`
MU-0:(P"&`0(`"#N`D@M!`#N`@0`[@(&`.X"2"V&*@``(P#4U!H?`(<!!@`(
M`.X"2"T$`.X"!`#N`@(`[@)(+1\`U$=O:6YG@'1O@%-C:&]O;(!W:&EL98!Y
M;W6`=V]R:]`$%0``"P`)``0)2`A(``!(!4`T-,+#@```@```*C]#@#3TPP.
M``"````6`(.`-.`S/,,\]0;(P"&`08`"`!8`LZ"``!8`@0`[@(&`.X"2"W4
M*@``(P#4U!L?`(<!!@`(`(H"BI`&`(H"``!8`@8`6`+.@A\`U-0:(P"&`0(`
M"'"*`HJ0!@"*`@8`B@(&`(H"BI`6*P``(P#4U!H?`(<!!@`(`(H"BI`&`(H"
M!@"*`@(`B@**D!\`U%1H:7.`<')O=FES:6]N@'=I;&R`96YA8FQE@&UA;GGF`
M06UE<FEC86YS@'1O@'!U<G-U98!T:&5I<H!G;V%L<X!O9H!L:69E;&]N9X!L
M96%R;FEN9]`!%0``"P`)``$H*'@C(@`!(!4`T'=H:6QE@'=O<FMI;F<@=&^^`
M<&%Y@'1H96ER@&)I;&QS+H"`5&AE@'1A>(!B:6QL@&5X=&5N9'.`4V5C=&EO
M;H`Q,C>`;V:`=&AE@'1A>(!C;V1E@&9O<L]U;F1E<F=R861U871E\!P$\`.`
M961U8V%T:6]N@&9O<H!T:')E97-E9]R@&-O=7)S97.`8F5G:6YN:6YG:6YN
M:6YG@'!R:6]R@'1O@$IU;F6`,2S/,C`P,"P"DN@(!4:&ES@'!R;W9I<VEO;H!A
M;&QO=W.`=V]R:V5R<X!T;X!E>&-L=61E@"0U+#(U,(!O9H!E;7!L;WEE<HIP
M<F]V:61E9]`E9'5C871I;VZ`87-S:7-T86YC98!F<F]M@'1H96ER@&EN8V]M
M@@&EN8V]M92Z`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@,PNT`85
M```+``D``3PMC"@G``$@%0`(#0TPP.`````%@`````-'`PX```(/J-T```X`
M@T_#!/#@$P$```-`@,.#R&@`8J&I@&@-@$`@[`4`EC`RE[C`^B'2-E`@`,``+:X(2`*
M@(.$!`$Z$B)/+4&Q$@`$0P!,@(,2`6.!D"``&``3@F`P$&@@D`&@D'!
```

```
M!`#N`@0`[@("`.X"2"T?`-1#;VUM=6YI='F`4V5R=FEC98!,;V%N@$9O<F=I
M=F5N97-S\PSS@(#0!!4```L`"0`!L`0``````2`5`-#3"PX```(```"H_0X`
MT],,#@```@```%@"#@#3S-,$5```0``!W`44`#0(`(P*`.0,`#P/`)01`.P3
M`$06`)P8`/0:`$P=`*0?`/PA`%0D`*PF``0I`%PK`+0M``PP`&0R`+PT`=P%
M`@#<!918`E0`T]0;(P"&`08`"`!8`LZ"``!8`@0`[@(&`.X"2"TF+@``(P#4
MU!L?`(<!!@`(`(H"BI`&`(H"``!8`@8`6`+.@A\`U-0:(P"&`0(`"`""*`HJ0
M!@"*`@8`B@(&`(H"BI!H+@``(P#4U!H?`(<!!@`(`(H"BI`&`(H"!@"*`@(`
M$P@`A/0#-`$4``L`"0`!/`(&`"`%1L`;D`0;-,%L`T``C`!>`&V!`!9`0$2`
MB@**D!\`U$5X8VQU9&5S@&9R;VV`=&%X86)L98!I;F-O;66`;&]A;H!A;6]U
M;G1S@&9O<F=I=F5N@&)Y@&YO;H1P<F]F:70L@'1A>(1E>&5M<'30`14```L`
M"0`!"`=8`@(``2`5`-!C:&%R:71A8FQE@&]R@&5D=6-A=&EO;F%L@&EN<W1I
M='5T:6]N<X!F;W*`8F]R<F]W97)S@'=H;X!T86ME@&-O;6UU;FET>81S97)V
M:6-E@&IO8G//=&AA=(!A9&1R97-S@'5N;65T@&YE961S+H"`@,S,)S4&R,`
MA@$&``@`6`+.@@``6`(&`(H"!@"*`@"*`HJ05R\``",`U-0;'P""`08`"`"#N`D@M
M!`#N`@``6`(&`%@"SH(?`-34&B,`A@$"``@`[@)(+00`[@($`.X"!@#N`D@M
MF2\``",`U-0;'P""`08`"`"#N`D@M!`#N`@0`[@("`.X"2"T?`-3Q`K@`\<SQ
M`[@`\51H99N`;F5W@'1A>(!B:6QL@&%L<V]E96%T<R!F;W)G:79E;F5S
M;G1O;H!I;F-O;64@=&AA=`!I;F-L=61E<X!T:&6`=&%X86)L98!I;F-O;64`
M@&&AE;"R`=&&AE;@!T:&4`9F]R9VEV96YE<W-@;V:`8F5B='-O;&QU=&EO;@
M9W)O=X!A;F3/;&%S=`!A8W1U86P@;V:`8V%P:71A;"!G86EN<V!I;F-O;64`
M4&5L;)N`9W)A;G2`9F]R@&-O;&QE9V5`=&^`)#,L#`P+(!P<F]F:V5I<X!H
M96%L=&B`:6YS=7)A;F-E@&9O<@&AE;&%T:&E<X!I;F-L=61E<X!I;F-O;66("
M:6YC;'5D97.`88!P<F]V:7-I;VZ`=&^`96YC;W5R86=E<V!C;W)P;W)A=&EO
M;F%T:6]N<X!T;X!S8VAO;VQS+H!!;&PL@'1H:7-@:6YC;'5D97-@86YD@%`86YD
M@'1A>(!C=71S@&AA=F6`;&%E9V6`8VAA;F=E<X!I;F!T:&5@8F]R<F]W97)S
M<W5P<&]R=&EN9R`=&AE@'1A>&6`8F5B969I=',@=&&AE@'1A>&%B;&5@9F]R
```

MS("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@,R`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@%-I;F-E<F5L>2R`
MS,R`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@(#,@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@(!2
M:6-H87)D@%<N@)Q2:6QE>9O,@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@(!5+E,N@%-E
M8W)E=&%R>8!O9H!%9'5C871I;VZ`@("`@(#/@("`@("`@(#,@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`S-0;(P"&
M`08`"`!8`LZ"``!8`@0`[@(&`.X"2"VQ,```(P#4U!L?`(<!!@`(`.@#58("
M`.@#``!8`@8`6`+.@A\`U-0:(P"&`0(`"`#H`U6"`@#H`P(`Z`,&`.@#58+S
M,```(P#4U!H?`(<!!@`(`.@#58("`.@#`@#H`P(`Z`-5@A\`U$9O<H!M;W)E
M@&1E=&%I;&5D@&EN9F]R;6%T:6]N@&]N@&AO=X!Y;W5R@&-H:6QD<F5NT`$5
M```+``D``30AA!P9``$@%0#086YD@&=R86YD8VAI;&1R96Z`8V%N@&)E;F5F
M:72`9G)O;8!T:&6`,3DY-X!T87B`8W5T<\]P;&5A<V6`8V%L;#J`,2TX,#`M
M3$5!4DZ`@,S,S,T`85```+``D``18L9B<@``$@%0#0A\S,S,S,S,S4
M&R,`A@$&``@`6`+.@@``6`("`.@#!@#H`U6"Q34``",`U-0:(P"&`0(`"`!8
M`LZ"``!8`@``6`(&`%@"SH('-@``(P#4U!H?`(<!!@`(`%@"SH(``%@"``!8
M`@(`6`+.@A\`U(#0%Q4```L`"0`!/!2,#PH``2`5`-#3!0P```$``@$,`-/3
M!%0``$```=P%%``T"`","@#D#``\#P"4$0#L$P!$%@"<&`#T&@!,'0"D'P#\
M(0!4)`"L)@`$*0!<*P"T+0`,,`!D,@"\-``<!0(`-`B36`)4`-/R#/+4&Q\`
MAP$&``@`Z`-5@@(`Z`,``%@"!@!8`LZ"P#4U!HC`(8!`@`(`.@#58("`.@#
M`@#H`P8`Z`-5@EHW```C`-34&A\`AP$&``@`Z`-5@@(`Z`,"`.@#`@#H`U6"
M'P#408!005)%3E13@$=5241%@%1/@%1(18`Q.3DW@%1!6(!#5513@-`$%0``
M"P`)``$L%7P0"P`!(!4`T-,%#````0`!`@P`T_,,\]0;(P"&`08`"`!8`LZ"
M``!8`@(`Z`,&`.@#58+R-P``(P#4U!L?`(<!!@`(`.X"2"T$`.X"``!8`@8`

```
M6`+.@A\`U-0:(P"&`0(`"`#N`D@M!`#N`@0`[@(&`.X"2"TT.```(P#4U!H?
M`(<!!@`(`.X"2"T$`.X"!`#N`@(`[@)(+1\`U("`T`05```+``D``;H6"A(,
M``$@%0#05&AE@#$Y.3>`8F%L86YC962`8G5D9V5T@&%G<F5E;65N=(!A;F2`
M=&%X@&-U=(!I;F-L=61E<X!M86YY@&YE=\]B96YE9FET<X!F;W*`<&%R96YT
M<X!W:&^`:&%V98!C:&EL9')E;H!I;H!S8VAO;VR`;W*`=VAO@&%R98!A;')E
M861Y@'-A=FEN9\]T;X!S96YD@'1H96ER@&-H:6QD<F5N@'1O@&-O;&QE9V4N
M@(!4:&ES@&=U:61E@&AI9VAL:6=H=&'.`<V]M98!O9H!T:&7/<VEG;FEF:6-A
M;G2`9F5A='5R97.`;V:`=&AE@'1A>(!C=72`:6YC;'5D:6YG@'1H98`D-3`P
M@&-H:6QD@'1A>(!C<F5D:72`86YDSW1H98!L87)G97-T@&EN=F5S=&UE;G2`
M:6Z`:&EG:&5R@&5D=6-A=&EO;H!S:6YC98!T:&6`<&%S<V%G98!O9H!T:&6`
M1RY)+L]":6QL@&EN@#$Y-#4N@("`S,Q4:&5S98!T87B`8W5T<X!E<W-E;G1I
M86QL>8!M86ME<X!T:&6`9FER<W2`=&]O@'EE87)S@&]F@&-O;&QE9V6`=6YI
M=F5R<V%L;'G/879A:6QA8FQE@'1O@&%L;(!!;65R:6-A;G.`86YD@'1H97F`
M=VEL;(!G:79E@&UA;GF`;6]R98!W;W)K:6YG@&9A;6EL:65S@&UE86YS@'1O@&=O
M86YC:6%L@&UE86YS@'1O@&=O@&)A8VN`=&^`<V-H;V];L@&EF@'1H97F`=V%N
M=(!T;X!C:&]O<V7/88!N97>`8V%R965R+H#,5VAE;H!F=6QL>8!P:&%S962`
M:6XL@#$R+CF`;6EL;&EO;H!S='5D96YT<X!A<F6`97AP96-T962`=&^`8F5N
M969I=(#(+#(`U+CC/;6EL;&EO;H!U;F1E<H!T:&6`2$]01518!38VAO;&%R<VAI
M<"R`86YD@#<N8!M:6QL:6]N@&-O;&QE9V4@'1H9<],:69E=&EM98!,96%R
M;FEN9X!#<F5D:70NS("`@("`S-,,#@```@!8`@``#@#3TP17``!#``<!14`
MW`4`-`@`C`H`Y`P`/\`E!$`[!,`1!8`G!@`]!H`3!T`I!\`_"$`5"0`K"8`
M!"D`7"L`M"T`##``9#(`O#0!W`4`"#0(DU@"5P#3TPL.```"``*C]``.`-/R
M#/+P`P3PX!$,`````#0(#`#@#08`D-3`P@&-H:6QD@'1A>(!C<F5D:72`9F]R
M@&5V97)Y@&-H:6QD@&EN@$M97)I8V$Z@-`$%0``"P`)`%Z*<HD```!(!4`
MT-,+#@```@```*C]#@@#3TPP.`````"````6`(.`-/,\PSSU!LC`(8!!@`(`%@"
MSH(``%@"!`#N`@8`[@)(+;\X```C`-34&B,`A@$@`$`$`$@`6`+.@@``6`(.`(%@"
M!@@8`LZ"``3D``",`U-0:'P""08`'!@`!!8`LZ"```!8`@``6`(("%@"SH(?`-2`
```

MU!L?`(<!!@`(`(H"BI`&`(H"``!8`@8`6`+.@A\`U-0:(P"&`0(`"`"*`HJ0
M!@"*`@8`B@(&`(H"BI!V/0``(P#4U!H?`(<!!@`(`(H"BI`&`(H"!@"*`@(`
MB@**D!\`U%1H:7.`=&%X@&-R961I=(!W:&EC:(!W:6QL@&)E@'!H87-E9(!I
M;H!A=(`D-#`P@&EN@#$Y.3B`=VEL;(!B96YE9FET@&%P<')O>&EM871E;'G0
M`14```L`"0`!TBLB)QX``2`5`-`R-X!M:6QL:6]N@&9A;6EL:65S@'=I=&B`
M-#6`;6EL;&EO;H!C:&EL9')E;H!U;F1E<H!T:&6`86=E@&]F@#$W+H"`1F%M
M:6QI97.`=VEL;(!B9<]A8FQE@'1O@&1E9'5C=(`D-#`P@'!E<H!C:&EL9(!W
M:&5N@'1H97F`9FEL98!T:&5I<H`Q.3DX@&EN8V]M98!T87B`9F]R;8!A;F2`
M)#4P,-`#%0``"P`)``:+2HI(``!(!4`T'1H97)E869T97(N@%1H:7.`8VAI
M;&2`=&%X@&-R961I=(!B96=I;G.`=&^`<&AA<V6`;W5T@&9O<H!C;W5P;&5S
M@'=I=&B`:6YC;VUE<X!A8F]V9<\D,3$P+#`P,"Z`@,SR#/*`T`05```+``D`
M`;@&"`("``$@%0#0TPP.```"`%@"```.`-/3"PX```(`J/T```X`T]0;(P"&
M`08`"`!8`LZ"```!8`@8`B@(&`(H"BI"6/0``(P#4U!L?`(<!!@`(`/0!(+P(
M`/0!``!8`@8`6`+.@A\`U-0:(P"&`0(`"`"#T`2"\"#T`0@`]`$&`/0!(+S8
M/0``(P#4U!H?`(<!!P`(`/0!??<*`/0!"`#T`0(`]`$@O!\`U#S4&R,`A@$'
M``@`6`*5N`P`6`(*`/0!!P#T`7WWT#\``",`U-0;'P""`0<`"`#T`7WW"@#T
M`0P`6`("%@"E;@?`-34&B,`A@$"``@`]`$@O`@`]`$*`/0!!P#T`7WW$D``
M`",`U-0:'P""`08`"`#T`2"\"`#T`0@`]`$"`/0!(+P?`-3@$0P`````-`@,
M`.#4&R,`A@$&``@`6`+.@@``6`((`/0!!@#T`2"\54```",`U-0;'P""`08`
M"`#N`D@M!`#N`@``6`(&`%@"SH(?`-34&B,`A@$"```@`[@)(+00`[@($`.X"
M!@#N`D@MET```",`U-0:'P""`08`"`#N`D@M!`#N`@0`[@("`.X"2"T?`-1!
M@"0Q+#4P,(!S8VAO;&%R<VAI<(!F;W*`979E<GF`<W1U9&5N=(!W:&^`:7.`
M<W1A<G1I;F>`8V]L;&5G9=`$%0``"P`)``&\!PP#`P`!(!4`T-,+#@```@``
M`*C]#@#3TPP.```"````6`(.`-/,\PSSU!LC`(8!!@`(`%@"SH(``%@"!`#N
M`@8`[@)(+>5````C`-34&Q\`AP$&``@`B@**D`8`B@(``%@"!@!8`LZ"'P#4
MU!HC`(8!`@`(`(H"BI`&`(H"!@"*`@8`B@**D"=!```C`-34&A\`AP$&``@`
MB@**D`8`B@(&`(H"`@"*`HJ0'P#45&AE@$AO<&6`4V-H;VQA<G-H:7"`;6%K

M97.`=&AE@&9I<G-T@'1W;X!Y96%R<X!O9H!C;VQL96=E@'5N:79E<G-A;&QY
M@&%V86EL86)L92[0`14```L`"0`!%`ID!04``2`5`-!3='5D96YT<X!W:6QL
M@')E8V5I=F6`88!S8VAO;&%R<VAI<(!O9H`Q,#`E@&]N@'1H98!F:7)S=(`D
M,2PP,#"`;V:`='5I=&EO;H!A;F2`9F5E<X!A;F3/-3`E@&]N@'1H98!S96-O
M;F2`)#$L,#`P+H"`5&AI<X!T87B`8W)E9&ET@'=I;&R`8F6`879A:6QA8FQE
M@&9O<H!C;VQL96=E@&5N<F]L;&UE;G3/869T97*`2F%N=6%R>8`Q+#$Y.3@N
M@(!!@&AI9VB`<V-H;V]L@'-E;FEO<H!G;VEN9X!I;G1O@&AI<X!O<H!H97*`
M9G)E<VAM86Z`>65A<H!O9L]C;VQL96=E@&EN@%-E<'1E;6)E<H!O9H`Q.3DX
M+(!F;W*`97AA;7!L92R`=VEL;(!B98!A8FQE@'1O@')E8V5I=F6`=&AE@"0Q
M+#`P,,]S8VAO;&%R<VAI<"Z`S,SR"/+4&R,`A@$&``@`6`+.@@``6`(&`(H"
M!@"*`HJ0W$$``",`U-0;'P""`08`"`"*`HJ0!@"*`@``6`(&`%@"SH(?`-34
M&B,`A@$"``@`B@**D`8`B@(&`(H"!@"*`HJ0'D(``",`U-0:'P""0@`"`""*
M`FSK$`"*`@8`B@("`(H"BI`?`-2`@("`@("`@("`08!M87)R:65D@&-O=7!L
M98!W:71H@&&`)#8P+#`P,(!I;F-O;64L@'=I=&B`='=O@&EN8V]]M97.`86YD
M@'1W;X!C:&EL9')E;M`!%0``"P`)``P8`,#``!(!4`T&EN@&-O;&QE9V4L
M@&]N98!A=(!A@&-O;6UU;FET>8!C;VQL96=E@'=I=&B`88!T=6ET:6]N@'=I
M=&B`)#(L,#`P\PCS@/((\F%N9(!T:&6`;W1H97+0`14```L`"0`!-!*$#0T`
M`2`5`-!J=6YI;W*`872`88!P<FEV871E@&-O;&QE9V6`=VET:(`D,3$L,#`P
M@'1U:71I;VZ`=V]U;&2`:&%V98!A@'1A>(!B96YE9FET@&]F\PCS@"0R+#4P
M,/((\M`!%0``"P`)``ZXH.#@`!(!4`T'1H87*`=V]U;&2`:6YC<F5A<V6`
M=&^`)#,L-3`P@&%F=&5R@#(P,#`N@(!!@&%N9(!S<V5C;VYD@&9I<G-T@'EE
M`(H""`"*`HJ0W$@``",`U-0;'P""`08`*`%@"/-8?`-34&B,`A@$"``@`B@**D`8`
M@"`"*`HJ0W$D0``",`U-0:'P""`"@`B@**D`(H"BI`?`-2`@("`@("`@`08`
M""`"*`HJ0'D(``",`U-0:'P""0@`"`"*`HJ0!@"*`@8`B@("`(H"BI`?`-3`
M;W5N@'1H87*`=F5R='5A;&QY@&%L;"!O9H!T:&6`:6YC;VUE@&EN@'1H97-E
M@"0Q+#`P,(!I;F-O;64@(&UE8V-A;G1H>8`V,3`P@'1H87*`=V]U;&2`<VAE
M:6YG;&6`9FEL97)S@&%R98!E=6]C:&%R9V5D+(!A;F2`:6X@=&AE@'-I;F=L
M94`*`'4D`!P``!0``(!4`T&EN8V]M97.`=&]T86QI;F>`)#0L,#`P+`#"

~~~~
MSH(``%@"!@"*`@8`B@**D!9&```C`-34&B,`A@$"``@`6`+.@@``6`(``%@"
M!@!8`LZ"6$8``",`U-0:'P"'`08`"`!8`LZ"``!8`@``6`("`%@"SH(?`-0D
M-3`L,#`P+M0;'P"'`08`"`"*`HJ0!@"*`@``6`(&`%@"SH(?`-34&B,`A@$"
M``@`B@**D`8`B@(&`(H"!@"*`HJ03D<``",`U-0:'P"'`08`"`"*`HJ0!@"*
M`@8`B@("`(H"BI`?`-2`5&AE@&-R961I=(!C86Z`8F6`8VQA:6UE9(!I;H!T
M=V_0`14```L`"0`!3!><$A(``2`5`-!T87AA8FQE@'EE87)S@&9O<H!C;VQL
M96=E@&9R97-H;6%N@&%N9(!S;W!H;VUO<F5S@'=H;X!A<F6`96YR;VQL962`
M;VZ`872`;&5A<W2`8<]H86QFA'1I;66`8F%S:7.`9F]R@&%N>8!P;W)T:6]N
M@&]F@'1H98!Y96%R+LS3#`X```(`6`(```X`T],+#@```@"H_0``#@@#3U!LC
M`(8!!@`(`%@"SH(``%@"!@"*`@8`B@**D'5```C`-34&B,`A@$"``@`6`+.
M@@``6`(``%@"!@!8`LZ"MT<``",`U-0:'P"'`08`"`!8`LZ"``!8`@``6`("
M`%@"SH(?`-3P`P3PX!$,`````#0(#`#@\@SRU!L?`(<!!@`(`.X"2"T$`.X"
M``!8`@8`6`+.@A\`U-0:(P"&`0(`"#N`D@M!`#N`@0`[@(&`.X"2"WL2```
M(P#4U!H?`(<!!@`(`.X"2"T$`.X"!`#N`@(`[@)(+1\`U$QE87)N:6YG@&9O
M<H!A@$QI9F5T:6UE.H!A@'1A>(!C<F5D:72`=V]R=&B`)#$L,#`P@'1O@"0R
M+#`P,"[0!!4```L`"0`!6!JH%14``2`5`-#3"PX```(```"H_0X`T],,#@``
M`@```%@"#@#3S/,,\]0;(P"&`08`"`"!8`LZ"``!8`@0`[@(&`.X"2"T>20``
M(P#4U!L?`(<!!@`(`(H"BI`&`(H"``!8`@8`6`+.@A\`U-0:(P"&`0(`"`"*
M`HJ0!@"*`@8`B@(&`(H"BI!@20``(P#4U!H?`(<!!@`(`(H"BI`&`(H"!@"*
M`@(`B@**D!\`U%1H:7.`=&%X@'!R;W9I<VEO;H!I<X!T87)G971E9(!F;W*`
M8V]L;&5G98!J=6YI;W)S+(!S96YI;W)S+(!G<F%D=6%T97.`<W1U9&5N=',L
MT`$5```+``D``;`!@7``$@%0#0;6ED+6-A<F5E<H!C:&%N9V5R<X!A;F2`
M;W1H97*`861U;'1S@'=H;X!W86YT@'1O@&=O@&)A8VN`=&^`<V-H;V]L+H#4
M&R:79E@&&`,C`E@'1A>(!C<F5D:72`9F]R@&%N9I<G-T@"0U+#`P,(!O9H"
M=')I=&EO;H!A;F2`9F5E<X!T:')O=6=H@#(P,#(L#(L@&%N9(!F;W*`=&AE@&%I
M<G-TSR0Q,"PP,"PP,#"`=&AE<F5A9G1E<BZ`5&AE@&-R961I=(!I<X!A=F%I;&%B
M;&6`9F]R@&YE=(!T=6ET:6]N@&%N9(!F965S@"AL97-S@&=R86YT@&%N9(!F
~~~~

M=&^`<&%Y@&9O<L]P;W-TA'-E8V]N9&%R>8!E;G)O;&QM96YT@&%F=&5R@$IU
M;F6`,S`L@#$Y.3@N@%1H98!C<F5D:72`:7.`879A:6QA8FQE@&]N@&&`<&5R
MA'1A>'!A>65RSRAF86UI;'DI@&)A<VES+(!A;F2`:7.`<&AA<V5D@&]U=(!A
M=(!T:&6`<V%M98!I;F-O;66`;&5V96QS@&%S@'1H98!(3U!%@'-C:&]L87)S
M:&EP+LR`@("`@,R`\@CRU!L?`(<!!@`(`/0!(+P(`/0!``!8`@8`6`+.@A\`
MU-0:(P"&`0(`"#T`2"\"#T`0@`]`$&`/0!(+QD2P``(P#4U!H?`(<!"``(
M`/0!S8T;`/0!"#T`0(`]`$@O!\`U("`@("`@("`@("`@(#4&R,`A@$(``@`
M6`(\UA0`6`(;`/0!"#T`<V-'4T``",`U-0:(P"&`0(`"!8`LZ"``!8`A0`
M6`((`%@"/-9?30``(P#4U!H?`(<!"``(`%@"/-84`%@"``!8`@(`6`+.@A\`
MU("`@(#R#/)2971U<FYI;F>`=&^`<V-H;V]L@&9U;&PM=&EM98!T;X!B96-O
M;66`88!T96%C:&5R\PSS\PCS.H!(;VUE;6%K97(L@&9A;6EL>=`!%0``"P`)
M``%H([@>'@`!(!4`T&EN8V]M98!O9H"`@("`@("`@("`@("`@("`@("`@("`
M@"0W,"PP,#`L@'=H;X!W86YT<X!T;X!A='1E;F2`9W)A9'5A=&6`=&5A8VAE
M<H!T<F%I;FEN9\]P<F]G<F%M@&%T@'!U8FQI8X!U;FEV97)S:71Y@("`@("`
M@("`@("`@("`@("`@(!A9G1E<H!B96EN9X!O=72`;V:`8V]L;&5G98!F
M;W*`,C"`>65A<G//*"0S+#4P,(!T=6ET:6]N*2Z`@/(,\E1!6(!"14Y%1DE4
M.H"`)#<P,/,,\X#0!!4```L`"0`!/":,(2$``2`5`-#,\@CRX!$,`````#0(
M##`#@@("\@SR1W)A9'5A=&6`<W1U9&5N=/,,_,(\SJ`4VEN9VQQE@&=R861U
M871E@'-T=61E;G2`=VET:(`D,34L,#`P@&EN8V]M98!A;F2`='5I=&EO;H!O
M9M`!%0``"P`)``$@*"C(P`!(!4`T"0Q-2PP,#`N@("\@SR@("`@("`@("`
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@%1!6(!"14Y%1DE4
M.H"`)#$L,#`P@-`$%0``"P`)``$2*6(D)``!(!4`T,S3#`X```(`6`(```X`
MT],+#@```@"H_0``#@@#3U!HC`(8!@`(`%@"SH(``%@"%@`!8`@@`6`(\UM%-
M```C`-34&A\`AP$``@`6`*5N`P`6`(``%@"``@!8`LZ"'P#4/-0:(P"&`0(`
M"!8`LZ"``!8`@P`6`(``%@"E;AJ4```(P#4U!H?`(<!!@`(`%@"SH(``%@"
M``!8`@(`6`+.@A\`U.`1#``````T"`P`X-0;P""08``""#N`D@M!`#N`@``
M6`(&`%@"SH(?`-34&B,`A@$(``@`[@)(+P00`[@($`.X"!@#N`D@MK5```",`

MU-0:'P"'`08`"`#N`D@M!`#N`@0`[@("`.X"2"T?`-17:'F`:72`;6%K97.`
M<V5N<V6`9F]R@'!A<F5N='.`86YD@&=R86YD<&%R96YT<X!T;X!C<F5A=&6`
M86[0!!4```L`"0`!]BI&)B8``2`5`-#3"PX```(```"H_0X`T],,#@```@``
M`%@"#@#3@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`161U8V%T:6]N@$E208#,T`85```+``D``4XMGB@H``$@%0#0\PSS
MU!LC`(8!!@`(`%@"SH(``%@"!`#N`@8`[@)(+=A0```C`-34&Q\`AP$&``@`
MB@**D`8`B@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(`(H"BI`&`(H"!@"*`@8`
MB@**D!I1```C`-34&A\`AP$&``@`B@**D`8`B@(&`(H"`@"*`HJ0'P#45&%X
M<&%Y97)S@&UA>8!W:71H9')A=X!F=6YD<X!F<F]M@&%N@$E202R`=VET:&]U
M=(!P96YA;'1Y+(!F;W*`=&AE@&AI9VAE<M`!%0``"P`)``&P!``````!(!4`
MT&5D=6-A=&EO;H!E>'!E;G-E<X!O9H!T:&6`=&%X<&%Y97(L@&&&`<W!O=7-E
M+(!A@&-H:6QD+(!A;F2`979E;H!A@&=R86YD8VAI;&0N@$9O<H!E86-HSV-H
M:6QD@'5N9&5R@&%G98`Q."R`9F%M:6QI97.`;6%Y@&1E<&]S:72`)#4P,(!P
M97*`>65A<H!I;G1O@&%N@$5D=6-A=&EO;H!)4D$NST5A<FYI;F=S@'=I;&R`
M86-C=6UU;&%T98!T87B$9G)E98!A;F2`;F^`=&%X97.`=VEL;(!B98!D=66`
M=7!O;H!W:71H9')A=V%L@&9O<H!N973/<&]S=(1S96-O;F1A<GF`97AP96YS
M97.`9F]R@'1U:71I;VXL@&9E97,L@&)O;VMS+(!E<75I<&UE;G0L@&%N9(!R
M;V]M@&%N9(!B;V%R9"Z`S,Q4:&6`161U8V%T:6]N@$E208!I<X!P:&%S962`
M;W5T@&9O<H!F86UI;&EE<X!W:71H@(!I;F-O;65S@&)E=':Z`)#$U,"PP
M,#"`86YDSR0Q-C`L,#`P+(!A;F2`9F]R]R@'-I;F=L98!F:6QE<G.`8F5T=V5E
M;H`D.34L,#`P@&%N9`D,3$P+#`P,"Z`@%1H97)E@&%R98!A@&9E=\]R97-T
M<FEC=&EO;G,N@$$&`=&%X<&%Y97(L@&9O<H!E>&%M<&QE+(!W:&%^`=7-E<X!T
M:&6`=&%XA&9R966`9&ES=')I8G5T:6]N<X!F<F]M@&%NST5D=6-A=&EO;H!)
M4D&`;6%Y@&YO="R`:6Z`=&AE@'-A;66`>65A<BR`8F5N969I=&F!(!F<F]M@'1H
M98!(3U!%@%-C:&]L87)S:&EP@&]R@&%]RSTQI9F5T:6UE@$QE87)N:6YG@$-R961I
M="[,S-,,#@```@!8`@``#@@3TPL.```""*C]```.`-/P3PX!$,`````#0(
M##`#@\@SRU!LC`(8!!@`(`%@"SH(``%@"!@`@`@*`@8`B@**D!U2```C`-34&Q\

MAP$&``@`[@)(+00`[@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(`.X"2"T$`.X"
M!`#N`@8`[@)(+5]2```C`-34&A\`AP$&``@`[@)(+00`[@($`.X"`@#N`D@M
M'P#417AP86YD962`8F5N969I=',`9F]R@'!R981P86ED@'1U:71I;VZ`<&QA
M;G/S#/.`@-`$%0``"P`)``'@$#`,#``!(!4`T-,+#@```@```*C]#@#3TPP.
M```"````6`(.`-/,U!LC`(8!!@`(`%@"SH(``%@"!`#N`@8`[@)(+=15```C
M`-34&Q\`AP$&``@`B@**D`8`B@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(`(H"
MBI`&`(H"!@"*`@8`B@**D!96```C`-34&A\`AP$&``@`B@**D`8`B@(&`(H"
M`@"*`HJ0'P#45&AI<X!P<F]V:7-I;VZ`86QL;W=S@%-T871EA'-P;VYS;W)E
M9(!P<F6$<&%I9(!T=6ET:6]N@'!L86YS@(2$@'1H98!E87)N:6YG<X!F<F]M
MT`$5```+``D``3@3B`X.``$@%0#0=VAI8VB`;F]T@'1A>&5D@'5N=&EL@'1H
M98!T:6UE@&]F@'=I=&AD<F%W86R`87.`88!R97-U;'2`;V:`;&%S=(!Y96%R
M\!P$\'.`=&%X@&)I;&R`A(2`=&_/:6YC;'5D98"`@')O;VV`86YD@&)O87)D
M@&5X<&5N<V5S@&9O<H!S='5D96YT<X!W:&^`871T96YD@&]N@&%T@&QE87-T
M@&&`:&%L9H1T:6UESV)A<VES+H"`5VET:&1R87=A;'.`87)E@&5L:6=I8FQE
M@&9O<H!T:&6`2$]018!38VAO;&%R<VAI<(!A;F2`3&EF9711;66`3&5A<FYI
M;F>`=&%XSV-R9611=',NS("`@("`S,S,S3#`X```(`6`(```X`T],+#@``
M`@"H_0``#@#3\,$\.`1#``````T"'P`X/(,\M0;(P"&`08`"'!8`LZ"``!8
M`@8`B@(&`(H"BI"[5@``(P#4U!L?`(<!!@`(`.X"2"T$`.X"``!8`@8`6`+.
M@A\`U-0:(P"&`0(`"'#N`D@M!#N`@0`[@(&`.X"2"W]5@``(P#4U!H?`(<!
M!@`(`.X"2"T$`.X"!`#N`@(`[@)(+1\`U%!A>6EN9X!B86-K@%-T=61E;G1S`
M3&]A;G.`872`3&5S<X!#;W-T+M`$%0``"P`)``%@';`8&``!(!4`T-,+#@``
M`@```*C]#@#3TPP.````"````6`(.`-`(.`@(.`@(.`@(#,\PSSU!LC`(8!
M!@`(`%@"SH(``%@"!`#N`@8`[@)(+>=8```C`-34&Q\`AP$&``@`B@**D`8`
MB@(``%@"!@!8`LZ"'P#4U!HC`(8!`@`(`(H"BI`&`(H"!@"*`@8`B@**D"E9
M```C`-34&A\`AP$&``@`B@**D`8`B@(&`(H"`@"*`HJ0'P#41F]R@&UA;GF`
M8V]L;&5G98!G<F%D=6%T97.`;VYE@&]F@'1H96ER@&9I<G-T@&9I;F%N8VEA
M;(!O8FQI9V%T:6]N@&ES@'1O@'!A>8!O9F:`@'1H96ERT`$5```+``D``;@?

M"!L:``$@%0#0<W1U9&5N=(!L;V%N+(!O;H!A=F5R86=E@&%B;W5T@"0Q,RPU
M,#`N@(!4:&ES@'!R;W9I<VEO;H!W:6QL@&5S<V5N=&EA;&QY@&%L;&]W@&'/
M8F]R<F]W97+,=&^`9V5T@&]N98#P(`3P9G)E9?`?!/!M;VYT:&QY@'!A>6UE
M;G2`8GF`86QL;W=I;F>`<W1U9&5N='.`=&^`=&%K98!A@'1A>(!D961U8W1I
M;VZ`9F]RSVEN=&5R97-T@'!A:62`:6Z`=&AE@&9I<G-T@#8P@&UO;G1H<X!O
M9H!R97!A>6UE;G2`;VZ`<W1U9&5N=(!L;V%N<X!O<H!T<F%I;FEN9X!E>'!E
M;G-E<RZ`S,R`@("`@("\@CR08!C;VQL96=E@'-E;FEO<H!G<F%D=6%T97.`
M9G)O;8!C;VQL96=E@&%N9(!F:6YD<X!A@&IO8H!P87EI;F>`)#(U+#`P,(!A
M@'EE87(NT`05```+``D``=`E("$@``$@%0#05&AE@'-T=61E;G2`:&%S@&&`
M=&]T86R`<W1U9&5N=(!D96)T@&]F@"0Q,RPU,#`N@(!4:&6`;F5W@&IO8H!H
M;VQD97*`8F5C875S98!O9H"`:&ES@,QO<H!H97*`:6YC;VUE@&ES@&EN@'1H
M98`Q-26`9F5D97)A;(!I;F-O;66`=&%X@&)R86-K970N@(!4:&6`;6]N=&AL
M>8!P87EM96YT@&9O<H#,=&AI<X!S='5D96YT@&QO86Z`:7.`)#$V-BZ`5&AE
M@'1O=&%L@'!A>6UE;G1S@&9O<H!T:&6`>65A<H!I<X`D,2PY.3*`86YD@&]V
M97*`:&%L9H!O9L]T:&6`=&]T86R`<&%Y;65N=(!I<X!I;G1E<F5S=(`M+20Q
M,#@P@"TM=VAI8VB`8V%N@&)E@&1E9'5C=&5D+H"`5&AE@'-T=61E;G1S@'1A
M>,]B96YE9FET@&ES@&-A;&-U;&%T962`872`,34E@'B`)#$L,#@P@&9O<H!A
M@'-A=FEN9W.`;V:`)#$V,BZ`@$EN@'-U8G-E<75E;G2`>65A<G.`=&AESVEN
M=&5R97-T@'!O<G1I;VZ`;V:`=&AE@'1O=&%L@'-T=61E;G2`9&5B=(!D96-L
M:6YE<X!B=72`=7-I;F>`=&AI<X!T87B`<')O=FES:6]N@'-T:6QLSW)E;6%I
M;G.`88!M;VYE>8!S879E<BZ`@("`@"Z`@-`&%0``"P`)``'L+#PH)P`!(!4`
MT(?S"/-4:&6`;6%X:6UU;8!D961U8W1I;VZ`:7.`)#$L,#`P@&EN@#$Y.3@L
M@"0Q+#4P,(!I;H`Q.3DY+(`D,BPP,#"`:6Z`,C`P,"R`86YDT`$5```+``D`
M`;`$```````$@%0#0)#(L-3`P@&EN@#(P,#&`86YD@&)E>6]N9"Z`@$ET@&ES
M@&%V86EL86)L98!T;X!J;VEN=(!F:6QE<G.`=VET:(!I;F-O;66`8F5T=V5E
M;L\D-C`L,#`P@&%N9(`D-S4L,#`P+(!A;F2`=&^`<VEN9VQQE@&9I;&5R<X!W
M:71H@&EN8V]M97.`8F5T=V5E;H`D-#`L,#`P@&%N9(`D-34L,#`PSRAI;F1E

M>&5D@&%F=&5R@#(P,#(I+E1H98!D961U8W1I;VZ`:7.`86QS;X!A=F%I;&%B
M;&6`9F]R@&QO86YS@&UA9&6`8F5F;W)E@$%U9W5S=(!O9L\Q.3DW@'=H96Z`
M=&AE@'1A>(!C=71S@&)E8V%M98!L87>`8G5T@&]N;'F`=&^`=&AE@&5X=&5N
M=(!T:&%T@'1H98!L;V%N@&ES@'=I=&AI;H!T:&7/9FER<W2`-C"`;6]N=&AS
M@&]F@')E<&%Y;65N="Z`S,S3#`X```(`6`(```X`T],+#@```@"H_0``#@#3
M\@SRU!LC`(8!!@`(`%@"SH(``%@"!@"*`@8`B@**D--9```C`-34&Q\`AP$&
M``@`]`$@O`@`]`$``%@"!@!8`LZ"P#4U!HC`(8!`@`(`/0!(+P(`/0!"#T
M`08`]`$@O!5:```C`-34&A\`AP$"`@`]`%]]PH`]`$(`/0!`@#T`2"\P#4
M/-0;(P"&`0<`"`!8`I6X#`!8`@H`]`$"/0!??==8```(P#4U!L?`(<!!P`(
M`/0!??<*`/0!#`!8`@<`6`*5N!\`U-0:(P"&`0(`"`#T`2"\"`#T`0H`]`$'
M`/0!??>?8```(P#4U!H?`(<!!@`(`/0!(+P(`/0!"`#T`0(`]`$@O!\`U.`1
M#``````T"`P`X-0;(P"&`08`"`!8`LZ"``!8`@@`]`$&`/0!(+SB8```(P#4
MU!L?`(<!!@`(`.X"2"T$`.X"``!8`@8`6`+.@A\`U-0:(P"&`0(`"`#N`D@M
M!`#N`@0`[@(&`.X"2"TD80``(P#4U!H?`(<!!@`(`.X"2"T$`.X"!`#N`@(`
M[@)(+1\`U$=O:6YG@'1O@%-C:&]O;(!W:&EL98!Y;W6`=V]R:]`$%0``"P`)
M```,"QP`!P`!(!4`T-,+#@```@```*C]#@#3TPP.```"```"`6`(.`-.`S/,,
M\]0;(P"&`08`"`!8`LZ"``!8`@0`[@(&`.X"2"T80``(P#4U!L?`(<!!@`(
M`(H"BI`&`(H""@`0!@"*`@8`B@**D--9```C`-34&Q\`AP$&``@`@"*`@8`
M`(H"BI"T80``(P#4U!H?`(<!!@`(`((H"BI`&`(H"!@"*`@(`B@**D!\`U%1H
M:7.`<')O=&ES:6]N@'=I;&R`96YA8FQE@&UA;GF`06UE<FEC86YS@'1O@!U
M<G-U98!T:&5I<H!G;V%L<X!O9H!L:69E;&]N9X!L96%R;FEN9]`!%0``"P`)
M``$D#G0)"0`!(!4`T'=H:6QE@'=O<FMI;F>`=&^`<&%Y@'1H96ER@&)I;&QS
M+H"`5&AE@'1A>(!B:6QL@&5X=&5N9'.`4X!4V5C=&EO;H!Q,C>`;V:`=&AE@'1A
M>(!C;V1E@&9O<L]U;F9E<F=R861U871E<X!F;W*`*`=&AR966`>65A<G.`*&9O
M<H!C;W5R<V5S@&)E9VEN;FEN9X!P<FEO<H!T;X!*=6YE@#$L@#(P,#'I+H""
M5&AI<\]P<F]V:7-I;VZ`86QL;W=S@'=O<FME<G.`=&^`97AC;'5D98`D-2PR
M-3"`;V:`96UP;&]Y97*`$<')O=FED962`961U8V%T:6]N@&)E;F5F:71SSV9R

```
M;VV`=&AE:7*`=&%X86)L98!I;F-O;64N@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@(#,+LS3#`X```(`6`(```X`T],+#@```@"H_0``#@#3\`,$
M\.`1#``````T"`P`X/(,\M0;(P"&`08`"`!8`LZ"``!8`@8`B@(&`(H"BI!*
M8@``(P#4U!L?`(<!!@`(`.X"2"T$`.X"``!8`@8`6`+.@A\`U-0:(P"&`0(`
M"`#N`D@M!`#N`@0`[@(&`.X"2"V,8@``(P#4U!H?`(<!!@`(`.X"2"T$`.X"
M!`#N`@(`[@)(+1\`U$-O;6UU;FET>8!397)V:6-E@$QO86Z`1F]R9VEV96YE
M<W/S#/.`@-`$%0``"P`)``$\%(P/#P`!(!4`T-,+#@```@```*C]#@#3TPP.
M```"`````6`(.`-/,TP14``!````<!10`-`@`C`H`Y`P`/\`E!$`[!,`1!8`
MG!@`]!H`3!T`I!\`_"$`5"0`K"8`!"D`7"L`M"T`##``9#(`O#0!W`4"`-P%
ME%@"5`#3U!LC`(8!!@`(`%@"SH(``%@"!`#N`@8`[@)(+:)D```C`-34&Q\`
MAP$&``@`B@**D`8`B@(``%@"!@!8`LZ"P#4U!HC`(8!`@`((H"BI`&`(H"
M!@"*`@8`B@**D.1D```C`-34&A\`AP$&``@`B@**D`8`B@(&`(H"`@"*`HJ0
M'P#417AC;'5D97.`9G)O;8!T87AA8FQE@&EN8V]M98!L;V%N@&%M;W5N='.`
M9F]R9VEV96Z`9F]R@&)O<G)O=V5R<X!W:&^`=&%K9=`!%0``"P`)``&4%N01
M$0`!(!4`T&-O;6UU;FET>81S97)V:6-E@&IO8G.`=&AA=(!A9&1R97-S@'5N
M;65T@&YE961S+H"`0V]M;75N:71Y@'-E<G9I8V6`;&]A;L]F;W)G:79E;F5S
M<X!P<F]G<F%M<X"`<G5N@&)Y@&=O=F5R;FUE;G2`86=E;F-I97.`87)E@&%L
M<F5A9'F`97AE;7!T@&)U=(!T:&ESSW!R;W9I<VEO;H!W;W5L9(#,97AT96YD
M@'1H872`=&^`;F]N<')O9FET@'1A>(1E>&5M<'2`8VAA<FET86)L98!O<H!E
M9'5C871I;VYA;(!I;G-T:71U=&EO;G,N@("`@(#,S,S-0;(P"&`08`"`!8
M`LZ"``!8`@8`B@(&`(H"BI#390``(P#4U!L?`(<!!@`(`.X"2"T$`.X"``!8
M`@8`6`+.@A\`U-0:(P"&`0(`"`#N`D@M!`#N`@0`[@(&`.X"2"T59@``(P#4
MU!H?`(<!!@`(`.X"2"T$`.X"!`#N`@(`[@)(+1\`U%1H98!N97>`=&%X@&)I
M;;&R`<VEG;F5D@&)Y@%!R97-I9&5N=(!#;&EN=&]N@&EN8VQU9&5S@&UA;GF`
M;;W1H97+0`14```L`"0`!N!\(&QH``2`5`-!P<F]V:7-I;VYS@'1H872`=VEL
M;;(!H96QP@&%L;;(!O9H!T:&6`@'EO=6G@'!E;W!L98!I;H!I;H!;65R:6-A@'1O
M@&=R;W>`86YDSVQE87)N+H!+:!4:&6`=&%X@'!A8VMA9V4L@&9O<H!E>&%M<&QE
```

M+(!E>'!A;F1S@/$"M@#QG/$#M@#Q2&5A9'-T87)T\0*V`/&;\0.V`/$L@&EN
M8W)E87-E<X!T:&7/;6%X:6UU;8#Q`K8`\9SQ`[8`\5!E;&SQ`K8`\9OQ`[8`
M\8!G<F%N=(!F;W*`8V]L;&5G98!T;X`D,RPP,#`L@'!R;W9I9&5S@&AE86QT
M:(!I;G-U<F%N8V6`9F]RSS6`;6EL;&EO;H!C:&EL9')E;BR`86YD@(!I;F-L
M=61E<X!A@'!R;W9I<VEO;H!T;X!E;F-O=7)A9V6`8V]M<'5T97+/9&]N8711
M;VYS@'1O@'-C:&]O;',N@$%L;(!O9H!T:&5S98!B96YE9FET<X!A;F2`=&%X
M@&-U='`.`:&%V98!O;F6`9V]A;#J`=&_/9VEV98!P87)E;G1S@'1H98!S=7!P
M;W)T@'1H97F`;F5E9(!T;X!G:79E@'1H96ER@&-H:6QD<F5N@&&`9FER<W2`
M8VQA<W//961U8V%T:6]N@&%N9(!H;W!E@&9O<H!T:&6`9G5T=7)E+LS,@("`
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`S("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`4VEN8V5R96QY+(#,T`85
M```+``D``9PL["<E``$@%0#0@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`S("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`4FEC:&%R9(!7+H#Q`K8`\9SQ`[8`\5)I;&5Y\0*V
M`/&;\0.V`/',@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`@(!5+E,N@%-E8W)E=&%R>8!O
M9H!%9'5C871I;VZ`@("`@(#/@("`@("`@(#,@("`@("`@("`@("`@("
M@("`@("`@("`@("`@("`@("`@("`@("`@("`S-0;(P"&`08`"`!8`LZ"
M``!8`@0`[@(&`.X"2"VQ9P``(P#4U!L?`(<!!@`(`.@#58("`.@#``!8`@8`
M6`+.@A\`U-0:(P"&`0(`"`#H`U6"`@#H`P(`Z`,&`.@#58+S9P``(P#4U!H?
M`(<!!@`(`.@#58("`.@#`@#H`P(`Z`-5@A\`U$9O<H!M;W)E@&1E=&%I;&5D
M@&EN9F]R;6%T:6]N@&%]N@&AO=X!Y;W5R@&-H:6QD<F5NT`$5```+``D``8P*
MW`4%``$@%0#086YD@&=R86YD8VAI;&1R96Z`8V%N@&)E;F5F:72`9G)O;8!T
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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:13-AUG-1997 15:40:00.00

SUBJECT: radio address

TO: William R. Kincaid (William R. Kincaid@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
Bill & Lowell,

I will be sending you a copy of the handbook through interoffice

delivery this afternoon. Can I get a room number there at OEOB?

Also, I will be sending you a draft copy of our "Families guide" by

e-mail in the next hour or two. I need to make some finishing

touches, but understand that getting you a draft (at least something

to work from) is more important than a final copy.

Additionally, we are going with the 1-800-USA-LEARN number because it

is

sufficiently geared up for this address. At this time, we are

planning on

getting a prompt message on our phone line by noon on Friday. Also,

if you

see that this number will not be announced in the radio address for

any

reason, please notify me of this ASAP. I ask this because there

are

numerous decisions being made based on using this number in the address

alone (i.e. staffing the phone line over the weekend, comp time

issues,

volume considerations, and believe it or not getting the air

conditioner

turned off for staff working this weekend shift). Obviously, you

don't

need to be bogged down with these issues but I felt it was important

that

you were made aware that whether the POTUS chooses to announce this

number

-- which we hope he does -- then there is more than meets the eye to

this.

Need anything else, call me at 401-3598 --- Jill

______________________________ Reply Separator

____

Subject: description of the tax cuts

Author: Pauline Abernathy at WDCB01

Date: 8/13/97 12:53 PM

The two-page description of the tax cuts is both attached and in the

text of the message below.

Jill will be getting you the other items you requested.

Pauline

DETAILS ON THE EDUCATION ITEMS IN THE TAX BILL

THE HOPE SCHOLARSHIP AND LIFETIME LEARNING CREDIT: From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton's budget and his middle class tax cut proposal. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted that, in addition to the HOPE Scholarship for the first two years of college, the tax bill must include a tax cut for lifetime learning. The final tax cut bill enacts the President's proposals. When fully phased in, 12.9 million students are expected to benefit -- 5.8 million claiming the HOPE Scholarship, and 7.1 million claiming the Lifetime Learning Credit.

$1,500 HOPE Scholarship to make the first two years of college universally available. For students in the first two years of college (or other eligible post-secondary training), taxpayers will be eligible for a tax credit equal to 100% on the first $1,000 of tuition and fees and 50% on the second $1,000 (the amounts are indexed for inflation after 2001). The credit will be available on a per-student basis for net tuition and fees (less grant aid) paid for college enrollment after December 31, 1997. The credit is phased out for joint filers between $80,000 and $100,000 of income, and for single filers between $40,000 and $50,000 (indexed after 2001). The credit can be claimed in two taxable years (but not beyond the year when the student completes the first two years of college) with respect to any individual enrolled on at least a half-time basis for any portion of the year.

Lifetime Learning Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills. For those beyond the first two years of college, or taking classes part-time to improve or upgrade their job skills, the family will receive a 20% tax credit for first $5,000 of tuition and fees through 2002, and for the first $10,000 thereafter. The credit is available for net tuition and fees (less grant aid) paid for post-secondary enrollment after June 30, 1998. The credit is available on a per-taxpayer (family) basis, and is phased out at the same income levels as the HOPE Scholarship.

OTHER TAX CUTS FOR HIGHER EDUCATION

Education Savings Accounts. For each child under age 18, families may deposit $500 per year into an Education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for net post-secondary expenses for tuition, fees, books, equipment, and room and board (generally limited to the posted room and board charges of the institution). The Education IRA is phased out for families with incomes between $150,000 and $160,000, and for single filers between $95,000 and $110,000. A taxpayer who uses tax-free distributions from

an Education IRA may not, in the same year, benefit from the HOPE Scholarship or Lifetime Learning Credit.

Student Loan Interest Deduction. Allows an above-the-line deduction (the taxpayer does not need to itemize in order to benefit) for interest paid in the first 60 months of repayment on private or government-backed loans post-secondary education and training expenses. The maximum deduction is $1,000 in 1998, $1,500 in 1999, $2,000 in 2000, and $2,500 in 2001 and beyond. The deduction is phased out for joint filers with income between $60,000 and $75,000, and single filers with income between $40,000 and $55,000 (indexed after 2002). The deduction is available for loans made before or after enactment of this provision, but only to the extent that the loan is within the first 60 months of repayment. The loan amount eligible for the deduction is limited to net pos t-secondary expenses for tuition, fees, books, equipment, room, and board (limited to the "cost of attendance" currently used for Federal student aid programs).

IRA Withdrawals. Taxpayers may withdraw funds from an IRA, without penalty, for the higher education expenses of the taxpayer, spouse, child, or grandchild. The amount that can be withdrawn without penalty is limited to net post-secondary expenses for tuition, fees, books, equipment, and room and board (generally limited to the posted room and board charges of the institution).

Employer-Provided Education Benefits. Extends Section 127 of the tax code for under-graduates for three years (for courses beginning prior to June 1, 2000). This provision allows workers to exclude $5,250 of employer-provided education benefits from their taxable income.

Community Service Loan Forgiveness. Excludes from taxable income loan amounts forgiven for borrowers who take community-service jobs addressing unmet needs. (Community service loan forgiveness programs run by government agencies are already exempt; this provision would extend that to nonprofit tax-exempt charitable or educational institutions.)

Expand benefits for pre-paid tuition plans. Allows State-sponsored pre-paid tuition plans -- the earnings from which not taxed until the time of withdrawal as a result of last year's tax bill -- to include room and board expenses for students who attend on at least a half-time basis. Withdrawals are eligible for the HOPE Scholarship and Lifetime Learning tax credits.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

TAX PROVISIONS BENEFITING ELEMENTARY AND SECONDARY EDUCATION

Encourage Computer Donations to Schools. Allows corporations an enhanced charitable contribution deduction for the donation of up-to-date computer hardware or software to public and private K-12 schools. The equipment or programs cannot be more than two years old.

The deduction is allowed in tax years 1998 and 1999.

Bonds for Public School-Business Partnerships. Allows states to use Federal tax credits as payments in lieu of interest on bonds for certain expenses -- including facilities renovation -- for school "academies" expected to serve low-income students in empowerment zones and empowerment communities. The academies must have a high-skills curriculum developed in consultation with businesses that have committed assistance (in cash or in kind, on a present value basis) equal to at least 10% of the bond proceeds. The bonds are limited to $400 million in 1998 and $400 million in 1999. They are allocated to

States on the basis of population in poverty.

Reduce Costs of School Construction Bonds. School districts

invest

the proceeds from school construction bonds until the funds are

needed to pay construction and renovation expenses. When tax-exempt

bonds are used, there are strict limits on the amount of interest

that

the district can earn, requiring them to pay back certain amounts to

the IRS. The tax bill would relax those restrictions, allowing

school

districts to keep more of the interest income and thereby reducing

their cost of borr================== ATTACHMENT 1 ==================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IMEA6Q453K001LJJ@PMDF.EOP.GOV> for "William R. Kincaid"@oa.eop.gov; Wed,

13 Aug 1997 15:48:08 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMEA6P1AKG002J3G@PMDF.EOP.GOV> for
William_R._Kincaid@oa.eop.gov; Wed, 13 Aug 1997 15:48:07 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IMEA6K0OWW001VT4@STORM.EOP.GOV> for
William_R._Kincaid@oa.eop.gov; Wed, 13 Aug 1997 15:47:59 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id PAA07022 for
<William_R._Kincaid@oa.eop.gov>; Wed, 13 Aug 1997 15:45:54 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 0000A1D1; Wed,
13 Aug 1997 15:48:03 -0400
================== END ATTACHMENT 1 ==================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Jill_Riemer (Jill_Riemer@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:14-AUG-1997 19:45:00.00

SUBJECT: Re: draft of radio address

TO: Ann F. Lewis (Ann F. Lewis@EOP [UNKNOWN])
READ:UNKNOWN

TO: Cathy R. Mays (Cathy R. Mays@EOP [UNKNOWN])
READ:UNKNOWN

TO: Lowell A. Weiss (Lowell A. Weiss@EOP [UNKNOWN])
READ:UNKNOWN

TO: Melissa Green (Melissa Green@EOP [UNKNOWN])
READ:UNKNOWN

TO: Michelle Crisci (Michelle Crisci@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

If I may, Terry Peterson and I would love to add two changes below.

--Jill

______________________________ Reply Separator

____

Subject: draft of radio address

Author: Lowell_A._Weiss@oa.eop.gov at Internet

Date: 8/14/97 06:53 PM

Message Creation Date was at 14-AUG-1997 18:53:00

Melissa, Michelle, and Cathy-

Could you pls make sure that Gene, Rahm, and Bruce see this before they leave

tonight? It's being taped at 1 pm tomorrow. Thanks.

Draft 8/14 6:30pm

PRESIDENT WILLIAM J. CLINTON

RADIO ADDRESS ON HIGHER-EDUCATION OPPORTUNITIES

AUGUST 15, 1997

Good morning. As families across America start to prepare for the new
school
year, I !,d like to talk about how students and parents can make the most
of the
historic higher education opportunities in our new balanced budget.

The budget I signed into law last week opens the doors to college to a
new
generation, with the largest investment in higher education since the G.I.
Bill
50 years ago. For the first time ever, all children in America who study
hard
will have the opportunity realize the dream of going to college.

Let me tell you just a few of the ways our budget will make that
possible.

First, the budget offers HOPE Scholarships -- $1500 tax credits, equal to the
average community college tuition, that will make the first two years of college as universal as four years of high school are today.

Second, the budget creates a new Lifetime Learning Credit, targeted at college
juniors and seniors, graduate students, and adults who want to enhance their
skills. Under this initiative, for example, a homemaker who wants to return to
school full-time to become a teacher can get a 20% tax credit on the first $5,000 of her tuition bill. In the year 2003, that credit will get even larger, by applying to up to $10,000 in tuition and fees.

Third, beginning this January, parents and grandparents can withdraw money
from their Individual Retirement Accounts -- without any penalty -- to pay for
higher education expenses. They can also open up a brand new Education IRA,
which will allow them to invest $500 per child every year to build up money,
tax-free, for college.

Fourth, our budget provides the largest increase in Pell Grants in two decades, giving at least 350,000 more students the scholarships they deserve.

These new initiatives will greatly expand educational opportunity for American families. But there is another crucial part of the college equation -- and that is responsibility.

As Hillary and I have learned, parents cannot wait to plan for college until their children are in their junior or senior years of high school. Education experts say that it is essential that parents sit down with their children as early as sixth grade to start charting a course toward college. In the crucial middle-school years, parents must encourage their children to take challenging classes. Research shows, for example, that students who take algebra (take out geometry) before high school are much more likely to go on to college than those who do not.

In the knowledge economy of the 21st century, what our children earn will depend more than ever on what they learn. Almost 90% of the new jobs being created today require more than a high school level of literacy and math skills. And yet more than half of the people entering the workforce are not prepared with these skills. We have much work to do. And throughout the fall, my Administration will do everything in its power to make sure that parents and students learn how to take advantage of the new higher education opportunities they now have.

As a first step, Education Secretary Dick Riley and his staff have prepared extremely useful information on how you can help your children prepare for college. You can get that information by calling the Department of Education at 1-800-USA-LEARN. Parents and grandparents, if you have a child in middle school, junior high, or high school, plan ahead. Get involved and call that number.

Since the day I took office, I have been working on a simple idea: when my child is my age I want this country to be a place where every person who works hard has a chance to live out their God-given abilities and their dreams.

With

the educational opportunities contained in our historic balanced budget,

we have

taken a large step toward that goal. Together, we are helping to ensure

that

our children !,s precious minds will not go to waste. Thank you for

liste==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IMFWX0P5LS0074JJ@PMDF.EOP.GOV>; Thu, 14 Aug 1997 19:50:03 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMFWWX9N8G0044SN@PMDF.EOP.GOV>; Thu,

14 Aug 1997 19:49:58 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IMFWW8FE1A0022AM@STORM.EOP.GOV>; Thu,
14 Aug 1997 19:49:25 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id TAA20824; Thu,
14 Aug 1997 19:47:19 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 0000BDEA; Thu,
14 Aug 1997 19:49:35 -0400
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Jill_Riemer (Jill_Riemer@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:14-AUG-1997 19:50:00.00

SUBJECT: FINAL VERSION OF FAMILIES GUIDE

TO: William R. Kincaid (William R. Kincaid@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

A FAMILIES' GUIDE TO THE 1997 EDUCATION TAX CUTS

Many new tax benefits for adults who want to return to school, for parents who are planning to send their children to college or who are already saving to send their children to college will be available due to the balanced budget agreement signed into law in August 1997. This guide highlights some of the significant features of the tax cut including the $500 per child tax credit for 45 million children and the largest investment in higher education since the passage of the G.I. Bill in 1945.

These tax cuts essentially make the first two years of college universally available and they will give many more working Americans the financial means to go back to school if they want to choose a new career or upgrade their skills. When fully phased in, 12.9 million students are expected to benefit -- 5.8 million under the HOPE Scholarship tax credit, and 7.1 million claiming the Lifetime Learning tax credit.

- Up to a $1,500 tax credit for students starting college

The Hope Scholarship tax credit helps makes the first two years of college universally available. Students will receive a tax credit of 100% on the first $1,000 of tuition and fees and 50% on the second $1,000. This tax credit will be available for college enrollment after January 1,1998. This credit is available for net tuition and fees (less grant aid). A high school senior going into his or her freshman year of college in September of 1998, for example, will be eligible for the $1,500 tax credit.

A married couple with a joint income of $60,000 and two children in college, one at a community college with a tuition of $2,000 and the other a sophomore at a private college with $11,000 tuition, would have their taxes cut by $3,000.

This credit is phased out for joint filers between $80,000 and $100,000 of income, and for single filers between $40,000 and $50,000.

The credit can be claimed in two taxable years for college freshman and sophomores who are enrolled on at least a half-time basis for any portion of the year.

- Learning for a lifetime: a tax credit

This tax provision is targeted for adults who want to go back to school to upgrade their skills and for college juniors, seniors, graduate and professional students, mid-career changers and those who want to take a course or two. A family will receive a 20% tax credit for the first $5,000 of tuition and fees through the year 2002, and for the first $10,000 thereafter. The credit is available for net tuition and fees, just like the HOPE tax credit, to pay for post-secondary enrollment beginning July 1, 1998. The credit is available on a per-taxpayer (family) basis, and is phased out at the same income levels as the HOPE scholarship tax credit throughout their lifetime.

Returning to school full-time to become a teacher: Homemaker, family income of $70,000, who wants to attend a graduate teacher training program at a public university after being out of college for 20 years ($3,500 tuition). This family would have their taxes cut by $700.

Automobile Mechanic: Married, wife works part-time, with two grown children, joint income of $32,000 and is going back to a local technical college to take some computer classes with a tuition of $1,200. This family would have their taxes cut by $240.

- Parents and grandparents can create education IRAs and make penalty-free withdrawals from other IRAs

Beginning January 1, 1998, taxpayers may withdraw funds from an IRA, without penalty, for the higher education expenses of the taxpayer, a spouse, a child, and even a grandchild. For each child under age 18, families may also deposit $500 per year into an Education IRA. Earnings will accumulate tax-free and no taxes will be due upon withdrawal for net post-secondary expenses for tuition, fees, books, equipment, and eligible room and board if used before the age of 30.

The Education IRA is phased out for families with incomes between $150,000 and $160,000, and for single filers between $95,000 and $110,000. There are a few restrictions. A taxpayer, for example, who uses the tax-free distributions from an Education IRA may not, in the same year, benefit from the HOPE Scholarship or Lifetime Learning Credit.

- Expanded benefits for pre-paid tuition plans

This provision allows State-sponsored pre-paid tuition plans -- the earnings from which are not taxed until the time of withdrawal as a result of a law passed last year -- to include certain room and board expenses for students who attend on at least a half-time basis. Withdrawals are eligible for the HOPE Scholarship tax credit and Lifetime Learning tax credits.

- Paying back student loans at less cost

For many college graduates, one of their first financial obligations is to pay off their student loan, on average about $13,500. This provision will essentially allow a borrower to get one "free" monthly payment by allowing students to take a tax deduction for interest paid in the first 60 months of repayment on student loans.

A college senior graduates from college and finds a job paying $25,000 a year. The student has a total student debt of $13,500. The new job holder because of his or her income is in the 15% federal income tax bracket. The monthly payment for this student loan is $166. The total payments for the year is $1,992 and over half of the total payment is interest --$1,080 --which can now be deducted. The student's tax benefit is calculated at 15% x $1,080 for a savings of $162. In subsequent years the interest portion of the total student debt declines, but using this tax provision still remains a money saver.

The maximum deduction is $1,000 in 1998, $1,500 in 1999, $2,000 in 2000, and $2,500 in 2001 and beyond. It is phased out for joint filers with income between $60,000 and $75,000, and single filers with incomes between $40,000 and $55,000. The deduction is also available for all loans, such as student, parent, federal and nonfederal, made before August of 1997 when the tax cuts became law but only to the extent that the loan is within the first 60 months of repayment.

- Going to school while you work

This provision will enable many Americans to pursue their goals of lifelong learning. The tax bill extends Section 127 of the tax code for three years for undergraduate education (for courses beginning prior to June 1, 2000). This provision allows workers to exclude $5,250 of employer-provided education benefits from their taxable income.

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- Community service loan forgiveness

Excludes from taxable income loan amounts forgiven by non-profit, tax-exempt charitable or educational institutions for borrowers who take community-service jobs that address unmet needs.

The balanced budget bills signed by President Clinton include many other provisions that will help all of the young people in America

to

grow and learn and help families navigate through these changing times. The balanced budget agreement, for example, expands Headstart, increases the maximum Pell grant for college to $3,000, provides health insurance for 5 million children, and includes a provision to encourage computer donations to schools. All of these benefits and tax cuts have one goal: to give parents the support they need to give their children a first class education and hope for the future.

Sincerely,

Richard W. Riley

U.S. Secretary of Education

For additional information on meeting the costs of college and lifelong learning for you, your children and grandchildren please call: 1-800-USA-LEARN.

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M`2EZ*`````",`U)O0!!4```L`"0`!L`0```````2`5`-#,4%)%4TE$14Y4\!P$
M\%.`4D%$24^`041$4D534\Q!=6=U<W2`,38L@#$Y.3?,S"K@$0H`0````"@#@
MX!$*`$````H`X("`@("`@("`@(`J@("`@("`@("`@"K,S$A%3%!)3D>`04U%
M4DE#08!314Y$$@%1(14E2@$-(24Q$4D5.@%1/@$-/3$Q%1T6`04Y$$S%!215!!
M4D6`14%23%GS#//0!!4```L`"0`!W@LN!P@``2`5`-#3!1``!@$````(<````
M$`#3S/((\M0;'P""0(`""#T`:\C!0#T`0``6`(("`%@"GM<?`-3P(`3P5V6`
M;75S=(!M86ME@'1H98!T:&ER=&5E;G1H@&%N9(!F;W5R=&5E;G1H@'EE87)S
M@&]F@&5D=6-A=&EO;H"$A(!A=(!L96%S=(!T=V^`>65A<G.`;V:`8V]L;&5G
M98"$A(!J=7-T@&%S@'5N:79E<G-A;-`!%0```"P`)``&^#0X)"@`!(!4`T&EN
M@$%M97)I8V&`8GF`=&AE@)PR,7-TFX!C96YT=7)Y@&%S@&&&`:&EG:(!S8VAO
M;VR`961U8V%T:6]N@&&ES@'1O9&%Y+(!A;F2`=V6`;75S=(!O<&5N@'1H98!D
M;V]R<X!T;X!A;&R`06UE<FEC86YS+O`?!/#S"//0!!4```L`"0`!A@[6"0L`
M`2`5`-#,X!$,``````@'#`#@X!$,``````&`)#`#@X!$,``````+@+#`#@X!$,
M``````!`.#`#@X!$,``````&@0#`#@X!$,``````,`2#`#@X!$,``````!@5#`#@
M4')E<VED96YT@$-L:6YT;V[,X!$,``````@'#`#@X!$,``````&`)#`#@X!$,
M``````+@+#`#@X!$,``````!`.#`#@X!$,``````&@0#`#@X!$,``````,`2#`#@
MX!$,``````!@5#`#@4W1A=&6`;V:`=&AE@%5N:6]N@$%D9')E<W,L@$9E8G)U
```

```
M87)Y@#0L@#$Y.3?,S/((\O`@!/!7:&%T@&9A;6EL:65S@&%R98!R96%L:7I1
M;F>`;6]R98!A;F2`;6]R98!I<X!T:&%T@'!R97!A<FEN9X!F;W*`8V]L;&5G
M98!D;V5S;O`<!/!T@&)E9VEN@&1U<FEN9X!A@'-T=61E;G3P"3P<X!J=6YI
M;W*`;W+0`14```L`"0`!;A*^#1```2`5`-!S96YI;W*`>65A<H!O9H!H:6=H
M@'-C:&]O;("$A(!I=(!B96=I;G.`979E;H!B969O<F6`88!S='5D96YT@&9I
M<G-T@'-E='.`9F]O=(!I;H!S8VAO;VPL@&%N9(!I=(!C;VYT:6YU97.`=&AR
M;W5G:(!M:61D;&7/<V-H;V]L@&%N9(!H:6=H@'-C:&]O;"Z`@$=E='1I;F>`
M<F5A9'F`9F]R@&-O;&QE9V6`;65A;G.`G'!L86YN:6YG@&9O<IN`>6]U<H!F
M=71U<F6`86YD@&UA:VEN9X!S;VUE@'9E<GF`:6UP;W)T86YTSV1E8VES:6]N
M<X!E87)L>2[P'P3P\PCST`05```+``D``<84%A`3``$@%0#0S.`1#```````(
M!PP`X.`1#``````!@"0P`X.`1#``````"X"PP`X.`1#``````0#@P`X.`1#```
M``!H$`P`X.`1#``````#`$@P`X.`1#``````8%0P`X%)I8VAA<F2`5RZ`4FEL
M97G,X!$,``````@'#`#@X!$,``````&`)#`#@X!$,``````+@+#`#@X!$,````
M`!`.#`#@X!$,``````&@0#`#@X!$,``````,2#`#@X!$,``````!@5#`#@4V5C
M<F5T87)Y@&]F@$5D=6-A=&EO;LS4&R,`A@$"``@`6`*>UP``6`(%`/0!`@#T
M`:\C:0$``",`U,Q0<F5S:61E;G2`0VQI;G1O;H!H87.`<F5C96YT;';'F`<VEG
M;F5D@'1H98!B86QA;F-E9(!B=61G970@87-T(&-O;G-T:71U=&EO;&-H:6=H@&EN8VQU
M9&5S@&UA;GF`;F5WSW1A>(!B96YE9FET<X!F;W*`861U;U`;'1S@'=H;X!W86YT
M@'1O@')E='5R;H!T;X!C;VQL96=E+(!P87)E;G1S@'=H;X!H879E@&-H:6QD
M<F5N@&EN@'-C:&]O;"(!O<H!W:&%T_/87)E@&%L<F5A9'F`<V5V:6YG@'1O@'-E
M;F2`=&AE:7*`8VAI;&1R96Z`=&^`8V]L;&5G92Z`@$5A8VB`=&AE<V7`8F5N969I
M=&AE@$%D;6EN:7-T<F%T:6]N@&%N9"!T:&4@0V]N9W)E<W.`=&^`9V]V97)N;65N
M:6QI97.`86YD@&5N;W)M;W5S@&5C;VYO;6EC@&=R;W=T:"Z`@STUO<F6`=&AA
M;H!E=F5R+(!G971T:6YG@'-T=61E;G3P"3P<X!R96%D>8!F;W*`8V]L;&5G
M98!E87)L>8!O;H!B>8!T86MI;F>`=&AE@'!R;W!E<H!C;W5R<V5S@&%N9(!N
M9,]S96-U<FEN9X!T:&6`9FEN86YC:6%L@')E<V]U<F-E<X!I<X!A;'-O@&&&`
```

M8VAA;&QE;F=E@'1H:7.`8V]U;G1R>8!W:6QL@&AA=F6`=&^`8F6`=VEL;&EN
M9X!T;X!T86ME@&]N+LQ4;V1A>2R`28!W:6QL@&)E@&UA:VEN9X!A@&YE=X!H
M86YD8F]O:X!A=F%I;&%B;&6`=&^`G$%M97)I8V%N@&9A;6EL:65S@'=H:6-H
MFX!W:6QL@&AE;"'`=&AE:7+/8VAI;&1R96Z`<')E<&%R98!F;W*`8V]L;&5G
M98!E87)L>2[,S)SR#O+R#/)"04-+1U)/54Y$\P[S\PSSF]`$%0``"P`)``%&
M(98<(0`!(!4`T-T$$`""`2```P"'IO\0`-W=!0L``P````L`W=T&$P"""2``
M`@"'IB@)```3`-WP(@;PX#`,``````@'#`#@W0<+``,````+`-U);H`Q.3DV
M+(!N:6YE@'!E<F-E;G2`;V:`<&5O<&QE@'=I=&AO=72`88!H:6=H@'-C:&]O
M;(!D:7!L;VUA@'=E<F6`=6YE;7!L;WEE9"R`=VAI;&70`14```L`"0`!-B*&
M'2(``2`5`-!O;FQY@#0N.(!P97)C96YT@'=I=&B`88!H:6=H@'-C:&]O;(!D
M:7!L;VUA+(`T+C.`<&5R8V5N=(!O9H!P96]P;&6`=VET:(!S;VUE@&-O;&QE
M9V4L@&%N9,\R+C2`<&5R8V5N=(!O9H!P96]P;&6`=VET:(!A@&-O;&QE9V6`
M9&5G<F5E@'=E<F6`=6YE;7!L;WEE9"[="!<`@P$@``(`AZ8H"0``0PD``!<`
MW8S0!!<```T`"P`""`<H(P@'*","(!<`T(S="0L``P````L`W<S=!!``@@$@
M``,`AZ;_$`#=W04+``,````+`-W=!A,`@@$@``(`AZ:L"@``$P#=\"(&\.`P
M#``````(!PP`X-T`"P`#````"P#=08!P97)S;VZ`=VAO@&=R861U871E9(!F
M<F]M@&-O;&QE9V6`G&]N@&%V97)A9V6`=VEL;(!E87)N+F%X`D-C`P+#`P+(!M
M;W)E@'1H86Z`88!P97)S;V[0`14```L`"0`!]B5&(28``2`5`-!W:71H@&&&`
M:&EG:(!S8VAO;VR`9&5G<F5E+H"`4V]M96]N98!W:71H@)QA;&@'-O;64@8V]L
M=&6;@&1E9W)E98"<9G)O;6!A@'-O;64@8V]L;&5G9V6`=VEL;"!A;&@&=E@'1H
M9<F6`=&^`=&AE;6ER@&9E9:"#@&1E9W)E98!N;W0@8V]L;&5G9V6`;&EF92!A
M<F6`=&^`=&AE;6ER@&AA;&@&AI9VB`<V-H;V]L@&%N9&%R92!A;G0@:&%V92!A
M<FYE9,]A;&UO<W2`.#F`<&5R

M``````@'#`#@G,SQ`$8"\9OQ`48"\<R;T`85```+``D``78MQB@N``$@%0#0
M\@[R\@SR4T],551)3TY3\P[S\PSST`05```+``D``;`$``````$@%0#0G,Q4
M:&6;@&UO<W2`:6UP;W)T86YT@'1H:6YG@&&`<W1U9&5N=(!C86Z`9&^`=&^`
M<')E<&%R98!F;W*`8V]L;&5G98!I<X!T;X!T86ME@'1H98!R:6=H=(!C;W5R
M<V5S@&%N9,]W;W)K@&AA<F2`=&^`<&%S<X!T:&5S98!C;W5R<V5S+LS,W000
M`((!(``#`(>F_Q``W=T%"P`#`````"P#=W083`((!(``"`(>FV@T``!,`W?`B
M!O#@,`P``````"`<,`.#=!PL``P````L`W4UA;GF`;V:`;W5R@)QS='5D96YT
M<YN`=VEL;(!B98!G;VEN9X!B86-K@'1O@'-C:&]O;(!I;H!T:&6`8V]M:6YG
M@'=E96MS+H"<@%1H:7.`:7.`88!G;V]DT`$5```+``D``6`)L`0%``$@%0#0
M=&EM99N`G&9O<H!O=7*;@'!A<F5N=',L@&=R86YD<&%R96YT<RR`9W5I9&%N
M8V6`8V]U;G-E;&]R<RR`=&5A8VAE<G,L@&%N9(!P<FEN8VEP86QS@)QT;X!F
M;V-U<YO/;VZ`=VAA=(!C;W5R<V5S@&]U<H!C:&EL9')E;H!A<F6`=&%K:6YG
M@'1H:7.`1F%L;"Z`@$%L;(!O9H!U<X!N965D@'1O@&UA:V6`<W5R98!O=7*`
M8VAI;&3P"`3P<\]C;W5R<V6`<V5L96-T:6]N@'1H:7.`1F%L;(!I<X!O;H!T
M<F%C:X!F;W*`8V]L;&5G98!D;W=N@'1H98!R;V%D+MT(%P"#`2```@"'IMH-
M``#U#0``%P#=C-`$%P``#0`+``((!R@C"`<H(P(@%P#0C-T)"P`#`````"P#=
MS-T$$`"""`2```P"'IO\0`-W=!0L``P````L`W=T&$P"""`2```@"'ILT/```3
M`-WP(@;PX#`,``````@'#`#@W0<+``,````+`-U297-E87)C:(!S:&]W<X!T
M:&%T@'-T=61E;G1S@'=H;X!T86ME@&%L9V5B<F&`86YD@&=E;VUE=')Y@)PH
M8F5G:6YN:6YG@&EN@'1H99N`96YD@&]F@'1H9=`!%0``"P`)``$0#F`)"@`!
M(!4`T&5I9VAT:(!A;F2`;FEN=&B`9W)A9&5S*8!A<F6`;75C:(!M;W)E@&QI
M:V5L>8!T;X!G;X!O;H!T;X!C;VQL96=E@'1H86Z`<W1U9&5N='.`=VAO@&1O
MSVVYO="Z`@$EN@&&`;F%T:6]N86R`<V%M<&QE+(!O;FQY@#(V@'!E<F-E;G2`
M;V:`;&]WA&EN8V]M98!S='5D96YT<X!W:&^`9&ED@&YO=(!T86MESV=E;VUE
M=')Y@'=E;G2`=&^`8V]L;&5G93N`8G5T@#<Q@'!E<F-E;G2`;V:`;&]WA&EN
M8V]M98!S='5D96YT<X!W:&^`=&]O:X!G96]M971R><]W96YT@'1O@&-O;&QE
M9V4NW0@7`(,!(``"`(>FS0\``.@/```7`-V,T`07```-``L``@@'*",",(!R@C

```
M`B`7`-",W0D+``,````+`-W,3VYE@&]F@'1H98!B97-T@'1H:6YG<X"<\0!.
M`O%A@)OQ`4X"\7!A<F5N='.`8V%NFX!D;X!T;X!H96QP@'1H96ER@&-H:6QD
M@'!R97!A<F6`9F]R@&-O;&QE9V6`:7.`=&^`96YS=7)E@'1H872`=&AE:7+/
M8VAI;&2`:7.`=&%K:6YG@'1H98!R:6=H=(!C;W5R<V5W;W)K+(!E;F-O=7)A
M9V6`=&AE:7*`8VAI;&2`=&^`<&%R=&EC:7!A=&6`:6Z`;&]C86R`;65N=&]R
M:6YG@&]RSV%F=&5R@'-C:&]O;(!P<F]G<F%M<X!A;F2`=&^`=&%L:X!T;X!Y
M;W5R@&-H:6QD\!P$\'.`9W5I9&%N8V6`8V]U;G-E;&]R+LS,W000`((!(``#
M`(>F_Q``W=T%"P`#````"P#=W083`((!(``"`(>F[1(``!,`W?`B!O#@,`P`
M`````"<,`.#=!PL``P````L`W9Q#;VUM=6YI='F`<')O9W)A;7.;@&QI:V6`
MG/$"30+Q\@SR\0--`O'P'03P2VED<X!T;X!#;VQL96=E\!P$\/$"30+Q\PSS
M\0--`O&`=VAI8VB`:&5L<(`X,(`W=&B`86YD@#AT:(!G<F%D97)S@'9I<VET
M@&'0`14```L`"0`!<!?`$A0``2`5`-!C;VQL96=E@&-A;7!U<X!A=(!T:&6;
M@/(,\E5N:79E<G-I='F`;V:`36%R>6QA;F2`872`0V]L;&5G98!087)K@'=I
M=&B`1V]D9&%R9(!-:61D;&70`14```L`"0`!8!BP$Q4``2`5`-!38VAO;VR`
MG'-E<FEE<_,,\_$`1@+QF_$!1@+Q+H"'5&AE>8!A;'-O@&=E=(!T;X!E>'!E
M<FEE;F-E:FX!A@'-O9G1W87)E@'!A8VMA9V6`8V%L;&5D@%9I<VEO;G,`=VAI
M8VB`:7.`8=`!%0``"P`)``$P!T'-T871E=VED98!C87)E97*`:6YF;W)M871I
M;6YF;W)M871I;VZ`9&5L:79E<F5S=&5M@&9O<H!M:61D;&6`G'-C:&]O;
M;)N`<W1U9&5N='.`=&^`<F5S96%R8VB`=&AESV-A<F5E<H!O9H!T:&5I<H!C
M:&]I8V6`=&^`9&5T97)M:6YE@'=H872`8W)E9&5N=&EA;'.`86Z`:6YD:79I
M9'5A;(!M=7-T@&AA=F6`=&^`8F7/<W5C8V5S<V9U;(!I;H!T:&5I<H!C:&]S
M96Z`9FEE;&0NW0@7`(,!(``"`(>F[1(``!,`W@3```7`-V,T`07```-``L``@@
M*",(!R@C`B`7`-",W0D+``,````+`-V<S/$`1@+QF_$!1@+Q\0!.`O'Q`D$"
M\4&`;&]C86R`5&%L96YT@$-E;G1E<H!P<F]G<F%M\!P$\0-!`O$"4@+Q\$#8"
M\=T$$`""`(>F[1(``!,`W=T&$P""`(>F[1(``@"`(>F[1(``!,`W@3`0`0``3
M`-WP(@;PX#`,``````@'@#@W0<+``,````+`-WR#/)!@&QO8V%L@%1A;&5N
M=(!396%R8VB`*')E;6%I;G.`=&^`8F6`:6E;G1I9FEE9"F`<')O9W)A;7.;?,,
```

M\X!H96QP<X!T;X!B=6EL9(!A@'-U8V-E<W-F=6S0`14```L`"0`!`!Y0&1L`
M`2`5`-!P:7!E;&EN98!F<F]M@&UI9&1L98!S8VAO;VR`=&^`8V]L;&5G98!B
M>8!H96QP:6YG@&9A;6EL:65S@&)E8V]M98!M;W)E@&%W87)E@&]F@'1H96ER
MSV]P=&EO;G.`9F]R@&9I;F%N8VEN9X!T:&5I<H!C:&EL9/`<!/!S@&-O;&QE
M9V6`961U8V%T:6]N+H"`5&AE@'!R96UI<V6`;V:`=&AI<X!P<F]G<F%M@&ES
M@'1OSVED96YT:69Y@&%N9(!E;F-O=7)A9V6`86Z`97-T:6UA=&5D@#,R-"PT
M-#6`<W1U9&5N=`.`;F%T:6]N=VED98!F<F]M@&QO=X1I;F-O;67/<&]P=6QA
M=&EO;G.`=&^`9V^`;VZ`=&^`8V]L;&5G92[Q`T8"\=T(%P"#`2```@"'IO05
M```/%@``%P#=C-`$%P``#0`+``((!R@C"`<H(P(@%P#0C-T)"P`#`````"P#=
MS/$"3P+QW000`((!(``#`(>F_Q``W=T%"P`#`````"P#=W083`((!(``"`(>F
M%1@``!,`W?`B!O#@,`P`````"`<,`.#=!PL``P````L`W?$#3P+Q\0)0`O'R
M#/+Q`U`"\4&`8V]L;&%B;W)A=&EO;H!W:71H@&%N@&5N=&ER98!D:7-T<FEC
M=(!A=(!+971T97)I;F>`36ED9&QE@%-C:&]O;(#Q`E`"\?,,\_$#4`+QW0@7
M`(,!(``"`(>F%1@``#`8```7`-V,T`0?```5`!,``:`C\!XA``$""`<H(P@'
M*","(!\`T(S="0L``P````L`W9O,G,Q&:6YD:6YGFX!O=72`86)O=72`9FEN
M86YC:6%L@&%I9"R`861M:7-S:6]N@')E<75I<F5M96YT<RR`<V-H;VQA<G-H
M:7!S+(!A;F2`=F%R:6]U<X!S=')5D96YT@&%I9,]P<F]G<F%M<X!I<X!M861E
M@&5A<VEE<H!T:')O=6=H@&&`=F%R:65T>8!O9H"<\0))`O%T:&5S98!T>7!E
M<X!O9H!C;VQL96=E@&%W87)E;F5S\0-)`O'Q`$H"\?$"20+Q9'.`\0-)`O'Q
M`4H"\?$"2P+Q<X#Q`TL"\7!R;V=R86USFX!T:&%T@&AE;'#/G'-T=61E;G3Q
M`$P"\?`<!/#Q`4P"\7.;@&%N9(!F86UI;&EE<X!L96%R;H!W:&%T@'1Y<&5S
M@&]F@&9I;F%N8VEA;(!R97-O=7)C97.`87)E@&%V86EL86)L92[,S)SQ`$@"
M\9O,\0%(`O'Q`$D"\9OQ`4D"\?$`2`+QS/$!2`+Q5&AE<F6;@&%R98!S;X!M
M86YY@&]T:&5R@'!R;V=R86US@'1H<F]U9VAO=72`=&AE@&-O=6YT<GDL@&YO
M=(!J=7-T@&QO8V%L;'DL@'1H872`97AI<W2`9F]R@'1H98"<<V]L9<]P=7)P
M;W-EFX"<;V:`:&5L<&EN9X!O=7*;@&-H:6QD<F5N@'!R97!A<F6`9F]R@&-O
M;&QE9V6`96%R;'DN@(!4:&6`,3DY-X!B=61G972`86YD@'1A>(!C=71S@&%L

M<V_/<')O=FED98"<:&5A;'1H@&EN<W5R86YC98!F;W*`=7";@'1O@#6`;6EL

M;&EO;H!C:&EL9')E;H!A;F2`:6YC;'5D97.`88!P<F]V:7-I;VZ`=&^`96YC

M;W5R86=ESV-O;7!U=&5R@&1O;F%T:6]N<X!T;X!S8VAO;VQS+H"`26Z`861D

M:71I;VXL@&UY@)SP(`3P8V%L;)N`=&^`G&%C=&EO;O`?!/";@'1O@&EM<')O

M=F6`06UE<FEC86Z`961U8V%T:6]NSV5X<&%N9'.`G$AE861S=&%R=)LL@'-E

M='.`=&AE@&=O86R`;V:`;6%K:6YG@'-U<F6`979E<GF`8VAI;&2`<F5A9(!W

M96QL@&)Y@'1H98!E;F2`;V:`=&AE@)PS<F2;@&=R861E+-`#%0``"P`)``'P

M+4`I+``!(!4`T&=E='.`8V]M<'5T97)S@&EN=&^`8VQA<W-R;V]M<RR`86YD

M@&EN8W)E87-E<X!T:&6`;6%X:6UU;8"<4&5L;)N`9W)A;G2`9F]R@&-O;&QE

M9V6`=&^`)#,L#`P+H"`06QSV]F@'1H97-E@&)E;F5F:7)S@&%N9(!T87B`

M8W5T<X!H879E@&]N98!B<F]A9(!G;V%L@(2$@'1O@&=I=F6`<&%R96YT<X!A

M;F2`9F%M:6QI97.`=&AE@'-U<'!O<G2`=&AE><]N965D@'1O@&=I=F6`=&AE

M:7*`8VAI;&1R96Z`88!F:7)S=(!C;&%S<X!E9'5C8711;VZ`86YD@&AO<&6`

M9F]R@'1H98!F=71U<F4NS,Q4;X!R96-E:79E@&&`8V]P>8!O9H!T:&6`;F5W

M@&AA;F1B;V]K@/`@!/!(;W>`=&^`4')E<&%R98!9;W5R@$
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IMFX481JR4006ZU3@PMDF.EOP.GOV> for kincaid_w@a1.eop.gov; Thu,
14 Aug 1997 19:55:52 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMFX43WBGG007HM2@PMDF.EOP.GOV> for
kincaid_w@a1.eop.gov; Thu, 14 Aug 1997 19:55:46 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IMFX3AJCT6002477@STORM.EOP.GOV> for kincaid_w@a1.eop.gov;
Thu, 14 Aug 1997 19:55:06 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id TAA20838; Thu,
14 Aug 1997 19:53:00 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 0000BDF3; Thu,
14 Aug 1997 19:55:17 -0400
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:16-AUG-1997 20:35:00.00

SUBJECT: Details of the Educ tax cuts

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

FYI

Someone found another typo in the NEC "details" document -- it said the student loan interest deduction was only available to filers in the phase-out range. The attached version is corrected.

Pauline


```
begin 666 nectax.731

M_U=00U@#```!"@(!`````@4```#*)`````(``*<#HYY!4P[)R57R0RZ#Y@0!

MGK2?*UA)S#%ZX(WX%.NKE!Y`:96EA)R<!H'+GC.DF;KM2+[T,CR'0OD2((HL

MWP9=DDE(32MMF*^'6,)WD3JUT4O/S-=C+^<:OR*]VD$N0>^;==>9YB'UX-6%

MG"[Q,?]S6U&3D?*D1NRMWBP,)6H`2IAR;<FX*E!]4DL_RI-5COX$(DNJ8AST

MQ.OV1@<]TVFM8*PX;.J`@I%6SP(DG9Q%>&4ZF\T1]7E>J_TW^X^@HEO2)W=O

M4B;O0/!=)%$6\3;[!(WB!HJI"S>WA_D46KEIHBV1;9TQ-K2!M.R/?O<`]I!E

MIHC._HKD6)WSS[\-](+((T5)G@P)6I^Y7R!0,(BS)57E1$[-=%=3T@8/7XIJ

M8"%G<QN6U+:][L;D1[,'N4^+G$>"6&*^/O%*6C;)98CY$&Q`GJCUY)3KWO.C

M:/))*EVP]F%RX.))39C8*%-]D<9;2,_:@FZ7STET72W=MFP/\4;X6Z19HL9-

M(3"SR:7[(3=C7FYM#Q3(PD?N/(0T7H);.L&T8&ZY7VR#%2/TPTG*NB+*L<1/

MQ<3EZ"IM+RS_P)IB#GY+2=+R8#!)FLJ\,QM&XZV<NB_18^#T[%M#B#HP19QG
```

MJKMDC!4+RHD$:O`#2W-5US$"``@```````````````@"`0```!````!P`@``
M`%4!````3@```("```))0$````&````S@(```LP`@```"@```#4`@```"<!
M````0`````/P"````(-`$````4`````/`,```@%`0````@```!0`P```"#-\"@`
M``(``/L`````!`"@`UA[##SD(```1"0```%H`"P$`BQ0V`%0`:0!M`&4`<P`@
M`$X`90!W`"``4@!O`&T`80!N`"``4@!E`&<`=0!L`&$`<@```````````$`
M`@!8`@$````$`"@`````````````````````````1("`"0`H0```*$````*
M````\@`!`$4`\P`!`$4`]``"```(`]0`!`$4`]@`!``(`]P`!`$0`^```!``(`
M^0`!`$0`^@`$`&(`^P`#`&$`Q77R(@`````%(0$((@$"(P$!)`$!``0``@``
M`-T*$`"#`00``P`"``"$0`-W="PL``P``!`L`W?$`^P#QF]$`#@```@!8`K`$
M#@#1F_$!^P#QT@`.````",`#L`0.`-+2`0X```(`.`2P!`X`TO$`^@#QT0$.
M````".`!L`0.`-'Q`?H`\9OQ`/H`\9SQ`?H`\?$"^@#QT0$.````".`!L`0.
M`-'Q`_H`\?$`^P#Q\0+Z`/&<\0/Z`/'Q`?L`\?$"^P#QT0`.````".`!L`0.
M`-'Q`_L`\=,%#```0`"```P`TX#R#/)$151!24Q3@$].@%1(18!%1%5#051)
M3TZ`251%`24Z`5$A%@%1!6(!"24Q,\PSST`05```+``D``>`!```````$@
M%0#0TP40``8!````"N@```!``TX"`@("`S/(,\E1(18!(3U!%@%-#2$],05)3
M2$E0@$%.1(!,249%5$E-18!,14%23DE.1X!#4D5$250Z\PSS@("`1G)O;8!T
M:&6`8F5G:6YN:6YG+-`!%0``"P`)``&\`]P!`@`!(!4`T`!R;VUO=&EN9X!E
M>'!A;F1E9(!E9'5C871I;VYA;(!O<'!O<G1U;FET>8!H87.`8F5E;H!T:&6`
M8V5N=&5R<&EE8V6`;V:`4')E<VED96YT@$-L:6YT;V[P"`3P<X!B=61G973/
M86YD@&AI<X!M:61D;&6`8VQA<W.`=&%X@&-U=(!P<F]P;W-A;"Z`@(!4:&6`
M4')E<VED96YT@&AA<X!L;VYG@'5N9&5R<W1O;V2`=&AA=(!T:&6`96-O;F]M
M>8!I<\]C:&%N9VEN9X!A;F2`=&AA=(!P96]P;&6`;75S=(!H879E@'1H98!O
M<'!O<G1U;FET>8!T;X!E;FAA;F-E@'1H96ER@'-K:6QL<X!T:')O=6=H;W5T
M@'1H96ER@'=O<FMI;F?/;&EV97,N@(!4:&ES@&ES@'=H>8!T:&6`4')E<VED
M96YT@&EN<VES=&5D@'1H870L@&EN@&%D9&ET:6]N@'1O@'1H98!(3U!%@%-C
M:&]L87)S:&EP@&9O<H!T:&6`9FER<W2`='=OSWEE87)S@&]F@&-O;&QE9V4L
M@'1H98!T87B`8FEL;(!M=7-T@&EN8VQU9&6`88!T87B`8W5T@&9O<H!L:69E

M=&EM98!L96%R;FEN9RZ`@%1H98!F:6YA;(!T87B`8W5T@&)I;&R`96YA8W1S
MSW1H98!0<F5S:61E;G3P"3P<X!P<F]P;W-A;',N@(!7:&5N@&9U;&QY@'!H
M87-E9(!I;BR`,3(N.8!M:6QL:6]N@'-T=61E;G1S@&%R98!E>'!E8W1E9(!T
M;X!B96YE9FET@"TM@#4N.,]M:6QL:6]N@&-L86EM:6YG@'1H98!(3U!%@%-C
M:&]L87)S:&EP+(!A;F2`-RXQ@&UI;&QI;VZ`8VQA:6UI;F>`=&AE@$QI9F5T
M:6UE@$QE87)N:6YG@$-R961I="[,@("`@(#,@/``!/#@,`P`````&`8,`.#R
M#/(D,2PU,#"`2$]018!38VAO;&%R<VAI<(!T;X!M86ME@'1H98!F:7)S=(!T
M=V^`>65A<G.`;V:`8V]L;&5G98!U;FEV97)S86QL>8!A=F%I;&%B;&4N\PSS
M@-`!%0``"P`)``$,#"P*"P`!(!4`T$9O<H!S='5D96YT<X!I;H!T:&6`9FER
M<W2`='=O@'EE87)S@&%]F@&-O;&QE9V6`*&]R@&]T:&5R@&5L:6=I8FQE@'!O
M<W0M<V5C;VYD87)Y@'1R86EN:6YG*2S/=&%X<&%Y97)S@'=I;&R`8F6`96QI
M9VEB;&6`9F]R@&&`=&%X@&-R961I=(!E<75A;(!T;X`Q,#`E@&]N@'1H98!F
M:7)S=(`D,2PP,#";V:`='5I=&EO;H!A;F2`9F5E<V]A;F2`-3`E@&]N@'1H
M98!S96-O;F2`)#$L,#`P@"AT:&6`86UO=6YT<X!A<F6`:6YD97AE9(!F;W*`
M:6YF;&%T:6]N@&%F=&5R@#(P,#$I+H"`5&AE@&-R961I=(!W:6QL@&)E@&%V
M86EL86)L98!O;H!A@'!E<BUS='5D96YT@&)A<VES@&9O<H!N972`=&5I=&EO
M;H!A;F2`9F5E<X`H;&5S<X!G<F%N=(!A:60I@'!A:62`9F]R@&-O;&QE9V7/
M96YR;VQL;65N=(!A9G1E<H!$96-E;6)E<B`S,2R`,3DY-RZ`@%1H98!C<F5D
M:72`:7.`<&AA<V5D@&]U=(!F;W*`:F]I;G2`9FEL97)S@&)E='=E96Z`)#@P
M+#`P,",]A;F2`)#$P,"PP,#";V:`:6YC;VUE+(!A;F2`9F]R@'-I;F=L98!F
M:6QE<G.`8F5T=V5E;H!D-#`L,#`P@&%N9(`D-3`L,#`P@"AI;F1E>&5D@&%F
M=&5RSS(P,#$I+H"`5&AE@&-R961I=(!C86Z`8F6`8VQA:6UE9(!I;H!T=V^`
M=&%X86)L98!Y96%R<X`H8G5T@&YO=(!B97EO;F2`=&AE@'EE87*`=VAE;H!T
M:&7/<W1U9&5N=(!C;VUP;&5T97.`=&AE@&9I<G-T@'1W;X!Y96%R<X!O9H!C
M;VQL96=E*8!W:71H@')E<W!E8W2`=&^`86YY@&EN9&EV:61U86R`96YR;VQL
M962`;VZ`873/;&5A<W2`88!H86QF+71I;66`8F%S:7.`9F]R@&%N>8!P;W)T
M:6]N@&]F@(!T:&6`>65A<B[0!!<```T`"P`"&`:@(Q@&H","(!<`T("`@("

MS/``!/#@,`P`````&`8,`.#R#/),:69E=&EM98!,96%R;FEN9X!#<F5D:72`
M9F]R@$-O;&QE9V6`2G5N:6]R<RR`4V5N:6]R<RR`1W)A9'5A=&6`4W1U9&5N
M='.`86YD@'=O<FMI;F?0`14```L`"0`!-!94%!8``2`5`-!!;65R:6-A;G.`
M<'5R<W5I;F>`;&EF96QO;F>`;&5A<FYI;F>`=&^`=7!G<F%D98!T:&5I<H!S
M:VEL;',N@/,,\X"`1F]R@'1H;W-E@&)E>6]N9(!T:&6`9FER<W30`14```L`
M"0`!)!=$%1<``2`5`-!T=V^`>65A<G.`;V:`8V]L;&5G92R`;W*`=&%K:6YG
M@&-L87-S97.`<&%R="UT:6UE@'1O@&EM<')O=F6`;W*`=7!G<F%D98!T:&5I
M<H!J;V*`<VMI;&QS+(!T:&7/9F%M:6QY@'=I;&R`<F5C96EV98!A@#(P)8!T
M87B`8W)E9&ET@&9O<H!F:7)S=(`D-2PP,#"`;V:`@'1U:71I;VZ`86YD@&9E
M97.`=&AR;W5G:(`R,#`R+(!A;F2`9F]RSW1H98!F:7)S=(`D,3`L,#`P@'1H
M97)E869T97(N@%1H98!C<F5D:72`:7.`879A:6QA8FQE@&9O<H!N972`='5I
M=&EO;H!A;F2`9F5E<X`H;&5S<X!G<F%N=(!A:60I@'!A:63/9F]R@'!O<W0M
M<V5C;VYD87)Y@&5N<F]L;&UE;G2`869T97*`2G5N98`S,"R`,3DY."Z`@%1H
M98!C<F5D:72`:7.`879A:6QA8FQE@&]N@&&`<&5R+71A>'!A>65RSRAF86UI
M;'DI@&)A<VES+(!A;F2`:7.`<&AA<V5D@&]U=(!A=(!T:&6`<V%M98!I;F-O
M;66`;&5V96QS@&%S@'1H98!(3U!%@%-C:&]L87)S:&EP+M`$%P``#0`+``(8
M!J`C&`:@(P(@%P#0@("`@(#,\@SR3U1(15*`5$%8@$-55%.`1D]2@$A)1TA%
M4H!%1%5#051)3TZ`!`L`"0`!G!V\&QX``2`5`-"`@("`@,SP``3P
MX#`,`````!@&#`#@\@SR161U8V%T:6]N@%-A=FEN9W.`06-C;W5N=',N\PSS
M@(!&;W*`96%C:(!C:&EL9(!U;F1E<H!A9V6`,3@L@&9A;6EL:65S@&UA>8!D
M97!O<VET@"0U,#"`<&5RT`$5```+``D``70?E!T@``$@%0#0>65A<H!I;G1O
M@&%N@$5D=6-A=&EO;H!)4D$N@$5A<FYI;F=S@'=O=6QD@&%C8W5M=6QA=&6`
M=&%X+69R966`86YD@&YO@'1A>&5S@'=I;&R`8F6`9'5ESW5P;VZ`=VET:&1R
M87=A;(!F;W*`;F5T@'!O<W0M<V5C;VYD87)Y@&5X<&5N<V5S@&9O<H!T=6ET
M:6]N+(!F965S+(!B;V]K<RR`97%U:7!M96YT+(!A;F3/<F]O;8!A;F2`8F]A
M<F2`*&=E;F5R86QL>8!L:6UI=&5D@'1O@'1H98!P;W-T962`<F]O;8!A;F2`
M8F]A<F2`8VAA<F=E<X!O9H!T:&6`:6YS=&ET=71I;VXI+H#/5&AE@$5D=6-A

```
M=&EO;H!)4D&`:7.`<&AA<V5D@&]U=(!F;W*`9F%M:6QI97.`=VET:(!I;F-O
M;65S@&)E='=E96Z`)#$U,"PP,#"`86YD@"0Q-C`L,#`P+,]A;F2`9F]R@'-I
M;F=L98!F:6QE<G.`8F5T=V5E;H`D.34L,#`P@&%N9(`D,3$P+#`P,"Z`@$&`
M=&%X<&%Y97*`=VAO@'5S97.`=&%X+69R967/9&ES=')I8G5T:6]N<X!F<F]M
M@&%N@$5D=6-A=&EO;H!)4D&`;6%Y@&YO="R`:6Z`=&AE@'-A;66`>65A<BR`
M8F5N969I=(!F<F]M@'1H98!(3U!%SU-C:&]L87)S:&EP@&]R@$QI9F5T:6UE
M@$QE87)N:6YG@$-R961I="[0!!<```T``P``&`:@(Q@&H","(!<`T,SP``3P
MX#`,`````!@&#`#@\@SR4W1U9&5N=(!,;V%N@$EN=&5R97-T@$1E9'5C=&EO
M;BZ`@/,,\T%L;&]W<X!A;H!A8F]V92UT:&4M;&EN98!D961U8W1I;VZ`*'1H
M98!T87AP87EE<H!D;V5ST`$5```+``D``<0GY"4I``$@%0#0;F]T@&YE962`
M=&^`:71E;6EZ98!I;H!O<F1E<H!T;X!B96YE9FET*8!F;W*`:6YT97)E<W2`
M<&%I9(!I;H!T:&6`9FER<W2`-C"`;6]N=&AS@&]F@')E<&%Y;65N=(!O;L]P
M<FEV871E@&]R@&=O=F5R;FUE;G0M8F%C:V5D@&QO86YS@'!O<W0M<V5C;VYD
M87)Y@&5D=6-A=&EO;H!A;F2`=')A:6YI;F>`97AP96YS97,N@(!4:&7/;6%X
M:6UU;8!D961U8W1I;VZ`:7.`)#$L,#`P@&EN@#$Y.3@L@"0Q+#4P,(!I;H`Q
M.3DY+(`D,BPP,#"`:6Z`,C`P,"R`86YD@"0R+#4P,(!I;H`R,#`Q,#QSV%N9(!B
M97EO;F0N@("<\0+T`/%4:&6`9&5D=6-T:6]N@&ES@/$#]`#Q\0#U`/'Q`O0`
M\6;Q`_0`\?$!]0#Q\0+V`/%P:&%S962`;W5T@&9O<H#Q`_8`\?$`]P#Q272;
M@&ESFX!A=F%I;&%B;&6;@'1OFX!J;VEN\0'W`/'Q`O@`\6IO:6[Q`_@`\72;
M@&9I;&5R<X!W:71H@&EN8V]M98!B971W965N@"0V,"PP,#"`86YDSR0W-2PP
M,#`L@&%N9("<\0#Y`/%T;YN`\0'Y`/%S:6YG;&6;@&9I;&5R<X!W:71H@&EN
M8V]M98!B971W965N@"0T,"PP,#"`86YD@"0U-2PP,#"`*&EN9&5X962`869T
M97*`,C`P,BDN@,]4:&6`9&5D=6-T:6]N@&ES@&%V86EL86)L98!F;W*`;&]A
M;G.`;6%D98!B969O<F6`;W*`869T97*`96YA8W1M96YT@&]F@'1H:7.`<')O
M=FES:6]N+(!B=72`;VYL><]T;X!T:&6`97AT96YT@'1H872`=&AE@&QO86Z`
M:7.`=VET:&EN@'1H98!F:7)S=(`V,(!M;VYT:'.`;V:`<F5P87EM96YT+H"`
M5&AE@&QO86Z`86UO=6YT@&5L:6=I8FQESV9O<H!T:&6`9&5D=6-T:6]N@&ES
```

```
M@&QI;6ET962`=&^`;F5T@'!O<X!T+7-E8V]N9&%R>8!E>'!E;G-E<X!F;W*`
M='5I=&EO;BR`9F5E<RR`8F]O:W,L@&5Q=6EP;65N="S/<F]O;2R`86YD@&)O
M87)D@"AL:6UI=&5D@'1O@'1H98#P(`3P8V]S=(!O9H!A='1E;F1A;F-E\!\$
M\(!C=7)R96YT;'F`=7-E9(!F;W*`1F5D97)A;(!S='5D96YT@&%I9,]P<F]G
M<F%M<RDNT`8?```5`!,``0`Q("\S``$"&`:@(Q@&H","(!\`T("`@("`S/``
M!/#@,`P`````&`8,`.#R#/))4D&`5VET:&1R87=A;',N@(#S#/-487AP87EE
M<G.`;6%Y@'=I=&AD<F%W@&9U;F1S@&9R;VV`86Z`25)!+(!W:71H;W5T@'!E
M;F%L='DL@&9O<H!T:&70`14```L`"0`!S`+L``$``2`5`-!H:6=H97*`961U
M8V%T:6]N@&5X<&5N<V5S@&]F@'1H98!T87AP87EE<BR`<W!O=7-E+(!C:&EL
M9"R`;W*`9W)A;F1C:&EL9"Z`@%1H98!A;6]U;G2`=&AA=(!C86[/8F6`=VET
M:&1R87=N@'=I=&AO=72`<&5N86QT>8!I<X!L:6UI=&5D@'1O@&YE=(!P;W-T
M+7-E8V]N9&%R>8!E>'!E;G-E<X!F;W*`='5I=&EO;BR`9F5E<RS/8F]O:W,L
M@&5Q=6EP;65N="R`86YD@')O;VV`86YD@&)O87)D@"AG96YE<F%L;'F`;&EM
M:71E9(!T;X!T:&6`<&]S=&5D@')O;VV`86YD@&)O87)DSV-H87)G97.`;V:`
M=&AE@&EN<W1I='5T:6]N*2[0!!<```T`"P`"&`:@(Q@&H","(!<`T("`@("`
MS/``!/"`X#`,`````!@&#`#@\@SR16UP;&]Y97(M4')O=FED960`161U8V%T
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end=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IMJSTRI3G0006YBS@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Sun,

 17 Aug 1997 14:36:04 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
 by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMJSTQ7H74002B4C@PMDF.EOP.GOV> for
 Robert_M._Shireman@oa.eop.gov; Sun, 17 Aug 1997 14:36:01 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
 by STORM.EOP.GOV (PMDF V5.1-7 #6879)
 with ESMTP id <01IMJSTNU79E002CL5@STORM.EOP.GOV> for
 Robert_M._Shireman@oa.eop.gov; Sun, 17 Aug 1997 14:35:59 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
 by vader.ed.gov (8.8.5/8.8.4) with SMTP id OAA02312 for
 <Robert_M._Shireman@oa.eop.gov>; Sun, 17 Aug 1997 14:33:49 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
 (IMA Internet Exchange 2.11 Enterprise) id 0000D565; Sun,
 17 Aug 1997 14:36:07 -0400
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Kirk_Winters (Kirk_Winters@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:25-AUG-1997 12:14:00.00

SUBJECT: Re: Ed tax cuts--final--NOTE NEW TITLE

TO: William R. Kincaid (William R. Kincaid@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

Bill, thank you for the 3 files (documents) you sent on the 15th (including this one). I've been out of the office for 2 weeks (vacationing in the lovely KC & NYC) & am trying to assemble an ED Initiatives. Can you tell me, are any of the 3 files available online at this time? I'd like to put a "teaser" in ED Initiatives, with the URL where readers can get the full document. Also, I don't want to make any factual mistakes; are the 3 files you sent the final versions of those 3 documents? Is there one (among the 3) that I should rely on most for language (for ED Initiatives)? Thanks! Kirk

______________________________ Reply Separator

____

Subject: Ed tax cuts--final--NOTE NEW TITLE

Author: William_R._Kincaid@oa.eop.gov at Internet

Date: 8/15/97 3:02 PM

Message Creation Date was at 15-AUG-1997 15:02:00

NEC worked the title out with Treasury, plus other changes--text
follows--press
one pager notes this is a supplement to the handbook.

A SUMMARY OF THE EDUCATION TAX CUTS
IN THE 1997 BALANCED BUDGET PLAN

Many new tax benefits for adults who want to return to school and for
parents
who are sending or planning to send their children to college will be
available
due to the balanced budget signed into law in August, 1997. These changes
are
the largest investment in higher education since the passage of the G.I.
Bill
in 1945.

These tax cuts essentially make the first two years of college universally
available, and they will give many more working Americans the financial
means
to go back to school if they want to choose a new career or upgrade their
skills. When fully phased in, 12.9 million students are expected to
benefit --
5.8 million under the HOPE Scholarship tax credit, and 7.1 million

claiming the

Lifetime Learning tax credit.

Up to a $1,500 tax credit for students starting college

The HOPE Scholarship tax credit helps make the first two years of college universally available. Students will receive a tax credit of 100% on the first

$1,000 of tuition and required fees and 50% on the second $1,000. This tax

credit will be available for payments after December 31, 1997 for college enrollment after that date. This credit is available for tuition and required

fees less grants, scholarships, and other tax-free educational assistance. A

high school senior going into his or her freshman year of college in September,

1998, for example, could be eligible for as much as a $1,500 tax credit.

A married couple with an adjusted gross income of $60,000 and two children in

college at least half-time, one at a community college with a tuition of $2,000

and the other a sophomore at a private college with $11,000 tuition, would have

their taxes cut by as much as $3,000.

This credit is phased out for joint filers between $80,000 and $100,000 of adjusted gross income, and for single filers between $40,000 and $50,000. The credit can be claimed in two taxable years for students who are in their first two years of college or vocational school and who are enrolled on at least a half-time basis for any portion of the year.

The Lifetime Learning tax credit

This tax credit is targeted to adults who want to go back to school to upgrade their skills and to college juniors, seniors, graduate and professional students, mid-career changers and those who want to take a course or two. A family will receive a 20% tax credit for the first $5,000 of tuition and required fees paid each year through 2002, and for the first $10,000 thereafter. The Lifetime Learning tax credit is available for tuition and required fees less grants, scholarships, and other tax-free educational assistance, just like the HOPE tax credit, for amounts paid on or after July 1, 1998 for post-secondary enrollment beginning on or after July 1, 1998. The credit is available on a per-taxpayer (family) basis, and is phased out at the same income levels as the HOPE Scholarship tax credit throughout their lifetime. Families will be able to claim the Lifetime Learning tax credit for some members of their family and the HOPE Scholarship tax credit for others who qualify.

Returning to school full-time to become a teacher: A homemaker, whose family has an adjusted gross income of $70,000, wants to attend a graduate teacher training program at a public university after being out of college for 20 years ($3,500 tuition). Her family !,s income taxes would be cut by as much as $700.

Automobile Mechanic: A married man, whose wife works part-time, and who has two grown children and an adjusted gross income of $32,000, is going back to a local technical college to take some computer classes with a tuition of $1,200. This family would have their taxes cut by as much as $240.

Parents and grandparents can create education IRAs and make penalty-free withdrawals from other IRAs

Beginning January 1, 1998, taxpayers may withdraw funds from an IRA, without penalty, for the higher education expenses of the taxpayer, a spouse, a child, and even a grandchild. For each child under age 18, families may also deposit $500 per year into an Education IRA in the child !,s name. Earnings will accumulate tax-free and no taxes will be due upon withdrawal for post-secondary expenses for tuition and required fees (less grants, scholarships, and other tax-free educational assistance), books, equipment, and eligible room and board if used before the age of 30.

A taxpayer !,s ability to contribute to an Education IRA is phased out when the taxpayer has adjusted gross income between $150,000 and $160,000 for joint filers, and for single filers between $95,000 and $110,000. There are a few restrictions. A taxpayer, for example, who uses the tax-free distributions from an Education IRA may not, in the same year, benefit from the HOPE Scholarship or Lifetime Learning Credit.

Expanded benefits for qualified State tuition plans

This provision allows qualified State-sponsored tuition plans -- the earnings from which are not taxed until the time of withdrawal as a result of a law passed last year -- to include savings for certain room and board expenses for students who attend on at least a half-time basis. Withdrawals are eligible for the HOPE Scholarship tax credit and Lifetime Learning tax credit.

Paying back student loans at less cost

For many college graduates, one of their first financial obligations is to pay off their student loans, which average about $13,500. This provision will reduce the burden of this obligation by allowing students or their families to take a tax deduction for interest paid in the first 60 months of repayment on student loans.

A senior graduates from college and finds a job paying $25,000 a year (an has no other income). The student has a total student debt of $13,500 and is in

the

15% federal income tax bracket. The monthly payment for this student !,s

loans

is $166. The total amounts of payments for the year is $1,992, over half

of

which is interest --$1,080 --which can be deducted under the new law. The

student !,s maximum tax benefit will can be calculated by multiplying

$1,080 by

15%: for a savings of $162 (for years after 1998).

The maximum deduction is $1,000 in 1998, $1,500 in 1999, $2,000 in 2000,

and

$2,500 in 2001 and beyond. It is phased out for joint filers with

adjusted

gross income between $60,000 and $75,000, and single filers between

$40,000 and

$55,000. The deduction is also available for all educational loans, such

as

student, parent, federal and nonfederal loans, made before August of 1997

when

the tax cuts became law but only to the extent that the loan is within the

first 60 months of repayment.

Going to school while you work

The tax relief bill extends Section 127 of the tax code for three years for

undergraduate education (for courses beginning prior to June 1, 2000).

This

provision allows workers to exclude up to $5,250 of employer-provided

education

benefits from their income. This provision will enable many Americans to

pursue their goals of lifelong learning.

- Community service loan forgiveness

This provision excludes from income student loan amounts forgiven by

non-profit, tax-exempt charitable or educational institutions for

borrowers who

take community-service jobs that address unmet needs.

The balanced budget bills signed by President Clinton include many other

provisions that will help all of the young people in America to grow and

learn

and help families navigate through these changing times. For example, the

law

provides $24 billion to provide health insurance to as many as 5 million

more

children. The tax cut bill includes a provision to encourage computer

donations to schools. The balanced budget agreement protects and advances

President Clinton !,s top domestic priorities, such as an expansion of

Head

Start, and an increase in the maximum Pell grant for college to $3,000.

All of

these benefits and tax cuts have one goal: to give parents the support

they

need to give their children a first class education and hope for the

future.

Sincerely,

Richard

W.

Riley

U.S.

Secretary

of Education

For additional information on meeting the costs of college and lifelong

learning for you, your children and grandchildren please call:

1-800-USA-LEARN.

The following attachments were included with this message:

TYPE : FILE

NAME : famlytax.fin

_________________________________=================== ATTACHMENT 1
===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IMUUGZHZ28008VCX@PMDF.EOP.GOV> for "William R. Kincaid"@oa.eop.gov; Mon,

25 Aug 1997 12:21:44 -0400 (EDT)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMUUGXPELS00723L@PMDF.EOP.GOV> for
William_R._Kincaid@oa.eop.gov; Mon, 25 Aug 1997 12:21:41 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IMUUG7G6DA002Z7C@STORM.EOP.GOV> for
William_R._Kincaid@oa.eop.gov; Mon, 25 Aug 1997 12:21:09 -0400 (EDT)
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by vader.ed.gov (8.8.5/8.8.4) with SMTP id MAA09079 for
<William_R._Kincaid@oa.eop.gov>; Mon, 25 Aug 1997 12:18:52 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 00015AAC; Mon,
25 Aug 1997 12:19:50 -0400
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Patricia_Brennan (Patricia_Brennan@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:26-AUG-1997 11:13:00.00

SUBJECT: speech

TO: Suzanne Dale (Suzanne Dale@eop [UNKNOWN])
READ:UNKNOWN

TEXT:
How's this??

BACK TO SCHOOL STUMP SPEECH

Back-to-school season is always an exciting time for students.

But

it's also a time when parents, older Americans, businesses, and community groups also focus their attention on education. And that makes it a good time to invite everyone to become involved in activities to support their schools. That's what I'd like to talk with you about today. Thank you for inviting me to be with you.

This new school year is more important than ever. You see, poll after poll shows that the American people are "into" education as never before. They often say it's the most important issue in our nation today.

So there is no better time than now for educators, parents, business people, and community leaders like yourselves to reach out and get more caring citizens involved in your schools. You will be greatly rewarded.

A survey done by Money magazine found that good schools and good school districts are places where parents, families, and community members really get involved in education. The magazine discovered that it doesn't matter whether a school is "rich or poor," located in the suburbs or the inner city, or whether it meets any other demographic category. All schools do better when families and the larger community pitch in to help.

A second good reason to reach out now is the availability of very significant resources to help American families pay for college. Students who work hard and prepare themselves academically can take advantage of new tax cuts to meet tuition costs, as well as improvements in the financial aid system. You can now say to your young people, "If you study hard, and take the rigorous core academic courses in middle school and high school that you need to get into college, you'll be able to go to at least two years of college --and there'll be help to get you through the next two years as well."

You see, starting in 1998, there will be a tax credit up to $1,500 for the first two years of college for working and middle income parents. This is just about the cost of the average community college in America. So this tax credit can make two years of college absolutely free --or it can significantly reduce the cost of going to a 2-or 4-year school.

Here's the way this tax credit works. If you spend $2,000 on tuition and fees, you can reduce the amount of tax you owe by $1,500.

And that goes for each child.

We've also created a new Lifetime Learning Credit for college juniors and seniors, graduate students, and adults who want to return to school to enhance their skills or get a degree. Under this initiative, families can get a 20 percent tax credit on the first $5,000 of tuition and fees. By the year 2003, that credit will apply to $10,000 in tuition and fees.

These tax cuts can be supplemented by Pell Grants and work-study opportunities for students who come from families that are strapped for resources. This fall we will be providing the largest increase in Pell grants in two decades by raising the maximum Pell Grant award to $3,000 per year, and expanding the number of work-study slots. So there are more opportunities for very needy students.

Families can also take advantage of an education savings plan for the first time. You can open up a brand new education IRA which will allow you to invest $500 per child every year to build up money, tax-free, for college. If a student borrows money for college, the interest on these loans will now be tax-deductible.

We have a packet available that explains all this and it's called, "Getting Ready for College Early". (Or -To get a copy, you can call the U. S. Department of Education at 1-800-USA-LEARN or 1-800-4FED-AID).

Almost all parents want their children to go to college, but we must realize that preparation for college doesn't begin in the 12th grade. We need to focus on learning in every grade and make sure that every student has the academic background necessary to go to college and navigate these changing times.

President Clinton has laid out a bold, 10-point "Call To Action for American Education" that challenges all communities to give their students the very best education. (Optional -A handbook describing all 10 issues and offering ideas and resources to address these issues is included in our "America Goes Back To School `97" kit.) Or -- You can also get it by calling the U. S. Department of Education at 1-800-USA-LEARN) Because our time is limited, let me just mention a few of these action items.

One pivotal point in a child's education is reading. Every child should read well and independently by the end of third grade or by the start of the fourth grade. If children cannot read, they cannot learn the history, geography, literature, science, and other subjects they must study starting in 4th grade. Students who have problems with reading at this point often get frustrated and start to turn off to education. They sometimes even turn to truancy and delinquency and end up being drop-outs.

The starting point for good reading is really the home, in the child's early years. Parents must read to, sing to, and talk to their babies. The new scientific research on how babies' brains develop tells us that this is very important. When babies' minds are stimulated, they can turn into learning machines. When their minds aren't stimulated, their ability to learn can be harmed.

When children are older, they also need their parents to interact with them and care about their education. So I would ask all parents --please --try to slow down your lives and read with your children and help them with their homework. Try to spend at least 30 minutes a day supervising their learning.

The home is where things should start, but we also need an all-out effort in every school and in the community to help children learn to read. We have a proposal that can make this happen --the "America Reads Challenge."

"America Reads" will train and organize reading tutors throughout each community. These tutors will work with teachers to give children extra practice with their reading. Tutors will work with children after school and over the weekends and summers. I urge you to help organize your community and make it an "America Reads" community. Please consider becoming a tutor yourself --it can be an extremely rewarding experience.

Through "America Reads" or other community literacy efforts, you can start after-school, weekend and summer reading clubs. Homework centers and tutoring sessions are also great ways to help children read, and these efforts can involve grandparents and religious, library, cultural, civic, and other organizations. The Scouts and the Boys and Girls Clubs can get involved, too, as well as college students. College students can now work free of charge as reading tutors in elementary schools, and many are coming forward to do just that. (Optional: I am so proud of ____ colleges in this area that have agreed to provide work-study students for this worthy purpose).

You will be interested to know that we have before Congress right now a funding request for $260 million for the America Reads Challenge. This would help fund school-community partnerships to start or expand after-school and summer reading opportunities for children who need it. It is very important, and I hope you will watch this with interest because so far the Congress wants to delay the America Reads Challenge until 1999. But our kids need it now!

Our research shows that the next pivotal point on the road to college and to good careers is mastering basic math, including algebra, by the end of grade 8. The largest and most recent international study--The Third International Math and Science Study--found that 4th-grade American students for the first time scored above the international average in math and science--at almost the very top in science! We should all be very proud of this achievement in our large, diverse country.

However, our 8th-grade math scores weren't as good--we scored just below the international average. The study found that in the high-scoring countries--and in some of our high-scoring schools here in America--most 8th-grade students studied algebra. However, only about 20 percent of all American 8th-graders even take algebra.

Other studies also tell us that algebra in the 8th grade is a

"gate

opening" course. Taking and passing algebra in 8th grade opens the gate for further opportunity to take a whole series of rigorous math and science courses in high school, and they also have the flexibility and time in their schedule to take English, foreign languages, the arts, social studies, and career-related courses. Mastering math by 8th grade is a strong predictor of future achievement and college success. So I urge you to check to see if almost all of your 8th graders are enrolled in algebra which will put them on the right track for getting ahead.

The President has announced an initiative to help make sure that all our students are meeting high standards in reading and math. For the first time ever in America, and starting in 1999, interested schools will have the opportunity to participate in a voluntary 4th-grade national reading test and 8th-grade national math test. The tests will inform parents, teachers, principals and students about how well they're doing, and it will help pinpoint areas where we need to improve. We think that rigorous tests like these will lift student achievement. We've known that when you raise expectations and standards in education, students are motivated to work harder and learn more.

Many middle and junior high school students need extra encouragement and support. These can be difficult years. So we need to strengthen our math and other middle school programs and make them more hands on, engaging and challenging. We need "math coaches" and mentors from business, civic and religious organizations. Vice President Gore recently released a summary of middle school parents that showed that 76 percent wanted after-school programs and would even be willing to pay yet only 39 percent of the parents had after-school programs available. Working together schools, parents, and community and business organizations should be able to find ways to keep schools open as safe havens for learning after regular hours.

Here, too, we have a request of $50 million before Congress that could help. It's called the Community Learning Centers. The House has approved all $50 million, but the Senate has given us only $1 million so far.

Sometimes I think we don't ask enough of our kids. Children are very observant, and they notice what adults consider important, and what they ignore. And when adults show children that education is important, children usually respond to the challenge by taking their learning more seriously. Let's do the right thing by our children and test them to make sure they're mastering the basics. And then let's help those students who need extra help. (Optional -I urge you to participate in these tests and to ask your school districts and state to sign up. Or --(b) I want to thank this district and/or state for accepting this challenge and taking the tests. Even if the first

results show that you are not where you want to be, they will tell

you

where you need to improve and that's the way to make progress.)

Let me close by asking all of you to remain mobilized. Strong

schools and strong communities go together. You can't have one

without the other. So urge everyone in (name of community) to get

involved. Back-to-school time is a great time to make better

educ==================== ATTACHMENT 1 ====================
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